

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019 CITY OF PLEASANTON, CALIFORNIA



City of Pleasanton

Pleasanton, California

Comprehensive Annual Financial Report

For the year ended June 30, 2019

Prepared by the Finance Department

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City of Pleasanton

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

December 20, 2019

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2019. 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, 2019.

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.

Maze and Associates Accountancy Corporation (Maze and Associates), 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, 2019, 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 City's overall financial management. Maze and Associates, 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, 2019, 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. That said, the City's expenditure of federal funds in FY 2018/19 did not meet the threshold required to conduct a Single Audit. Thus, Maze and Associates will not issue the Single Audit report for FY 2018/19.

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 79,259. 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 (PJFPA) as component units. The Housing Authority and the PJFPA 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 PJFPA 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 a 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 increase 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 56,000 employees working within 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 that 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 2019, Pleasanton had one of the highest median household incomes in the nation (in cities with populations from 65,000 to 249,999) at approximately \$138,269.

We are pleased to say, Pleasanton's economy continues to be robust:

- Median home price values in 2019 were \$1,106,300, which is \$146,700 or 11.7% less than they were in 2018.
- The unemployment rate is 2.9%, down from a high of 8.8% in 2010 and the same as in June of 2018.
- Office vacancies are 9.6%, down from 18.5% in 2011.

Commercial Office Activity

Across Pleasanton's 15.2 million square feet, the overall office vacancy rate at the end of 2018 was 9.2%, up a few percentage points when compared to the 6.1% vacancy rate at the same time one year earlier. At mid-year 2019, the vacancy rate remained effectively flat at 9.6%.

Specific to Pleasanton Class A space, which comprises almost 6.4 million square feet of commercial office inventory in the city, average asking rents were up slightly to \$3.01 per square foot (from \$2.94) full-service gross. The Class A vacancy rate ended 2018 at 9.5%, with negative net absorption for the year at 256,520 square feet due primarily to giving up of space by State Farm Insurance (12,027 square feet), SmartZip (21,255 square feet), and Ellie Mae (74,001 square feet). At the same time, there were numerous leases signed including Blume Global (13,016 square feet), Micro Focus (25,640 square feet), Nolo (31,989 square feet), Collaborative Solution (11,750 square feet) and Hitachi High Technologies (11,650 square feet). Interestingly, most Class A available vacant spaces are under 5,000 square feet, which helps to bring new companies into the city but at the same time constrains options for existing companies to expand.

Class B properties comprise about 2.8 million square feet of Pleasanton's commercial office space inventory. Average asking rents for Class B closed 2018 at \$2.58 per square foot full-service gross, unchanged from the year prior, and the vacancy rate was 12.1%, up 2% from 2017's year-end 10.4%

vacancy rate. Rates further settled at 10.1% at mid-year 2019 primarily given the 394,000 square foot warehouse/distribution building vacated by Veritiv. Nonetheless, Class B net absorption for 2018 was a minimal negative 6,833 square feet of absorption for the year due to numerous companies' rightsizing of space and relocation within the city. Notable activity included ApexChat's lease of 6,476 square feet at Foothill Corporate, adding to the growing tenant mix in the Stoneridge commercial area; renewal by Kapsch Trafficcom, USA of its 21,241 square foot space; a new lease location of 20,011 square feet to IronPlanet; Westcor's lease of 90,269 square feet to Cheetah; and leasing of 13,224 square feet by VentureX as the first operator of shared-space "pool" in the Tri-Valley. With other shared-space operators poised to dive into the Tri-Valley, there could be 150,000 to 175,000 square feet of this new market concept of co-working space potentially coming to the market, which could stimulate a trend for the Tri-Valley of high-end office sharing spaces at higher asking rates. Additionally, several investment sales highlight positive annual activity including Hensel Phelps' purchase of a two-story 48,502 square foot building in Hacienda, purchase of the 269,913 square foot Britannia Business Center by Pearlmark Real Estate Partners, and purchase of the former county courthouse building by NorCal District Council of Laborers as it consolidates its Pleasanton and Fairfield offices.

Office/flex average asking rents closed 2018 at \$2.08 (from \$2.39) per square foot with 24,057 square feet of positive net absorption helping to erode the annual negative total net absorption of 122,638 square feet. Vacancy was at 5.6% at the end of 2018, up from the close of 2017 when vacancy was just 3.4%, which by mid-2019 had settled at 6.8%. Among the noteworthy activity, the 42,620 square foot R&D building at 4696 Willow Road sold for \$300 per square foot and remains fully leased to Gritstone Oncology, maker of personalize immunotherapy treatments; the 101,039 square foot Gibraltar Center traded, with the two-building office and R&D complex purchased by Bio-Rad Laboratories to support the company's expansion needs; and Dollinger Properties purchased the 67,680 square feet Sunol Center III building, which was fully occupied by Alameda County of Department of Child Services.

Pleasanton's amenities – affordable office and flex space relative to other Bay Area markets with access and proximity to housing and workforce – continued to carry the city's commercial real estate market into 2019. While the Oakland market has become more viable for commercial tenants leaving San Francisco, the Tri-Valley continues to have a preferable location given its mid-point between the San Francisco Bay Area and the Central Valley. Higher rental rates, larger operating expenses and lower general availability continue pushing many tenants to consider migrating east into the Central Valley. In sum, across the city's commercial inventory, the Pleasanton market remains consistently attractive to both tenants and investors.

The rapid growth of Workday – a financial, human resources and planning software company – has been the big story of the past few years. As expected, construction was completed, and Workday has occupied its new 410,000 square foot headquarters building and parking garage across from the Stoneridge Shopping Center. The company now looks to continue its expansion with possible plans to develop additional square footage and amenities on the site of Pleasanton Plaza – the single-story retail center south of the mall anchored by Cost Plus World Market. This creates additional support for Simon Property Group's redevelopment of the former Sears store and adjacent parking structure at Stoneridge Shopping Center, which includes creating a multi-use space featuring a movie theater, grocery store, a lifestyle health club, new retail and restaurants. Simon has also expressed strong interest in developing the two housing opportunity sites located within the center's parking lot footprint, which will bring additional investment and desired future positioning of the property. In addition, after two years of planning and a \$20 million renovation, the former Sheraton Hotel reopened under the AC Marriott flag to leverage the corporate travel activity created by the city's expansive commercial growth. Also, following 10X Genomics expansion and move into its new headquarters/R&D space on Stoneridge Mall Road (backfilling space previously occupied by Workday), the company went to the market with its Initial Public Offering and raised \$390 million in the largest Bay Area IPO during 2019.

Significantly, these leading projects help set the stage for the development of a Stoneridge mall framework, which as a City Council priority, will convene property owners and stakeholders to outline the community's expectations, allowed uses and public amenities to the area.

Also a City Council priority, implementation of the Council Johnson Drive Economic Development Zone program – which is anticipated to include a Costco warehouse and two hotel properties – moved slowly forward as the additional analysis and review prompted by a lawsuit challenging the California Environmental Quality Act (CEQA) document was completed. As of mid-2019, the additional information had been circulated for public comment and was being scheduled for reconsideration by the Planning Commission and City Council in late 2019/early 2020.

Retail Activity

Citywide retail space vacancy remains below 10%, which allows some room for new additions to meet the community and regions, continued demand for retail that aligns with the needs and desires of today's consumers. While Stoneridge Shopping Center continues to serve the regional market and throughout the year opened several new stores to entice patrons to visit more often, stay longer and increase per person spending, other shopping centers also invested in growing their respective tenant mix. One key example is Brixmor's successful upgrade of Rose Pavilion which attracted new users such as Blaze Fast-Fire'd Pizza, The Kebab Shop, Pet Supplies Plus and Restoration Hardware Outlet.

The most comprehensive effort toward supporting Pleasanton's retail market was an update of the City's Downtown Specific Plan, which was also a City Council priority. In particular, this revision to the plan incorporates two key elements: a concept for the future redevelopment of the southern end of downtown for a town square surrounded by retail, office and residential uses to extend the commercial footprint of the district; and an active ground floor use overlay along Main Street that will keep prime first-floor spaces available for the retail, restaurant and entertainment experience uses that draw residents and visitors to downtown Pleasanton. Additionally, the plan outlines future investment by the City in parking, extension of walking and biking pathways and related streetscape projects, and by property owners in bringing up tenant spaces to meet current-day standards requested by retailers.

Other Business Activity

Other metrics continue to demonstrate robust commercial activity in Pleasanton. For example, the number of jobs in Pleasanton is now more than 62,000. As well, the revenues from more than 9,800 business licenses – based on gross receipts – reached \$4.4 million, exceeding the previous fiscal year's high mark of \$4.2 million. Similarly, downtown business improvement district assessment revenues – based on gross receipts factored by location within the downtown district – have been slowly increasing, now providing \$81,000 annually to support the Pleasanton Downtown Association, while transient occupancy tax revenues reached another high mark of more than \$6.5 million for the fiscal year.

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. The most recent General Plan was adopted in July 2009. The City's Housing Element was adopted on January 6, 2015 and certified by the State Housing and Community Development Department on January 30, 2015. The Housing Element identified sites which had been zoned for multifamily development in 2012, several of which have projects currently under construction or nearing completion. In FY 2018/19, the following major housing development projects were under construction or completed: Irby Ranch, an 87-unit single family home development at 3780 Stanley Boulevard; Sunflower Hill at Irby Ranch, a 31-unit affordable housing development for developmentally disabled adults; Valley Trails (Ponderosa Homes), a 36-unit single family

home development at 6900 Valley Trails Drive; and Phase 2 of the Kottinger Gardens senior residential development, with 54 apartment units. Entitled projects, that are expected to begin construction in FY 2019/20 include the Lund Ranch project, a 43-lot single family development on Lund Ranch Road. Several infill residential projects were also under construction during FY 2018/19, including several projects within downtown Pleasanton. Many of these housing units will be available for occupancy starting in FY 2019/20.

Major City Sponsored Initiatives

In addition to construction activity underway in the private sector, the City completed the following major construction and technology projects in FY 2018/19, improving the City's infrastructure, facilities and enhanced business processes with contemporary technology:

- Resurfaced Six Basketball Courts- new standards, backboards, hoops and site furnishing
- Fire Station #3 – Design
- Resurfaced Hand Ball Court
- Various Street Resurfacing and Street Signal Projects
- Various Playground Equipment Replacement
- Annual Curb and Gutter Repairs and Replacements
- Old Vineyard Avenue Pedestrian Trail
- Fire hydrant lateral and valve controls
- Recycled Water Infrastructure Expansion
- Foothill Boulevard sidewalk replacement
- Pioneer Cemetery Improvements
- Upgrade of Accela, the City's building permit system
- Enhanced cybersecurity tools
- Implemented reservation system for City conference rooms and meeting spaces
- Migrated on-premise email system to Office 365
- Senior Center/Paratransit Program dispatch system upgrade
- Installed mobile data computers and free Wi-Fi on buses and vans
- Opened new Joint Police Services Center (BART and Pleasanton PD)
- Police Dispatch remodel and upgrade to CAD/RMS system
- Completed major upgrades to conference rooms
- Implemented new Emergency Operations Center software
- Phone system upgrade
- Point-of-Sale cashiering system upgrade

In addition, the City began the following major construction and technology projects in FY 2018/19:

- Dolores Bengtson Aquatic Center Locker Room Remodel
- Library Office Remodel - Design
- Fire Station #4 Parapet Wall and Roofing Replacement - Construction
- Recycled Water Infrastructure – Pump Station at Ken Mercer Sports Park
- Vineyard Avenue Sewer Trench Repair
- Second Bernal Bridge - Design
- Vineyard Avenue Sewer Line Trench Stabilization
- Three Water Tank Corrosion Control - Design
- Construct seven debris strainers at Ken Mercer Sports Park
- Second Bridge at Arroyo De La Laguna - Design
- Bridge Improvements at Various Locations

- Downtown Parking Lot – Transportation Corridor - Design
- Hopyard and Owens Intersection Reconfiguration - Construction
- Roof and HVAC evaluations at various locations
- Softball Fieldhouse and Scorekeeper’s Booth Renovation
- Concession Stand #2 Renovation at Ken Mercer Sports Park
- Second westbound left turn lane on Bernal Avenue at First Street/Sunol - Design
- Library Management System upgrade
- SCADA systems upgrade
- Website refresh and upgrade project
- Fiber Master Plan

Long Term Financial Policies and Planning

The City financial policies place an emphasis on building reserves to:

- Reduce the risk of financial impacts resulting from natural disasters or other catastrophic events
- Respond to the challenges of a changing economic environment, including prolonged downturns in the local, state, or national economy
- Demonstrate continued prudent fiscal management and creditworthiness
- Ensure the City can fund capital projects without relying on issuing debt

Consistent with the City Council policy adopted in October of 2016, the City maintains a reserve at least equal to 20% of operating expenses in the General Fund¹, totaling \$27.9 million at June 30, 2019, which equals 25% of FY 2018/19 actual operating expenses. The City also has a total of \$22.2 million in Water and Sewer operating reserves, \$49.5 million in capital project reserves and fund balances available for future projects, and \$44.7 million in reserves² that have been set aside for claims, employee benefits, public art acquisition and maintenance, PERS rate stabilization and long term replacement and renovation of equipment, vehicles, parks and facilities, excluding the City’s net pension liability. 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 to help stabilize services in the event of an emergency, such as after a major earthquake. If any of these reserves were drawn upon for stabilization of services, the goal would be to begin restoring them as soon as possible.

Through June 30, 2019, the City has allocated a total of \$27.3 million to prefund pension related liabilities directly to CalPERS. In addition, in June of 2018, the City established a Section 115 Pension Trust fund with PARS with an initial contribution of \$28 million. In addition, City Council adopted the following Section 115 Pension Trust Withdrawal Policy Guidelines (Guidelines) to help ensure there are monies available to help the City make pension contributions when necessary:

- a. Annual CalPERS employer pension contribution rate increase (in dollars) is greater than the growth rate (in dollars) of the City’s General Fund.

¹ In October of 2016, the City Council adopted a new reserve policy that requires the General Fund to maintain minimum reserves equal to 20% of operating expenses and target reserves equal to 25% of operating expenses. In addition, the City’s reserve policy for Water and Sewer funds requires reserves equal to 30% of operating expenses, target reserves of 35% and maximum reserves of 40%.

² Funds available excluding long-term commitments and liabilities.

- ✓ Example: the pension contribution increases by \$2 million from the previous year while General Fund growth is \$1.5 million.
- b. The General Fund has a structural deficit that needs to be addressed (i.e. non-discretionary expenditures exceed revenues).
- c. General Fund reserves have been used and need to be replenished in order to maintain a reserve equal to 20% of General Fund expenditures.
- d. Paying off specific pension liabilities that will result in interest savings greater than interest earnings on the Trust Fund.

These prefunding contributions and the establishment of the Section 115 Pension Trust Fund demonstrate the City's commitment to address its pension related liabilities.

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, 2018. This was the twenty-second 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 members of the Finance Department. We would like to extend special thanks and acknowledgment to Diane Punzo who was primarily responsible for managing the year-end closing of the City's books and preparing the CAFR. Other contributing staff include Cheryl Caraballo, Karen Chang, Christine Chen, Annette Gibson, Margaret Lyons, Nicholas Johnson, Erika Newsome, Andrew Obando, Rebecca Perry, Charly Yang and Raquel Zegarra.

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,



Tina Olson
Director of Finance



Nelson Fialho
City Manager



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, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF PLEASANTON

**LISTING OF PUBLIC OFFICIALS
AS OF JUNE 30, 2019**

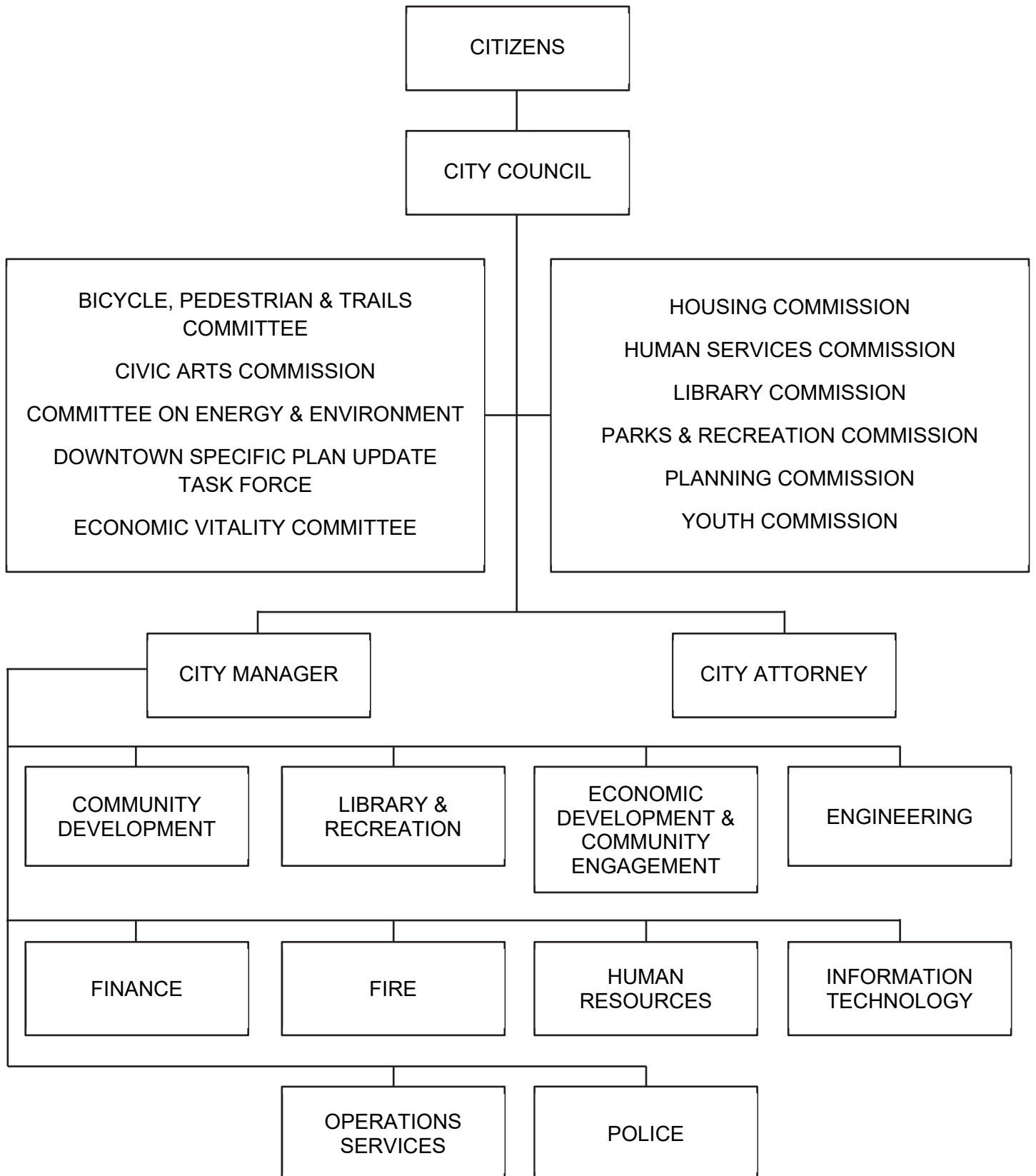
ELECTED OFFICIALS:

Mayor	Jerry Thorne
Vice Mayor	Karla Brown
Council Member	Kathy Narum
Council Member	Jerry Pentin
Council Member	Julie Testa

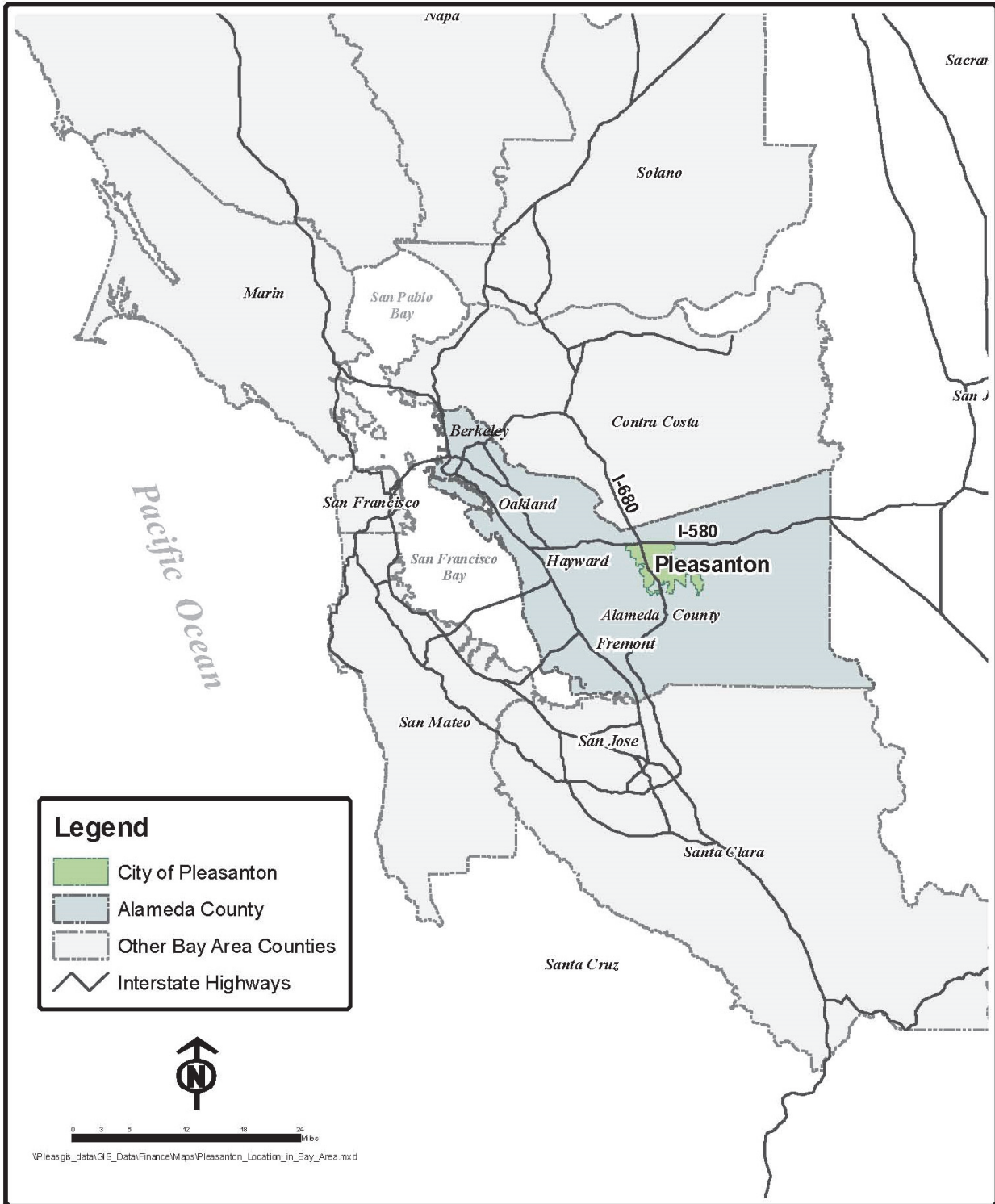
ADMINISTRATIVE PERSONNEL:

City Manager	Nelson Fialho
City Attorney	Daniel Sodergren
Assistant City Manager	Brian Dolan
Director of Finance	Tina Olson
Director of Community Development	Gerry Beaudin
Director of Economic Development	Pamela Ott
Director of Engineering	Steve Kirkpatrick
Director of Human Resources	Debra Gill
Director of Information Technology	Allen Hammond
Director of Library & Recreation	Heidi Murphy
Director of Operations Services	Kathleen Yurchak
Chief of Police	David Spiller
Fire Chief	Ruben Torres
City Clerk	Karen Diaz

CITY OF PLEASANTON ORGANIZATION CHART FOR FY 2018/19



Pleasanton, California.



INDEPENDENT AUDITOR'S REPORT

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

Report on 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 the City of Pleasanton (City) as of and for the year ended June 30, 2019, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 from 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, 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 as of June 30, 2019, 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 a Matter

Management recategorized all activity related to the Livermore-Pleasanton Fire Department that was previously recorded in Internal Service Funds to an Agency Fund. This resulted in a restatement of net position as discussed in Note 9D.

The emphasis of this matter does not constitute a change in our opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, and other Required Supplementary Information 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 basic financial statements as a whole. The Introductory Section, Supplementary Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates 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 Supplementary Information is 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 13, 2019 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.

Maze & Associates

Pleasant Hill, California
December 13, 2019

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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, 2019 (FY 2018/19). 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 follows this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$11.9 million as a result of FY 2018/19 activities. Of this amount, \$12.3 million is attributable to governmental activities, primarily due to increased revenues offset by a slight decrease of \$0.4 million in business-type activities primarily due to reduced value of assets from depreciation.
- Taxes increased by \$6.0 million from FY 2017/18 primarily as a result of increased property taxes of \$4.2 million associated with continued development throughout the City and increased property values. In addition, sales tax revenues were \$1.2 million greater than FY 2017/18 reflecting, in part, the state's computer glitches that resulted in approximately \$0.4 million of the City's FY 2017/18 sales tax revenues distributed to the City in FY 2018/19.
- The City's governmental funds reported ending fund balances of \$134.3 million, an increase of \$17.6 million (15.1%) from FY 2017/18 primarily as a result of increased unused capital project funding including street maintenance and development impact fees from the prior years.
- The General Fund's fund balance at fiscal year-end was \$29.6¹ million, of which \$29.1 million is unassigned and \$0.5 million is non-spendable. The \$29.6 million fund balance is a \$1.9 million increase over the fund balance at the end of FY 2017/18.

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.

¹ The FY 2018/19 year-end operating budget report identified \$27.9 million as the General Fund fund balance or \$1.2 million less than the unassigned fund balance of \$29.1 million identified in the audited FY 2018/19 financial statements. The \$1.2 million is part of the FY 2017/18 year-end surplus that City Council allocated to the LPPD Workers' Compensation Reserve Fund pending the City of Livermore allocating its \$1.2 million portion. As of the writing of this report, the City of Livermore has not allocated \$1.2 million to LPPD's Workers' Compensation Reserve Fund. Thus, the City's available General Fund reserve is \$27.9 million.

- **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 schedules of changes in net liabilities and related ratios and on contributions on the City's pension and retiree healthcare plans. 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 and cemetery, as well as the Housing Authority as a component unit.

Fund Financial Statements use fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*, as described below.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

The governmental funds focus is narrower than that of the government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This comparison facilitates a better understanding of the long-term impact associated with the government's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds organized according to their type (general, special revenue, debt service and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the major funds (see Notes to Basic Financial Statements). Data from the remaining non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as supplementary information in the form of combining statements.

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

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water, sewer, golf, transit, storm drain, cemetery and the Housing Authority.
- *Internal service funds* are used by the City to establish reserves and account for employee benefits, public art acquisition and maintenance, replacement/renovation, liability insurance, and retiree medical benefits. These funds serve both governmental and business-type functions and so they are allocated accordingly in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided as supplementary information in the form of *combining statements*.

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

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

Required Supplementary Information includes budgetary comparison schedules that have been provided for the major governmental funds to demonstrate compliance with the budget. The City adopts a two-year budget in June of every odd numbered year. An update of the second year is presented to the City Council in June preceding the start of the second year (even numbered year). Required supplementary information also includes schedules of changes in net liabilities and related ratios and on contributions on the City’s pension and retiree healthcare plans. 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.

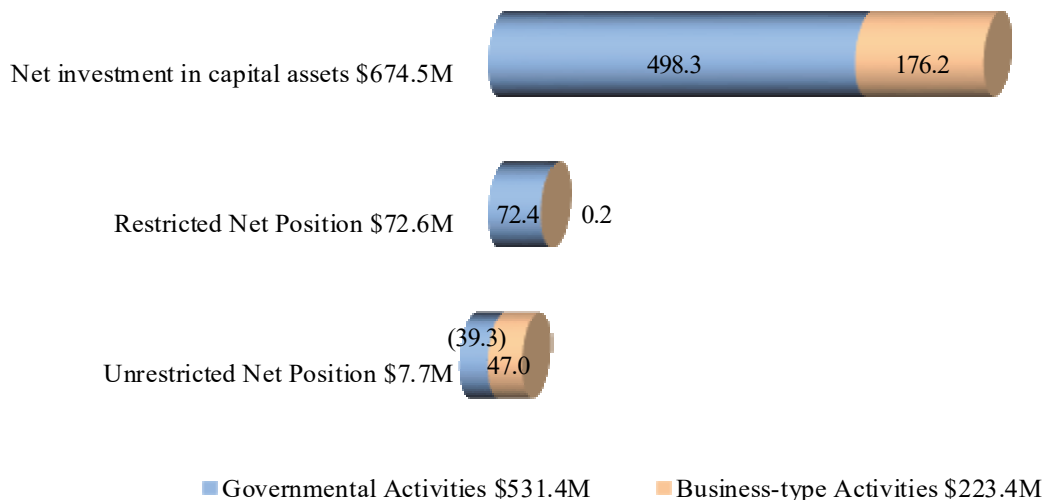
GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for FY 2017/18 and FY 2018/19. 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, 2018 (2018) and June 30, 2019 (2019):

City of Pleasanton							
Net Position (in millions of dollars)							
	Governmental		Business-type		Total		Total Percentage Change 2018 to 2019
	2018	2019	2018	2019	2018	2019	
Assets:							
Current and other assets	\$211.5	\$229.7	\$67.1	\$72.4	\$278.6	\$302.1	8.4%
Capital assets	506.6	499.8	193.4	186.1	700.0	685.9	-2.0%
Total assets	<u>718.1</u>	<u>729.5</u>	<u>260.5</u>	<u>258.5</u>	<u>978.6</u>	<u>988.0</u>	1.0%
Deferred outflows of resources	<u>35.5</u>	<u>29.4</u>	<u>2.3</u>	<u>2.0</u>	<u>37.8</u>	<u>31.4</u>	-16.9%
Liabilities:							
Other liabilities	16.3	51.6	10.6	9.2	26.9	60.8	126.0%
Long-term liabilities	212.3	168.7	28.2	27.6	240.5	196.3	-18.4%
Total liabilities	<u>228.6</u>	<u>220.3</u>	<u>38.8</u>	<u>36.8</u>	<u>267.4</u>	<u>257.1</u>	-3.9%
Deferred inflows of resources	<u>7.4</u>	<u>7.2</u>	<u>0.2</u>	<u>0.3</u>	<u>7.6</u>	<u>7.5</u>	-1.3%
Net Position:							
Net investment in capital assets	504.9	498.3	183.2	176.2	688.1	674.5	-2.0%
Restricted	62.4	72.4	0.3	0.2	62.7	72.6	15.8%
Unrestricted	(49.7)	(39.3)	40.3	47.0	(9.4)	7.7	-181.9%
Total net position	<u>\$517.6</u>	<u>\$531.4</u>	<u>\$223.8</u>	<u>\$223.4</u>	<u>\$741.4</u>	<u>\$754.8</u>	1.8%

Statement of Net Position as of June 30, 2019 (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 \$754.8 million at the close of FY 2018/19.

The City reported positive balances in net investment in capital assets and in restricted net position for both governmental and business-type activities. Governmental activities concluded the fiscal year with a negative unrestricted net position due primarily to its share of OPEB and pension liabilities, and business-type activities reported a positive unrestricted net position at year-end. The 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 \$674.5 million (89.4% 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 \$13.6 million (2.0%) in FY 2018/19 due to annual depreciation expense.
- The *restricted net position* of \$72.6 million (9.6% of the total) represents resources that are subject to external restrictions on how they may be used. Among these amounts are \$47.3 million restricted in the capital project funds for the construction of major capital projects (including improvements to streets, bridges, and bicycle and pedestrian trail and park improvements throughout the City); \$15.2 million restricted in a variety of special revenue funds to support specific City programs; and \$9.9 million restricted for community development in the Lower Income Housing Fund for housing related projects; and the balance of \$0.2 million is restricted for transportation programs.
- The *unrestricted net position* of \$7.7 million (1.0% of the total) reflects the City’s net pension and OPEB liabilities of \$121.7 million and \$47.9 million, respectively. It also includes the City’s share of Livermore-Pleasanton Fire Department’s (LPFD) net deficit of \$41.2 million, which is offset by various reserves including amounts set aside for future capital improvements in the capital projects funds, and reserves held in internal service funds to pay for retiree medical expenses, general liability claims, and repair and replacement of City facilities and equipment. Governmental activities account for (\$39.3) million of the unrestricted net position. Business-type activities account for \$47.0 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
	2018	2019	2018	2019	2018	2019	
Revenues:							
Program revenues:							
Charges for services	\$15.3	\$16.3	\$47.9	\$46.6	\$63.2	\$62.9	-0.5%
Operating grants & contributions	2.5	2.8	0.1	0.1	2.6	2.9	11.5%
Capital grants & contributions	12.0	12.4	1.9	1.2	13.9	13.6	-2.2%
Indirect charges	-	-	0.2	-	0.2	0.0	-100.0%
General revenues:							
Property taxes	65.7	69.9	-	-	65.7	69.9	6.4%
Sales taxes	21.8	23.0	-	-	21.8	23.0	5.5%
All other taxes	14.4	15.0	-	-	14.4	15.0	4.2%
All other general revenues	1.2	7.8	1.1	4.2	2.3	12.0	421.7%
Total revenues	132.9	147.2	51.2	52.1	184.1	199.3	8.3%
Expenses:							
General government	13.6	15.5	-	-	13.6	15.5	14.0%
Public safety	49.3	52.3	-	-	49.3	52.3	6.1%
Community development	20.1	16.7	-	-	20.1	16.7	-16.9%
Operations services	29.6	33.8	-	-	29.6	33.8	14.2%
Community activities	15.3	15.8	-	-	15.3	15.8	3.3%
Water	-	-	28.5	27.7	28.5	27.7	-2.8%
Sewer	-	-	16.2	17.3	16.2	17.3	6.8%
Golf	-	-	5.1	4.8	5.1	4.8	-5.9%
Other	-	-	2.8	3.5	2.8	3.5	25.0%
Indirect charges	0.2	-	-	-	0.2	0.0	-100.0%
Total expenses	128.1	134.1	52.6	53.3	180.7	187.4	3.7%
Revenues over (under) expenses	4.8	13.1	(1.4)	(1.2)	3.4	11.9	250.0%
Transfer In/(Out)	(1.1)	(0.8)	1.1	0.8	0.0	0.0	0.0%
Change in net position	3.7	12.3	(0.3)	(0.4)	3.4	11.9	250.0%
Net position, beginning of year, as restated	513.9	519.1	224.1	223.8	738.0	742.9	0.7%
Net position, end of year	\$517.6	\$531.4	\$223.8	\$223.4	\$741.4	\$754.8	1.8%

Changes in Net Position

Governmental activities increased the City's net position by \$12.3 million in FY 2018/19, as a result of revenues exceeding expenses and net transfers. During the fiscal year, the City recategorized the balances, income and expenditures related to the Livermore-Pleasanton Fire Department JPA from its Internal Service Funds to the Livermore-Pleasanton Fire Department Agency Fund. The beginning fund balances of the affected Internal Service Funds were restated by \$1.5 million, which resulted in a restatement of net position of \$519.1 million. See *Notes 8G* and *9D* in the **Notes to Basic Financial Statements** for more information.

Total governmental activities revenues increased by approximately \$14.3 million over FY 2017/18.

Program Revenues - \$1.7 million increase

- Charges for services increased by \$1.0 million primarily due to increased franchise fees.
- Capital grants and contributions increased by \$0.4 million from FY 2017/18 primarily due to a net increase in development impact fees.

General Revenues - \$12.6 million increase

- Property tax increased by \$4.2 million in FY 2018/19 primarily due to the increase in assessed property values attributed to the continued upward growth of the economy and additional housing units.
- Sales tax increased by \$1.2 million in FY 2018/19 primarily caused by increased sales. In addition, of the \$1.2 million, \$0.4 million of net sales tax receipts were from the first and second quarters of calendar year 2018 not released to the City until FY 2018/19 due to a State financial system conversion glitch.
- Investment income increased by \$6.4 million, of which \$4.5 million is attributable to the recognition of the increased change in the fair market value of investments from FY 2017/18 according to GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

The City's governmental activities expenses increased \$6.0 million over FY 2017/18.

- During FY 2018/19, public safety expenses increased by \$3.0 million over FY 2017/18 as a result of increased personnel costs of \$2.0 million, and \$1.0 million for large equipment purchases.
- Community development activities decreased by \$3.4 million. A significant portion of this decrease is related to fewer expenditures in capital projects than in FY2017/18.
- Operations services increased by \$4.2 million mostly attributable to capital asset additions that did not meet the City's capitalization threshold and therefore are reflected as expenditures.

Business-type activities net position decreased by \$0.4 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 operating revenues decreased by \$1.4 million as a result of reduced water sales from a lengthy rainy season.

- A significant equity interest gain of \$2.3 million from joint venture, Livermore-Amador Valley Water Management Agency (LAVWMA) (See *Note 8C* in the **Notes to Basic Financial Statements**).
- Unrealized interest revenues of \$0.7 million in FY 2018/19 compared to (\$0.2) million in FY 2017/18.
- Other business-type activities remained relatively constant between FY 2018/19 and FY 2017/18. 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

In November of 2016, the City Council adopted a reserve policy that requires the General Fund to maintain minimum reserves equal to 20% of operating expenses and target reserves equal to 25% of operating expenses. 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 unassigned fund balance. Details of the fund balance classifications are disclosed in *Note 9* in the **Notes to Basic Financial Statements**.

As of June 30, 2019, the City's governmental funds reported combined fund balances of \$134.3 million, an increase of \$17.6 million in comparison with FY 2017/18. Revenues increased by \$8.5 million during the fiscal year, mostly attributable to increases in property tax (\$4.2 million) and use of money and property (\$3.7 million). An overall decrease in governmental expenditures for the year of \$2.3 million from the prior fiscal year also contributed to the increase in fund balances. While expenditures for public safety and operations services increased by \$3.3 million and \$0.9 million, respectively, capital project expenditures decreased significantly by \$7.3 million, or 47.4%.

Restricted fund balances constitute \$72.4 million of the combined governmental fund balance and are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation, for example; low-income housing projects, projects funded by park development fees and street projects funded by gas tax, Measure B and Measure BB funds. *Assigned fund balances* of \$32.3 million represent funds to be used for City funded capital projects that have not been specifically identified or constrained by City Council. *Non-spendable fund balances* of \$0.5 million represent advances to other funds and notes receivable. *Unassigned fund balances* of \$29.1 million consist of amounts that City officials have not classified as non-spendable, restricted, committed or assigned.

The following table presents the Governmental Funds' fund balances by classification as of June 30, 2019:

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Other Funds	Total
<u>Nonspendable</u>					
Notes Receivable, Advances to Other Funds	\$ 524,566	\$ -	\$ -	\$ -	\$ 524,566
<u>Restricted</u>					
Accessibility Programs	-	-	-	28,794	28,794
Assessment District Construction	-	-	-	1,348,620	1,348,620
Asset Forfeiture	-	-	-	62,566	62,566
Budgeted Developer Projects	-	-	-	10,011,862	10,011,862
Community Access Television	-	-	-	1,345,451	1,345,451
Downtown & North Pleasanton	-	-	-	3,788,514	3,788,514
Geological Hazard Assessment Districts	-	-	-	1,226,782	1,226,782
Grants	-	-	-	404,449	404,449
Housing	-	9,900,278	-	-	9,900,278
Landscape and Lighting Districts	-	-	-	412,926	412,926
Landscape Maintenance NPID	-	-	-	1,009,291	1,009,291
Marilyn Kane Trail Reserve	-	-	-	112,726	112,726
Miscellaneous Donations/Developer Contributions	-	-	-	801,634	801,634
Park Development	-	-	-	11,809,987	11,809,987
Public Facilities Capital Improvements	-	-	-	6,542,424	6,542,424
Public Safety	-	-	-	133,439	133,439
Resource Management	-	-	-	1,045,523	1,045,523
Street Maintenance	-	-	-	8,772,696	8,772,696
Traffic Impact	-	-	-	10,068,869	10,068,869
Traffic Impact - Bernal	-	-	-	784,654	784,654
Tri-Valley Transportation	-	-	-	1,919,320	1,919,320
Various Specific Plans	-	-	-	831,025	831,025
<u>Assigned</u>					
Capital Projects	-	-	19,496,516	12,098,904	31,595,420
Other Purposes	-	-	-	723,902	723,902
<u>Unassigned</u>					
	29,077,433	-	-	-	29,077,433
Total Fund Balances	\$ 29,601,999	\$ 9,900,278	\$ 19,496,516	\$ 75,284,358	\$ 134,283,151

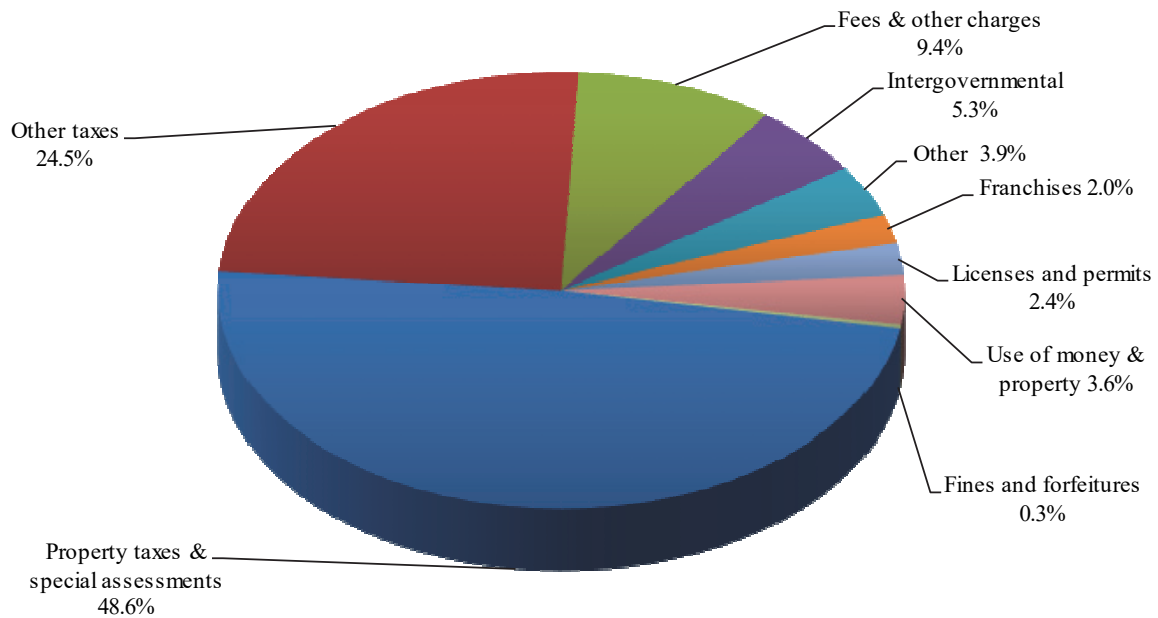
Revenues

The following table presents the FY 2018/19 revenues from various sources, as well as the increase or decrease in these revenues over FY 2017/18.

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

Revenues by Source	FY 2018		FY 2019		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$ 65.9	48.5%	\$ 70.1	48.6%	\$ 4.2	6.4%
Other taxes	34.0	25.0%	35.3	24.5%	1.3	3.8%
Licenses and permits	3.2	2.4%	3.4	2.4%	0.2	6.2%
Fines and forfeitures	0.3	0.2%	0.4	0.3%	0.1	33.3%
Use of money & property	1.5	1.1%	5.2	3.6%	3.7	246.7%
Intergovernmental	7.3	5.4%	7.7	5.3%	0.4	5.5%
Franchises	2.7	2.0%	3.1	2.0%	0.4	14.8%
Fees & other charges	15.0	11.1%	13.5	9.4%	(1.5)	-10.0%
Other	5.9	4.3%	5.6	3.9%	(0.3)	-5.1%
Total	\$ 135.8	100.0%	\$ 144.3	100.0%	\$ 8.5	6.3%

Revenues by Source - Governmental Funds



The following provides an explanation of significant changes in revenues by source in FY 2018/19.

- **Property taxes and special assessments** increased \$4.2 million (6.4%) primarily due to the increase in assessed property values.

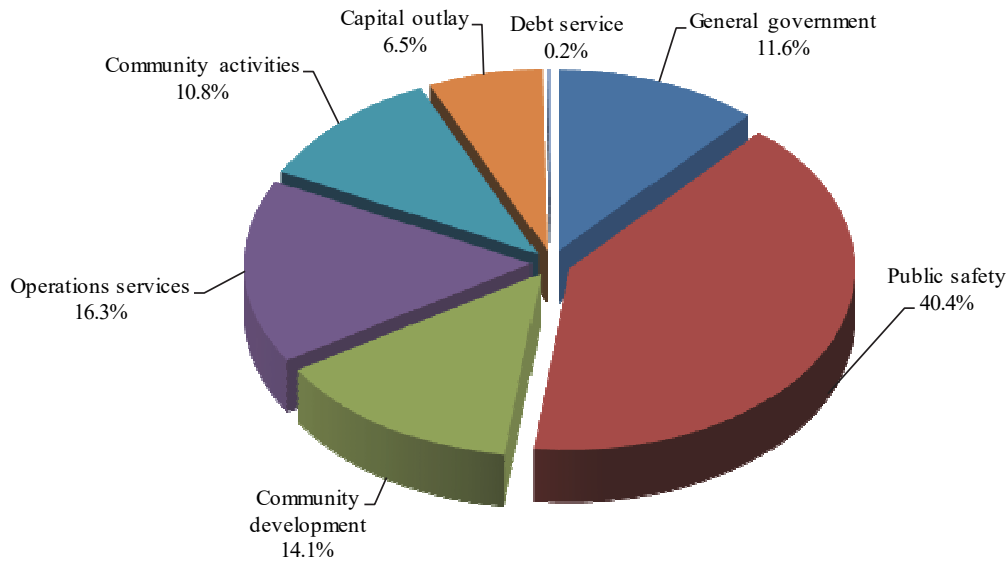
- **Other taxes** increased by \$1.3 million (3.8%) during FY 2018/19, driven by an increase of \$1.2 million in sale tax. \$0.4 million of the increase is due to the receipt of sales tax from calendar year 2018 received from the State during the fiscal year as a result of a glitch in the State’s new computer system.
- **Use of money and property** increased by \$3.7 million (246.7%) due primarily to the increase of interest revenue. Interest of \$4.2 million was recorded in FY 2018/19, an increase of \$3.3 million over the prior fiscal year.
- **Fees and other charges** decreased by \$1.5 million (-10.0%), with \$0.9 million of the decrease attributable to development services and plan check fees. In addition, recreation fee revenues decreased by \$0.4 million as a result of changing the City’s accounting methodology for recreation fees, and charges for services decreased by \$0.2 million.

Expenditures

The following table presents expenditures by function in FY 2018/19 and the increase and decrease in expenditures as compared to FY 2017/18.

City of Pleasanton						
Expenditures Classified by Function						
Governmental Funds						
(in millions of dollars)						
Expenditures by Function	FY 2018		FY 2019		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$13.7	10.7%	\$14.5	11.6%	\$0.8	5.8%
Public safety	47.4	37.1%	50.7	40.4%	3.3	7.0%
Community development	18.2	14.2%	17.7	14.1%	-0.5	-2.7%
Operations services	19.6	15.4%	20.5	16.3%	0.9	4.6%
Community activities	13.2	10.3%	13.6	10.8%	0.4	3.0%
Capital outlay	15.4	12.1%	8.1	6.5%	-7.3	-47.4%
Debt service						
Principal and interest	0.3	0.2%	0.3	0.2%	0.0	0.0%
Total	<u>\$127.8</u>	<u>100.0%</u>	<u>\$125.4</u>	<u>100.0%</u>	<u>-\$2.4</u>	<u>-1.9%</u>

Expenditures by Function - Governmental Funds



The following provides an explanation of significant changes in expenditures in FY 2018/19.

- Governmental expenditures decreased by \$2.4 million or 1.9% from FY 2017/18. There was a large decrease in capital outlay expenditures of \$7.3 million or 47.4% million over the prior fiscal year, due primarily to the completion of street resurfacing projects in FY 2017/18 that were not done in FY 2018/19. This decrease was offset by increases in expenditures of \$4.9 million mainly in general government (material, supplies and services of \$0.8 million), public safety (personnel expenses of \$1.9 million), and operations services (\$0.7 million).

Major Governmental Funds

The designated major *Governmental Funds* in FY 2018/19 are the General Fund, the Lower Income Housing Fund, and the Miscellaneous Capital Improvement Programs 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 equal to at least 20% of annual General Fund expenditures. Also, by policy, any one-time revenues are used for one-time purposes, such as capital projects or pre-funding pension liabilities.

General Fund budget-to-actual variances for FY 2018/19 are reflected in more detail in the **Required Supplementary Information**. The following is a summary of these variances:

- Revenues were greater than projected at the mid-year budget by \$4.2 million or 3.3%.
- Expenditures were less than expected by \$2.2 million or 1.9%.

The City Council has allocated the City’s General Funds’ fund balance in conformance with GASB Statement No. 54. The City maintains the fund balance consistent with its formal financial policies.

The following table summarizes the General Funds’ fund balance allocation, showing the beginning balances, plus changes resulting from FY 2018/19 operations and the resulting ending balances.

General Fund Reserves and Fund Balance as of 6/30/2019

	Balance 6/30/2018	Actual Additions and Deletions	Balance 6/30/2019
Unassigned	\$ 27,610,496	\$ 1,466,937	\$ 29,077,433
Nonspendable	45,688	478,878	524,566
Total Fund Balance	\$ 27,656,184	\$ 1,945,815	\$ 29,601,999

The **Lower Income Housing Fund** is funded with developer fees that are 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 is paid by developers in lieu of constructing new affordable housing, amounted to \$1.7 million in FY 2018/19, a \$1.3 million increase from FY 2017/18. The increase is mostly attributable to development fees for the Irby Ranch housing project for \$1.0 million, \$0.3 million for the Carpenter’s Training Center, and \$0.1 million for the Valley Trails housing project. Housing loan repayments totaled \$0.5 million and included a \$249,000 interest payment from BLP Partnership, Inc. and \$203,000 from MidPen Housing. During FY 2018/19, work continued on the Sunflower Hill special needs resident rental housing project and an additional \$2.0 million of loan payments were provided to the developer, Sunflower Irby, LLC.

The **Miscellaneous Capital Improvement Programs Fund** receives contributions from the General Fund to be used for design and construction of facilities and infrastructure as adopted in the annual miscellaneous capital improvement program (CIP). In FY 2018/19, the fund received \$5.6 million from the General Fund. During the fiscal year, work was substantially completed on the Fire Station No. 4 Repairs project (\$0.5 million) and work began on the \$3.0 million Expansion of the Downtown Parking and \$1.0 million Downtown Beautification projects. Future CIP projects include the Library Roof Replacement (\$0.8 million) and the Short-Term ACE Station Parking Solution (\$1.0 million) projects.

Major Proprietary Funds

The designated major *Proprietary funds* in FY 2018/19 are the Water, Sewer, Golf, and Storm Drain funds.

The **Water Fund’s** net position increased by \$1.2 million. Charges for services and operating expenses experienced decreases of \$1.5 million and \$0.7 million, respectively, as a result of reduced water sales from a long rainy season. The operating loss of \$0.4 million was offset with net interest income of \$0.6 million, capital contributions of \$0.8 million, and operating transfers of \$0.3 million.

Water Fund Reserves

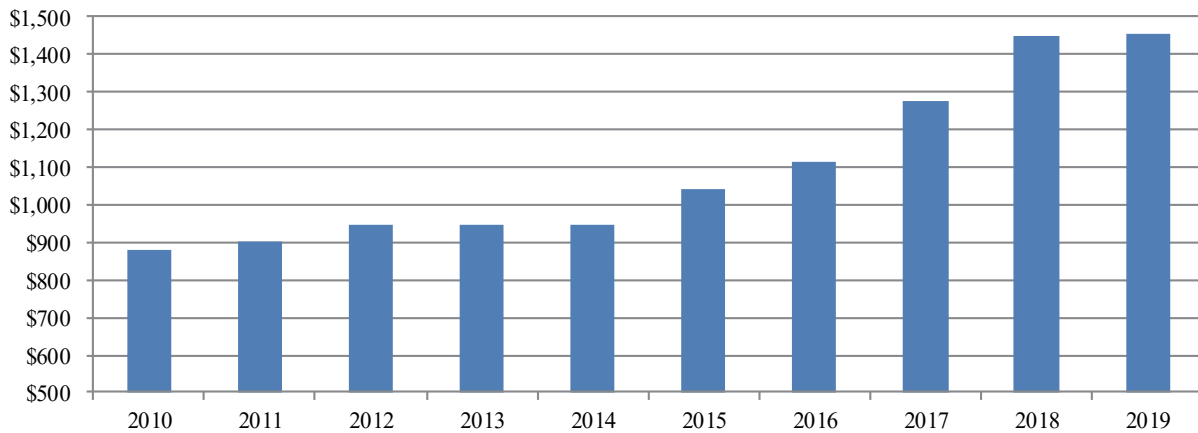
In November of 2016, the City Council adopted a reserve policy that requires the Water Fund to maintain minimum reserves equal to 30% of operating expenses and target reserves equal to 35% of operating expenses. As of June 30, 2019, the Water Operating Fund had a combined reserved balance of \$14.7 million, which equals 66% of the combined Water Operating Funds’ actual FY 2018/19 expenses. 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 unrestricted net position.

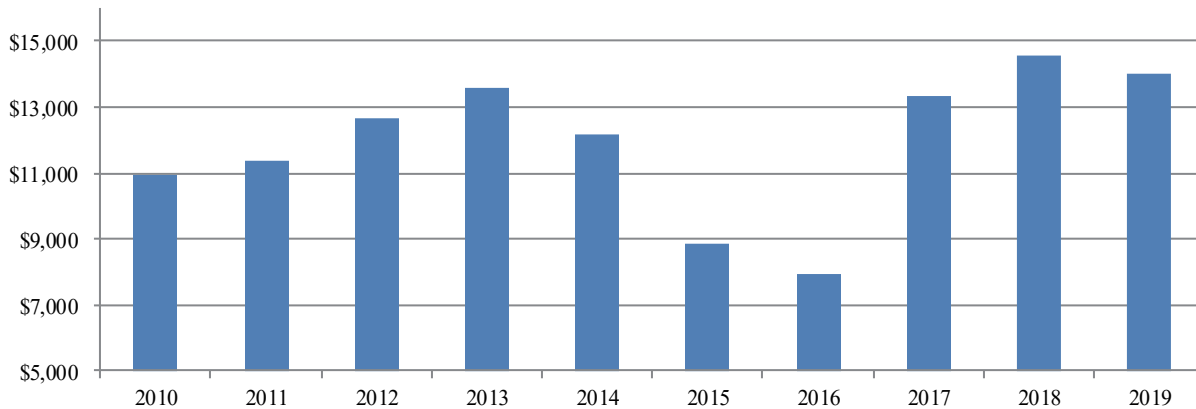
The fair market value of donated water infrastructures from recent housing developments (Meridian at Ironwood, Essex Apartments and Sunrise Senior Living housing complexes) contributed a majority of increase in the net position. At the completion of such housing developments, developers donated the public improvements to the City who is responsible for maintenance and replacement of the capital asset. The City is required to report the donated capital assets at their fair value as capital contributions per GASB 72 standard. The City's investment holding at the fiscal year-end also played a bigger role in the net position. The fair value investment measurement GASB 31 standard requires the City to recognize the unrealized gain or loss on investment held at the year-end in the Statement of Revenues, Expenses and Change in Fund Net Position. Under this standard, the unrealized investment gains are to be recognized as revenues while the losses offset against revenues. The Water Fund's unrealized interest revenue at the year-end was \$335,000.

With Zone 7 water rates remaining relatively even from 2018 to 2019 combined with reduced water sales, the City's water costs decreased by \$551,000 from FY 2017/18. The graphs below depict the price increases over the last ten years in the Zone 7 treated water rates per acre-foot and the total expended by the City over that period to purchase water from Zone 7. The City's water rate ordinance requires the City to increase its water rates to offset the increase in Zone 7 water rates in order to remain fiscally solvent. The City continues to monitor the revenues and expenses of the Water Fund.

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



Summary of Water Costs (in thousands)



The **Sewer Fund’s** net position increased by \$1.0 million. Operating income increased by \$0.2 million and operating expenses increased by \$1.0 million resulting in the operating loss of \$2.4 million. Other non-operating revenues and financing sources comprised of interest income, equity interest in gain from joint ventures (See *Note 8C* in **Notes to Basic Financial Statements**), and capital contributions was \$3.4 million offsetting the operating loss. The significant equity interest gain from joint venture, Livermore-Amador Valley Water Management Agency (LAVWMA) was \$2.3 million. Similar to the Water Fund, 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.

Sewer Fund Reserves

In November of 2016, the City Council adopted a reserve policy that requires the Sewer Fund to maintain minimum reserves equal to 30% of operating expenses and target reserves equal to 35% of operating expenses. As of June 30, 2019, the Sewer Operating Fund had a reserved balance of \$7.5 million which equals 56% of the Sewer Operating Fund’s actual FY 2018/19 expenses. 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 unrestricted net position.

The **Golf Fund’s** net position decreased by \$1.6 million in FY 2018/19 due largely to depreciation expense of \$1.6 million for golf course facilities.

The **Storm Drain Fund’s** net position decreased by \$1.3 million in FY 2018/19 due largely to depreciation expense of \$1.2 million for the City’s storm drain system.

Fiduciary Funds

There were no designated major funds in the *Fiduciary Funds* in FY 2018/19.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table displays the General Fund’s budget to actual variances for FY 2018/19. The Original Budget was established in July 2017 when the City adopted the two-year budget for fiscal years 2017/18 and 2018/19. The Final Budget was adopted in November 2019 when the City Council approved the year-end report for FY 2018/19. Actual revenues were greater than final budget by \$4.2 million or 3.3% and expenditures were less than final budget by \$2.2 million or 1.9%.

The fund balance of \$29.6 million is an increase of \$1.9 million over FY 2017/18. At the fiscal year end, there was a budget surplus of \$5.7 million. The City Council approved allocating the surplus to the following: Operating Reserve (\$1.8 million), CIP for Fire Station #3 project (\$2.0 million), and the Repair and Replacement Reserve (\$1.9 million).

General Fund FY 2018/19 Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Revenues	\$ 117,171,487	\$122,743,656	\$126,900,375	\$ 4,156,719
Expenditures	(110,374,232)	(115,550,055)	(113,377,001)	2,173,054
Other Financing Sources(Uses):				
Transfers in	843,166	843,166	908,000	64,834
Transfers out	(7,153,303)	(12,698,238)	(12,485,559)	212,679
Net change in fund balance	\$ 487,118	\$ (4,661,471)	\$ 1,945,815	\$ 6,607,286

Actual General Fund revenues exceeded final budget estimates by \$4.2 million in FY 2018/19. Actual revenues exceeded budget in most revenue categories, with the largest variances in Interest Income² (\$1.0 million), Property Tax (\$0.8 million), and Other Revenues (\$0.5 million). The increase in revenues is summarized below:

General Fund FY 2018/19 Revenues Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Property Tax	\$ 63,638,000	\$ 69,128,000	\$ 69,930,013	\$ 802,013
Sales & Use Tax	23,690,000	22,500,000	22,959,956	459,956
Hotel & Motel Tax	6,489,000	6,600,000	6,521,979	(78,021)
Business License Tax	4,004,842	4,000,000	4,422,151	422,151
Other Taxes	1,431,288	1,498,288	1,486,996	(11,292)
Development Services Fees	5,606,544	5,726,550	6,162,423	435,873
Franchise Fees	2,726,514	3,110,000	3,075,783	(34,217)
Recreation Fees	4,496,846	4,574,477	4,775,360	200,883
Department Service Fees	1,522,841	1,269,597	1,402,568	132,971
Other Revenues	3,174,682	3,636,994	4,183,988	546,994
Grants & Intergovernmental	50,000	271,000	583,925	312,925
Interest Income	340,930	428,750	1,395,233	966,483
Total	\$ 117,171,487	\$ 122,743,656	\$ 126,900,375	\$ 4,156,719

² Primarily as a result of unrealized gains from investments.

Actual General Fund expenditures of \$113.4 million were less than the final budget estimates by \$2.2 million (1.9%). The majority of the decrease was related to personnel services being less than budgeted (attrition savings) by \$0.7 million and a reduction in Material, Supplies, and Services of \$1.3 million. The savings of \$1.3 million is mainly attributable to reduced contractual services expenses (\$0.6 million), non-use of the City's General Fund contingency (\$0.5 million), and less usage of water and sewer services than anticipated (\$0.3 million). These savings are off-set by net overages of \$0.2 million primarily in Materials, Services and Supplies (fire department insurance and legal services), and Contract Recreational Instructors (off-set by additional Recreation Fee revenues).

General Fund FY 2018/19 Expenditures Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Personnel Expenses	\$ 82,193,230	\$ 82,748,855	\$ 82,048,200	\$ 700,655
Transportation and Training	1,585,594	1,580,949	1,503,646	77,303
Repairs and Maintenance	5,453,559	8,281,244	8,250,150	31,094
Material, Supplies and Services	20,800,859	22,537,897	21,253,063	1,284,834
Capital Outlay	340,990	401,110	321,942	79,168
Total	\$ 110,374,232	\$115,550,055	\$113,377,001	\$ 2,173,054

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, 2019 was \$685.9 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, right-of-ways, buildings, improvements other than buildings, vehicles and equipment, public art, and construction-in-progress. The City's investment in capital assets (net of accumulated depreciation) decreased by \$14.1 million from the prior fiscal year. Major capital asset changes during the fiscal year were as follows:

- Governmental activities net capital assets decreased overall by \$6.8 million in FY 2018/19. Total capital asset additions and retirements were \$9.2 million and \$10.2 million, respectively. In addition, current year depreciation expense additions and retirements were \$14.8 million and \$9.0 million, respectively. Capital assets activity included:
 - Various construction-in-progress projects (\$4.5 million) were added in FY 2018/19 and included the following projects: Dolores Bengtson Aquatic Center Facility and Locker Room (\$2.2 million), Fire Station #4 Repairs (\$0.5 million), Design of Fire Station #3 (\$0.2 million), various parks, trails, playground, and library renovations (\$0.8 million), Downtown Parking Expansion (\$0.1 million) and Traffic Signal, Bicycle and Pedestrian Lane Improvements and Various Intersection Improvements (\$0.7 million). The following completed construction projects totaling \$10.3 million were transferred to various asset categories: two major street resurfacing projects and ADA Ramps built throughout the City (\$9.0 million), Cubby Dog Park and Old Foothill Road Parking Improvements (\$0.3 million), Basketball Courts Renovations (\$0.4 million), Old Vineyard Avenue Pedestrian Trail (\$0.5 million) and Owens Drive Adaptive Traffic Signal Upgrade (\$0.1 million).

- Business-type activities net capital assets decreased overall by \$7.3 million in FY 2018/19. Additions in capital assets of \$2.9 million were offset by a decrease of \$0.7 million from a prior year asset capitalization adjustment and \$9.5 million from depreciation. Capital assets activity included:
 - Additions to construction-in-progress projects totaled \$1.3 million and included \$1.0 million for the Recycled Water Infrastructure Expansion project, \$0.2 million for the Water Tank Corrosion project, and \$0.1 million for various water projects.
 - The following completed construction-in-progress projects totaled \$19.8 million and were added to the City’s infrastructure during the fiscal year: Recycled Water Infrastructure Expansion (\$16.9 million), Annual Water Main Replacements (\$2.2 million), Water Telemetry Upgrades (\$0.2 million), Pioneer Cemetery Storage Area Improvements (\$0.4 million) and \$0.1 million for various water quality improvement projects.
 - Contributed assets totaled \$1.2 million. Developers installed water and sewer lines, meters and hydrants during development of the following projects: 13 units at Old Stanley Boulevard development, Essex I & II apartment projects, Pacific Pearl shopping center, Vintage Apartments and offsite at two commercial parcels at Gibraltar/Willow Road, Meridian at Ironwood and Sunrise Senior Living projects. These assets were donated to the City and recorded as infrastructure in the City’s Water, Sewer and Storm Drain Funds.
 - These additions were offset by net depreciation expense (\$9.5 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 FY 2018/19.

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

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/ (Decrease)</u>
	2018	2019	2018	2019	2018	2019	% Change
Infrastructure	\$113.9	\$115.6	\$110.2	\$124.0	\$224.1	\$239.6	6.9%
Land	244.6	246.7	14.5	14.5	259.1	261.2	0.8%
Right-of-ways	36.4	36.4	-	-	36.4	36.4	0.0%
Buildings	52.7	51.1	19.2	18.4	71.9	69.5	-3.3%
Improvements other than building	32.3	31.0	11.4	10.2	43.7	41.2	-5.7%
Vehicles & equipment	13.1	12.4	8.1	8.2	21.2	20.6	-2.8%
Public Art	0.8	0.8	-	-	0.8	0.8	0.0%
Construction in progress	12.8	5.8	30.0	10.8	42.8	16.6	-61.2%
Total	\$506.6	\$499.8	\$193.4	\$186.1	\$700.0	\$685.9	-2.0%

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

Debt Administration

Governmental activities debt decreased to \$1.4 million in FY 2018/19.

- The City's loan from the California Energy Commission for the LED Lighting Upgrade project decreased by \$0.2 million from the normal amortization of the loan payable.
- During the year, the City made its annual payment on the HUD Section 108 loan of \$64,000 to bring the remaining balance to \$0.8 million.

Debt of the business-type activities decreased to \$15.4 million in FY 2018/19.

- There was a slight increase in Golf Course Capital Lease debt of \$0.04 million due to the execution of an additional golf course maintenance equipment capital lease during the fiscal year of \$0.12 million, offset with lease payments of \$0.08 million.
- The City's loan from the California Clean Water State Revolving Fund (SRF) for the Recycled Water Infrastructure Expansion project decreased by \$0.3 million from the normal amortization of the loan payable.
- Debt service payments of \$0.8 million were made on the Water Revenue Bonds, Series 2017 bonds during FY 2018/19. The bonds will assist with the City's participation in the DERWA facilities expansion project that is needed to meet recycled water demands throughout the City.

The following table compares the outstanding balances on long-term debt of the City as of June 30, 2018 and 2019:

City of Pleasanton Long Term Debt Outstanding

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
California Energy Commission (CEC)	\$ 835,853	\$ 653,129	\$ -	\$ -	\$ 835,853	\$ 653,129
HUD Section 108 Loan	850,000	786,000	-	-	850,000	786,000
Golf Course Capital Lease	-	-	187,767	223,243	187,767	223,243
California Clean Water SRF Loan	-	-	9,979,419	9,681,084	9,979,419	9,681,084
Water Revenue Bonds, Series 2017	-	-	6,305,000	5,460,000	6,305,000	5,460,000
TOTAL	\$ 1,685,853	\$ 1,439,129	\$ 16,472,186	\$ 15,364,327	\$ 18,158,039	\$ 16,803,456

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

ECONOMIC FACTORS, FY 2018/19 and FY 2019/20 BUDGET, AND CALPERS PENSION RATES

The unemployment rate in Alameda County decreased to 3.1% as of June 2019, as compared with 3.3% for June 2018, and the unemployment rate in the City of Pleasanton remained at 2.9% as of June 30, 2019, the same as it was as of June 2018.

As of the adoption of the two-year budget for the FY 2017/18 and FY 2018/19 by the City Council on June 20, 2017, the economic outlook for the City was considered to be stable with some modest improvement. The FY 2018/19 Mid-Term Budget, adopted June 5, 2018, with a General Fund Budget of approximately \$114.8 million is an increase of 4.9% from the FY 2017/18 Mid-year 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, 2019 to the following:

July 1, 2019

- Miscellaneous Plan 12.239% *
- Safety Fire Plan 19.100% *
- Safety Police Plan (pooled) 22.927% (1st Tier) *
18.928% (2nd Tier)
13.034% (PEPRA)

* Assuming employer prepayment of unfunded liability in the amount of \$5,883,893 (20.1% of projected covered payroll) for the Miscellaneous Plan, \$5,002,600 (31.7% of projected covered payroll) for the Safety Fire Plan, and \$1,874,961 (23.6% of projected covered payroll) for the Safety Police Plan.

July 1, 2018

- Miscellaneous Plan 11.477% *
- Safety Fire Plan 17.927% *
- Safety Police Plan (pooled) 20.556% (1st Tier) *
17.614% (2nd Tier)
12.141% (PEPRA)

* Assuming employer prepayment of unfunded liability in the amount of \$5,146,747 (19.0% of projected covered payroll) for the Miscellaneous Plan, \$4,351,594 (26.7% of projected covered payroll) for the Safety Fire Plan, and \$1,389,079 (16.1% of projected covered payroll) for the Safety Police Plan.

REQUEST FOR INFORMATION

This financial report is designed to provide our residential and business community, taxpayers, customers, investors and creditors with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, P.O. Box 520, Pleasanton, CA 94566.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Pleasanton
Statement of Net Position
June 30, 2019

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash and investments (Note 2)	\$ 164,848,977	\$ 48,479,669	\$ 213,328,646
Restricted cash and investments (Note 2)	29,299,748	444,254	29,744,002
Receivables (net):			
Accounts	1,959,239	8,867,969	10,827,208
Taxes	6,637,309	-	6,637,309
Grants	376,216	-	376,216
Interest	2,179,149	263,590	2,442,739
Lease	254,328	-	254,328
Internal balances (Note 1H)	655,898	(\$655,898)	-
Inventory and prepaid expenses	-	137,365	137,365
Prepaid expenses	766,002	-	766,002
Notes receivable (Note 3)	22,745,182	-	22,745,182
Net investment in LAVWMA (Note 8C)	-	14,837,675	14,837,675
Capital assets (Note 5):			
Nondepreciable	289,660,927	25,292,096	314,953,023
Depreciable, net	210,116,764	160,804,571	370,921,335
Total assets	729,499,739	258,471,291	987,971,030
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions (Note 10)	24,390,131	1,451,790	25,841,921
Related to OPEB (Note 11)	4,985,135	535,865	5,521,000
Total deferred outflows of resources	29,375,266	1,987,655	31,362,921
LIABILITIES			
Accounts payable	5,640,775	6,732,039	12,372,814
Payroll payable	1,560,183	173,377	1,733,560
Refundable deposits	-	220,900	220,900
Unearned revenue	101,238	800,702	901,940
Compensated absences (Note 1K):			
Due within one fiscal year	1,106,790	-	1,106,790
Due in more than one fiscal year	3,407,586	-	3,407,586
Long-term debt (Note 6):			
Due within one fiscal year	234,541	1,253,051	1,487,592
Due in more than one fiscal year	1,204,588	14,111,265	15,315,853
Claims liability (Note 7):			
Due within one fiscal year	1,828,889	-	1,828,889
Due in more than one fiscal year	8,005,823	-	8,005,823
Net deficit in LPFD (Note 8G)	41,176,313	-	41,176,313
Net pension liability, due in more than one fiscal year (Note 10)	112,838,345	8,843,219	121,681,564
Net OPEB liability, due in more than one fiscal year (Note 11)	43,222,866	4,646,134	47,869,000
Total liabilities	220,327,937	36,780,687	257,108,624
DEFERRED INFLOWS OF RESOURCES			
Related to pensions (Note 10)	6,146,864	156,805	6,303,669
Related to OPEB (Note 11)	1,040,188	111,812	1,152,000
Total deferred inflows of resources	7,187,052	268,617	7,455,669
NET POSITION (Note 9)			
Net investment in capital assets	498,338,562	176,192,351	674,530,913
Restricted for:			
Capital projects	47,283,544	-	47,283,544
Transportation	-	214,632	214,632
Special projects	15,178,008	-	15,178,008
Community development	9,900,278	-	9,900,278
Total restricted net position	72,361,830	214,632	72,576,462
Unrestricted net position	(39,340,376)	47,002,659	7,662,283
Total net position	\$ 531,360,016	\$ 223,409,642	\$ 754,769,658

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton
Statement of Activities
For the year ended June 30, 2019**

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 15,463,935	\$ 1,759,450	\$ 553,219	\$ -
Public safety	52,306,605	2,101,271	1,148,491	314,072
Community development	16,697,040	7,071,315	552,226	6,115,403
Operations services	33,754,591	412,217	488,168	5,609,764
Community activities	15,852,817	4,920,968	47,954	376,833
Interest on long-term debt	28,035	-	-	-
Total governmental activities	134,103,023	16,265,221	2,790,058	12,416,072
Business-type activities:				
Water	27,667,694	27,106,096	-	793,286
Sewer	17,308,963	14,894,626	-	296,908
Golf	4,849,230	3,713,019	-	-
Storm Drain	2,570,902	744,402	-	133,163
Transit	667,324	25,394	78,908	-
Cemetery	245,796	161,243	-	-
Pleasanton Housing Authority	59	-	-	-
Total business-type activities	53,309,968	46,644,780	78,908	1,223,357
Total primary government	\$ 187,412,991	\$ 62,910,001	\$ 2,868,966	\$ 13,639,429

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, as restated (Note 9D)

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
\$ (13,151,266)	\$ -	\$ (13,151,266)
(48,742,771)	-	(48,742,771)
(2,958,096)	-	(2,958,096)
(27,244,442)	-	(27,244,442)
(10,507,062)	-	(10,507,062)
(28,035)	-	(28,035)
<u>(102,631,672)</u>	<u>-</u>	<u>(102,631,672)</u>
-	231,688	231,688
-	(2,117,429)	(2,117,429)
-	(1,136,211)	(1,136,211)
-	(1,693,337)	(1,693,337)
-	(563,022)	(563,022)
-	(84,553)	(84,553)
-	(59)	(59)
<u>-</u>	<u>(5,362,923)</u>	<u>(5,362,923)</u>
<u>(102,631,672)</u>	<u>(5,362,923)</u>	<u>(107,994,595)</u>
69,930,013	-	69,930,013
11,917,437	-	11,917,437
22,959,956	-	22,959,956
3,075,783	-	3,075,783
<u>107,883,189</u>	<u>-</u>	<u>107,883,189</u>
\$7,443,513	1,549,905	8,993,418
385,830	2,650,540	3,036,370
<u>(818,540)</u>	<u>818,540</u>	<u>-</u>
<u>114,893,992</u>	<u>5,018,985</u>	<u>119,912,977</u>
12,262,320	(343,938)	11,918,382
<u>519,097,696</u>	<u>223,753,580</u>	<u>742,851,276</u>
<u>\$ 531,360,016</u>	<u>\$ 223,409,642</u>	<u>\$ 754,769,658</u>

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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.

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.

Miscellaneous Capital Improvement Programs Fund is a capital projects fund that receives contributions from the General Fund to be used for design and construction of facilities and infrastructure as adopted in the annual miscellaneous capital improvement program.

**City of Pleasanton
Balance Sheet
Governmental Funds
June 30, 2019**

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Non-major Governmental Funds	Total
ASSETS					
Cash and investments (Note 2)	\$ 19,067,277	\$ 9,709,152	\$ 19,433,975	\$ 75,387,492	\$ 123,597,896
Restricted cash and investments (Note 2)	7,060,346	-	-	-	7,060,346
Receivables (net):					
Accounts	699,693	202,987	-	1,045,034	1,947,714
Taxes	6,637,309	-	-	-	6,637,309
Grants	-	-	-	376,216	376,216
Interest	190,145	1,025,851	89,104	677,183	1,982,283
Lease	-	254,328	-	-	254,328
Due from other funds (Note 4)	186,114	-	-	-	186,114
Advances to other funds (Note 4)	500,000	-	-	-	500,000
Notes receivable, net (Note 3)	24,566	20,240,451	40,573	2,439,592	22,745,182
Total assets	\$ 34,365,450	\$ 31,432,769	\$ 19,563,652	\$ 79,925,517	\$ 165,287,388
LIABILITIES					
Accounts payable	\$ 3,144,502	\$ 52,004	\$ 26,563	\$ 994,063	\$ 4,217,132
Payroll payable	1,550,602	6,852	-	2,729	1,560,183
Due to other funds (Note 4)	-	-	-	33,662	33,662
Advances from other funds (Note 4)	-	-	-	829,103	829,103
Unearned revenue	31,991	-	-	32,891	64,882
Refundable deposits	36,356	-	-	-	36,356
Total liabilities	4,763,451	58,856	26,563	1,892,448	6,741,318
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	21,473,635	40,573	2,748,711	24,262,919
FUND BALANCES (Note 9)					
Nonspendable	524,566	-	-	-	524,566
Restricted	-	9,900,278	-	62,461,552	72,361,830
Assigned	-	-	19,496,516	12,822,806	32,319,322
Unassigned	29,077,433	-	-	-	29,077,433
Total fund balances	29,601,999	9,900,278	19,496,516	75,284,358	134,283,151
Total liabilities, deferred inflows of resources, and fund balances	\$ 34,365,450	\$ 31,432,769	\$ 19,563,652	\$ 79,925,517	\$ 165,287,388

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, 2019

Fund Balances - Total Governmental Funds	\$ 134,283,151
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 \$12,386,299.	487,391,392
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.	24,262,919
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, deferred outflows of resources, liabilities, and deferred inflows of resources are included in governmental activities in the Statement of Net Position.	(71,962,004)
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:	
Note payable to California Energy Commission	(653,129)
HUD Section 108 Loan	(786,000)
Net investment (deficit) in LPFD	(41,176,313)
Net Position of Governmental Activities	<u>\$ 531,360,016</u>

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, 2019

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Non-major Governmental Funds	Total
REVENUES:					
Taxes	\$ 105,321,095	\$ -	\$ -	\$ -	\$ 105,321,095
Special assessments	-	-	-	209,533	209,533
Licenses	8,436	-	-	-	8,436
Permits	3,347,546	-	-	-	3,347,546
Fines and forfeitures	356,410	-	-	5,000	361,410
Use of money and property	1,395,233	1,205,295	503,423	2,117,603	5,221,554
Intergovernmental	583,925	196,925	300,000	6,649,193	7,730,043
Franchises	3,075,783	-	-	-	3,075,783
Charges for services	1,402,568	-	-	-	1,402,568
Development fees	693,175	1,683,397	-	2,775,954	5,152,526
Plan check fees	2,121,702	-	-	-	2,121,702
Contributions and donations	24,920	-	-	702,882	727,802
Other revenues	3,794,222	92,230	7,994	977,058	4,871,504
Recreation charges	4,775,360	-	-	-	4,775,360
Total revenues	126,900,375	3,177,847	811,417	13,437,223	144,326,862
EXPENDITURES:					
Current:					
General government	14,535,495	-	-	-	14,535,495
Public safety	50,576,207	-	-	143,732	50,719,939
Community development	14,564,459	2,758,991	48,000	458,297	17,829,747
Operations services	20,007,997	-	-	501,441	20,509,438
Community activities	13,370,901	-	-	222,535	13,593,436
Capital outlay	321,942	-	658,270	7,002,114	7,982,326
Debt Service:					
Principal	-	-	182,724	64,000	246,724
Interest	-	-	7,904	20,131	28,035
Total expenditures	113,377,001	2,758,991	896,898	8,412,250	125,445,140
REVENUES OVER (UNDER) EXPENDITURES	13,523,374	418,856	(85,481)	5,024,973	18,881,722
OTHER FINANCING SOURCES (USES):					
Transfers in (Note 4)	908,000	-	5,564,135	7,270,140	13,742,275
Transfers out (Note 4)	(12,485,559)	-	(2,301,762)	(241,919)	(15,029,240)
Total other financing sources (uses)	(11,577,559)	-	3,262,373	7,028,221	(1,286,965)
Net change in fund balances	1,945,815	418,856	3,176,892	12,053,194	17,594,757
FUND BALANCES:					
Beginning of year	27,656,184	9,481,422	16,319,624	63,231,164	116,688,394
End of year	\$ 29,601,999	\$ 9,900,278	\$ 19,496,516	\$ 75,284,358	\$ 134,283,151

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, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 17,594,757
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	6,272,050
Capital contributions	642,588
Retirements	(1,148,437)
Depreciation (net of internal service funds of \$1,928,585)	(12,834,571)
Loans receivable are not considered available revenue and are classified as deferred inflows of resources in the governmental funds.	2,184,058
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:	
Note payable to California Energy Commission	182,724
HUD Section 108 Loan	64,000
Losses in the equity investment in LPFD is an expenditure in the governmental funds, but the losses increase the net investment deficit in the Statement of Net Position.	(1,354,554)
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.	659,705
Change in Net Position of Governmental Activities	\$ 12,262,320

See accompanying Notes to Basic Financial Statements.

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PROPRIETARY FUND FINANCIAL STATEMENTS

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.

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.

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 capital assets, accumulation of funds for payment of golf debt service, and reimbursement for infrastructure expenses necessitated by the development of the golf course.

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 fiscal year 1992/93 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.

**City of Pleasanton
Statement of Fund Net Position
Proprietary Funds
June 30, 2019**

	Business-type Activities - Enterprise Funds						Governmental Activities
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
ASSETS							
Current assets:							
Cash and investments (Note 2)	\$ 23,763,449	\$ 21,387,799	\$ 672,550	\$ 1,260,167	\$ 1,395,704	\$ 48,479,669	\$ 41,251,081
Restricted cash (Note 2)	444,254	-	-	-	-	444,254	22,239,402
Receivables (net):							
Accounts	5,904,605	2,870,013	16,067	1,308	75,976	8,867,969	11,525
Interest	132,142	121,822	1,830	5,106	2,690	263,590	196,866
Inventory and prepaid expenses	-	-	137,365	-	-	137,365	766,002
Total current assets	30,244,450	24,379,634	827,812	1,266,581	1,474,370	58,192,847	64,464,876
Noncurrent assets:							
Net investment in joint ventures (Note 8C)	-	14,837,675	-	-	-	14,837,675	-
Advances to other funds (Note 4)	-	-	-	-	-	-	829,103
Capital assets (Note 5):							
Nondepreciable	11,288,793	1,448,807	12,434,327	24,047	96,122	25,292,096	528,191
Depreciable, net	81,615,743	44,972,774	11,722,909	21,974,186	518,959	160,804,571	11,858,108
Total noncurrent assets	92,904,536	61,259,256	24,157,236	21,998,233	615,081	200,934,342	13,215,402
Total assets	123,148,986	85,638,890	24,985,048	23,264,814	2,089,451	259,127,189	77,680,278
DEFERRED OUTFLOWS OF RESOURCES							
Related to pensions (Note 10)	837,108	465,804	-	148,878	-	1,451,790	24,390,131
Related to OPEB (Note 11)	305,622	175,988	-	54,255	-	535,865	4,985,135
Total deferred outflows of resources	1,142,730	641,792	-	203,133	-	1,987,655	29,375,266
LIABILITIES							
Current liabilities:							
Accounts payable	3,525,318	2,782,957	356,292	24,022	43,450	6,732,039	1,423,643
Payroll payable	107,704	41,057	-	11,700	12,916	173,377	-
Due to other funds (Note 4)	-	-	-	-	20,858	20,858	131,594
Advances from other funds (Note 4)	-	-	-	-	500,000	500,000	-
Refundable deposits	-	-	220,900	-	-	220,900	-
Unearned revenue	313,825	-	301,507	-	185,370	800,702	-
Accrued compensated absences (Note 1K)	-	-	-	-	-	-	1,106,790
Claims payable (Note 7)	-	-	-	-	-	-	1,828,889
Capital leases payable (Note 6B)	-	-	91,733	-	-	91,733	-
Loan payable (Note 6B)	301,318	-	-	-	-	301,318	-
Bonds payable (Note 6B)	860,000	-	-	-	-	860,000	-
Total current liabilities	5,108,165	2,824,014	970,432	35,722	762,594	9,700,927	4,490,916
Noncurrent liabilities:							
Accrued compensated absences (Note 1K)	-	-	-	-	-	-	3,407,586
Claims payable (Note 7)	-	-	-	-	-	-	8,005,823
Capital leases payable (Note 6B)	-	-	131,499	-	-	131,499	-
Loan payable (Note 6B)	9,379,766	-	-	-	-	9,379,766	-
Bonds payable (Note 6B)	4,600,000	-	-	-	-	4,600,000	-
Net pension liability (Note 10)	5,099,037	2,837,324	-	906,858	-	8,843,219	112,838,345
Net OPEB liability (Note 11)	2,649,846	1,525,877	-	470,411	-	4,646,134	43,222,866
Total noncurrent liabilities	21,728,649	4,363,201	131,499	1,377,269	-	27,600,618	167,474,620
Total liabilities	26,836,814	7,187,215	1,101,931	1,412,991	762,594	37,301,545	171,965,536
DEFERRED INFLOWS OF RESOURCES							
Related to pensions (Note 10)	90,415	50,310	-	16,080	-	156,805	6,146,864
Related to OPEB (Note 11)	63,770	36,721	-	11,321	-	111,812	1,040,188
Total deferred inflows of resources	154,185	87,031	-	27,401	-	268,617	7,187,052
NET POSITION							
Net investment in capital assets	83,223,452	46,421,581	23,934,004	21,998,233	615,081	176,192,351	12,386,299
Restricted for:							
Transportation	-	-	-	-	214,632	214,632	-
Unrestricted	14,077,265	32,584,855	(50,887)	29,322	497,144	47,137,699	(84,483,343)
Total net position	\$ 97,300,717	\$ 79,006,436	\$ 23,883,117	\$ 22,027,555	\$ 1,326,857	223,544,682	\$ (72,097,044)

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.

Net position of business-type activities (135,040)
\$ 223,409,642

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, 2019

	Business-type Activities - Enterprise Funds						Governmental Activities
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES:							
Charges for services	\$ 26,553,593	\$ 14,886,452	\$ 3,713,019	\$ 518,743	\$ 183,203	\$ 45,855,010	\$ 16,132,333
Miscellaneous	552,503	8,174	-	225,659	3,434	789,770	15,982
Total operating revenues	27,106,096	14,894,626	3,713,019	744,402	186,637	46,644,780	16,148,315
OPERATING EXPENSES:							
Personnel services	4,666,638	2,414,441	-	741,367	525,115	8,347,561	9,820,051
Transportation	137,390	50,432	-	2,001	87,180	277,003	1,146
Repairs and maintenance	116,388	62,188	585,829	22,965	3,024	790,394	470,980
Materials, supplies, and services	18,905,417	11,871,106	2,854,990	629,494	286,333	34,547,340	5,662,116
Depreciation (Note 5)	3,707,537	2,933,149	1,633,100	1,157,778	32,131	9,463,695	1,928,585
Total operating expenses	27,533,370	17,331,316	5,073,919	2,553,605	933,783	53,425,993	17,882,878
OPERATING INCOME (LOSS)	(427,274)	(2,436,690)	(1,360,900)	(1,809,203)	(747,146)	(6,781,213)	(1,734,563)
NONOPERATING REVENUES (EXPENSES):							
Grants	-	-	-	3,425	78,908	82,333	28,873
Intergovernmental	-	-	-	-	356,165	356,165	-
Interest income	784,792	702,829	10,177	31,842	20,265	1,549,905	2,214,433
Interest (expense)	(227,782)	-	(6,443)	-	-	(234,225)	-
Gain (loss) from disposal of capital assets	-	-	-	-	-	-	32,787
Equity interest in gain from joint ventures	-	2,294,375	-	-	-	2,294,375	-
Total nonoperating revenues (expenses)	557,010	2,997,204	3,734	35,267	455,338	4,048,553	2,276,093
Income (Loss) Before Capital Contributions and Transfers							
Capital contributions received	793,286	296,908	-	129,738	-	1,219,932	-
Transfers in (Note 4)	299,263	120,609	-	366,277	231,639	1,017,788	3,661,243
Transfers out (Note 4)	-	-	(199,248)	-	-	(199,248)	(3,192,818)
Total contributions and transfers	1,092,549	417,517	(199,248)	496,015	231,639	2,038,472	468,425
Change in net position	1,222,285	978,031	(1,556,414)	(1,277,921)	(60,169)	(694,188)	1,009,955
NET POSITION:							
Beginning of year, as restated (Note 9D)	96,078,432	78,028,405	25,439,531	23,305,476	1,387,026		(73,106,999)
End of year	\$ 97,300,717	\$ 79,006,436	\$ 23,883,117	\$ 22,027,555	\$ 1,326,857		\$ (72,097,044)

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.

	350,250
Change in net position of business-type activities	<u>\$ (343,938)</u>

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2019**

	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	\$ 26,258,312	\$ 14,543,650	\$ 3,713,630	\$ 745,177	\$ 254,595	\$ 45,515,364	\$ 16,139,790
Cash payment to suppliers for goods and services	(19,642,194)	(12,902,137)	(3,325,838)	(648,766)	(903,000)	(37,421,935)	(9,464,785)
Cash payment to and on behalf of employees for services	(4,492,594)	(1,729,090)	-	(639,887)	(527,608)	(7,389,179)	(4,658,313)
Amounts paid to joint ventures	-	(2,294,375)	-	-	-	(2,294,375)	-
Net cash provided (used) by operating activities	2,123,524	(2,381,952)	387,792	(543,476)	(1,176,013)	(1,590,125)	2,016,692
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Grants received	-	-	-	3,425	68,001	71,426	-
Intergovernmental funds received	-	-	-	-	346,317	346,317	818,986
Transfers in	299,263	120,609	-	366,277	731,639	1,517,788	3,787,826
Transfers out	-	-	(199,248)	-	-	(199,248)	(2,968,840)
Net cash provided (used) by noncapital financing activities	299,263	120,609	(199,248)	369,702	1,145,957	1,736,283	1,637,972
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Principal payments on long-term debt	(1,143,335)	-	(84,132)	-	-	(1,227,467)	-
Proceeds from issuance of debt	-	-	119,608	-	-	119,608	-
Interest payments	(227,782)	-	(6,443)	-	-	(234,225)	-
Grants	-	-	-	-	-	-	28,873
Capital asset (acquisitions)	(881,423)	(49,401)	(119,597)	-	170,955	(879,466)	(2,206,480)
Proceeds from sale of capital assets	193,637	-	-	-	-	193,637	32,787
Net cash provided (used) by capital and related financing activities	(2,058,903)	(49,401)	(90,564)	-	170,955	(2,027,913)	(2,144,820)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest and investment income received	729,999	2,942,710	9,156	30,105	20,366	3,732,336	2,182,980
Net cash provided by (used in) noncapital investing activities	729,999	2,942,710	9,156	30,105	20,366	3,732,336	2,182,980
Net increase (decrease) in cash and cash equivalents	1,093,883	631,966	107,136	(143,669)	161,265	1,850,581	2,873,838
CASH AND CASH EQUIVALENTS:							
Beginning of year, as restated (Note 9D)	23,113,820	20,755,833	565,414	1,403,836	1,234,439	47,073,342	60,616,645
End of year	\$ 24,207,703	\$ 21,387,799	\$ 672,550	\$ 1,260,167	\$ 1,395,704	\$ 48,923,923	\$ 63,490,483
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating income (loss)	\$ (427,274)	\$ (2,436,690)	\$ (1,360,900)	\$ (1,809,203)	\$ (747,146)	\$ (6,781,213)	\$ (1,734,563)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	3,707,537	2,933,149	1,633,100	1,157,778	32,131	9,463,695	1,928,585
Decrease (increase) in:							
Accounts receivable	(847,784)	(350,976)	611	775	38,599	(1,158,775)	(8,525)
Inventory and prepaid items	-	-	(24,717)	-	-	(24,717)	-
Prepaid other post employment benefits	-	-	-	-	-	-	-
Net investment in joint ventures	-	(2,294,375)	-	-	-	(2,294,375)	-
Increase (decrease) in:							
Accounts payable	(498,058)	(918,411)	24,243	5,694	(529,120)	(1,915,652)	104,177
Payroll payable	15,118	2,753	-	(3,824)	(2,493)	11,554	-
Refundable deposits	-	-	92,356	-	-	92,356	-
Due to other funds	-	-	-	-	2,657	2,657	-
Unearned revenue	15,059	-	23,099	-	29,359	67,517	-
Compensated absences	-	-	-	-	-	-	126,974
Claims payable	-	-	-	-	-	-	(3,439,765)
Net pension liability	273,348	398,118	-	115,174	-	786,640	6,079,997
Net OPEB liability	(114,422)	284,480	-	(9,870)	-	160,188	(1,040,188)
Net cash provided (used) by operating activities	\$ 2,123,524	\$ (2,381,952)	\$ 387,792	\$ (543,476)	\$ (1,176,013)	\$ (1,590,125)	\$ 2,016,692
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:							
Capital contributions received	\$ 793,286	\$ 296,908	\$ -	\$ 129,738	\$ -	\$ 1,219,932	\$ -
Total noncash capital and related financing activities	\$ 793,286	\$ 296,908	\$ -	\$ 129,738	\$ -	\$ 1,219,932	\$ -

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

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.

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
Statement of Fund Net Position
Fiduciary Funds
June 30, 2019**

ASSETS	<u>Private-Purpose Trust</u>	<u>Agency</u>
Cash and investments (Note 2)	\$ 407,088	\$ 9,699,239
Receivables (net):		
Accounts	4,050	595,414
Interest	2,234	35,396
Notes receivable	-	10,008
Total assets	<u>413,372</u>	<u>\$ 10,340,057</u>
 LIABILITIES		
Cash and investments (overdraft)	-	\$ 4,121
Accounts payable	-	2,597,275
Claims	-	9,005,312
Loans payable	-	10,008
Deposits	-	(1,276,659)
Total liabilities	<u>-</u>	<u>\$ 10,340,057</u>
 NET POSITION		
Net position held in trust for others	<u>\$ 413,372</u>	

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Changes in Fiduciary Net Position
Private - Purpose Trust
For the Year Ended June 30, 2019

	Private-Purpose Trust
ADDITIONS:	
Investment income	\$ 13,253
Miscellaneous	1,226
Total additions	<u>14,479</u>
DEDUCTIONS:	
Operations services	16,079
Total deductions	<u>16,079</u>
Change in net position	<u>1,600</u>
NET POSITION HELD IN TRUST:	
Beginning of year	<u>414,972</u>
End of year	<u><u>\$ 413,372</u></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, 2019

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City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

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 entities are reported as blended component units of the City as the component units' governing bodies are the same as the governing body of the City and management of the primary government has operational responsibility for the component units:

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 advocate for housing units and services for low and moderate income families. 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.

Pleasanton Joint Powers Financing Authority - In June 1993, the Pleasanton Joint Powers Financing Authority (PJPPFA) was formed by a Joint Exercise of Powers Agreement between the City of Pleasanton and the Housing Authority. The PJPPFA is a blended component unit of the City and the financial operations of the PJPPFA are included in the City of Pleasanton's financial statements.

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net 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.

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

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net 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.

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 Capital Improvement Programs Fund* – is a capital projects fund that 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Fund Net 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.

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 capital 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 fiscal year 1992/93 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

The City also reports the following types of funds:

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary 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 Private-Purpose Trust Funds – accounts for the P.T.C.W.D. #3 Trust Fund. The Trust received money in 1973 from the Pleasanton Township County Water District #3 and the funds may be used in the future to maintain the private road that serves the City’s water tanks.

The Agency Funds – account for assets held by the City as an agent for various local government agencies, insurance companies, developers and bond trustees.

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Restricted Cash and Investments

Restricted cash and investments include amounts held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects, for deposits held for others within the enterprise funds, and for amounts held in an irrevocable trust for pension activities.

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.

G. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position or balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position or balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Inventory

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

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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

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

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 and liquidated from 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.

	Governmental Activities
Balance June 30, 2018	\$ 4,387,402
Additions	2,676,741
Payments	(2,549,766)
Balance June 30, 2019	<u>\$ 4,514,377</u>
Due within one year	<u>\$ 1,106,790</u>

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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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. Use of Restricted and Unrestricted Net Position/Fund Balance

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

P. 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, deferred outflows of resources, liabilities, deferred inflows of resources, and the disclosures of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

R. Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASB Statement No. 83). This statement addresses accounting and financial reporting for certain assets retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This statement requires the current value of a government's AROs to annually be adjusted for the effects of general inflation or deflation, and for the government to evaluate relevant factors that may significantly change the estimated asset retirement outlays. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. This Statement had no significant effect on the financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB Statement No. 88). The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. It requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement had no significant effect on the financial statements.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

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.

The following is a summary of pooled cash and investments at June 30, 2019:

	Government-Wide Statement of Net Position		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Cash and investments	\$ 164,848,977	\$ 48,479,669	\$ 10,102,206	\$ 223,430,852
Restricted cash and investments	29,299,748	444,254	-	29,744,002
Total Cash and investments	\$ 194,148,725	\$ 48,923,923	\$ 10,102,206	\$ 253,174,854

At June 30, 2019, the City's pooled cash and investments consisted of the following:

	Fair Value at June 30, 2019
Deposits:	
Cash on hand	\$ 7,525
Restricted cash	444,254
Deposits with banks	6,893,762
Total Deposits	7,345,541
Investments:	
U.S. Government Agencies	135,347,670
U.S. Treasury Notes	11,951,380
Medium-Term Corporate Notes	42,696,384
Non-Negotiable Certificates of Deposit	990,480
California Local Agency Investment Fund	25,543,651
PARS Trust - mutual funds	29,299,748
Total Investments	245,829,313
Total City Treasury	\$ 253,174,854

A. Deposits

As of June 30, 2019, the book value of the City's cash with banks and petty cash was \$7,345,538 and the associated bank balances were \$8,550,883. The difference between the bank balance and the City's carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$2,153,771 was covered by federal depository insurance and \$6,397,112 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

2. CASH AND INVESTMENTS, Continued

B. Investments

Under the provisions of the City’s investment policy, and in accordance with Section 53601 of the California Government Code and Section 115 of the Internal Revenue Code, the City may invest or deposit in the following:

- Banker’s 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
- PARS Section 115 Pension Trust Fund (See Note 10A)

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 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 fair value at the fiscal year ended June 30, 2019 from the fiscal year ended June 30, 2018 amounted to an unrealized gain of \$2,550,943.

C. Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2019, the City had the following investment maturities:

Investment Type	Investment Maturities (In Years)		Total
	Less than 1	1 to 5	
U.S. Government agencies			
Non-Callable	\$ 12,401,424	\$ 3,022,140	\$ 15,423,564
Callable	26,220,919	93,703,187	119,924,106
U.S. Treasury Notes	3,992,400	7,958,980	11,951,380
Medium-Term Corporate Notes	10,995,690	31,700,694	42,696,384
Non- Negotiable Certificates of Deposit	742,274	248,206	990,480
California Local Agency Investment Fund	25,543,651	-	25,543,651
PARS Section 115 Pension Trust Fund - Mutual Funds	29,299,748	-	29,299,748
Total Investments	<u>\$ 109,196,106</u>	<u>\$ 136,633,207</u>	<u>\$ 245,829,313</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

2. CASH AND INVESTMENTS, Continued

C. Interest Rate Risk, Continued

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, 2019, the City held \$119,924,106 in callable government agencies, which amounted to 55% of total investments.

D. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2019:

	Level 1	Level 2	Total
<i>Investments by Fair Value Level:</i>			
U.S. Government agencies			
Non-Callable	\$ -	\$ 15,423,564	\$ 15,423,564
Callable	-	119,924,106	119,924,106
U.S. Treasury Notes	11,951,380	-	11,951,380
Medium-term Corporate Notes	-	42,696,384	42,696,384
Sub-total	<u>\$ 11,951,380</u>	<u>\$ 178,044,054</u>	<u>189,995,434</u>
<i>Investments Reported at Cost:</i>			
Non- Negotiable Certificates of Deposit			990,480
<i>Investments Exempt from Fair Value Hierarchy:</i>			
California Local Agency Investment Fund			25,543,651
PARS Section 115 Pension Trust Fund - Mutual Funds			<u>29,299,748</u>
Total Investments			<u>\$ 245,829,313</u>

U.S. Treasury notes, classified in Level 1 of the fair value hierarchy, are valued using unadjusted quoted prices in an active market for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. U.S. Government agency securities, medium-term corporate notes and non-negotiable certificates of deposit, classified in Level 2 of the fair value hierarchy, are valued using inputs other than quoted prices under Level 1 that are observable for the asset or liability, either directly or indirectly on the measurement date.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

2. CASH AND INVESTMENTS, Continued

E. Credit Risk

Excluding the PARS Section 115 Pension Trust Fund, 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, including Moody's Investor's Service and Standard & Poor's.

The City's investments are rated by the nationally recognized rating organizations, and as of June 30, 2019, the ratings, as well as the percentage of credit risk expressed on a percentage basis, are as follows:

	Moody's	Standard & Poor's	Percentage
U.S. Government Agencies:			
Federal Farm Credit Bank	Aaa	AA+	25.8%
Federal Home Loan Mortgage Corporation	Aaa	AA+	21.6%
Federal Home Loan Bank	Aaa	AA+	10.2%
Federal National Mortgage Association	Aaa	AA+	7.3%
Medium Term Corporate Notes:			
Apple, Inc.	Aa1	AA+	3.5%
Bank of Nova Scotia	Aa2	A+	0.8%
Bank of New York Mellon	A1	A	2.0%
Microsoft Inc.	Aaa	AAA	4.8%
Toyota Motor Credit Corp.	Aa3	AA+	1.8%
US Bank	A1	AA-	2.0%
Wells Fargo Bank	Aa2	A+	2.5%

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 (California Local Agency Investment Fund). The City is in compliance with these provisions of the Policy.

Investments in the securities of any individual issuers, other than U.S. Treasury Securities, mutual funds and the California Local Agency Investment Fund, that represent 5% or more of the City's total investments are as follows as of June 30, 2019:

U.S. Government Agencies	Amount Invested	Percentage of Investments
Federal Farm Credit Bank	\$ 53,802,987	25.8%
Federal Home Loan Mortgage Corporation	45,088,127	21.6%
Federal Home Loan Bank	21,347,529	10.2%
Federal National Mortgage Association	15,109,027	7.3%

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. The City's PARS Trust is held by a third-party custodian, U.S. Bank. Securities held on the City's behalf by its 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, 2019

2. CASH AND INVESTMENTS, Continued

F. External Investment Pool

As of June 30, 2019, the City had \$25,543,651 invested in the California Local Agency Investment Fund (LAIF), a State of California external investment pool. 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 fair value is not readily available.

At June 30, 2019, 50.96% of LAIF’s portfolio was invested in government guaranteed U.S. Treasuries, and 1.48% 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.

The fair value of LAIF was calculated by applying a factor of 1.001711790 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. At June 30, 2019, these investments matured on an average of 173 days. Separate financial statements for the PMIB may be obtained from the 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, 2019, and a brief description of each of the loan categories appears below the table:

Housing Loans:	
Multifamily Housing Projects-Developers	\$ 998,062
Revolving Home Loans-Individuals	348,799
Senior Housing Projects-Developers	16,549,000
Nonprofit Public Benefit Corporations	65,000
Sunflower Hill	2,250,000
HOME Program Loans	1,806,308
CDBG Program Loans	535,762
Lower Income Housing Loans	29,590
Valley Business Park Loan	40,573
Sewer Connection Fee Loans	24,566
Hacienda Business Park LED Project Loan	97,522
	\$ 22,745,182

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

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 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 its annual allocation based on 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. HOME funds of \$65,420 were received in FY2018/19. The outstanding amount of the loans as of June 30, 2019 was \$1,806,308.

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 makes its CDBG funds available annually for application by agencies that provide housing and services to low-income persons and households. CDBG funds of \$245,487 were received in FY2018/19. The outstanding amount of the loans as of June 30, 2019 was \$535,762.

Lower Income Housing Loans – Through its Lower Income Housing Rehabilitation Program, the City provides financial assistance for the improvement of properties occupied by very low or low-income homeowners. The outstanding amount of the loans as of June 30, 2019 was \$29,590.

Tri-Valley Housing Opportunity Center Loan – The Tri-Valley Housing Opportunity Center (TVHOC) was a non-profit public charity that provided 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. TVHOC subsequently went out of business and is no longer in operations. The City's share of the loan to TVHOC of \$51,667 was written off as of June 30, 2019.

Valley Business Park Loan – In 2018, the City loaned \$48,000 to the Valley Business Park Owners Association for the renovation of three median islands on Valley Avenue just east of Santa Rita Road. The loan was funded from the City’s Capital Improvement Plan Reserve (CIPR). There are fifty (50) monthly loan payments, due on the first of each month, commencing on November 1, 2018. Payments include interest of 1.9% based on the current Local Agency Investment Fund (LAIF) rate. The outstanding amount as of June 30, 2019 was \$40,573.

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. All loans were fully paid off as of June 30, 2019.

Sewer Connection Fee 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, 2019 was \$24,566.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

3. NOTES RECEIVABLE, Continued

Hacienda Business Park LED Project Loan – In 2015, the City loaned \$251,668 to the Hacienda Business Park Owners Association (HBPOA) for their share of the City LED Street Light Retrofit Capital Improvement Project. There are twenty-one (21) semi-annual payments due on the loan; each payment is due by June 22 and December 22 of each year. The interest rate adjusts annually based on the Local Agency Investment Fund interest calculated each January 2. The outstanding amount as of June 30, 2019 was \$97,522.

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 FY 2009/10, 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 the entire principal and interest.
- Tri-Valley REACH, Inc. Loans – Beginning in January 1992, the City has entered into a 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, 2019 were \$1,147,531. Of this amount, \$1,034,967 is funded by the HOME Program, \$65,000 is funded from the City’s Lower Income Housing Fund, and \$47,564 is funded by the CDBG Program.

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

Date of Loan	Loan Amount	Funding Sources
January 1992	\$ 75,000	HOME Program (\$75,000)
January 1997	201,440	HOME Program (\$136,440); Lower Income Housing Fund (\$65,000)
August 2006	476,091	HOME Program (\$428,527); CDBG Program (\$47,564)
February 2009	195,000	HOME Program (\$195,000)
May 2010	200,000	HOME Program (\$200,000)
Total	\$ 1,147,531	

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

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, 2019, was \$9,271. The principal amounts outstanding at June 30, 2019, 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, 2019, was \$1,486. The principal amounts outstanding at June 30, 2019, 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 outstanding amount as of June 30, 2019 was \$23,000.
- 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 FY 2018/19, the City received loan repayments totaling \$62,720. The outstanding amount due to the City for these types of loans as of June 30, 2019 was \$348,799.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

3. NOTES RECEIVABLE, Continued

- Kottinger Gardens Phase 1 Associates, L.P. (Affiliated Corporation with MidPen Housing Corporation)
On November 12, 2013, the City approved a Disposition, Development and Loan Agreement with MidPen Housing Corporation that provided for a \$10,000,000 loan from the City's Lower Income Housing Fund for the development of the Kottinger Place affordable senior housing project. During FY 2014/15, the City appropriated an additional \$3,750,000 from the Lower Income Housing Fund for this project, increasing the project funding to \$13,750,000. A total of \$11,174,640 was drawn from this loan. The principal and interest outstanding at June 30, 2019 were \$11,174,640 and \$809,084, respectively.

Also, during FY 2014/15, the City provided a separate predevelopment loan of \$450,000 for the predevelopment costs of the Kottinger Place project. The loan was funded through the City's HOME Program. 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. The principal and interest outstanding at June 30, 2019 were \$450,000 and \$53,942, respectively.

- Kottinger Gardens Phase 2 Associates, L.P. - On December 1, 2017, the City executed a Secured Promissory Note with Kottinger Gardens Phase 2 Associates, L.P. for \$2,861,360, funded from the City's Lower Income Housing Fund, for the development of the Pleasanton Gardens affordable senior housing project. Interest accrues on the principle amount at 3% per annum. The term of the loan expires fifty-five years from the date of conversion to permanent financing. The principal and interest outstanding at June 30, 2019 were \$2,861,360 and \$137,800, respectively.
- 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 FY 2018/19, BLP paid the City \$249,000 representing a portion of the accrued unpaid interest. As of June 30, 2019, 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, 2019 was \$31,800. The principal amount outstanding for all three loans at June 30, 2019, was \$160,000.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

3. NOTES RECEIVABLE, Continued

- 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 are 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 and Lower Income Housing 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 these loans funded by CDBG funds as of June 30, 2019 were \$488,197 and \$188,002, respectively. The outstanding principal and interest amounts of these loans funded by HOME funds as of June 30, 2019, were \$161,341 and \$35,376, respectively. The outstanding principal and interest amounts on these loans funded by Lower Income Housing funds were \$29,590 and \$260, respectively.

- Sunflower Irby, LLC – On April 13, 2018, the City executed a \$250,000 loan agreement with Sunflower Irby, LLC to provide pre-development funding for the construction of Sunflower Hill, a 31-unit affordable rental housing development for special needs residents. On March 18, 2019, the City executed a \$2,250,000 loan agreement with Sunflower Irby, LLC, which superseded in its entirety the April 13, 2018 loan agreement, and included \$2,000,000 for construction of the housing development. The loan, funded from the Lower Income Housing Fund, accrues simple annual interest of 3%. The entire balance of the loan, together with accrued interest, is payable in full on the date which is the earlier of (1) the fifty-fifth (55th) anniversary of the date upon which the project construction loan converts to permanent financing, or (2) the fifty-seventh (57th) anniversary of the loan date. During the fiscal year, the City disbursed an additional \$2,062,364. The principal and interest outstanding as June 30, 2019 were \$2,250,000 and \$20,954, respectively.

4. INTERFUND TRANSACTIONS

A. Interfund Receivables / Payables

The composition of interfund balances as of June 30, 2019 is as follows:

Due to/from Other Funds

As of June 30, 2019, the General Fund provided \$33,662 to the HOME Program Special Revenue Fund, \$20,858 to the Transit Fund Enterprise Fund, and \$131,594 to the Retiree Insurance Reserve Internal Service Fund.

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 33,662
	Non-Major Enterprise Funds	20,858
	Internal Service Funds	<u>131,594</u>
		<u>\$ 186,114</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

4. INTERFUND TRANSACTIONS, Continued

A. *Interfund Receivables / Payables, Continued*

Long-Term Advances

On July 1, 2012, the Retiree Insurance Reserve Internal Service Fund advanced \$7,840,284 to the Employee Benefits Internal Service Fund to internally finance the payoff of the PERS Police Retirement Group side fund loan. As of June 30, 2019, the advance was fully paid off.

On April 17, 2015, the Replacement/Renovation Internal Service Fund advanced \$2,000,000 to the Park Capital Improvement Program Capital Projects Fund to be used for costs associated with the Bernal Community Park Phase II Lighted Multi-Purpose Sports Fields project. The advance will be repaid through private fundraising efforts within ten years after the park's opening date of October 6, 2016. In FY 2018/19, \$218,967 of the advance was repaid. The remaining \$829,103 will be repaid over the next seven years.

On June 7, 2017, the City Council approved an advance from the General Fund to the Cemetery Enterprise Fund totaling \$500,000. In FY 2018/19, the funding was advanced to the Cemetery Fund to help establish the Pleasanton Pioneer Master Plan Implementation Reserve Fund. The advance will be repaid through future cemetery revenues.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

4. INTERFUND TRANSACTIONS, Continued

B. Transfers In/Out

Transfers in/out for the year ended June 30, 2019 were as follows:

<u>Fund Receiving Transfers</u>	<u>Fund Making Transfers</u>	<u>Amount Transferred</u>	
General Fund	Non-Major Governmental Funds	\$ 20,000	(A)
	Internal Service Funds	888,000	(E)
Miscellaneous Capital Improvement Programs Fund	General Fund	5,564,135	(C), (D)
Water Enterprise Fund	General Fund	243,311	(B)
	Non-Major Governmental Funds	2,952	(C)
	Internal Service Funds	53,000	(E)
Sewer Enterprise Fund	General Fund	94,609	(B)
	Internal Service Funds	26,000	(E)
Storm Drain Enterprise Fund	General Fund	330,000	(F)
	Miscellaneous Capital Improvement Programs Fund	36,277	(D)
Non-Major Governmental Funds	General Fund	4,565,688	(D)
	Miscellaneous Capital Improvement Programs Fund	2,265,485	(D)
	Non-Major Governmental Funds	218,967	(G)
	Internal Service Funds	220,000	(D)
Non-Major Enterprise Funds	General Fund	231,639	(H)
Internal Service Funds	General Fund	1,456,177	(F)
	Golf Enterprise Fund	199,248	(D)
	Internal Service Funds	2,005,818	(I)
Total Interfund Transfers		<u>\$ 18,421,306</u>	

- (A) Transfers to fund operation expenditures
- (B) Transfer to fund senior and low income discounts
- (C) Transfers to fund partial repayment of loan
- (D) Transfer to fund capital improvement projects
- (E) Transfers to return excess funds to sources
- (F) Transfer to subsidize operations
- (G) Transfer to fund partial repayment of advance
- (H) Transfer to subsidize cemetery and transit operations
- (I) Transfer of assets between Internal Service Funds

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance at June 30, 2018	Additions	Retirements and Adjustments	Transfers	Balance at June 30, 2019
Governmental Activities					
Nondepreciable assets:					
Land	\$ 244,645,909	\$ 2,008,591	\$ -	\$ -	\$ 246,654,500
Right-of-ways	36,354,674	-	-	-	36,354,674
Public art	808,018	-	-	-	808,018
Construction in progress	12,709,324	4,524,093	(1,127,608)	(10,262,074)	5,843,735
Total nondepreciable assets	294,517,925	6,532,684	(1,127,608)	(10,262,074)	289,660,927
Depreciable assets:					
Infrastructure	300,000,895	734,189	(8,376,383)	8,947,122	301,305,823
Buildings	81,444,801	-	-	-	81,444,801
Improvements other than buildings	75,975,828	-	-	1,266,752	77,242,580
Machinery and equipment	28,339,629	1,261,641	(568,525)	48,200	29,080,945
Vehicles	13,119,982	639,695	(120,297)	-	13,639,380
Total depreciable assets	498,881,135	2,635,525	(9,065,205)	10,262,074	502,713,529
Less accumulated depreciation:					
Infrastructure	186,112,950	7,981,072	(8,355,556)	-	185,738,466
Buildings	28,713,334	1,630,229	-	-	30,343,563
Improvements other than buildings	43,663,427	2,576,363	-	-	46,239,790
Machinery and equipment	19,673,744	1,508,682	(566,525)	-	20,615,901
Vehicles	8,667,439	1,066,808	(75,202)	-	9,659,045
Total accumulated depreciation	286,830,894	14,763,154	(8,997,283)	-	292,596,765
Net depreciable assets	212,050,241	(12,127,629)	(67,922)	10,262,074	210,116,764
Governmental activities capital assets, net	\$ 506,568,166	\$ (5,594,945)	\$ (1,195,530)	\$ -	\$ 499,777,691
Business-type Activities					
Nondepreciable assets:					
Land	\$ 14,512,340	\$ -	\$ -	\$ -	\$ 14,512,340
Construction in progress	29,975,987	1,303,791	(691,720)	(19,808,302)	10,779,756
Total nondepreciable assets	44,488,327	1,303,791	(691,720)	(19,808,302)	25,292,096
Depreciable assets:					
Infrastructure	277,000,867	1,034,449	-	19,360,506	297,395,822
Buildings	35,719,131	-	-	-	35,719,131
Improvements other than buildings	31,564,986	-	-	426,439	31,991,425
Machinery and equipment	15,445,457	465,478	-	21,357	15,932,292
Vehicles	678,265	50,031	-	-	728,296
Total depreciable assets	360,408,706	1,549,958	-	19,808,302	381,766,966
Less accumulated depreciation:					
Infrastructure	166,846,638	6,521,789	-	-	173,368,427
Buildings	16,521,947	816,101	-	-	17,338,048
Improvements other than buildings	20,157,351	1,590,314	-	-	21,747,665
Machinery and equipment	7,359,560	523,592	-	-	7,883,152
Vehicles	613,204	11,899	-	-	625,103
Total accumulated depreciation	211,498,700	9,463,695	-	-	220,962,395
Net depreciable assets	148,910,006	(7,913,737)	-	19,808,302	160,804,571
Business-type activities capital assets, net	\$ 193,398,333	\$ (6,609,946)	\$ (691,720)	\$ -	\$ 186,096,667

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

5. CAPITAL ASSETS, Continued

Depreciation expense was charged to various governmental functions as follows:

Governmental Activities	
General government	\$ 13,336
Public safety	581,977
Community development	1,229,729
Operations services	9,472,042
Community activities	1,537,485
Total Governmental Functions	<u>12,834,569</u>
Internal Service Funds	1,928,585
Total Governmental Activities	<u>\$ 14,763,154</u>

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

Business-Type Activities	
Water	\$ 3,707,537
Sewer	2,933,149
Golf	1,633,100
Storm Drain	1,157,778
Transit	11,899
Cemetery	20,232
Total Business-Type Activities	<u>\$ 9,463,695</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

Description	Balance June 30, 2018	Retirements	Balance June 30, 2019	Due Within One Year	Due in More Than One Year
Governmental Activities - Direct Placement					
California Energy Commission (CEC), 1.0%, due 2022	\$ 835,853	\$ 182,724	\$ 653,129	\$ 184,541	\$ 468,588
Governmental Activities - Direct Borrowing					
HUD Section 108 Loan, variable rate, due 2035	850,000	64,000	786,000	50,000	736,000
Total Governmental Activity Debt	\$ 1,685,853	\$ 246,724	\$ 1,439,129	\$ 234,541	\$ 1,204,588

Description	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year	Due in More Than One Year
Business-type Activities - Direct Borrowings						
Golf Course Capital Lease	\$ 187,767	\$ 119,608	\$ 84,132	\$ 223,243	\$ 91,742	\$ 131,501
California Clean Water SRF Loan	9,979,419	-	298,335	9,681,084	301,318	9,379,766
Business-type Activities - Bonds						
Water Revenue Bonds, Series 2017	6,305,000	-	845,000	5,460,000	860,000	4,600,000
Total Business-type Activity Debt	\$ 16,472,186	\$ 119,608	\$ 1,227,467	\$ 15,364,327	\$ 1,253,060	\$ 14,111,267

A. Governmental Activities

California Energy Commission (CEC) Loan

On June 7, 2013, the City entered into an agreement with the California Energy Resources Conservation and Development Commission to borrow up to \$2,755,000 for the LED Street Light Retrofit Capital Improvement Project. Loan funds totaled \$1,716,976 and were disbursed to the City on a reimbursement basis based on eligible invoices paid. Interest accrues at 1% per annum on the unpaid principal, computed from each disbursement date. Principal and interest payments began on December 22, 2016 and continues on each June 22 and December 22 of each year until the loan is paid in full. Loan payments are made from the Miscellaneous Capital Improvement Programs Capital Project Fund. The outstanding balance at June 30, 2019 was \$653,129.

The City's outstanding notes from direct placement related to governmental activities of \$653,129 are secured with collateral of the promissory note. Additionally, the direct placement related to governmental activities contain a provision that in an event of default, the lender may declare the promissory note evidencing this loan to be immediately due and payable if the City is unable to make payments. Furthermore, the direct placement related to governmental activities contain a provision of termination related to (1) if the City is in breach of the terms or covenants in the agreement, (2) significant change in Energy Commission or State policy where the work or product being funded would not be supported by the Energy Commission, (3) reorganization to a business entity unsatisfactory to the energy commission and (4) that the Energy Commission may terminate the agreement without cause upon giving thirty days advance notice in writing to the City.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

6. LONG-TERM LIABILITIES, Continued

A. Governmental Activities, Continued

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Direct Placement		
	California Energy Commission (CEC)		
	Principal	Interest	Total
2020	\$ 184,541	\$ 6,088	\$ 190,629
2021	186,406	4,222	190,628
2022	188,274	2,354	190,628
2023	93,908	471	94,379
Total	<u>\$ 653,129</u>	<u>\$ 13,135</u>	<u>\$ 666,264</u>

HUD Section 108 Loan

On August 28, 2015, the City entered into an agreement with the U.S. Department of Housing and Urban Development to borrow up to \$1,250,000. The City used these funds to reimburse Axis Community Health, Inc. for construction costs of their new health clinic. In FY 2015/16, the City requested an advance of \$950,000 on this loan. Principal payments are due August 1 of each year. Loan payments are made from the Community Development Block Grant Special Revenue Fund. The outstanding balance at June 30, 2019 was \$786,000.

The City's outstanding notes from direct borrowing related to governmental activities of \$786,000 are secured with collateral for a second priority lien on the real property on nine parcels beginning at a point on the northwestern line of Railroad Avenue. Additionally, the direct borrowing related to governmental activities contain a provision that in an event of default, all right, title, and interest of the City in and to the guaranteed loan funds and guaranteed loan funds investment accounts shall immediately vest in the Secretary of Housing and Urban Development for use in making payment on the note. Furthermore, the direct borrowing related to governmental activities contain a subjective provision clause that allows the lender to accelerate payment of the principal amount.

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Direct Borrowing		
	HUD Section 108 Loan		
	Principal	Interest	Total
2020	\$ 50,000	\$ 18,658	\$ 68,658
2021	50,000	21,015	71,015
2022	50,000	19,735	69,735
2023	50,000	18,455	68,455
2024	50,000	17,164	67,164
2025-2029	250,000	65,280	315,280
2030-2034	250,000	26,965	276,965
2035	36,000	618	36,618
Total	<u>\$ 786,000</u>	<u>\$ 187,890</u>	<u>\$ 973,890</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

6. LONG-TERM LIABILITIES, Continued

B. Business-Type Activities

Golf Course Capital Leases

On February 10, 2016, the City entered into a lease purchase agreement (Master Agreement) with U.S. Bancorp Government Leasing and Finance, Inc. (U.S. Bancorp) for golf course maintenance equipment (Property Schedule No.1). The cost of the leased equipment was \$321,373. The City makes quarterly payments of \$16,830 over a lease period of 60 months, including interest payments at a rate of 1.78%. At the end of the term, the equipment becomes the property of the City.

On November 7, 2016, the City entered into a lease purchase agreement with Yamaha Motor Finance for golf course maintenance equipment. The cost of the leased equipment was \$12,319. The City makes monthly payments of \$287 over a lease period of 48 months, including interest payments at a rate of 5.98%. At the end of the term, the equipment becomes the property of the City.

On August 8, 2018, the City entered into a lease purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for golf course maintenance equipment (Property Schedule No. 2). This is an addendum to the Master Agreement with U.S. Bancorp dated February 10, 2016. The cost of the leased equipment was \$119,597. The City makes quarterly payments of \$6,603 over a lease period of 60 months, including interest payments at a rate of 3.86%. At the end of the term, the property becomes the property of the City.

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Direct Borrowing		
	Golf Course Capital Lease		
	Principal	Interest	Total
2020	\$ 91,742	\$ 5,435	\$ 97,177
2021	74,837	3,216	78,053
2022	24,581	1,832	26,413
2023	25,543	870	26,413
2024	6,540	63	6,603
Total	<u>\$ 223,243</u>	<u>\$ 11,416</u>	<u>\$ 234,659</u>

The City's outstanding notes from direct borrowings related to business-type activities of \$223,243 are secured by a lien on the leased equipment. The agreements contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due, and (2) lessor may require the City to return any or all of the property.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

6. LONG-TERM LIABILITIES, Continued

B. Business-Type Activities, Continued

California Clean Water State Revolving Fund (SRF) Loan

In June 2015, the City entered into an agreement with the California State Water Resources Control Board for State Revolving Fund project financing in the amount of \$19,875,720 to fund the City of Pleasanton Recycled Water Project. The loan is secured by and payable solely from net revenues from the ownership or operation of the City's Water Enterprise. The agreement was amended in September 2015 to reduce the project funding to \$11,317,177. The project was completed in October 2016 and the City had drawn a total of \$10,281,920. The loan bears annual interest of 1.0%, and principal and interest payments are due October 31 of each year. The outstanding balance at June 30, 2019 was \$9,681,084.

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Direct Borrowing		
	California Clean Water SRF Loan		
	Principal	Interest	Total
2020	\$ 301,318	\$ 96,811	\$ 398,129
2021	304,331	93,798	398,129
2022	307,375	90,754	398,129
2023	310,449	87,681	398,130
2024	313,553	84,576	398,129
2025-2029	1,615,430	375,217	1,990,647
2030-2034	1,697,833	292,813	1,990,646
2035-2039	1,784,439	206,207	1,990,646
2040-2044	1,875,464	115,182	1,990,646
2045-2049	1,170,892	23,492	1,194,384
Total	<u>\$ 9,681,084</u>	<u>\$ 1,466,531</u>	<u>\$ 11,147,615</u>

The City's outstanding note from direct borrowings related to business-type activities of \$9,681,084 is secured by a lien on and pledge of the Water Enterprise Fund, net water revenues and any water reserve fund. In addition, the agreement contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

6. LONG-TERM LIABILITIES, Continued

B. Business-Type Activities, Continued

Water Revenue Bonds, Series 2017

In February 2017, the City issued \$7,100,000 of Water Revenue Bonds, Series 2017 to finance certain improvements for the expansion of the municipal recycled water system of the City. The bonds bear interest at 2.15% with interest payments made semi-annually on February 1 and August 1, commencing August 1, 2017. Principal payments are due annually on February 1, commencing February 1, 2018. The Bonds are payable solely from net water revenues. The outstanding balance at June 30, 2019 was \$5,460,000.

The Bonds are payable from any source of available water funds of the City. The bond covenants contain a provision that in an event of default, upon the written request of not less than fifty-one percent of the original purchasers of the bonds, may declare the principal and interest accrued to be due and payable immediately. Additionally, the bonds outstanding contain a subjective acceleration clause that allows the lender to accelerate payments and the principal amount to become due and payable immediately.

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Bonds		
	Water Revenue Bonds, Series 2017		
	Principal	Interest	Total
2020	\$ 860,000	\$ 117,390	\$ 977,390
2021	880,000	98,900	978,900
2022	900,000	79,980	979,980
2023	920,000	60,630	980,630
2024	940,000	40,850	980,850
2025	960,000	20,640	980,640
Total	<u>\$ 5,460,000</u>	<u>\$ 418,390</u>	<u>\$ 5,878,390</u>

C. Debt Without City Commitment

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. In December 2018, the Busch Senior Housing Apartments bond was paid off.

The remaining bond is 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 note is 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 the agreement.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

6. LONG-TERM LIABILITIES, Continued

C. Debt Without City Commitment, Continued

The bond is payable solely from payments received on the underlying mortgage loans. The City is not obligated in any manner for repayment of the bond. Accordingly, the bond is not reported as a liability in the accompanying basic financial statements.

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

The aggregate amount of all conduit debt outstanding as of June 30, 2019 was \$29,916,200.

D. Legal Debt Limit

As of June 30, 2019, the City's debt limit based on the legal debt margin (15% of 25% of the City's assessed valuation subject to taxation) was \$888,430,875.

E. Arbitrage and Debt Covenant Compliance

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, 2019.

As of June 30, 2019, the City was in compliance with all bond covenants as they pertain to reserve and sinking fund requirements.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

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 Beazley Insurance, a Lloyd Company. In the opinion of City management, premiums paid to BCJPIA (which in turn pays premiums to others including CARMA and ERMA, depending on the risk involved) represent the best available estimate of the ultimate cost of its participation in these various risk sharing pools.

The City's self-insured retained limits and maximum coverage for its significant risk sharing public entity pools are 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/Beazley Insurance, a Lloyd Company
Workers' Compensation	N/A	Up to Statutory Limit	BCJPIA/LAWCX
All Risk Property	10,000	Up to Replacement Cost	BCJPIA/APIP
Auto Physical Damage	Various	Up to Replacement Cost	BCJPIA/APIP
Cyber Liability	50,000	25,000,000	APIP
Commercial Crime Bond	5,000	1,000,000	FDCM/GAIC

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 Workers' 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, 2019, had a negative balance of \$3,021,565, reflecting an increase in claims liability from the prior year. The claims liability of \$8,308,000 is reported as claims payable as of June 30, 2019. Payments in future years from funds of the City participating in the Workers' Compensation Program are anticipated to recover the full cost of the claims liability.

In the Self Insurance Retention Internal Service Fund, at June 30, 2019, reserves of \$4,332,473 are reported in net position and claims liabilities of \$1,526,712 are reported as claims payable.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

7. RISK MANAGEMENT, Continued

The Workers' Compensation Program claims liabilities in the Employee Benefits Fund and 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 funds were as follows:

	June 30,	
	2019	2018
Unpaid claims, beginning of year (as restated)	\$ 9,092,477	\$ 7,895,471
Incurred claims and changes in estimates	2,081,401	2,945,080
Claim payments	(1,339,166)	(1,748,074)
Unpaid claims, end of year	<u>\$ 9,834,712</u>	<u>\$ 9,092,477</u>
Current portion	<u>\$ 1,828,889</u>	<u>\$ 1,699,422</u>

8. 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.

A. Bay Cities Joint Powers Insurance Authority

The City is a member of Bay Cities Joint Powers Insurance Authority (BCJPIA). BCJPIA 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. BCJPIA consists of fifteen cities, three towns and one police authority all located within the metropolitan Bay Area.

The City's proportionate share of BCJPIA's net position depends on a number of factors as there are inflows into the City's account with BCJPIA based on premium deposits and interest earned and there are outflows for expenditures for matters such as administration, claims handling, incurred losses and a reserve for claims incurred but not yet reported (IBNR). Accordingly, it is difficult to ascertain what the City's proportionate share is at any given time.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

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

A. Bay Cities Joint Powers Insurance Authority, Continued

Nevertheless, if there is excess equity in the City's account for a program year that is five years old and for which there are no longer any outstanding claims for that program year, the BCJPIA 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 BCJPIA may be obtained from BCJPIA 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

B. Local Agency Workers' Compensation Excess Joint Powers Authority

In 2010, the City joined the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX). LAWCX was formed on July 1, 1992 as a state-wide joint powers authority to self-insure and pool excess workers' compensation losses. LAWCX was established for California self-insured workers' compensation joint powers authorities, individual agencies and special districts. 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 BCJPIA. Financial statements for LAWCX may be obtained from LAWCX, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

C. Livermore-Amador Valley Waste Management Agency

The Livermore-Amador Valley Waste Management Agency (LAVWMA) was formed in 1974. LAVWMA operates the export pipeline connecting with the East Bay Discharge Authority's systems and discharges treated wastewater into San Francisco Bay. The current members of the Agency are Dublin San Ramon Services District (DSRSD), 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 and losses 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 \$14,837,675 as of June 30, 2019. Financial statements for LAVWMA may be obtained from DSRSD, 7051 Dublin Boulevard, Dublin, CA 94568.

D. 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 and infrastructure. The PJFPA issued \$7,100,000 of Water Revenue Bonds during FY 2016/17 (see Note 6B). The outstanding balance at June 30, 2019 was \$5,460,000. 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, 2019

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

E. Livermore-Amador Valley Transit Authority

The 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. LAVTA operates under the name "Wheels." Financial statements for LAVTA may be obtained from LAVTA, 1362 Rutan Court, Suite 100, Livermore, CA 94551.

F. 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 Franklin Management Systems, Inc. Attn: Mr. Jack Harrington, 3037 Hopyard Road, Suite M, Pleasanton, CA 94588.

G. 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. On February 12, 2018, the cities signed an amended and restated JPA that, among other things, reinforced the joint obligation to fund retirement benefits including unfunded liabilities. Fire protection services are provided by the City of Pleasanton employees under the joint power agreement. The LPFD prepares its budget, including contributions required from each City, to fund operating and capital needs for the year. In January 2013, the City of Livermore began functioning as Treasurer for LPFD. The City of Pleasanton's share of LPFD's costs is approximately 50%. The City accounts for its investment in LPFD by the equity method in the Governmental Activities in the Statement of Net Position. During the year ended June 30, 2019, the City contributed \$18,875,890 to LPFD representing its share of costs. The City's estimated equity/(deficit) interest in LPFD was (\$41,176,313) as of June 30, 2019.

The City records its share of earnings and losses in the Livermore-Pleasanton Fire Department Agency Fund and the carrying value of the City's investment in LPFD is recorded in the Statement of Net Position as "Net Deficit in LPFD." Financial statements for LPFD may be obtained from the City of Livermore at 1052 South Livermore Avenue, Livermore, California 94550.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

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

H. East Bay Regional Communications System Authority

In 2007, the City joined the East Bay Regional Communications System Authority (EBRCSA). The EBRCSA 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 forty-three member agencies consisting of both counties, thirty cities, six special districts, three colleges, Dublin-San Ramon Services District, and the California Department of Transportation, serving a population of over 2.5 million people. The EBRCSA is governed by a twenty-three member board of directors selected from participating counties, cities and districts. Financial statements for EBRCSA may be obtained from EBRCSA, 4985 Broder Boulevard, Dublin, CA 94568.

I. 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, the Bay Area Rapid Transit District and the Alameda-Contra Costa Transit District. Financial statements for Alameda CTC may be obtained from Alameda CTC, 1111 Broadway, Suite 800, Oakland, CA 94607.

9. 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, 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

9. NET POSITION/ FUND BALANCES, Continued

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 (long-term assets, 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 a fund that is not classified as nonspendable, restricted, committed, or assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount.

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.

The City has earmarked a portion of the unassigned fund balance to meet the City's operating reserve policy. In November of 2016, the City Council adopted the policy that requires the General Fund to maintain minimum reserves equal to 20% of operating expenses and target reserves equal to 25% of operating expenses. The City's objective is to utilize General Fund operating reserves to cover revenue shortfalls that would likely occur after a natural disaster. The target level of reserves equal three months of operating expenses that will ensure the City can continue to make payroll and cover other operating expenses while the City recovers from the event.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

9. NET POSITION/ FUND BALANCES, Continued

B. Fund Balance, Continued

Funds committed under the Repair & Replacement Reserve will be used to provide ongoing replacement of City equipment, vehicles, traffic signals, and streetlights, and to make major repairs/renovations to City facilities, parks, and medians, in order to extend their useful lives.

As of June 30, 2019, fund balances are composed of the following:

GASB 54 Fund Balances:	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Non-Major Governmental Funds	Total
Nonspendable					
Notes Receivable	\$ 24,566	\$ -	\$ -	\$ -	\$ 24,566
Advance to other funds	500,000				500,000
Total Nonspendable	524,566	-	-	-	524,566
Restricted					
Accessibility Programs				28,794	28,794
Assessment District Construction	-	-	-	1,348,620	1,348,620
Asset Forfeiture	-	-	-	62,566	62,566
Budgeted Developer Projects	-	-	-	10,011,862	10,011,862
Community Access Television	-	-	-	1,345,451	1,345,451
CIP for Downtown & North Pleasanton	-	-	-	3,788,514	3,788,514
Geological Hazard Assessment District	-	-	-	1,226,782	1,226,782
Grants	-	-	-	404,449	404,449
Housing	-	9,900,278	-	-	9,900,278
Landscape and Lighting District	-	-	-	412,926	412,926
Landscape Maintenance NPID	-	-	-	1,009,291	1,009,291
Marilyn Kane Trail Reserve	-	-	-	112,726	112,726
Miscellaneous Donations/Developer Contributions	-	-	-	801,634	801,634
Park Development	-	-	-	11,809,987	11,809,987
Public Facilities Capital Improvements	-	-	-	6,542,424	6,542,424
Public Safety	-	-	-	133,439	133,439
Resource Management	-	-	-	1,045,523	1,045,523
Street Maintenance	-	-	-	8,772,696	8,772,696
Traffic Impact	-	-	-	10,068,869	10,068,869
Traffic Impact - Bernal	-	-	-	784,654	784,654
Tri-Valley Transportation	-	-	-	1,919,320	1,919,320
Various Specific Plan	-	-	-	831,025	831,025
Total Restricted	-	9,900,278	-	62,461,552	72,361,830
Assigned					
Capital Projects	-	-	19,496,516	12,098,904	31,595,420
Other Purposes	-	-	-	723,902	723,902
Total Assigned	-	-	19,496,516	12,822,806	32,319,322
Unassigned					
Total Unassigned	29,077,433	-	-	-	29,077,433
Total Fund Balances	\$ 29,601,999	\$ 9,900,278	\$ 19,496,516	\$ 75,284,358	\$ 134,283,151

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

9. NET POSITION/ FUND BALANCES, Continued

C. Deficit Fund Balances and Deficit Net Position

At June 30, 2019, the following funds had a deficit fund balance or deficit net position:

- Employee Benefits Internal Service Fund - \$97,676,501.
- Retiree Insurance Reserve Internal Service Fund - \$17,193,873.

The Employee Benefits Internal Service Fund finished FY 2018/19 with a net position deficit of \$97,676,501 as shown in the Internal Service Funds Combining Statement of Fund Net Position. This net position deficit is primarily due to the recording of the net pension liability required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The City will continue to make the required contributions each year based on the 30 year CalPERS payment amortization schedule. As described in Note 10A Funding Policy, in June of 2018, the City established a Section 115 Pension Trust (Section 115 Trust) with an initial contribution of \$28 million. The City intends to use the Section 115 Trust to help make future pension contributions under the following conditions:

- Annual CalPERS employer pension contribution rate increase (in dollars) is greater than the growth rate of the City's General Fund.
- The General Fund has a structural deficit that needs to be addressed (i.e. non-discretionary expenditures exceed revenues).
- General Fund reserves have been used and need to be replenished in order to maintain a reserve equal to 20% of General Fund expenditures.
- Paying off specific pension liabilities that will result in interest savings greater than interest earnings on the Trust Fund.

The Retiree Insurance Reserve Internal Service Fund finished FY 2018/19 with a net position deficit of \$17,193,873 as shown in the Internal Service Funds Combining Statement of Fund Net Position. This net position deficit is primarily due to the recording of the net OPEB liability as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. As described in Note 11B Funding Policy, in April of 2011, the City established an OPEB irrevocable Trust (OPEB Trust). The City has been annually contributing to the OPEB Trust to pre-fund the City's amortized 30-year unfunded OPEB liability. As of June 30, 2019, the OPEB Trust had a balance of \$69.4 million. The City will use the OPEB Trust to fund future OPEB benefit payments.

D. Net Position and Agency Fund Restatements

During FY 2018/19, the City recategorized the balances, income and expenditures, related to the Livermore-Pleasanton Fire Department JPA from its Internal Service Funds to the Livermore-Pleasanton Fire Department Agency Fund. This change resulted in the restatement of beginning cash and net position of the Employee Benefits, Replacement/Renovation, and LPFD Retirees Insurance Reserve Internal Service Funds in the amounts of \$2,401,193, (\$334,247), and (\$609,714), respectively, totaling a net increase of \$1,457,232 for the Governmental Activities as of July 1, 2019. The corresponding beginning balances of the Livermore-Pleasanton Fire Department Agency Fund were restated as well.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN

The City participates in the following Pension Plans administered by the California Public Employees Retirement System (CalPERS):

1. ***Agent Multiple-Employer Defined Benefit Pension Plans*** (Agent Multiple) for its Miscellaneous and Safety Fire employees.

An agent multiple-employer plan is one in which the assets of the participating government employers are pooled for investment purposes but separate accounts are maintained for each individual employer.

2. ***Cost-Sharing Multiple-Employer Defined Benefit Pension Plan*** (Cost Sharing) for its Safety Police employees.

A cost-sharing multiple-employer defined benefit pension plan is a plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay benefits of the employees of any employer that provides pensions through the plan.

A. General Information about the Pension Plans and Summary of Balances by Plan

Plan Descriptions - All qualified permanent employees are eligible to participate in the City's separate Safety (Police) cost-sharing plans, Safety (Fire) agent multiple-employer defined benefit pension plan, and Miscellaneous (all other) agent multiple-employer defined benefit pension plan that are administered by CalPERS.

The Miscellaneous and Safety Fire Plans are agent multiple-employer defined benefit pension plans which act as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

As discussed in Note 8G, the City is a member of a Joint Powers Agreement (JPA), along with the City of Livermore, of the Livermore-Pleasanton Fire Department (LPFD). The employees of the LPFD are the City of Pleasanton's employees, however, as agreed to in the JPA, the City shares the Safety Fire Plan affiliated with the LPFD with the City of Livermore with a share of 50%. As there is a special funding arrangement with the City of Livermore, the City of Pleasanton only records its 50% share of the collective net pension liability and related deferred inflows/outflows, which is included in its Net Investment (Deficit) in LPFD on the Governmental Activities Statement of Net Position, using the equity method of accounting. Information specific to the City's share of net pension liability and deferred outflows/inflows are included in Note 10D.

The City's Safety Police Plan is a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS since the plan has less than 100 active members, commonly referred to as risk pool. The City has two retirement benefit tiers in the Safety Police Plan and a PEPR classification. Tier 1 is for employees hired prior to January 1, 2013. Tier 2 is for employees hired on or after January 1, 2013. PEPR is for employees new to CalPERS hired on or after January 1, 2013.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

A. General Information about the Pension Plans and Summary of Balances by Plan, Continued

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources, by plan:

	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$ 14,858,157	\$ 90,504,758	\$ (1,604,795)
Safety (Police)	10,983,764	31,176,806	(4,698,874)
Total	<u>\$ 25,841,921</u>	<u>\$ 121,681,564</u>	<u>\$ (6,303,669)</u>

Each plan is discussed in detail below.

Funding Policy – In March 2018, the City established a Section 115 Pension Trust with Public Agency Retirement Services (PARS). PARS, the trust administrator, partners with U.S. Bank and HighMark Capital Management to provide trustee and investment advisory services, respectively. This trust was established to set aside moneys to meet the City's future pension contributions or unfunded liabilities. In June of 2019, the City Council appropriated \$29 million to the PARS account. Financial statements of PARS may be obtained from PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

B. Miscellaneous Plan

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final three years’ compensation. Members with at least five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The plan’s provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Miscellaneous Plan	
	Tier 1	PEPRA
Benefit formula	2.7% @ 55	2.0% @ 62 ⁽¹⁾
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2% to 2.7%	1% to 2.5%
Required employee contribution rates	8.0%	6.25%
Required employer contribution rates	11.477%	11.477%

⁽¹⁾ Newly hired Misc Employees will be enrolled in the 2% @ 62 formula, dependent on the individual's eligibility, as per AB 340

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms of the Miscellaneous Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	375
Inactive employees entitled to but not yet receiving benefits	196
Active employees	318
Total	889

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of change in the rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

B. Miscellaneous Plan, Continued

Net Pension Liability – The City’s net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures.

Changes in the Net Pension Liability – The changes in the Net Pension Liability for the Miscellaneous Plan is as follows:

	Miscellaneous		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017 Measurement Date	\$ 268,220,671	\$ 177,457,818	\$ 90,762,853
Changes in the year:			
Service cost	5,553,995	-	5,553,995
Interest on the total pension liability	18,845,304	-	18,845,304
Changes in benefit terms	-	-	-
Changes in assumptions	(1,677,841)	-	(1,677,841)
Differences between actual and expected experience	939,844	-	939,844
Plan to plan resource movement	-	(437)	437
Contribution - employer	-	7,497,182	(7,497,182)
Contribution - employee	-	2,169,969	(2,169,969)
Net investment income	-	15,054,343	(15,054,343)
Benefit payments, including refunds of employee contributions	(13,377,947)	(13,377,947)	-
Administrative expense	-	(276,528)	276,528
Other miscellaneous income	-	(525,132)	525,132
Net changes	10,283,355	10,541,450	(258,095)
Balance at June 30, 2018 Measurement Date	\$ 278,504,026	\$ 187,999,268	\$ 90,504,758

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Miscellaneous Plan, calculated using the discount rate for the Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$ 126,910,472
Current Discount Rate	7.15%
Net Pension Liability	\$ 90,504,758
1% Increase	8.15%
Net Pension Liability	\$ 60,284,469

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

B. Miscellaneous Plan, Continued

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension – Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings on investments – 5 year straight-line amortization

All other amounts – Straight-line amortization over the average expected remaining services lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

For the year ended June 30, 2019, the City recognized pension expense of \$13,031,143 for the Miscellaneous Plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 8,273,189	\$ -
Changes in assumptions	5,810,904	(1,198,457)
Differences between actual and expected experience	671,317	(406,338)
Net differences between projected and actual earnings on plan investments	102,747	-
Total	<u>\$ 14,858,157</u>	<u>\$ (1,604,795)</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

B. Miscellaneous Plan, Continued

The \$8,273,189 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the Miscellaneous Plan will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended	Miscellaneous	
	June 30	Annual Amortization
2020		\$ 6,031,294
2021		1,453,843
2022		(1,995,702)
2023		(509,262)
Total		<u>\$ 4,980,173</u>

Actuarial assumptions and information regarding the discount rate are discussed in Note 10E.

C. Safety (Police) Plan

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final three years’ compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after ten years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The plan’s provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Safety (Police) Plan		
	Tier 1	Tier 2	PEPRA
Benefit formula	3% @ 50	3% @ 55 ⁽¹⁾	2.7% @ 57 ⁽¹⁾
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as a % of eligible compensation	3%	2.4% to 3.0%	2% to 2.7%
Required employee contribution rates	9%	9%	12.0%
Required employer contribution rates	20.556%	17.614%	12.141%

⁽¹⁾ Newly hired Safety (Police) Employees will be enrolled in the 3% at 55 or 2.7% @ 57 formula, dependent on the individual's eligibility, as per AB340

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

C. Safety (Police) Plan, Continued

Beginning in fiscal year 2017, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The City’s required contribution for the unfunded liability and side fund was \$1,391,551 in fiscal year 2019.

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of change in the rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the plan were as follows:

	<u>Safety (Police)</u>
Contributions - employer	<u>\$ 3,321,452</u>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – As of June 30, 2019, the City reported net pension liabilities for its proportionate shares of the net pension liability of the plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Safety (Police)	<u>\$ 31,176,806</u>

The City’s net pension liability for the plan is measured as the proportionate share of net pension liability. The net pension liability of the plan is measured as of June 30, 2018 and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the plan as of June 30, 2017 and 2018 was as follows:

	<u>Safety (Police)</u>
Proportion - June 30, 2017	<u>0.51615%</u>
Proportion - June 30, 2018	<u>0.53134%</u>
Change - Increase (Decrease)	<u>0.01519%</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

C. Safety (Police) Plan, Continued

For the year ended June 30, 2019, the City recognized pension expense of \$1,884,854 for the Safety (Police) Plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Safety (Police)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,321,452	\$ -
Differences between actual and expected experience	669,884	(2,541)
Changes in assumptions	3,058,988	(412,712)
Net differences between projected and actual earnings on plan investments	211,082	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	3,722,358	(4,283,621)
Total	<u>\$ 10,983,764</u>	<u>\$ (4,698,874)</u>

The \$3,321,452 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Safety (Police)
	Annual Amortization
2020	\$ 2,343,870
2021	1,467,395
2022	(631,881)
2023	(215,946)
Total	<u>\$ 2,963,438</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

C. Safety (Police) Plan, Continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate– The following presents the City’s proportionate share of the net pension liability for the plan, calculated using the discount rate for the plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Safety (Police)</u>	
1% Decrease		6.15%
Net Pension Liability	\$	52,751,290
Current Discount Rate		7.15%
Net Pension Liability	\$	31,176,806
1% Increase		8.15%
Net Pension Liability	\$	13,500,378

Actuarial assumptions and information regarding the discount rate are discussed in Note 10E below.

D. LPFD Safety (Fire) Plan

As discussed in Notes 8G and 10A, the employees of the LPFD are the City of Pleasanton’s employees, however, as agreed to in the JPA, the City shares the Safety Fire Plan affiliated with the LPFD with the City of Livermore with a share of 50%, therefore the following tables show only the City of Pleasanton’s 50% share.

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final three years’ compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after ten years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

D. LPFD Safety (Fire) Plan, Continued

The plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Safety (Fire) Plan		
	Tier 1	Tier 2	PEPRA
Benefit formula	3% @ 50	3% @ 55 ⁽¹⁾	2.7% @ 57 ⁽¹⁾
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as a % of eligible compensation	3%	2.4% to 3%	2% to 2.7%
Required employee contribution rates	9%	9%	10.5%
Required employer contribution rates	17.927%	17.927%	17.927%

⁽¹⁾ Newly hired Safety (Fire) Employees will be enrolled in the 3% at 55 or 2.7% @ 57 formula, dependent on the individual's eligibility, as per AB340

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms of the Safety (Fire) Plan:

	Safety (Fire)
Inactive employees or beneficiaries currently receiving benefits	145
Inactive employees entitled to but not yet receiving benefits	33
Active employees	113
Total	291

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of change in the rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

Net Pension Liability – The City's net pension liability for the Safety (Fire) Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

D. LPFD Safety (Fire) Plan, Continued

Changes in the Net Pension Liability – The changes in the Net Pension Liability for the Safety (Fire) Plan (City of Pleasanton only) is as follows:

	Safety (Fire)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017 Measurement Date	\$ 108,172,253	\$ 69,029,757	\$ 39,142,496
Changes in the year:			
Service cost	2,116,858	-	2,116,858
Interest on the total pension liability	7,550,980	-	7,550,980
Changes in benefit terms	-	-	-
Changes in assumptions	(296,020)	-	(296,020)
Differences between actual and expected experience	(594,388)	-	(594,388)
Plan to plan resource movement	-	(170)	170
Contribution - employer	-	3,086,495	(3,086,495)
Contribution - employee	-	882,694	(882,694)
Net investment income	-	5,868,467	(5,868,467)
Benefit payments, including refunds of employee contributions	(5,464,333)	(5,464,333)	-
Administrative expense	-	(107,568)	107,568
Other miscellaneous income	-	(204,273)	204,273
Net changes	<u>3,313,097</u>	<u>4,061,312</u>	<u>(748,215)</u>
Balance at June 30, 2018 Measurement Date	<u>\$ 111,485,350</u>	<u>\$ 73,091,069</u>	<u>\$ 38,394,281</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City of Pleasanton for the Safety (Fire) Plan, calculated using the discount rate for the Plans, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	Safety (Fire)
1% Decrease	6.15%
Net Pension Liability	\$ 52,374,256
Current Discount Rate	7.15%
Net Pension Liability	\$ 38,394,281
1% Increase	8.15%
Net Pension Liability	\$ 26,732,428

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

D. LPFD Safety (Fire) Plan, Continued

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension – Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings on investments – 5 year straight-line amortization

All other amounts – Straight-line amortization over the average expected remaining services lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

For the year ended June 30, 2019, the City recognized pension expense of \$1,973,673 for the Safety (Fire) Plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Safety (Fire)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,058,670	\$ -
Changes in assumptions	3,349,737	(370,999)
Differences between actual and expected experience	-	(1,074,739)
Net differences between projected and actual earnings on plan investments	177,566	-
Total	<u>\$ 6,585,973</u>	<u>\$ (1,445,738)</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

D. LPFD Safety (Fire) Plan, Continued

The \$3,058,670 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the Safety (Fire) Plan (City of Pleasanton only) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Safety (Fire)	
Year Ended	Annual
June 30	Amortization
2020	\$ 1,457,028
2021	994,240
2022	(106,944)
2023	(262,759)
Total	\$ 2,081,565

Actuarial assumptions and information regarding the discount rate are discussed in Note 10E.

E. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions for the Miscellaneous and Safety Plans:

	Miscellaneous & Safety
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method in Accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

E. Information Common to the Miscellaneous and Safety Plans, Continued

Changes of Assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.50%.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Expected Changes in Discount and Contribution Rates – In December 2016, CalPERS’ Board of Directors voted to lower the discount rate used in its actuarial valuations from 7.5% to 7.0% over three fiscal years, beginning in fiscal year 2018. The change in discount rate will affect the contribution rates for employers beginning in fiscal year 2019, and results in increases to employers’ normal costs and unfunded actuarial liabilities.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, Continued

E. Information Common to the Miscellaneous and Safety Plans, Continued

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+ (c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

11. POST EMPLOYMENT HEALTH CARE BENEFITS

A. Plan Description and Benefits Provided

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. 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).

PCEA/AFSCME Local 955 (Pleasanton City Employees' Association) MOU

- For PCEA employees who service retired before 7/1/2012, the City shall pay 4% for each year of service of the City's contribution toward the monthly premium for employee and one dependent at the rate of the lowest cost HMO early retiree plan. Retirees will retire with the same retiree benefit co-pay and plan design as provided to retirees on 6/30/2011.
- For PCEA employees who were hired prior to 6/1/2011 and retire after 7/1/2012, the City shall pay 4% for each year of service of the City's contribution toward the monthly premium for employee and one dependent. The City's contribution for retiree medical is established as the same dollar contribution paid for active employees at the employee plus one rate of the lowest cost HMO early retiree plan.
- If hired after 6/1/2011, the City shall pay for each year of service equivalent to 4% of the City's contribution toward the monthly premium for single coverage. The City's contribution for the retiree medical is established as the same dollar contribution paid for active employees at the single rate of the lowest cost HMO early retiree plan. Retiree health benefits will cease once the employee becomes Medicare eligible.

POA (Police Officer's Association) MOU

- For POA employees who retired prior to 7/1/2009, the City shall pay for each year of service with the City of Pleasanton, 4% of the monthly premium for employee and one dependent of the City's current Kaiser S-1 Health Plan.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

A. Plan Description and Benefits Provided, Continued

- For POA employees who were hired prior to 1/1/2009 and retire on or after 7/1/2009, the City shall pay for each year of service with the City of Pleasanton, 4% of the monthly premium for employee and one dependent of the City's lowest cost HMO health plan. Effective July 1st of each year of the agreement, the monthly contribution paid by the City shall be increased by the same dollar increase in medical insurance as is provided to active employees as set forth in Section 14.1 of the agreement up to the lowest cost HMO two-party rate.
- If hired after 1/1/2009 and retired from service, the City shall provide the following benefit: Employees who service retire prior to the completion of 20 years of full-time service shall receive 4% for each year of service of the single plan rate for the lowest cost HMO. Employees who retire after the completion of the 20 years of full time service will receive 4% for each year of service of the two-party rate for the lowest cost HMO.

IAFF (International Association of Firefighters) MOU

- For IAFF employees who retired prior to 1/1/2008, the City shall pay for each year of service, 4% of the monthly premium for employee and one dependent of the City's current Kaiser Health Plan coverage.
- For IAFF employees who were hired before 7/1/2012 and retire after 1/1/2008, the City shall pay 4% for each year of service of the City's contribution toward the monthly premium for employee and one dependent. The City's contribution for retiree medical is established as the same dollar contribution paid for active employees at the employee plus one rate of the lowest cost HMO early retiree plan.
- If hired on or after 7/1/2012, the City shall pay for each year of service equivalent to 4% of the City's contribution toward the monthly premium for single coverage. The City's contribution for retiree medical is established as the same dollar contribution paid for active employees at the single rate of the lowest cost HMO early retiree plan. Retiree health benefits will cease once the employee becomes Medicare eligible.

Management and Confidential MOU

- For Management and Confidential employees hired before 1/1/2009, who retired prior to 7/1/2009, the City shall pay for each year of service 4% of the monthly premium for the employee and one dependent of the City's current Kaiser early retiree (under age 65) health plan rate.
- Managers hired prior to 1/1/2009 who work a minimum of five years as full-time managers with the City of Pleasanton are eligible to count prior years of service completed with another PERS municipal agency toward service requirements for retiree medical benefits. Employees hired before 1/1/2009 who promote to management positions may count prior years of service completed with another PERS municipal agency for the retiree medical benefit.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

A. Plan Description and Benefits Provided, Continued

- For Management and Confidential employees who were hired prior to 1/21/2009 and retire on a service retirement from the City of Pleasanton, the City shall pay 4% for each year of service of the City’s contribution toward the monthly premium for employee and one dependent. For all service retirements the formula accelerates beginning with 10 years of service (10 years = 75%, 15 years = 80%, 20 years = 90%, 25 years =100%). Managers hired prior to 1/1/2009 who work a minimum of five years as a full-time manager with the City of Pleasanton are eligible to count prior years of service completed with another PERS municipal agency toward service requirements for retiree medical benefits.
- If hired on or after 1/21/2009, the City shall pay 4% for each year of service of the City’s contribution toward the monthly premium for single coverage. For all service retirements the formula accelerates beginning with 10 years of service (10 years = 75%, 15 years = 80%, 20 years =90%, 25 years =100%). The City’s contribution for retiree medical is established as the same dollar contribution paid for active employees at the single rate of the lowest cost HMO early retiree plan. Retiree health benefits including reimbursements will cease once employee becomes Medicare eligible.

In the case where the employee eligible for two-party coverage is deceased, the amount the City is obligated to pay shall be reduced by one half (1/2). If a spouse remarries, the obligations by the City shall terminate. Domestic Partners shall be treated in the same manner as spouses for continuation of benefits.

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 early retiree medical plan, which at the time of retirement has the same premium rates as active employees. Because the rate is a “blended rate,” payments for the active employees include an implied subsidy of what would be normally be a higher rate for retirees if the retirees were enrolled in a stand-alone health plan. 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.

Employees Covered by Benefit Terms – Membership in the plans consisted of the following at the measurement date of June 30, 2018:

	<u>Non-Fire</u>	<u>Fire</u>
Active plan members	330	122
Inactive employees or beneficiaries currently receiving benefit payments	342	108
Inactive employees entitled to but not yet receiving benefit payments	35	3
Total	<u>707</u>	<u>233</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

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.

C. Net OPEB Liability

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward using standard update procedures to determine the June 30, 2019 total OPEB liability as of June 30, 2018, based on the following actuarial methods and assumptions:

	<u>Actuarial Assumptions</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.75%
Payroll Growth	Aggregate - 3%
	Merit - CalPERS 1997-2015 experience study
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 experience study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2017
Medical Trend	-Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years -Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years
Healthcare Participation for Future Retirees	-Current actives -100% -Current retirees -100% if in payment status, 50% will re-elect at age 65 if not currently in payment

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Net OPEB Liability, Continued

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57%	4.82%
Fixed Income	27%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
Total	100%	
Assumed Long-Term Rate of Inflation		2.75%
Assumed Long-Term Net Rate of Return, Rounded		6.75%

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

D. City of Pleasanton Retiree Healthcare Plan

Changes in Net OPEB Liability

The changes in the net OPEB liability for the City of Pleasanton Retiree Healthcare Plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2018	\$ 88,084,000	\$ 39,945,000	\$ 48,139,000
Changes Recognized for the Measurement Period:			
Service cost	1,727,000	-	1,727,000
Interest	5,939,000	-	5,939,000
Benefit changes	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	4,800,000	(4,800,000)
Net investment income	-	3,211,000	(3,211,000)
Benefit payments and refunds	(3,670,000)	(3,670,000)	-
Administrative expenses	-	(75,000)	75,000
Net Changes	3,996,000	4,266,000	(270,000)
Balance at June 30, 2019	\$ 92,080,000	\$ 44,211,000	\$ 47,869,000

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT. The benefit payments and refunds include implied subsidy benefit payments in the amount of \$967,000.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City for the City of Pleasanton Retiree Healthcare Plan, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate -1% (5.75%)	Current Discount Rate (6.75%)	Discount Rate +1% (7.75%)
\$ 60,438,000	\$ 47,869,000	\$ 37,555,000

The following presents the net OPEB liability of the City for the City of Pleasanton Retiree Healthcare Plan, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability/(Asset)		
Decrease 1%	Healthcare Cost Trend Rates	Increase 1%
\$ 36,105,000	\$ 47,869,000	\$ 62,323,000

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

D. City of Pleasanton Retiree Healthcare Plan, Continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$880,000 for the City of Pleasanton Retiree Healthcare Plan. At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions made subsequent to the measurement date	\$ 5,521,000	\$ -
Difference between expected and actual experience	-	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	1,152,000
Total	<u>\$ 5,521,000</u>	<u>\$ 1,152,000</u>

The \$5,521,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

<u>Measurement Period Ended June 30</u>	<u>Annual Amortization</u>
2020	\$ (353,000)
2021	(353,000)
2022	(354,000)
2023	<u>(92,000)</u>
Total	<u>\$ (1,152,000)</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

E. Livermore-Pleasanton Fire Department Retiree Healthcare Plan

As discussed in Note 8G, the City is a member of a Joint Powers Agreement (JPA), along with the City of Livermore, of the Livermore-Pleasanton Fire Department (LPFD). The employees of the LPFD are the City of Pleasanton's employees, however, as agreed to in the JPA, the City shares the Safety Fire Plan affiliated with the LPFD with the City of Livermore with a share of 50%. As there is a special funding arrangement with the City of Livermore, the City of Pleasanton only records its 50% share of the collective net OPEB liability and related deferred inflows/outflows, which is included in its Net Investment (Deficit) in LPFD on the Governmental Activities Statement of Net Position, using the equity method of accounting.

Changes in Net OPEB Liability

The changes in the net OPEB liability for the Livermore-Pleasanton Fire Department (LPFD) (City of Pleasanton only) Retiree Healthcare Plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2018	\$ 17,748,500	\$ 8,528,000	\$ 9,220,500
Changes Recognized for the Measurement Period:			
Service cost	397,500	-	397,500
Interest	1,202,500	-	1,202,500
Benefit changes	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	1,055,000	(1,055,000)
Net investment income	-	689,000	(689,000)
Benefit payments and refunds	(670,500)	(670,500)	-
Administrative expenses	-	(16,000)	16,000
Net Changes	<u>929,500</u>	<u>1,057,500</u>	<u>(128,000)</u>
Balance at June 30, 2019	<u>\$ 18,678,000</u>	<u>\$ 9,585,500</u>	<u>\$ 9,092,500</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

E. Livermore-Pleasanton Fire Department Retiree Healthcare Plan, Continued

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the City's portion of the net OPEB liability for the LPFD Retiree Healthcare Plan, as well as what City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate -1% (5.75%)	Current Discount Rate (6.75%)	Discount Rate +1% (7.75%)
\$ 11,752,000	\$ 9,092,500	\$ 6,917,500

The following presents the City's portion of the net OPEB liability for the LPFD Retiree Healthcare Plan, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability/(Asset)		
Decrease 1%	Healthcare Cost Trend Rates	Increase 1%
\$ 6,592,500	\$ 9,092,500	\$ 12,181,500

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$948,500 for the LPFD Retiree Healthcare Plan. At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 1,149,000	\$ -
Difference between expected and actual experience	-	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	241,000
Total	\$ 1,149,000	\$ 241,000

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

E. Livermore-Pleasanton Fire Department Retiree Healthcare Plan, Continued

The \$1,149,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Measurement Period Ended June 30	Annual Amortization
2020	\$ (74,000)
2021	(74,000)
2022	(73,500)
2023	(19,500)
Total	<u>\$ (241,000)</u>

12. 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 FY 1995/96. 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 FY 2018/19 debt service and operating costs for the facility was \$207,211. Debt service will be fully repaid by the County by June 30, 2022. The City's proportionate share of debt service is approximately 12.2% and the outstanding balance due to the County for remaining debt service payments was approximately \$95,956 at June 30, 2019.

B. Lawsuits in the Normal Course of Business

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

C. 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2019

12. COMMITMENTS AND CONTINGENCIES, Continued

D. Construction Commitments

The City had several outstanding or planned construction projects as of June 30, 2019. These projects are evidenced by contractual commitments with consultants and contractors, and include the following major projects:

Project Description	Amount
Recycled Water Treatment Plant Expansion - Phase 2	\$ 7,614,099
Annual Street Resurfacing and Preventative Maintenance	3,672,768
Total	<u>\$ 11,286,867</u>

E. Operating Leases

The City has ongoing commitments under operating lease agreements for office equipment necessary for City operations, which expire at various dates through 2023. 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, 2019, amounted to approximately \$75,974.

The future minimum lease payments anticipated under the existing lease commitments in governmental activities are as follows:

Future Lease Payments:

Terms	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Xerox (4 copiers) 11/7/2017 - 11/8/2022	\$ 55,325	\$ 55,325	\$ 23,052	\$ -	\$ -	\$ 133,702
Pitney Bowes (SendPro P-Series mailing system) 10/1/2018 - 9/30/2023	7,969	7,969	7,969	7,969	1,992	33,868
Canon (2 copiers) 10/30/2014 - 10/29/2019	4,248	-	-	-	-	4,248
	<u>\$ 67,542</u>	<u>\$ 63,294</u>	<u>\$ 31,021</u>	<u>\$ 7,969</u>	<u>\$ 1,992</u>	<u>\$ 171,818</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 October 2022. Rental expenses reported in the Golf Fund under these operating lease agreements for the fiscal year ended June 30, 2019, amounted to \$120,618.

The future minimum lease payments anticipated under the existing lease commitments for business-type activities, as of June 30, 2019, are as follow:

Golf Fund	2019/20	\$ 101,488
	2020/21	94,848
	2021/22	94,848
	2022/23	31,616
Total Future Minimum Annual Rents		<u>\$ 322,800</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Pleasanton
Required Supplementary Information
For the year ended June 30, 2019

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 public 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. After adoption, the budget is transferred to the general ledger for staff to manage expenses and revenues against the budget.
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.
9. The following funds have expenditures in excess of appropriation:
 - Abandoned Vehicle Special Revenue Fund - \$5,767
 - HBPOA Maintenance District Special Revenue Fund - \$39,743
 - Community Development Block Grant Special Revenue Fund - \$58,303
 - AB1379 CASp Certification and Training Special Revenue Fund - \$35,319

**City of Pleasanton
Required Supplementary Information, Continued
For the Year Ended June 30, 2019**

2. BUDGETARY COMPARISON SCHEDULES

Budgetary Comparison Schedule - General Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 99,253,130	\$ 103,726,288	\$ 105,321,095	\$ 1,594,807
Licenses	11,000	10,000	8,436	(1,564)
Permits	2,968,554	2,994,800	3,347,546	352,746
Fines and forfeitures	190,956	205,000	356,410	151,410
Use of money and property	340,930	428,750	1,395,233	966,483
Intergovernmental	50,000	271,000	583,925	312,925
Franchises	2,726,514	3,110,000	3,075,783	(34,217)
Charges for services	1,522,841	1,269,597	1,402,568	132,971
Development fees	370,900	446,750	693,175	246,425
Plan check fees	2,256,090	2,275,000	2,121,702	(153,298)
Contributions and donations	8,734	11,832	24,920	13,088
Other revenues	2,974,992	3,420,162	3,794,222	374,060
Recreation charges	4,496,846	4,574,477	4,775,360	200,883
Total revenues	<u>117,171,487</u>	<u>122,743,656</u>	<u>126,900,375</u>	<u>4,156,719</u>
EXPENDITURES:				
Current:				
General government	14,621,502	15,418,555	14,535,495	883,060
Public safety	49,110,173	50,962,439	50,576,207	386,232
Community development	14,947,977	15,102,385	14,564,459	537,926
Operations service	18,330,027	20,194,317	20,007,997	186,320
Community activities	13,023,563	13,471,249	13,370,901	100,348
Capital outlay	340,990	401,110	321,942	79,168
Total expenditures	<u>110,374,232</u>	<u>115,550,055</u>	<u>113,377,001</u>	<u>2,173,054</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>6,797,255</u>	<u>7,193,601</u>	<u>13,523,374</u>	<u>6,329,773</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	843,166	843,166	908,000	64,834
Transfers out	7,153,303	(12,698,238)	(12,485,559)	212,679
Total other financing sources	<u>7,996,469</u>	<u>(11,855,072)</u>	<u>(11,577,559)</u>	<u>277,513</u>
Net change in fund balances	<u>\$ 14,793,724</u>	<u>\$ (4,661,471)</u>	1,945,815	<u>\$ 6,607,286</u>
FUND BALANCES:				
Beginning of year			<u>27,656,184</u>	
End of year			<u>\$ 29,601,999</u>	

**City of Pleasanton
 Required Supplementary Information, Continued
 For the Year Ended June 30, 2019**

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	\$ 345,000	\$ 350,000	\$ 1,205,295	\$ 855,295
Intergovernmental	-	-	196,925	196,925
Development fees	1,037,818	1,037,818	1,683,397	645,579
Other	760,000	760,000	92,230	(667,770)
Total revenues	<u>2,142,818</u>	<u>2,147,818</u>	<u>3,177,847</u>	<u>1,030,029</u>
EXPENDITURES:				
Current:				
Community development	500,617	2,564,218	2,758,991	(194,773)
Capital outlay	600,000	600,000	-	600,000
Total expenditures	<u>1,100,617</u>	<u>3,164,218</u>	<u>2,758,991</u>	<u>405,227</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(755,617)</u>	<u>(2,814,218)</u>	<u>418,856</u>	<u>1,260,522</u>
Net change in fund balances	<u>\$ 1,042,201</u>	<u>\$ (1,016,400)</u>	<u>418,856</u>	<u>\$ 1,435,256</u>
FUND BALANCES:				
Beginning of year			<u>9,481,422</u>	
End of year			<u>\$ 9,900,278</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2019

**3. SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS –
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN**

City of Pleasanton - Miscellaneous Plan, an Agent Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2019
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Total Pension Liability					
Service Cost	\$ 4,784,381	\$ 4,620,237	\$ 4,642,360	\$ 5,161,399	\$ 5,553,995
Interest on total pension liability	16,162,509	16,848,783	17,579,426	18,145,556	18,845,304
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(4,043,655)	-	14,750,758	(1,677,841)
Differences between expected and actual experience	-	(1,853,569)	(600,717)	(892,842)	939,844
Benefit payments, including refunds of employee contributions	(9,911,617)	(10,532,758)	(12,124,179)	(12,579,145)	(13,377,947)
Net change in total pension liability	11,035,273	5,039,038	9,496,890	24,585,726	10,283,355
Total pension liability - beginning	218,063,744	229,099,017	234,138,055	243,634,945	268,220,671
Total pension liability - ending (a)	\$ 229,099,017	\$ 234,138,055	\$ 243,634,945	\$ 268,220,671	\$ 278,504,026
Plan fiduciary net position					
Contributions - employer	\$ 6,912,621	\$ 12,476,826	\$ 7,313,803	\$ 6,881,221	\$ 7,497,182
Contributions - employee	1,956,863	1,936,755	1,841,400	2,201,929	2,169,969
Net investment income	23,466,228	3,697,901	995,694	18,392,392	15,054,343
Other miscellaneous income	-	-	-	-	(525,132)
Benefit payments, including refunds of employee contributions	(9,911,617)	(10,532,758)	(12,124,179)	(12,579,145)	(13,377,947)
Plan to plan resource movement	-	47	-	-	(437)
Administrative expense	-	(185,591)	(100,483)	(240,366)	(276,528)
Net change in plan fiduciary net position	22,424,095	7,393,180	(2,073,765)	14,656,031	10,541,450
Plan fiduciary net position - beginning	135,058,277	157,482,372	164,875,552	162,801,787	177,457,818
Plan fiduciary net position - ending (b)	\$ 157,482,372	\$ 164,875,552	\$ 162,801,787	\$ 177,457,818	\$ 187,999,268
Net pension liability - ending (a)-(b)	\$ 71,616,645	\$ 69,262,503	\$ 80,833,158	\$ 90,762,853	\$ 90,504,758
Plan fiduciary net position as a percentage of the total pension liability	68.74%	70.42%	66.82%	66.16%	67.50%
Covered payroll	\$ 24,742,104	\$ 25,009,403	\$ 25,673,931	\$ 25,556,540	\$ 27,648,324
Net pension liability as a percentage of covered payroll	289.45%	276.95%	314.85%	355.15%	327.34%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% discount rate.

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2019

**3. SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS –
AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN, Continued**

City of Pleasanton - Safety (Fire) Plan, an Agent Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2019
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Total Pension Liability					
Service Cost	\$ 3,647,581	\$ 3,440,755	\$ 3,675,812	\$ 4,380,642	\$ 4,233,715
Interest on total pension liability	13,303,540	13,761,314	14,305,583	14,640,730	15,101,959
Changes of benefit terms	-	-	-	-	-
Changes of assumptions	-	(3,164,073)	-	11,484,814	(592,040)
Differences between expected and actual experience	-	(1,720,368)	(250,882)	(1,709,382)	(1,188,776)
Benefit payments, including refunds of employee contributions	(9,192,267)	(9,722,438)	(10,185,743)	(10,503,998)	(10,928,666)
Net change in total pension liability	7,758,854	2,595,190	7,544,770	18,292,806	6,626,192
Total pension liability - beginning	180,152,886	187,911,740	190,506,930	198,051,700	216,344,506
Total pension liability - ending (a)	\$ 187,911,740	\$ 190,506,930	\$ 198,051,700	\$ 216,344,506	\$ 222,970,698
Plan fiduciary net position					
Contributions - employer	\$ 4,539,230	\$ 4,930,309	\$ 5,361,714	\$ 6,071,682	\$ 6,172,990
Contributions - employee	1,168,645	1,221,550	1,391,002	1,551,969	1,765,387
Net investment income	19,743,524	2,855,434	671,305	14,098,740	11,736,933
Other miscellaneous income	-	-	-	-	(408,545)
Benefit payments, including refunds of employee contributions	(9,192,267)	(9,722,438)	(10,185,743)	(10,503,998)	(10,928,666)
Plan to plan resource movement	-	(285)	-	-	(340)
Administrative expense	-	(146,155)	(79,149)	(187,549)	(215,135)
Net change in plan fiduciary net position	16,259,132	(861,585)	(2,840,871)	11,030,844	8,122,624
Plan fiduciary net position - beginning	114,471,993	130,731,125	129,869,540	127,028,669	138,059,513
Plan fiduciary net position - ending (b)	\$ 130,731,125	\$ 129,869,540	\$ 127,028,669	\$ 138,059,513	\$ 146,182,137
Net pension liability - ending (a)-(b)	\$ 57,180,615	\$ 60,637,390	\$ 71,023,031	\$ 78,284,993	\$ 76,788,561
Less: City of Livermore's Share of net pension liability	(28,590,307)	(30,318,694)	(35,511,516)	(39,142,497)	(38,394,281)
City of Pleasanton's Share of net pension liability	\$ 28,590,308	\$ 30,318,696	\$ 35,511,515	\$ 39,142,496	\$ 38,394,280
Plan fiduciary net position as a percentage of the total pension liability	69.57%	68.17%	64.14%	63.81%	65.56%
Covered payroll	\$ 13,543,667	\$ 13,131,650	\$ 14,128,499	\$ 15,376,607	\$ 14,858,791
Net pension liability as a percentage of covered payroll	422.19%	461.77%	502.69%	509.12%	516.79%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% discount rate.

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2019

**4. SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN**

City of Pleasanton - Safety (Police) Plan, Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2019
Last 10 Years*

**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS
AS OF THE MEASUREMENT DATE**

Measurement Date	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Safety (Police)					
Plan's proportion of the Net Pension Liability (Asset)	0.62067%	0.55410%	0.57268%	0.51615%	0.53134%
Plan's proportion share of the Net Pension Liability (Asset)	<u>\$ 23,281,243</u>	<u>\$ 22,831,189</u>	<u>\$ 29,660,239</u>	<u>\$ 30,840,762</u>	<u>\$ 31,176,806</u>
Plan's Covered Payroll	\$ 7,810,882	\$ 7,564,225	\$ 7,525,351	\$ 9,064,484	\$ 8,659,767
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	298.06%	301.83%	394.14%	340.24%	360.02%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	0.57572%	0.57730%	0.55691%	0.55955%	0.56826%

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

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City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2019

5. SCHEDULES OF CONTRIBUTIONS

City of Pleasanton - Miscellaneous Plan, an Agent Multiple-Employer Defined Benefit Pension Plan
For the fiscal year ending June 30, 2019
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 6,476,826	\$ 7,326,646	\$ 6,884,294	\$ 7,475,803	\$ 8,273,189
Contributions in relation to the actuarially determined contributions	(12,476,826)	(7,326,646)	(6,884,294)	(7,475,803)	(8,273,189)
Contribution deficiency (excess)	<u>\$ (6,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 25,009,403	\$ 25,673,931	\$ 25,556,540	\$ 27,648,324	\$ 28,396,120
Contributions as a percentage of covered payroll	49.89%	28.54%	26.94%	27.04%	29.13%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	For details, see June 30, 2015 Funding Valuation Report
Remaining amortization period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Market Value of Assets. For details, see June 30, 2015 Funding Valuation Report
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2019

5. SCHEDULES OF CONTRIBUTIONS, Continued

City of Pleasanton - Safety (Fire) Plan, an Agent Multiple-Employer Defined Benefit Pension Plan
For the fiscal year ending June 30, 2019
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 4,880,354	\$ 5,390,058	\$ 6,313,962	\$ 6,009,558	\$ 6,117,340
Contributions in relation to the actuarially determined contributions (City of Livermore's Share)	(2,440,177)	(2,695,029)	(3,156,981)	(3,004,779)	(3,058,670)
Contributions in relation to the actuarially determined contributions (City of Pleasanton's Share)	<u>(2,440,177)</u>	<u>(2,695,029)</u>	<u>(3,156,981)</u>	<u>(3,004,779)</u>	<u>(3,058,670)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,131,650	\$ 14,128,499	\$ 15,376,607	\$ 14,858,791	\$ 13,095,633
Contributions as a percentage of covered payroll	18.58%	19.08%	20.53%	20.22%	23.36%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	For details, see June 30, 2015 Funding Valuation Report
Remaining amortization period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Market Value of Assets. For details, see June 30, 2015 Funding Valuation Report
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2019

5. SCHEDULES OF CONTRIBUTIONS, Continued

City of Pleasanton - Safety (Police) Plan, Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
For the year ending June 30, 2019
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Safety (Police)					
Actuarially determined contribution	\$ 2,638,355	\$ 1,599,423	\$ 3,542,737	\$ 2,516,591	\$ 3,321,452
Contributions in relation to the actuarially determined contributions	<u>(7,138,355)</u>	<u>(3,190,123)</u>	<u>(6,159,217)</u>	<u>(2,516,591)</u>	<u>(3,321,452)</u>
Contribution deficiency (excess)	<u>\$ (4,500,000)</u>	<u>\$ (1,590,700)</u>	<u>\$ (2,616,480)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,564,225	\$ 7,525,351	\$ 9,064,484	\$ 8,659,767	\$ 9,205,257
Contributions as a percentage of covered payroll	94.37%	42.39%	67.95%	29.06%	36.08%

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

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City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2019

**6. SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS –
AGENT MULTIPLE-EMPLOYER OTHER POST-EMPLOYMENT BENEFIT PLAN**

CITY OF PLEASANTON RETIREE HEALTHCARE PLAN
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2019

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)

Measurement date	June 30, 2017	June 30, 2018
Total OPEB liability		
Service cost	\$ 1,677,000	\$ 1,727,000
Interest	5,673,000	5,939,000
Benefit changes	-	-
Differences between expected and actual experience	-	-
Assumption changes	-	-
Benefit payments	(3,285,000)	(3,670,000)
Changes of benefit terms	-	-
Net change in total OPEB liability	4,065,000	3,996,000
Total OPEB liability - beginning	84,019,000	88,084,000
Total OPEB liability - ending (a)	\$ 88,084,000	\$ 92,080,000
OPEB fiduciary net position		
Contributions - employer	\$ 5,898,000	\$ 4,800,000
Contributions - employee	-	-
Net investment income	3,662,000	3,211,000
Benefit payments	(3,285,000)	(3,670,000)
Administrative expense	(19,000)	(75,000)
Other changes	-	-
Net change in plan fiduciary net position	6,256,000	4,266,000
Plan fiduciary net position - beginning	33,689,000	39,945,000
Plan fiduciary net position - ending (b)	\$ 39,945,000	\$ 44,211,000
Plan net OPEB liability - ending (a) - (b)	\$ 48,139,000	\$ 47,869,000
Plan fiduciary net position as a percentage of the total OPEB liability	45.35%	48.01%
Covered payroll	\$ 37,661,000	\$ 39,630,000
Plan net OPEB liability as a percentage of covered payroll	127.82%	120.79%

*Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2019

**6. SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS –
AGENT MULTIPLE-EMPLOYER OTHER POST-EMPLOYMENT BENEFIT PLAN, Continued**

CITY OF PLEASANTON
LIVERMORE-PLEASANTON FIRE DEPARTMENT RETIREE HEALTHCARE PLAN
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2019

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)

Measurement date	June 30, 2017	June 30, 2018
Total OPEB liability		
Service cost	\$ 772,000	\$ 795,000
Interest	2,281,000	2,405,000
Benefit changes	-	-
Differences between expected and actual experience	-	-
Assumption changes	-	-
Benefit payments	(1,160,000)	(1,341,000)
Changes of benefit terms	-	-
Net change in total OPEB liability	1,893,000	1,859,000
Total OPEB liability - beginning	33,604,000	35,497,000
Total OPEB liability - ending (a)	\$ 35,497,000	\$ 37,356,000
OPEB fiduciary net position		
Contributions - employer	\$ 2,379,000	\$ 2,110,000
Contributions - employee	-	-
Net investment income	1,555,000	1,378,000
Benefit payments	(1,160,000)	(1,341,000)
Administrative expense	(8,000)	(32,000)
Other changes	-	-
Net change in plan fiduciary net position	2,766,000	2,115,000
Plan fiduciary net position - beginning	14,290,000	17,056,000
Plan fiduciary net position - ending (b)	\$ 17,056,000	\$ 19,171,000
Plan net OPEB liability - ending (a) - (b)	\$ 18,441,000	\$ 18,185,000
Less: City of Livermore's Share of net OPEB liability	(9,220,500)	(9,092,500)
City of Pleasanton's Share of net OPEB liability	\$ 9,220,500	\$ 9,092,500
Plan fiduciary net position as a percentage of the total OPEB liability	48.05%	51.32%
Covered payroll	\$ 19,761,000	\$ 21,285,000
Plan net OPEB liability as a percentage of covered payroll	93.32%	85.44%

*Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2019

7. SCHEDULES OF OPEB CONTRIBUTIONS

CITY OF PLEASANTON RETIREE HEALTHCARE PLAN
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2019

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)

Fiscal Year	2017/18	2018/19
Actuarially determined contribution	\$ 4,971,000	\$ 5,368,000
Contributions in relation to the actuarially determined contribution	4,800,000	5,521,000
Contribution deficiency (excess)	\$ 171,000	\$ (153,000)
Covered payroll	\$ 39,630,000	\$ 40,367,000
Contributions as a percentage of covered payroll	12.11%	13.68%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2015	June 30, 2017
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percentage of pay	Level percentage of pay
Remaining Amortization	21-year fixed period for 2017/18	20-year fixed period for 2018/19
Asset Valuation Method	Investment gains and losses spread over 5- year rolling period	Investment gains and losses spread over 5- year rolling period
Discount Rate	7.25%	6.75%
General Inflation	3.00%	2.75%
Medical Trend	Non-Medicare - 7.0% for 2017/18, decreasing to an ultimate rate of 5.6% in 2020/21 Medicare - 7.2% for 2017/18, decreasing to an ultimate rate of 5.6% in 2020/21	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2011 experience study	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-14 with 15 year convergence in 2022	Mortality projected fully generational with Scale MP-2017

*Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2019

7. SCHEDULES OF OPEB CONTRIBUTIONS, Continued

CITY OF PLEASANTON
LIVERMORE-PLEASANTON FIRE DEPARTMENT RETIREE HEALTHCARE PLAN
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2019

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)

Fiscal Year	2017/18	2018/19
Actuarially determined contribution	\$ 2,143,000	\$ 2,216,000
Contributions in relation to the actuarially determined contributions (City of Livermore's Share)	1,055,000	1,149,000
Contributions in relation to the actuarially determined contributions (City of Pleasanton's Share)	1,055,000	1,149,000
Contribution deficiency (excess)	\$ 33,000	\$ (82,000)
Covered payroll	\$ 21,285,000	\$ 21,990,000
Contributions as a percentage of covered payroll	9.91%	10.45%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2015	June 30, 2017
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percentage of pay	Level percentage of pay
Remaining Amortization	21-year fixed period for 2017/18	20-year fixed period for 2018/19
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period	Investment gains and losses spread over 5-year rolling period
Discount Rate	7.25%	6.75%
General Inflation	3.00%	2.75%
Medical Trend	Non-Medicare - 7.0% for 2017/18, decreasing to an ultimate rate of 5.5% in 2020/21 Medicare - 7.2% for 2017/18, decreasing to an ultimate rate of 5.6% in 2020/21	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2011 experience study	CalPERS 1997-2011 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-14 with 15 year convergence in 2022	Mortality projected fully generational with Scale MP-2017

*Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

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SUPPLEMENTARY INFORMATION

**City of Pleasanton
 Budgetary Comparison Schedule
 Major Capital Projects Fund
 Miscellaneous Capital Improvement Programs Fund
 For the year ended June 30, 2019**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 140,000	\$ 503,423	\$ 363,423
Intergovernmental	-	300,000	300,000	-
Other revenue	-	-	7,994	7,994
Total revenues	<u>-</u>	<u>440,000</u>	<u>811,417</u>	<u>371,417</u>
EXPENDITURES:				
Community development	-	-	48,000	(48,000)
Capital outlay	3,315,000	18,119,868	658,270	17,461,598
Debt service:				
Principal	190,628	180,910	182,724	(1,814)
Interest	-	9,718	7,904	1,814
Total expenditures	<u>3,505,628</u>	<u>18,310,496</u>	<u>896,898</u>	<u>17,413,598</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,505,628)</u>	<u>(17,870,496)</u>	<u>(85,481)</u>	<u>(17,042,181)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,810,102	5,230,147	5,564,135	333,988
Transfers out	-	(2,301,762)	(2,301,762)	-
Total other financing sources	<u>2,810,102</u>	<u>2,928,385</u>	<u>3,262,373</u>	<u>333,988</u>
Net change in fund balances	<u>\$ (695,526)</u>	<u>\$ (14,942,111)</u>	<u>3,176,892</u>	<u>\$ (16,708,193)</u>
FUND BALANCES:				
Beginning of year			<u>16,319,624</u>	
End of year			<u>\$ 19,496,516</u>	

**City of Pleasanton
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019**

	Special Revenue Funds	Capital Project Funds	Total
ASSETS			
Cash and investments	\$ 15,882,120	\$ 59,505,372	\$ 75,387,492
Receivables:			
Accounts	1,012,828	32,206	1,045,034
Grants	376,216	-	376,216
Interest	389,807	287,376	677,183
Notes receivable	2,439,592	-	2,439,592
Total assets	<u>\$ 20,100,563</u>	<u>\$ 59,824,954</u>	<u>\$ 79,925,517</u>
LIABILITIES			
Accounts payable	\$ 371,369	\$ 622,694	\$ 994,063
Payroll payable	2,729	-	2,729
Due to other funds	33,662	-	33,662
Advances from other funds	-	829,103	829,103
Unearned revenue	32,891	-	32,891
Total liabilities	<u>440,651</u>	<u>1,451,797</u>	<u>1,892,448</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,748,711</u>	<u>-</u>	<u>2,748,711</u>
FUND BALANCES			
Restricted	16,187,299	46,274,253	62,461,552
Assigned	723,902	12,098,904	12,822,806
Total fund balances	<u>16,911,201</u>	<u>58,373,157</u>	<u>75,284,358</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,100,563</u>	<u>\$ 59,824,954</u>	<u>\$ 79,925,517</u>

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2019

	Special Revenue Funds	Capital Project Funds	Total
REVENUES:			
Special assessments	\$ 209,533	\$ -	\$ 209,533
Fines and forfeitures	5,000	-	5,000
Use of money and property	442,769	1,674,834	2,117,603
Intergovernmental	6,649,193	-	6,649,193
Development fees	14,500	2,761,454	2,775,954
Charges for services	-	-	-
Contributions and donations	282,582	420,300	702,882
Other revenues	663,386	313,672	977,058
Total revenues	8,266,963	5,170,260	13,437,223
EXPENDITURES:			
Current:			
Public safety	143,732	-	143,732
Community development	357,490	100,807	458,297
Operations services	471,809	29,632	501,441
Community activities	222,535	-	222,535
Capital outlay	1,008,466	5,993,648	7,002,114
Debt service:			
Principal	64,000	-	64,000
Interest	20,131	-	20,131
Total expenditures	2,288,163	6,124,087	8,412,250
REVENUES OVER (UNDER) EXPENDITURES	5,978,800	(953,827)	5,024,973
OTHER FINANCING SOURCES (USES):			
Transfers in	-	7,270,140	7,270,140
Transfers out	(241,919)	-	(241,919)
Total other financing sources (uses)	(241,919)	7,270,140	7,028,221
Net change in fund balances	5,736,881	6,316,313	12,053,194
FUND BALANCES:			
Beginning of year	11,174,320	52,056,844	63,231,164
End of year	<u>\$ 16,911,201</u>	<u>\$ 58,373,157</u>	<u>\$ 75,284,358</u>

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 (CBD) Parking 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.

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 on-ramps landscape.

Geologic Hazard Assessment Districts

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.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

HOME Program

The HOME Investment Partnerships Program (HOME) 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.

Abandoned Vehicle

The City receives funds from a vehicle registration surcharge for abatement of abandoned vehicles. The funds are used to cover the costs associated with the handling of abandoned vehicles.

Urban Forestry Program

This fund was created to promote conservation and public education in regard to Pleasanton's street trees, park trees and trees on private property. Revenue sources include donations and fines assessed for damaging heritage trees.

Library Trust

This fund was established in fiscal year 2000/01 to account for donations made to the library. Funds will be expended for equipment and enhanced services in accordance with donor's requests.

Miscellaneous Grants

This fund includes various grant revenues received for the Used Oil program, law enforcement expenditures and literacy 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.

Downtown Economic Loan

This fund was established in fiscal year 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.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

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 design and construction services to install additional trees along the Marilyn Murphy Kane Trail on the City's Bernal property.

Specific Plan

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 moneys 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.

Measure BB Transportation Improvements

This fund accounts for moneys received from voter-approved Measure BB which is to be used for transportation priorities that includes streets and roads improvements, bicycle/pedestrian enhancements, and transit related projects.

AB1379 CASp Certification and Training

This fund accounts for the fees collected from business license applicants as mandated by Assembly Bill No. 1379 and are to be used for increased certified access specialist (CASp) training and certification within the City and to facilitate compliance with construction-related accessibility requirements.

**City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2019**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations
ASSETS					
Cash and investments	\$ 18,130	\$ 62,278	\$ 691,663	\$ 981,442	\$ 415,365
Receivables:					
Accounts	-	-	-	66,632	49,345
Grants	-	-	-	-	-
Interest	99	288	3,779	4,383	659
Notes receivable	-	-	-	-	-
Total assets	<u>\$ 18,229</u>	<u>\$ 62,566</u>	<u>\$ 695,442</u>	<u>\$ 1,052,457</u>	<u>\$ 465,369</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 6,934	\$ 31,517
Payroll payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,934</u>	<u>31,517</u>
DEFERRED INFLOWS OF RESOURCES					
Resources related to loans	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	18,229	62,566	-	1,045,523	433,852
Assigned	-	-	695,442	-	-
Total fund balances	<u>18,229</u>	<u>62,566</u>	<u>695,442</u>	<u>1,045,523</u>	<u>433,852</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,229</u>	<u>\$ 62,566</u>	<u>\$ 695,442</u>	<u>\$ 1,052,457</u>	<u>\$ 465,369</u>

Landscape and Lighting Districts	Landscape Maintenance N.P.I.D.	Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Gas Tax	HOME Program
\$ 431,019	\$ 1,001,871	\$ 1,228,001	\$ 1,433,610	\$ 4,286,995	\$ -
461	1,990	431	196,978	384,828	-
-	-	-	-	-	65,420
2,292	5,430	6,700	6,981	20,900	121,118
-	97,522	-	-	-	1,806,308
<u>\$ 433,772</u>	<u>\$ 1,106,813</u>	<u>\$ 1,235,132</u>	<u>\$ 1,637,569</u>	<u>\$ 4,692,723</u>	<u>\$ 1,992,846</u>
\$ 20,846	\$ -	\$ 8,350	\$ 4,358	\$ 176,356	\$ 31,758
-	-	-	-	-	-
-	-	-	-	-	33,662
-	-	-	-	-	-
<u>20,846</u>	<u>-</u>	<u>8,350</u>	<u>4,358</u>	<u>176,356</u>	<u>65,420</u>
-	97,522	-	-	-	1,927,426
-	97,522	-	-	-	1,927,426
412,926	1,009,291	1,226,782	1,633,211	4,516,367	-
-	-	-	-	-	-
<u>412,926</u>	<u>1,009,291</u>	<u>1,226,782</u>	<u>1,633,211</u>	<u>4,516,367</u>	<u>-</u>
<u>\$ 433,772</u>	<u>\$ 1,106,813</u>	<u>\$ 1,235,132</u>	<u>\$ 1,637,569</u>	<u>\$ 4,692,723</u>	<u>\$ 1,992,846</u>

(Continued)

**City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds, Continued
June 30, 2019**

	Abandoned Vehicle	Urban Forestry Program	Library Trust	Miscellaneous Grants	HBPOA Maintenance District
ASSETS					
Cash and investments	\$ 105,490	\$ 309,087	\$ 59,325	\$ 140,148	\$ -
Receivables:					
Accounts	8,963	-	-	-	11,646
Grants	-	-	-	290,235	-
Interest	757	1,788	-	1,987	-
Notes receivable	-	-	-	-	-
Total assets	<u>\$ 115,210</u>	<u>\$ 310,875</u>	<u>\$ 59,325</u>	<u>\$ 432,370</u>	<u>\$ 11,646</u>
LIABILITIES					
Accounts payable	\$ -	\$ 2,419	\$ -	\$ 69,434	\$ 11,646
Payroll payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	7,372	-
Total liabilities	<u>-</u>	<u>2,419</u>	<u>-</u>	<u>76,806</u>	<u>11,646</u>
DEFERRED INFLOWS OF RESOURCES					
Resources related to loans	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	115,210	308,456	59,325	355,564	-
Assigned	-	-	-	-	-
Total fund balances	<u>115,210</u>	<u>308,456</u>	<u>59,325</u>	<u>355,564</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 115,210</u>	<u>\$ 310,875</u>	<u>\$ 59,325</u>	<u>\$ 432,370</u>	<u>\$ 11,646</u>

Community Development Block Grant	Downtown Economic Loan	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plan	Vehicle Registration Fees
\$ 9,361	\$ 28,305	\$ 1,286,345	\$ 112,113	\$ 826,465	\$ 591,742
2,785	-	52,188	-	-	63,959
20,561	-	-	-	-	-
188,001	155	6,918	613	4,560	2,986
535,762	-	-	-	-	-
<u>\$ 756,470</u>	<u>\$ 28,460</u>	<u>\$ 1,345,451</u>	<u>\$ 112,726</u>	<u>\$ 831,025</u>	<u>\$ 658,687</u>
\$ 4,459	\$ -	\$ -	\$ -	\$ -	\$ -
2,729	-	-	-	-	-
-	-	-	-	-	-
25,519	-	-	-	-	-
32,707	-	-	-	-	-
723,763	-	-	-	-	-
723,763	-	-	-	-	-
-	-	1,345,451	112,726	831,025	658,687
-	28,460	-	-	-	-
-	28,460	1,345,451	112,726	831,025	658,687
<u>\$ 756,470</u>	<u>\$ 28,460</u>	<u>\$ 1,345,451</u>	<u>\$ 112,726</u>	<u>\$ 831,025</u>	<u>\$ 658,687</u>

(Continued)

**City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds, Continued
June 30, 2019**

	Measure BB Transportation Improvements	AB1379 CASp Certification and Training	Total
ASSETS			
Cash and investments	\$ 1,833,037	\$ 30,328	\$ 15,882,120
Receivables:			
Accounts	172,622	-	1,012,828
Grants	-	-	376,216
Interest	9,223	190	389,807
Notes receivable	-	-	2,439,592
Total assets	\$ 2,014,882	\$ 30,518	\$ 20,100,563
LIABILITIES			
Accounts payable	\$ 1,568	\$ 1,724	\$ 371,369
Payroll payable	-	-	2,729
Due to other funds	-	-	33,662
Unearned revenue	-	-	32,891
Total liabilities	1,568	1,724	440,651
DEFERRED INFLOWS OF RESOURCES			
Resources related to loans	-	-	2,748,711
Total deferred inflows of resources	-	-	2,748,711
FUND BALANCES			
Restricted	2,013,314	28,794	16,187,299
Assigned	-	-	723,902
Total fund balances	2,013,314	28,794	16,911,201
Total liabilities, deferred inflows of resources and fund balances	\$ 2,014,882	\$ 30,518	\$ 20,100,563

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City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the year ended June 30, 2019

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	578	1,489	22,070	24,121	4,826
Intergovernmental	-	24,964	-	287,279	-
Development fees	-	-	14,500	-	-
Contributions and donations	1,500	-	-	-	242,490
Other revenues	-	-	-	-	80,929
Total revenues	2,078	26,453	36,570	311,400	328,245
EXPENDITURES:					
Current:					
Public safety	1,400	16,628	-	-	2,021
Community development	-	-	-	-	-
Operations services	-	-	-	178,895	-
Community activities	-	-	-	-	33,630
Capital outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,400	16,628	-	178,895	35,651
REVENUES OVER (UNDER) EXPENDITURES	678	9,825	36,570	132,505	292,594
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	-	(218,967)
Total other financing sources (uses)	-	-	-	-	(218,967)
Net change in fund balances	678	9,825	36,570	132,505	73,627
FUND BALANCES:					
Beginning of year	17,551	52,741	658,872	913,018	360,225
End of year	\$ 18,229	\$ 62,566	\$ 695,442	\$ 1,045,523	\$ 433,852

Landscape and Lighting Districts	Landscape Maintenance N.P.I.D.	Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Gas Tax	HOME Program
\$ 130,624	\$ -	\$ 78,909	\$ -	\$ -	\$ -
-	-	-	-	-	-
13,035	31,825	38,699	35,215	103,530	-
-	-	-	1,197,574	3,063,567	65,420
-	-	-	-	-	-
-	-	-	-	-	-
11,560	17,046	1,218	-	-	-
<u>155,219</u>	<u>48,871</u>	<u>118,826</u>	<u>1,232,789</u>	<u>3,167,097</u>	<u>65,420</u>
-	-	-	-	-	-
-	-	26,694	-	7,500	65,420
126,846	8,324	-	-	-	-
-	-	-	-	-	-
-	-	-	68,962	518,651	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>126,846</u>	<u>8,324</u>	<u>26,694</u>	<u>68,962</u>	<u>526,151</u>	<u>65,420</u>
<u>28,373</u>	<u>40,547</u>	<u>92,132</u>	<u>1,163,827</u>	<u>2,640,946</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>28,373</u>	<u>40,547</u>	<u>92,132</u>	<u>1,163,827</u>	<u>2,640,946</u>	<u>-</u>
<u>384,553</u>	<u>968,744</u>	<u>1,134,650</u>	<u>469,384</u>	<u>1,875,421</u>	<u>-</u>
<u>\$ 412,926</u>	<u>\$ 1,009,291</u>	<u>\$ 1,226,782</u>	<u>\$ 1,633,211</u>	<u>\$ 4,516,367</u>	<u>\$ -</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, 2019

	Abandoned Vehicle	Urban Forestry Program	Library Trust	Miscellaneous Grants	HBPOA Maintenance District
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	5,000	-	-	-
Use of money and property	4,320	10,366	-	10,935	-
Intergovernmental	35,767	-	-	311,189	-
Development fees	-	-	-	-	-
Contributions and donations	-	38,262	330	-	-
Other revenues	-	520	-	91,706	139,743
Total revenues	40,087	54,148	330	413,830	139,743
EXPENDITURES:					
Current:					
Public safety	35,767	-	-	87,916	-
Community development	-	-	-	-	-
Operations services	-	18,001	-	-	139,743
Community activities	-	-	-	29,976	-
Capital outlay	-	-	-	246,081	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	35,767	18,001	-	363,973	139,743
REVENUES OVER (UNDER) EXPENDITURES	4,320	36,147	330	49,857	-
OTHER FINANCING SOURCES (USES):					
Transfers out	-	(20,000)	-	-	-
Total other financing sources (uses)	-	(20,000)	-	-	-
Net change in fund balances	4,320	16,147	330	49,857	-
FUND BALANCES:					
Beginning of year	110,890	292,309	58,995	305,707	-
End of year	\$ 115,210	\$ 308,456	\$ 59,325	\$ 355,564	\$ -

Community Development Block Grant	Downtown Economic Loan	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plan	Vehicle Registration Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	909	39,545	3,596	33,005	16,137
245,491	-	-	-	-	367,822
-	-	-	-	-	-
-	-	-	-	-	-
61,197	-	226,320	-	-	-
306,688	909	265,865	3,596	33,005	383,959
-	-	-	-	-	-
222,557	-	-	-	-	-
-	-	-	-	-	-
-	-	158,929	-	-	-
-	-	-	-	96,572	-
64,000	-	-	-	-	-
20,131	-	-	-	-	-
306,688	-	158,929	-	96,572	-
-	909	106,936	3,596	(63,567)	383,959
-	-	-	-	(2,952)	-
-	-	-	-	(2,952)	-
-	909	106,936	3,596	(66,519)	383,959
-	27,551	1,238,515	109,130	897,544	274,728
\$ -	\$ 28,460	\$ 1,345,451	\$ 112,726	\$ 831,025	\$ 658,687

(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, 2019

	Measure BB Transportation Improvements	AB1379 CASp Certification and Training	Total
REVENUES:			
Special assessments	\$ -	\$ -	\$ 209,533
Fines and forfeitures	-	-	5,000
Use of money and property	47,548	1,020	442,769
Intergovernmental	1,050,120	-	6,649,193
Development fees	-	-	14,500
Contributions and donations	-	-	282,582
Other revenues	-	33,147	663,386
Total revenues	1,097,668	34,167	8,266,963
EXPENDITURES:			
Current:			
Public safety	-	-	143,732
Community development	-	35,319	357,490
Operations services	-	-	471,809
Community activities	-	-	222,535
Capital outlay	78,200	-	1,008,466
Debt Service:			
Principal	-	-	64,000
Interest	-	-	20,131
Total expenditures	78,200	35,319	2,288,163
REVENUES OVER (UNDER) EXPENDITURES	1,019,468	(1,152)	5,978,800
OTHER FINANCING SOURCES (USES):			
Transfers out	-	-	(241,919)
Total other financing sources (uses)	-	-	(241,919)
Net change in fund balances	1,019,468	(1,152)	5,736,881
FUND BALANCES:			
Beginning of year	993,846	29,946	11,174,320
End of year	\$ 2,013,314	\$ 28,794	\$ 16,911,201

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City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds
For the year ended June 30, 2019

	SPECIAL REVENUE					
	D.A.R.E. Trust			Asset Forfeiture		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	200	578	378	500	1,489	989
Intergovernmental	-	-	-	3,500	24,964	21,464
Development fees	-	-	-	-	-	-
Contributions and donations	1,000	1,500	500	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>1,200</u>	<u>2,078</u>	<u>878</u>	<u>4,000</u>	<u>26,453</u>	<u>22,453</u>
EXPENDITURES:						
Current:						
Public safety	6,000	1,400	4,600	19,500	16,628	2,872
Community development	-	-	-	-	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>6,000</u>	<u>1,400</u>	<u>4,600</u>	<u>19,500</u>	<u>16,628</u>	<u>2,872</u>
REVENUES OVER (UNDER)						
EXPENDITURES	<u>(4,800)</u>	<u>678</u>	<u>5,478</u>	<u>(15,500)</u>	<u>9,825</u>	<u>25,325</u>
OTHER FINANCING SOURCES (USES):						
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (4,800)</u>	<u>678</u>	<u>\$ 5,478</u>	<u>\$ (15,500)</u>	<u>9,825</u>	<u>\$ 25,325</u>
FUND BALANCES:						
Beginning of year		<u>17,551</u>			<u>52,741</u>	
End of year		<u>\$ 18,229</u>			<u>\$ 62,566</u>	

SPECIAL REVENUE

CBD Parking In-Lieu			Resource Management			Miscellaneous Donations		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
5,000	22,070	17,070	3,500	24,121	20,621	7,400	4,826	(2,574)
-	-	-	249,000	287,279	38,279	-	-	-
14,500	14,500	-	-	-	-	-	-	-
-	-	-	-	-	-	241,000	242,490	1,490
-	-	-	-	-	-	-	80,929	80,929
<u>19,500</u>	<u>36,570</u>	<u>17,070</u>	<u>252,500</u>	<u>311,400</u>	<u>58,900</u>	<u>248,400</u>	<u>328,245</u>	<u>79,845</u>
-	-	-	-	-	-	2,000	2,021	(21)
-	-	-	-	-	-	-	-	-
-	-	-	356,000	178,895	177,105	-	-	-
-	-	-	-	-	-	-	33,630	(33,630)
-	-	-	-	-	-	40,000	-	40,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	<u>356,000</u>	<u>178,895</u>	<u>177,105</u>	<u>42,000</u>	<u>35,651</u>	<u>6,349</u>
<u>19,500</u>	<u>36,570</u>	<u>17,070</u>	<u>(103,500)</u>	<u>132,505</u>	<u>236,005</u>	<u>206,400</u>	<u>292,594</u>	<u>86,194</u>
-	-	-	-	-	-	-	(218,967)	(218,967)
-	-	-	-	-	-	-	(218,967)	(218,967)
<u>\$ 19,500</u>	<u>36,570</u>	<u>\$ 17,070</u>	<u>\$ (103,500)</u>	<u>132,505</u>	<u>\$ 236,005</u>	<u>\$ 206,400</u>	<u>73,627</u>	<u>\$ (132,773)</u>
	<u>658,872</u>			<u>913,018</u>			<u>360,225</u>	
	<u>\$ 695,442</u>			<u>\$1,045,523</u>			<u>\$ 433,852</u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds
For the year ended June 30, 2019

	SPECIAL REVENUE					
	Landscape and Lighting Districts			Landscape Maintenance N.P.I.D.		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Special assessments	\$ 129,947	\$ 130,624	\$ 677	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	5,350	13,035	7,685	13,000	31,825	18,825
Intergovernmental	-	-	-	-	-	-
Development fees	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	11,559	11,560	1	15,534	17,046	1,512
Total revenues	<u>146,856</u>	<u>155,219</u>	<u>8,363</u>	<u>28,534</u>	<u>48,871</u>	<u>20,337</u>
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Operations services	144,794	126,846	17,948	23,500	8,324	15,176
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>144,794</u>	<u>126,846</u>	<u>17,948</u>	<u>23,500</u>	<u>8,324</u>	<u>15,176</u>
REVENUES OVER (UNDER)						
EXPENDITURES	<u>2,062</u>	<u>28,373</u>	<u>26,311</u>	<u>5,034</u>	<u>40,547</u>	<u>35,513</u>
OTHER FINANCING SOURCES (USES):						
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,062</u>	<u>28,373</u>	<u>\$ 26,311</u>	<u>\$ 5,034</u>	<u>40,547</u>	<u>\$ 35,513</u>
FUND BALANCES (DEFICITS):						
Beginning of year		<u>384,553</u>			<u>968,744</u>	
End of year		<u>\$ 412,926</u>			<u>\$1,009,291</u>	

SPECIAL REVENUE

Geologic Hazard Assessment Districts			Measure B Transportation Improvements			Gas Tax		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 78,286	\$ 78,909	\$ 623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
16,300	38,699	22,399	5,500	35,215	29,715	19,000	103,530	84,530
-	-	-	1,020,000	1,197,574	177,574	2,978,418	3,063,567	85,149
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,217	1,218	1	-	-	-	-	-	-
<u>95,803</u>	<u>118,826</u>	<u>23,023</u>	<u>1,025,500</u>	<u>1,232,789</u>	<u>207,289</u>	<u>2,997,418</u>	<u>3,167,097</u>	<u>169,679</u>
-	-	-	-	-	-	-	-	-
233,319	26,694	206,625	-	-	-	7,500	7,500	-
-	-	-	-	-	-	-	-	-
-	-	-	1,573,078	68,962	1,504,116	4,487,271	518,651	3,968,620
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>233,319</u>	<u>26,694</u>	<u>206,625</u>	<u>1,573,078</u>	<u>68,962</u>	<u>1,504,116</u>	<u>4,494,771</u>	<u>526,151</u>	<u>3,968,620</u>
<u>(137,516)</u>	<u>92,132</u>	<u>229,648</u>	<u>(547,578)</u>	<u>1,163,827</u>	<u>1,711,405</u>	<u>(1,497,353)</u>	<u>2,640,946</u>	<u>4,138,299</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ (137,516)</u>	<u>92,132</u>	<u>\$ 229,648</u>	<u>\$ (547,578)</u>	<u>1,163,827</u>	<u>\$1,711,405</u>	<u>\$ (1,497,353)</u>	<u>2,640,946</u>	<u>\$4,138,299</u>
	<u>1,134,650</u>			<u>469,384</u>			<u>1,875,421</u>	
	<u>\$1,226,782</u>			<u>\$1,633,211</u>			<u>\$4,516,367</u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds
For the year ended June 30, 2019

	SPECIAL REVENUE					
	HOME Program			Abandoned Vehicle		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	-	-	-	1,800	4,320	2,520
Intergovernmental	531,796	65,420	(466,376)	30,000	35,767	5,767
Development fees	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>531,796</u>	<u>65,420</u>	<u>(466,376)</u>	<u>31,800</u>	<u>40,087</u>	<u>8,287</u>
EXPENDITURES:						
Current:						
Public safety	-	-	-	30,000	35,767	(5,767)
Community development	531,796	65,420	466,376	-	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>531,796</u>	<u>65,420</u>	<u>466,376</u>	<u>30,000</u>	<u>35,767</u>	<u>(5,767)</u>
REVENUES OVER (UNDER)						
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>4,320</u>	<u>2,520</u>
OTHER FINANCING SOURCES (USES):						
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>4,320</u>	<u>\$ 2,520</u>
FUND BALANCES (DEFICITS):						
Beginning of year		<u>-</u>			<u>110,890</u>	
End of year		<u>\$ -</u>			<u>\$ 115,210</u>	

SPECIAL REVENUE

Urban Forestry Program			Library Trust			Miscellaneous Grants		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	5,000	5,000	-	-	-	-	-	-
4,000	10,366	6,366	300	-	(300)	4,000	10,935	6,935
-	-	-	-	-	-	2,907,239	311,189	(2,596,050)
-	-	-	-	-	-	-	-	-
10,000	38,262	28,262	-	330	330	-	-	-
500	520	20	-	-	-	-	91,706	91,706
<u>14,500</u>	<u>54,148</u>	<u>34,648</u>	<u>300</u>	<u>330</u>	<u>30</u>	<u>2,911,239</u>	<u>413,830</u>	<u>(2,497,409)</u>
-	-	-	-	-	-	-	87,916	(87,916)
-	-	-	-	-	-	-	-	-
36,500	18,001	18,499	-	-	-	-	-	-
-	-	-	-	-	-	-	29,976	(29,976)
-	-	-	-	-	-	2,836,020	246,081	2,589,939
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>36,500</u>	<u>18,001</u>	<u>18,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,836,020</u>	<u>363,973</u>	<u>2,472,047</u>
<u>(22,000)</u>	<u>36,147</u>	<u>53,147</u>	<u>300</u>	<u>330</u>	<u>30</u>	<u>75,219</u>	<u>49,857</u>	<u>(25,362)</u>
<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (42,000)</u>	<u>16,147</u>	<u>\$ 53,147</u>	<u>\$ 300</u>	<u>330</u>	<u>\$ 30</u>	<u>\$ 75,219</u>	<u>49,857</u>	<u>\$ (25,362)</u>
	<u>292,309</u>			<u>58,995</u>			<u>305,707</u>	
	<u>\$ 308,456</u>			<u>\$ 59,325</u>			<u>\$ 355,564</u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds
For the year ended June 30, 2019

	SPECIAL REVENUE					
	HBPOA Maintenance District			Community Development Block Grant		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-
Intergovernmental	-	-	-	272,697	245,491	(27,206)
Development fees	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	100,000	139,743	39,743	-	61,197	61,197
Total revenues	<u>100,000</u>	<u>139,743</u>	<u>39,743</u>	<u>272,697</u>	<u>306,688</u>	<u>33,991</u>
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	161,385	222,557	(61,172)
Operations services	100,000	139,743	(39,743)	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	64,000	64,000	-
Interest	-	-	-	23,000	20,131	2,869
Total expenditures	<u>100,000</u>	<u>139,743</u>	<u>(39,743)</u>	<u>248,385</u>	<u>306,688</u>	<u>(58,303)</u>
REVENUES OVER (UNDER)						
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,312</u>	<u>-</u>	<u>(24,312)</u>
OTHER FINANCING SOURCES (USES):						
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 24,312</u>	<u>-</u>	<u>\$ (24,312)</u>
FUND BALANCES (DEFICITS):						
Beginning of year		<u>-</u>			<u>-</u>	
End of year		<u>\$ -</u>			<u>\$ -</u>	

SPECIAL REVENUE

Downtown Economic Loan			Community Access Television			Marilyn Murphy Kane Trail Reserve		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
360	909	549	15,000	39,545	24,545	800	3,596	2,796
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	250,000	226,320	(23,680)	-	-	-
<u>360</u>	<u>909</u>	<u>549</u>	<u>265,000</u>	<u>265,865</u>	<u>865</u>	<u>800</u>	<u>3,596</u>	<u>2,796</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	214,468	158,929	55,539	-	-	-
-	-	-	-	-	-	25,000	-	25,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	214,468	158,929	55,539	25,000	-	25,000
<u>360</u>	<u>909</u>	<u>549</u>	<u>50,532</u>	<u>106,936</u>	<u>56,404</u>	<u>(24,200)</u>	<u>3,596</u>	<u>27,796</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 360</u>	<u>909</u>	<u>\$ 549</u>	<u>\$ 50,532</u>	<u>106,936</u>	<u>\$ 56,404</u>	<u>\$ (24,200)</u>	<u>3,596</u>	<u>\$ 27,796</u>
	<u>27,551</u>			<u>1,238,515</u>			<u>109,130</u>	
	<u>\$ 28,460</u>			<u>\$1,345,451</u>			<u>\$ 112,726</u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds
For the year ended June 30, 2019

	SPECIAL REVENUE					
	Specific Plan			Vehicle Registration Fees		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	16,000	33,005	17,005	4,000	16,137	12,137
Intergovernmental	-	-	-	350,000	367,822	17,822
Development fees	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>16,000</u>	<u>33,005</u>	<u>17,005</u>	<u>354,000</u>	<u>383,959</u>	<u>29,959</u>
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Operations services	-	-	-	38,500	-	38,500
Community activities	-	-	-	-	-	-
Capital outlay	218,871	96,572	122,299	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>218,871</u>	<u>96,572</u>	<u>122,299</u>	<u>38,500</u>	<u>-</u>	<u>38,500</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(202,871)</u>	<u>(63,567)</u>	<u>139,304</u>	<u>315,500</u>	<u>383,959</u>	<u>68,459</u>
OTHER FINANCING SOURCES (USES):						
Transfers out	-	(2,952)	(2,952)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(2,952)</u>	<u>(2,952)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (202,871)</u>	<u>(66,519)</u>	<u>\$ 136,352</u>	<u>\$ 315,500</u>	<u>383,959</u>	<u>\$ 68,459</u>
FUND BALANCES (DEFICITS):						
Beginning of year		<u>897,544</u>			<u>274,728</u>	
End of year		<u>\$ 831,025</u>			<u>\$ 658,687</u>	

SPECIAL REVENUE

Measure BB Transportation Improvements			AB1379 CASp Certification and Training		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
5,500	47,548	42,048	-	1,020	1,020
910,000	1,050,120	140,120	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	33,147	33,147
<u>915,500</u>	<u>1,097,668</u>	<u>182,168</u>	<u>-</u>	<u>34,167</u>	<u>34,167</u>
-	-	-	-	-	-
-	-	-	-	35,319	(35,319)
-	-	-	-	-	-
-	-	-	-	-	-
1,885,044	78,200	1,806,844	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,885,044</u>	<u>78,200</u>	<u>1,806,844</u>	<u>-</u>	<u>35,319</u>	<u>(35,319)</u>
<u>(969,544)</u>	<u>1,019,468</u>	<u>1,989,012</u>	<u>-</u>	<u>(1,152)</u>	<u>(1,152)</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (969,544)</u>	<u>1,019,468</u>	<u>\$1,989,012</u>	<u>\$ -</u>	<u>(1,152)</u>	<u>\$ (1,152)</u>
	<u>993,846</u>			<u>29,946</u>	
	<u>\$2,013,314</u>			<u>\$ 28,794</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.

CIP for Downtown and North Pleasanton

This fund was set up in fiscal year 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.

Park Capital Improvement Program

This fund is used to account for the construction, reconstruction, and maintenance of City parks as adopted in the annual parks capital improvement program.

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 and street improvements.

Traffic Impact - Bernal Property

This fund was set up in fiscal year 2000/01. A percentage of the traffic impact fees collected from developers were 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.

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.

City of Pleasanton
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2019

	CIP for Downtown & North Pleasanton	Public Facilities	Park Development	Park Capital Improvement Program	Street Capital Improvement Program
ASSETS					
Cash and investments	\$ 3,767,928	\$ 6,509,363	\$ 11,750,187	\$ 1,494,950	\$ 11,782,957
Receivables:					
Accounts	-	-	-	12,938	19,268
Interest	20,586	35,084	60,892	7,475	41,126
Total assets	<u>\$ 3,788,514</u>	<u>\$ 6,544,447</u>	<u>\$ 11,811,079</u>	<u>\$ 1,515,363</u>	<u>\$ 11,843,351</u>
LIABILITIES					
Accounts payable	\$ -	\$ 2,023	\$ 1,088	\$ 323,878	\$ 106,829
Advances from other funds	-	-	-	829,103	-
Total liabilities	<u>-</u>	<u>2,023</u>	<u>1,088</u>	<u>1,152,981</u>	<u>106,829</u>
FUND BALANCES					
Restricted	3,788,514	6,542,424	11,809,991	-	-
Assigned	-	-	-	362,382	11,736,522
Total fund balances	<u>3,788,514</u>	<u>6,542,424</u>	<u>11,809,991</u>	<u>362,382</u>	<u>11,736,522</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,788,514</u>	<u>\$ 6,544,447</u>	<u>\$ 11,811,079</u>	<u>\$ 1,515,363</u>	<u>\$ 11,843,351</u>

<u>Traffic Impact</u>	<u>Traffic Impact Bernal Property</u>	<u>Budgeted Developer Projects</u>	<u>Assessment District Construction</u>	<u>Tri-Valley Transportation</u>	<u>Total</u>
\$ 10,178,727	\$ 780,390	\$ 9,990,443	\$ 1,341,131	\$ 1,909,296	\$ 59,505,372
-	-	-	-	-	32,206
<u>53,410</u>	<u>4,264</u>	<u>47,026</u>	<u>7,489</u>	<u>10,024</u>	<u>287,376</u>
<u>\$ 10,232,137</u>	<u>\$ 784,654</u>	<u>\$ 10,037,469</u>	<u>\$ 1,348,620</u>	<u>\$ 1,919,320</u>	<u>\$ 59,824,954</u>
\$ 163,268	\$ -	\$ 25,608	\$ -	\$ -	\$ 622,694
-	-	-	-	-	829,103
<u>163,268</u>	<u>-</u>	<u>25,608</u>	<u>-</u>	<u>-</u>	<u>1,451,797</u>
10,068,869	784,654	10,011,861	1,348,620	1,919,320	46,274,253
-	-	-	-	-	12,098,904
<u>10,068,869</u>	<u>784,654</u>	<u>10,011,861</u>	<u>1,348,620</u>	<u>1,919,320</u>	<u>58,373,157</u>
<u>\$ 10,232,137</u>	<u>\$ 784,654</u>	<u>\$ 10,037,469</u>	<u>\$ 1,348,620</u>	<u>\$ 1,919,320</u>	<u>\$ 59,824,954</u>

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Projects Funds
For the year ended June 30, 2019

	CIP for Downtown & North Pleasanton	Public Facilities	Park Development	Park Capital Improvement Program	Street Capital Improvement Program
REVENUES:					
Use of money and property	\$ 120,858	\$ 208,393	\$ 374,021	\$ 46,711	\$ 236,693
Development fees	-	537,080	680,378	-	61,950
Contributions and donations	-	-	-	-	-
Other revenues	-	-	-	21,088	292,584
Total revenues	120,858	745,473	1,054,399	67,799	591,227
EXPENDITURES:					
Current:					
Operations services	-	-	-	-	-
Community development	-	-	9,707	88,544	-
Capital outlay	-	61,457	2,177,798	2,439,075	615,155
Total expenditures	-	61,457	2,187,505	2,527,619	615,155
REVENUES OVER (UNDER) EXPENDITURES	120,858	684,016	(1,133,106)	(2,459,820)	(23,928)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	545,855	460,724	4,529,498
Total other financing sources (uses)	-	-	545,855	460,724	4,529,498
Net change in fund balances	120,858	684,016	(587,251)	(1,999,096)	4,505,570
FUND BALANCES:					
Beginning of year	3,667,656	5,858,408	12,397,242	2,361,478	7,230,952
End of year	<u>\$ 3,788,514</u>	<u>\$ 6,542,424</u>	<u>\$ 11,809,991</u>	<u>\$ 362,382</u>	<u>\$ 11,736,522</u>

Traffic Impact	Traffic Impact Bernal Property	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Total
\$ 301,459	\$ 25,033	\$ 261,305	\$ 44,194	\$ 56,167	\$ 1,674,834
1,240,533	-	-	-	241,513	2,761,454
-	-	420,300	-	-	420,300
-	-	-	-	-	313,672
<u>1,541,992</u>	<u>25,033</u>	<u>681,605</u>	<u>44,194</u>	<u>297,680</u>	<u>5,170,260</u>
-	-	-	29,632	-	29,632
2,556	-	-	-	-	100,807
470,416	-	229,747	-	-	5,993,648
<u>472,972</u>	<u>-</u>	<u>229,747</u>	<u>29,632</u>	<u>-</u>	<u>6,124,087</u>
<u>1,069,020</u>	<u>25,033</u>	<u>451,858</u>	<u>14,562</u>	<u>297,680</u>	<u>(953,827)</u>
<u>396,743</u>	<u>-</u>	<u>1,337,320</u>	<u>-</u>	<u>-</u>	<u>7,270,140</u>
<u>396,743</u>	<u>-</u>	<u>1,337,320</u>	<u>-</u>	<u>-</u>	<u>7,270,140</u>
1,465,763	25,033	1,789,178	14,562	297,680	6,316,313
<u>8,603,106</u>	<u>759,621</u>	<u>8,222,683</u>	<u>1,334,058</u>	<u>1,621,640</u>	<u>52,056,844</u>
<u>\$ 10,068,869</u>	<u>\$ 784,654</u>	<u>\$ 10,011,861</u>	<u>\$ 1,348,620</u>	<u>\$ 1,919,320</u>	<u>\$ 58,373,157</u>

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Capital Projects Funds
For the year ended June 30, 2019

	CAPITAL PROJECTS					
	CIP for Downtown & North Pleasanton			Public Facilities		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Use of money and property	\$ 37,000	\$ 120,858	\$ 83,858	\$ 70,000	\$ 208,393	\$ 138,393
Development fees	-	-	-	420,336	537,080	116,744
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>37,000</u>	<u>120,858</u>	<u>83,858</u>	<u>490,336</u>	<u>745,473</u>	<u>255,137</u>
EXPENDITURES:						
Current:						
Community development	-	-	-	-	-	-
Operations services	-	-	-	-	-	-
Capital outlay	-	-	-	6,367,257	61,457	6,305,800
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,367,257</u>	<u>61,457</u>	<u>6,305,800</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>37,000</u>	<u>120,858</u>	<u>83,858</u>	<u>(5,876,921)</u>	<u>684,016</u>	<u>6,560,937</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 37,000</u>	<u>120,858</u>	<u>\$ 83,858</u>	<u>\$(5,876,921)</u>	<u>684,016</u>	<u>\$ 6,560,937</u>
FUND BALANCES:						
Beginning of year		<u>3,667,656</u>			<u>5,858,408</u>	
End of year		<u>\$ 3,788,514</u>			<u>\$ 6,542,424</u>	

CAPITAL PROJECTS

Park Development			Park Capital Improvement Program			Street Capital Improvement Program		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 95,000	\$ 374,021	\$ 279,021	\$ 3,000	\$ 46,711	\$ 43,711	\$ 75,000	\$ 236,693	\$ 161,693
766,853	680,378	(86,475)	-	-	-	8,000	61,950	53,950
-	-	-	-	-	-	-	-	-
-	-	-	-	21,088	21,088	-	292,584	292,584
<u>861,853</u>	<u>1,054,399</u>	<u>192,546</u>	<u>3,000</u>	<u>67,799</u>	<u>64,799</u>	<u>83,000</u>	<u>591,227</u>	<u>508,227</u>
-	9,707	(9,707)	-	-	-	-	-	-
-	-	-	-	88,544	(88,544)	-	-	-
<u>12,404,160</u>	<u>2,177,798</u>	<u>10,226,362</u>	<u>3,783,633</u>	<u>2,439,075</u>	<u>1,344,558</u>	<u>11,125,413</u>	<u>615,155</u>	<u>10,510,258</u>
<u>12,404,160</u>	<u>2,187,505</u>	<u>10,216,655</u>	<u>3,783,633</u>	<u>2,527,619</u>	<u>1,256,014</u>	<u>11,125,413</u>	<u>615,155</u>	<u>10,510,258</u>
<u>(11,542,307)</u>	<u>(1,133,106)</u>	<u>10,409,201</u>	<u>(3,780,633)</u>	<u>(2,459,820)</u>	<u>1,320,813</u>	<u>(11,042,413)</u>	<u>(23,928)</u>	<u>11,018,485</u>
<u>545,855</u>	<u>545,855</u>	<u>-</u>	<u>241,757</u>	<u>460,724</u>	<u>218,967</u>	<u>4,529,498</u>	<u>4,529,498</u>	<u>-</u>
<u>545,855</u>	<u>545,855</u>	<u>-</u>	<u>241,757</u>	<u>460,724</u>	<u>218,967</u>	<u>4,529,498</u>	<u>4,529,498</u>	<u>-</u>
<u><u>\$ (10,996,452)</u></u>	<u>(587,251)</u>	<u><u>\$ 10,409,201</u></u>	<u><u>\$ (3,538,876)</u></u>	<u>(1,999,096)</u>	<u><u>\$ 1,539,780</u></u>	<u><u>\$ (6,512,915)</u></u>	<u>4,505,570</u>	<u><u>\$ 11,018,485</u></u>
	<u>12,397,242</u>			<u>2,361,478</u>			<u>7,230,952</u>	
	<u><u>\$ 11,809,991</u></u>			<u><u>\$ 362,382</u></u>			<u><u>\$ 11,736,522</u></u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Capital Projects Funds
For the year ended June 30, 2019

CAPITAL PROJECTS						
	Traffic Impact			Traffic Impact - Bernal Property		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Use of money and property	\$ 85,000	\$ 301,459	\$ 216,459	\$ 20,000	\$ 25,033	\$ 5,033
Development fees	540,693	1,240,533	699,840	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>625,693</u>	<u>1,541,992</u>	<u>916,299</u>	<u>20,000</u>	<u>25,033</u>	<u>5,033</u>
EXPENDITURES:						
Current:						
Community development	-	2,556	(2,556)	-	-	-
Operations services	-	-	-	-	-	-
Capital outlay	9,712,637	470,416	9,242,221	3,756	-	3,756
Total expenditures	<u>9,712,637</u>	<u>472,972</u>	<u>9,239,665</u>	<u>3,756</u>	<u>-</u>	<u>3,756</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(9,086,944)</u>	<u>1,069,020</u>	<u>10,155,964</u>	<u>16,244</u>	<u>25,033</u>	<u>8,789</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	396,743	396,743	-	-	-	-
Total other financing sources (uses)	<u>396,743</u>	<u>396,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u><u>\$(8,690,201)</u></u>	<u>1,465,763</u>	<u><u>\$ 10,155,964</u></u>	<u><u>\$ 16,244</u></u>	<u>25,033</u>	<u><u>\$ 8,789</u></u>
FUND BALANCES:						
Beginning of year		<u>8,603,106</u>			<u>759,621</u>	
End of year		<u><u>\$ 10,068,869</u></u>			<u><u>\$ 784,654</u></u>	

CAPITAL PROJECTS

Budgeted Developer Projects			Assessment District Construction			Tri-Valley Transportation		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 51,800	\$ 261,305	\$ 209,505	\$ 8,000	\$ 44,194	\$ 36,194	\$ 16,000	\$ 56,167	\$ 40,167
-	-	-	-	-	-	80,866	241,513	160,647
-	420,300	420,300	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>51,800</u>	<u>681,605</u>	<u>629,805</u>	<u>8,000</u>	<u>44,194</u>	<u>36,194</u>	<u>96,866</u>	<u>297,680</u>	<u>200,814</u>
-	-	-	-	-	-	-	-	-
-	-	-	28,750	29,632	(882)	-	-	-
<u>8,707,656</u>	<u>229,747</u>	<u>8,477,909</u>	<u>2,386,118</u>	<u>-</u>	<u>2,386,118</u>	<u>1,715,485</u>	<u>-</u>	<u>1,715,485</u>
<u>8,707,656</u>	<u>229,747</u>	<u>8,477,909</u>	<u>2,414,868</u>	<u>29,632</u>	<u>2,385,236</u>	<u>1,715,485</u>	<u>-</u>	<u>1,715,485</u>
<u>(8,655,856)</u>	<u>451,858</u>	<u>9,107,714</u>	<u>(2,406,868)</u>	<u>14,562</u>	<u>2,421,430</u>	<u>(1,618,619)</u>	<u>297,680</u>	<u>1,916,299</u>
<u>1,337,320</u>	<u>1,337,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,337,320</u>	<u>1,337,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>\$ (7,318,536)</u></u>	<u>1,789,178</u>	<u><u>\$ 9,107,714</u></u>	<u><u>\$ (2,406,868)</u></u>	<u>14,562</u>	<u><u>\$ 2,421,430</u></u>	<u><u>\$ (1,618,619)</u></u>	<u>297,680</u>	<u><u>\$ 1,916,299</u></u>
	<u>8,222,683</u>			<u>1,334,058</u>			<u>1,621,640</u>	
	<u><u>\$ 10,011,861</u></u>			<u><u>\$ 1,348,620</u></u>			<u><u>\$ 1,919,320</u></u>	

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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 and Measure BB sales tax. This fund provides transit service to seniors and the disabled in Pleasanton.

Cemetery

This fund accounts for the operations of the Pleasanton Pioneer Cemetery. The City currently contracts with Graham-Hitch Mortuary for cemetery management, sales and burial coordination. The Cemetery Fund 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.

City of Pleasanton
Combining Statement of Fund Net Position
Non-Major Enterprise Funds
June 30, 2019

	Transit	Cemetery	Housing Authority	Total
ASSETS				
Current assets:				
Cash and investments	\$ 195,280	\$ 845,295	\$ 355,129	\$ 1,395,704
Receivables (net):				
Accounts	69,467	6,509	-	75,976
Interest	1,045	1,645	-	2,690
Total current assets	<u>265,792</u>	<u>853,449</u>	<u>355,129</u>	<u>1,474,370</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	44,372	51,750	96,122
Depreciable	103,192	415,767	-	518,959
Total noncurrent assets	<u>103,192</u>	<u>460,139</u>	<u>51,750</u>	<u>615,081</u>
Total assets	<u>368,984</u>	<u>1,313,588</u>	<u>406,879</u>	<u>2,089,451</u>
LIABILITIES				
Current liabilities:				
Accounts payable	5,998	37,452	-	43,450
Payroll payable	11,125	1,791	-	12,916
Due to other funds	20,858	-	-	20,858
Advances from other funds	-	500,000	-	500,000
Unearned revenue	13,179	172,191	-	185,370
Total current liabilities	<u>51,160</u>	<u>711,434</u>	<u>-</u>	<u>762,594</u>
Total liabilities	<u>51,160</u>	<u>711,434</u>	<u>-</u>	<u>762,594</u>
NET POSITION				
Net investment in capital assets	103,192	460,139	51,750	615,081
Restricted for:				
Transportation	214,632	-	-	214,632
Unrestricted	-	142,015	355,129	497,144
Total net position	<u>\$ 317,824</u>	<u>\$ 602,154</u>	<u>\$ 406,879</u>	<u>\$ 1,326,857</u>

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-Major Enterprise Funds
For the year ended June 30, 2019

	Transit	Cemetery	Housing Authority	Total
OPERATING REVENUES:				
Charges for services	\$ 22,318	\$ 160,885	\$ -	\$ 183,203
Miscellaneous	3,076	358	-	3,434
Total operating revenues	25,394	161,243	-	186,637
OPERATING EXPENSES:				
Personnel services	469,707	55,408	-	525,115
Transportation	87,180	-	-	87,180
Repairs and maintenance	3,024	-	-	3,024
Materials, supplies, and services	116,118	170,156	59	286,333
Depreciation	11,899	20,232	-	32,131
Total operating expenses	687,928	245,796	59	933,783
OPERATING INCOME (LOSS)	(662,534)	(84,553)	(59)	(747,146)
NONOPERATING REVENUES (EXPENSES):				
Grants	78,908	-	-	78,908
Intergovernmental	356,165	-	-	356,165
Interest income	7,312	11,813	1,140	20,265
Total non-operating revenues (expenses)	442,385	11,813	1,140	455,338
Net income (loss) before contributions and transfers	(220,149)	(72,740)	1,081	(291,808)
Transfers in	186,639	45,000	-	231,639
Transfers out	-	-	-	-
Total transfers	186,639	45,000	-	231,639
Change in net position	(33,510)	(27,740)	1,081	(60,169)
NET POSITION:				
Beginning of year	351,334	629,894	405,798	1,387,026
End of year	<u>\$ 317,824</u>	<u>\$ 602,154</u>	<u>\$ 406,879</u>	<u>\$ 1,326,857</u>

City of Pleasanton
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2019

	Transit	Cemetery	Housing Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 28,738	\$ 225,857	\$ -	\$ 254,595
Cash payments to suppliers for goods and services	(236,703)	(666,238)	(59)	(903,000)
Cash payments to employees for services	(473,169)	(54,439)	-	(527,608)
Net cash provided (used) by operating activities	(681,134)	(494,820)	(59)	(1,176,013)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital assets (acquisition)	(50,031)	220,986	-	170,955
Net cash provided (used) by capital financing activities	(50,031)	220,986	-	170,955
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Grants received	68,001	-	-	68,001
Intergovernmental funds received	346,317	-	-	346,317
Interfund receipts	186,639	545,000	-	731,639
Net cash provided (used) by noncapital financing activities	600,957	545,000	-	1,145,957
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	7,185	12,041	1,140	20,366
Net cash provided (used) by investing activities	7,185	12,041	1,140	20,366
Net increase (decrease) in cash and cash equivalents	(123,023)	283,207	1,081	161,265
CASH AND CASH EQUIVALENTS:				
Beginning of year	318,303	562,088	354,048	1,234,439
End of year	\$ 195,280	\$ 845,295	\$ 355,129	\$ 1,395,704
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ (662,534)	\$ (84,553)	\$ (59)	\$ (747,146)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	11,899	20,232	-	32,131
Change in operating assets and liabilities:				
Accounts receivable	-	38,599	-	38,599
Accounts payable	(33,038)	(496,082)	-	(529,120)
Payroll payable	(3,462)	969	-	(2,493)
Due to other funds	2,657	-	-	2,657
Unearned revenue	3,344	26,015	-	29,359
Net cash provided (used) by operating activities	\$ (681,134)	\$ (494,820)	\$ (59)	\$ (1,176,013)

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 unemployment insurance benefit costs and accrued unused employee vacation leave. Revenues come from benefit accrual charges placed on all City operating programs. This fund also includes the accounting for workers' compensation benefits and the majority of the City's Net Pension Liability.

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.

LPGD 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.

Retiree Insurance Reserve

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

PERS Rate Stabilization

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 Enhancement

This fund is to provide for unplanned and traditionally unfunded priority projects that arise such as employee workplace enhancement and miscellaneous emergency renovation projects which are not part of the City's Repair and Replacement Plan.

City of Pleasanton
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2019

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LPFD Retirees Insurance Reserve (Pleasanton Share Only)
ASSETS				
Current assets:				
Cash and investments	\$ 10,516,944	\$ 162,744	\$ 24,528,624	\$ -
Restricted cash and investments	-	-	-	-
Accounts receivable	-	1,393	10,132	-
Interest receivable	51,494	846	117,304	-
Prepaid expenses	-	-	766,002	-
Total current assets	10,568,438	164,983	25,422,062	-
Noncurrent assets:				
Advances to other funds	-	-	829,103	-
Capital assets:				
Nondepreciable	-	336,393	191,798	-
Depreciable, net	-	7,867	11,850,241	-
Total noncurrent assets	-	344,260	12,871,142	-
Total assets	10,568,438	509,243	38,293,204	-
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	24,390,131	-	-	-
Related to OPEB	-	-	-	-
Total deferred outflows of resources	24,390,131	-	-	-
LIABILITIES				
Current liabilities:				
Accounts payable	827,485	19,383	547,148	-
Accrued compensated absences	1,106,790	-	-	-
Claims payable	1,351,700	-	-	-
Due to other funds	-	-	-	-
Total current liabilities	3,285,975	19,383	547,148	-
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Accrued compensated absences	3,407,586	-	-	-
Net pension liability	112,838,345	-	-	-
Net OPEB Liability	-	-	-	-
Claims payable	6,956,300	-	-	-
Total noncurrent liabilities	123,202,231	-	-	-
Total liabilities	126,488,206	19,383	547,148	-
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	6,146,864	-	-	-
Related to OPEB	-	-	-	-
Total deferred inflows of resources	6,146,864	-	-	-
NET POSITION				
Net investment in capital assets	-	344,260	12,042,039	-
Unrestricted	(97,676,501)	145,600	25,704,017	-
Total net position	\$ (97,676,501)	\$ 489,860	\$ 37,746,056	\$ -

Self Insurance Retention	Retiree Insurance Reserve	PERS Rate Stabilization	City Enhancement	Total
\$ 5,838,942	\$ -	\$ -	\$ 203,827	\$ 41,251,081
-	22,239,402	-	-	22,239,402
-	-	-	-	11,525
26,108	-	-	1,114	196,866
-	-	-	-	766,002
<u>5,865,050</u>	<u>22,239,402</u>	<u>-</u>	<u>204,941</u>	<u>64,464,876</u>
-	-	-	-	829,103
-	-	-	-	528,191
-	-	-	-	11,858,108
-	-	-	-	13,215,402
<u>5,865,050</u>	<u>22,239,402</u>	<u>-</u>	<u>204,941</u>	<u>77,680,278</u>
-	-	-	-	24,390,131
-	4,985,135	-	-	4,985,135
-	4,985,135	-	-	29,375,266
5,865	23,762	-	-	1,423,643
-	-	-	-	1,106,790
477,189	-	-	-	1,828,889
-	131,594	-	-	131,594
<u>483,054</u>	<u>155,356</u>	<u>-</u>	<u>-</u>	<u>4,490,916</u>
-	-	-	-	-
-	-	-	-	3,407,586
-	-	-	-	112,838,345
-	43,222,866	-	-	43,222,866
1,049,523	-	-	-	8,005,823
<u>1,049,523</u>	<u>43,222,866</u>	<u>-</u>	<u>-</u>	<u>167,474,620</u>
<u>1,532,577</u>	<u>43,378,222</u>	<u>-</u>	<u>-</u>	<u>171,965,536</u>
-	-	-	-	6,146,864
-	1,040,188	-	-	1,040,188
-	1,040,188	-	-	7,187,052
-	-	-	-	12,386,299
4,332,473	(17,193,873)	-	204,941	(84,483,343)
<u>\$ 4,332,473</u>	<u>\$ (17,193,873)</u>	<u>\$ -</u>	<u>\$ 204,941</u>	<u>\$ (72,097,044)</u>

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2019

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LPFD Retirees Insurance Reserve (Pleasanton Share Only)
OPERATING REVENUES:				
Charges for services	\$ 2,051,214	\$ 50,000	\$ 7,232,776	\$ -
Other revenues	9,532	-	-	-
Total operating revenues	2,060,746	50,000	7,232,776	-
OPERATING EXPENSES:				
Personnel services	6,306,668	-	-	-
Transportation	-	-	1,146	-
Repairs and maintenance	-	-	470,980	-
Materials, supplies, and services	1,892,144	61,232	2,415,780	-
Depreciation	-	133	1,928,452	-
Total operating expenses	8,198,812	61,365	4,816,358	-
OPERATING INCOME (LOSS)	(6,138,066)	(11,365)	2,416,418	-
NONOPERATING REVENUES/EXPENSES:				
Grants	-	-	28,873	-
Interest income	306,189	5,155	687,859	-
Gain (loss) from disposal of capital assets	-	-	32,787	-
Total non-operating revenues (expenses)	306,189	5,155	749,519	-
Income before Transfers in (out)	(5,831,877)	(6,210)	3,165,937	-
Transfers in	-	-	199,248	-
Transfers out	-	-	(220,000)	-
Total other financing sources (uses)	-	-	(20,752)	-
Change in net position	(5,831,877)	(6,210)	3,145,185	-
NET POSITION (DEFICIT):				
Beginning of year, as restated	(91,844,624)	496,070	34,600,871	-
End of year	<u>\$ (97,676,501)</u>	<u>\$ 489,860</u>	<u>\$ 37,746,056</u>	<u>\$ -</u>

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization	City Enhancement	Total
\$ 1,100,000	\$ 5,698,343	\$ -	\$ -	\$ 16,132,333
6,450	-	-	-	15,982
<u>1,106,450</u>	<u>5,698,343</u>	<u>-</u>	<u>-</u>	<u>16,148,315</u>
-	3,513,383	-	-	9,820,051
-	-	-	-	1,146
-	-	-	-	470,980
1,282,058	10,902	-	-	5,662,116
-	-	-	-	1,928,585
<u>1,282,058</u>	<u>3,524,285</u>	<u>-</u>	<u>-</u>	<u>17,882,878</u>
<u>(175,608)</u>	<u>2,174,058</u>	<u>-</u>	<u>-</u>	<u>(1,734,563)</u>
-	-	-	-	28,873
153,121	1,057,168	-	4,941	2,214,433
-	-	-	-	32,787
<u>153,121</u>	<u>1,057,168</u>	<u>-</u>	<u>4,941</u>	<u>2,276,093</u>
(22,487)	3,231,226	-	4,941	541,530
-	3,461,995	-	-	3,661,243
-	(967,000)	(2,005,818)	-	(3,192,818)
-	2,494,995	(2,005,818)	-	468,425
(22,487)	5,726,221	(2,005,818)	4,941	1,009,955
<u>4,354,960</u>	<u>(22,920,094)</u>	<u>2,005,818</u>	<u>200,000</u>	<u>(73,106,999)</u>
<u>\$ 4,332,473</u>	<u>\$ (17,193,873)</u>	<u>\$ -</u>	<u>\$ 204,941</u>	<u>\$ (72,097,044)</u>

City of Pleasanton
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2019

	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	\$ 2,060,746	\$ 51,607	\$ 7,222,644	\$ -
Cash payment to suppliers for goods and services	(5,654,177)	(46,934)	(2,756,259)	-
Cash payment to and on behalf of employees for services	(99,697)	-	-	-
Net cash provided (used) by operating activities	(3,693,128)	4,673	4,466,385	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund (payments) receipts	(963,022)	-	198,215	-
Net cash provided (used) by noncapital financing activities	(963,022)	-	198,215	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Grants			28,873	
Capital assets acquisition	-	(21,500)	(2,184,980)	-
Proceeds from sale of capital assets	-	-	32,787	-
Net cash provided (used) by capital and related financing activities	-	(21,500)	(2,123,320)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	290,465	4,821	638,274	-
Net cash provided (used) by investing activities	290,465	4,821	638,274	-
Net (decrease) in cash and cash equivalents	(4,365,685)	(12,006)	3,179,554	-
CASH AND CASH EQUIVALENTS:				
Beginning of year, as restated	14,882,629	174,750	21,349,070	-
End of year	<u>\$ 10,516,944</u>	<u>\$ 162,744</u>	<u>\$ 24,528,624</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (6,138,066)	\$ (11,365)	\$ 2,416,418	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	133	1,928,452	-
Change in operating assets and liabilities:				
Accounts receivable	-	1,607	(10,132)	-
Prepaid expenses	-	-	-	-
Prepaid other post employment benefits	-	-	-	-
Accrued liabilities	(38,033)	14,298	131,647	-
Accrued compensated absences	126,974	-	-	-
Net pension liability	6,079,997	-	-	-
Net OPEB liability	-	-	-	-
Claims payable	(3,724,000)	-	-	-
Net cash provided (used) by operating activities	\$ (3,693,128)	\$ 4,673	\$ 4,466,385	\$ -

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization	City Enhancement	Total
\$ 1,106,450	\$ 5,698,343	\$ -	\$ -	\$ 16,139,790
(996,513)	(10,902)	-	-	(9,464,785)
-	(4,558,616)	-	-	(4,658,313)
<u>109,937</u>	<u>1,128,825</u>	<u>-</u>	<u>-</u>	<u>2,016,692</u>
-	3,589,611	(2,005,818)	-	818,986
-	3,589,611	(2,005,818)	-	818,986
-	-	-	-	28,873
-	-	-	-	(2,206,480)
-	-	-	-	32,787
-	-	-	-	(2,144,820)
141,458	1,104,135	-	3,827	2,182,980
141,458	1,104,135	-	3,827	2,182,980
251,395	5,822,571	(2,005,818)	3,827	2,873,838
5,587,547	16,416,831	2,005,818	200,000	60,616,645
<u>\$ 5,838,942</u>	<u>\$ 22,239,402</u>	<u>\$ -</u>	<u>\$ 203,827</u>	<u>\$ 63,490,483</u>
\$ (175,608)	\$ 2,174,058	\$ -	\$ -	\$ (1,734,563)
-	-	-	-	1,928,585
-	-	-	-	(8,525)
-	-	-	-	-
-	-	-	-	-
1,310	(5,045)	-	-	104,177
-	-	-	-	126,974
-	-	-	-	6,079,997
-	(1,040,188)	-	-	(1,040,188)
284,235	-	-	-	(3,439,765)
<u>\$ 109,937</u>	<u>\$ 1,128,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,016,692</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.

Retiree Insurance

This fund collects money from retired employees and pays their share of health insurance bills. Retired employees pay their share of insurance bills for a specific 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

This fund collects the assets forfeited as a result of investigations of criminal offenses, generally narcotics related. The money is passed on to various other 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 Agency, DSRSD, Tri-Valley Transportation Council, etc.), or organizations.

Cash Bonds

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

Livermore-Pleasanton Fire Department

This fund accounts for the 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, 2019

	Retiree Insurance	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts	Cash Bonds
ASSETS					
Cash and investments	\$ -	\$ 47,380	\$ 29,748	\$ 2,025,430	\$ 1,549,751
Receivables:					
Accounts	4,617	-	-	546,339	-
Interest	-	245	-	-	-
Notes receivable	-	-	-	10,008	-
Total assets	<u>\$ 4,617</u>	<u>\$ 47,625</u>	<u>\$ 29,748</u>	<u>\$ 2,581,777</u>	<u>\$ 1,549,751</u>
LIABILITIES					
Cash and investments (overdraft)	\$ 4,121	\$ -	\$ -	\$ -	\$ -
Accounts payable	41	-	-	2,427,824	3,500
Claims	-	-	-	-	-
Loan payable	-	-	-	10,008	-
Deposits	455	47,625	29,748	143,945	1,546,251
Total liabilities	<u>\$ 4,617</u>	<u>\$ 47,625</u>	<u>\$ 29,748</u>	<u>\$ 2,581,777</u>	<u>\$ 1,549,751</u>

Livermore- Pleasanton Fire Department (Livermore Share Only)	Total
\$ 6,046,930	\$ 9,699,239
44,458	595,414
35,151	35,396
-	10,008
<u>\$ 6,126,539</u>	<u>\$ 10,340,057</u>

\$ -	\$ 4,121
165,910	2,597,275
9,005,312	9,005,312
-	10,008
<u>(3,044,683)</u>	<u>(1,276,659)</u>
<u>\$ 6,126,539</u>	<u>\$ 10,340,057</u>

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2019

	Balance July 1, 2018 (as restated)	Additions	Deductions	Balance June 30, 2019
<u>Retiree Insurance</u>				
Assets:				
Cash and investments	\$ 4,493	\$ 582,972	\$ (587,465)	\$ -
Accounts receivable	-	583,760	(579,143)	4,617
Total assets	\$ 4,493	\$ 1,166,732	\$ (1,166,608)	\$ 4,617
Liabilities:				
Cash and investments (overdraft)	\$ -	\$ 4,121	\$ -	\$ 4,121
Accounts payable	291	585,087	(585,337)	41
Deposits	4,202	575,918	(579,665)	455
Total liabilities	\$ 4,493	\$ 1,165,126	\$ (1,165,002)	\$ 4,617
<u>Downtown Merchant Improvements</u>				
Assets:				
Cash and investments	\$ 41,626	\$ 82,770	\$ (77,016)	\$ 47,380
Interest receivable	139	245	(139)	245
Total assets	\$ 41,765	\$ 83,015	\$ (77,155)	\$ 47,625
Liabilities:				
Accounts payable	\$ -	\$ 76,765	\$ (76,765)	\$ -
Deposits	41,765	82,625	(76,765)	47,625
Total liabilities	\$ 41,765	\$ 159,390	\$ (153,530)	\$ 47,625
<u>Asset Forfeiture</u>				
Assets:				
Cash and investments	\$ 143,901	\$ 6,951	\$ (121,104)	\$ 29,748
Total assets	\$ 143,901	\$ 6,951	\$ (121,104)	\$ 29,748
Liabilities:				
Accounts payable	\$ -	\$ 121,104	\$ (121,104)	\$ -
Deposits	143,901	6,951	(121,104)	29,748
Total liabilities	\$ 143,901	\$ 128,055	\$ (242,208)	\$ 29,748
<u>Miscellaneous Agencies and Trust</u>				
Assets:				
Cash and investments	\$ 907,695	\$ 10,981,504	\$ (9,863,769)	\$ 2,025,430
Receivables:				
Accounts	438,669	1,069,549	(961,879)	546,339
Notes	14,072	-	(4,064)	10,008
Total assets	\$ 1,360,436	\$ 12,051,053	\$ (10,829,712)	\$ 2,581,777
Liabilities:				
Payables:				
Accounts	\$ 1,055,822	\$ 10,594,107	\$ (9,222,105)	\$ 2,427,824
Notes	14,072	-	(4,064)	10,008
Deposits	290,542	10,307,152	(10,453,749)	143,945
Total liabilities	\$ 1,360,436	\$ 20,901,259	\$ (19,679,918)	\$ 2,581,777

(Continued)

**City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2019**

	Balance July 1, 2018 (as restated)	Additions	Deductions	Balance June 30, 2019
<u>Cash Bonds</u>				
Assets:				
Cash and investments	\$ 2,370,061	\$ 273,760	\$ (1,094,070)	\$ 1,549,751
Total assets	\$ 2,370,061	\$ 273,760	\$ (1,094,070)	\$ 1,549,751
Liabilities:				
Accounts payable	\$ -	\$ 1,097,570	\$ (1,094,070)	\$ 3,500
Deposits	2,370,061	273,760	(1,097,570)	1,546,251
Total liabilities	\$ 2,370,061	\$ 1,371,330	\$ (2,191,640)	\$ 1,549,751
<u>Livermore-Pleasanton Fire Department</u>				
Assets:				
Cash and investments	\$ 5,972,074	\$ 5,938,952	\$ (5,864,096)	\$ 6,046,930
Receivables:				
Accounts	114,857	44,458	(114,857)	44,458
Interest	17,256	35,151	(17,256)	35,151
Total assets	\$ 6,104,187	\$ 6,018,561	\$ (5,996,209)	\$ 6,126,539
Liabilities:				
Accounts payable	\$ 654,648	\$ 165,909	\$ (654,647)	\$ 165,910
Claims payable	8,364,000	9,005,312	(8,364,000)	9,005,312
Accrued compensated absences	579,369	-	(579,369)	-
Deposits	(3,493,830)	3,610,544	(3,161,397)	(3,044,683)
Total liabilities	\$ 6,104,187	\$ 12,781,765	\$ (12,759,413)	\$ 6,126,539
<u>Total of All Agency Funds</u>				
Assets:				
Cash and investments	\$ 9,439,850	\$ 17,866,909	\$ (17,607,520)	\$ 9,699,239
Receivables:				
Accounts	553,526	1,697,767	(1,655,879)	595,414
Interest	17,395	35,396	(17,395)	35,396
Notes receivable	14,072	-	(4,064)	10,008
Total assets	\$ 10,024,843	\$ 19,600,072	\$ (19,284,858)	\$ 10,340,057
Liabilities:				
Cash and investments (overdraft)	\$ -	\$ 4,121	\$ -	\$ 4,121
Payables:				
Accounts	1,710,761	12,640,542	(11,754,028)	2,597,275
Claims	8,364,000	9,005,312	(8,364,000)	9,005,312
Accrued compensated absences	579,369	-	(579,369)	-
Loan	14,072	-	(4,064)	10,008
Deposits	(643,359)	14,856,950	(15,490,250)	(1,276,659)
Total liabilities	\$ 10,024,843	\$ 36,506,925	\$ (36,191,711)	\$ 10,340,057

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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 in understanding and assessing how a government's financial position has changed over time.	191
<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.	203
<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.	211
<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.	219
<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.	223

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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				
	2010	2011	2012	2013	2014
Governmental Activities					
Net investment in capital assets (1)	\$ 447,001,813	\$ 442,888,249	\$ 459,571,666	\$ 478,640,595	\$ 478,618,864
Restricted	52,277,108	53,388,353	53,945,028	54,730,098	59,542,954
Unrestricted (2)	129,218,569	125,477,861	116,496,384	88,466,476	92,908,491
position	\$ 628,497,490	\$ 621,754,463	\$ 630,013,078	\$ 621,837,169	\$ 631,070,309
Business-Type Activities					
Net investment in capital assets	\$ 210,069,900	\$ 202,753,118	\$ 196,819,739	\$ 189,306,314	\$ 182,419,601
Restricted	264,948	2,267,923	4,273,502	4,630,314	5,245,338
Unrestricted	42,260,016	40,528,824	41,306,525	41,910,981	45,209,251
Total business-type activities net position	\$ 252,594,864	\$ 245,549,865	\$ 242,399,766	\$ 235,847,609	\$ 232,874,190
Primary Government					
Net investment in capital assets	\$ 657,071,713	\$ 645,641,367	\$ 656,391,405	\$ 667,946,909	\$ 661,038,465
Restricted	52,542,056	55,656,276	58,218,530	59,360,412	64,788,292
Unrestricted	171,478,585	166,006,685	157,802,909	130,377,457	138,117,742
Total primary government activities net position	\$ 881,092,354	\$ 867,304,328	\$ 872,412,844	\$ 857,684,778	\$ 863,944,499

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) In 2013, 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. In 2015, the negative unrestricted net position in Governmental Activities was attributable to the recording of net pension liability as a result of the implementation of GASB 68, Accounting and Financial Reporting for Pensions. In 2018, the negative unrestricted net position increased further due to the recording of net OPEB liability as a result of the implementation of GASB 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions.

Fiscal Year Ended June 30

2015	2016	2017	2018	2019
\$ 487,153,226	\$ 497,839,233	\$ 509,064,211	\$ 504,882,313	\$ 498,338,562
62,296,241	61,029,572	74,105,178	62,433,733	72,361,830
(27,653,975)	(16,776,353)	(15,318,883)	(49,675,582)	(39,340,376)
<u>\$ 521,795,492</u>	<u>\$ 542,092,452</u>	<u>\$ 567,850,506</u>	<u>\$ 517,640,464</u>	<u>\$ 531,360,016</u>
\$ 176,512,644	\$ 182,841,810	\$ 183,305,729	\$ 183,231,147	\$ 176,192,351
6,081,192	6,797,332	305,694	286,274	214,632
42,651,779	39,918,554	44,690,494	40,236,159	47,002,659
<u>\$ 225,245,615</u>	<u>\$ 229,557,696</u>	<u>\$ 228,301,917</u>	<u>\$ 223,753,580</u>	<u>\$ 223,409,642</u>
\$ 663,665,870	\$ 680,681,043	\$ 692,369,940	\$ 688,113,460	\$ 674,530,913
68,377,433	67,826,904	74,410,872	62,720,007	72,576,462
14,997,804	23,142,201	29,371,611	(9,439,423)	7,662,283
<u>\$ 747,041,107</u>	<u>\$ 771,650,148</u>	<u>\$ 796,152,423</u>	<u>\$ 741,394,044</u>	<u>\$ 754,769,658</u>

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

	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Program Revenues					
Governmental Activities:					
Charges for Services					
General Government	\$ 552,655	\$ 600,615	\$ 530,379	\$ 847,400	\$ 351,432
Public Safety (1)	15,438,986	15,133,410	15,349,962	1,925,017	1,871,706
Community Development	1,881,698	1,263,487	4,213,319	5,070,801	5,406,350
Operations Services	180,938	254,425	172,033	488,833	615,063
Community Activities	3,316,593	3,409,771	3,814,092	3,786,304	3,920,184
Operating Grants & Contributions	2,352,064	2,344,348	1,981,223	2,339,740	1,446,304
Capital Grants & Contributions	7,684,713	9,269,252	30,930,426	8,257,001	13,322,657
Total Government Activities:	<u>31,407,647</u>	<u>32,275,308</u>	<u>56,991,434</u>	<u>22,715,096</u>	<u>26,933,696</u>
Business-Type Activities:					
Charges for Services					
Water	14,045,288	15,906,217	17,858,731	19,874,140	19,542,181
Sewer	10,693,533	11,201,749	12,450,545	12,873,074	13,591,371
Golf	4,182,190	3,871,138	3,924,212	3,921,815	3,781,952
Transit	40,306	40,278	36,393	32,728	29,287
Storm Drain	365,816	370,024	365,155	347,612	361,348
Cemetery	-	349,941	102,046	77,242	49,142
Pleasanton Housing Authority	160,093	155,609	153,255	163,515	176,432
Electric Vehicle	-	-	-	-	-
Operating Grants & Contributions	-	-	370,989	182,854	114,771
Capital Grants & Contributions	665,225	-	99,596	78,595	-
Total Business-Type Activities	<u>30,152,451</u>	<u>31,894,956</u>	<u>35,360,922</u>	<u>37,551,575</u>	<u>37,646,484</u>
Total Primary Government Revenues	<u>\$ 61,560,098</u>	<u>\$ 64,170,264</u>	<u>\$ 92,352,356</u>	<u>\$ 60,266,671</u>	<u>\$ 64,580,180</u>
Expenses					
Governmental Activities:					
General Government	\$ 14,462,794	\$ 11,320,194	\$ 11,287,857	\$ 10,983,778	\$ 10,360,977
Public Safety (1)	53,923,103	53,346,944	61,545,745	47,486,526	42,173,584
Community Development	10,931,688	11,383,162	12,614,316	18,502,872	15,690,263
Operations Services	16,120,414	25,859,451	25,072,278	20,676,081	23,101,587
Community Activities	21,559,193	13,238,584	12,186,269	11,705,687	10,767,100
Interest on Long-Term Debt	1,122,135	1,077,908	1,048,843	1,528,110	36,565
Total Government Activities:	<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>
Business-Type Activities:					
Water	17,710,045	18,783,261	20,624,535	22,028,379	19,955,880
Sewer	14,794,022	13,818,267	14,216,171	14,050,710	14,397,652
Golf	5,530,246	5,048,601	5,146,812	5,154,023	5,217,734
Transit	687,793	694,687	690,067	668,192	656,825
Storm Drain	1,866,985	1,822,769	1,746,357	1,758,604	1,661,216
Cemetery	207,186	36,998	22,544	29,656	88,195
Pleasanton Housing Authority	425,771	453,270	380,940	375,950	400,015
Electric Vehicle	-	-	-	-	-
Total Business-Type Activities	<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>
Total Primary Government Expense	<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>

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.

Fiscal Year Ended June 30

	2015	2016	2017	2018	2019
\$	576,781	\$ 489,842	\$ 380,148	\$ 377,968	\$ 1,759,450
	1,864,000	2,252,106	2,209,630	2,241,723	2,101,271
	6,193,038	7,434,666	7,137,220	7,283,955	7,071,315
	464,764	385,681	245,567	13,273	412,217
	4,429,931	4,721,811	4,238,718	5,388,824	4,920,968
	2,472,764	2,837,179	2,144,568	2,531,927	2,790,058
	13,467,743	12,777,297	29,268,836	12,083,316	12,416,072
	29,469,021	30,898,582	45,624,687	29,920,986	31,471,351
	17,700,120	17,639,091	24,979,440	28,469,053	27,106,096
	14,274,645	13,861,477	14,756,465	14,635,697	14,894,626
	3,620,949	3,825,552	3,678,545	3,772,104	3,713,019
	26,934	25,560	25,229	27,592	25,394
	451,835	788,101	872,260	747,726	744,402
	58,310	72,743	120,202	283,690	161,243
	182,096	129,879	-	-	-
	-	4,054	-	-	-
	259,729	244,749	107,176	72,092	78,908
	-	8,215,464	5,072,145	1,879,164	1,223,357
	36,574,618	44,806,670	49,611,462	49,887,118	47,947,045
\$	66,043,639	\$ 75,705,252	\$ 95,236,149	\$ 79,808,104	\$ 79,418,396
\$	11,664,448	\$ 11,626,959	\$ 13,262,964	\$ 13,642,305	\$ 15,463,935
	45,039,711	44,667,204	50,423,097	49,340,797	52,306,605
	15,545,862	14,680,399	15,053,634	20,126,026	16,697,040
	14,765,337	23,621,666	26,341,007	29,609,753	33,754,591
	12,625,484	13,158,251	14,281,965	15,343,079	15,852,817
	3,196	22,828	21,469	24,728	28,035
	99,644,038	107,777,307	119,384,136	128,086,688	134,103,023
	17,297,973	18,390,589	27,775,558	28,476,375	27,667,694
	14,585,270	14,986,417	15,952,170	16,243,756	17,308,963
	4,923,007	4,896,052	4,955,932	5,129,759	4,849,230
	576,286	647,326	647,029	724,243	667,324
	1,166,224	2,426,049	2,502,935	1,866,129	2,570,902
	50,420	20,755	266,740	187,186	245,796
	386,248	347,495	134	166	59
	-	2,500	-	-	-
	38,985,428	41,717,183	52,100,498	52,627,614	53,309,968
\$	138,629,466	\$ 149,494,490	\$ 171,484,634	\$ 180,714,302	\$ 187,412,991

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

	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Net (Expenses)/Revenue:					
Governmental Activities:	\$ (86,711,680)	\$ (83,950,935)	\$ (66,763,874)	\$ (88,167,958)	\$ (75,196,380)
Business-Type Activities:	(11,069,597)	(8,762,897)	(7,466,504)	(6,513,939)	(4,731,033)
Total Net (Expense)/Revenue	<u>(97,781,277)</u>	<u>(92,713,832)</u>	<u>(74,230,378)</u>	<u>(94,681,897)</u>	<u>(79,927,413)</u>
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property taxes	49,724,115	48,569,049	47,923,732	48,648,728	50,366,818
Other taxes	5,957,264	6,245,758	6,962,201	7,866,876	8,278,095
Sales tax	15,420,066	18,503,316	19,107,418	19,102,977	20,993,123
Motor vehicle in lieu	206,180	356,653	36,534	30,491	-
Franchise fees	1,955,493	2,001,934	2,012,970	2,114,954	2,371,125
Unrestricted investment earnings	1,766,743	1,585,593	1,439,639	230,933	2,326,506
Miscellaneous	647,235	568,212	983,690	1,076,858	868,797
Transfers	393,080	(622,606)	(3,443,695)	920,232	(774,943)
Total Government Activities:	<u>76,070,176</u>	<u>77,207,909</u>	<u>75,022,489</u>	<u>79,992,049</u>	<u>84,429,521</u>
Business-Type Activities:					
Unrestricted investment earnings	267,730	264,762	282,760	(100,734)	525,766
Equity interest in gain from joint ventures	-	-	-	-	-
Miscellaneous	1,151,141	830,530	589,950	982,747	456,905
Transfers	(393,080)	622,606	3,443,695	(920,232)	774,943
Total Business-Type Activities	<u>1,025,791</u>	<u>1,717,898</u>	<u>4,316,405</u>	<u>(38,219)</u>	<u>1,757,614</u>
Total Primary Government	<u>77,095,967</u>	<u>78,925,807</u>	<u>79,338,894</u>	<u>79,953,830</u>	<u>86,187,135</u>
Change in Net Position					
Governmental Activities:	(10,641,504)	(6,743,027)	8,258,615	(8,175,909)	9,233,141
Business-Type Activities:	(10,043,806)	(7,044,999)	(3,150,099)	(6,552,158)	(2,973,419)
Total Primary Government	<u>\$ (20,685,310)</u>	<u>\$ (13,788,026)</u>	<u>\$ 5,108,516</u>	<u>\$ (14,728,067)</u>	<u>\$ 6,259,722</u>

Fiscal Year Ended June 30

	2015	2016	2017	2018	2019
\$	(70,175,017)	\$ (77,590,854)	\$ (74,023,542)	\$ (98,361,115)	\$ (102,631,672)
	<u>(2,410,810)</u>	<u>3,801,616</u>	<u>(2,224,943)</u>	<u>(2,545,083)</u>	<u>(5,362,923)</u>
	<u>(72,585,827)</u>	<u>(73,789,238)</u>	<u>(76,248,485)</u>	<u>(100,906,198)</u>	<u>(107,994,595)</u>
	53,744,273	57,276,734	61,203,788	65,730,411	69,930,013
	9,292,582	10,680,021	11,286,091	11,734,873	11,917,437
	22,410,654	23,543,972	23,362,536	21,764,560	22,959,956
	-	-	-	-	-
	2,455,508	2,570,130	2,637,490	2,685,070	3,075,783
	1,493,023	1,878,574	1,029,883	1,087,214	7,443,513
	275,323	1,647,178	750,129	165,541	385,830
	<u>(755,609)</u>	<u>291,205</u>	<u>(488,321)</u>	<u>(1,100,016)</u>	<u>(818,540)</u>
	<u>88,915,754</u>	<u>97,887,814</u>	<u>99,781,596</u>	<u>102,067,653</u>	<u>114,893,992</u>
	325,838	486,865	208,100	353,862	1,549,905
	-	-	-	-	-
	1,635,657	314,805	272,743	714,489	2,650,540
	<u>755,609</u>	<u>(291,205)</u>	<u>488,321</u>	<u>1,100,016</u>	<u>818,540</u>
	<u>2,717,104</u>	<u>510,465</u>	<u>969,164</u>	<u>2,168,367</u>	<u>5,018,985</u>
	<u>91,632,858</u>	<u>98,398,279</u>	<u>100,750,760</u>	<u>104,236,020</u>	<u>119,912,977</u>
	18,740,737	20,296,960	25,758,054	3,706,538	12,262,320
	306,294	4,312,081	(1,255,779)	(376,716)	(343,938)
\$	<u>19,047,031</u>	<u>\$ 24,609,041</u>	<u>\$ 24,502,275</u>	<u>\$ 3,329,822</u>	<u>\$ 11,918,382</u>

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

	Fiscal Year	
	2010	2011
General Fund		
Reserved	\$ -	\$ -
Unreserved	25,282,385	25,328,982
Total General Fund	<u>25,282,385</u>	<u>25,328,982</u>
All Other Governmental Funds		
Reserved	\$ 394,945	
Unreserved, reported in:		
Special Revenue Funds	23,681,256	22,584,906
Capital Projects Funds	52,325,470	53,388,353
Total All Other Governments Funds	<u>\$ 76,401,671</u>	<u>\$ 75,973,259</u>

	Fiscal Year Ended June 30							
	2012	2013	2014	2015	2016	2017	2018	2019
General Fund								
Nonspendable	\$ 218,658	\$ 264,456	\$ 218,082	\$ 163,689	\$ 121,900	\$ 75,199	\$ 45,688	\$ 524,566
Restricted	-	-	-	-	-	-	-	-
Committed (2)	20,029,711	9,229,188	9,650,614	13,319,218	12,019,088	11,634,112	-	-
Assigned (2)	2,000,000	-	-	-	-	-	-	-
Unassigned	3,083,456	3,425,359	5,136,347	7,085,423	8,481,624	10,763,003	27,610,496	29,077,433
Total General Fund	<u>\$ 25,331,825</u>	<u>\$ 12,919,003</u>	<u>\$ 15,005,043</u>	<u>\$ 20,568,330</u>	<u>\$ 20,622,612</u>	<u>\$ 22,472,314</u>	<u>\$ 27,656,184</u>	<u>\$ 29,601,999</u>
All Other Governmental Funds								
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	53,945,028	54,730,098	59,542,954	62,296,241	61,029,572	65,496,260	62,433,733	72,361,830
Committed	-	-	-	-	1,980,559	-	-	-
Assigned	22,174,209	20,544,393	19,872,240	21,493,248	15,607,802	21,279,871	26,598,477	32,319,322
Unassigned	-	-	(732,151)	(680,538)	(521,393)	(1,165,707)	-	-
Total All Other Governments Funds	<u>\$ 76,119,237</u>	<u>\$ 75,274,491</u>	<u>\$ 78,683,043</u>	<u>\$ 83,108,951</u>	<u>\$ 78,096,540</u>	<u>\$ 85,610,424</u>	<u>\$ 89,032,210</u>	<u>\$ 104,681,152</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 (\$11,700,000) and the assigned Golf Course Debt Service Reserve (\$2,000,000) to pay off the City's 2003 Certificates of Participation. In 2018, the City reclassified the amounts set aside to meet its operating reserve policy from Committed to Unassigned Fund Balance.

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

	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Revenues:					
Taxes	\$ 71,408,195	\$ 73,637,299	\$ 74,342,216	\$ 75,998,183	\$ 80,036,078
Special Assessments	203,798	202,642	198,710	210,276	204,912
Licenses	11,424	10,978	11,180	10,548	15,534
Permits	852,900	1,453,709	1,775,254	1,963,950	1,809,142
Fines and Forfeitures	453,118	554,089	514,613	606,483	528,070
Use of Money & Property	1,211,827	1,201,627	1,169,435	966,402	2,002,307
Intergovernmental	5,382,179	7,204,939	5,398,749	7,470,232	5,665,356
Franchises	1,955,493	2,001,935	2,012,970	2,114,955	2,371,125
Charges for Services (1)	14,741,021	14,382,797	14,624,998	955,963	1,003,549
Development Fees	1,646,586	3,104,570	3,822,464	3,117,578	8,559,519
Plan Check fees	428,476	918,878	1,616,141	1,200,174	2,124,937
Reimbursements	2,368,673	1,387,642	1,525,030	2,422,053	1,759,826
Contributions and Donations	1,659,234	461,576	4,341,337	414,842	547,642
Other Revenues	3,053,264	3,061,797	3,326,512	3,139,666	2,985,310
Recreation Charges	3,210,480	3,295,411	3,504,924	3,457,871	3,772,872
	<u>108,586,668</u>	<u>112,879,889</u>	<u>118,184,533</u>	<u>104,049,176</u>	<u>113,386,179</u>
Expenditures:					
Current:					
General Government	11,896,618	11,172,110	11,671,393	11,942,389	11,269,902
Public Safety (1)	51,761,407	50,091,867	52,128,400	39,771,835	41,687,750
Community Development	11,490,516	11,991,350	12,658,878	12,851,491	13,761,593
Operations Services	8,130,826	14,377,543	14,109,244	14,526,304	15,943,523
Community Activities	16,885,312	10,644,722	10,551,455	10,976,770	11,462,498
Capital Outlay	12,720,830	9,199,072	10,123,534	10,294,297	12,510,682
Debt Service:					
Principal (2)	1,825,000	1,860,000	1,852,741	22,132,902	1,753,025
Interest & Fiscal Charges (2)	1,091,998	1,053,120	1,009,993	1,173,287	29,335
Total Expenditures	<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>
Excess/(Deficiency of Revenues Over/(Under) Expenditures	<u>(7,215,839)</u>	<u>2,490,105</u>	<u>4,078,895</u>	<u>(19,620,099)</u>	<u>4,967,871</u>
Other Financing Sources (Uses):					
Proceeds from Issuance of Debt	-	-	-	-	-
Capital Lease	-	-	102,372	-	-
Loan Proceeds	-	-	-	-	1,687,250
Transfers In (3)	6,702,172	5,610,956	10,172,452	25,318,583	2,853,819
Transfers Out (3)	(4,377,180)	(8,482,876)	(14,204,898)	(18,956,053)	(4,014,347)
Total Other Financing Sources (Uses)	<u>2,324,992</u>	<u>(2,871,920)</u>	<u>(3,930,074)</u>	<u>6,362,530</u>	<u>526,722</u>
Net Change in Fund Balances	<u>(4,890,847)</u>	<u>(381,815)</u>	<u>148,821</u>	<u>(13,257,569)</u>	<u>5,494,593</u>
Fund Balances:					
Beginning of Year	106,574,903	101,684,056	101,302,241	101,451,062	88,193,493
Prior Period Adjustment	-	-	-	-	-
End of Year	<u>\$ 101,684,056</u>	<u>\$ 101,302,241</u>	<u>\$ 101,451,062</u>	<u>\$ 88,193,493</u>	<u>\$ 93,688,086</u>

**Debt Service as a Percentage of Noncapital
Expenditure (4)**

2.75% 2.76% 2.70% 20.14% 1.86%

Notes:

- (1) The reduction in charges for services revenue and public safety expenditures from 2012 to 2013 primarily reflects the reclassification of the City of Livermore's share of LFPD financial activity (approximately \$13.6 million) from Governmental Funds to Agency Funds.
- (2) Debt service expenditures in 2013 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).
- (3) Transfers in 2013 reflect 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.
- (4) 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 Ended June 30

	2015	2016	2017	2018	2019
\$	85,842,939	\$ 91,902,097	\$ 96,300,774	\$ 99,707,057	\$ 105,321,095
	204,755	206,219	207,293	205,355	209,533
	10,018	10,270	9,409	9,558	8,436
	3,276,533	3,307,959	3,598,675	3,190,162	3,347,546
	535,269	308,911	355,300	289,652	361,410
	1,445,331	1,896,314	1,329,461	1,541,498	5,221,554
	5,616,638	5,862,784	6,756,014	7,328,741	7,730,043
	2,455,509	2,570,130	2,637,490	2,685,070	3,075,783
	1,002,509	2,095,908	1,578,779	1,624,583	1,402,568
	8,684,756	7,791,583	16,489,666	5,576,884	5,152,526
	1,963,429	2,776,668	2,856,220	2,559,503	2,121,702
	2,239,210	2,463,578	6,682,770	-	-
	181,937	864,641	676,935	618,492	727,802
	3,067,997	1,865,217	1,584,539	5,297,525	4,871,504
	4,063,003	4,242,435	4,107,359	5,204,196	4,775,360
	<u>120,589,833</u>	<u>128,164,714</u>	<u>145,170,684</u>	<u>135,838,276</u>	<u>144,326,862</u>
	12,590,280	12,709,762	13,221,537	13,699,733	14,535,495
	42,781,587	44,521,472	45,505,980	47,409,160	50,719,939
	15,875,983	18,949,408	20,792,152	18,241,639	17,829,747
	7,624,563	18,028,059	17,439,410	19,610,005	20,509,438
	11,518,746	12,314,149	12,522,912	13,184,276	13,593,436
	17,322,318	21,499,776	20,737,214	15,357,331	7,982,326
			-	-	-
	1,781,107	1,222,660	239,863	230,911	246,724
	10,955	22,828	21,469	24,728	28,035
	<u>109,505,539</u>	<u>129,268,114</u>	<u>130,480,537</u>	<u>127,757,783</u>	<u>125,445,140</u>
	<u>11,084,294</u>	<u>(1,103,400)</u>	<u>14,690,147</u>	<u>8,080,493</u>	<u>18,881,722</u>
	-	-	-	-	-
	-	-	-	-	-
	1,468,014	1,198,962	-	-	-
	3,339,742	9,784,448	12,590,762	14,051,836	13,742,275
	(5,902,855)	(14,838,139)	(17,917,323)	(13,526,673)	(15,029,240)
	<u>(1,095,099)</u>	<u>(3,854,729)</u>	<u>(5,326,561)</u>	<u>525,163</u>	<u>(1,286,965)</u>
	<u>9,989,195</u>	<u>(4,958,129)</u>	<u>9,363,586</u>	<u>8,605,656</u>	<u>17,594,757</u>
	93,688,086	103,677,281	98,719,152	108,082,738	116,688,394
	-	-	-	-	-
\$	<u>103,677,281</u>	<u>\$ 98,719,152</u>	<u>\$ 108,082,738</u>	<u>\$ 116,688,394</u>	<u>\$ 134,283,151</u>
	1.94%	1.15%	0.24%	0.22%	0.23%

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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 and 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)
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%
2015	17,986,025,380	1,398,984	674,719,475	18,662,143,839	0.2971%
2016	18,941,502,719	865,618	804,706,503	19,747,074,840	0.2971%
2017	20,020,565,177	848,576	850,802,064	20,872,215,817	0.2971%
2018	21,273,403,047	184,502	864,794,746	22,138,382,295	0.2971%
2019	22,875,081,517	175,828	921,504,266	23,796,761,611	0.2971%

- (1) The net taxable assessed value provided by Alameda County is the only data currently available with respect to the 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 Ended June 30				
	2010	2011	2012	2013	2014
County Wide Levy (Net Pleasanton)	0.7029	0.7029	0.7029	0.7029	0.7029
City of Pleasanton	0.2971	0.2971	0.2971	0.2971	0.2971
County Wide GO Bond	-	-	-	-	-
Pleasanton Unified School District	0.0809	0.0891	0.0908	0.0963	0.0916
Community College District	0.0195	0.0211	0.0214	0.0219	0.0214
Flood Zone 7	0.0203	0.0250	0.0307	0.0228	0.0257
Bay Area Rapid Transit District	0.0057	0.0031	0.0041	0.0043	0.0075
East Bay Regional Park District	0.0108	0.0084	0.0071	0.0051	0.0078
Total	1.1372	1.1467	1.1541	1.1504	1.1540

Note: Rates are percentage of total assessed value

Source: HDL Companies

Fiscal Year Ended June 30

2015	2016	2017	2018	2019
0.7029	0.7029	0.7029	0.7029	0.7029
0.2971	0.2971	0.2971	0.2971	0.2971
-	-	-	-	0.0112
0.0695	0.0239	0.0224	0.0672	0.0640
0.0217	0.0198	0.0246	0.0445	0.0443
0.0250	0.0343	0.0333	0.0359	0.0332
0.0045	0.0026	0.0080	0.0084	0.0070
0.0085	0.0067	0.0032	0.0021	0.0057
1.1292	1.0873	1.0915	1.1581	1.1654

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

FY 2018/2019			FY 2009/2010		
Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Kaiser	\$ 315,244,918	1.32%	Kaiser	\$ 241,214,594	1.39%
Stoneridge Properties	261,570,348	1.10%	Stoneridge Properties	232,772,444	1.34%
Stoneridge Creek Pleasanton CCRC LLC	240,116,421	1.01%	Pleasanton Property LLC	209,382,810	1.20%
Essex Pleasanton Owner LP	197,900,093	0.83%	6200 Stoneridge Mall Rd. Investors LLC	191,428,738	1.10%
6200 Stoneridge Mall Rd. Investors LLC	196,634,021	0.83%	C-T Stoneridge LLC	159,700,356	0.92%
Workday Inc.	184,238,356	0.77%	Applera Corporation	150,944,712	0.87%
Stoneridge Residential LLC	159,823,987	0.67%	Safeway Inc.	142,090,802	0.82%
Oracle America Inc/PeopleSoft	158,578,020	0.67%	NNN Britannia Business Ctr	135,850,566	0.78%
Tishman Speyer Archstone Smith	158,076,992	0.66%	Stoneridge Residential LLC	135,522,685	0.78%
CP IV Vintage LLC	<u>155,560,970</u>	0.65%	Tishman Speyer Archstone Smith	<u>117,258,097</u>	0.67%
	<u>\$ 2,027,744,126</u>	<u>8.51%</u>		<u>\$ 1,716,165,804</u>	<u>9.87%</u>

Source: HDL Companies

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	
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
2015	59,017,605	58,536,604	99.18%	971,138
2016 (3)	57,899,615	57,173,499	98.75%	726,117
2017	61,659,431	60,767,127	98.55%	892,304
2018	66,218,618	65,322,759	98.65%	895,859
2019	70,267,279	69,447,293	98.83%	819,986

- (1) Total Tax Levy includes estimated Unitary Tax, estimated supplemental assessments, homeowners' 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 1993.
- (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.
- (3) Backfill payments from Proposition 57, The California Economic Recovery Bond Act (Triple Flip) ended during 2016. Local agencies now receive the full one percent local sales tax, and no backfill payment will be required in the future.

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, 2019

Legal Debt Margin – Last Ten Fiscal Years

Pledged-Revenue Coverage for the Water Fund – Last Three 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 and Capital Lease Payable	Total Governmental Activities
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
2015	-	-	2,180,326	2,180,326
2016	-	-	2,156,627	2,156,627
2017	-	-	1,916,764	1,916,764
2018	-	-	1,685,853	1,685,853
2019	-	-	1,439,129	1,439,129

Business-Type Activities

Sewer Revenue Bonds	Water Revenue Bonds	Notes Payable	Capital Lease	Total Primary Government	Percentage of Personal Income	Debt Per Capita
\$ 840,000	\$ 825,000	\$ 174,875	\$ -	\$ 31,662,362	0.8%	\$ 451.38
685,000	-	120,263	316,939	27,584,689	0.8%	390.10
520,000	-	-	502,508	25,734,625	0.8%	361.09
355,000	-	-	375,864	3,310,079	0.1%	46.06
180,000	-	-	246,316	2,919,735	0.1%	39.96
-	-	-	113,797	2,294,123	0.1%	31.41
-	-	5,762,772	321,524	8,240,923	0.2%	109.91
-	7,100,000	10,281,920	254,072	19,552,756	0.5%	257.56
-	6,305,000	9,979,419	187,767	18,158,039	0.4%	229.27
-	5,460,000	9,681,084	223,211	16,803,424	0.4%	208.76

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		
2010	\$ -	\$ -	\$ -	0.000%	\$ -
2011	-	-	-	0.000%	-
2012	-	-	-	0.000%	-
2013	-	-	-	0.000%	-
2014	-	-	-	0.000%	-
2015	-	-	-	0.000%	-
2016	-	-	-	0.000%	-
2017	-	-	-	0.000%	-
2018	-	-	-	0.000%	-
2019	-	-	-	0.000%	-

City of Pleasanton
Direct and Overlapping Debt
For the year ended June 30, 2019

2018/19 Net Assessed Valuation: \$ 23,796,761,611

Overlapping Tax Debt:	Outstanding Debt 06/30/19	Percentage Applicable (1)	Estimated Share of Overlapping Debt
Alameda County	\$ 240,000,000	8.211%	\$ 19,706,400
Bay Area Rapid Transit District	809,660,000	3.167%	25,641,932
Chabot-Las Positas Community College District	661,410,000	19.035%	125,899,394
Dublin Joint Unified School District	423,284,766	0.005%	21,164
Livermore Valley Joint Unified School District	123,715,000	2.023%	2,502,754
Pleasanton Unified School District	73,495,000	97.673%	71,784,771
Sunol Glen Unified School District	484,392	0.002%	10
East Bay Regional Park District	178,710,000	5.015%	8,962,307
Total Overlapping Tax Debt:			\$ 254,518,732

Ratios to Net Assessed Valuation:

Total Overlapping Tax Debt 1.07%

Direct and Overlapping General Fund Debt:

Alameda County General Fund Obligations	\$ 868,272,500	8.211%	\$ 71,293,855
Pleasanton Unified School District Certificates of Participation	755,000	97.673%	737,431
City of Pleasanton Notes and Capital Lease	1,439,129	100.000%	1,439,129
Total Direct and Overlapping General Fund Debt:			73,470,415
Combined Total Debt			\$ 327,989,147 (2)
Total Direct Debt			\$ 1,439,129
Total Overlapping Debt			326,550,018
Combined Total Debt			\$ 327,989,147 (2)

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

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

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.07%
Total Direct Debt (\$1,685,583) 0.01%
Combined Total Debt 1.38%

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

City of Pleasanton
Legal Debt Margin
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Net Assessed Valuation	\$ 17,288,705,467	\$ 16,972,068,674	\$ 16,743,623,805	\$ 16,922,583,182	\$ 17,643,185,952
Conversion Percentage for Calculation of Debt Limit	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	4,322,176,367	4,243,017,169	4,185,905,951	4,230,645,796	4,410,796,488
Debt Limit Percentage	15%	15%	15%	15%	15%
Legal Debt Limit	<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>
Amount of Debt Subject to Limit	-	-	-	-	-
Legal Debt Margin	<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>
Total Debt Applicable to Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year Ended June 30

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 18,662,143,839	\$ 19,747,074,840	\$ 20,872,215,817	\$ 22,138,382,295	\$ 23,796,761,611
25%	25%	25%	25%	25%
4,665,535,960	4,936,768,710	5,218,053,954	5,534,595,574	5,949,190,403
15%	15%	15%	15%	15%
<u>699,830,394</u>	<u>740,515,307</u>	<u>782,708,093</u>	<u>830,189,336</u>	<u>892,378,560</u>
-	-	-	-	-
<u>\$ 699,830,394</u>	<u>\$ 740,515,307</u>	<u>\$ 782,708,093</u>	<u>\$ 830,189,336</u>	<u>\$ 892,378,560</u>
0.00%	0.00%	0.00%	0.00%	0.00%

City of Pleasanton
Pledged-Revenue Coverage for the Water Fund
Last Four Fiscal Years

Fiscal Year Ended June 30	Water Revenues	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2016	18,236,204	14,034,696	4,201,508	-	-	-	NA
2017	25,664,616	19,784,665	5,879,951	-	152,756	152,756	38.49
2018	28,778,209	22,214,564	6,563,645	1,097,501	241,580	1,339,081	4.90
2019	27,555,651	22,115,662	5,439,989	1,143,335	227,782	1,371,117	3.97

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

Source: City of Pleasanton, Finance Department

Demographic and Economic Information

Demographic and Economic Statistics – Last Ten Fiscal Years

Principal Employers – Current Year and Nine Years Ago

City Employees by Function – Last Ten Fiscal Years

City of Pleasanton
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2009	70,145	\$ 3,990,557,000	\$ 56,890	5.4%
2010	70,711	3,297,749,000	46,637	5.8%
2011	71,269	3,338,739,000	46,847	5.3%
2012	71,871	3,512,480,000	48,872	3.5%
2013	73,067	3,610,971,000	49,420	2.8%
2014	73,028	3,612,987,000	49,474	4.6%
2015	74,982	3,729,303,000	49,736	3.7%
2016	75,916	3,926,999,000	51,728	3.3%
2017	79,201	4,296,377,000	54,246	2.2%
2018	80,492	4,765,758,000	59,208	2.5%

Source: HDL Companies - Statistical Package
Most current year available from HDL is for 2018

City of Pleasanton
Principal Employers
Current Year and Nine Years Ago

Employer	FY 2018/2019		Employer	FY 2009/2010	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Workday Inc.	4,565	7.36%	Kaiser Permanente	3,738	7.13%
Kaiser Foundation Hospitals	3,743	6.04%	Safeway	3,300	6.30%
Oracle America Inc.	1,502	2.42%	Oracle	1,500	2.86%
Pleasanton Unified School District	1,373	2.21%	Pleasanton Unified School District	1,185	2.26%
Safeway Inc.	1,367	2.20%	Valley Care Medical Center	1,048	2.00%
Stanford Healthcare-Valleycare	1,054	1.70%	State Fund Compensation Ins.	650	1.24%
Blackhawk Network Inc.	918	1.48%	Macy's	584	1.11%
Roche Molecular Systems Inc.	845	1.36%	Roche Molecular Systems Inc.	422	0.81%
Ellie Mae Inc.	752	1.21%	City of Pleasanton	419	0.80%
Clorox Services Company	708	1.14%	Hendrick Auto	405	0.77%
Veeva Systems Inc.	600	0.97%	Thoratec Corporation	388	0.74%
Thermo Fisher Scientific	579	0.93%	Workday Inc.	386	0.74%
ServiceMax Inc.	571	0.92%	AT&T	377	0.72%
City of Pleasanton	464	0.75%	Fireside Bank	365	0.70%
Gap Inc	450	0.73%	EMC Corporation	331	0.63%

Sources: City of Pleasanton Economic Development Department

⁽¹⁾ Does not include City of Livermore fire personnel in Livermore Pleasanton Joint Powers Authority.

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government (1)	45	41	38	37	37	38	39	40	39	39
Public Safety (2)	184	181	175	175	175	175	178	178	182	183
Community Development	51	50	48	48	48	48	52	52	55	54
Operations Services (3)	36	63	59	58	57	60	62	62	61	63
Community Activities (3)	79	44	47	47	46	45	45	46	47	47
Utilities & Paratransit	39	36	35	35	38	38	38	41	41	41
Total	434	415	402	400	402	405	413	418	424	425

- (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 2011, the Parks Division was transferred from Community Activities to Operations Services.

Source: City of Pleasanton Budget

Operating Information

Operating Indicators by Function – Last Ten Fiscal Years

Capital Asset Statistics by Function – Last Ten Fiscal Years

City of Pleasanton
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Fire:					
Number of Responses (Pleasanton only)	4,952	4,146	4,342	4,548	4,753
Number of Inspections (Pleasanton only)	861	988	1,194	1,032	1,415
Library:					
Annual Circulation	1,475,666	1,465,716	1,438,609	1,428,665	1,422,134
Gate Count (# of people thru the doors)	552,779	562,757	561,351	551,297	556,810
e-Resources					
Economic Development:					
Business Licenses Issued	9,067	8,534	9,147	9,275	9,625
Parks & Community Services:					
Paratransit Trips (1)	20,393	17,506	15,499	13,486	11,921
Golf Revenue Rounds Played	63,591	58,559	58,272	56,104	54,998
Aquatics Programs (No. of Participants) (2)	21,982	23,907	25,494	34,334	25,861
Sports, Camps, Classes and Leagues (No. of Participants) (2)	13,400	13,580	22,480	54,579	52,589
Amador Theater & Firehouse Arts Center (No. of Patrons)	28,380	43,048	51,096	45,291	44,762
Operations Services:					
Streets Resurfacing (miles)	6.0	11.5	12.0	11.8	2.0
Utility Bills Generated	134,651	132,141	126,104	127,955	128,277
New Water Connections	26	44	51	88	74
Gallons Delivered (in million gallons/day)	14.1 mgd	11.4 mgd	13.4 mgd	14.8 mgd	14.2 mgd
New Sewer Connections	26	82	49	136	231

(1) In 2013, the Downtown Route Service was reduced from 5 days a week to 3 days a week to meet the service demands.

(2) In 2013, the category was widened from youth to all participants.

Fiscal Year Ended June 30

2015	2016	2017	2018	2019
4,849	5,133	5,579	6,010	5,954
1,552	1,912	1,538	1,301	1,388
1,309,117	353,184	1,223,999	1,217,063	1,091,852
529,996	521,042	527,240	607,451	594,225
50,000	87,876	71,667	69,826	97,482
9,776	9,817	9,729	9,461	9,497
10,725	10,291	8,932	8,024	7,687
56,066	55,389	51,485	50,317	46,826
40,803	39,992	39,992	32,296	35,102
55,054	62,817	56,155	58,405	61,475
42,759	48,809	50,121	66,250	41,467
12.9	1.0	1.0	2.0	5.1
134,559	134,741	123,571	134,405	133,007
124	99	54	42	75
10.8 mgd	10.9 mgd	11.2 mgd	11.8 mgd	12.2 mgd
285	374	79	83	98

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

	Fiscal Year Ended June 30				
	2010	2011	2012	2013	2014
Police:					
Stations	1	1	1	1	1
Fire:					
Stations (Pleasanton only)	5	5	5	5	5
Library:					
Branches	1	1	1	1	1
Parks & Community Services:					
Acres of Parks Maintained*	385	385	385	385	390
Municipal Golf Courses	1	1	1	1	1
Aquatic Centers	1	1	1	1	1
Senior Centers	1	1	1	1	1
Operations Services:					
Streets (miles)	213	214	214	214	215
Streetlights	6,007	6,007	6,007	6,025	6,200
Traffic Signals	93	93	95	96	101
Water:					
Water mains (miles)	320	321	324	324	327
Pumping Capacity (gallons/day)	32.0M	30.0M	31.0M	31.0M	31.0M
Wastewater:					
Sanitary Sewers (miles)	255	255	257	257	257
Storm Sewers (miles)	192	192	194	194	194

Source: City of Pleasanton Community Services and Operations Services

* In 2016, the Parks Dept began using GPS technology to better calculate the acres of parks in the City. The true number of acres has decreased to 335 based on the current audit of the parks.

Fiscal Year Ended June 30				
2015	2016	2017	2018	2019
1	1	1	1	1
5	5	5	5	5
1	1	1	1	1
390	335	447	451	451
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
215	215	216	208	208
6,247	6,262	6,534	6,534	6,534
104	104	106	106	106
329	329	314	331	327
31.0M	31.0M	31.0M	31.0M	31.0M
258	258	259	259	260
194	194	194	194	195

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