

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

CITY OF PLEASANTON, CALIFORNIA



City of Pleasanton

Pleasanton, California

Comprehensive Annual Financial Report

For the year ended June 30, 2020

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 18, 2020

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2020. 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, 2020.

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, 2020, 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, 2020, 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 2019/20 did not meet the threshold required to conduct a Single Audit. Thus, Maze and Associates will not issue the Single Audit report for FY 2019/20.

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 funding sources. Public hearings are conducted to obtain public input. 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 (by beginning of March) 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 2020, Pleasanton had one of the highest median household incomes in the nation (in cities with populations from 65,000 to 249,999) at approximately \$123,608.

Except for median home values, Pleasanton’s economy has been affected by the COVID-19 Pandemic as follows:

- Median home price values in the fourth quarter of FY 2019/20 were \$1,225,000 which is \$118,700 or 10.7 percent greater than they were in fourth quarter of FY 2018/19.
- The unemployment rate was 9.7 percent, in June 2020, up from 2.9 percent in June 2019. However, in October 2020 the unemployment rate dropped to 5.3 percent.
- Office vacancies are 10.6 percent, up from 9.6 percent in FY 2018/19 and down from 18.5 percent in 2011.

Commercial Office Activity

The office market started in a positive position at the start of the fiscal year, with an early summer 2019 overall commercial vacancy rate of 9.6 percent (compared to 9.8 percent from the same time the previous year). This pattern was expected to remain steady with rents staying relatively flat and overall vacancy stable. However, the Tri-Valley’s office market came to an abrupt halt at the end of the first quarter of 2020 due to the impacts of the COVID-19 Pandemic. The second quarter of 2020 saw some limited activity but did not fare much better. With increased vacancy rates, rental rates closed at the end of FY 2019/20 at \$3.16 per square foot for Class A space, an increase of \$0.14 from the previous year.

Total Inventory = 12.6 M square feet

	Q2 2019	Q2 2020
Overall Vacancy Rate	9.6%	10.3%
Total Vacant Inventory	1,209,953 sq. ft.	1,295,736 sq. ft.

	Vacant Inventory (sq. ft.)		Vacancy Rate		Net Absorption (sq. ft.)		Rent Cost (per sq. ft.)	
	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020	Q2 2019	Q2 2020
Class A	691,101	844,011	10.2%	12.4%	(107,394)	(75,417)	\$3.02	\$3.16
Class B	317,393	317,405	10.9%	11.0%	16,527	(11,199)	\$2.70	\$2.62
Flex	201,459	134,320	6.8%	4.5%	(16,320)	(14,209)	\$2.13	\$2.49

Given the prominence of Class A office space in the City – 54 percent of all office inventory – there are several notable highlights from the fiscal year:

- Shaklee Corporation vacated its 123,750 square foot space on Willow Road, which represented the largest block of space added at year-end. This vacancy provides an opportunity for a user looking for a larger footprint with proximity to the BART station.
- The Class A office market reported negative net absorption of 107,394 square feet heading into the fiscal year – a reflection of companies moving around the Tri-Valley cities to maximize space and amenity requirements.
- Workday had plans to develop an additional 400,000 square feet of office buildings at the current Pleasanton Plaza (the single-story retail center, south of the mall anchored by Cost Plus World Market and JC Penney’s Home Store), but chose to exit the purchase transaction. Instead, life sciences company, 10X Genomics, entered into a purchase agreement for the 14.58-acre site to add up to three new multi-story R&D, office and laboratory buildings, totaling approximately 381,000-square feet over the next several years. The first building is anticipated to be occupied in mid-2022, housing the initial group of the company’s 700+ employees.
- The market’s most constrained sector for space was 20,000 square feet and above. Most Class A available vacant spaces are under 5,000 square feet. Two moves helped to provide some opportunity with Advantage Sales and Marketing’s vacating 29,608 square feet at Bernal Corporate Park and IronPlanet’s downsize from 19,464 square feet at Hacienda West, locations they had occupied since 2011 and 2013, respectively.
- A significant contributor to the City’s vacancy was Patelco Credit Union’s vacancy of 62,251 square feet in the multi-tenant building at 5050 Hopyard Road when the company moved to a building it purchased in nearby Dublin.
- As a direct result of unsustainable impacts from the COVID-19 Pandemic, Pleasanton-based Specialty’s Café and Bakery closed its operations after filing bankruptcy protection following 33 years in business, returning more than 14,000 square feet to the market.

Class B and Office/Flex space remain important to Pleasanton’s commercial market, particularly as this space represents 46 percent of Pleasanton’s commercial inventory, equally split between the two types. Highlights from the year include:

- Nor Cal District Council of Laborers purchased the former courthouse building on Stoneridge Drive, having sold its other Pleasanton and Fairfield offices, and consolidating to this new location in Pleasanton’s Hacienda Business Park.
- Dollinger Properties purchased the Sunol Center III building, totaling 67,680 square feet, which was fully occupied by Alameda County of Department of Child Services (DCSS), at time of purchase. DCSS signed a 10-year lease renewal.
- Inscripta Inc.’s leased 29,467 square feet at Britannia Business Center II in Hacienda Business Park adding to Pleasanton’s growing life sciences sector.

- At the end of the fiscal year, Vector Atomic committed to just over 9,000 square feet of office/flex at 5700 Stoneridge Drive adding to its current square footage in Valley Business Park. This quantum technology company leveraged technology and staff at the Advanced Manufacturing Laboratory at the Livermore Valley Open Campus, before deciding the Tri-Valley and Pleasanton offered an optimal environment for success.

Supporting business continuity and re-building operational capacity are at the forefront of the City's economic development efforts. As a reflection of current market conditions during the pandemic, landlords and tenants are faced with ongoing rent negotiations and new laws prohibiting evictions. Accordingly, the City instituted a Business Support Program which included a \$3 million Small Business Loan program to help locally based small businesses stay afloat.

Retail Market Activity

After receiving earlier approval to redevelop the former Sears building and parking structure at Stoneridge Shopping Center, mall owner Simon Property Group returned to the Planning Commission in March 2020 to review its application to integrate 486 apartment units and ancillary uses as the second phase of the overall redevelopment plan. This new housing is intended to complement the prior-approved 258,000 square-foot development of new retail, grocery, and cinema.

At other City shopping centers, there was continued interest and investment to add new tenants and complete renovations for current tenants:

- Eddie Papa's American Hangout, a stand-alone restaurant in the Gateway Square Shopping Center, underwent tenant improvements to update its interior dining and outdoor patio area.
- The Press Café, a popular breakfast spot in Valley Plaza, is underway with tenant improvements to expand within the center.
- Following Rose Pavilion's renovation in early 2019, the owner attracted a new halal burger restaurant iniBurger, which replaced BurgerIM, as well as Golden State Taqueria, which opened in mid-2019.

Despite the pandemic and slowdown of commercial activity, downtown Pleasanton experienced new openings this fiscal year, avoided closures with ownership changes, and laid the groundwork for a few new restaurants:

- New candy shop Candy King, Tri Valley Upholstery which moved from another Pleasanton location, and Locanda Amalfi, a restaurant that has roots in Lafayette and Danville, all opened in 2020;
- Vic's All Star Kitchen and Downtown Café were both purchased by employees who remain committed to operating in the Pleasanton community; and
- Zachary's Pizza, Middle 8 Bar and Gilman Brewing, all fronting Main Street, are undergoing interior tenant improvements and anticipate 2021 openings.
- Lexus of Pleasanton celebrated the grand opening of its newly renovated 83,000 square-foot, two-story facility at 4345 Rosewood Drive.

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 2019/20, 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; and Valley Trails (Ponderosa Homes), a 36-unit single family home development at 6900 Valley Trails Drive. Entitled projects, that are expected to begin construction in FY 2020/21 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 2019/20. Many of these housing units will be available for occupancy starting in FY 2020/21.

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 2019/20, improving the City's infrastructure, facilities and enhanced business processes with contemporary technology:

- Fire Station #4 Parapet Wall and Roofing Replacement – Construction
- Second Bernal Bridge – Study
- Vineyard Avenue Sewer Line Trench Stabilization – Construction
- Roof and HVAC evaluations at various locations – Study
- Concession Stand #2 Renovation at Ken Mercer Sports Park – Construction
- 2019 Annual Street Resurfacing – Construction
- 2019 Annual Slurry Seal – Construction
- 2019 Annual Curb and Gutter Repairs and Replacements – Construction
- Downtown Parking Lot – Transportation Corridor – Design
- Hopyard and Owens Intersection Reconfiguration – Design
- Second westbound left turn lane on Bernal Avenue at First Street/Sunol – Design
- Val Vista Underdrain – Study
- 1st Street Building Demolition – Construction
- 2021-2023 Street Resurfacing Programing – Design
- Centennial Park Bocce Ball Court Renovation
- Pioneer Cemetery Entry and Wayfinding Improvements
- Renovation of the Big Slide at Mission Hills Neighborhood Park
- Renovation of Two Playgrounds at Orloff Neighborhood Park
- New Tot Lot at Valley Trails Park
- Nevada Street Traffic Signal – Design
- West Las Positas Bike Track – Design
- Automatic License Plate Readers – Construction
- Freeway Overcrossing Bike and Pedestrian Improvements – Study
- Sunol/I-680 Intersection – Design
- Annual Speed Lumps – Construction

- Full implementation of IT Asset Management system
- Upgrade to Virtual Private Network (VPN) system – for secure, remote access to City systems
- Major upgrade to Tyler-Munis Financial system to the latest version
- Upgrade to Data Backup and Archiving system – to include SaaS data

In addition, the City began the following major construction and technology projects in FY 2019/20:

- SCADA Upgrades
- Fire Station #3 – Construction, to include bringing online a temporary location
- Library Office Remodel – Construction
- Softball Fieldhouse and Scorekeeper’s Booth Renovation – Construction
- Three Water Tank Corrosion Control – Construction
- Basketball Court Resurfacing at Meadowlark and Ken Mercer Sports Parks
- Bridge Improvements at Various Locations – Construction
- Verizon/MCI Fiber Master Plan Installation – Construction
- S7 & S8 HVAC and Lighting Improvements – Design
- Foothill and Sycamore Chemical Feed Improvements – Design
- PFAS Feasibility Study
- Water System Model & Master Plan
- SCADA systems upgrade
- Website refresh and upgrade project
- Fiber Master Plan
- Major upgrade to VoIP telephony system
- Wide-Area Network connectivity bandwidth upgrades to remote City buildings
- Implementation of Video Surveillance System
- Upgrade to Access Control Systems for building security and access
- Local-Area Network connectivity upgrades at Civic Center

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 percent of operating expenses in the General Fund¹, totaling \$30.6 million at June 30, 2020, which equals 27 percent of FY 2019/20 actual operating expenses. The City also has a total of \$22.3 million in Water and Sewer operating reserves, \$49.6 million in capital project reserves and fund balances available

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 percent of operating expenses and target reserves equal to 25 percent of operating expenses. In addition, the City’s reserve policy for Water and Sewer funds requires reserves equal to 30 percent of operating expenses, target reserves of 35 percent and maximum reserves of 40 percent.

for future projects, and \$61.5 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, 2020, the City has allocated a total of \$27.3 million to prefund pension related liabilities directly to CalPERS. In addition, in March 2018, the City established a Section 115 Pension Trust fund with PARS with an initial contribution of \$28 million in June 2018 and subsequent contributions of \$10 million in FY 2019/20. 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.
 - ✓ 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 percent 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, 2019. This was the twenty-third 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.

² Funds available excluding long-term commitments and liabilities.

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, 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, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF PLEASANTON

**LISTING OF PUBLIC OFFICIALS
AS OF JUNE 30, 2020**

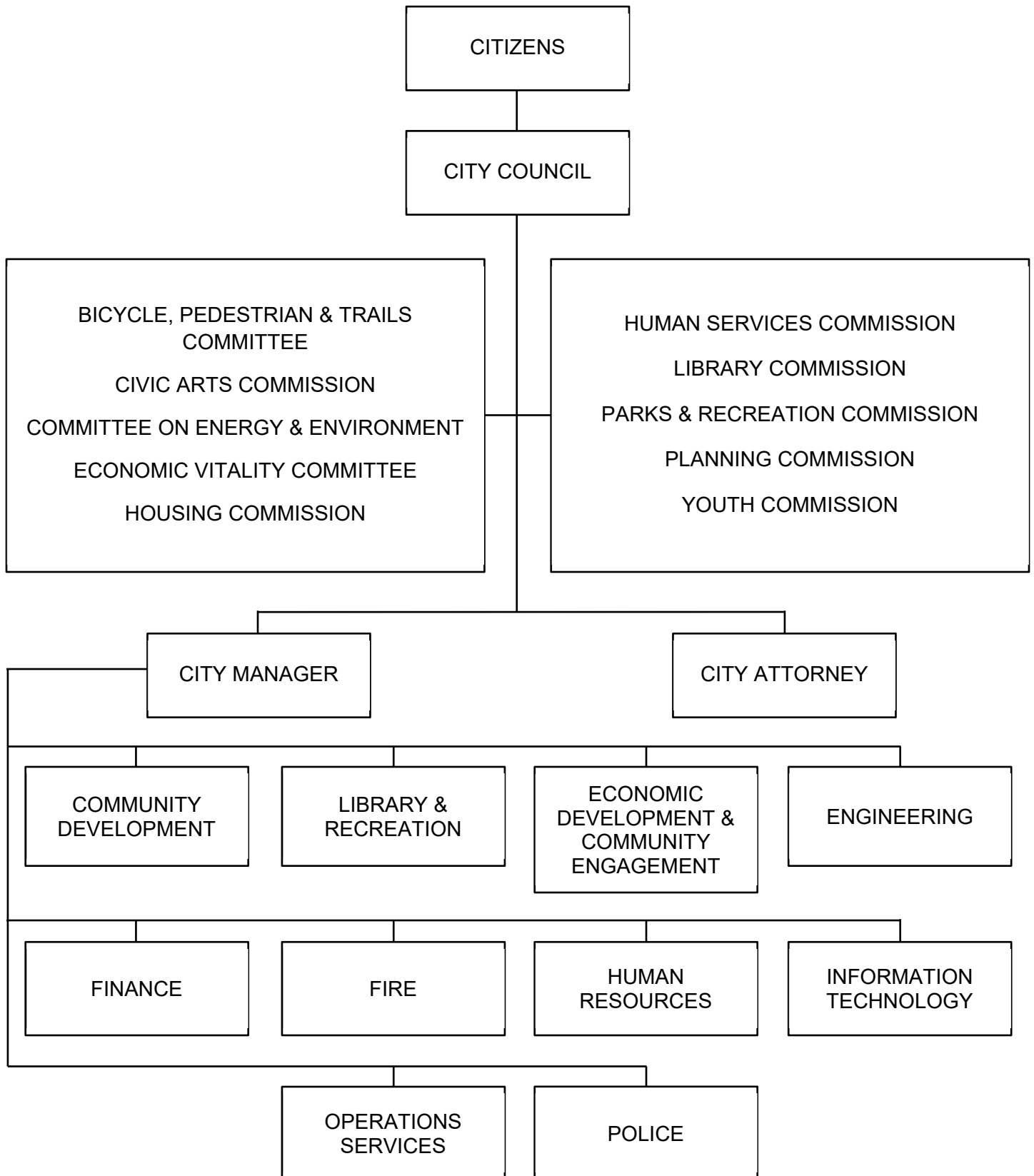
ELECTED OFFICIALS:

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

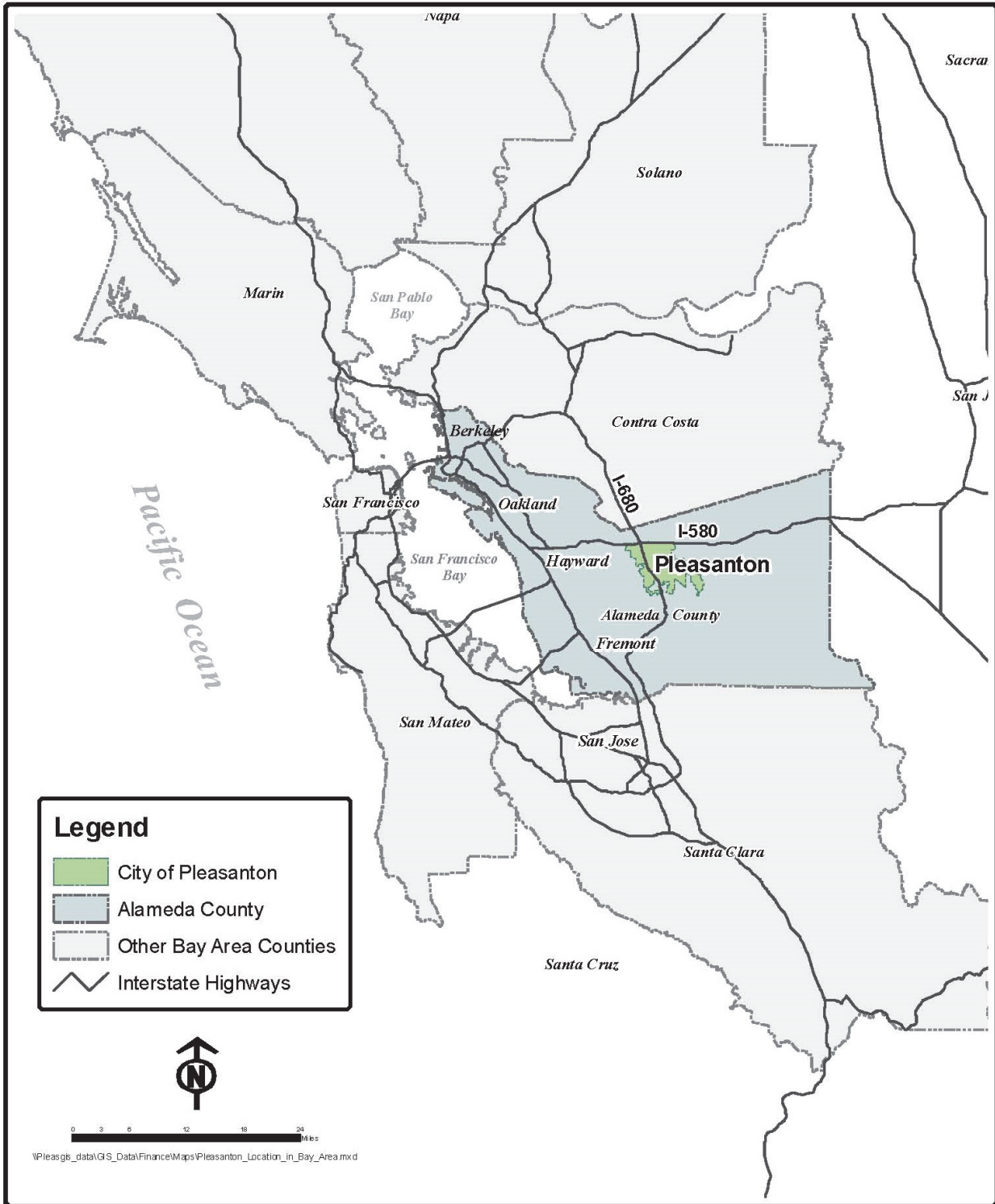
ADMINISTRATIVE PERSONNEL:

City Manager	Nelson Fialho
City Attorney	Daniel Sodergren
Assistant City Manager	Brian Dolan
Deputy City Manager	Pamela Ott
Director of Finance	Tina Olson
Director of Community Development	Ellen Clark
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 Swing
Fire Chief	Jeff Peters
City Clerk	Karen Diaz

CITY OF PLEASANTON ORGANIZATION CHART FOR FY 2019/20



Pleasanton, California.



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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, 2020, 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, 2020, 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

As discussed in Note 9D, the City restated beginning net position of the Water Enterprise Fund and Business Activities by \$7,721,164 to remove amounts previously recorded in Construction in Progress.

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 18, 2020, 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 18, 2020

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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, 2020 (FY 2019/20). 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 \$2.0 million as a result of FY 2019/20 activities. Of this amount, \$3.8 million is attributable to governmental activities, primarily due to revenues exceeding expenditures offset by a decrease of \$1.8 million in business-type activities, primarily due to increased water purchases due to the failure and shut down of City Wells 5 and 8 during the spring.
- Taxes increased by \$2.4 million from FY 2018/19 primarily as a result of increased property taxes of \$4.3 million associated with increased property values. However, sales tax revenues were \$2.3 million less than FY 2018/19, due in part to the COVID-19 Pandemic and Alameda County's Shelter-In-Place (SIP) health order.
- The City's governmental funds reported ending fund balances of \$149.0 million, an increase of \$14.7 million (11.0 percent) from FY 2018/19 as revenues continued to exceed expenditures. Also, during the fiscal year, the City received a one-time payment of \$5.3 million from Pleasanton Garbage Service, Inc. (PGS) with the elimination of their accumulated franchise rate reserves as part of a new agreement between the City and PGS.
- The General Fund's fund balance at fiscal year-end was \$37.3¹ million, of which \$19.3 million is unassigned, \$17.5 million is restricted for the PARS Section 115 Pension Trust, and \$0.5 million is non-spendable. The \$37.3 million fund balance is a \$7.7 million increase over the fund balance at the end of FY 2018/19.

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.

¹ The FY 2019/20 year-end operating budget report identified \$31.4 million as the General Fund balance or approximately \$5.9 million less than the fund balance of \$37.3 million identified in the audited FY 2019/20 financial statements. The \$5.9 million difference is comprised of the \$3.6 million General Fund year-end surplus that the City Council allocated to the Rainy Day Reserve, \$1.1 million in unrealized gains from the City's various investments including inception to date unrealized gains from the City's Section 115 Pension Trust Fund, and \$1.2 million previously set aside to allocate to the Livermore-Pleasanton Fire Department's (LPFD) Workers Compensation Fund. Thus, the City's available General Fund reserve is \$31.4 million, which includes an \$800,000 reserve for the Crisis Response Program established by City Council using some of the FY 2019/20 year-end General Fund surplus.

- **Proprietary fund** statements offer short and long-term financial information about the activities the City operates like businesses, such as water and sewer services.
- **Fiduciary fund** statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are followed by required supplementary information that consists of major governmental fund budgetary comparison schedules and 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 a 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, retiree medical benefits, PERS rate stabilization, and city enhancements. 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.

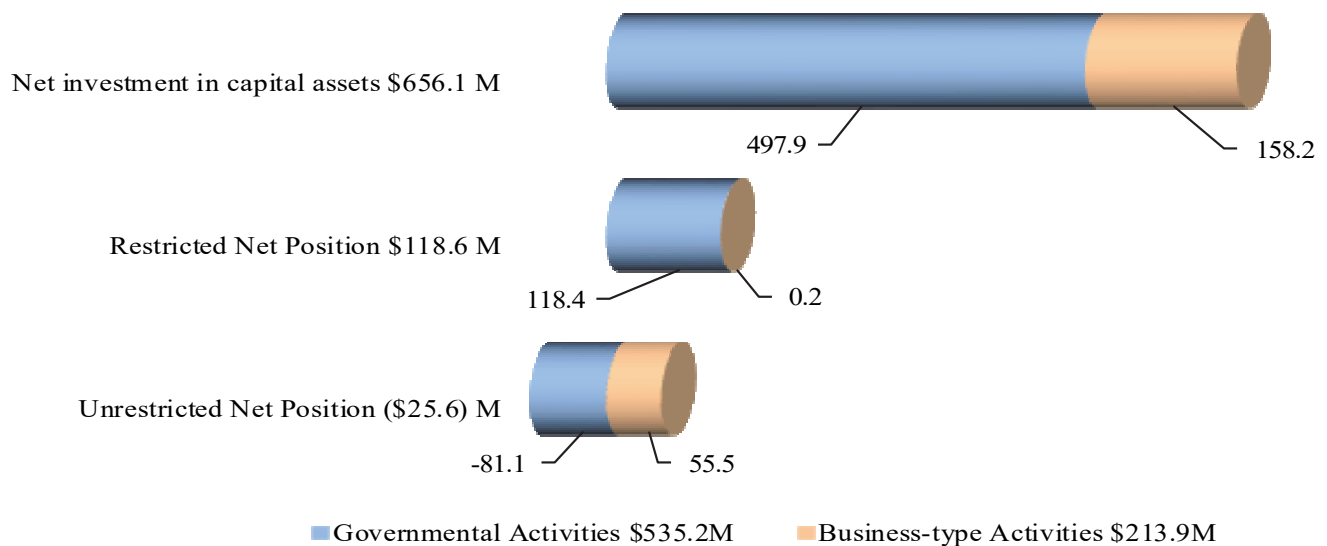
GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for FY 2018/19 and FY 2019/20. 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, 2019 (2019) and June 30, 2020 (2020):

City of Pleasanton							
Net Position (in millions of dollars)							
	Governmental		Business-type		Total		Total
	Activities		Activities				Percentage
	2019	2020	2019	2020	2019	2020	2019 to 2020
Assets:							
Current and other assets	\$ 229.7	\$ 247.9	\$ 72.4	\$ 79.4	\$ 302.1	\$ 327.3	8.3%
Capital assets	499.8	499.1	186.1	172.3	685.9	671.4	-2.1%
Total assets	729.5	747.0	258.5	251.7	988.0	998.7	1.1%
Deferred outflows of resources	29.4	29.5	2.0	2.1	31.4	31.6	0.6%
Liabilities:							
Other liabilities	51.6	13.7	9.2	12.2	60.8	25.9	-57.4%
Long-term liabilities	168.7	210.6	27.6	26.3	196.3	236.9	20.7%
Total liabilities	220.3	224.3	36.8	38.5	257.1	262.8	2.2%
Deferred inflows of resources	7.2	17.0	0.3	1.4	7.5	18.4	145.3%
Net Position:							
Net investment in capital assets	498.3	497.9	176.2	158.2	674.5	656.1	-2.7%
Restricted	72.4	118.4	0.2	0.2	72.6	118.6	63.4%
Unrestricted	(39.3)	(81.1)	47.0	55.5	7.7	(25.6)	-432.5%
Total net position	\$ 531.4	\$ 535.2	\$ 223.4	\$ 213.9	\$ 754.8	\$ 749.1	-0.8%

Statement of Net Position as of June 30, 2020 (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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$749.1 million at the close of FY 2019/20.

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 \$656.1 million (87.6 percent of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since generally capital assets are not used to liquidate these liabilities.
- The *restricted net position* of \$118.6 million (15.8 percent of the total) represents resources that are subject to external restrictions on how they may be used. Among these amounts are \$44.3 million restricted in the capital project funds for the construction of major capital projects (including improvements to streets, bridges, and bicycle and pedestrian trails and park improvements throughout the City); \$40.3 million restricted for pension funding in the PARS Section 115 Pension Trust; \$23.4 million restricted in a variety of special revenue funds to support specific City programs; \$10.4 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 negative \$25.6 million (-3.4 percent of the total) reflects the City's net pension and OPEB liabilities of \$134.5 million and \$33.9 million, respectively. It also includes the City's share of Livermore-Pleasanton Fire Department's (LPFD) net deficit of \$42.7 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 \$81.1 million of the negative unrestricted net position. Business-type activities account for \$55.5 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
	2019	2020	2019	2020	2019	2020	
Revenues:							
Program revenues:							
Charges for services	\$ 16.3	\$ 12.3	\$ 46.6	\$ 49.5	\$ 62.9	\$ 61.8	-1.7%
Operating grants & contributions	2.8	2.7	0.1	0.1	2.9	2.8	-3.4%
Capital grants & contributions	12.4	12.5	1.2	1.5	13.6	14.0	2.9%
General revenues:							
Property taxes	69.9	74.2	-	-	69.9	74.2	6.2%
Sales taxes	23.0	20.6	-	-	23.0	20.6	-10.4%
All other taxes	15.0	15.4	-	-	15.0	15.4	2.7%
All other general revenues	7.8	6.6	4.2	2.8	12.0	9.4	-21.7%
Total revenues	147.2	144.3	52.1	53.9	199.3	198.2	-0.6%
Expenses:							
General government	15.5	17.9	-	-	15.5	17.9	15.5%
Public safety	52.3	53.3	-	-	52.3	53.3	1.9%
Community development	16.7	17.5	-	-	16.7	17.5	4.8%
Operations services	33.8	34.9	-	-	33.8	34.9	3.3%
Community activities	15.8	15.7	-	-	15.8	15.7	-0.6%
Water	-	-	27.7	32.3	27.7	32.3	16.6%
Sewer	-	-	17.3	16.3	17.3	16.3	-5.8%
Golf	-	-	4.8	4.7	4.8	4.7	-2.1%
Other	-	-	3.5	3.6	3.5	3.6	2.9%
Total expenses	134.1	139.3	53.3	56.9	187.4	196.2	4.7%
Revenues over (under) expenses	13.1	5.0	(1.2)	(3.0)	11.9	2.0	-83.2%
Transfer In/(Out)	(0.8)	(1.2)	0.8	1.2	0.0	0.0	0.0%
Change in net position	12.3	3.8	(0.4)	(1.8)	11.9	2.0	-83.2%
Net position, beginning of year, as restated	519.1	531.4	223.8	215.7	742.9	747.1	0.6%
Net position, end of year	\$ 531.4	\$ 535.2	\$ 223.4	\$ 213.9	\$ 754.8	\$ 749.1	-0.8%

Changes in Net Position

Governmental activities increased the City's net position by \$3.8 million in FY 2019/20, as a result of revenues exceeding expenses and net transfers.

Total governmental activities revenues decreased by approximately \$2.9 million over FY 2018/19.

Program Revenues - \$4.0 million decrease

- Charges for services decreased by \$4.0 million primarily due to the City's inability to provide the expected level of recreation programs during the spring and summer of 2020, as well as fewer building permits issued as a result of the County SIP order.
- Operating and Capital grants and contributions remained consistent with FY 2018/19, with a \$0.1 decrease and \$0.1 increase, respectively.

General Revenues - \$1.1 million increase

- Property tax increased by \$4.3 million in FY 2019/20 primarily due to the increase in assessed property values attributed to the continued demand for housing, additional housing units and commercial development.
- Franchise taxes increased by \$1.9 million due to Pleasanton Garbage Services' accumulated franchise rate reserve payout to the City.
- Sales tax decreased by \$2.3 million in FY 2019/20 primarily caused by the COVID-19 Pandemic and the County's SIP order.
- Other taxes decreased by \$1.5 million primarily due to a decrease in the Transient Occupancy Tax as a result of hotels remaining closed to most types of uses through the spring and summer of 2020.
- Investment income decreased by \$1.2 million.

The City's governmental activities expenses increased by \$5.2 million over FY 2018/19.

- General Government expenses increased by \$2.4 million, Public Safety expenses increased by \$1.0 million, Community Development increased by \$0.8 million, and Operations Services increased by \$1.1 million, which are mainly attributable to increased pension expense, salary increases and an increased cost of contractual services. Increases were offset with a slight decrease in Community Activities of \$0.1 million.

Business-type activities net position decreased by \$1.8 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:

- Program revenues increased by \$3.2 million mainly due to the increase of water charges for services as a result of additional water sales over FY 2018/19.
- Grant revenues of \$0.5 million from the California State Water Resources Control Board were recorded for the Recycled Water Infrastructure project.
- An equity interest gain of \$0.8 million from the joint venture, Livermore-Amador Valley Water Management Agency (LAVWMA) was recorded, a \$1.5 million decrease from the prior fiscal year (See *Note 8C* in the **Notes to Basic Financial Statements**).

- There was a slight decrease in capital contributions and net transfers of \$0.2 million and \$0.4 million, respectively.
- Expenses increased by \$3.6 million mainly due to an increase of \$4.6 million in water operating expenses for materials, supplies and services over the prior fiscal year. The increase was due to the failure and shut down of Wells 5 and 8 during the spring, necessitating increased water purchases from Zone 7 Water Agency.
- Other business-type activities remained relatively constant between FY 2019/20 and FY 2018/19.

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 fund services and capital project construction.

Fund Balances

In November 2016, the City Council adopted a reserve policy that requires the General Fund to maintain minimum reserves equal to 20 percent of operating expenses and target reserves equal to 25 percent 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, 2020, the City's governmental funds reported combined fund balances of \$149.0 million, an increase of \$14.7 million in comparison with FY 2018/19. Revenues decreased overall by \$1.7 million during the fiscal year. Increases in property taxes and special assessments (\$4.4 million) and franchise taxes (\$5.2 million) were offset with decreases in other taxes (\$3.8 million), fees and other charges (\$5.8 million), licenses and permits (\$0.7 million) and other revenues (\$1.0 million). Though there was an overall increase in governmental expenditures for the year of \$3.8 million from the prior fiscal year, revenues exceeded expenditures contributing to the increase in fund balances. While expenditures for public safety, community development, and community activities decreased by \$0.4 million, \$1.0 million, and \$0.9 million, respectively, general government and operation services expenditures increased by \$1.5 million and \$0.3 million, respectively, and capital outlay expenditures increased significantly by \$4.3 million, or 53.1 percent. The City's Annual Streets Resurfacing and Reconstruction project for FY 2018/19 was delayed due to limited staffing resources and was combined with the FY 2019/20 annual project, contributing to the significant increase in capital outlay (\$3.9 million).

Restricted fund balances constitute \$95.6 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 are funded by gas tax, Measure B and Measure BB funds. *Assigned fund balances* of \$33.6 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 \$19.3 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, 2020:

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Other Funds	Total
<u>Nonspendable</u>					
Notes Receivable, Advances to Other Funds	\$ 515,352	\$ -	\$ -	\$ -	\$ 515,352
<u>Restricted</u>					
Accessibility Programs	-	-	-	33,582	33,582
Assessment District Construction	-	-	-	1,356,683	1,356,683
Asset Forfeiture	-	-	-	111,123	111,123
Budgeted Developer Projects	-	-	-	10,201,028	10,201,028
Business Support Program	-	-	-	2,838,300	2,838,300
Community Access Television	-	-	-	1,466,561	1,466,561
CIP for Downtown & North Pleasanton	-	-	-	3,191,190	3,191,190
Geological Hazard Assessment Districts	-	-	-	1,317,920	1,317,920
Grants	-	-	-	537,293	537,293
Housing	-	10,357,205	-	-	10,357,205
Landscape and Lighting Districts	-	-	-	402,809	402,809
Landscape Maintenance NPID	-	-	-	1,048,276	1,048,276
Marilyn Kane Trail Reserve	-	-	-	116,125	116,125
Miscellaneous Donations/Developer Contributions	-	-	-	870,841	870,841
Park Development	-	-	-	10,201,084	10,201,084
PARS Section 115 Pension Trust	17,479,186	-	-	-	17,479,186
Public Facilities Capital Improvements	-	-	-	6,258,264	6,258,264
Public Safety	-	-	-	137,912	137,912
Resource Management	-	-	-	1,141,637	1,141,637
Street Maintenance	-	-	-	12,531,403	12,531,403
Traffic Impact	-	-	-	10,299,661	10,299,661
Traffic Impact - Bernal	-	-	-	808,322	808,322
Tri-Valley Transportation	-	-	-	2,031,256	2,031,256
Various Specific Plans	-	-	-	855,616	855,616
<u>Assigned</u>					
Capital Projects	-	-	19,335,152	13,492,316	32,827,468
Other Purposes	-	-	-	745,738	745,738
<u>Unassigned</u>					
	19,279,867	-	-	-	19,279,867
Total Fund Balances	\$ 37,274,405	\$ 10,357,205	\$ 19,335,152	\$ 81,994,940	\$ 148,961,702

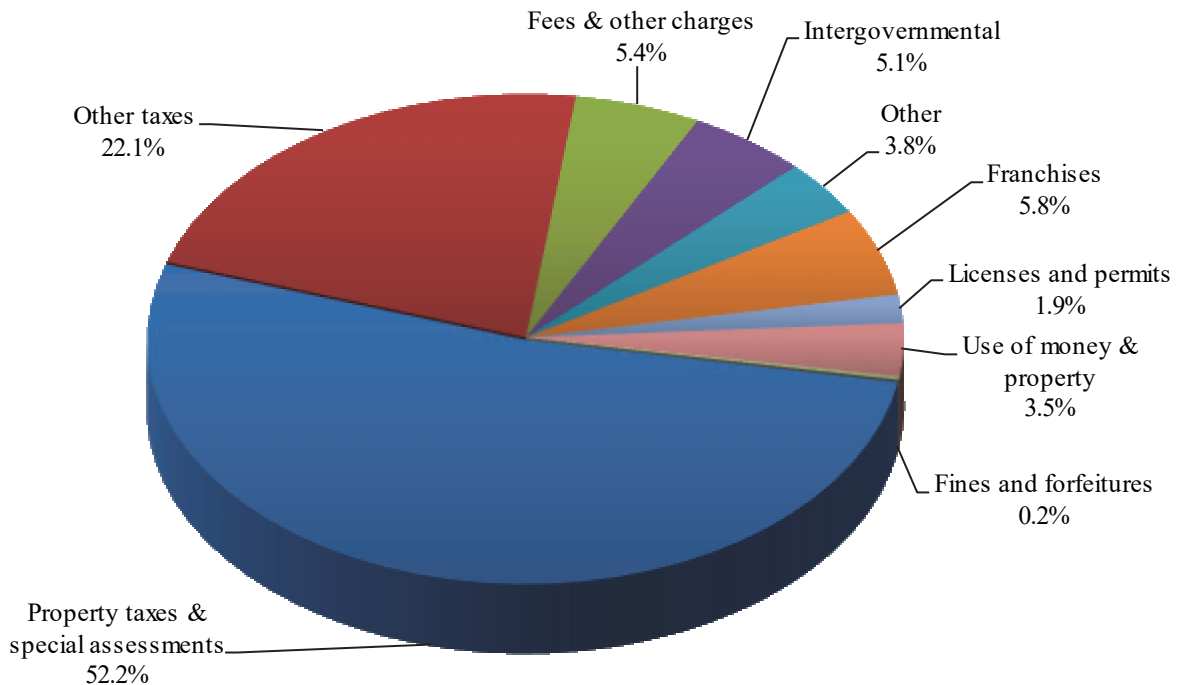
Revenues

The following table presents the FY 2019/20 revenues from various sources, as well as the increase or decrease in these revenues over FY 2018/19.

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

Revenues by Source	FY 2019		FY 2020		Increase/(Decrease)	
	% of		% of		Amount	Percent
	Amount	Total	Amount	Total		
Property taxes & special assessments	\$ 70.1	48.6%	\$ 74.5	52.2%	\$ 4.4	6.3%
Other taxes	35.3	24.5%	31.5	22.1%	(3.8)	-10.8%
Licenses and permits	3.4	2.4%	2.7	1.9%	(0.7)	-20.6%
Fines and forfeitures	0.4	0.3%	0.3	0.2%	(0.1)	-25.0%
Use of money & property	5.2	3.6%	5.0	3.5%	(0.2)	-3.8%
Intergovernmental	7.7	5.3%	7.3	5.1%	(0.4)	-5.2%
Franchises	3.1	2.1%	8.3	5.8%	5.2	167.7%
Fees & other charges	13.5	9.5%	7.7	5.4%	(5.8)	-43.0%
Other	5.6	3.9%	5.3	3.8%	(0.3)	-5.4%
Total	\$ 144.3	100.0%	\$ 142.6	100.0%	\$ (1.7)	-1.2%

Revenues by Source - Governmental Funds



The following provides an explanation of significant changes in revenues by source in FY 2019/20.

- **Property taxes and special assessments** increased \$4.4 million (6.3 percent) primarily due to the increase in assessed property values.
- **Other taxes** decreased by \$3.8 million (-10.8 percent) during FY 2019/20, driven by a decrease of \$2.3 million in sale tax and a decrease of \$1.5 million in hotel tax primarily due to the Alameda County Shelter-in-Place (SIP) order brought on by the COVID-19 Pandemic in March 2020.
- **Franchise Fees** increased by \$5.2 million (167.7 percent) due to the elimination of the Pleasanton Garbage Services' accumulated franchise rate reserve paid to the City in FY 2019/20. Under the newest agreement between the City and Pleasanton Garbage Services, the franchise rate reserve was to be dissolved. City Council approved \$2.0 million of the rate reserve to cover the 0.5 percent increased franchise fee from 2018 through 2029. The use of the remaining \$3.3 million from the reserve will be brought to City Council for future considerations.
- **Fees and other charges** decreased by \$5.8 million (-43.0 percent) due to the County SIP order brought on by the COVID-19 Pandemic. The City recognized a \$3.0 million decrease in development fees, including building permits, plan check fees, and public works inspections, and a \$2.5 million decrease in recreation charges, including the City's preschool, theater and entertainment centers, and sport and specialty classes.

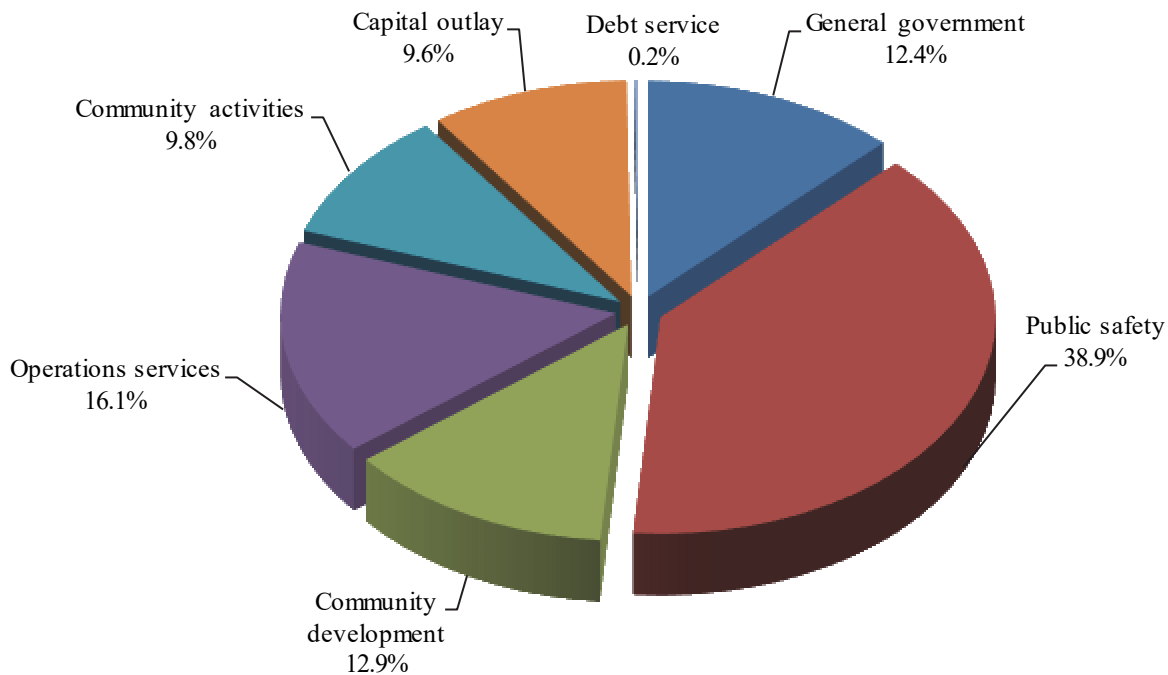
Expenditures

The following table presents expenditures by function in FY 2019/20 and the increase and decrease in expenditures as compared to FY 2018/19.

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

Expenditures by Function	FY 2019		FY 2020		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$ 14.5	11.6%	\$ 16.0	12.4%	\$ 1.5	10.3%
Public safety	50.7	40.4%	50.3	38.9%	(0.4)	-0.8%
Community development	17.7	14.1%	16.7	12.9%	(1.0)	-5.6%
Operations services	20.5	16.4%	20.8	16.1%	0.3	1.5%
Community activities	13.6	10.8%	12.7	9.8%	(0.9)	-6.6%
Capital outlay	8.1	6.5%	12.4	9.6%	4.3	53.1%
Debt service						
Principal and interest	0.3	0.2%	0.3	0.2%	-	0.0%
Total	<u>\$ 125.4</u>	<u>100.0%</u>	<u>\$ 129.2</u>	<u>100.0%</u>	<u>\$ 3.8</u>	<u>3.0%</u>

Expenditures by Function - Governmental Funds



The following provides an explanation of significant changes in expenditures in FY 2019/20.

- Governmental expenditures increased by \$3.8 million or 3.0 percent from FY 2018/19. There was a large increase in capital outlay expenditures of \$4.3 million or 53.1 percent over the prior fiscal year, due primarily to the completion of street resurfacing projects in FY 2019/20 that were not done in FY 2018/19. These increases were offset by decreases in expenditures of \$1.0 million in community development and \$0.9 million in community activities.

Major Governmental Funds

The designated major *Governmental Funds* in FY 2019/20 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 percent 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 2019/20 are reflected in more detail in the **Required Supplementary Information**. The following is a summary of these variances:

- Revenues exceeded projections at the mid-year budget, coming in at \$1.3 million over budget.
- Expenditures were less than expected by \$3.4 million or 2.9 percent.

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 2019/20 operations and the resulting ending balances.

General Fund Reserves and Fund Balance as of June 30, 2020

	Balance June 30, 2019	Actual Additions and Deletions	Balance June 30, 2020
Unassigned	\$ 29,077,433	\$ (9,797,566)	\$ 19,279,867
Restricted	-	17,479,186	17,479,186
Nonspendable	524,566	(9,214)	515,352
Total Fund Balance	\$ 29,601,999	\$ 7,672,406	\$ 37,274,405

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 \$0.5 million in FY 2019/20, a \$1.2 million decrease from FY 2018/19. The decrease is mostly attributable to development fees from projects completed in FY 2018/19, including the Irby Ranch housing project for \$1.0 million and the Carpenter’s Training Center for \$0.3 million; there were no substantial projects in the current fiscal year. Housing loan activity was relatively quiet during the fiscal year. No new housing loans were issued, and loan repayments totaled \$30,482. Housing revenues included a \$249,000 interest payment from BLP Partnership, Inc. on the outstanding developer loan related to The Parkview assisted living facility development. Expenditures decreased by \$1.8 million mainly due to the \$2.1 million housing development loan provided to Sunflower Irby, LLC in the prior fiscal year for the Sunflower Hill 31-unit affordable rental housing development; no housing development loans were provided in the current fiscal year. FY 2019/20 expenditures included \$250,000 for the Emergency Rental Assistance Program for renters affected by the COVID-19 Pandemic.

The **Miscellaneous Capital Improvement Programs (CIP) 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 2019/20, the fund received \$2.8 million from the General Fund. The Miscellaneous CIP Fund also transferred \$3.0 million to the Business Support Program Fund to provide funding for the City’s Business Support Loan Program established to provide financial relief to local businesses affected by the COVID-19 Pandemic. During the fiscal year, work began on the Automated License Plate Reader project (\$0.5 million; all of which was capitalized at year-end) and the Bocce Ball Courts Renovation project (\$0.3 million), as well as continuation of the Downtown Beautification project (\$0.1 million). Future CIP projects include the construction of the new Fire Station #3 (\$3.3 million) and the Downtown Transportation Corridor Parking Lot Improvement (\$3.0 million) projects.

Major Proprietary Funds

The designated major *Proprietary funds* in FY 2019/20 are the Water, Sewer, Golf, and Storm Drain funds.

- The **Water Fund’s** net position increased by \$0.3 million. Operating revenues increased by \$3.0 million due to the increase in charges for services as a result of additional water sales over FY 2018/19, and operating expenses increased by \$4.3 million over the prior fiscal year. Increases in operating expenses were mainly attributable to increases in personnel services and materials, supplies and services of \$1.2 million and \$2.8 million, respectively. Increases in personnel services included increases in pension and OPEB expenses of \$0.9 million and \$0.1 million, respectively, over the prior fiscal year. The increase in

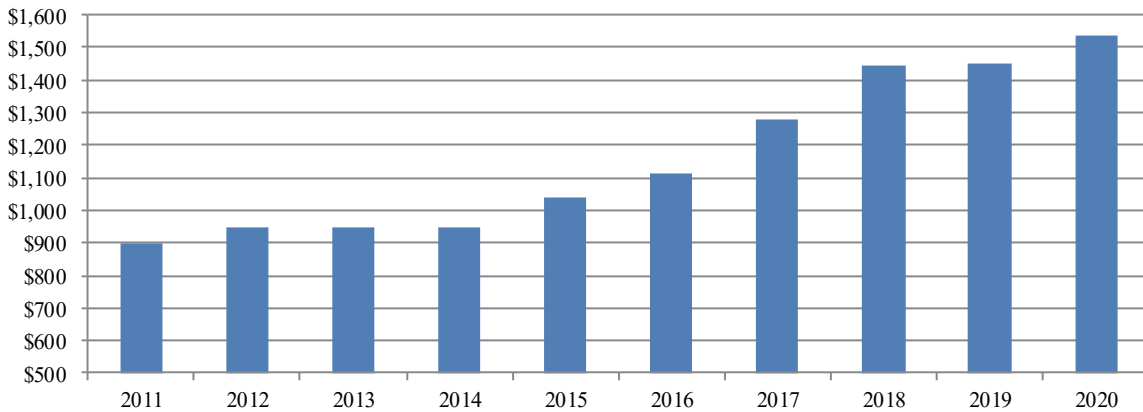
materials, supplies and services was due to the failure and shut down of Wells 5 and 8 during the spring, necessitating increased water purchases from Zone 7 Water Agency. The operating loss of \$1.8 million was offset with net interest income of \$0.6 million, grant revenue of \$0.5 million from the State Water Resources Control Board for the Recycled Water Infrastructure Project, capital contributions of \$0.6 million, and net operating transfers of \$0.4 million.

Water Fund Reserves

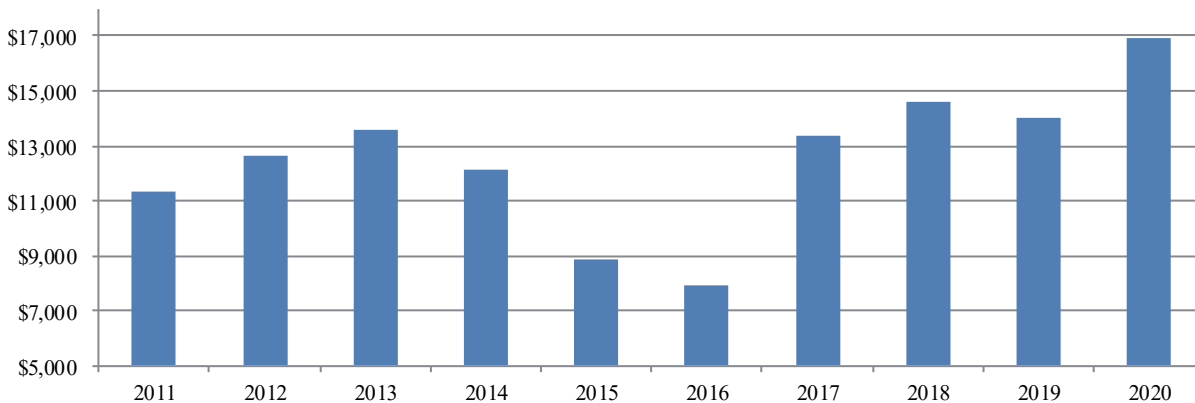
In November 2016, the City Council adopted a reserve policy that requires the Water Fund to maintain minimum reserves equal to 30 percent of operating expenses and target reserves equal to 35 percent of operating expenses. As of June 30, 2020, the Water Operating Fund had a combined reserved balance of \$13.3 million, which equals 51 percent of the combined Water Operating Funds’ actual FY 2019/20 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 City’s water costs increased by \$2.9 million from FY 2018/19, caused in part by Zone 7’s water rate increase of 6 percent in 2020. 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 \$1.2 million. Operating income increased by \$0.3 million and operating expenses decreased by \$1.2 million. The decrease in operating expenses was attributable to a decrease in personnel services due to decreases in pension and OPEB expenses of \$0.7 million and \$0.5 million, respectively, over the prior fiscal year. Although operating expenses decreased over the prior fiscal year, they were still greater than operating revenues, resulting in an operating loss of \$0.9 million. Non-operating revenues of interest income, and capital contributions and transfers were \$1.3 million, offsetting the operating loss. Also, though not as significant as in the prior fiscal year (\$2.3 million), the City's equity interest gain from joint venture Livermore-Amador Valley Water Management Agency (LAVWMA) of \$0.8 million contributed to the increase in net position (See *Note 8C* in **Notes to Basic Financial Statements**). 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 Operating Fund Reserves

In November 2016, the City Council adopted a reserve policy that requires the Sewer Fund to maintain minimum reserves equal to 30 percent of operating expenses and target reserves equal to 35 percent of operating expenses. As of June 30, 2020, the Sewer Operating Fund had a reserved balance of \$9.0 million which equals 67 percent of the Sewer Operating Fund's actual FY 2019/20 expenses, exceeding the maximum required reserves. Excess reserves will be available to fund future CIP projects, including projects identified in the comprehensive asset management plan study currently in progress by the Operations Services Department. 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 \$1.5 million in FY 2019/20 due largely to depreciation expense of \$1.6 million for golf course facilities.

The **Storm Drain Fund's** net position decreased by \$1.6 million in FY 2019/20 due largely to depreciation expense of \$1.1 million for the City's storm drain system.

Fiduciary Funds

There were no designated major funds in the *Fiduciary Funds* in FY 2019/20.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table displays the General Fund's budget to actual variances for FY 2019/20. The Original Budget was established in June 2019 when the City adopted the two-year budget for fiscal years 2019/20 and 2020/21. The Final Budget was adopted in November 2020 when the City Council approved the year-end report for FY 2019/20. Actual revenues were greater than final budget by \$1.3 million or 1.0 percent and expenditures were less than final budget by \$3.4 million or 2.9 percent.

The fund balance of \$37.3 million is an increase of \$7.7 million over FY 2018/19. At the fiscal year-end, there was a budget surplus of \$4.3 million, excluding unrealized gains from investments. The City Council approved allocating the surplus² to the Rainy Day Fund (\$3.5 million) and the Reserve for the Crisis Response Program (\$0.8 million).

² The FY 2019/20 year-end budget report identified a revenue surplus of \$718,690 or \$567,308 less than the \$1,285,998 revenue surplus identified in the following table. The \$567,308 represents unrealized gains from the City's investments in FY 2019/20.

General Fund FY 2019/20 Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Revenues	\$ 127,571,158	\$123,634,609	\$124,920,607	\$ 1,285,998
Expenditures	(120,710,276)	(117,183,245)	(113,806,103)	(3,377,142)
Other Financing Sources(Uses):				
Transfers in	1,043,004	1,043,004	1,160,068	117,064
Transfers out	(7,144,359)	(4,734,841)	(4,602,166)	(132,675)
Net change in fund balance	\$ 759,527	\$ 2,759,527	\$ 7,672,406	\$ 4,912,879

Actual General Fund revenues exceeded final budget estimates by \$1.3 million in FY 2019/20. Actual revenues exceeded budgeted amounts most notably in property tax, sales and use tax, and interest income, while revenues were less than anticipated most notably in hotel and motel tax, recreation fees and other revenues. The decreases in revenues in hotel and motel tax and recreation fees are directly attributable to the COVID-19 Pandemic and the ensuing County SIP order issued in March 2020. Revenue variances are summarized below:

General Fund FY 2019/20 Revenues Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Property Tax	\$ 72,646,000	\$ 73,570,000	\$ 74,257,259	\$ 687,259
Sales & Use Tax	22,200,000	18,969,285	20,662,386	1,693,101
Hotel & Motel Tax	6,750,000	5,175,000	4,766,299	(408,701)
Business License Tax	4,100,000	4,422,000	4,772,813	350,813
Other Taxes	1,530,000	1,390,000	1,354,116	(35,884)
Development Services Fees	5,585,827	4,748,827	4,985,217	236,390
Franchise Fees	3,185,000	5,095,000	4,984,643	(110,357)
Recreation Fees	4,747,084	3,809,245	2,310,189	(1,499,056)
Department Service Fees	1,312,472	1,250,522	1,313,568	63,046
Other Revenues	4,722,275	4,721,730	4,206,665	(515,065)
Grants & Intergovernmental	442,500	83,000	302,686	219,686
Interest Income	350,000	400,000	1,004,766	604,766
Total	\$ 127,571,158	\$ 123,634,609	\$ 124,920,607	\$ 1,285,998

Actual General Fund expenditures of \$113.8 million were less than the final budget estimates by \$3.4 million (2.9 percent) reflecting the City’s reduced staffing and services due to the County SIP order during the last quarter of FY 2019/20. The majority of the decrease was related to materials, supplies and services being less than budgeted by \$1.7 million and a reduction in personnel expenses of \$1.0 million. The savings of \$1.7 million is the result of \$0.4 million in reduced materials and supplies purchases, \$1.2 million not spent for various contractual services, and approximately \$0.1 million in reduced postage and printing expenses. The decrease in personnel costs is primarily related to additional vacancies that were not anticipated during the Mid-year budget review because the City instituted a soft hiring freeze. The \$0.5 savings in transportation and training reflects reduced expenditures in all categories including travel and training, gasoline, and vehicle repair and maintenance. The \$0.1 million savings in repairs and maintenance reflect reduced repair contract expenditures.

General Fund FY 2019/20 Expenditures Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Personnel Expenses	\$ 87,711,334	\$ 85,768,512	\$ 84,768,804	\$ (999,708)
Transportation and Training	1,982,195	1,791,826	1,256,942	(534,884)
Repairs and Maintenance	6,762,071	7,175,514	7,074,868	(100,646)
Material, Supplies and Services	23,813,786	22,062,603	20,347,596	(1,715,007)
Capital Outlay	440,890	384,790	357,893	(26,897)
Total	\$ 120,710,276	\$117,183,245	\$113,806,103	\$ (3,377,142)

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, 2020 was \$671.4 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 \$6.8 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 \$0.7 million in FY 2019/20. Total capital asset additions and retirements were \$14.5 million and \$5.4 million, respectively. In addition, current year depreciation expense additions and retirements were \$15.0 million and \$5.2 million, respectively. Capital assets activity included:
 - Various construction in progress projects (\$10.8 million) were added in FY 2019/20 and included the following major projects: Annual Street Resurfacing and Curb and Gutter (\$4.9 million), various parks, trails, recreational and playground renovations (\$2.2 million), Softball Field House/Booth Renovation (\$1.3 million), Library Office Remodel (\$1.0 million), various intersection, sidewalk and pedestrian improvements (\$0.9 million), and Automated License Plate Reader (\$0.5 million). The following completed construction projects totaling \$8.4 million were transferred to various asset categories: Annual Street Resurfacing (\$3.7 million), Dolores Bengtson Aquatic Center Facility and Locker Room (\$2.3 million), various trail and park improvements (\$0.7 million), Annual Curb and Gutter (\$0.5 million), Automated License Plate Reader (\$0.5 million), Annual Playground Renovation and Annual Court Resurfacing (\$0.5 million), and various traffic signal upgrades (\$0.2 million).
- Business-type activities net capital assets decreased overall by \$6.1 million in FY 2019/20. Additions in capital assets of \$3.6 million were offset by \$9.7 million from depreciation. In addition, construction in progress of \$10.8 million at June 30, 2019 was restated to \$3.1 million to reflect a prior year \$7.7 million reclassification in the Water Enterprise Fund. Contributions towards infrastructure in LAVWMA, that were previously included in construction in progress, were reclassified as expenditures. Current year capital assets activity included:
 - Additions to construction in progress projects totaled \$2.6 million and included \$1.9 million for the Bi-Annual Water Tank Corrosion project, \$0.5 million for the Pioneer Cemetery Entry Way project and \$0.2 million for the Water and Sewer SCADA Update.

- The following completed construction in progress projects totaled \$1.9 million and were added to the City's infrastructure during the fiscal year: Recycled Water Infrastructure Expansion, (\$1.4 million) and the Pioneer Cemetery Entry Way (\$0.5 million) projects.
- Contributed assets totaled \$1.0 million. Developers installed traffic signals, water and sewer lines, meters and hydrants during development of the following projects: 94 condominiums and 9 open space lots at West Last Positas Boulevard, at Workday for a 6-story office building located at Stoneridge Mall Road, 13 lots for single-family homes and a private street on Old Stanley Boulevard. 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 (\$9.7 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 2019/20.

City of Pleasanton							
Capital Assets							
(net of depreciation, in millions of dollars)							
	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2019	2020	2019	2020	2019	2020	% Change
Infrastructure	\$ 115.6	\$ 112.9	\$ 124.0	\$ 119.7	\$ 239.6	\$ 232.6	-2.9%
Land	246.7	246.7	14.5	14.5	261.2	261.2	0.0%
Right-of-ways	36.4	36.3	-	-	36.4	36.3	-0.3%
Buildings	51.1	52.5	18.4	18.0	69.5	70.5	1.4%
Improvements other than buildings	31.0	28.7	10.2	8.7	41.2	37.4	-9.2%
Vehicles & equipment	12.4	13.1	8.2	7.6	20.6	20.7	0.5%
Public Art	0.8	0.8	-	-	0.8	0.8	0.0%
Construction in progress	5.8	8.1	3.1	3.8	8.9	11.9	33.7%
Total	\$ 499.8	\$ 499.1	\$ 178.4	\$ 172.3	\$ 678.2	\$ 671.4	-1.0%

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

Debt Administration

Governmental activities debt decreased by \$0.24 million to \$1.2 million in FY 2019/20.

- 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 an annual payment on the HUD Section 108 loan of \$60,000 to bring the remaining balance to \$0.7 million.

Debt of the business-type activities decreased by \$1.0 million to \$14.4 million in FY 2019/20.

- Lease payments of \$0.09 million were made on the Golf Course Capital Lease debt.
- 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 \$0.9 million were made on the Water Revenue Bonds, Series 2017 bonds during FY 2019/20. The bonds assist with the City’s participation in the DERWA facilities expansion project that is needed to meet recycled water demands throughout the City.
- Debt increased slightly due to the receipt by the golf course of a \$0.3 million loan from the federal government under the Paycheck Protection Program (PPP). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to assist businesses in staying afloat during the COVID-19 Pandemic. The loan is forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes. In the event the loan is not forgiven, debt payments commence in January 2021.

The following table compares the outstanding balances on long-term debt of the City as of June 30, 2019 and 2020:

**City of Pleasanton
Long Term Debt Outstanding**

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
California Energy Commission (CEC)	\$ 653,129	\$ 468,588	\$ -	\$ -	\$ 653,129	\$ 468,588
HUD Section 108 Loan	786,000	726,000	-	-	786,000	726,000
Golf Course Capital Lease	-	-	223,243	132,612	223,243	132,612
Golf Course Note Payable	-	-	-	291,667	-	291,667
California Clean Water SRF Loan	-	-	9,681,084	9,379,766	9,681,084	9,379,766
Water Revenue Bonds, Series 2017	-	-	5,460,000	4,600,000	5,460,000	4,600,000
TOTAL	\$ 1,439,129	\$ 1,194,588	\$15,364,327	\$14,404,045	\$16,803,456	\$15,598,633

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 2019/20 and FY 2020/21 BUDGET, AND CALPERS PENSION RATES

The unemployment rate in Alameda County increased to 13.5 percent as of June 2020, as compared with 3.1 percent in June 2019, and the unemployment rate in the City of Pleasanton increased to 9.7 percent as of June 30, 2020, as compared to 2.9 percent in June 2019, an increase of 6.9 percent. The COVID-19 Pandemic and the resulting Alameda County Shelter-In-Place Order in mid-March 2020 was the driving factor in the huge increase in the unemployment rate.

As of the adoption of the two-year budget for FY 2019/20 and FY 2020/21 by the City Council on June 18, 2019, the economic outlook for the City was considered to be stable with some modest improvement. The FY 2020/21 Mid-Term Budget, adopted June 16, 2020, with a General Fund Budget of approximately \$121.4 million is relatively consistent with the FY 2019/20 Mid-year budget of \$117.1 million, 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, 2020 to the following:

July 1, 2020

- Miscellaneous Plan 12.922% *
- Safety Fire Plan 20.014% *
- Safety Police Plan (pooled) 23.674% (1st Tier) *
20.585% (2nd Tier)
13.044% (PEPRA)

* Assuming employer prepayment of unfunded liability in the amount of \$6,578,884 (22.0 percent of projected covered payroll) for the Miscellaneous Plan, \$5,456,251 (35.2 percent of projected covered payroll) for the Safety Fire Plan, and \$2,259,127 (21.4 percent of projected covered payroll) for the Safety Police Plan.

July 1, 2019

- Miscellaneous Plan 12.239% *
- Safety Fire Plan 19.100% *
- Safety Police Plan (pooled) 21.927% (1st Tier) *
18.928% (2nd Tier)
13.034% (PEPRA)

* Assuming employer prepayment of unfunded liability in the amount of \$5,883,893 (20.1 percent of projected covered payroll) for the Miscellaneous Plan, \$5,002,600 (31.7 percent of projected covered payroll) for the Safety Fire Plan, and \$1,874,961 (23.6 percent 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, 2020

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash and investments (Note 2)	\$ 170,862,916	\$ 54,199,989	\$ 225,062,905
Restricted cash and investments (Note 2)	40,288,770	438,935	40,727,705
Receivables (net):			
Accounts	3,456,075	9,328,114	12,784,189
Taxes	5,719,205	-	5,719,205
Grants	127,424	481,085	608,509
Interest	2,647,181	267,380	2,914,561
Lease	254,328	-	254,328
Internal balances (Note 1H)	1,099,798	(1,099,798)	-
Inventory and prepaid expenses	-	126,955	126,955
Notes receivable (Note 3)	23,480,472	-	23,480,472
Net investment in LAVWMA (Note 8C)	-	15,673,614	15,673,614
Capital assets (Note 5):			
Nondepreciable	291,909,357	18,269,243	310,178,600
Depreciable, net	207,155,393	154,047,074	361,202,467
Total assets	747,000,919	251,732,591	998,733,510
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions (Note 10)	24,617,864	1,548,630	26,166,494
Related to OPEB (Note 11)	4,871,158	541,842	5,413,000
Total deferred outflows of resources	29,489,022	2,090,472	31,579,494
LIABILITIES			
Current liabilities:			
Accounts payable	8,130,156	9,644,622	17,774,778
Payroll payable	1,767,034	186,386	1,953,420
Refundable deposits	-	216,706	216,706
Unearned revenue	353,005	814,912	1,167,917
Compensated absences - due within one year (Note 1K)	1,392,747	-	1,392,747
Long-term debt - due within one year (Note 6)	226,406	1,372,289	1,598,695
Claims liability - due within one year (Note 7)	1,856,905	-	1,856,905
Total current liabilities	13,726,253	12,234,915	25,961,168
Noncurrent liabilities:			
Compensated absences - due in more than one year (Note 1K)	3,508,264	-	3,508,264
Long-term debt - due in more than one year (Note 6)	968,182	13,031,756	13,999,938
Claims liability - due in more than one year (Note 7)	8,336,783	-	8,336,783
Net deficit in LPFD (Note 8G)	42,698,672	-	42,698,672
Net pension liability, due in more than one year (Note 10)	124,628,247	9,892,814	134,521,061
Net OPEB liability, due in more than one year (Note 11)	30,507,510	3,393,490	33,901,000
Total noncurrent liabilities	210,647,658	26,318,060	236,965,718
Total liabilities	224,373,911	38,552,975	262,926,886
DEFERRED INFLOWS OF RESOURCES			
Related to pensions (Note 10)	6,562,299	198,964	6,761,263
Related to OPEB (Note 11)	10,394,745	1,156,255	11,551,000
Total deferred inflows of resources	16,957,044	1,355,219	18,312,263
NET POSITION (Note 9)			
Net investment in capital assets	497,870,162	158,203,939	656,074,101
Restricted for:			
Pension funding	40,288,770	-	40,288,770
Capital projects	44,347,488	-	44,347,488
Transportation	-	230,477	230,477
Special projects	23,409,398	-	23,409,398
Community development	10,357,205	-	10,357,205
Total restricted net position	118,402,861	230,477	118,633,338
Unrestricted net position	(81,114,037)	55,480,453	(25,633,584)
Total net position	\$ 535,158,986	\$ 213,914,869	\$ 749,073,855

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton
Statement of Activities
For the year ended June 30, 2020**

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 17,948,798	\$ 1,808,531	\$ 736,363	\$ -
Public safety	53,337,713	2,089,012	1,100,325	64,190
Community development	17,485,023	5,616,871	301,722	6,457,855
Operations services	34,917,629	370,660	530,242	5,645,708
Community activities	15,659,688	2,369,971	55,367	303,969
Interest on long-term debt	24,873	-	-	-
Total governmental activities	139,373,724	12,255,045	2,724,019	12,471,722
Business-type activities:				
Water	32,293,274	30,074,927	-	1,048,127
Sewer	16,281,822	15,235,355	-	429,520
Golf	4,733,225	3,225,018	-	-
Storm Drain	2,800,668	719,550	-	41,969
Transit	511,788	20,653	77,075	-
Cemetery	264,288	205,447	-	-
Pleasanton Housing Authority	4	-	-	-
Total business-type activities	56,885,069	49,480,950	77,075	1,519,616
Total primary government	\$ 196,258,793	\$ 61,735,995	\$ 2,801,094	\$ 13,991,338

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
\$ (15,403,904)	\$ -	\$ (15,403,904)
(50,084,186)	-	(50,084,186)
(5,108,575)	-	(5,108,575)
(28,371,019)	-	(28,371,019)
(12,930,381)	-	(12,930,381)
(24,873)	-	(24,873)
<u>(111,922,938)</u>	<u>-</u>	<u>(111,922,938)</u>
-	(1,170,220)	(1,170,220)
-	(616,947)	(616,947)
-	(1,508,207)	(1,508,207)
-	(2,039,149)	(2,039,149)
-	(414,060)	(414,060)
-	(58,841)	(58,841)
-	(4)	(4)
<u>-</u>	<u>(5,807,428)</u>	<u>(5,807,428)</u>
<u>(111,922,938)</u>	<u>(5,807,428)</u>	<u>(117,730,366)</u>
74,257,259	-	74,257,259
10,380,382	-	10,380,382
20,662,385	-	20,662,385
4,984,643	-	4,984,643
<u>110,284,669</u>	<u>-</u>	<u>110,284,669</u>
6,238,557	1,645,696	7,884,253
409,060	1,177,745	1,586,805
<u>(1,210,378)</u>	<u>1,210,378</u>	<u>-</u>
<u>115,721,908</u>	<u>4,033,819</u>	<u>119,755,727</u>
3,798,970	(1,773,609)	2,025,361
<u>531,360,016</u>	<u>215,688,478</u>	<u>747,048,494</u>
<u>\$ 535,158,986</u>	<u>\$ 213,914,869</u>	<u>\$ 749,073,855</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, 2020**

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Non-major Governmental Funds	Total
ASSETS					
Cash and investments (Note 2)	\$ 16,519,622	\$ 10,110,959	\$ 19,598,630	\$ 83,291,422	\$ 129,520,633
Restricted cash and investments (Note 2)	17,479,186	-	-	-	17,479,186
Receivables (net):					
Accounts	2,239,359	263,000	-	921,532	3,423,891
Taxes	5,719,205	-	-	-	5,719,205
Grants	-	-	-	127,424	127,424
Interest	139,829	1,510,769	96,144	708,741	2,455,483
Lease	-	254,328	-	-	254,328
Due from other funds (Note 4)	40,249	-	-	-	40,249
Advances to other funds (Note 4)	500,000	-	-	-	500,000
Notes receivable, net (Note 3)	15,352	20,195,969	29,254	3,239,897	23,480,472
Total assets	\$ 42,652,802	\$ 32,335,025	\$ 19,724,028	\$ 88,289,016	\$ 183,000,871
LIABILITIES					
Accounts payable	\$ 3,354,285	\$ 58,202	\$ 359,622	\$ 2,032,373	\$ 5,804,482
Payroll payable	1,754,835	8,268	-	3,931	1,767,034
Due to other funds (Note 4)	-	-	-	20,655	20,655
Advances from other funds (Note 4)	-	-	-	581,955	581,955
Unearned revenue	244,010	-	-	83,728	327,738
Refundable deposits	25,267	-	-	-	25,267
Total liabilities	5,378,397	66,470	359,622	2,722,642	8,527,131
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	21,911,350	29,254	3,571,434	25,512,038
FUND BALANCES (Note 9)					
Nonspendable	515,352	-	-	-	515,352
Restricted	17,479,186	10,357,205	-	67,756,886	95,593,277
Assigned	-	-	19,335,152	14,238,054	33,573,206
Unassigned	19,279,867	-	-	-	19,279,867
Total fund balances	37,274,405	10,357,205	19,335,152	81,994,940	148,961,702
Total liabilities, deferred inflows of resources, and fund balances	\$ 42,652,802	\$ 32,335,025	\$ 19,724,028	\$ 88,289,016	\$ 183,000,871

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, 2020

Fund Balances - Total Governmental Funds \$ 148,961,702

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 \$12,675,955. 486,388,795

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. 25,512,038

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. (81,810,289)

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	(468,588)
HUD Section 108 Loan	(726,000)
Net investment (deficit) in LPFD	(42,698,672)
	(43,893,260)

Net Position of Governmental Activities \$ 535,158,986

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, 2020

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Non-major Governmental Funds	Total
REVENUES:					
Taxes	\$ 105,812,873	\$ -	\$ -	\$ -	\$ 105,812,873
Special assessments	-	-	-	207,333	207,333
Licenses	7,505	-	-	-	7,505
Permits	2,717,733	-	-	-	2,717,733
Fines and forfeitures	240,122	-	-	33,880	274,002
Use of money and property	1,172,567	889,040	601,201	2,321,813	4,984,621
Intergovernmental	302,686	-	310,862	6,651,381	7,264,929
Franchises	4,984,643	-	-	3,342,285	8,326,928
Charges for services	1,313,568	-	-	-	1,313,568
Development fees	313,346	486,444	-	1,331,836	2,131,626
Plan check fees	1,954,136	-	-	-	1,954,136
Contributions and donations	47,027	-	500,000	388,217	935,244
Other revenues	3,744,212	37,415	11,991	613,845	4,407,463
Recreation charges	2,310,189	-	-	-	2,310,189
Total revenues	124,920,607	1,412,899	1,424,054	14,890,590	142,648,150
EXPENDITURES:					
Current:					
General government	15,975,597	-	-	-	15,975,597
Public safety	50,262,619	-	-	62,734	50,325,353
Community development	14,493,624	955,972	-	1,222,640	16,672,236
Operations services	20,191,622	-	-	626,160	20,817,782
Community activities	12,524,748	-	-	183,510	12,708,258
Capital outlay	357,893	-	1,322,177	10,740,682	12,420,752
Debt Service:					
Principal	-	-	184,541	60,000	244,541
Interest	-	-	6,088	18,785	24,873
Total expenditures	113,806,103	955,972	1,512,806	12,914,511	129,189,392
REVENUES OVER (UNDER) EXPENDITURES	11,114,504	456,927	(88,752)	1,976,079	13,458,758
OTHER FINANCING SOURCES (USES):					
Transfers in (Note 4)	1,160,068	-	3,779,217	6,656,806	11,596,091
Transfers out (Note 4)	(4,602,166)	-	(3,851,829)	(1,922,303)	(10,376,298)
Total other financing sources (uses)	(3,442,098)	-	(72,612)	4,734,503	1,219,793
Net change in fund balances	7,672,406	456,927	(161,364)	6,710,582	14,678,551
FUND BALANCES:					
Beginning of year	29,601,999	9,900,278	19,496,516	75,284,358	134,283,151
End of year	\$ 37,274,405	\$ 10,357,205	\$ 19,335,152	\$ 81,994,940	\$ 148,961,702

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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 14,678,551
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	10,839,612
Capital contributions	1,136,232
Retirements	(75,811)
Depreciation (net of internal service funds of \$2,077,042)	(12,902,630)
Loans receivable are not considered available revenue and are classified as deferred inflows of resources in the governmental funds.	1,249,119
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	184,541
HUD Section 108 Loan	60,000
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.	(1,522,359)
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	(9,848,285)
Change in Net Position of Governmental Activities	\$ 3,798,970

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, 2020**

	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)	\$ 26,840,733	\$ 24,340,883	\$ 904,991	\$ 832,305	\$ 1,281,077	\$ 54,199,989	\$ 41,342,283
Restricted cash (Note 2)	438,935	-	-	-	-	438,935	22,809,584
Receivables (net):							
Accounts	6,379,841	2,843,532	16,913	4,651	83,177	9,328,114	32,184
Grants	481,085	-	-	-	-	481,085	-
Interest	135,509	121,936	2,178	3,527	4,230	267,380	191,698
Inventory and prepaid expenses	-	-	126,955	-	-	126,955	-
Total current assets	34,276,103	27,306,351	1,051,037	840,483	1,368,484	64,842,458	64,375,749
Noncurrent assets:							
Net investment in joint ventures (Note 8C)	-	15,673,614	-	-	-	15,673,614	-
Advances to other funds (Note 4)	-	-	-	-	-	-	581,955
Capital assets (Note 5):							
Nondepreciable	4,174,843	1,574,276	12,434,327	24,047	61,750	18,269,243	824,101
Depreciable, net	79,573,925	42,511,265	10,140,646	20,870,196	951,042	154,047,074	11,851,854
Total noncurrent assets	83,748,768	59,759,155	22,574,973	20,894,243	1,012,792	187,989,931	13,257,910
Total assets	118,024,871	87,065,506	23,626,010	21,734,726	2,381,276	252,832,389	77,633,659
DEFERRED OUTFLOWS OF RESOURCES							
Related to pensions (Note 10)	997,097	391,255	-	160,278	-	1,548,630	24,617,864
Related to OPEB (Note 11)	332,900	156,977	-	51,965	-	541,842	4,871,158
Total deferred outflows of resources	1,329,997	548,232	-	212,243	-	2,090,472	29,489,022
LIABILITIES							
Current liabilities:							
Accounts payable	5,827,579	3,464,148	291,930	44,538	16,427	9,644,622	2,325,674
Payroll payable	121,882	41,020	-	14,030	9,454	186,386	-
Due to other funds (Note 4)	-	-	-	-	19,594	19,594	-
Advances from other funds (Note 4)	-	-	-	-	500,000	500,000	-
Refundable deposits	-	-	216,706	-	-	216,706	-
Unearned revenue	269,340	-	323,530	-	222,042	814,912	-
Accrued compensated absences (Note 1K)	-	-	-	-	-	-	1,392,747
Claims payable (Note 7)	-	-	-	-	-	-	1,856,905
Capital leases payable (Note 6B)	-	-	75,948	-	-	75,948	-
Loan payable (Note 6B)	304,331	-	112,010	-	-	416,341	-
Bonds payable (Note 6B)	880,000	-	-	-	-	880,000	-
Total current liabilities	7,403,132	3,505,168	1,020,124	58,568	767,517	12,754,509	5,575,326
Noncurrent liabilities:							
Accrued compensated absences (Note 1K)	-	-	-	-	-	-	3,508,264
Claims payable (Note 7)	-	-	-	-	-	-	8,336,783
Capital leases payable (Note 6B)	-	-	56,664	-	-	56,664	-
Loan payable (Note 6B)	9,075,435	-	179,657	-	-	9,255,092	-
Bonds payable (Note 6B)	3,720,000	-	-	-	-	3,720,000	-
Net pension liability (Note 10)	6,369,564	2,499,374	-	1,023,876	-	9,892,814	124,628,247
Net OPEB liability (Note 11)	2,084,911	983,129	-	325,450	-	3,393,490	30,507,510
Total noncurrent liabilities	21,249,910	3,482,503	236,321	1,349,326	-	26,318,060	166,980,804
Total liabilities	28,653,042	6,987,671	1,256,445	1,407,894	767,517	39,072,569	172,556,130
DEFERRED INFLOWS OF RESOURCES							
Related to pensions (Note 10)	128,105	50,267	-	20,592	-	198,964	6,562,299
Related to OPEB (Note 11)	710,386	334,979	-	110,890	-	1,156,255	10,394,745
Total deferred inflows of resources	838,491	385,246	-	131,482	-	1,355,219	16,957,044
NET POSITION							
Net investment in capital assets	69,769,002	44,085,541	22,442,361	20,894,243	1,012,792	158,203,939	12,675,955
Restricted for:							
Transportation	-	-	-	-	230,477	230,477	-
Pension funding	-	-	-	-	-	-	22,809,584
Unrestricted	20,094,333	36,155,280	(72,796)	(486,650)	370,490	56,060,657	(117,876,032)
Total net position	\$ 89,863,335	\$ 80,240,821	\$ 22,369,565	\$ 20,407,593	\$ 1,613,759	214,495,073	\$ (82,390,493)
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.						(580,204)	
Net position of business-type activities						\$ 213,914,869	

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, 2020**

	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	\$ 29,143,895	\$ 15,219,172	\$ 3,225,018	\$ 520,036	\$ 225,800	\$ 48,333,921	\$ 12,625,294
Miscellaneous	931,032	16,183	-	199,514	300	1,147,029	29,549
Total operating revenues	30,074,927	15,235,355	3,225,018	719,550	226,100	49,480,950	12,654,843
OPERATING EXPENSES:							
Personnel services	5,824,691	1,233,142	-	727,328	421,816	8,206,977	13,619,595
Transportation	66,628	21,772	-	13,166	14,802	116,368	-
Repairs and maintenance	272,194	124,823	533,590	28,803	68,391	1,027,801	352,835
Materials, supplies, and services	21,670,316	11,863,427	2,621,850	816,514	226,261	37,198,368	6,289,680
Depreciation (Note 5)	4,017,461	2,891,029	1,582,263	1,145,958	41,774	9,678,485	2,077,042
Total operating expenses	31,851,290	16,134,193	4,737,703	2,731,769	773,044	56,227,999	22,339,152
OPERATING INCOME (LOSS)	(1,776,363)	(898,838)	(1,512,685)	(2,012,219)	(546,944)	(6,747,049)	(9,684,309)
NONOPERATING REVENUES (EXPENSES):							
Grants	481,085	-	-	-	77,075	558,160	-
Intergovernmental	-	-	-	-	336,358	336,358	-
Interest income	847,705	736,641	13,127	20,288	27,935	1,645,696	1,739,054
Interest (expense)	(206,497)	-	(5,409)	-	-	(211,906)	-
Gain (loss) from disposal of capital assets	5,448	-	-	-	-	5,448	81,977
Equity interest in gain from joint ventures	-	835,939	-	-	-	835,939	-
Total nonoperating revenues (expenses)	1,127,741	1,572,580	7,718	20,288	441,368	3,169,695	1,821,031
Income (Loss) Before Capital Contributions and Transfers							
Capital contributions received	567,042	429,520	-	41,969	-	1,038,531	-
Transfers in (Note 4)	365,362	131,123	-	330,000	392,478	1,218,963	23,267,676
Transfers out (Note 4)	-	-	(8,585)	-	-	(8,585)	(25,697,847)
Total contributions and transfers	932,404	560,643	(8,585)	371,969	392,478	2,248,909	(2,430,171)
Change in net position	283,782	1,234,385	(1,513,552)	(1,619,962)	286,902	(1,328,445)	(10,293,449)
NET POSITION:							
Beginning of year, as restated (Note 9D)	89,579,553	79,006,436	23,883,117	22,027,555	1,326,857		(72,097,044)
End of year	<u>\$ 89,863,335</u>	<u>\$ 80,240,821</u>	<u>\$ 22,369,565</u>	<u>\$ 20,407,593</u>	<u>\$ 1,613,759</u>		<u>\$ (82,390,493)</u>

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

Change in net position of business-type activities \$ (445,164)
\$ (1,773,609)

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2020**

	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	\$ 29,599,691	\$ 15,261,836	\$ 3,224,172	\$ 716,207	\$ 246,784	\$ 49,048,690	\$ 13,400,186
Cash payment to suppliers for goods and services	(19,751,362)	(11,328,831)	(3,191,563)	(837,967)	(337,741)	(35,447,464)	(5,620,595)
Cash payment to and on behalf of employees for services	(4,607,882)	(1,722,102)	-	(657,970)	(425,278)	(7,413,232)	(4,263,091)
Amounts paid to joint ventures	-	(835,939)	-	-	-	(835,939)	-
Net cash provided (used) by operating activities	5,240,447	1,374,964	32,609	(779,730)	(516,235)	5,352,055	3,516,500
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Grants received	-	-	-	-	85,863	85,863	-
Intergovernmental funds received (paid)	-	-	-	-	336,358	336,358	(2,314,617)
Transfers in	365,362	131,123	-	330,000	392,478	1,218,963	(24,554,019)
Transfers out	-	-	(8,585)	-	-	(8,585)	22,239,402
Net cash provided (used) by noncapital financing activities	365,362	131,123	(8,585)	330,000	814,699	1,632,599	(4,629,234)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Principal payments on long-term debt	(1,161,318)	-	(90,631)	-	-	(1,251,949)	-
Interest payments	(206,497)	-	(5,398)	-	-	(211,895)	-
Proceeds from SBA loan	-	-	291,667	-	-	291,667	-
Capital asset (acquisitions)	5,705,349	(125,469)	-	-	(439,486)	5,140,394	(2,366,698)
Restatement of construction in progress	(7,721,164)	-	-	-	-	(7,721,164)	-
Proceeds from sale of capital assets	5,448	-	-	-	-	5,448	81,977
Net cash provided (used) by capital and related financing activities	(3,378,182)	(125,469)	195,638	-	(439,486)	(3,747,499)	(2,284,721)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest and investment income received	844,338	1,572,466	12,779	21,868	26,395	2,477,846	1,744,222
Net cash provided by (used in) noncapital investing activities	844,338	1,572,466	12,779	21,868	26,395	2,477,846	1,744,222
Net increase (decrease) in cash and cash equivalents	3,071,965	2,953,084	232,441	(427,862)	(114,627)	5,715,001	661,384
CASH AND CASH EQUIVALENTS:							
Beginning of year	24,207,703	21,387,799	672,550	1,260,167	1,395,704	48,923,923	63,490,483
End of year	\$ 27,279,668	\$ 24,340,883	\$ 904,991	\$ 832,305	\$ 1,281,077	\$ 54,638,924	\$ 64,151,867
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Operating income (loss)	\$ (1,776,363)	\$ (898,838)	\$ (1,512,685)	\$ (2,012,219)	\$ (546,944)	\$ (6,747,049)	\$ (9,684,309)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Restatement of construction in progress							
Depreciation	4,017,461	2,891,029	1,582,263	1,145,958	41,774	9,678,485	2,077,042
Decrease (increase) in:							
Accounts receivable	(475,236)	26,481	(846)	(3,343)	(15,988)	(468,932)	(20,659)
Inventory and prepaid items	-	-	10,410	-	-	10,410	766,002
Net investment in joint ventures	-	(835,939)	-	-	-	(835,939)	-
Increase (decrease) in:							
Accounts payable	2,302,261	681,191	(64,362)	20,516	(27,023)	2,912,583	902,031
Payroll payable	14,178	(37)	-	2,330	(3,462)	13,009	-
Refundable deposits	-	-	(4,194)	-	-	(4,194)	-
Due to other funds	-	-	-	-	(1,264)	(1,264)	-
Unearned revenue	(44,485)	-	22,023	-	36,672	14,210	-
Compensated absences	-	-	-	-	-	-	386,635
Claims payable	-	-	-	-	-	-	358,976
Net pension liability	1,148,228	(263,444)	-	110,130	-	994,914	11,977,604
Net OPEB liability	54,403	(225,479)	-	(43,102)	-	(214,178)	(3,246,822)
Net cash provided (used) by operating activities	\$ 5,240,447	\$ 1,374,964	\$ 32,609	\$ (779,730)	\$ (516,235)	\$ 5,352,055	\$ 3,516,500
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:							
Capital contributions received	\$ 567,042	\$ 429,520	\$ -	\$ 41,969	\$ -	\$ 1,038,531	\$ -
Total noncash capital and related financing activities	\$ 567,042	\$ 429,520	\$ -	\$ 41,969	\$ -	\$ 1,038,531	\$ -

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

Private-Purpose Trust Funds – accounts for the Pleasanton Township County Water District (P.T.C.W.D.) #3 Trust Fund. The Trust received money in 1973 from the P.T.C.W.D. #3 and the funds may be used in the future to maintain the private road that serves the City’s water tanks.

Agency Funds – accounts 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, 2020**

ASSETS	<u>Private-Purpose Trust</u>	<u>Agency</u>
Cash and investments (Note 2)	\$ 394,785	\$ 8,083,030
Receivables (net):		
Accounts	4,825	311,819
Interest	1,929	29,852
Notes receivable	<u>-</u>	<u>5,737</u>
Total assets	<u>401,539</u>	<u>\$ 8,430,438</u>
LIABILITIES		
Accounts payable	445	\$ 870,509
Claims	-	9,174,000
Loans payable	-	5,737
Deposits	<u>-</u>	<u>(1,619,808)</u>
Total liabilities	<u>445</u>	<u>\$ 8,430,438</u>
NET POSITION		
Net position held in trust for others	<u>\$ 401,094</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, 2020

ADDITIONS:	<u>Private-Purpose Trust</u>
Investment income	\$ 11,601
Miscellaneous	1,226
Total additions	<u>12,827</u>
DEDUCTIONS:	
Operations services	<u>25,105</u>
Total deductions	<u>25,105</u>
Change in net position	<u>12,278</u>
NET POSITION HELD IN TRUST:	
Beginning of year	<u>413,372</u>
End of year	<u><u>\$ 401,094</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, 2020

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City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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.

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, 2020

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, 2020

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 Benefits 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, 2019	\$ 4,514,377
Additions	2,951,752
Payments	(2,565,118)
Balance June 30, 2020	<u>\$ 4,901,011</u>
Due within one year	<u>\$ 1,392,747</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, 2020

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, 2020

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 95 – Postponement of the Effective Dates of Certain Authoritative Guidance The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the upcoming pronouncements are postponed by one year or 18 months, in the case of Statement No. 87, Leases. This Statement had no significant effect on this year's financial statements.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2020:

	Government-Wide		Fiduciary Funds	Total
	Statement of Net Position			
	Governmental Activities	Business-Type Activities	Statement of Net Position	
Cash and investments	\$ 170,862,916	\$ 54,199,989	\$ 8,477,815	\$ 233,540,720
Restricted cash and investments	40,288,770	438,935	-	40,727,705
Total Cash and investments	\$ 211,151,686	\$ 54,638,924	\$ 8,477,815	\$ 274,268,425

Restricted Cash and Investments includes the \$40,288,770 PARS Trust, which is the City's Section 115 Pension Trust Fund (see Note 10A) and the \$438,935 debt service reserve related to the Water Revenue Bonds Series 2017 (see Note 6B).

At June 30, 2020, the City's pooled cash and investments consisted of the following:

	Fair Value at June 30, 2020
Deposits:	
Cash on hand	\$ 7,525
Restricted cash	438,935
Deposits with banks	13,247,165
Total Deposits	13,693,625
Investments:	
U.S. Government Agencies	83,889,813
U.S. Treasury Notes	6,012,300
Medium-Term Corporate Notes	54,000,636
Non- Negotiable Certificates of Deposit	1,014,821
California Local Agency Investment Fund	75,368,460
PARS Trust - mutual funds	40,288,770
Total Investments	260,574,800
Total City Treasury	\$ 274,268,425

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

2. CASH AND INVESTMENTS, Continued

A. Deposits

As of June 30, 2020, the book value of the City's cash with banks and petty cash was \$13,693,625 and the associated bank balances were \$14,798,704. The difference between the bank balance and the City's carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$14,798,704 was covered by federal depository insurance and \$12,708,783 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 percent of a City's deposits, or by pledging first trust deed mortgage notes having a value of 150 percent of a City's total deposits.

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, 2020 from the fiscal year ended June 30, 2019 amounted to an unrealized gain of \$4,070,027.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

2. CASH AND INVESTMENTS, Continued

C. Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2020, 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	\$ 3,039,460	\$ 2,107,140	\$ 5,146,600
Callable	1,503,515	77,239,698	78,743,213
U.S. Treasury Notes	6,012,300	-	6,012,300
Medium-Term Corporate Notes	11,080,257	42,920,379	54,000,636
Non- Negotiable Certificates of Deposit	1,014,821	-	1,014,821
California Local Agency Investment Fund	75,368,460	-	75,368,460
PARS Section 115 Pension Trust Fund - Mutual Funds	40,288,770	-	40,288,770
Total Investments	<u>\$ 138,307,583</u>	<u>\$ 122,267,217</u>	<u>\$ 260,574,800</u>

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, 2020, the City held \$78,743,213 in callable government agencies, which amounted to 36 percent 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

2. CASH AND INVESTMENTS, Continued

D. Fair Value Hierarchy, Continued

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2020:

	Level 1	Level 2	Total
<i>Investments by Fair Value Level:</i>			
U.S. Government agencies			
Non-Callable	\$ -	\$ 5,146,600	\$ 5,146,600
Callable	-	78,743,213	78,743,213
U.S. Treasury Notes	6,012,300	-	6,012,300
Medium-term Corporate Notes	-	54,000,636	54,000,636
Sub-total	<u>\$ 6,012,300</u>	<u>\$ 137,890,449</u>	143,902,749
<i>Investments Reported at Cost:</i>			
Non- Negotiable Certificates of Deposit			1,014,821
<i>Investments Exempt from Fair Value Hierarchy:</i>			
California Local Agency Investment Fund			75,368,460
PARS Section 115 Pension Trust Fund - Mutual Funds			<u>40,288,770</u>
Total Investments			<u>\$ 260,574,800</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 and medium-term corporate notes, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These prices are obtained from various pricing sources by our custodian bank.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2020, 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+	11.3%
Federal Home Loan Mortgage Corporation	Aaa	AA+	19.7%
Federal Home Loan Bank	Aaa	AA+	15.3%
Federal National Mortgage Association	Aaa	AA+	
Medium Term Corporate Notes:			
3M Company	A1	A+	0.8%
Apple, Inc.	Aa1	AA+	4.3%
Berkshire Hathaway Inc.	Aa2	AA	0.6%
Bank of Nova Scotia	Aa2	A+	0.8%
Bank of New York Mellon	A1	A	1.9%
CitiBank NA	Aa3	A+	0.4%
Microsoft Inc.	Aaa	AAA	3.1%
PACCAR Financial Corp.	A1	A+	0.5%
Toyota Motor Credit Corp.	Aa3	AA+	2.8%
Truist Bank	A2	A	0.8%
Wells Fargo Bank	A2	A-	1.6%
Wells Fargo Bank NA	Aa2	A+	1.2%
Exxon Mobil Corp.	Aa1	AA	2.1%

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 percent 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 percent or more of the City's total investments are as follows as of June 30, 2020:

U.S. Government Agencies	Amount Invested	Percentage of Investments
Federal Farm Credit Bank	\$ 20,228,321	11.3%
Federal Home Loan Mortgage Corporation	35,264,693	19.7%
Federal Home Loan Bank	27,391,419	15.3%

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

2. CASH AND INVESTMENTS, Continued

E. Credit Risk, Continued

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.

F. External Investment Pool

As of June 30, 2020, the City had \$75,368,460 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, 2020, 56.68 percent of LAIF's portfolio was invested in government guaranteed U.S. Treasuries, and 2.21 percent 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 1.004912795 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, 2020, these investments matured on an average of 191 days. Separate financial statements for the PMIB may be obtained from the California State Treasurer's Office, 915 Capital Mall, Sacramento, CA 95814.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

3. NOTES RECEIVABLE

The following table summarizes the notes receivable outstanding as of June 30, 2020, 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	318,317
Senior Housing Projects-Developers	16,535,000
Nonprofit Public Benefit Corporations	65,000
Sunflower Hill	2,250,000
HOME Program Loans	1,788,987
CDBG Program Loans	507,868
Lower Income Housing Loans	29,590
Valley Business Park Loan	29,254
Sewer Connection Fee Loans	15,352
Hacienda Business Park LED Project Loan	82,472
Business Support Program Loans	161,700
Hacienda Business Park Owners Association Loan	698,870
	<u>\$ 23,480,472</u>

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

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 percent 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 percent 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, 2020 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

3. NOTES RECEIVABLE, Continued

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

Date of Loan	Loan Amount	Funding Sources
January 1992	\$ 75,000	HOME 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	<u>\$ 1,147,531</u>	

- 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 percent 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, 2020, was \$9,271. The principal amounts outstanding at June 30, 2020, 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 percent 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, 2020, was \$1,486. The principal amounts outstanding at June 30, 2020, 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, 2020 was \$9,000.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

3. NOTES RECEIVABLE, Continued

- 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 2019/20, the City received loan repayments totaling \$30,482. The outstanding amount due to the City for these types of loans as of June 30, 2020 was \$318,317.

- 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. Payments are to be made from excess distributable cash with the entire principal and interest due in November 2070. The principal and interest outstanding at June 30, 2020 were \$11,174,640 and \$1,136,817, 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 percent per annum. Payments are to be made from excess distributable cash with the entire principal and interest due in October 2071. The principal and interest outstanding at June 30, 2020 were \$450,000 and \$67,442, 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 principal amount at 3 percent per annum. Payments are to be made from excess distributable cash with the entire principal and interest due in December 2074. The principal and interest outstanding at June 30, 2020 were \$2,861,360 and \$223,875, 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 percent (\$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 2019/20, BLP paid the City \$249,000 representing a portion of the accrued unpaid interest. As of June 30, 2020, the accrued unpaid interest in the allowance for doubtful accounts was \$1,372,399 and the principal amount outstanding was \$2,490,000.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

3. NOTES RECEIVABLE, Continued

- 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 percent 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, 2020 was \$34,200. The principal amount outstanding for all three loans at June 30, 2020, was \$160,000.
- Housing Rehabilitation Program – The Housing Rehabilitation Program provides financial assistance for the improvement of properties occupied by very low or low-income homeowners. These loans accrue 3 percent 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, 2020 were \$460,304 and \$193,476, respectively. The outstanding principal and interest amounts of these loans funded by HOME funds as of June 30, 2020, were \$144,019 and \$36,419, respectively. The outstanding principal and interest amounts on these loans funded by Lower Income Housing funds were \$29,590 and \$1,148, 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 percent. 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. The principal and interest outstanding as of June 30, 2020, were \$2,250,000 and \$88,454, respectively.

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 \$47,220 were received in FY 2019/20. The outstanding amount of the loans as of June 30, 2020, was \$1,788,987.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

3. NOTES RECEIVABLE, Continued

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 \$223,730 were received in FY 2019/20. The outstanding amount of the loans as of June 30, 2020 was \$507,868.

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, 2020 was \$29,590.

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 percent based on the current Local Agency Investment Fund (LAIF) rate. The outstanding amount as of June 30, 2020 was \$29,254.

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, 2020 was \$15,352.

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, 2020 was \$82,472.

Business Support Program Loans – Due to the COVID-19 pandemic, in 2020, the City established a program to provide loans to local small businesses. Eligible businesses included those that are independently or locally owned, have a physical location in Pleasanton, were in good standing with the City and employ between 2-25 employees. Loan amounts were \$2,900 for businesses located in the downtown district, and \$2,500 for those outside of the downtown area. The loans are interest free and repayment will commence once the local emergency has been lifted by action of the City Council, and will be payable over 36 months. As of June 30, 2020, the City had provided 61 loans and totaled \$161,700.

Hacienda Business Park Owners Association Landscape Renovation Loan – In 2019, the City loaned \$732,548 to the Hacienda Business Park Owners Association (HBPOA) for a landscape renovation project on the 833-acre property known as Hacienda Business Park. There are one hundred and twenty (120) monthly payments due the first of each month commencing January 1, 2020. The interest rate on the loan is set at an annual rate of compounded interest of 2.72 percent. The outstanding amount as of June 30, 2020 was \$698,870.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

4. INTERFUND TRANSACTIONS

A. Interfund Receivables / Payables

The composition of interfund balances as of June 30, 2020 is as follows:

Due to/from Other Funds

As of June 30, 2020, the General Fund provided \$15,719 to the HOME Program Special Revenue Fund, \$4,936 to the HBPOA Maintenance District Special Revenue Fund, and \$19,594 to the Transit Fund Enterprise Fund.

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 20,655
	Non-Major Enterprise Funds	<u>19,594</u>
		<u>\$ 40,249</u>

Long-Term Advances

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 was scheduled to be repaid through private fundraising efforts within ten years after the park’s opening date of October 6, 2016. However, due to the COVID-19 Pandemic and the Alameda County Shelter-in-Place (SIP) Order in mid-March 2020, the City granted a two-year payment reprieve and a two-year repayment extension to the sports groups and members of the Play Bernal Fundraising Campaign. The repayment date has been extended to October 2028. As of June 30, 2020, \$1,418,045 of the advance has been repaid, of which \$247,148 was paid during FY 2019/20. The remaining \$581,955 will be repaid over a six-year period with payments deferred for the next two 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 General Fund currently provides a \$50,000 subsidy to the Cemetery Fund. Once the Cemetery operating revenues are sufficient to cover operating expenses without requiring a subsidy, the Cemetery Fund will begin to repay the interfund loan. As of June 30, 2020, the entire amount was outstanding.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

4. INTERFUND TRANSACTIONS, Continued

B. Transfers In/Out

Transfers in/out for the year ended June 30, 2020 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
General Fund	Non-Major Governmental Funds	\$ 154,068	(A), (C)
	Internal Service Funds	1,006,000	(E)
Miscellaneous Capital Improvement Programs Fund	General Fund	2,781,110	(C), (D)
	Non-Major Governmental Funds	83,662	(D)
	Internal Service Funds	914,445	(D)
Water Enterprise Fund	General Fund	266,729	(B)
	Non-Major Governmental Funds	43,633	(C)
	Internal Service Funds	55,000	(E)
Sewer Enterprise Fund	General Fund	98,123	(B)
	Internal Service Funds	33,000	(E)
Storm Drain Enterprise Fund	General Fund	330,000	(F)
Non-Major Governmental Funds	Miscellaneous Capital Improvement Programs Fund	3,851,829	(D), (H)
	Non-Major Governmental Funds	1,354,977	(D), (G)
	Internal Service Funds	1,450,000	(D)
Non-Major Enterprise Funds	General Fund	120,204	(F)
	Non-Major Governmental Funds	272,274	(D)
Internal Service Funds	General Fund	1,006,000	(I)
	Golf Enterprise Fund	8,585	(D)
	Non-Major Governmental Funds	13,689	(E)
	Internal Service Funds	22,239,402	(I)
Total Interfund Transfers		\$ 36,082,730	

- (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 fund business support program loans
- (I) Transfer to reclassify Section 115 PARS Trust

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance at June 30, 2019	Additions	Retirements and Adjustments	Transfers	Balance at June 30, 2020
Governmental Activities					
Nondepreciable assets:					
Land	\$ 246,654,500	\$ -	\$ -	\$ -	\$ 246,654,500
Right-of-ways	36,354,674	-	-	-	36,354,674
Public art	808,018	-	-	27,000	835,018
Construction in progress	5,843,735	10,750,711	(75,811)	(8,453,470)	8,065,165
Total nondepreciable assets	289,660,927	10,750,711	(75,811)	(8,426,470)	291,909,357
Depreciable assets:					
Infrastructure	301,305,823	1,146,949	(3,398,792)	4,201,536	303,255,516
Buildings	81,444,801	154,333	-	2,912,457	84,511,591
Improvements other than buildings	77,242,580	-	-	239,302	77,481,882
Machinery and equipment	29,080,945	864,419	(768,234)	1,073,175	30,250,305
Vehicles	13,639,380	1,552,550	(1,196,751)	-	13,995,179
Total depreciable assets	502,713,529	3,718,251	(5,363,777)	8,426,470	509,494,473
Less accumulated depreciation:					
Infrastructure	185,738,466	8,033,204	(3,398,792)	-	190,372,878
Buildings	30,343,563	1,678,464	-	-	32,022,027
Improvements other than buildings	46,239,790	2,545,834	-	-	48,785,624
Machinery and equipment	20,615,901	1,484,920	(768,234)	-	21,332,587
Vehicles	9,659,045	1,237,250	(1,070,331)	-	9,825,964
Total accumulated depreciation	292,596,765	14,979,672	(5,237,357)	-	302,339,080
Net depreciable assets	210,116,764	(11,261,421)	(126,420)	8,426,470	207,155,393
Governmental activities capital assets, net	\$ 499,777,691	\$ (510,710)	\$ (202,231)	\$ -	\$ 499,064,750
	Balance at June 30, 2019 (as restated)	Additions	Retirements and Adjustments	Transfers	Balance at June 30, 2020
Business-type Activities					
Nondepreciable assets:					
Land	\$ 14,512,340	\$ -	\$ -	\$ -	\$ 14,512,340
Construction in progress	3,058,592	2,596,177	(21,009)	(1,876,857)	3,756,903
Total nondepreciable assets	17,570,932	2,596,177	(21,009)	(1,876,857)	18,269,243
Depreciable assets:					
Infrastructure	297,395,822	1,038,531	-	1,403,000	299,837,353
Buildings	35,719,131	-	-	473,857	36,192,988
Improvements other than buildings	31,991,425	-	-	-	31,991,425
Machinery and equipment	15,932,292	5,600	-	-	15,937,892
Vehicles	728,296	-	(53,807)	-	674,489
Total depreciable assets	381,766,966	1,044,131	(53,807)	1,876,857	384,634,147
Less accumulated depreciation:					
Infrastructure	173,368,427	6,761,956	-	-	180,130,383
Buildings	17,338,048	820,067	-	-	18,158,115
Improvements other than buildings	21,747,665	1,542,487	-	-	23,290,152
Machinery and equipment	7,883,152	538,949	-	-	8,422,101
Vehicles	625,103	15,026	(53,807)	-	586,322
Total accumulated depreciation	220,962,395	9,678,485	(53,807)	-	230,587,073
Net depreciable assets	160,804,571	(8,634,354)	-	1,876,857	154,047,074
Business-type activities capital assets, net	\$ 178,375,503	\$ (6,038,177)	\$ (21,009)	\$ -	\$ 172,316,317

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

5. CAPITAL ASSETS, Continued

Depreciation expense was charged to various governmental functions as follows:

Governmental Activities	
General government	\$ 8,596
Public safety	586,441
Community development	1,265,220
Operations services	9,543,703
Community activities	1,498,670
Total Governmental Functions	<u>12,902,630</u>
Internal Service Funds	2,077,042
Total Governmental Activities	<u>\$ 14,979,672</u>

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

Business-Type Activities	
Water	\$ 4,017,461
Sewer	2,891,029
Golf	1,582,263
Storm Drain	1,145,958
Transit	15,026
Cemetery	26,748
Total Business-Type Activities	<u>\$ 9,678,485</u>

As discussed in Note 9D, amounts that were contributed to the LAVWMA infrastructure were previously recorded as Construction in Progress. During FY 2019/20, the City restated the beginning balance of these amounts, thereby reducing Construction in Progress by \$7,721,164.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

Description	Balance June 30, 2019	Retirements	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
Governmental Activities - Direct Placement					
California Energy Commission (CEC), 1.0%, due 2022	\$ 653,129	\$ 184,541	\$ 468,588	\$ 186,406	\$ 282,182
Governmental Activities - Direct Borrowing					
HUD Section 108 Loan, variable rate, due 2035	786,000	60,000	726,000	40,000	686,000
Total Governmental Activity Debt	\$ 1,439,129	\$ 244,541	\$ 1,194,588	\$ 226,406	\$ 968,182

Description	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
Business-type Activities - Direct Borrowings						
Golf Course Capital Lease	\$ 223,243	\$ -	\$ 90,631	\$ 132,612	\$ 75,948	\$ 56,664
Golf Course Note Payable	-	291,667	-	291,667	112,010	179,657
California Clean Water SRF Loan	9,681,084	-	301,318	9,379,766	304,331	9,075,435
Business-type Activities - Bonds						
Water Revenue Bonds, Series 2017	5,460,000	-	860,000	4,600,000	880,000	3,720,000
Total Business-type Activity Debt	\$ 15,364,327	\$ 291,667	\$ 1,251,949	\$ 14,404,045	\$ 1,372,289	\$ 13,031,756

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 percent 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, 2020 was \$468,588.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

6. LONG-TERM LIABILITIES, Continued

A. Governmental Activities, Continued

The City's outstanding notes from direct placement related to governmental activities of \$468,588 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.

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Direct Placement		
	California Energy Commission (CEC)		
	Principal	Interest	Total
2021	\$ 186,406	\$ 4,222	\$ 190,628
2022	188,274	2,354	190,628
2023	93,908	471	94,379
Total	<u>\$ 468,588</u>	<u>\$ 7,047</u>	<u>\$ 475,635</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, 2020 was \$726,000.

The City's outstanding notes from direct borrowing related to governmental activities of \$726,000 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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 Borrowing		
	HUD Section 108 Loan		
	Principal	Interest	Total
2021	\$ 40,000	\$ 20,887	\$ 60,887
2022	50,000	19,735	69,735
2023	50,000	18,455	68,455
2024	50,000	17,164	67,164
2025	50,000	15,843	65,843
2026-2030	250,000	58,090	308,090
2031-2035	236,000	18,930	254,930
Total	<u>\$ 726,000</u>	<u>\$ 169,104</u>	<u>\$ 895,104</u>

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 percent. 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 percent. 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 percent. At the end of the term, the property becomes the property of the City.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

6. LONG-TERM LIABILITIES, Continued

B. Business-Type Activities, Continued

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Direct Borrowing		
	Golf Course Capital Lease		
	Principal	Interest	Total
2021	\$ 75,948	\$ 3,216	\$ 79,164
2022	24,581	1,832	26,413
2023	25,543	870	26,413
2024	6,540	63	6,603
Total	<u>\$ 132,612</u>	<u>\$ 5,981</u>	<u>\$ 138,593</u>

The City’s outstanding notes from direct borrowings related to business-type activities of \$132,612 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.

Golf Course Loan Payable

On May 1, 2020, the Golf Course received loan proceeds in the amount of \$291,667 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1 percent, with a deferral of payments for the first six months. The Golf Course intends to use the proceeds for purposes consistent with the PPP. While the Golf Course currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, the Golf Course makes no assurance that actions taken could cause them to be ineligible for forgiveness of the loan, in whole or in part. In the event the entire loan is not forgiven, the Golf Course must make 18 monthly payments of \$16,414, which includes principal and interest, commencing January 5, 2021.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

6. LONG-TERM LIABILITIES, Continued

B. Business-Type Activities, Continued

If payments are required, they would be due as follows:

	For the Year	
	Ending June 30	Payments
2021		\$ 98,484
2022		196,968
Sub-total		295,452
Less: Interest		(3,785)
Total Principal		<u>\$ 291,667</u>

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 percent, and principal and interest payments are due October 31 of each year. The outstanding balance at June 30, 2020 was \$9,379,766.

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
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	316,689	81,441	398,130
2026-2030	1,631,584	359,062	1,990,646
2031-2035	1,714,811	275,835	1,990,646
2036-2040	1,802,284	188,363	1,990,647
2041-2045	1,894,218	96,427	1,990,645
2046-2049	784,472	11,783	796,255
Total	<u>\$ 9,379,766</u>	<u>\$ 1,369,720</u>	<u>\$ 10,749,486</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

6. LONG-TERM LIABILITIES, Continued

B. Business-Type Activities, Continued

The City’s outstanding note from direct borrowings related to business-type activities of \$9,379,766 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.

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 percent 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, 2020 was \$4,600,000.

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
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>\$ 4,600,000</u>	<u>\$ 301,000</u>	<u>\$ 4,901,000</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

6. LONG-TERM LIABILITIES, Continued

C. Debt Without City Commitment

Conduit Debt

In 2003, the City issued a Multifamily Housing Revenue Bond for the Busch Senior Housing Apartments project financing in the amount of \$13,360,000. The bonds have a final maturity date of June 15, 2037. The apartments are required to be occupied in part by low or moderate income families and are restricted exclusively for seniors.

The 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.

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, 2020 was \$29,039,547.

D. Legal Debt Limit

As of June 30, 2020, the City's debt limit based on the legal debt margin (15 percent of 25 percent of the City's assessed valuation subject to taxation) was \$946,542,881.

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, 2020.

As of June 30, 2020, 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, 2020

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	\$ 54,000,000	BCJPIA/CARMA
Employment Practices Liability	75,000	1,000,000	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	100,000	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, 2020 had a negative balance of \$4,294,111 reflecting an increase in claims liability from the prior year. The claims liability of \$8,951,343 is reported as claims payable as of June 30, 2020. 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, 2020, reserves of \$3,932,901 are reported in net position and claims liabilities of \$1,242,345 are reported as claims payable.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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,	
	2020	2019
Unpaid claims, beginning of year	\$ 9,834,712	\$ 9,092,477
Incurred claims and changes in estimates	2,159,960	2,081,401
Claim payments	(1,800,984)	(1,339,166)
Unpaid claims, end of year	<u>\$ 10,193,688</u>	<u>\$ 9,834,712</u>
Current portion	<u>\$ 1,856,905</u>	<u>\$ 1,828,889</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, four towns, one fire authority 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, 2020

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. 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 \$15,673,614 as of June 30, 2020. 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 (PJPFA) was formed by a Joint Exercise of Powers Agreement between the City of Pleasanton and the Housing Authority. The PJPFA has facilitated lease financings (through the issuance of Certificates of Participation) for many of the City's public buildings and infrastructure. The PJPFA issued \$7,100,000 of Water Revenue Bonds during FY 2016/17 (see Note 6B). The outstanding balance at June 30, 2020 was \$4,600,000. The PJPFA is a blended component unit of the City and the financial operations of the PJPFA are included in the City of Pleasanton's financial statements.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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 (LPPFD), 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 LPPFD 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 LPPFD. The City of Pleasanton's share of LPPFD's costs is approximately 50 percent. The City accounts for its investment in LPPFD by the equity method in the Governmental Activities in the Statement of Net Position. During the year ended June 30, 2020, the City contributed \$19,778,812 to LPPFD representing its share of costs. The City's estimated equity/(deficit) interest in LPPFD was (\$42,698,672) as of June 30, 2020.

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 LPPFD is recorded in the Statement of Net Position as "Net Deficit in LPPFD." Financial statements for LPPFD may be obtained from the City of Livermore at 1052 South Livermore Avenue, Livermore, California 94550.

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 member agencies consisting of both counties, thirty cities, six special districts, the University of California Berkeley, 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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

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 five County Board of Supervisors, the Bay Area Rapid Transit District and AC Transit. 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, 2020

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 percent of operating expenses and target reserves equal to 25 percent 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, 2020

9. NET POSITION/ FUND BALANCES, Continued

B. Fund Balance, Continued

As of June 30, 2020, 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, Advances to Other Funds	\$ 515,352	\$ -	\$ -	\$ -	\$ 515,352
Total Nonspendable	<u>515,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,352</u>
Restricted					
Accessibility Programs				33,582	33,582
Assessment District Construction	-	-	-	1,356,683	1,356,683
Asset Forfeiture	-	-	-	111,123	111,123
Budgeted Developer Projects	-	-	-	10,201,028	10,201,028
Business Support Program	-	-	-	2,838,300	2,838,300
Community Access Television	-	-	-	1,466,561	1,466,561
CIP for Downtown & North Pleasanton	-	-	-	3,191,190	3,191,190
Geological Hazard Assessment District	-	-	-	1,317,920	1,317,920
Grants	-	-	-	537,293	537,293
Housing	-	10,357,205	-	-	10,357,205
Landscape and Lighting District	-	-	-	402,809	402,809
Landscape Maintenance NPID	-	-	-	1,048,276	1,048,276
Marilyn Kane Trail Reserve	-	-	-	116,125	116,125
Miscellaneous Donations/Developer Contributions	-	-	-	870,841	870,841
Park Development	-	-	-	10,201,084	10,201,084
PARS Section 115 Pension Trust	17,479,186	-	-	-	17,479,186
Public Facilities Capital Improvements	-	-	-	6,258,264	6,258,264
Public Safety	-	-	-	137,912	137,912
Resource Management	-	-	-	1,141,637	1,141,637
Street Maintenance	-	-	-	12,531,403	12,531,403
Traffic Impact	-	-	-	10,299,661	10,299,661
Traffic Impact - Bernal	-	-	-	808,322	808,322
Tri-Valley Transportation	-	-	-	2,031,256	2,031,256
Various Specific Plans	-	-	-	855,616	855,616
Total Restricted	<u>17,479,186</u>	<u>10,357,205</u>	<u>-</u>	<u>67,756,886</u>	<u>95,593,277</u>
Assigned					
Capital Projects	-	-	19,335,152	13,492,316	32,827,468
Other Purposes	-	-	-	745,738	745,738
Total Assigned	<u>-</u>	<u>-</u>	<u>19,335,152</u>	<u>14,238,054</u>	<u>33,573,206</u>
Unassigned					
Total Unassigned	<u>19,279,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,279,867</u>
Total Fund Balances	<u>\$ 37,274,405</u>	<u>\$ 10,357,205</u>	<u>\$ 19,335,152</u>	<u>\$ 81,994,940</u>	<u>\$ 148,961,702</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

9. NET POSITION/ FUND BALANCES, Continued

C. Deficit Fund Balances and Deficit Net Position

At June 30, 2020, the following funds had a deficit fund balance or deficit net position:

- Employee Benefits Internal Service Fund (\$110,926,651).
- Retiree Insurance Reserve Internal Service Fund (\$35,514,551).

The Employee Benefits Internal Service Fund finished FY 2019/20 with a net position deficit of \$110,926,651 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 March 2018, the City established a Section 115 Pension Trust (Section 115 Trust) with an initial contribution of \$28.0 million. During FY 2019/20, an additional \$10.0 million was contributed. 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 percent 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 2019/20 with a net position deficit of \$35,514,551 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, 2020, the OPEB Trust had a balance of \$73.8 million. The City will use the OPEB Trust to fund future OPEB benefit payments.

D. Net Position Restatements

During FY 2019/20, the City determined that amounts that had been reported as Construction in Progress in the Water Enterprise Fund were contributions towards LAVWMA's infrastructure, and therefore should have been recorded as expenditures. As a result, a restatement in the amount of \$7,721,164 reduced Construction in Progress as well as the beginning net position in the Water Enterprise Fund and Business-Type Activities.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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 plan, 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 percent. As there is a special funding arrangement with the City of Livermore, the City of Pleasanton only records its 50 percent 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 PEPRA classification. Tier 1 is for employees hired prior to January 1, 2013. Tier 2 is for employees hired on or after January 1, 2013. PEPRA 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, 2020

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	\$ 15,606,473	\$ 99,695,806	\$ (2,005,073)
Safety (Police)	10,560,021	34,825,255	(4,756,190)
Total	<u>\$ 26,166,494</u>	<u>\$ 134,521,061</u>	<u>\$ (6,761,263)</u>

Each plan is discussed in detail below.

Funding Policy – In March 2018, the City established a Section 115 Pension Trust Fund 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. During FY 2019/20, the City contributed an additional \$10.0 million to the PARS account. The fair value on the account at June 30, 2020 was \$40.3 million. 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, 2020

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, 2020 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	12.239%	12.239%

⁽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, 2020, the following employees were covered by the benefit terms of the Miscellaneous Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	395
Inactive employees entitled to but not yet receiving benefits	205
Active employees	322
Total	922

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, 2020

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, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 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, 2018 Measurement Date	\$ 278,504,026	\$ 187,999,268	\$ 90,504,758
Changes in the year:			
Service cost	5,641,356	-	5,641,356
Interest on the total pension liability	20,052,323	-	20,052,323
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between actual and expected experience	6,305,281	-	6,305,281
Plan to plan resource movement	-	-	-
Contribution - employer	-	8,420,069	(8,420,069)
Contribution - employee	-	2,216,373	(2,216,373)
Net investment income	-	12,305,193	(12,305,193)
Benefit payments, including refunds of employee contributions	(14,355,824)	(14,355,824)	-
Administrative expense	-	(134,160)	134,160
Other miscellaneous income	-	437	(437)
Net changes	<u>17,643,136</u>	<u>8,452,088</u>	<u>9,191,048</u>
Balance at June 30, 2019 Measurement Date	<u>\$ 296,147,162</u>	<u>\$ 196,451,356</u>	<u>\$ 99,695,806</u>

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	\$ 138,070,840
Current Discount Rate	7.15%
Net Pension Liability	\$ 99,695,806
1% Increase	8.15%
Net Pension Liability	\$ 67,834,847

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2020, the City recognized pension expense of \$8,843,010 for the Miscellaneous Plan. At June 30, 2020, 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	\$ 9,358,934	\$ -
Changes in assumptions	1,340,977	(719,075)
Differences between actual and expected experience	4,906,562	(81,168)
Net differences between projected and actual earnings on plan investments	-	(1,204,830)
Total	<u>\$ 15,606,473</u>	<u>\$ (2,005,073)</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

10. DEFINED BENEFIT PENSION PLAN, Continued

B. Miscellaneous Plan, Continued

The \$9,358,934 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, 2021. 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	Miscellaneous	
	Annual Amortization	
2021	\$	3,452,805
2022		3,260
2023		588,945
2024		197,456
Total	\$	4,242,466

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, 2020, 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	21.927%	18.928%	13.034%

⁽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, 2020

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 \$1,880,708 in fiscal year 2020.

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, 2020, the contributions recognized as part of pension expense for the plan were as follows:

	<u>Safety (Police)</u>
Contributions - employer	<u>\$ 3,699,768</u>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – As of June 30, 2020, 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>\$ 34,825,255</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, 2019 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019 was as follows:

	<u>Safety (Police)</u>
Proportion - June 30, 2018	0.53134%
Proportion - June 30, 2019	<u>0.55787%</u>
Change - Increase (Decrease)	<u>0.02653%</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

10. DEFINED BENEFIT PENSION PLAN, Continued

C. Safety (Police) Plan, Continued

For the year ended June 30, 2020, the City recognized pension expense of \$4,129,508 for the Safety (Police) Plan. At June 30, 2020, 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	\$ 3,699,768	\$ -
Differences between actual and expected experience	2,273,775	-
Changes in assumptions	1,427,427	(278,561)
Net differences between projected and actual earnings on plan investments	-	(479,081)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	3,159,051	(3,998,548)
Total	<u>\$ 10,560,021</u>	<u>\$ (4,756,190)</u>

The \$3,699,768 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, 2021. 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 (Police)	
Year Ended June 30	Annual Amortization	
2021	\$ 2,030,390	
2022	(194,060)	
2023	174,518	
2024	93,215	
Total	<u>\$ 2,104,063</u>	

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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	\$	57,597,180
Current Discount Rate		7.15%
Net Pension Liability	\$	34,825,255
1% Increase		8.15%
Net Pension Liability	\$	16,155,843

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 equally the Safety Fire Plan affiliated with the LPFD with the City of Livermore, therefore the following tables show only the City of Pleasanton’s 50 percent share. As there is a special funding arrangement with the City of Livermore, the City of Pleasanton only records its 50 percent share of the 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.

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, 2020

10. DEFINED BENEFIT PENSION PLAN, Continued

D. LPFD Safety (Fire) Plan, Continued

The plans' provisions and benefits in effect at June 30, 2020, 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%	11.25%
Required employer contribution rates	19.100%	19.100%	19.100%

⁽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, 2020, the following employees were covered by the benefit terms of the Safety (Fire) Plan:

	Safety (Fire)
Inactive employees or beneficiaries currently receiving benefits	153
Inactive employees entitled to but not yet receiving benefits	29
Active employees	108
Total	290

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, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2018 Measurement Date	\$ 111,485,349	\$ 73,091,069	\$ 38,394,280
Changes in the year:			
Service cost	2,080,252	-	2,080,252
Interest on the total pension liability	7,908,391	-	7,908,391
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between actual and expected experience	1,021,616	-	1,021,616
Plan to plan resource movement	-	-	-
Contribution - employer	-	3,314,421	(3,314,421)
Contribution - employee	-	882,302	(882,302)
Net investment income	-	4,782,410	(4,782,410)
Benefit payments, including refunds of employee contributions	(5,880,468)	(5,880,468)	-
Administrative expense	-	(52,160)	52,160
Other miscellaneous income	-	170	(170)
Net changes	5,129,791	3,046,675	2,083,116
Balance at June 30, 2019 Measurement Date	\$ 116,615,140	\$ 76,137,744	\$ 40,477,396

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	\$ 54,952,699
Current Discount Rate	7.15%
Net Pension Liability	\$ 40,477,396
1% Increase	8.15%
Net Pension Liability	\$ 28,388,285

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2020, the City recognized pension expense of \$1,686,107 for the Safety (Fire) Plan. At June 30, 2020, 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	\$ 3,839,926	\$ -
Changes in assumptions	2,153,402	(158,336)
Differences between actual and expected experience	772,442	(652,375)
Net differences between projected and actual earnings on plan investments	-	(416,804)
Total	<u>\$ 6,765,770</u>	<u>\$ (1,227,515)</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

10. DEFINED BENEFIT PENSION PLAN, Continued

D. LPFD Safety (Fire) Plan, Continued

The \$3,839,926 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, 2021. 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
2021	\$ 1,318,752
2022	217,568
2023	61,753
2024	100,256
Total	<u>\$ 1,698,329</u>

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, 2019 actuarial valuations were determined using the following actuarial assumptions for the Miscellaneous and Safety Plans:

	Miscellaneous & Safety
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
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	The lesser of Contract COLA or 2.50% 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, 2020

10. DEFINED BENEFIT PENSION PLAN, Continued

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

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15 percent. 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 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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 the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Subsequent Event - CalPERS Pension Contribution Rates - The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City's contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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 percent 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 percent 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 percent 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 percent of the monthly premium for employee and one dependent of the City's current Kaiser S-1 Health Plan.
- 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 percent 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 percent 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 percent for each year of service of the two-party rate for the lowest cost HMO.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

A. Plan Description and Benefits Provided, Continued

- For all employees who are hired on or after January 1, 2012 and retire from service, the City shall provide the following benefit: Commencing upon the date of hire, the employee will be credited with four percent for each year of service of the single plan rate for the lowest cost HMO. Upon reaching Medicare eligibility age, the City's contribution toward the medical premium shall cease.

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 percent 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 percent 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 percent 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 percent 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.
- 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 percent 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

A. Plan Description and Benefits Provided, Continued

- If hired on or after 1/21/2009, the City shall pay 4 percent 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 employees become 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, 2019:

	<u>Non-Fire</u>	<u>Fire</u>
Active plan members	328	119
Inactive employees or beneficiaries currently receiving benefit payments	327	95
Inactive employees entitled to but not yet receiving benefit payments	34	2
Total	<u>689</u>	<u>216</u>

B. Funding Policy

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

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Net OPEB Liability

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 that was rolled forward using standard update procedures to determine the June 30, 2020 total OPEB liability as of June 30, 2019, based on the following actuarial methods and assumptions:

	<u>Actuarial Assumptions</u>
Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
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-2019
Medical Trend	-Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years -Medicare - 6.3% for 2021, 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, 30% will re-lect at age 65 if not currently in payment

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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	59%	4.82%
Fixed Income	25%	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 percent. 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, 2020

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 (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2019	\$ 92,080,000	\$ 44,211,000	\$ 47,869,000
Changes Recognized for the Measurement Period:			
Service cost	1,779,000	-	1,779,000
Interest	6,193,000	-	6,193,000
Benefit changes	-	-	-
Difference between expected and actual experience	(12,135,000)	-	(12,135,000)
Changes of assumptions	(1,540,000)	-	(1,540,000)
Contributions from the employer	-	5,521,000	(5,521,000)
Net investment income	-	2,753,000	(2,753,000)
Benefit payments and refunds	(4,201,000)	(4,201,000)	-
Administrative expenses	-	(9,000)	9,000
Net Changes	(9,904,000)	4,064,000	(13,968,000)
Balance at June 30, 2020	\$ 82,176,000	\$ 48,275,000	\$ 33,901,000

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 \$1,006,000.

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%)
\$ 44,952,000	\$ 33,901,000	\$ 24,814,000

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%
\$ 24,236,000	\$ 33,901,000	\$ 45,696,000

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

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, 2020, the City recognized OPEB expense of \$3,677,000 for the City of Pleasanton Retiree Healthcare Plan. At June 30, 2020, 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	\$ 5,413,000	-
Difference between expected and actual experience	-	\$ (9,708,000)
Changes in assumptions	-	(1,232,000)
Net difference between projected and actual earnings on plan investments	-	(611,000)
Total	<u>\$ 5,413,000</u>	<u>\$ (11,551,000)</u>

The \$5,413,000 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, 2021. 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>
2021	\$ (3,041,000)
2022	(3,042,000)
2023	(2,780,000)
2024	(2,688,000)
Total	<u>\$ (11,551,000)</u>

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 equally shares the Safety Fire Plan affiliated with the LPFD with the City of Livermore. As there is a special funding arrangement with the City of Livermore, the City of Pleasanton only records its 50 percent 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.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

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

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 (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2019	\$ 18,678,000	\$ 9,585,500	\$ 9,092,500
Changes Recognized for the Measurement Period:			
Service cost	409,500	-	409,500
Interest	1,262,500	-	1,262,500
Benefit changes	-	-	-
Difference between expected and actual experience	(1,355,000)	-	(1,355,000)
Changes of assumptions	575,500	-	575,500
Contributions from the employer	-	1,149,000	(1,149,000)
Net investment income	-	599,000	(599,000)
Benefit payments and refunds	(772,000)	(772,000)	-
Administrative expenses	-	(2,000)	2,000
Net Changes	<u>120,500</u>	<u>974,000</u>	<u>(853,500)</u>
Balance at June 30, 2020	<u>\$ 18,798,500</u>	<u>\$ 10,559,500</u>	<u>\$ 8,239,000</u>

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%)
<u>\$ 10,875,000</u>	<u>\$ 8,239,000</u>	<u>\$ 6,074,500</u>

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%
<u>\$ 5,917,000</u>	<u>\$ 8,239,000</u>	<u>\$ 11,078,500</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

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

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$280,500 for the LPFD Retiree Healthcare Plan. At June 30, 2020, 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	\$ 1,120,500	\$ -
Difference between expected and actual experience	-	(1,143,500)
Changes in assumptions	485,500	-
Net difference between projected and actual earnings on plan investments	-	-
	-	(127,500)
Total	<u>\$ 1,606,000</u>	<u>\$ (1,271,000)</u>

The \$1,120,500 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, 2021. 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>
2021	\$ (185,500)
2022	(185,000)
2023	(131,000)
2024	(112,000)
2025	(121,500)
Thereafter	<u>(50,500)</u>
Total	<u>\$ (785,500)</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 2019/20 debt service and operating costs for the facility was \$214,549. The County will fully repay the debt service by June 30, 2022. The City's proportionate share of debt service is approximately 11.8 percent and the outstanding balance due to the County for remaining debt service payments was approximately \$62,077 at June 30, 2020.

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

12. COMMITMENTS AND CONTINGENCIES, Continued

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. The City's contribution to debt service is limited to sewer connection fees collected on behalf of LAVWMA.

D. Construction Commitments

The City had several outstanding or planned construction projects as of June 30, 2020. 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	3,923,993
OBAG Cycle II Grant Street Reconstruction	2,399,865
Bridge Improvements	1,584,863
Total	<u>\$ 15,522,820</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, 2020, amounted to approximately \$68,877.

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

Future Lease Payments:

	Terms	2020/21	2021/22	2022/23	2023/24	Total
Xerox (4 copiers)	11/7/2017 - 11/8/2022	\$ 55,598	\$ 55,598	\$ 23,166	\$ -	\$ 134,362
Pitney Bowes (SendPro P-Series mailing system)	10/1/2018 - 9/30/2023	7,969	7,969	7,969	1,992	25,899
		<u>\$ 63,567</u>	<u>\$ 63,567</u>	<u>\$ 31,135</u>	<u>\$ 1,992</u>	<u>\$ 160,261</u>

City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2020

12. COMMITMENTS AND CONTINGENCIES, Continued

E. Operating Leases, Continued

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, 2020, amounted to \$77,073.

The future minimum lease payments anticipated under the existing lease commitments for business-type activities, as of June 30, 2020, are as follow:

Golf Fund	2020/21	\$	94,848
	2021/22		94,848
	2022/23		63,232
Total Future Minimum Annual Rents		\$	<u>252,928</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Pleasanton
Required Supplementary Information
For the year ended June 30, 2020

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 of every odd numbered year, the City Manager submits to the City Council a proposed two-year operating budget for the subsequent two fiscal years. 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.
6. A budget review is presented to the City Council by the City Manager for the second year of the two-year budget and approved.
7. After adoption, the budget is transferred to the general ledger for staff to manage expenses and revenues against the budget.
8. The budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States.
9. 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.
10. The following funds have expenditures in excess of appropriation:
 - o Lower Income Housing Fund - \$376,284. On June 2, 2020, the City Council approved the proposed Emergency Rental Assistance Program for renters affected by the COVID-19 pandemic. The original funding of \$500,000 was appropriated through Council action outside of the budget in June 2020 to be expended in FY2020/21. However, the initial amount of \$250,000 was spent in FY2019/20 due to the early program implementation causing the \$250,000 variance. The remainder of the variance is due to previously approved Housing and Human Services Grants in FY2018/19 that were spent during FY 2019/20.
 - o Asset Forfeiture Special Revenue Fund - \$12,443. Staff neglected to update the FY2019/20 Mid-year budget to reflect additional revenues and expenditures.
 - o HBPOA Maintenance District Special Revenue Fund - \$33,444. All expenditures are reimbursed through the HBPOA maintenance agreement. Staff will bring the budget amendment during the upcoming FY2020/21 Mid-year budget review.

City of Pleasanton
Required Supplementary Information, continued
For the year ended June 30, 2020

1. BUDGETARY INFORMATION, Continued

Budgetary Information, Continued

- Community Access Television Special Revenue Fund - \$92,783. Tri-Valley Community Television (TVCTV) serves the educational and governmental television access needs for the cities of Dublin, Livermore, and Pleasanton. The amount of \$98,148 was used for the purchase and installation of new broadcasting equipment for TVCTV. Staff intended to include the \$98,148 in the FY2019/20 Mid-year budget but neglected to do so.
- AB1379 CASp Certification and Training Special Revenue Fund - \$26,772. The Certified Access Specialist Program (CASp) fund is used for increased CASp training and certification that staff neglected to include in the FY2019/20 Mid-year budget.

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**City of Pleasanton
Required Supplementary Information, Continued
For the Year Ended June 30, 2020**

2. BUDGETARY COMPARISON SCHEDULES

Budgetary Comparison Schedule - General Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 107,226,000	\$ 103,526,285	\$ 105,812,873	\$ 2,286,588
Licenses	10,000	10,000	7,505	(2,495)
Permits	3,049,827	2,212,827	2,717,733	504,906
Fines and forfeitures	279,500	309,500	240,122	(69,378)
Use of money and property	478,750	545,000	1,172,567	627,567
Intergovernmental	442,500	83,000	302,686	219,686
Franchises	3,185,000	5,095,000	4,984,643	(110,357)
Charges for services	1,312,472	1,250,522	1,313,568	63,046
Development fees	316,000	316,000	313,346	(2,654)
Plan check fees	2,220,000	2,220,000	1,954,136	(265,864)
Contributions and donations	8,400	29,700	47,027	17,327
Other revenues	4,295,625	4,227,530	3,744,212	(483,318)
Recreation charges	4,747,084	3,809,245	2,310,189	(1,499,056)
Total revenues	127,571,158	123,634,609	124,920,607	1,285,998
EXPENDITURES:				
Current:				
General government	17,127,304	15,827,502	15,975,597	(148,095)
Public safety	52,076,944	51,108,234	50,262,619	845,615
Community development	16,197,153	15,562,842	14,493,624	1,069,218
Operations service	20,516,715	19,974,730	20,191,622	(216,892)
Community activities	14,351,270	14,325,147	12,524,748	1,800,399
Capital outlay	440,890	384,790	357,893	26,897
Total expenditures	120,710,276	117,183,245	113,806,103	3,377,142
REVENUES OVER (UNDER) EXPENDITURES	6,860,882	6,451,364	11,114,504	4,663,140
OTHER FINANCING SOURCES (USES):				
Transfers in	1,043,004	1,043,004	1,160,068	117,064
Transfers out	(7,144,359)	(4,734,841)	(4,602,166)	132,675
Total other financing sources	(6,101,355)	(3,691,837)	(3,442,098)	249,739
Net change in fund balances	\$ 759,527	\$ 2,759,527	7,672,406	\$ 4,912,879
FUND BALANCES:				
Beginning of year			29,601,999	
End of year			\$ 37,274,405	

**City of Pleasanton
Required Supplementary Information, Continued
For the Year Ended June 30, 2020**

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	\$ 345,000	\$ 889,040	\$ 544,040
Development fees	1,037,818	1,037,818	486,444	(551,374)
Other	760,000	760,000	37,415	(722,585)
Total revenues	<u>2,142,818</u>	<u>2,142,818</u>	<u>1,412,899</u>	<u>(729,919)</u>
EXPENDITURES:				
Current:				
Community development	334,242	579,688	955,972	(376,284)
Total expenditures	<u>334,242</u>	<u>579,688</u>	<u>955,972</u>	<u>(376,284)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,808,576</u>	<u>1,563,130</u>	<u>456,927</u>	<u>(1,106,203)</u>
Net change in fund balances	<u>\$ 1,808,576</u>	<u>\$ 1,563,130</u>	<u>456,927</u>	<u>\$ (1,106,203)</u>
FUND BALANCES:				
Beginning of year			<u>9,900,278</u>	
End of year			<u>\$ 10,357,205</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2020

**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, 2020
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	6/30/2019
Total Pension Liability						
Service Cost	\$ 4,784,381	\$ 4,620,237	\$ 4,642,360	\$ 5,161,399	\$ 5,553,995	\$ 5,641,356
Interest on total pension liability	16,162,509	16,848,783	17,579,426	18,145,556	18,845,304	20,052,323
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	6,305,281
Benefit payments, including refunds of employee contributions	(9,911,617)	(10,532,758)	(12,124,179)	(12,579,145)	(13,377,947)	(14,355,824)
Net change in total pension liability	11,035,273	5,039,038	9,496,890	24,585,726	10,283,355	17,643,136
Total pension liability - beginning	218,063,744	229,099,017	234,138,055	243,634,945	268,220,671	278,504,026
Total pension liability - ending (a)	\$ 229,099,017	\$ 234,138,055	\$ 243,634,945	\$ 268,220,671	\$ 278,504,026	\$ 296,147,162
Plan fiduciary net position						
Contributions - employer	\$ 6,912,621	\$ 12,476,826	\$ 7,313,803	\$ 6,881,221	\$ 7,497,182	\$ 8,420,069
Contributions - employee	1,956,863	1,936,755	1,841,400	2,201,929	2,169,969	2,216,373
Net investment income	23,466,228	3,697,901	995,694	18,392,392	15,054,343	12,305,193
Other miscellaneous income	-	-	-	-	(525,132)	437
Benefit payments, including refunds of employee contributions	(9,911,617)	(10,532,758)	(12,124,179)	(12,579,145)	(13,377,947)	(14,355,824)
Plan to plan resource movement	-	47	-	-	(437)	-
Administrative expense	-	(185,591)	(100,483)	(240,366)	(276,528)	(134,160)
Net change in plan fiduciary net position	22,424,095	7,393,180	(2,073,765)	14,656,031	10,541,450	8,452,088
Plan fiduciary net position - beginning	135,058,277	157,482,372	164,875,552	162,801,787	177,457,818	187,999,268
Plan fiduciary net position - ending (b)	\$ 157,482,372	\$ 164,875,552	\$ 162,801,787	\$ 177,457,818	\$ 187,999,268	\$ 196,451,356
Net pension liability - ending (a)-(b)	\$ 71,616,645	\$ 69,262,503	\$ 80,833,158	\$ 90,762,853	\$ 90,504,758	\$ 99,695,806
Plan fiduciary net position as a percentage of the total pension liability	68.74%	70.42%	66.82%	66.16%	67.50%	66.34%
Covered payroll	\$ 24,742,104	\$ 25,009,403	\$ 25,673,931	\$ 25,556,540	\$ 27,648,324	\$ 28,396,120
Net pension liability as a percentage of covered payroll	289.45%	276.95%	314.85%	355.15%	327.34%	351.09%

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 six years are shown.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2020

**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, 2020
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	6/30/2019
Total Pension Liability						
Service Cost	\$ 3,647,581	\$ 3,440,755	\$ 3,675,812	\$ 4,380,642	\$ 4,233,715	\$ 4,160,503
Interest on total pension liability	13,303,540	13,761,314	14,305,583	14,640,730	15,101,959	15,816,781
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)	2,043,232
Benefit payments, including refunds of employee contributions	(9,192,267)	(9,722,438)	(10,185,743)	(10,503,998)	(10,928,666)	(11,760,936)
Net change in total pension liability	7,758,854	2,595,190	7,544,770	18,292,806	6,626,192	10,259,580
Total pension liability - beginning	180,152,886	187,911,740	190,506,930	198,051,700	216,344,506	222,970,698
Total pension liability - ending (a)	\$ 187,911,740	\$ 190,506,930	\$ 198,051,700	\$ 216,344,506	\$ 222,970,698	\$ 233,230,278
Plan fiduciary net position						
Contributions - employer	\$ 4,539,230	\$ 4,930,309	\$ 5,361,714	\$ 6,071,682	\$ 6,172,990	\$ 6,628,841
Contributions - employee	1,168,645	1,221,550	1,391,002	1,551,969	1,765,387	1,764,603
Net investment income	19,743,524	2,855,434	671,305	14,098,740	11,736,933	9,564,819
Other miscellaneous income	-	-	-	-	(408,545)	340
Benefit payments, including refunds of employee contributions	(9,192,267)	(9,722,438)	(10,185,743)	(10,503,998)	(10,928,666)	(11,760,936)
Plan to plan resource movement	-	(285)	-	-	(340)	-
Administrative expense	-	(146,155)	(79,149)	(187,549)	(215,135)	(104,319)
Net change in plan fiduciary net position	16,259,132	(861,585)	(2,840,871)	11,030,844	8,122,624	6,093,348
Plan fiduciary net position - beginning	114,471,993	130,731,125	129,869,540	127,028,669	138,059,513	146,182,137
Plan fiduciary net position - ending (b)	\$ 130,731,125	\$ 129,869,540	\$ 127,028,669	\$ 138,059,513	\$ 146,182,137	\$ 152,275,485
Net pension liability - ending (a)-(b)	\$ 57,180,615	\$ 60,637,390	\$ 71,023,031	\$ 78,284,993	\$ 76,788,561	\$ 80,954,793
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)	(40,477,397)
City of Pleasanton's Share of net pension liability	<u>\$ 28,590,308</u>	<u>\$ 30,318,696</u>	<u>\$ 35,511,515</u>	<u>\$ 39,142,496</u>	<u>\$ 38,394,280</u>	<u>\$ 40,477,396</u>
Plan fiduciary net position as a percentage of the total pension liability	69.57%	68.17%	64.14%	63.81%	65.56%	65.29%
Covered payroll	\$ 13,543,667	\$ 13,131,650	\$ 14,128,499	\$ 15,376,607	\$ 14,858,791	\$ 14,695,194
Net pension liability as a percentage of covered payroll	422.19%	461.77%	502.69%	509.12%	516.79%	550.89%

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 six years are shown.

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City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2020

**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, 2020
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>	<u>6/30/2019</u>
Safety (Police)						
Plan's proportion of the Net Pension Liability (Asset)	0.62067%	0.55410%	0.57268%	0.51615%	0.53134%	0.55787%
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>	<u>\$ 34,825,255</u>
Plan's Covered Payroll	\$ 7,810,882	\$ 7,564,225	\$ 7,525,351	\$ 9,064,484	\$ 8,659,767	\$ 9,205,257
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%	378.32%
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%	0.56027%

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

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2020

5. SCHEDULES OF CONTRIBUTIONS

City of Pleasanton - Miscellaneous Plan, an Agent Multiple-Employer Defined Benefit Pension Plan
For the fiscal year ending June 30, 2020
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 6,476,826	\$ 7,326,646	\$ 6,884,294	\$ 7,475,803	\$ 8,273,189	\$ 9,358,934
Contributions in relation to the actuarially determined contributions	(12,476,826)	(7,326,646)	(6,884,294)	(7,475,803)	(8,273,189)	(9,358,934)
Contribution deficiency (excess)	\$ (6,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 25,009,403	\$ 25,673,931	\$ 25,556,540	\$ 27,648,324	\$ 28,396,120	\$ 29,392,271
Contributions as a percentage of covered payroll	49.89%	28.54%	26.94%	27.04%	29.13%	31.84%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	For details, see June 30, 2016 Funding Valuation Report
Remaining amortization period	For details, see June 30, 2016 Funding Valuation Report
Asset valuation method	Fair Value of Assets. For details, see June 30, 2016 Funding Valuation Report
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.375% 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 six years are shown.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2020

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, 2020
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 4,880,354	\$ 5,390,058	\$ 6,313,962	\$ 6,009,558	\$ 6,117,340	\$ 7,679,832
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)	(3,839,916)
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>	<u>(3,839,916)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 14,331,483
Contributions as a percentage of covered payroll	18.58%	19.08%	20.53%	20.22%	23.36%	26.79%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	For details, see June 30, 2016 Funding Valuation Report
Remaining amortization period	For details, see June 30, 2016 Funding Valuation Report
Asset valuation method	Fair Value of Assets. For details, see June 30, 2016 Funding Valuation Report
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.375% 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 six years are shown.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2020

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, 2020
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>	<u>2020</u>
Safety (Police)						
Actuarially determined contribution	\$ 2,638,355	\$ 1,599,423	\$ 3,542,737	\$ 2,516,591	\$ 3,321,452	\$ 3,699,768
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>	<u>(3,699,768)</u>
Contribution deficiency (excess)	<u>\$ (4,500,000)</u>	<u>\$ (1,590,700)</u>	<u>\$ (2,616,480)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,564,225	\$ 7,525,351	\$ 9,064,484	\$ 8,659,767	\$ 9,205,257	\$ 9,457,832
Contributions as a percentage of covered payroll	94.37%	42.39%	67.95%	29.06%	36.08%	39.12%

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

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City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2020

**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, 2020

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)

Measurement date	June 30, 2017	June 30, 2018	June 30, 2019
Total OPEB liability			
Service cost	\$ 1,677,000	\$ 1,727,000	\$ 1,779,000
Interest	5,673,000	5,939,000	6,193,000
Benefit changes	-	-	-
Differences between expected and actual experience	-	-	(12,135,000)
Assumption changes	-	-	(1,540,000)
Benefit payments	(3,285,000)	(3,670,000)	(4,201,000)
Changes of benefit terms	-	-	-
Net change in total OPEB liability	4,065,000	3,996,000	(9,904,000)
Total OPEB liability - beginning	84,019,000	88,084,000	92,080,000
Total OPEB liability - ending (a)	\$ 88,084,000	\$ 92,080,000	\$ 82,176,000
OPEB fiduciary net position			
Contributions - employer	\$ 5,898,000	\$ 4,800,000	\$ 5,521,000
Contributions - employee	-	-	-
Net investment income	3,662,000	3,211,000	2,753,000
Benefit payments	(3,285,000)	(3,670,000)	(4,201,000)
Administrative expense	(19,000)	(75,000)	(9,000)
Other changes	-	-	-
Net change in plan fiduciary net position	6,256,000	4,266,000	4,064,000
Plan fiduciary net position - beginning	33,689,000	39,945,000	44,211,000
Plan fiduciary net position - ending (b)	\$ 39,945,000	\$ 44,211,000	\$ 48,275,000
Plan net OPEB liability - ending (a) - (b)	\$ 48,139,000	\$ 47,869,000	\$ 33,901,000
Plan fiduciary net position as a percentage of the total OPEB liability	45.35%	48.01%	58.75%
Covered payroll	\$ 37,661,000	\$ 39,630,000	\$ 40,367,000
Plan net OPEB liability as a percentage of covered payroll	127.82%	120.79%	83.98%

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

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2020

**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, 2020

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)

Measurement date	June 30, 2017	June 30, 2018	June 30, 2019
Total OPEB liability			
Service cost	\$ 772,000	\$ 795,000	\$ 819,000
Interest	2,281,000	2,405,000	2,525,000
Benefit changes	-	-	-
Differences between expected and actual experience	-	-	(2,710,000)
Assumption changes	-	-	1,151,000
Benefit payments	(1,160,000)	(1,341,000)	(1,544,000)
Changes of benefit terms	-	-	-
Net change in total OPEB liability	1,893,000	1,859,000	241,000
Total OPEB liability - beginning	33,604,000	35,497,000	37,356,000
Total OPEB liability - ending (a)	\$ 35,497,000	\$ 37,356,000	\$ 37,597,000
OPEB fiduciary net position			
Contributions - employer	\$ 2,379,000	\$ 2,110,000	\$ 2,298,000
Contributions - employee	-	-	-
Net investment income	1,555,000	1,378,000	1,198,000
Benefit payments	(1,160,000)	(1,341,000)	(1,544,000)
Administrative expense	(8,000)	(32,000)	(4,000)
Other changes	-	-	-
Net change in plan fiduciary net position	2,766,000	2,115,000	1,948,000
Plan fiduciary net position - beginning	14,290,000	17,056,000	19,171,000
Plan fiduciary net position - ending (b)	\$ 17,056,000	\$ 19,171,000	\$ 21,119,000
Plan net OPEB liability - ending (a) - (b)	\$ 18,441,000	\$ 18,185,000	\$ 16,478,000
Less: City of Livermore's Share of net OPEB liability	(9,220,500)	(9,092,500)	(8,239,000)
City of Pleasanton's Share of net OPEB liability	<u>\$ 9,220,500</u>	<u>\$ 9,092,500</u>	<u>\$ 8,239,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	48.05%	51.32%	56.17%
Covered payroll	\$ 19,761,000	\$ 21,285,000	\$ 21,990,000
Plan net OPEB liability as a percentage of covered payroll	93.32%	85.44%	74.93%

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

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2020

7. SCHEDULES OF OPEB CONTRIBUTIONS

CITY OF PLEASANTON RETIREE HEALTHCARE PLAN
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CONTRIBUTIONS
For the Year Ended June 30, 2020

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)

Fiscal Year	2017/18	2018/19	2019/20
Actuarially determined contribution	\$ 4,971,000	\$ 5,368,000	\$ 5,480,000
Contributions in relation to the actuarially determined contribution	4,800,000	5,521,000	5,413,000
Contribution deficiency (excess)	\$ 171,000	\$ (153,000)	\$ 67,000
Covered payroll	\$ 39,630,000	\$ 40,367,000	\$ 42,264,000
Contributions as a percentage of covered payroll	12.11%	13.68%	12.81%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2015	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percentage of pay	Level percentage of pay	Level percentage of pay
Remaining Amortization	21-year fixed period for 2017/18	20-year fixed period for 2018/19	19-year fixed period for 2019/20
Asset Valuation Method	Investment gains and losses spread over 5- year rolling period	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%	6.75%
General Inflation	3.00%	2.75%	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	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	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	Mortality projected fully generational with Scale MP-2017

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

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2020

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, 2020

Last Ten Fiscal Years *

Other Post-Employment Benefits (OPEB)

Fiscal Year	2017/18	2018/19	2019/20
Actuarially determined contribution	\$ 2,143,000	\$ 2,216,000	\$ 2,267,000
Contributions in relation to the actuarially determined contributions (City of Livermore's Share)	1,055,000	1,149,000	1,120,500
Contributions in relation to the actuarially determined contributions (City of Pleasanton's Share)	1,055,000	1,149,000	1,120,500
Contribution deficiency (excess)	\$ 33,000	\$ (82,000)	\$ 26,000
Covered payroll	\$ 21,285,000	\$ 21,990,000	\$ 22,179,000
Contributions as a percentage of covered payroll	9.91%	10.45%	10.10%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2015	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percentage of pay	Level percentage of pay	Level percentage of pay
Remaining Amortization	21-year fixed period for 2017/18	20-year fixed period for 2018/19	19-year fixed period for 2019/20
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period	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%	6.75%
General Inflation	3.00%	2.75%	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	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	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	Mortality projected fully generational with Scale MP-2017

*Fiscal year 2018 was the 1st year of implementation, therefore only three 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, 2020**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 140,000	\$ 140,000	\$ 601,201	\$ 461,201
Intergovernmental	300,000	300,000	310,862	10,862
Contributions and donations	-	-	500,000	500,000
Other revenue	-	-	11,991	11,991
Total revenues	<u>140,000</u>	<u>440,000</u>	<u>1,424,054</u>	<u>984,054</u>
EXPENDITURES:				
Community activities	-	100,000	-	100,000
Capital outlay	5,129,445	18,234,247	1,322,177	16,912,070
Debt service:				
Principal	180,910	180,910	184,541	(3,631)
Interest	9,718	9,718	6,088	3,630
Total expenditures	<u>5,320,073</u>	<u>18,524,875</u>	<u>1,512,806</u>	<u>17,012,069</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(5,180,073)</u>	<u>(18,084,875)</u>	<u>(88,752)</u>	<u>(16,028,015)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	6,105,073	3,779,217	3,779,217	-
Transfers out	(766,829)	(3,851,829)	(3,851,829)	-
Total other financing sources	<u>5,338,244</u>	<u>(72,612)</u>	<u>(72,612)</u>	<u>-</u>
Net change in fund balances	<u>\$ 158,171</u>	<u>\$ (18,157,487)</u>	<u>(161,364)</u>	<u>\$ (16,028,015)</u>
FUND BALANCES:				
Beginning of year			<u>19,496,516</u>	
End of year			<u>\$ 19,335,152</u>	

**City of Pleasanton
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020**

	Special Revenue Funds	Capital Project Funds	Total
ASSETS			
Cash and investments	\$ 24,189,744	\$ 59,101,678	\$ 83,291,422
Receivables:			
Accounts	915,981	5,551	921,532
Grants	127,424	-	127,424
Interest	431,196	277,545	708,741
Notes receivable, net	<u>2,541,027</u>	<u>698,870</u>	<u>3,239,897</u>
Total assets	<u><u>\$ 28,205,372</u></u>	<u><u>\$ 60,083,644</u></u>	<u><u>\$ 88,289,016</u></u>
LIABILITIES			
Accounts payable	\$ 1,069,357	\$ 963,016	\$ 2,032,373
Payroll payable	3,931	-	3,931
Due to other funds	20,655	-	20,655
Advances from other funds	-	581,955	581,955
Unearned revenue	<u>83,728</u>	<u>-</u>	<u>83,728</u>
Total liabilities	<u>1,177,671</u>	<u>1,544,971</u>	<u>2,722,642</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - loans	<u>2,872,564</u>	<u>698,870</u>	<u>3,571,434</u>
FUND BALANCES			
Restricted	23,409,398	44,347,488	67,756,886
Assigned	<u>745,739</u>	<u>13,492,315</u>	<u>14,238,054</u>
Total fund balances	<u>24,155,137</u>	<u>57,839,803</u>	<u>81,994,940</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 28,205,372</u></u>	<u><u>\$ 60,083,644</u></u>	<u><u>\$ 88,289,016</u></u>

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2020

	Special Revenue Funds	Capital Project Funds	Total
REVENUES:			
Special assessments	\$ 207,333	\$ -	\$ 207,333
Fines and forfeitures	33,880	-	33,880
Use of money and property	581,548	1,740,265	2,321,813
Intergovernmental	6,651,381	-	6,651,381
Franchise fees	3,342,285	-	3,342,285
Development fees	168,247	1,163,589	1,331,836
Contributions and donations	290,726	97,491	388,217
Other revenues	510,641	103,204	613,845
Total revenues	11,786,041	3,104,549	14,890,590
EXPENDITURES:			
Current:			
Public safety	62,734	-	62,734
Community development	490,093	732,547	1,222,640
Operations services	593,720	32,440	626,160
Community activities	183,510	-	183,510
Capital outlay	5,688,414	5,052,268	10,740,682
Debt service:			
Principal	60,000	-	60,000
Interest	18,785	-	18,785
Total expenditures	7,097,256	5,817,255	12,914,511
REVENUES OVER (UNDER) EXPENDITURES	4,688,785	(2,712,706)	1,976,079
OTHER FINANCING SOURCES (USES):			
Transfers in	3,000,000	3,656,806	6,656,806
Transfers out	(444,849)	(1,477,454)	(1,922,303)
Total other financing sources (uses)	2,555,151	2,179,352	4,734,503
Net change in fund balances	7,243,936	(533,354)	6,710,582
FUND BALANCES:			
Beginning of year	16,911,201	58,373,157	75,284,358
End of year	\$ 24,155,137	\$ 57,839,803	\$ 81,994,940

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 (N.P.I.D.)

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.

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.

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Specific Plans

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.

Business Support Program

This fund accounts for the loans provided to independently or locally owned micro-enterprises, restaurants and retail businesses located in Pleasanton to assist them in remaining solvent during the COVID-19 emergency.

Pleasanton Garbage Service Rate Reserve

This fund accounts for the Rate Reserve Calculation proceeds received from Pleasanton Garbage Services (PGS) during FY 2019/20, as per the Rate Reserve Agreement, dated March 20, 2018, between the City and PGS. The funds will be allocated to future projects at a later date.

**City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2020**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations
ASSETS					
Cash and investments	\$ 18,683	\$ 129,984	\$ 712,957	\$ 1,107,567	\$ 447,552
Receivables:					
Accounts	-	-	-	54,401	-
Grants	-	-	-	-	-
Interest	91	582	3,463	4,734	884
Notes receivable, net	-	-	-	-	-
Total assets	<u>\$ 18,774</u>	<u>\$ 130,566</u>	<u>\$ 716,420</u>	<u>\$ 1,166,702</u>	<u>\$ 448,436</u>
LIABILITIES					
Accounts payable	\$ -	\$ 19,443	\$ -	\$ 24,881	\$ -
Payroll payable	-	-	-	184	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>19,443</u>	<u>-</u>	<u>25,065</u>	<u>-</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	18,774	111,123	-	1,141,637	448,436
Assigned	-	-	716,420	-	-
Total fund balances	<u>18,774</u>	<u>111,123</u>	<u>716,420</u>	<u>1,141,637</u>	<u>448,436</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,774</u>	<u>\$ 130,566</u>	<u>\$ 716,420</u>	<u>\$ 1,166,702</u>	<u>\$ 448,436</u>

Landscape and Lighting Districts	Landscape Maintenance N.P.I.D.	Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Gas Tax	HOME Program
\$ 433,317	\$ 1,032,931	\$ 1,311,219	\$ 1,340,720	\$ 5,133,785	\$ -
46	10,325	216	185,228	367,984	-
-	-	-	-	-	47,220
2,183	5,020	6,485	6,288	23,402	138,061
-	82,472	-	-	-	1,788,987
<u>\$ 435,546</u>	<u>\$ 1,130,748</u>	<u>\$ 1,317,920</u>	<u>\$ 1,532,236</u>	<u>\$ 5,525,171</u>	<u>\$ 1,974,268</u>
\$ 32,737	\$ -	\$ -	\$ 55,250	\$ 775,511	\$ 31,160
-	-	-	-	-	341
-	-	-	-	-	15,719
-	-	-	-	-	-
<u>32,737</u>	<u>-</u>	<u>-</u>	<u>55,250</u>	<u>775,511</u>	<u>47,220</u>
-	82,472	-	-	-	1,927,048
-	82,472	-	-	-	1,927,048
402,809	1,048,276	1,317,920	1,476,986	4,749,660	-
-	-	-	-	-	-
<u>402,809</u>	<u>1,048,276</u>	<u>1,317,920</u>	<u>1,476,986</u>	<u>4,749,660</u>	<u>-</u>
<u>\$ 435,546</u>	<u>\$ 1,130,748</u>	<u>\$ 1,317,920</u>	<u>\$ 1,532,236</u>	<u>\$ 5,525,171</u>	<u>\$ 1,974,268</u>

(Continued)

**City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds, Continued
June 30, 2020**

	Abandoned Vehicle	Urban Forestry Program	Library Trust	Miscellaneous Grants	HBPOA Maintenance District
ASSETS					
Cash and investments	\$ 118,467	\$ 365,129	\$ 59,325	\$ 555,774	\$ -
Receivables:					
Accounts	-	-	-	-	16,759
Grants	-	-	-	36,645	-
Interest	671	1,875	-	2,730	-
Notes receivable, net	-	-	-	-	-
Total assets	<u>\$ 119,138</u>	<u>\$ 367,004</u>	<u>\$ 59,325</u>	<u>\$ 595,149</u>	<u>\$ 16,759</u>
LIABILITIES					
Accounts payable	\$ -	\$ 3,924	\$ -	\$ 27,540	\$ 11,823
Payroll payable	-	-	-	-	-
Due to other funds	-	-	-	-	4,936
Unearned revenue	-	-	-	30,316	-
Total liabilities	<u>-</u>	<u>3,924</u>	<u>-</u>	<u>57,856</u>	<u>16,759</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	119,138	363,080	59,325	537,293	-
Assigned	-	-	-	-	-
Total fund balances	<u>119,138</u>	<u>363,080</u>	<u>59,325</u>	<u>537,293</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 119,138</u>	<u>\$ 367,004</u>	<u>\$ 59,325</u>	<u>\$ 595,149</u>	<u>\$ 16,759</u>

Community Development Block Grant	Downtown Economic Loan	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plans	Vehicle Registration Fees
\$ 18,410	\$ 29,177	\$ 1,405,257	\$ 115,564	\$ 850,843	\$ 979,231
129	-	54,596	-	-	63,826
43,559	-	-	-	-	-
193,476	142	6,708	561	4,773	4,544
507,868	-	-	-	-	-
<u>\$ 763,442</u>	<u>\$ 29,319</u>	<u>\$ 1,466,561</u>	<u>\$ 116,125</u>	<u>\$ 855,616</u>	<u>\$ 1,047,601</u>
\$ 5,280	\$ -	\$ -	\$ -	\$ -	\$ -
3,406	-	-	-	-	-
-	-	-	-	-	-
53,412	-	-	-	-	-
<u>62,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
701,344	-	-	-	-	-
<u>701,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	1,466,561	116,125	855,616	1,047,601
-	29,319	-	-	-	-
-	29,319	1,466,561	116,125	855,616	1,047,601
<u>\$ 763,442</u>	<u>\$ 29,319</u>	<u>\$ 1,466,561</u>	<u>\$ 116,125</u>	<u>\$ 855,616</u>	<u>\$ 1,047,601</u>

(Continued)

**City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds, Continued
June 30, 2020**

	Measure BB Transportation Improvements	AB1379 CASp Certification and Training	Business Support Program	Pleasanton Garbage Service Rate Reserve	Total
ASSETS					
Cash and investments	\$ 1,730,317	\$ 33,421	\$ 2,849,100	\$ 3,411,014	\$ 24,189,744
Receivables:					
Accounts	162,468	3	-	-	915,981
Grants	-	-	-	-	127,424
Interest	7,796	158	-	16,569	431,196
Notes receivable, net	-	-	161,700	-	2,541,027
Total assets	\$ 1,900,581	\$ 33,582	\$ 3,010,800	\$ 3,427,583	\$ 28,205,372
LIABILITIES					
Accounts payable	\$ 71,008	\$ -	\$ 10,800	\$ -	\$ 1,069,357
Payroll payable	-	-	-	-	3,931
Due to other funds	-	-	-	-	20,655
Unearned revenue	-	-	-	-	83,728
Total liabilities	71,008	-	10,800	-	1,177,671
DEFERRED INFLOWS OF RESOURCES					
Resources related to loans	-	-	161,700	-	2,872,564
Total deferred inflows of resources	-	-	161,700	-	2,872,564
FUND BALANCES					
Restricted	1,829,573	33,582	2,838,300	3,427,583	23,409,398
Assigned	-	-	-	-	745,739
Total fund balances	1,829,573	33,582	2,838,300	3,427,583	24,155,137
Total liabilities, deferred inflows of resources and fund balances	\$ 1,900,581	\$ 33,582	\$ 3,010,800	\$ 3,427,583	\$ 28,205,372

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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, 2020

	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	545	3,867	20,978	28,540	4,926
Intergovernmental	-	64,133	-	272,228	-
Franchise fees	-	-	-	-	-
Development fees	-	-	-	-	-
Contributions and donations	1,500	-	-	-	237,111
Other revenues	-	-	-	-	26,628
Total revenues	2,045	68,000	20,978	300,768	268,665
EXPENDITURES:					
Current:					
Public safety	1,500	-	-	-	1,749
Community development	-	-	-	-	-
Operations services	-	-	-	204,654	-
Community activities	-	-	-	-	5,184
Capital outlay	-	19,443	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,500	19,443	-	204,654	6,933
REVENUES OVER (UNDER) EXPENDITURES	545	48,557	20,978	96,114	261,732
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(247,148)
Total other financing sources (uses)	-	-	-	-	(247,148)
Net change in fund balances	545	48,557	20,978	96,114	14,584
FUND BALANCES:					
Beginning of year	18,229	62,566	695,442	1,045,523	433,852
End of year	<u>\$ 18,774</u>	<u>\$ 111,123</u>	<u>\$ 716,420</u>	<u>\$ 1,141,637</u>	<u>\$ 448,436</u>

Landscape and Lighting Districts	Landscape Maintenance N.P.I.D.	Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Gas Tax	HOME Program
\$ 129,486	\$ -	\$ 77,847	\$ -	\$ -	\$ -
-	-	-	-	-	-
12,575	30,434	39,067	34,330	138,930	3,630
-	-	-	1,118,806	3,248,106	47,220
-	-	-	-	-	-
-	-	-	-	-	-
11,560	17,083	1,218	-	-	17,322
<u>153,621</u>	<u>47,517</u>	<u>118,132</u>	<u>1,153,136</u>	<u>3,387,036</u>	<u>68,172</u>
-	-	-	-	-	-
-	-	26,994	-	7,500	68,172
163,738	8,532	-	65,235	-	-
-	-	-	-	-	-
-	-	-	1,244,126	3,146,243	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>163,738</u>	<u>8,532</u>	<u>26,994</u>	<u>1,309,361</u>	<u>3,153,743</u>	<u>68,172</u>
<u>(10,117)</u>	<u>38,985</u>	<u>91,138</u>	<u>(156,225)</u>	<u>233,293</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(10,117)</u>	<u>38,985</u>	<u>91,138</u>	<u>(156,225)</u>	<u>233,293</u>	<u>-</u>
412,926	1,009,291	1,226,782	1,633,211	4,516,367	-
<u>\$ 402,809</u>	<u>\$ 1,048,276</u>	<u>\$ 1,317,920</u>	<u>\$ 1,476,986</u>	<u>\$ 4,749,660</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, 2020

	Abandoned Vehicle	Urban Forestry Program	Library Trust	Miscellaneous Grants	HBPOA Maintenance District
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	33,880	-	-	-
Use of money and property	3,928	11,226	-	16,812	-
Intergovernmental	19,739	-	-	315,886	-
Franchise fees	-	-	-	-	-
Development fees	-	-	-	-	-
Contributions and donations	-	52,115	-	-	-
Other revenues	-	520	-	-	133,444
Total revenues	23,667	97,741	-	332,698	133,444
EXPENDITURES:					
Current:					
Public safety	19,739	-	-	39,746	-
Community development	-	-	-	-	-
Operations services	-	18,117	-	-	133,444
Community activities	-	-	-	40,859	-
Capital outlay	-	-	-	70,364	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	19,739	18,117	-	150,969	133,444
REVENUES OVER (UNDER) EXPENDITURES	3,928	79,624	-	181,729	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	(25,000)	-	-	-
Total other financing sources (uses)	-	(25,000)	-	-	-
Net change in fund balances	3,928	54,624	-	181,729	-
FUND BALANCES:					
Beginning of year	115,210	308,456	59,325	355,564	-
End of year	\$ 119,138	\$ 363,080	\$ 59,325	\$ 537,293	\$ -

Community Development Block Grant	Downtown Economic Loan	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plans	Vehicle Registration Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	859	40,492	3,399	29,045	27,968
223,730	-	-	-	-	360,946
-	-	-	-	-	-
-	-	-	-	168,247	-
-	-	-	-	-	-
54,010	-	218,085	-	-	-
<u>277,740</u>	<u>859</u>	<u>258,577</u>	<u>3,399</u>	<u>197,292</u>	<u>388,914</u>
-	-	-	-	-	-
198,955	-	-	-	-	-
-	-	-	-	-	-
-	-	137,467	-	-	-
-	-	-	-	-	-
60,000	-	-	-	-	-
18,785	-	-	-	-	-
<u>277,740</u>	<u>-</u>	<u>137,467</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	859	121,110	3,399	197,292	388,914
-	-	-	-	-	-
-	-	-	-	(172,701)	-
-	-	-	-	(172,701)	-
-	859	121,110	3,399	24,591	388,914
-	28,460	1,345,451	112,726	831,025	658,687
<u>\$ -</u>	<u>\$ 29,319</u>	<u>\$ 1,466,561</u>	<u>\$ 116,125</u>	<u>\$ 855,616</u>	<u>\$ 1,047,601</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, 2020

	Measure BB Transportation Improvements	AB1379 CASp Certification and Training	Business Support Program	Pleasanton Garbage Service Rate Reserve	Total
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 207,333
Fines and forfeitures	-	-	-	-	33,880
Use of money and property	43,910	789	-	85,298	581,548
Intergovernmental	980,587	-	-	-	6,651,381
Franchise fees	-	-	-	3,342,285	3,342,285
Development fees	-	-	-	-	168,247
Contributions and donations	-	-	-	-	290,726
Other revenues	-	30,771	-	-	510,641
Total revenues	1,024,497	31,560	-	3,427,583	11,786,041
EXPENDITURES:					
Current:					
Public safety	-	-	-	-	62,734
Community development	-	26,772	161,700	-	490,093
Operations services	-	-	-	-	593,720
Community activities	-	-	-	-	183,510
Capital outlay	1,208,238	-	-	-	5,688,414
Debt Service:					
Principal	-	-	-	-	60,000
Interest	-	-	-	-	18,785
Total expenditures	1,208,238	26,772	161,700	-	7,097,256
REVENUES OVER (UNDER) EXPENDITURES	(183,741)	4,788	(161,700)	3,427,583	4,688,785
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	3,000,000	-	3,000,000
Transfers out	-	-	-	-	(444,849)
Total other financing sources (uses)	-	-	3,000,000	-	2,555,151
Net change in fund balances	(183,741)	4,788	2,838,300	3,427,583	7,243,936
FUND BALANCES:					
Beginning of year	2,013,314	28,794	-	-	16,911,201
End of year	\$ 1,829,573	\$ 33,582	\$2,838,300	\$ 3,427,583	\$ 24,155,137

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City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds
For the year ended June 30, 2020

	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	545	345	500	3,867	3,367
Intergovernmental	-	-	-	-	64,133	64,133
Franchise fees	-	-	-	-	-	-
Development fees	-	-	-	-	-	-
Contributions and donations	1,000	1,500	500	-	-	-
Other revenues	-	-	-	3,500	-	(3,500)
Total revenues	<u>1,200</u>	<u>2,045</u>	<u>845</u>	<u>4,000</u>	<u>68,000</u>	<u>64,000</u>
EXPENDITURES:						
Current:						
Public safety	6,000	1,500	4,500	7,000	-	7,000
Community development	-	-	-	-	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	19,443	(19,443)
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>6,000</u>	<u>1,500</u>	<u>4,500</u>	<u>7,000</u>	<u>19,443</u>	<u>(12,443)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,800)</u>	<u>545</u>	<u>5,345</u>	<u>(3,000)</u>	<u>48,557</u>	<u>51,557</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
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>545</u>	<u>\$ 5,345</u>	<u>\$ (3,000)</u>	<u>48,557</u>	<u>\$ 51,557</u>
FUND BALANCES:						
Beginning of year		<u>18,229</u>			<u>62,566</u>	
End of year		<u>\$ 18,774</u>			<u>\$ 111,123</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	20,978	15,978	3,500	28,540	25,040	7,400	4,926	(2,474)
-	-	-	268,000	272,228	4,228	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	241,000	237,111	(3,889)
-	-	-	-	-	-	-	26,628	26,628
<u>5,000</u>	<u>20,978</u>	<u>15,978</u>	<u>271,500</u>	<u>300,768</u>	<u>29,268</u>	<u>248,400</u>	<u>268,665</u>	<u>20,265</u>
-	-	-	-	-	-	2,000	1,749	251
-	-	-	-	-	-	-	-	-
-	-	-	359,000	204,654	154,346	-	-	-
-	-	-	-	-	-	6,500	5,184	1,316
-	-	-	-	-	-	40,000	-	40,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	<u>359,000</u>	<u>204,654</u>	<u>154,346</u>	<u>48,500</u>	<u>6,933</u>	<u>41,567</u>
5,000	20,978	15,978	(87,500)	96,114	183,614	199,900	261,732	61,832
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(247,148)	(247,148)
-	-	-	-	-	-	-	(247,148)	(247,148)
<u>\$ 5,000</u>	<u>20,978</u>	<u>\$ 15,978</u>	<u>\$ (87,500)</u>	<u>96,114</u>	<u>\$ 183,614</u>	<u>\$ 199,900</u>	<u>14,584</u>	<u>\$ (185,316)</u>
	<u>695,442</u>			<u>1,045,523</u>			<u>433,852</u>	
	<u>\$ 716,420</u>			<u>\$1,141,637</u>			<u>\$ 448,436</u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds, Continued
For the year ended June 30, 2020

	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	\$ 129,486	\$ (461)	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	2,600	12,575	9,975	7,500	30,434	22,934
Intergovernmental	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-
Development fees	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	11,559	11,560	1	15,534	17,083	1,549
Total revenues	<u>144,106</u>	<u>153,621</u>	<u>9,515</u>	<u>23,034</u>	<u>47,517</u>	<u>24,483</u>
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Operations services	172,745	163,738	9,007	23,500	8,532	14,968
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>172,745</u>	<u>163,738</u>	<u>9,007</u>	<u>23,500</u>	<u>8,532</u>	<u>14,968</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(28,639)</u>	<u>(10,117)</u>	<u>18,522</u>	<u>(466)</u>	<u>38,985</u>	<u>39,451</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
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>\$ (28,639)</u>	<u>(10,117)</u>	<u>\$ 18,522</u>	<u>\$ (466)</u>	<u>38,985</u>	<u>\$ 39,451</u>
FUND BALANCES (DEFICITS):						
Beginning of year		<u>412,926</u>			<u>1,009,291</u>	
End of year		<u>\$ 402,809</u>			<u>\$1,048,276</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)
\$ 79,199	\$ 77,847	\$ (1,352)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
15,800	39,067	23,267	14,400	34,330	19,930	22,800	138,930	116,130
-	-	-	1,170,000	1,118,806	(51,194)	3,373,721	3,248,106	(125,615)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,223	1,218	(5)	-	-	-	-	-	-
<u>96,222</u>	<u>118,132</u>	<u>21,910</u>	<u>1,184,400</u>	<u>1,153,136</u>	<u>(31,264)</u>	<u>3,396,521</u>	<u>3,387,036</u>	<u>(9,485)</u>
-	-	-	-	-	-	-	-	-
32,094	26,994	5,100	-	-	-	7,500	7,500	-
-	-	-	-	65,235	(65,235)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,553,947	1,244,126	1,309,821	7,761,050	3,146,243	4,614,807
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>32,094</u>	<u>26,994</u>	<u>5,100</u>	<u>2,553,947</u>	<u>1,309,361</u>	<u>1,244,586</u>	<u>7,768,550</u>	<u>3,153,743</u>	<u>4,614,807</u>
64,128	91,138	27,010	(1,369,547)	(156,225)	1,213,322	(4,372,029)	233,293	4,605,322
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 64,128</u>	<u>91,138</u>	<u>\$ 27,010</u>	<u>\$(1,369,547)</u>	<u>(156,225)</u>	<u>\$1,213,322</u>	<u>\$(4,372,029)</u>	<u>233,293</u>	<u>\$ 4,605,322</u>
	<u>1,226,782</u>			<u>1,633,211</u>			<u>4,516,367</u>	
	<u>\$ 1,317,920</u>			<u>\$ 1,476,986</u>			<u>\$4,749,660</u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds, Continued
For the year ended June 30, 2020

	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	-	3,630	3,630	1,000	3,928	2,928
Intergovernmental	531,416	47,220	(484,196)	30,000	19,739	(10,261)
Franchise fees	-	-	-	-	-	-
Development fees	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	17,322	17,322	-	-	-
Total revenues	<u>531,416</u>	<u>68,172</u>	<u>(463,244)</u>	<u>31,000</u>	<u>23,667</u>	<u>(7,333)</u>
EXPENDITURES:						
Current:						
Public safety	-	-	-	30,000	19,739	10,261
Community development	138,558	68,172	70,386	-	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>138,558</u>	<u>68,172</u>	<u>70,386</u>	<u>30,000</u>	<u>19,739</u>	<u>10,261</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>392,858</u>	<u>-</u>	<u>(392,858)</u>	<u>1,000</u>	<u>3,928</u>	<u>2,928</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
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>\$ 392,858</u>	<u>-</u>	<u>\$(392,858)</u>	<u>\$ 1,000</u>	<u>3,928</u>	<u>\$ 2,928</u>
FUND BALANCES (DEFICITS):						
Beginning of year		<u>-</u>			<u>115,210</u>	
End of year		<u>\$ -</u>			<u>\$ 119,138</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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	33,880	33,880	-	-	-	-	-	-
500	11,226	10,726	300	-	(300)	1,500	16,812	15,312
-	-	-	-	-	-	2,876,760	315,886	(2,560,874)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
10,000	52,115	42,115	-	-	-	-	-	-
500	520	20	-	-	-	-	-	-
<u>11,000</u>	<u>97,741</u>	<u>52,861</u>	<u>300</u>	<u>-</u>	<u>(300)</u>	<u>2,878,260</u>	<u>332,698</u>	<u>(2,545,562)</u>
-	-	-	-	-	-	5,223	39,746	(34,523)
-	-	-	-	-	-	-	-	-
37,500	18,117	19,383	-	-	-	-	-	-
-	-	-	-	-	-	-	40,859	(40,859)
-	-	-	-	-	-	2,780,468	70,364	2,710,104
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>37,500</u>	<u>18,117</u>	<u>19,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,785,691</u>	<u>150,969</u>	<u>2,634,722</u>
(26,500)	79,624	72,244	300	-	(300)	92,569	181,729	89,160
-	-	-	-	-	-	-	-	-
(25,000)	(25,000)	-	-	-	-	-	-	-
(25,000)	(25,000)	-	-	-	-	-	-	-
<u>\$ (51,500)</u>	<u>54,624</u>	<u>\$ 72,244</u>	<u>\$ 300</u>	<u>-</u>	<u>\$ (300)</u>	<u>\$ 92,569</u>	<u>181,729</u>	<u>\$ 89,160</u>
	<u>308,456</u>			<u>59,325</u>			<u>355,564</u>	
	<u>\$ 363,080</u>			<u>\$ 59,325</u>			<u>\$ 537,293</u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds, Continued
For the year ended June 30, 2020

	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	223,730	(48,967)
Franchise fees	-	-	-	-	-	-
Development fees	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	100,000	133,444	33,444	-	54,010	54,010
Total revenues	<u>100,000</u>	<u>133,444</u>	<u>33,444</u>	<u>272,697</u>	<u>277,740</u>	<u>5,043</u>
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	383,627	198,955	184,672
Operations services	100,000	133,444	(33,444)	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	20,062	60,000	(39,938)
Interest	-	-	-	-	18,785	(18,785)
Total expenditures	<u>100,000</u>	<u>133,444</u>	<u>(33,444)</u>	<u>403,689</u>	<u>277,740</u>	<u>125,949</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,992)</u>	<u>-</u>	<u>130,992</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
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>\$ (130,992)</u>	<u>-</u>	<u>\$ 130,992</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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
200	859	659	9,000	40,492	31,492	800	3,399	2,599
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	250,000	218,085	(31,915)	-	-	-
<u>200</u>	<u>859</u>	<u>659</u>	<u>259,000</u>	<u>258,577</u>	<u>(423)</u>	<u>800</u>	<u>3,399</u>	<u>2,599</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	44,684	137,467	(92,783)	-	-	-
-	-	-	-	-	-	25,000	-	25,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>44,684</u>	<u>137,467</u>	<u>(92,783)</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
200	859	659	214,316	121,110	(93,206)	(24,200)	3,399	27,599
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 200</u>	<u>859</u>	<u>\$ 659</u>	<u>\$ 214,316</u>	<u>121,110</u>	<u>\$ (93,206)</u>	<u>\$ (24,200)</u>	<u>3,399</u>	<u>\$ 27,599</u>
	<u>28,460</u>			<u>1,345,451</u>			<u>112,726</u>	
	<u>\$ 29,319</u>			<u>\$1,466,561</u>			<u>\$ 116,125</u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds, Continued
For the year ended June 30, 2020

	SPECIAL REVENUE					
	Specific Plans			Vehicle Registration Fees		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	15,000	29,045	14,045	1,800	27,968	26,168
Intergovernmental	-	-	-	350,000	360,946	10,946
Franchise fees	-	-	-	-	-	-
Development fees	-	168,247	168,247	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>15,000</u>	<u>197,292</u>	<u>182,292</u>	<u>351,800</u>	<u>388,914</u>	<u>37,114</u>
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Operations services	-	-	-	38,500	-	38,500
Community activities	-	-	-	-	-	-
Capital outlay	133,902	-	133,902	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>133,902</u>	<u>-</u>	<u>133,902</u>	<u>38,500</u>	<u>-</u>	<u>38,500</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(118,902)</u>	<u>197,292</u>	<u>316,194</u>	<u>313,300</u>	<u>388,914</u>	<u>75,614</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(172,701)	(172,701)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(172,701)</u>	<u>(172,701)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u><u>\$(118,902)</u></u>	<u>24,591</u>	<u><u>\$ 143,493</u></u>	<u><u>\$ 313,300</u></u>	<u>388,914</u>	<u><u>\$ 75,614</u></u>
FUND BALANCES (DEFICITS):						
Beginning of year		<u>831,025</u>			<u>658,687</u>	
End of year		<u><u>\$ 855,616</u></u>			<u><u>\$ 1,047,601</u></u>	

SPECIAL REVENUE

Measure BB Transportation Improvements			AB1379 CASp Certification and Training			Business Support Program		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
5,500	43,910	38,410	-	789	789	-	-	-
970,000	980,587	10,587	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	30,771	30,771	-	-	-
<u>975,500</u>	<u>1,024,497</u>	<u>48,997</u>	<u>-</u>	<u>31,560</u>	<u>31,560</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	26,772	(26,772)	3,000,000	161,700	2,838,300
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,623,086	1,208,238	1,414,848	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,623,086</u>	<u>1,208,238</u>	<u>1,414,848</u>	<u>-</u>	<u>26,772</u>	<u>(26,772)</u>	<u>3,000,000</u>	<u>161,700</u>	<u>2,838,300</u>
<u>(1,647,586)</u>	<u>(183,741)</u>	<u>1,463,845</u>	<u>-</u>	<u>4,788</u>	<u>4,788</u>	<u>(3,000,000)</u>	<u>(161,700)</u>	<u>2,838,300</u>
-	-	-	-	-	-	3,000,000	3,000,000	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,000,000	-
<u><u>\$(1,647,586)</u></u>	<u><u>(183,741)</u></u>	<u><u>\$1,463,845</u></u>	<u><u>\$ -</u></u>	<u><u>4,788</u></u>	<u><u>\$ 4,788</u></u>	<u><u>\$(3,000,000)</u></u>	<u><u>2,838,300</u></u>	<u><u>\$2,838,300</u></u>
	<u>2,013,314</u>			<u>28,794</u>			<u>-</u>	
	<u><u>\$ 1,829,573</u></u>			<u><u>\$ 33,582</u></u>			<u><u>\$ 2,838,300</u></u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Special Revenue Funds, Continued
For the year ended June 30, 2020

	SPECIAL REVENUE		
	Pleasanton Garbage Service Rate Reserve		
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Special assessments	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-
Use of money and property	-	85,298	85,298
Intergovernmental	-	-	-
Franchise fees	-	3,342,285	3,342,285
Development fees	-	-	-
Contributions and donations	-	-	-
Other revenues	-	-	-
Total revenues	<u>-</u>	<u>3,427,583</u>	<u>3,427,583</u>
EXPENDITURES:			
Current:			
Public safety	-	-	-
Community development	-	-	-
Operations services	-	-	-
Community activities	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>3,427,583</u>	<u>3,427,583</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>3,427,583</u>	<u>\$3,427,583</u>
FUND BALANCES (DEFICITS):			
Beginning of year		<u>-</u>	
End of year		<u>\$3,427,583</u>	

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, 2020

	CIP for Downtown & North Pleasanton	Public Facilities	Park Development	Park Capital Improvement Program	Street Capital Improvement Program
ASSETS					
Cash and investments	\$ 3,175,819	\$ 6,240,465	\$ 10,616,301	\$ 1,754,291	\$ 12,621,252
Receivables:					
Accounts	-	-	-	-	5,551
Interest	15,371	35,354	47,833	2,592	56,837
Notes receivable, net	698,870	-	-	-	-
Total assets	\$ 3,890,060	\$ 6,275,819	\$ 10,664,134	\$ 1,756,883	\$ 12,683,640
LIABILITIES					
Accounts payable	\$ -	\$ 17,555	\$ 463,050	\$ 245,418	\$ 120,835
Advances from other funds	-	-	-	581,955	-
Total liabilities	-	17,555	463,050	827,373	120,835
DEFERRED INFLOWS OF RESOURCES					
Resources related to loans	698,870	-	-	-	-
Total deferred inflows of resources	698,870	-	-	-	-
FUND BALANCES					
Restricted	3,191,190	6,258,264	10,201,084	-	-
Assigned	-	-	-	929,510	12,562,805
Total fund balances	3,191,190	6,258,264	10,201,084	929,510	12,562,805
Total liabilities, deferred inflows of resources and fund balances	\$ 3,890,060	\$ 6,275,819	\$ 10,664,134	\$ 1,756,883	\$ 12,683,640

Traffic Impact	Traffic Impact Bernal Property	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Total
\$ 10,333,301	\$ 804,414	\$ 10,184,394	\$ 1,349,968	\$ 2,021,473	\$ 59,101,678
-	-	-	-	-	5,551
49,906	3,908	49,246	6,715	9,783	277,545
-	-	-	-	-	698,870
<u>\$ 10,383,207</u>	<u>\$ 808,322</u>	<u>\$ 10,233,640</u>	<u>\$ 1,356,683</u>	<u>\$ 2,031,256</u>	<u>\$ 60,083,644</u>
\$ 83,546	\$ -	\$ 32,612	\$ -	\$ -	\$ 963,016
-	-	-	-	-	581,955
83,546	-	32,612	-	-	1,544,971
-	-	-	-	-	698,870
-	-	-	-	-	698,870
10,299,661	808,322	10,201,028	1,356,683	2,031,256	44,347,488
-	-	-	-	-	13,492,315
10,299,661	808,322	10,201,028	1,356,683	2,031,256	57,839,803
<u>\$ 10,383,207</u>	<u>\$ 808,322</u>	<u>\$ 10,233,640</u>	<u>\$ 1,356,683</u>	<u>\$ 2,031,256</u>	<u>\$ 60,083,644</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, 2020

	CIP for Downtown & North Pleasanton	Public Facilities	Park Development	Park Capital Improvement Program	Street Capital Improvement Program
REVENUES:					
Use of money and property	\$ 101,545	\$ 216,758	\$ 301,900	\$ 15,603	\$ 370,025
Development fees	-	650,721	-	-	8,550
Contributions and donations	-	-	-	-	-
Other revenues	33,678	-	-	-	69,526
Total revenues	<u>135,223</u>	<u>867,479</u>	<u>301,900</u>	<u>15,603</u>	<u>448,101</u>
EXPENDITURES:					
Current:					
Operations services	-	-	-	-	-
Community development	732,547	-	-	-	-
Capital outlay	-	43,810	2,746,362	950,101	571,818
Total expenditures	<u>732,547</u>	<u>43,810</u>	<u>2,746,362</u>	<u>950,101</u>	<u>571,818</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(597,324)</u>	<u>823,669</u>	<u>(2,444,462)</u>	<u>(934,498)</u>	<u>(123,717)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	1,107,829	1,598,977	950,000
Transfers out	-	(1,107,829)	(272,274)	(97,351)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,107,829)</u>	<u>835,555</u>	<u>1,501,626</u>	<u>950,000</u>
Net change in fund balances	(597,324)	(284,160)	(1,608,907)	567,128	826,283
FUND BALANCES:					
Beginning of year	3,788,514	6,542,424	11,809,991	362,382	11,736,522
End of year	<u>\$ 3,191,190</u>	<u>\$ 6,258,264</u>	<u>\$ 10,201,084</u>	<u>\$ 929,510</u>	<u>\$ 12,562,805</u>

Traffic Impact	Traffic Impact Bernal Property	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Total
\$ 304,603	\$ 23,668	\$ 305,929	\$ 40,503	\$ 59,731	\$ 1,740,265
452,113	-	-	-	52,205	1,163,589
-	-	97,491	-	-	97,491
-	-	-	-	-	103,204
<u>756,716</u>	<u>23,668</u>	<u>403,420</u>	<u>40,503</u>	<u>111,936</u>	<u>3,104,549</u>
-	-	-	32,440	-	32,440
-	-	-	-	-	732,547
<u>525,924</u>	<u>-</u>	<u>214,253</u>	<u>-</u>	<u>-</u>	<u>5,052,268</u>
<u>525,924</u>	<u>-</u>	<u>214,253</u>	<u>32,440</u>	<u>-</u>	<u>5,817,255</u>
<u>230,792</u>	<u>23,668</u>	<u>189,167</u>	<u>8,063</u>	<u>111,936</u>	<u>(2,712,706)</u>
-	-	-	-	-	3,656,806
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,477,454)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,179,352</u>
<u>230,792</u>	<u>23,668</u>	<u>189,167</u>	<u>8,063</u>	<u>111,936</u>	<u>(533,354)</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>
<u>\$ 10,299,661</u>	<u>\$ 808,322</u>	<u>\$ 10,201,028</u>	<u>\$ 1,356,683</u>	<u>\$ 2,031,256</u>	<u>\$ 57,839,803</u>

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Capital Projects Funds
For the year ended June 30, 2020

	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	\$ 44,400	\$ 101,545	\$ 57,145	\$ 20,400	\$ 216,758	\$ 196,358
Development fees	-	-	-	2,452,004	650,721	(1,801,283)
Contributions and donations	-	-	-	-	-	-
Other revenues	-	33,678	33,678	-	-	-
Total revenues	44,400	135,223	90,823	2,472,404	867,479	(1,604,925)
EXPENDITURES:						
Current:						
Community activities	732,547	732,547	-	-	-	-
Operations services	-	-	-	-	-	-
Capital outlay	-	-	-	6,376,494	43,810	6,332,684
Total expenditures	732,547	732,547	-	6,376,494	43,810	6,332,684
REVENUES OVER (UNDER) EXPENDITURES	(688,147)	(597,324)	90,823	(3,904,090)	823,669	4,727,759
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(1,107,829)	(1,107,829)	-
Total other financing sources (uses)	-	-	-	(1,107,829)	(1,107,829)	-
Net change in fund balances	\$ (688,147)	(597,324)	\$ 90,823	\$ (5,011,919)	(284,160)	\$ 4,727,759
FUND BALANCES:						
Beginning of year		3,788,514			6,542,424	
End of year		<u>\$ 3,191,190</u>			<u>\$ 6,258,264</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)
\$ 15,600	\$ 301,900	\$ 286,300	\$ 3,000	\$ 15,603	\$ 12,603	\$ 55,440	\$ 370,025	\$ 314,585
766,853	-	(766,853)	-	-	-	8,000	8,550	550
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,000	69,526	64,526
<u>782,453</u>	<u>301,900</u>	<u>(480,553)</u>	<u>3,000</u>	<u>15,603</u>	<u>12,603</u>	<u>68,440</u>	<u>448,101</u>	<u>379,661</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
12,283,143	2,746,362	9,536,781	2,593,419	950,101	1,643,318	12,553,679	571,818	11,981,861
<u>12,283,143</u>	<u>2,746,362</u>	<u>9,536,781</u>	<u>2,593,419</u>	<u>950,101</u>	<u>1,643,318</u>	<u>12,553,679</u>	<u>571,818</u>	<u>11,981,861</u>
<u>(11,500,690)</u>	<u>(2,444,462)</u>	<u>9,056,228</u>	<u>(2,590,419)</u>	<u>(934,498)</u>	<u>1,655,921</u>	<u>(12,485,239)</u>	<u>(123,717)</u>	<u>12,361,522</u>
1,107,829	1,107,829	-	1,351,829	1,598,977	247,148	950,000	950,000	-
<u>(272,274)</u>	<u>(272,274)</u>	<u>-</u>	<u>(97,351)</u>	<u>(97,351)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
835,555	835,555	-	1,254,478	1,501,626	247,148	950,000	950,000	-
<u>\$(10,665,135)</u>	<u>(1,608,907)</u>	<u>\$ 9,056,228</u>	<u>\$(1,335,941)</u>	567,128	<u>\$ 1,903,069</u>	<u>\$(11,535,239)</u>	826,283	<u>\$ 12,361,522</u>
	<u>11,809,991</u>			<u>362,382</u>			<u>11,736,522</u>	
	<u>\$ 10,201,084</u>			<u>\$ 929,510</u>			<u>\$ 12,562,805</u>	

(Continued)

City of Pleasanton
Combining Budgetary Comparison Schedules
Non-Major Capital Projects Funds, Continued
For the year ended June 30, 2020

CAPITAL PROJECTS						
	Traffic Impact			Traffic Impact - Bernal Property		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Use of money and property	\$ 24,000	\$ 304,603	\$ 280,603	\$ 24,000	\$ 23,668	\$ (332)
Development fees	2,031,702	452,113	(1,579,589)	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>2,055,702</u>	<u>756,716</u>	<u>(1,298,986)</u>	<u>24,000</u>	<u>23,668</u>	<u>(332)</u>
EXPENDITURES:						
Current:						
Community development	-	-	-	-	-	-
Operations services	-	-	-	-	-	-
Capital outlay	11,114,638	525,924	10,588,714	-	-	-
Total expenditures	<u>11,114,638</u>	<u>525,924</u>	<u>10,588,714</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER)						
EXPENDITURES	<u>(9,058,936)</u>	<u>230,792</u>	<u>9,289,728</u>	<u>24,000</u>	<u>23,668</u>	<u>(332)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
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>\$ (9,058,936)</u>	<u>230,792</u>	<u>\$ 9,289,728</u>	<u>\$ 24,000</u>	<u>23,668</u>	<u>\$ (332)</u>
FUND BALANCES:						
Beginning of year		<u>10,068,869</u>			<u>784,654</u>	
End of year		<u>\$ 10,299,661</u>			<u>\$ 808,322</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)
\$ 61,800	\$ 305,929	\$ 244,129	\$ 12,000	\$ 40,503	\$ 28,503	\$ 3,600	\$ 59,731	\$ 56,131
-	-	-	-	-	-	194,521	52,205	(142,316)
32,612	97,491	64,879	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
94,412	403,420	309,008	12,000	40,503	28,503	198,121	111,936	(86,185)
-	-	-	-	-	-	-	-	-
-	-	-	28,750	32,440	(3,690)	-	-	-
8,316,387	214,253	8,102,134	1,300,000	-	1,300,000	1,771,651	-	1,771,651
8,316,387	214,253	8,102,134	1,328,750	32,440	1,296,310	1,771,651	-	1,771,651
(8,221,975)	189,167	8,411,142	(1,316,750)	8,063	1,324,813	(1,573,530)	111,936	1,685,466
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ (8,221,975)</u>	<u>189,167</u>	<u>\$ 8,411,142</u>	<u>\$ (1,316,750)</u>	<u>8,063</u>	<u>\$ 1,324,813</u>	<u>\$ (1,573,530)</u>	<u>111,936</u>	<u>\$ 1,685,466</u>
	<u>10,011,861</u>			<u>1,348,620</u>			<u>1,919,320</u>	
	<u>\$ 10,201,028</u>			<u>\$ 1,356,683</u>			<u>\$ 2,031,256</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, 2020

	Transit	Cemetery	Housing Authority	Total
ASSETS				
Current assets:				
Cash and investments	\$ 209,653	\$ 715,382	\$ 356,042	\$ 1,281,077
Receivables (net):				
Accounts	60,680	22,497	-	83,177
Interest	916	3,314	-	4,230
Total current assets	<u>271,249</u>	<u>741,193</u>	<u>356,042</u>	<u>1,368,484</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	10,000	51,750	61,750
Depreciable	88,165	862,877	-	951,042
Total noncurrent assets	<u>88,165</u>	<u>872,877</u>	<u>51,750</u>	<u>1,012,792</u>
Total assets	<u>359,414</u>	<u>1,614,070</u>	<u>407,792</u>	<u>2,381,276</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,584	13,843	-	16,427
Payroll payable	6,991	2,463	-	9,454
Due to other funds	19,594	-	-	19,594
Advances from other funds	-	500,000	-	500,000
Unearned revenue	11,603	210,439	-	222,042
Total current liabilities	<u>40,772</u>	<u>726,745</u>	<u>-</u>	<u>767,517</u>
Total liabilities	<u>40,772</u>	<u>726,745</u>	<u>-</u>	<u>767,517</u>
NET POSITION				
Net investment in capital assets	88,165	872,877	51,750	1,012,792
Restricted for:				
Transportation	230,477	-	-	230,477
Unrestricted	-	14,448	356,042	370,490
Total net position	<u>\$ 318,642</u>	<u>\$ 887,325</u>	<u>\$ 407,792</u>	<u>\$ 1,613,759</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, 2020

	Transit	Cemetery	Housing Authority	Total
OPERATING REVENUES:				
Charges for services	\$ 20,353	\$ 205,447	\$ -	\$ 225,800
Miscellaneous	300	-	-	300
Total operating revenues	20,653	205,447	-	226,100
OPERATING EXPENSES:				
Personnel services	360,955	60,861	-	421,816
Transportation	14,802	-	-	14,802
Repairs and maintenance	68,391	-	-	68,391
Materials, supplies, and services	49,578	176,679	4	226,261
Depreciation	15,026	26,748	-	41,774
Total operating expenses	508,752	264,288	4	773,044
OPERATING INCOME (LOSS)	(488,099)	(58,841)	(4)	(546,944)
NONOPERATING REVENUES (EXPENSES):				
Grants	77,075	-	-	77,075
Intergovernmental	336,358	-	-	336,358
Interest income	5,280	21,738	917	27,935
Total nonoperating revenues (expenses)	418,713	21,738	917	441,368
Net income (loss) before contributions and transfers	(69,386)	(37,103)	913	(105,576)
Transfers in	70,204	322,274	-	392,478
Total transfers	70,204	322,274	-	392,478
Change in net position	818	285,171	913	286,902
NET POSITION:				
Beginning of year	317,824	602,154	406,879	1,326,857
End of year	<u>\$ 318,642</u>	<u>\$ 887,325</u>	<u>\$ 407,792</u>	<u>\$ 1,613,759</u>

City of Pleasanton
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2020

	Transit	Cemetery	Housing Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	\$ 19,077	\$ 227,707	\$ -	\$ 246,784
Cash payments to suppliers for goods and services	(137,449)	(200,288)	(4)	(337,741)
Cash payments to employees for services	(365,089)	(60,189)	-	(425,278)
Net cash provided (used) by operating activities	(483,461)	(32,770)	(4)	(516,235)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital assets (acquisition)	-	(439,486)	-	(439,486)
Net cash provided (used) by capital financing activities	-	(439,486)	-	(439,486)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Grants received	85,863	-	-	85,863
Intergovernmental funds received	336,358	-	-	336,358
Interfund receipts	70,204	322,274	-	392,478
Net cash provided (used) by noncapital financing activities	492,425	322,274	-	814,699
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	5,409	20,069	917	26,395
Net cash provided (used) by investing activities	5,409	20,069	917	26,395
Net increase (decrease) in cash and cash equivalents	14,373	(129,913)	913	(114,627)
CASH AND CASH EQUIVALENTS:				
Beginning of year	195,280	845,295	355,129	1,395,704
End of year	<u>\$ 209,653</u>	<u>\$ 715,382</u>	<u>\$ 356,042</u>	<u>\$ 1,281,077</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ (488,099)	\$ (58,841)	\$ (4)	\$ (546,944)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	15,026	26,748	-	41,774
Change in operating assets and liabilities:				
Accounts receivable	-	(15,988)	-	(15,988)
Accounts payable	(3,414)	(23,609)	-	(27,023)
Payroll payable	(4,134)	672	-	(3,462)
Due to other funds	(1,264)	-	-	(1,264)
Unearned revenue	(1,576)	38,248	-	36,672
Net cash provided (used) by operating activities	\$ (483,461)	\$ (32,770)	\$ (4)	\$ (516,235)

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

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

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, 2020

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Self Insurance Retention
ASSETS				
Current assets:				
Cash and investments	\$ 10,877,514	\$ 78,123	\$ 24,222,076	\$ 5,186,230
Restricted cash and investments	-	-	-	-
Accounts receivable	7,191	1,393	23,600	-
Interest receivable	43,311	383	125,332	20,290
Total current assets	10,928,016	79,899	24,371,008	5,206,520
Noncurrent assets:				
Advances to other funds	-	-	581,955	-
Capital assets:				
Nondepreciable	-	349,893	474,208	-
Depreciable, net	-	6,267	11,845,587	-
Total noncurrent assets	-	356,160	12,901,750	-
Total assets	10,928,016	436,059	37,272,758	5,206,520
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	24,617,864	-	-	-
Related to OPEB	-	-	-	-
Total deferred outflows of resources	24,617,864	-	-	-
LIABILITIES				
Current liabilities:				
Accounts payable	1,429,631	36	579,291	31,274
Accrued compensated absences	1,392,747	-	-	-
Claims payable	1,458,040	-	-	398,865
Total current liabilities	4,280,418	36	579,291	430,139
Noncurrent liabilities:				
Accrued compensated absences	3,508,264	-	-	-
Net pension liability	124,628,247	-	-	-
Net OPEB Liability	-	-	-	-
Claims payable	7,493,303	-	-	843,480
Total noncurrent liabilities	135,629,814	-	-	843,480
Total liabilities	139,910,232	36	579,291	1,273,619
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	6,562,299	-	-	-
Related to OPEB	-	-	-	-
Total deferred inflows of resources	6,562,299	-	-	-
NET POSITION				
Net investment in capital assets	-	356,160	12,319,795	-
Restricted	-	-	-	-
Unrestricted	(110,926,651)	79,863	24,373,672	3,932,901
Total net position	\$ (110,926,651)	\$ 436,023	\$ 36,693,467	\$ 3,932,901

Retiree Insurance Reserve	PERS Rate Stabilization	City Enhancement	Total
\$ 777,019	\$ -	\$ 201,321	\$ 41,342,283
-	22,809,584	-	22,809,584
-	-	-	32,184
2,376	-	6	191,698
<u>779,395</u>	<u>22,809,584</u>	<u>201,327</u>	<u>64,375,749</u>
-	-	-	581,955
-	-	-	824,101
-	-	-	<u>11,851,854</u>
-	-	-	<u>13,257,910</u>
<u>779,395</u>	<u>22,809,584</u>	<u>201,327</u>	<u>77,633,659</u>
-	-	-	24,617,864
<u>4,871,158</u>	-	-	<u>4,871,158</u>
<u>4,871,158</u>	-	-	<u>29,489,022</u>
262,849	-	22,593	2,325,674
-	-	-	1,392,747
-	-	-	<u>1,856,905</u>
<u>262,849</u>	-	<u>22,593</u>	<u>5,575,326</u>
-	-	-	3,508,264
-	-	-	124,628,247
30,507,510	-	-	30,507,510
-	-	-	<u>8,336,783</u>
<u>30,507,510</u>	-	-	<u>166,980,804</u>
<u>30,770,359</u>	-	<u>22,593</u>	<u>172,556,130</u>
-	-	-	6,562,299
<u>10,394,745</u>	-	-	<u>10,394,745</u>
<u>10,394,745</u>	-	-	<u>16,957,044</u>
-	-	-	12,675,955
-	22,809,584	-	22,809,584
<u>(35,514,551)</u>	-	<u>178,734</u>	<u>(117,876,032)</u>
<u>\$ (35,514,551)</u>	<u>\$ 22,809,584</u>	<u>\$ 178,734</u>	<u>\$ (82,390,493)</u>

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2020

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Self Insurance Retention
OPERATING REVENUES:				
Charges for services	\$ 1,354,233	\$ -	\$ 4,800,000	\$ 1,100,000
Other revenues	418	-	25,695	3,436
Total operating revenues	1,354,651	-	4,825,695	1,103,436
OPERATING EXPENSES:				
Personnel services	12,458,833	-	-	-
Repairs and maintenance	-	-	352,835	-
Materials, supplies, and services	2,406,521	54,405	1,962,131	1,624,038
Depreciation	-	1,600	2,075,442	-
Total operating expenses	14,865,354	56,005	4,390,408	1,624,038
OPERATING INCOME (LOSS)	(13,510,703)	(56,005)	435,287	(520,602)
NONOPERATING REVENUES/EXPENSES:				
Interest income	260,553	2,168	772,318	121,030
Gain (loss) from disposal of capital assets	-	-	81,977	-
Total nonoperating revenues (expenses)	260,553	2,168	854,295	121,030
Income before Transfers in (out)	(13,250,150)	(53,837)	1,289,582	(399,572)
Transfers in	-	-	22,274	-
Transfers out	-	-	(2,364,445)	-
Total other financing sources (uses)	-	-	(2,342,171)	-
Change in net position	(13,250,150)	(53,837)	(1,052,589)	(399,572)
NET POSITION (DEFICIT):				
Beginning of year	(97,676,501)	489,860	37,746,056	4,332,473
End of year	<u>\$ (110,926,651)</u>	<u>\$ 436,023</u>	<u>\$ 36,693,467</u>	<u>\$ 3,932,901</u>

Retirees Insurance Reserve	PERS Rate Stabilization	City Enhancement	Total
\$ 5,171,061	\$ -	\$ 200,000	\$ 12,625,294
-	-	-	29,549
<u>5,171,061</u>	<u>-</u>	<u>200,000</u>	<u>12,654,843</u>
1,160,762	-	-	13,619,595
-	-	-	352,835
15,570	-	227,015	6,289,680
-	-	-	2,077,042
<u>1,176,332</u>	<u>-</u>	<u>227,015</u>	<u>22,339,152</u>
<u>3,994,729</u>	<u>-</u>	<u>(27,015)</u>	<u>(9,684,309)</u>
11,995	570,182	808	1,739,054
-	-	-	81,977
<u>11,995</u>	<u>570,182</u>	<u>808</u>	<u>1,821,031</u>
4,006,724	570,182	(26,207)	(7,863,278)
1,006,000	22,239,402	-	23,267,676
<u>(23,333,402)</u>	<u>-</u>	<u>-</u>	<u>(25,697,847)</u>
<u>(22,327,402)</u>	<u>22,239,402</u>	<u>-</u>	<u>(2,430,171)</u>
(18,320,678)	22,809,584	(26,207)	(10,293,449)
<u>(17,193,873)</u>	<u>-</u>	<u>204,941</u>	<u>(72,097,044)</u>
<u>\$ (35,514,551)</u>	<u>\$ 22,809,584</u>	<u>\$ 178,734</u>	<u>\$ (82,390,493)</u>

City of Pleasanton
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2020

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Self Insurance Retention
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipt from customer/other funds	\$ 1,347,460	\$ -	\$ 5,578,229	\$ 1,103,436
Cash payment to suppliers for goods and services	(1,161,032)	(73,752)	(2,282,823)	(1,882,996)
Cash payment to and on behalf of employees for services	(94,594)	-	-	-
Net cash provided (used) by operating activities	91,834	(73,752)	3,295,406	(779,560)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund (payments) receipts	-	-	(2,095,023)	-
Net cash provided (used) by noncapital financing activities	-	-	(2,095,023)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital assets acquisition	-	(13,500)	(2,353,198)	-
Proceeds from sale of capital assets	-	-	81,977	-
Net cash provided (used) by capital and related financing activities	-	(13,500)	(2,271,221)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	268,736	2,631	764,290	126,848
Net cash provided (used) by investing activities	268,736	2,631	764,290	126,848
Net (decrease) in cash and cash equivalents	360,570	(84,621)	(306,548)	(652,712)
CASH AND CASH EQUIVALENTS:				
Beginning of year	10,516,944	162,744	24,528,624	5,838,942
End of year	<u>\$ 10,877,514</u>	<u>\$ 78,123</u>	<u>\$ 24,222,076</u>	<u>\$ 5,186,230</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ (13,510,703)	\$ (56,005)	\$ 435,287	\$ (520,602)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	1,600	2,075,442	-
Change in operating assets and liabilities:				
Accounts receivable	(7,191)	-	(13,468)	-
Prepaid expenses	-	-	766,002	-
Accrued liabilities	602,146	(19,347)	32,143	25,409
Accrued compensated absences	386,635	-	-	-
Net pension liability	11,977,604	-	-	-
Net OPEB liability	-	-	-	-
Claims payable	643,343	-	-	(284,367)
Net cash provided (used) by operating activities	\$ 91,834	\$ (73,752)	\$ 3,295,406	\$ (779,560)

Retirees Insurance Reserve	PERS Rate Stabilization	City Enhancement	Total
\$ 5,171,061	\$ -	\$ 200,000	\$ 13,400,186
(15,570)	-	(204,422)	(5,620,595)
(4,168,497)	-	-	(4,263,091)
986,994	-	(4,422)	3,516,500
(22,458,996)	22,239,402	-	(2,314,617)
(22,458,996)	22,239,402	-	(2,314,617)
-	-	-	(2,366,698)
-	-	-	81,977
-	-	-	(2,284,721)
9,619	570,182	1,916	1,744,222
9,619	570,182	1,916	1,744,222
(21,462,383)	22,809,584	(2,506)	661,384
22,239,402	-	203,827	63,490,483
\$ 777,019	\$ 22,809,584	\$ 201,321	\$ 64,151,867
\$ 3,994,729	\$ -	\$ (27,015)	\$ (9,684,309)
-	-	-	2,077,042
-	-	-	(20,659)
-	-	-	766,002
239,087	-	22,593	902,031
-	-	-	386,635
-	-	-	11,977,604
(3,246,822)	-	-	(3,246,822)
-	-	-	358,976
\$ 986,994	\$ -	\$ (4,422)	\$ 3,516,500

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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

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, Dublin San Ramon Services District, 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, 2020

	Retiree Insurance	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies	Cash Bonds
ASSETS					
Cash and investments	\$ 54,740	\$ 41,407	\$ 2,465	\$ 440,921	\$ 1,543,277
Receivables:					
Accounts	8,881	-	-	302,938	-
Interest	-	250	-	-	-
Notes receivable	-	-	-	5,737	-
Total assets	\$ 63,621	\$ 41,657	\$ 2,465	\$ 749,596	\$ 1,543,277
LIABILITIES					
Cash and investments (overdraft)	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	50,372	-	-	614,044	25,000
Claims payable	-	-	-	-	-
Loan payable	-	-	-	5,737	-
Deposits	13,249	41,657	2,465	129,815	1,518,277
Total liabilities	\$ 63,621	\$ 41,657	\$ 2,465	\$ 749,596	\$ 1,543,277

Livermore- Pleasanton Fire Department	Total
\$ 6,000,220	\$ 8,083,030
-	311,819
29,602	29,852
-	5,737
<u>\$ 6,029,822</u>	<u>\$ 8,430,438</u>

\$ -	\$ -
181,093	870,509
9,174,000	9,174,000
-	5,737
<u>(3,325,271)</u>	<u>(1,619,808)</u>
<u>\$ 6,029,822</u>	<u>\$ 8,430,438</u>

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Retiree Insurance</u>				
Assets:				
Cash and investments	\$ -	\$ 642,803	\$ (588,063)	\$ 54,740
Accounts receivable	4,617	624,547	(620,283)	8,881
Total assets	\$ 4,617	\$ 1,267,350	\$ (1,208,346)	\$ 63,621
Liabilities:				
Cash and investments (overdraft)	\$ 4,121	\$ -	\$ (4,121)	\$ -
Accounts payable	41	631,670	(581,339)	50,372
Deposits	455	609,925	(597,131)	13,249
Total liabilities	\$ 4,617	\$ 1,241,595	\$ (1,182,591)	\$ 63,621
<u>Downtown Merchant Improvements</u>				
Assets:				
Cash and investments	\$ 47,380	\$ 76,914	\$ (82,887)	\$ 41,407
Interest receivable	245	250	(245)	250
Total assets	\$ 47,625	\$ 77,164	\$ (83,132)	\$ 41,657
Liabilities:				
Accounts payable	\$ -	\$ 82,625	\$ (82,625)	\$ -
Deposits	47,625	76,657	(82,625)	41,657
Total liabilities	\$ 47,625	\$ 76,657	\$ (82,625)	\$ 41,657
<u>Asset Forfeiture</u>				
Assets:				
Cash and investments	\$ 29,748	\$ 41,114	\$ (68,397)	\$ 2,465
Total assets	\$ 29,748	\$ 41,114	\$ (68,397)	\$ 2,465
Liabilities:				
Accounts payable	\$ -	\$ 88,953	\$ (88,953)	\$ -
Deposits	29,748	-	(27,283)	2,465
Total liabilities	\$ 29,748	\$ -	\$ (27,283)	\$ 2,465
<u>Miscellaneous Agencies</u>				
Assets:				
Cash and investments	\$ 2,025,430	\$ 5,947,653	\$ (7,532,162)	\$ 440,921
Receivables:				
Accounts	546,339	850,498	(1,093,899)	302,938
Notes	10,008	-	(4,271)	5,737
Total assets	\$ 2,581,777	\$ 6,798,151	\$ (8,630,332)	\$ 749,596
Liabilities:				
Payables:				
Accounts	\$ 2,427,824	\$ 5,820,238	\$ (7,634,018)	\$ 614,044
Notes	10,008	-	(4,271)	5,737
Deposits	143,945	5,676,160	(5,690,290)	129,815
Total liabilities	\$ 2,581,777	\$ 11,496,398	\$ (13,328,579)	\$ 749,596

**City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Cash Bonds</u>				
Assets:				
Cash and investments	\$ 1,549,751	\$ 217,289	\$ (223,763)	\$ 1,543,277
Total assets	<u>\$ 1,549,751</u>	<u>\$ 217,289</u>	<u>\$ (223,763)</u>	<u>\$ 1,543,277</u>
Liabilities:				
Accounts payable	\$ 3,500	\$ 96,000	\$ (74,500)	\$ 25,000
Deposits	1,546,251	192,289	(220,263)	1,518,277
Total liabilities	<u>\$ 1,549,751</u>	<u>\$ 288,289</u>	<u>\$ (294,763)</u>	<u>\$ 1,543,277</u>
<u>Livermore-Pleasanton Fire Department</u>				
Assets:				
Cash and investments	\$ 6,046,930	\$ 2,574,617	\$ (2,621,327)	\$ 6,000,220
Receivables:				
Accounts	44,458	-	(44,458)	-
Interest	35,151	29,602	(35,151)	29,602
Total assets	<u>\$ 6,126,539</u>	<u>\$ 2,604,219</u>	<u>\$ (2,700,936)</u>	<u>\$ 6,029,822</u>
Liabilities:				
Accounts payable	\$ 165,910	\$ 2,620,928	\$ (2,605,745)	\$ 181,093
Claims payable	9,005,312	168,688	-	9,174,000
Deposits	(3,044,683)	3,405,613	(3,686,201)	(3,325,271)
Total liabilities	<u>\$ 6,126,539</u>	<u>\$ 6,195,229</u>	<u>\$ (6,291,946)</u>	<u>\$ 6,029,822</u>
<u>Total of All Agency Funds</u>				
Assets:				
Cash and investments	\$ 9,699,239	\$ 9,500,390	\$ (11,116,599)	\$ 8,083,030
Receivables:				
Accounts	595,414	1,475,045	(1,758,640)	311,819
Interest	35,396	29,852	(35,396)	29,852
Notes receivable	10,008	-	(4,271)	5,737
Total assets	<u>\$ 10,340,057</u>	<u>\$ 11,005,287</u>	<u>\$ (12,914,906)</u>	<u>\$ 8,430,438</u>
Liabilities:				
Cash and investments (overdraft)	\$ 4,121	\$ -	\$ (4,121)	\$ -
Payables:				
Accounts	2,597,275	9,340,414	(11,067,180)	870,509
Claims	9,005,312	168,688	-	9,174,000
Loan	10,008	-	(4,271)	5,737
Deposits	(1,276,659)	9,960,644	(10,303,793)	(1,619,808)
Total liabilities	<u>\$ 10,340,057</u>	<u>\$ 19,469,746</u>	<u>\$ (21,379,365)</u>	<u>\$ 8,430,438</u>

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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.	195
<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.	207
<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.	215
<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.	223
<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.	227

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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			
	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets (1)	\$ 442,888,249	\$ 459,571,666	\$ 478,640,595	\$ 478,618,864
Restricted	53,388,353	53,945,028	54,730,098	59,542,954
Unrestricted (2)	125,477,861	116,496,384	88,466,476	92,908,491
position	\$ 621,754,463	\$ 630,013,078	\$ 621,837,169	\$ 631,070,309
Business-Type Activities				
Net investment in capital assets	\$ 202,753,118	\$ 196,819,739	\$ 189,306,314	\$ 182,419,601
Restricted	2,267,923	4,273,502	4,630,314	5,245,338
Unrestricted	40,528,824	41,306,525	41,910,981	45,209,251
Total business-type activities net position	\$ 245,549,865	\$ 242,399,766	\$ 235,847,609	\$ 232,874,190
Primary Government				
Net investment in capital assets	\$ 645,641,367	\$ 656,391,405	\$ 667,946,909	\$ 661,038,465
Restricted	55,656,276	58,218,530	59,360,412	64,788,292
Unrestricted	166,006,685	157,802,909	130,377,457	138,117,742
Total primary government activities net position	\$ 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

(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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 487,153,226	\$ 497,839,233	\$ 509,064,211	\$ 504,882,313	\$ 498,338,562	\$ 497,870,162
62,296,241	61,029,572	74,105,178	62,433,733	72,361,830	118,402,861
(27,653,975)	(16,776,353)	(15,318,883)	(49,675,582)	(39,340,376)	(81,114,037)
<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>	<u>\$ 535,158,986</u>
\$ 176,512,644	\$ 182,841,810	\$ 183,305,729	\$ 183,231,147	\$ 176,192,351	\$ 158,203,939
6,081,192	6,797,332	305,694	286,274	214,632	230,477
42,651,779	39,918,554	44,690,494	40,236,159	47,002,659	55,480,453
<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>	<u>\$ 213,914,869</u>
\$ 663,665,870	\$ 680,681,043	\$ 692,369,940	\$ 688,113,460	\$ 674,530,913	\$ 656,074,101
68,377,433	67,826,904	74,410,872	62,720,007	72,576,462	118,633,338
14,997,804	23,142,201	29,371,611	(9,439,423)	7,662,283	(25,633,584)
<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>	<u>\$ 749,073,855</u>

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

	Fiscal Year Ended June 30			
	2011	2012	2013	2014
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 600,615	\$ 530,379	\$ 847,400	\$ 351,432
Public Safety (1)	15,133,410	15,349,962	1,925,017	1,871,706
Community Development	1,263,487	4,213,319	5,070,801	5,406,350
Operations Services	254,425	172,033	488,833	615,063
Community Activities	3,409,771	3,814,092	3,786,304	3,920,184
Operating Grants & Contributions	2,344,348	1,981,223	2,339,740	1,446,304
Capital Grants & Contributions	9,269,252	30,930,426	8,257,001	13,322,657
Total Government Activities:	32,275,308	56,991,434	22,715,096	26,933,696
Business-Type Activities:				
Charges for Services				
Water	15,906,217	17,858,731	19,874,140	19,542,181
Sewer	11,201,749	12,450,545	12,873,074	13,591,371
Golf	3,871,138	3,924,212	3,921,815	3,781,952
Transit	40,278	36,393	32,728	29,287
Storm Drain	370,024	365,155	347,612	361,348
Cemetery	349,941	102,046	77,242	49,142
Pleasanton Housing Authority	155,609	153,255	163,515	176,432
Electric Vehicle	-	-	-	-
Operating Grants & Contributions	-	370,989	182,854	114,771
Capital Grants & Contributions	-	99,596	78,595	-
Total Business-Type Activities	31,894,956	35,360,922	37,551,575	37,646,484
Total Primary Government Revenues	\$ 64,170,264	\$ 92,352,356	\$ 60,266,671	\$ 64,580,180
Expenses				
Governmental Activities:				
General Government	\$ 11,320,194	\$ 11,287,857	\$ 10,983,778	\$ 10,360,977
Public Safety (1)	53,346,944	61,545,745	47,486,526	42,173,584
Community Development	11,383,162	12,614,316	18,502,872	15,690,263
Operations Services	25,859,451	25,072,278	20,676,081	23,101,587
Community Activities	13,238,584	12,186,269	11,705,687	10,767,100
Interest on Long-Term Debt	1,077,908	1,048,843	1,528,110	36,565
Total Government Activities:	116,226,243	123,755,308	110,883,054	102,130,076
Business-Type Activities:				
Water	18,783,261	20,624,535	22,028,379	19,955,880
Sewer	13,818,267	14,216,171	14,050,710	14,397,652
Golf	5,048,601	5,146,812	5,154,023	5,217,734
Transit	694,687	690,067	668,192	656,825
Storm Drain	1,822,769	1,746,357	1,758,604	1,661,216
Cemetery	36,998	22,544	29,656	88,195
Pleasanton Housing Authority	453,270	380,940	375,950	400,015
Electric Vehicle	-	-	-	-
Total Business-Type Activities	40,657,853	42,827,426	44,065,514	42,377,517
Total Primary Government Expense	\$ 156,884,096	\$ 166,582,734	\$ 154,948,568	\$ 144,507,593

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	2020
\$	576,781	\$ 489,842	\$ 380,148	\$ 377,968	\$ 1,759,450	\$ 1,808,531
	1,864,000	2,252,106	2,209,630	2,241,723	2,101,271	2,089,012
	6,193,038	7,434,666	7,137,220	7,283,955	7,071,315	5,616,871
	464,764	385,681	245,567	13,273	412,217	370,660
	4,429,931	4,721,811	4,238,718	5,388,824	4,920,968	2,369,971
	2,472,764	2,837,179	2,144,568	2,531,927	2,790,058	2,724,019
	13,467,743	12,777,297	29,268,836	12,083,316	12,416,072	12,471,722
	29,469,021	30,898,582	45,624,687	29,920,986	31,471,351	27,450,786
	17,700,120	17,639,091	24,979,440	28,469,053	27,106,096	30,074,927
	14,274,645	13,861,477	14,756,465	14,635,697	14,894,626	15,235,355
	3,620,949	3,825,552	3,678,545	3,772,104	3,713,019	3,225,018
	26,934	25,560	25,229	27,592	25,394	20,653
	451,835	788,101	872,260	747,726	744,402	719,550
	58,310	72,743	120,202	283,690	161,243	205,447
	182,096	129,879	-	-	-	-
	-	4,054	-	-	-	-
	259,729	244,749	107,176	72,092	78,908	77,075
	-	8,215,464	5,072,145	1,879,164	1,223,357	1,519,616
	36,574,618	44,806,670	49,611,462	49,887,118	47,947,045	51,077,641
\$	66,043,639	\$ 75,705,252	\$ 95,236,149	\$ 79,808,104	\$ 79,418,396	\$ 78,528,427
\$	11,664,448	\$ 11,626,959	\$ 13,262,964	\$ 13,642,305	\$ 15,463,935	\$ 17,948,798
	45,039,711	44,667,204	50,423,097	49,340,797	52,306,605	53,337,713
	15,545,862	14,680,399	15,053,634	20,126,026	16,697,040	17,485,023
	14,765,337	23,621,666	26,341,007	29,609,753	33,754,591	34,917,629
	12,625,484	13,158,251	14,281,965	15,343,079	15,852,817	15,659,688
	3,196	22,828	21,469	24,728	28,035	24,873
	99,644,038	107,777,307	119,384,136	128,086,688	134,103,023	139,373,724
	17,297,973	18,390,589	27,775,558	28,476,375	27,667,694	32,293,274
	14,585,270	14,986,417	15,952,170	16,243,756	17,308,963	16,281,822
	4,923,007	4,896,052	4,955,932	5,129,759	4,849,230	4,733,225
	576,286	647,326	647,029	724,243	667,324	511,788
	1,166,224	2,426,049	2,502,935	1,866,129	2,570,902	2,800,668
	50,420	20,755	266,740	187,186	245,796	264,288
	386,248	347,495	134	166	59	4
	-	2,500	-	-	-	-
	38,985,428	41,717,183	52,100,498	52,627,614	53,309,968	56,885,069
\$	138,629,466	\$ 149,494,490	\$ 171,484,634	\$ 180,714,302	\$ 187,412,991	\$ 196,258,793

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

	Fiscal Year Ended June 30			
	2011	2012	2013	2014
Net (Expenses)/Revenue:				
Governmental Activities:	\$ (83,950,935)	\$ (66,763,874)	\$ (88,167,958)	\$ (75,196,380)
Business-Type Activities:	(8,762,897)	(7,466,504)	(6,513,939)	(4,731,033)
Total Net (Expense)/Revenue	<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	48,569,049	47,923,732	48,648,728	50,366,818
Other taxes	6,245,758	6,962,201	7,866,876	8,278,095
Sales tax	18,503,316	19,107,418	19,102,977	20,993,123
Motor vehicle in lieu	356,653	36,534	30,491	-
Franchise fees	2,001,934	2,012,970	2,114,954	2,371,125
Unrestricted investment earnings	1,585,593	1,439,639	230,933	2,326,506
Miscellaneous	568,212	983,690	1,076,858	868,797
Transfers	(622,606)	(3,443,695)	920,232	(774,943)
Total Government Activities:	<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	264,762	282,760	(100,734)	525,766
Miscellaneous	830,530	589,950	982,747	456,905
Transfers	622,606	3,443,695	(920,232)	774,943
Total Business-Type Activities	<u>1,717,898</u>	<u>4,316,405</u>	<u>(38,219)</u>	<u>1,757,614</u>
Total Primary Government	<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:	(6,743,027)	8,258,615	(8,175,909)	9,233,141
Business-Type Activities:	(7,044,999)	(3,150,099)	(6,552,158)	(2,973,419)
Total Primary Government	<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	2020
\$ (70,175,017)	\$ (77,590,854)	\$ (74,023,542)	\$ (98,361,115)	\$ (102,631,672)	\$ (111,922,938)
(2,410,810)	3,801,616	(2,224,943)	(2,545,083)	(5,362,923)	(5,807,428)
<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>	<u>(117,730,366)</u>
53,744,273	57,276,734	61,203,788	65,730,411	69,930,013	74,257,259
9,292,582	10,680,021	11,286,091	11,734,873	11,917,437	10,380,382
22,410,654	23,543,972	23,362,536	21,764,560	22,959,956	20,662,385
-	-	-	-	-	-
2,455,508	2,570,130	2,637,490	2,685,070	3,075,783	4,984,643
1,493,023	1,878,574	1,029,883	1,087,214	7,443,513	6,238,557
275,323	1,647,178	750,129	165,541	385,830	409,060
(755,609)	291,205	(488,321)	(1,100,016)	(818,540)	(1,210,378)
<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>	<u>115,721,908</u>
325,838	486,865	208,100	353,862	1,549,905	1,645,696
1,635,657	314,805	272,743	714,489	2,650,540	1,177,745
755,609	(291,205)	488,321	1,100,016	818,540	1,210,378
<u>2,717,104</u>	<u>510,465</u>	<u>969,164</u>	<u>2,168,367</u>	<u>5,018,985</u>	<u>4,033,819</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>	<u>119,755,727</u>
18,740,737	20,296,960	25,758,054	3,706,538	12,262,320	3,798,970
306,294	4,312,081	(1,255,779)	(376,716)	(343,938)	(1,773,609)
<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>	<u>\$ 2,025,361</u>

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

	<u>Fiscal Year</u>
	<u>2011</u>
General Fund	
Reserved	\$ -
Unreserved	25,328,982
Total General Fund	<u>25,328,982</u>
All Other Governmental Funds	
Reserved	
Unreserved, reported in:	
Special Revenue Funds	22,584,906
Capital Projects Funds	53,388,353
Total All Other Governments Funds	<u>\$ 75,973,259</u>

	<u>Fiscal Year Ended June 30</u>								
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund									
Nonspendable	\$ 218,658	\$ 264,456	\$ 218,082	\$ 163,689	\$ 121,900	\$ 75,199	\$ 45,688	\$ 524,566	\$ 515,352
Restricted (3)	-	-	-	-	-	-	-	-	17,479,186
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	19,279,867
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>	<u>\$ 37,274,405</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	78,114,091
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	33,573,206
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>	<u>\$ 111,687,297</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.
- (3) Restricted fund balance in the General Fund represents a portion of the amounts held in the City's PARS 115 Pension Trust Fund.

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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				
	2011	2012	2013	2014	2015
Revenues:					
Taxes	\$ 73,637,299	\$ 74,342,216	\$ 75,998,183	\$ 80,036,078	\$ 85,842,939
Special Assessments	202,642	198,710	210,276	204,912	204,755
Licenses	10,978	11,180	10,548	15,534	10,018
Permits	1,453,709	1,775,254	1,963,950	1,809,142	3,276,533
Fines and Forfeitures	554,089	514,613	606,483	528,070	535,269
Use of Money & Property	1,201,627	1,169,435	966,402	2,002,307	1,445,331
Intergovernmental	7,204,939	5,398,749	7,470,232	5,665,356	5,616,638
Franchises	2,001,935	2,012,970	2,114,955	2,371,125	2,455,509
Charges for Services (1)	14,382,797	14,624,998	955,963	1,003,549	1,002,509
Development Fees	3,104,570	3,822,464	3,117,578	8,559,519	8,684,756
Plan Check fees	918,878	1,616,141	1,200,174	2,124,937	1,963,429
Reimbursements	1,387,642	1,525,030	2,422,053	1,759,826	2,239,210
Contributions and Donations	461,576	4,341,337	414,842	547,642	181,937
Other Revenues	3,061,797	3,326,512	3,139,666	2,985,310	3,067,997
Recreation Charges	3,295,411	3,504,924	3,457,871	3,772,872	4,063,003
	<u>112,879,889</u>	<u>118,184,533</u>	<u>104,049,176</u>	<u>113,386,179</u>	<u>120,589,833</u>
Expenditures:					
Current:					
General Government	11,172,110	11,671,393	11,942,389	11,269,902	12,590,280
Public Safety (1)	50,091,867	52,128,400	39,771,835	41,687,750	42,781,587
Community Development	11,991,350	12,658,878	12,851,491	13,761,593	15,875,983
Operations Services	14,377,543	14,109,244	14,526,304	15,943,523	7,624,563
Community Activities	10,644,722	10,551,455	10,976,770	11,462,498	11,518,746
Capital Outlay	9,199,072	10,123,534	10,294,297	12,510,682	17,322,318
Debt Service:					
Principal (2)	1,860,000	1,852,741	22,132,902	1,753,025	1,781,107
Interest & Fiscal Charges (2)	1,053,120	1,009,993	1,173,287	29,335	10,955
Total Expenditures	<u>110,389,784</u>	<u>114,105,638</u>	<u>123,669,275</u>	<u>108,418,308</u>	<u>109,505,539</u>
Excess/(Deficiency of Revenues Over/(Under) Expenditures	<u>2,490,105</u>	<u>4,078,895</u>	<u>(19,620,099)</u>	<u>4,967,871</u>	<u>11,084,294</u>
Other Financing Sources (Uses):					
Capital Lease	-	102,372	-	-	-
Loan Proceeds	-	-	-	1,687,250	1,468,014
Transfers In (3)	5,610,956	10,172,452	25,318,583	2,853,819	3,339,742
Transfers Out (3)	(8,482,876)	(14,204,898)	(18,956,053)	(4,014,347)	(5,902,855)
Total Other Financing Sources (Uses)	<u>(2,871,920)</u>	<u>(3,930,074)</u>	<u>6,362,530</u>	<u>526,722</u>	<u>(1,095,099)</u>
Net Change in Fund Balances	<u>(381,815)</u>	<u>148,821</u>	<u>(13,257,569)</u>	<u>5,494,593</u>	<u>9,989,195</u>
Fund Balances:					
Beginning of Year	101,684,056	101,302,241	101,451,062	88,193,493	93,688,086
Prior Period Adjustment	-	-	-	-	-
End of Year	<u>\$ 101,302,241</u>	<u>\$ 101,451,062</u>	<u>\$ 88,193,493</u>	<u>\$ 93,688,086</u>	<u>\$ 103,677,281</u>
Debt Service as a Percentage of Noncapital Expenditure (4)	2.76%	2.70%	20.14%	1.86%	1.94%

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 LPFD 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

	2016	2017	2018	2019	2020
\$	91,902,097	\$ 96,300,774	\$ 99,707,057	\$ 105,321,095	\$ 105,812,873
	206,219	207,293	205,355	209,533	207,333
	10,270	9,409	9,558	8,436	7,505
	3,307,959	3,598,675	3,190,162	3,347,546	2,717,733
	308,911	355,300	289,652	361,410	274,002
	1,896,314	1,329,461	1,541,498	5,221,554	4,984,621
	5,862,784	6,756,014	7,328,741	7,730,043	7,264,929
	2,570,130	2,637,490	2,685,070	3,075,783	8,326,928
	2,095,908	1,578,779	1,624,583	1,402,568	1,313,568
	7,791,583	16,489,666	5,576,884	5,152,526	2,131,626
	2,776,668	2,856,220	2,559,503	2,121,702	1,954,136
	2,463,578	6,682,770	-	-	-
	864,641	676,935	618,492	727,802	935,244
	1,865,217	1,584,539	5,297,525	4,871,504	4,407,463
	4,242,435	4,107,359	5,204,196	4,775,360	2,310,189
	<u>128,164,714</u>	<u>145,170,684</u>	<u>135,838,276</u>	<u>144,326,862</u>	<u>142,648,150</u>
	12,709,762	13,221,537	13,699,733	14,535,495	15,975,597
	44,521,472	45,505,980	47,409,160	50,719,939	50,325,353
	18,949,408	20,792,152	18,241,639	17,829,747	16,672,236
	18,028,059	17,439,410	19,610,005	20,509,438	20,817,782
	12,314,149	12,522,912	13,184,276	13,593,436	12,708,258
	21,499,776	20,737,214	15,357,331	7,982,326	12,420,752
	1,222,660	239,863	230,911	246,724	244,541
	22,828	21,469	24,728	28,035	24,873
	<u>129,268,114</u>	<u>130,480,537</u>	<u>127,757,783</u>	<u>125,445,140</u>	<u>129,189,392</u>
	<u>(1,103,400)</u>	<u>14,690,147</u>	<u>8,080,493</u>	<u>18,881,722</u>	<u>13,458,758</u>
	-	-	-	-	-
	1,198,962	-	-	-	-
	9,784,448	12,590,762	14,051,836	13,742,275	11,596,091
	<u>(14,838,139)</u>	<u>(17,917,323)</u>	<u>(13,526,673)</u>	<u>(15,029,240)</u>	<u>(10,376,298)</u>
	<u>(3,854,729)</u>	<u>(5,326,561)</u>	<u>525,163</u>	<u>(1,286,965)</u>	<u>1,219,793</u>
	<u>(4,958,129)</u>	<u>9,363,586</u>	<u>8,605,656</u>	<u>17,594,757</u>	<u>14,678,551</u>
	103,677,281	98,719,152	108,082,738	116,688,394	134,283,151
	-	-	-	-	-
\$	<u>98,719,152</u>	<u>\$ 108,082,738</u>	<u>\$ 116,688,394</u>	<u>\$ 134,283,151</u>	<u>\$ 148,961,702</u>
	1.15%	0.24%	0.22%	0.23%	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 & Nine 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)
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%
2020	24,040,121,665	176,156	1,200,845,680	25,241,143,501	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 & HDL Company Package

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

	Fiscal Year Ended June 30			
	2011	2012	2013	2014
County Wide Levy (Net Pleasanton)	0.7029	0.7029	0.7029	0.7029
City of Pleasanton	0.2971	0.2971	0.2971	0.2971
County Wide GO Bond	-	-	-	-
Dublin Joint Unified Bonds 1A & B (1)	0.1011	0.0970	0.0993	0.1147
Pleasanton Unified School District	0.0891	0.0908	0.0963	0.0916
Community College District	0.0211	0.0214	0.0219	0.0214
Flood Zone 7	0.0250	0.0307	0.0228	0.0257
Bay Area Rapid Transit District	0.0031	0.0041	0.0043	0.0075
Livermore Joint Unified (1)	0.0635	0.0627	0.0607	0.0596
Sunol Unified School District (1)	0.0465	0.0480	0.0439	0.0427
East Bay Regional Park District	0.0084	0.0071	0.0051	0.0078
Total	1.3578	1.3618	1.3543	1.3710

Note: Rates are percentage of total assessed value

(1) Rate information became available in FY 2019/20 and the information was added to all prior years.

Source: HDL Companies

Fiscal Year Ended June 30					
2015	2016	2017	2018	2019	2020
0.7029	0.7029	0.7029	0.7029	0.7029	0.7029
0.2971	0.2971	0.2971	0.2971	0.2971	0.2971
-	-	-	-	0.0112	0.0108
0.1077	0.0767	0.0972	0.1665	0.1452	0.1460
0.0695	0.0239	0.0224	0.0672	0.0640	0.0642
0.0217	0.0198	0.0246	0.0445	0.0443	0.0422
0.0250	0.0343	0.0333	0.0359	0.0332	0.0309
0.0045	0.0026	0.0080	0.0084	0.0070	0.0120
0.0497	0.0404	0.0886	0.0803	0.0771	0.0743
0.0486	0.0429	0.0464	0.0489	0.0498	0.0495
0.0085	0.0067	0.0032	0.0021	0.0057	0.0060
1.3352	1.2473	1.3237	1.4538	1.4375	1.4359

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

FY 2019/2020			FY 2010/2011		
Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Workday Inc.	\$ 412,766,087	1.64%	Kaiser	\$ 240,794,789	1.41%
Kaiser	324,688,443	1.29%	Stoneridge Properties	230,917,791	1.35%
Stoneridge Creek Pleasanton CCRC LLC	269,596,062	1.07%	Pleasant Property LLC	208,886,061	1.22%
Stoneridge Properties	267,025,804	1.06%	6200 Stoneridge Mall Road Investors LLC	190,974,596	1.12%
Rosewood Commons Property Owner LLC	263,906,478	1.05%	Metropolitan Life Insurance Company	159,321,211	0.93%
6200 Stoneridge Mall Road Investors LLC	205,266,291	0.81%	Safeway Inc.	137,813,603	0.81%
Essex Pleasanton Owner LP	201,837,415	0.80%	NNN Britannia Business Center 1	135,527,972	0.79%
Stoneridge Residential LLC	163,085,008	0.65%	Stoneridge Residential LLC	128,321,955	0.75%
Oracle America Inc/PeopleSoft	159,439,392	0.63%	Applera Corporation	127,413,855	0.75%
CP IV Vintage LLC	158,696,172	0.63%	Peoplesoft Properties, Inc	120,119,380	0.70%
	<u>\$ 2,426,307,152</u>	<u>9.63%</u>		<u>\$ 1,680,091,213</u>	<u>9.83%</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	
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
2020	74,457,940	73,648,416	98.91%	809,524

- (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, 2020

Legal Debt Margin - Last Ten Fiscal Years

Pledged-Revenue Coverage for the Water Fund - Last Five 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
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
2020	-	-	1,194,588	1,194,588

Business-Type Activities							
Sewer Revenue Bonds	Water Revenue Bonds	Notes/Loans Payable	Capital Lease	Total Primary Government	Percentage of Personal Income	Debt Per Capita	
\$ 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	
-	4,600,000	9,671,433	132,612	15,598,633	0.3%	196.30	

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		
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%	-
2020	-	-	-	0.000%	-

City of Pleasanton
Direct and Overlapping Debt
For the year ended June 30, 2020

2019/20 Net Assessed Valuation: \$ 25,241,143,501

Overlapping Tax Debt:	Outstanding Debt 06/30/20	Percentage Applicable (1)	Estimated Share of Overlapping Debt
Alameda County	\$ 218,000,000	8.133%	\$ 17,729,940
Bay Area Rapid Transit District	1,282,740,000	3.137%	40,239,554
Chabot-Las Positas Community College District	626,920,000	18.929%	118,669,687
Dublin Joint Unified School District	536,817,544	0.004%	21,473
Livermore Valley Joint Unified School District	217,830,000	1.809%	3,940,545
Pleasanton Unified School District	149,420,000	97.721%	146,014,718
Sunol Glen Unified School District	403,147	0.002%	8
East Bay Regional Park District	155,835,000	5.002%	7,794,867
Total Overlapping Tax Debt:			<u>\$ 334,410,792</u>

Ratios to Net Assessed Valuation:

Total Overlapping Tax Debt 1.32%

Direct and Overlapping General Fund Debt:

Alameda County General Fund Obligations	\$ 830,130,000	8.133%	\$ 67,514,473
City of Pleasanton Notes and Capital Lease	1,194,588	100.000%	1,194,588
Total Direct and Overlapping General Fund Debt:			<u>68,709,061</u>
Combined Total Debt			<u>\$ 403,119,853 (2)</u>
Total Direct Debt			\$ 1,194,588
Total Overlapping Debt			401,925,265
Combined Total Debt			<u>\$ 403,119,853 (2)</u>

(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 1.32%
Total Direct Debt (\$1,194,588) 0.005%
Combined Total Debt 1.60%

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			
	2011	2012	2013	2014
Net Assessed Valuation	\$ 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%
Adjusted Assessed Valuation	4,243,017,169	4,185,905,951	4,230,645,796	4,410,796,488
Debt Limit Percentage	15%	15%	15%	15%
Legal Debt Limit	<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>\$ 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%

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>	<u>2020</u>
\$ 18,662,143,839	\$ 19,747,074,840	\$ 20,872,215,817	\$ 22,138,382,295	\$ 23,796,761,611	\$ 25,241,143,501
25%	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	6,310,285,875
15%	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>946,542,881</u>
-	-	-	-	-	-
<u><u>\$ 699,830,394</u></u>	<u><u>\$ 740,515,307</u></u>	<u><u>\$ 782,708,093</u></u>	<u><u>\$ 830,189,336</u></u>	<u><u>\$ 892,378,560</u></u>	<u><u>\$ 946,542,881</u></u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Pleasanton
Pledged-Revenue Coverage for the Water Fund
Last Five 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
2020	30,701,446	25,923,528	4,777,918	1,161,318	206,496	1,367,814	3.49

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 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>
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%
2019	79,464	5,214,992,000	65,627	2.5%

Source: HDL Companies - Statistical Package
Most current year available from HDL is for 2019

City of Pleasanton
Principal Employers
Current Year and Nine Years Ago

Employer	FY 2019/2020		Employer	FY 2010/2011	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Workday Inc. (2)	5,098	8.22%	Kaiser Permanente	3,638	6.94%
Kaiser Foundation Hospitals	3,732	6.02%	Safeway	3,300	6.30%
Oracle America Inc.	1,493	2.41%	Oracle	1,510	2.88%
Pleasanton Unified School District (2)	1,373	2.21%	Pleasanton Unified School District	1,117	2.13%
Safeway Inc.	1,348	2.17%	Valley Care Medical Center	1,075	2.05%
Stanford Healthcare-Valleycare	1,040	1.68%	Macy's	984	1.88%
Roche Molecular Systems Inc. (2)	918	1.48%	State Fund Compensation Ins.	650	1.24%
Blackhawk Network Inc. (2)	775	1.25%	Ross Dress for Less Inc	631	1.20%
Ellie Mae Inc. (2)	705	1.14%	EMC Corporation	574	1.10%
Thermo Fisher Scientific	639	1.03%	City of Pleasanton (1)	459	0.88%
Veeva Systems Inc. (2)	600	0.97%	Workday Inc.	451	0.86%
Macy's	529	0.85%	Thoratec Corporation	432	0.82%
Clorox Services Company	501	0.81%	Hendrick Auto	422	0.81%
City of Pleasanton (1)	464	0.75%	Roche Molecular Systems Inc.	416	0.79%
Gap Inc.	450	0.73%	AT&T	367	0.70%

Sources: City of Pleasanton Economic Development Department

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

(2) Headquarters

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

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government (1)	41	38	37	37	38	39	40	39	39	41
Public Safety (2)	181	175	175	175	175	178	178	182	183	181
Community Development	50	48	48	48	48	52	52	55	54	53
Operations Services (3)	63	59	58	57	60	62	62	61	63	62
Community Activities (3)	44	47	47	46	45	45	46	47	47	50
Utilities & Paratransit	36	35	35	38	38	38	41	41	41	43
Total	415	402	400	402	405	413	418	424	425	431

- (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			
	2011	2012	2013	2014
Fire:				
Number of Responses (Pleasanton only)	4,146	4,342	4,548	4,753
Number of Inspections (Pleasanton only)	988	1,194	1,032	1,415
Library: (3)				
Annual Circulation	1,465,716	1,438,609	1,428,665	1,422,134
Gate Count (# of people thru the doors) (3)	562,757	561,351	551,297	556,810
e-Resources				
Economic Development:				
Business Licenses Issued	8,534	9,147	9,275	9,625
Parks & Community Services: (3)				
Paratransit Trips (1)	17,506	15,499	13,486	11,921
Golf Revenue Rounds Played	58,559	58,272	56,104	54,998
Aquatics Programs (No. of Participants) (2)	23,907	25,494	34,334	25,861
Sports, Camps, Classes and Leagues (No. of Participants) (2)	13,580	22,480	54,579	52,589
Amador Theater & Firehouse Arts Center (No. of Patrons)	43,048	51,096	45,291	44,762
Operations Services:				
Streets Resurfacing (miles)	11.5	12.0	11.8	2.0
Utility Bills Generated	132,141	126,104	127,955	128,277
New Water Connections	44	51	88	74
Gallons Delivered (in million gallons/day)	11.4 mgd	13.4 mgd	14.8 mgd	14.2 mgd
New Sewer Connections	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.

(3) Due to the COVID-19 pandemic in 2020 and the resulting Alameda County Shelter-in-Place Order in March of 2020, non-essential City services (library and recreation) were shut-down resulting in decreases in numbers with the exception of Library e-Resources which increased.

Fiscal Year Ended June 30

2015	2016	2017	2018	2019	2020
4,849	5,133	5,579	6,010	5,954	5,624
1,552	1,912	1,538	1,301	1,388	1,460
1,309,117	353,184	1,223,999	1,217,063	1,091,852	852,615
529,996	521,042	527,240	607,451	594,225	399,594
50,000	87,876	71,667	69,826	97,482	212,275
9,776	9,817	9,729	9,461	9,497	9,142
10,725	10,291	8,932	8,024	7,687	5,815
56,066	55,389	51,485	50,317	46,826	44,005
40,803	39,992	39,992	32,296	35,102	23,953
55,054	62,817	56,155	58,405	61,475	18,196
42,759	48,809	50,121	66,250	41,467	30,066
12.9	1.0	1.0	2.0	5.1	11.0
134,559	134,741	123,571	134,405	133,007	133,015
124	99	54	42	75	56
10.8 mgd	10.9 mgd	11.2 mgd	11.8 mgd	12.2 mgd	13.1 mgd
285	374	79	83	98	64

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

	Fiscal Year Ended June 30				
	2011	2012	2013	2014	2015
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 (1)	385	385	385	390	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)	214	214	214	215	215
Streetlights	6,007	6,007	6,025	6,200	6,247
Traffic Signals	93	95	96	101	104
Water:					
Water mains (miles)	321	324	324	327	329
Pumping Capacity (gallons/day)	30.0M	31.0M	31.0M	31.0M	31.0M
Wastewater:					
Sanitary Sewers (miles)	255	257	257	257	258
Storm Sewers (miles)	192	194	194	194	194

Source: City of Pleasanton Community Services and Operations Services

(1) 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

2016	2017	2018	2019	2020
1	1	1	1	1
5	5	5	5	5
1	1	1	1	1
335	447	451	451	451
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
215	216	208	208	208
6,262	6,534	6,534	6,534	6,534
104	106	106	106	108
329	314	331	327	360
31.0M	31.0M	31.0M	31.0M	31.0M
258	259	259	260	258
194	194	194	195	243

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