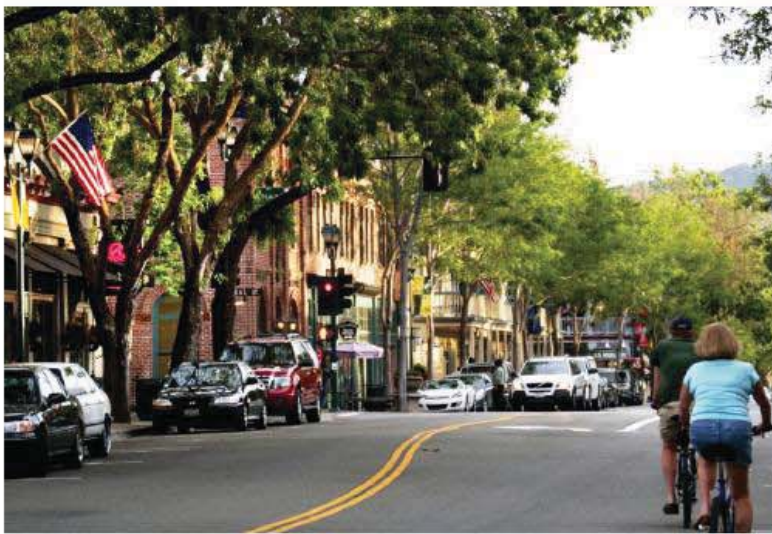


# CITY OF PLEASANTON CALIFORNIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011

# City of Pleasanton

Pleasanton, California

*Comprehensive Annual Financial Report*

*For the year ended June 30, 2011*

*Prepared by the Finance Department*

# City of Pleasanton

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

December 23, 2011

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2011. 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, 2011.

The report presents the finances of the City of Pleasanton. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Vavrinek, Trine, Day & Company, LLP, a firm of licensed certified public accountants, has audited the City of Pleasanton's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Pleasanton for the fiscal year ending June 30, 2011, taken as a whole, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial management presentation. Vavrinek, Trine, Day & Company, LLP, the independent auditor, concluded based on the audit that there was a reasonable basis for rendering an unqualified opinion that the City of Pleasanton's financial statements for the fiscal year ending June 30, 2011, are fairly presented in conformity with GAAP. Their independent auditor's report is the first component presented in the financial section of this report.

The independent audit of the City's financial statements is part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the City's financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Pleasanton's MD&A can be found immediately following the independent auditor's report in the financial section of this report.

## **Profile of the Government**

The City of Pleasanton was incorporated on June 18, 1894. Pleasanton's history has been shaped largely by its geographic location, from its days as a stop on the transcontinental railroad to its modern day position as a center of commerce. Pleasanton enjoys a rich blend of historic turn-of-the-century charm and vital modern facilities that provide the quality of life and economic well being desired by residents and businesses. This successful balance has been achieved through Pleasanton's active and involved citizenry, strong community leadership and committed City government.

Pleasanton occupies a land area of 24.2 square miles and serves a residential population of 71,534. Pleasanton is a full service general law city providing police, fire, sewer, water, street, parks, support services, economic development, community development (planning, building and inspection services), community services (recreation, sports, senior center, preschool, etc.) and library services. The City operates under the Council-Manager form of government, with four Council members elected at-large for staggered four-year terms and the Mayor elected for a two-year term. The Council appoints the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and appointing department directors.

The financial statements included in this CAFR present the City (the primary government), the Housing Authority of the City of Pleasanton (Housing Authority) and the Pleasanton Joint Powers Financing Authority (PJPPFA) as component units. The Housing Authority and the PJPPFA are separate legal entities; however, the members of the City Council also serve as members of the boards for these entities. Therefore, financial information for the Housing Authority and the PJPPFA is blended with the City's financial information.

The biennial budget serves as the foundation for the City of Pleasanton's financial planning and control. The budget process begins in January in odd numbered years with each department receiving a budget packet. The City Manager meets with each department director to discuss their budget requests and make adjustments where necessary. Prior to July 1 (of each odd numbered year), the City Manager submits to the City Council a proposed operating budget for the coming two fiscal years. The operating budget includes proposed expenditures and the financing sources. Public hearings are conducted to obtain taxpayers' comments. The budget is legally adopted through passage of a Council resolution no later than June 30. A budget review, including approved additions or changes, is presented to the City Council by the City Manager at mid-year of each fiscal year (January) and mid-term (June) of the two fiscal years. Any changes as a result of this review are legally adopted through Council resolution.

The Council exercises budgetary control at the fund level. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds and Internal Service Funds. The budgeted funds are adopted on a basis consistent with GAAP in the United States. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without the approval of the City Council. However, the City Manager may authorize budgetary transfers from one account to another within the same fund.



## **Assessing the City's Economic Condition**

The City's geographic location is a major factor affecting its economic position. The City is located at the intersection of two interstate freeways (I-580 and I-680), linking Pleasanton to Sacramento to the north, San Francisco/Oakland to the west, the Silicon Valley to the south and the San Joaquin Valley to the east. The Bay Area Rapid Transit system (BART) has two stations located in the City and provides service from Pleasanton to San Francisco/Oakland and the surrounding areas. The Altamont Commuter Express (ACE) provides commuter service between the San Joaquin Valley and Silicon Valley, stopping in Pleasanton.

Besides Pleasanton's proximity to San Francisco and Silicon Valley and its transportation access, other factors contribute to its attractiveness to businesses and their ability to attract and retain quality employees. These factors include the low crime rate, moderate climate, well educated labor pool, excellent schools, diversified housing stock, exceptional parks and recreational facilities and the hometown feel of the historic downtown.

Pleasanton's business community consists of approximately 52,401 employees working within the more than 22 million square feet of commercial, office and industrial space throughout the City. Pleasanton boasts five distinct business parks, among them the nationally recognized Hacienda Business Park. Businesses indicate they are attracted to Pleasanton for the highly educated and skilled workforce. In addition to the diversified regional labor force, the Pleasanton area has a good base of executive, managerial and professional people giving employers access to people with a wide range of skill levels including one of the nation's largest concentrations of scientific and engineering talent. In 2011, Pleasanton has one of the highest median household incomes in the nation (in cities with populations from 65,000 to 249,999) at \$111,180.

### Commercial Office Activity

The first and second quarters of 2011 were very positive for the Pleasanton commercial office market, particularly with the absorption of vacant space. In fact, gross absorption in the second quarter was 206,209 square feet as compared to absorption of 85,174 this same time two years ago. The second Dublin/Pleasanton Bay Area Rapid Transit (BART) station near the Stoneridge Shopping Center with an adjacent parking structure opened in February 2011. Given this and other amenities the Stoneridge Mall area continues to develop as a strong commercial hub. A number of office leasing contracts were made: the global telecommunications giant Ericsson grew its operations and leased an additional 42,000 square feet; Workday expanded its footprint, adding 30,772 square feet to its floor space; State Farm Mutual Automobile Insurance Company executed a lease for 10,155 square feet; Wholesale Applications took 9,949 square feet and Specialty's Café opened a Pleasanton location in 3,869 square feet in Pleasanton Corporate Commons. As well, the City approved a new location for the East Bay regional campus of the University of San Francisco, which will occupy 10,000 square feet in the Stoneridge Corporate Plaza.

This activity continued throughout Pleasanton's commercial districts. In the Bernal Corporate Park, two companies made significant lease deals: MegaPath Networks took 25,709 square feet and Advantage Sales and Marketing leased 29,357 square feet. In Hacienda Business Park, venture capital backed Five9 expanded to 8,764 square feet; Veeva Systems took on 8,659 square feet; ServiceMax moved into 8,226 square feet and Omron Network Products leased 17,710 square feet of office/flex space. These healthy mid-sized transactions all help to reduce the vacancy rate and are a sign of continued and consistent improvement.

Life Technologies, a worldwide biotechnology company, reaffirmed its commitment to growing its 80-acre Pleasanton campus by undertaking \$9 million in tenant improvements of both office and lab space in 44,330 square feet on two floors of an existing LEED certified building as well as building out additional square footage of an existing building shell. This project will allow Life Technologies to house an additional 100 employees at the campus, and paves the way for future expansion at the site based on pre-approval for an additional five buildings.

Construction of a new 60,000 square foot research and development lab accompanied by tenant improvements in five existing buildings (287,000 square feet) is underway at the campus originally leased by Clorox in 2010. Upon completion, Clorox will relocate its current 300 Pleasanton employees and an additional 500 employees from its Oakland operation to the Pleasanton site to create the company's new innovation center.

In an additional nod to the increase in consumer confidence, the Pleasanton Auto Mall will be solidifying its Pleasanton presence by upgrading its Mini Cooper and BMW locations. The project includes increased area for service bays as well as showroom space and inventory storage. The nearby Pleasanton Mercedes Benz dealership is also expanding its operations with renovations to its showroom and service facilities.

#### Retail Activity

In 2011, Pleasanton continued to see demand in its retail marketplace. By the third quarter, there was no available retail space in downtown Pleasanton with several new establishments opening including clothing and goods boutique Therapy, women's apparel shops Prim and LanVie, a new restaurant – Handles Gastropub – in the Pleasanton Hotel building, and the re-opening of Domus, a home goods store, in its former 10,000 square foot space. Renovations were also completed on a 5,000 square foot building purchased by regional developer Main Street Property Services, making room for the relocation and expansion of a local retailer and a new restaurant.

Capitalizing on this demand and opportunities to attract tenants despite a tenuous national economy, other retail centers in Pleasanton were repositioned by property managers/owners. For example, Hopyard Village recently signed a lease for a 3,820 square foot space to be occupied by Massage Envy, and is currently negotiating with a franchise yoga studio, a kitchen and cooking goods retailer and a national restaurant establishment. The new owner of the Metro 580 and Rose Pavilion shopping centers, Brixmor (formerly Centro Properties) is nearing a lease agreement to fill the 35,000 square feet vacated by the closing of Borders, accompanied by desirable co-tenants such as Panda Express. At the Stoneridge Shopping Center Simon Property Group brought in several new stores, including national retailers Love Culture, H&M and Sport Fever, opened an expanded California Pizza Kitchen and will soon welcome a Buckhorn Grill, while anchor department store Nordstrom recently completed a \$6 million upgrade to its space. The Stoneridge Mall has approval for an additional 205,000 square feet of expansion.

### Other Business Development

Other newly constructed or recently approved business developments in the City of Pleasanton include:

The 108-acre Staples Ranch property at El Charro Road and Interstate 580 was annexed into the Pleasanton city limits in early 2011. Groundbreaking for a senior housing and intermediary care facility to be developed by Continuing Life Care took place in mid-2011, with initial phases of the project already pre-selling. Plans also call for a 5-acre neighborhood park and 17-acre community park, an 11-acre site zoned for a commercial/retail center, and 37-acres initially identified for auto dealerships.

South Bay Development broke ground for the development of 12 acres of its 39-acre site at the intersection of Interstate 680 and Bernal Avenue. The development will include a 130,000 square foot retail center anchored by a lifestyle Safeway grocery store (58,000 square feet) with an additional 72,000 square feet of additional retail. The remaining 27 acres are entitled for a 588,781 square foot office complex with linkages to the retail center and nearby Bernal Community Park. Safeway's grand opening occurred in mid-November and leasing of the retail space has already secured notable tenants such as Wells Fargo Bank and the Habit Burger Grill.

Finally, on the neighboring property to the West Dublin/Pleasanton BART station, a mixed-use project by Windstar Development that includes 350 apartments and 12,000 square feet of retail space has received City approval.

In all, these activities indicate a very positive trend for Pleasanton's business market.

### **General Plan Build-Out**

The City's General Plan is the official document used by City decision makers and citizens to guide the long-range development of land and conservation of resources as the City grows and changes. It is the City's "constitution" for all future development, containing goals, policies and maps. A new General Plan was adopted in July 2009, and the timeframe for build-out is estimated at approximately 2020 and 2030, respectively, for both residential and commercial development. As the City approaches build-out, its annual revenue growth rate will naturally slow.

### **Major Initiatives**

The Firehouse Arts Center opened in September 2010. The project encompasses the adaptive reuse of the historical 1929 Firehouse building located in the downtown. The historic building, along with newly constructed additions, includes a small theater (240 seats), an art gallery and classrooms. The Firehouse Arts Center project is considered a vital addition to the economic sustainability of the City's historic downtown.

The City of Pleasanton received two grants authorized under the American Reinvestment and Recovery Act (ARRA), for a total of \$2,492,700; an amount of \$692,700 from the Department of Energy (DOE) and \$1.8 million from the Federal Highway Administration. The DOE grant of \$692,700 is designated for Energy Efficiency and Conservation projects. This grant will help the City to meet requirements to reduce green house gas emissions enacted by the State of California and the Federal Government. City staff has developed a comprehensive program for the funds designed to maximize the potential to reduce emissions and leverage rebates available to consumers for energy programs. In addition, grant money will be used to develop a community Climate Action Plan which will guide efforts in the City over the next ten years to reach targeted goals.

Finally, the Federal Highway Administrative Grant of \$1.8 million is for resurfacing local streets and roads. These funds were targeted for resurfacing portions of Stoneridge Drive, Bernal Avenue and Santa Rita Road. The resurfacing projects were completed in 2011.

### **Long Term Financial Policies and Planning**

The City's long-term financial policies place an emphasis on building reserves to fund capital assets while minimizing the use of debt. The City maintains a 10% reserve for economic uncertainties in the General Fund, currently totaling \$8.8 million at June 30, 2011. Also at June 30, 2011, the City has \$11.2 million in the Temporary Recession Reserve, \$51.8 million in capital project reserves set aside for future projects, and \$42.0 million in reserves that have been set aside for insurance reserves, employee benefits, public art acquisition and maintenance, PERS rate stabilization and long term replacement and renovation of equipment, vehicles, parks and facilities. Finally the City has reserves set aside for Retiree Medical Benefits of \$39.6 million. Many of these capital reserves have a long-term focus, systematically being accumulated until needed to avoid excessive debt financing. Therefore, if needed, these reserves could be drawn upon temporarily to sustain operations during a prolonged economic downturn or until the City could make operational changes to fit the constraints of its resources. While the City's financial policies require that one-time funds be used for one-time purposes, they do allow the temporary use of surplus fund balances (in excess of required minimum reserves) to help stabilize services. Therefore, if any of these reserves were drawn upon, the goal would be to begin restoring them as soon as possible.

### **Awards**

In a nod to the quality of the community, Pleasanton was named among the top 100 Best Places to Live on Money magazine's list for 2010. Ranked 63rd, Pleasanton was the only city in the Bay Area and one of only four California cities to make the list after receiving high marks for the city's median income, highly educated workforce, low crime rate, excellent schools and numerous recreational programs and facilities.

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, 2010. This was the fourteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

## Acknowledgments

The preparation of the CAFR was made possible through the dedicated work of all of the members of the Accounting, Treasury and Administrative divisions of the Finance Department. Special thanks and acknowledgment are due to David Persselin, Assistant Finance Director, Diane Punzo, Financial Services Manager, and Charly Yang, Accounting Manager, who bear the primary responsibility for maintenance of the City's financial records. Other contributing staff include: Juan Gomez, Kathy Kitterman, Melissa Winsby, Mike Patrick, Cheryl Caraballo, Annette Gibson, Margaret Lyons and Susan Rutkowsky.

The City Council should be acknowledged and thanked for its leadership and commitment to ensuring the long-term fiscal health of the City.

Respectfully submitted,



Emily E. Wagner  
Director of Finance



Nelson Fialho  
City Manager

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# 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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

**CITY OF PLEASANTON**

**LISTING OF PUBLIC OFFICIALS  
AS OF JUNE 30, 2011**

**ELECTED OFFICIALS:**

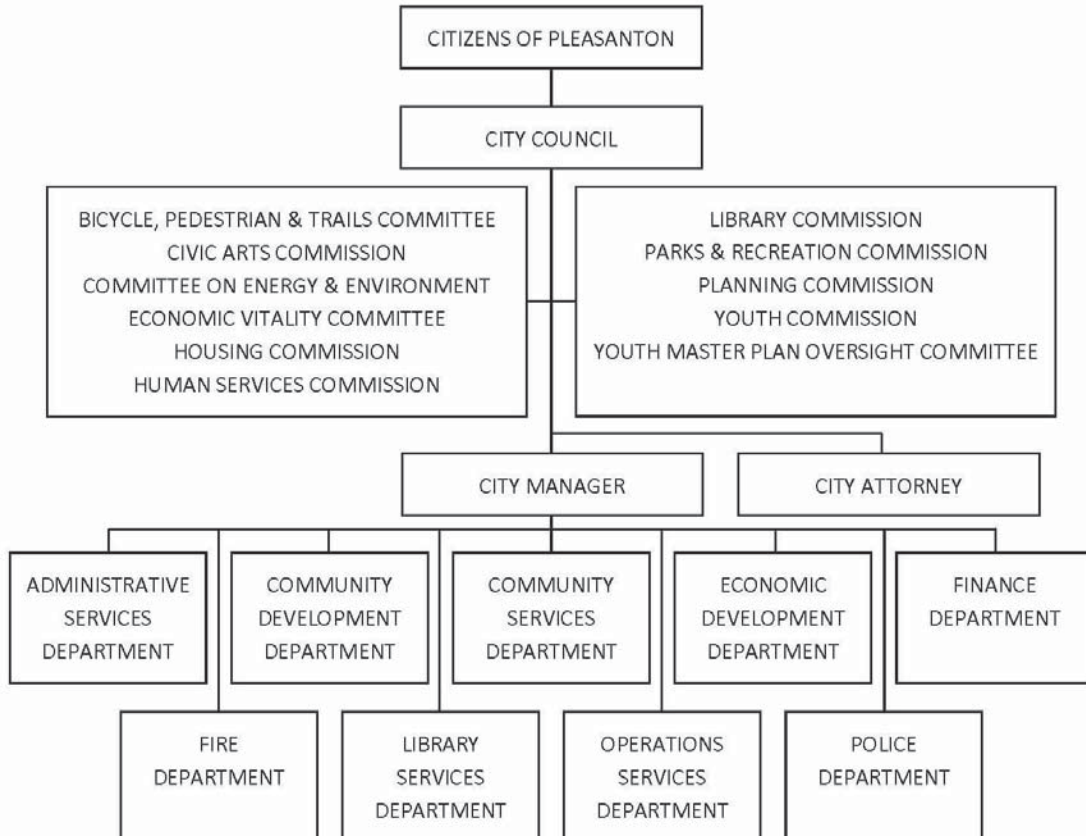
Mayor	Jennifer Hosterman
Vice Mayor	Cheryl Cook-Kallio
Council Member	Cindy McGovern
Council Member	Matt Sullivan
Council Member	Jerry Thorne

**ADMINISTRATIVE PERSONNEL:**

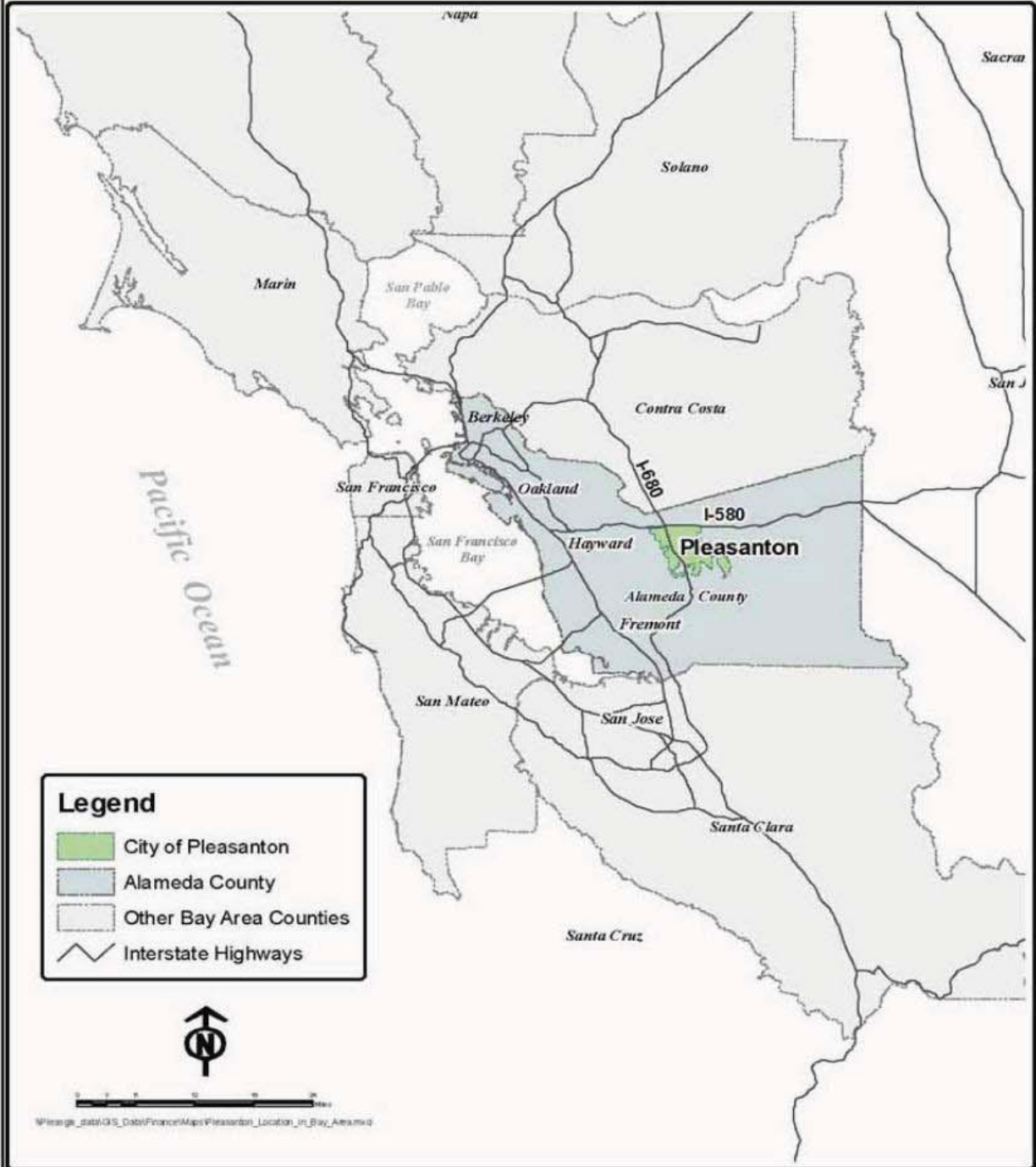
City Manager	Nelson Fialho
City Attorney	Jonathan Lowell
Assistant City Manager	Julie Yuan-Miu
Assistant City Manager	Steven Bocian
Director of Finance	Emily Wagner
Director of Community Development	Brian Dolan
Director of Operations Services	Daniel Smith
Director of Community Services	Susan Andrade-Wax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

# CITY OF PLEASANTON

Organization Chart as of June 30, 2011



# Pleasanton, California.





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

VALUE THE DIFFERENCE

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pleasanton, California (City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the Callippe Preserve Golf Course, that is reported as part of the Golf Enterprise Fund, which represent 0.3 percent and 11 percent of the assets and revenues of the City's business-type activities, respectively, were audited by other auditors whose report dated August 29, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pleasanton, California, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 10 to the financial statements, City of Pleasanton adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension plan schedule of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California  
December 23, 2011



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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

This section of the City of Pleasanton's (City) Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2011 (2011FY). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's basic financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$867.4 million (net assets). Of this amount, \$166.0 million (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens, businesses, and creditors, \$55.7 million is restricted for specific purposes (restricted net assets), and \$645.7 million is invested in capital assets, net of related debt.
- The City's total net assets decreased by \$13.7 million during the fiscal year, a 1.6% decrease. Of this amount, \$6.7 million was attributable to governmental activities; a 1.1% decrease, and \$7.0 million was due to business-type activities; a 2.8% decrease.
- The City's governmental funds reported ending fund balances of \$101.3 million, a decrease of \$0.4 million or 0.4% in comparison with the prior fiscal year ending June 30, 2010 (2010FY).
- The General Fund unrestricted fund balance is \$25.3 million, of which \$8.8 million is committed for economic uncertainties, \$11.2 million is committed for temporary recession, \$2.0 million is assigned for golf debt service and \$3.3 million is unassigned.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of four parts – the Independent Auditor's Report, Management's Discussion and Analysis (this portion), the basic financial statements including the required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the City as described below:

- The **Government-wide** financial statements provide both long-term and short-term information about the City's overall financial status.
- The **Fund** financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - **Governmental fund** statements tell how general government services such as police, fire and operation services were financed in the short-term, as well as what remains for future spending.
  - **Proprietary fund** statements offer short and long-term financial information about the activities the City operates like businesses, such as water and sewer services.
  - **Fiduciary fund** statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are followed by required supplementary information that consists of major governmental fund budgetary comparison schedules and the Pension Plan and Other Postemployment Benefits Schedule of Funding Progress. After these required elements, we have included supplementary information consisting of combining statements that provide details about our non-major governmental funds, non-major enterprise funds, internal service funds and agency funds.

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

**Government-wide Financial Statements** are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business. The government-wide financial statements include the City (primary government) and the Housing Authority of the City of Pleasanton (Housing Authority) as a component unit. The City Council serves as the Board for the Housing Authority. Financial information for the Housing Authority is blended with the City's financial information. Although it is a legally separate entity, in substance the Housing Authority is an integral part of the City's operations.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis of accounting). Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to interest on long-term debt.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a 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 in the form of *combining statements*.

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

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water, sewer, golf, transit, storm drain, cemetery, and the Housing Authority.
- *Internal service funds* are used by the City to establish reserves and account for employee benefits, public art acquisition and maintenance, replacement/renovation, liability insurance, and retiree medical benefits. These funds serve both governmental and business-type functions and so they are allocated accordingly in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided 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 information describing the City's progress towards funding its pension plan and OPEB. The City participates in California's Public Employees Retirement System (CalPERS). Budgetary comparison schedules have been provided for the major governmental funds to demonstrate compliance with the budget. The City adopts a two-year budget in June of every odd numbered year. An update of the second year is presented to the City Council and amendments adopted in the June preceding the start of the second year.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

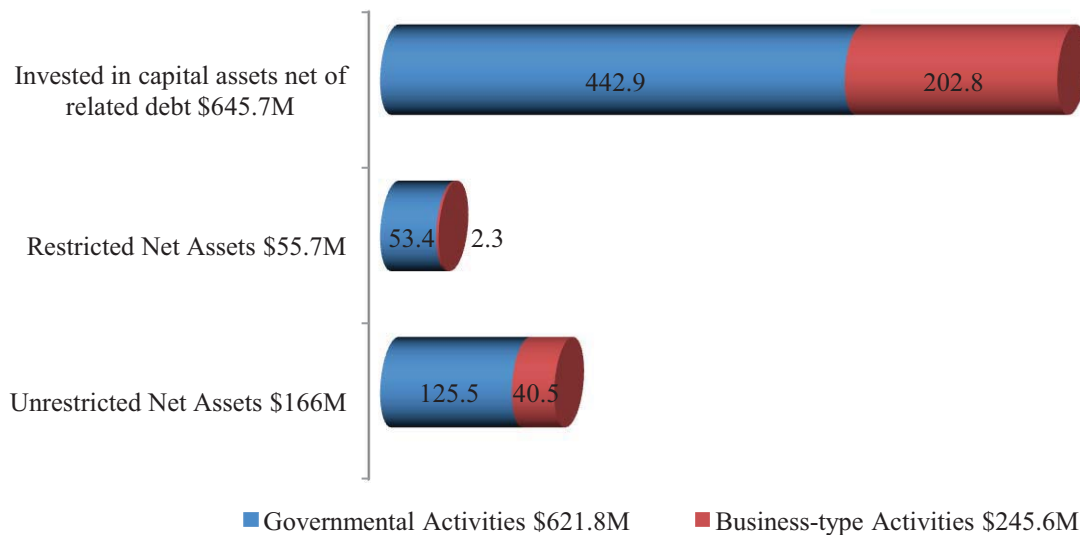
The following section provides a comparative analysis of government-wide data for the fiscal years 2010 and 2011. The Statement of Net Assets for the two years will be discussed first, followed by a discussion of the Changes in Net Assets for the two years.

The following table is a summary of the Statement of Net Assets as of June 30, 2010 (2010) and June 30, 2011 (2011):

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2010/2011
	2010	2011	2010	2011	2010	2011	
Current and other assets	\$203.1	\$200.4	\$ 47.8	\$ 48.1	\$250.9	\$248.5	-1.0%
Capital assets	475.0	469.0	211.9	203.8	686.9	672.8	-2.1%
Total assets	678.1	669.4	259.7	251.9	937.8	921.3	-1.8%
Other liabilities	9.7	11.1	5.3	5.3	15.0	16.4	9.3%
Long-term liabilities	39.9	36.6	1.8	1.1	41.7	37.7	-9.6%
Total liabilities	49.6	47.7	7.1	6.4	56.7	54.1	-4.6%
Net Assets:							
Invested in capital assets net of related debt	447.0	442.9	210.1	202.8	657.1	645.7	-1.8%
Restricted	52.3	53.4	0.2	2.3	52.5	55.7	6.1%
Unrestricted	129.2	125.5	42.3	40.5	171.5	166.0	-3.2%
Total net assets	\$628.5	\$621.8	\$252.6	\$245.6	\$881.1	\$867.4	-1.6%

### Statement of Net Assets as of June 30, 2011 (in millions of dollars)



**Analysis of Net Assets** – With the consolidation of government-wide net assets into one statement and other changes such as the exclusion of fiduciary funds, net assets may now serve as a useful indicator of a government’s financial position. For the City, assets exceeded liabilities by \$867.4 million at the close of the current fiscal year. The City reported positive balances in all three categories of net assets, as well as for its separate governmental and business-type activities. Following are the primary components of the City’s net assets:

- The *net assets invested in capital assets* (e.g. infrastructure, land, buildings, improvements other than buildings, construction in progress, and equipment), less any related debt used to acquire assets still outstanding are \$645.7 million (74.4% of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since generally capital assets are not used to liquidate these liabilities. The City’s net investment in capital assets was decreased by \$11.4 million (1.7%) in fiscal year 2011. Additions and transfers totaled \$17.2 million, of which \$0.6 million were donated assets. Additions included depreciable assets such as infrastructure, buildings, vehicles and equipment (\$4.1 million) and increases in construction-in-progress (\$3.5 million), and transfers included land (\$1.2 million) and completed construction-in-progress projects (\$8.4 million). These additions and transfers were offset by depreciation (\$19.4 million), completed construction-in-progress projects (\$9.6 million), and retirements of existing depreciable capital assets or construction-in-progress (\$2.2 million). Outstanding debt principal decreased by \$2.6 million.
- The *restricted net assets* of \$55.7 million (6.4% of the total) represent resources that are subject to external restrictions on how they may be used. Among these amounts are \$37.9 million restricted for the construction of major capital projects and for capital maintenance, \$0.5 million to pay for upcoming debt payments, and \$17.3 million for special projects and community development.
- The *unrestricted net assets* of \$166.0 million (19.1% of the total) represent amounts that may be used to meet the City’s ongoing obligations to its residential and business community, taxpayers, customers, and creditors. Governmental activities account for \$125.5 million of the unrestricted net assets of the City and business-type activities account for \$40.5 million.



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

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2010	2011	2010	2011	2010	2011	2010/2011
Revenues:							
Program revenues:							
Charges for services	\$21.4	\$20.7	\$29.5	\$31.9	\$50.9	\$52.6	3.3%
Operating grants and contributions	2.4	2.3	-	-	2.4	2.3	-4.2%
Capital grants and contributions	7.7	9.3	0.7	-	8.4	9.3	10.7%
Interfund charges	0.9	0.7	-	-	0.9	0.7	-22.2%
General revenues:							
Property taxes	49.7	48.6	-	-	49.7	48.6	-2.2%
Sales taxes	15.4	18.5	-	-	15.4	18.5	20.1%
All other taxes	8.1	8.6	-	-	8.1	8.6	6.2%
All other general revenues	2.4	2.2	1.4	1.1	3.8	3.3	-13.2%
Total revenue	<u>108.0</u>	<u>110.9</u>	<u>31.6</u>	<u>33.0</u>	<u>139.6</u>	<u>143.9</u>	3.1%
Expenses:							
General government	15.4	12.4	-	-	15.4	12.4	-19.5%
Public safety	53.9	53.4	-	-	53.9	53.4	-0.9%
Operations services	17.0	25.1	-	-	17.0	25.1	47.6%
Community activities	20.6	13.2	-	-	20.6	13.2	-35.9%
Water	-	-	18.1	19.0	18.1	19.0	5.0%
Sewer	-	-	13.7	13.0	13.7	13.0	-5.1%
Golf	-	-	5.5	5.0	5.5	5.0	-9.1%
Other	12.1	12.9	3.0	2.9	15.1	15.8	4.6%
Interfund charges	-	-	0.9	0.7	0.9	0.7	-22.2%
Total expenses	<u>119.0</u>	<u>117.0</u>	<u>41.2</u>	<u>40.6</u>	<u>160.2</u>	<u>157.6</u>	-1.6%
Revenues over (under) expenses	<u>(11.0)</u>	<u>(6.1)</u>	<u>(9.6)</u>	<u>(7.6)</u>	<u>(20.6)</u>	<u>(13.7)</u>	-33.5%
Transfers In/(Out)	0.4	(0.6)	(0.4)	0.6	-	-	0.0%
Change in net assets	(10.6)	(6.7)	(10.0)	(7.0)	(20.6)	(13.7)	-33.5%
Net assets, beginning of year	639.1	628.5	262.6	252.6	901.7	881.1	-2.3%
Net assets, end of year	<u>\$628.5</u>	<u>\$621.8</u>	<u>\$252.6</u>	<u>\$245.6</u>	<u>\$881.1</u>	<u>\$867.4</u>	-1.6%

**Changes in Net Assets**

*Governmental Activities* decreased the City's net assets by \$6.7 million. This change is primarily the result of the following:

- The cost of governmental activities, together with net transfers between governmental activities and business-type activities of \$0.6 million, was \$117.6 million including expenses for general government, public safety, operation services, and community activities. The expenses do not include capital outlays but do include \$12.3 million in depreciation expenses. Capital outlays are capitalized and accounted for in Capital Assets on the Statement of Net Assets.
- Program revenues only provided \$33.0 million of the resources to offset the cost of governmental activities.
  - Charges for services such as building permits, dog licenses, planning and engineering fees, recreation, and library fees totaled \$20.7 million.
  - Capital grants and contributions provided \$9.3 million, including development related fees of \$3.1 million and grants and subventions of \$5.5 million.
  - Operating grants and contributions totaled \$2.3 million.
  - Interfund charges totaled \$0.7 million.

- General revenues totaled \$77.9 million and included:
  - Tax revenues of \$75.7 million.
  - Investment income (not restricted to specific programs) of \$1.6 million.
  - Miscellaneous revenues of \$0.6 million.

*Business-type activities* decreased the City's net assets by \$7.0 million.

- The cost of business activities, together with interfund charges of \$0.7 million, was \$40.6 million including expenses for Water, Sewer, Golf, Transit, Storm Water, Cemetery, and Pleasanton Housing Authority. The expenses do not reflect capital outlays but do include \$9.0 million in depreciation expenses. Once again, capital outlays are capitalized and are reflected as Capital Assets in the Statement of Net Assets.
- Program revenues only provided \$31.9 million of the resources to offset the cost of business activities.
- General revenues and transfers provided \$1.7 million of the resources to offset the cost of business activities.

#### Year to Year Variations in Revenues and Transfers

The City's total revenues were \$143.9 million for the 2011FY, an increase of \$4.3 million from the 2010FY. Revenues from governmental activities totaled \$110.9 million, an increase of \$2.9 million. This is mostly due to an increase in sales taxes of \$3.1 million. Revenues from business-type activities totaled \$33.0 million, an increase of \$1.4 million in comparison to the 2010FY. This is mostly due to an increase of \$2.4 million in charges for services (the City increased water and sewer rates in September 2010) and partially offset by a decrease in capital grants and contribution of \$0.7 million.

Program revenues include charges for services, grants, contributions and interfund charges. Program revenues provided \$64.9 million (45.1% of the total revenues). Program revenues made up 29.8% of governmental activities revenue. In the 2010FY, program revenues accounted for 30.0% of governmental activities revenue. Program revenues accounted for 96.7% of business-type activities revenue, compared to 95.6% in the 2010FY. Interfund charges reflect transactions between funds. The year to year change was minimal.

General revenues include, among other things: taxes, intergovernmental revenues such as vehicle license fees (VLF), franchise taxes, and investment income not restricted to specific programs. General revenues provided \$79.0 million (54.9% of the total revenues), and increased by 2.6% from the 2010FY. The majority of general revenues came from property, sales, and other taxes (95.8% of general revenues). All other general revenues accounted for 4.2% of the total revenues. Only 1.4% of the general revenue relates to business-type activities revenue.

Transfers between governmental and business-type activities were \$0.6 million in the 2011FY, compared to \$0.4 million in the 2010FY.

#### Year to Year Variations in Expenses

City expenses for the year totaled \$157.6 million. Governmental activities incurred \$117.0 million in expenses (74.2% of the total), and business-type activities incurred \$40.6 million in expenses during the 2011FY (25.8% of the total).

Overall City expenses decreased by \$2.6 million (1.6%) in the 2011FY compared to the 2010FY. Governmental activities decreased \$2.0 million (1.8%), due to a decrease in expenses related to a capital outlay, while business-type activities decreased \$0.6 million (1.5%).

An analysis of key changes at the governmental funds level and proprietary funds level is provided in the following **Fund Financial Analysis** section.

## **FUND FINANCIAL ANALYSIS**

The City uses *fund accounting* to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance.

### ***Governmental Funds***

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available to provide services and capital project construction.

### Fund Balances

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

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

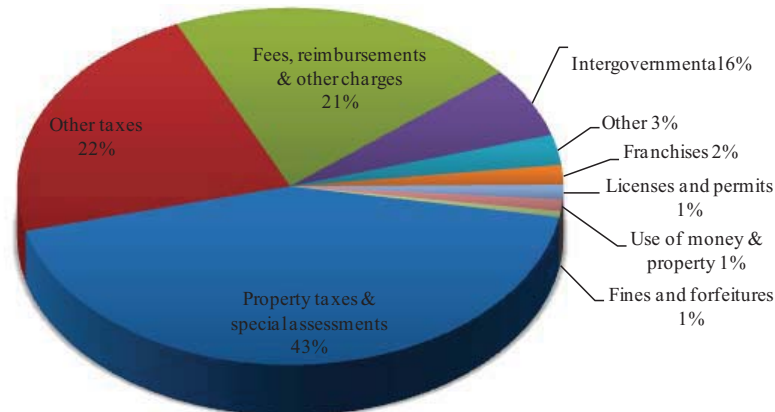
As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$101.3 million, a decrease of \$0.4 million in comparison with the 2010FY. Approximately \$53.4 million of this amount constitutes restricted fund balances that are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation. *Committed fund balances* of \$20.0 million are constrained for a specific purpose by the governmental entity and designated as such by the City Council, the City's highest level of decision making authority. *Assigned fund balances* of \$24.6 million are intended to be used for specific purpose and have been identified as such by a governing board or the Director of Finance that has been delegated by the authority to assign amounts. *Unassigned fund balances* of \$3.2 million consist of amounts that have not been classified as nonspendable, restricted, committed or assigned.

## Revenues

The following table presents the amount of revenues from various sources, as well as increases or decreases from the 2010FY.

Revenues by Source	FY 2010		FY 2011		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$ 49.9	45.9%	\$ 48.8	43.2%	\$ (1.1)	-2.2%
Other taxes	21.7	20.0%	25.1	22.2%	3.4	15.7%
Licenses and permits	0.9	0.8%	1.5	1.3%	0.6	66.7%
Fines and forfeitures	0.5	0.5%	0.6	0.5%	0.1	20.0%
Use of money & property	1.2	1.1%	1.2	1.1%	-	0.0%
Intergovernmental	5.4	5.0%	7.2	6.4%	1.8	33.3%
Franchises	2.0	1.8%	2.0	1.8%	-	0.0%
Fees, reimbursements & other charges	24.1	22.2%	23.5	20.8%	(0.6)	-2.5%
Other	3.1	2.9%	3.1	2.7%	-	0.0%
<b>Total</b>	<b>\$ 108.6</b>	<b>100.0%</b>	<b>\$ 112.9</b>	<b>100.0%</b>	<b>\$ 4.2</b>	<b>3.9%</b>

### Revenues by Source - Governmental Funds



The following provides an explanation of significant changes in revenues by source from the 2010FY.

- Other taxes** increased by \$3.4 million (15.7%). This increase is primary due to an increase in sales tax revenues of \$3.1 million. While a number of economic factors influenced sales tax revenues, the business and industry sector showed a significant recovery, a 42% increase compared to the 2010FY, driven by an increase in consumer spending during the fiscal year. Also, higher gas prices, sales incentives, and the sales tax “triple flip” backfill contributed to the boost in sales tax revenues. As a part of the state’s 2004 and 2008 budget-balancing solutions, the state adopted a mechanism to fund the state’s economic recovery bond programs by diverting ¼ of each cent of sales tax from local agencies. This diverted local sales tax goes through a three step revenue-swapping backfill process, called the “triple flip,” which annually requires a true up calculation. Because the state significantly underestimated the triple flip backfill for the 2010FY, the increase in the triple flip reimbursement amounted to \$1.4 million (a 48% increase), from \$2.9 million to \$4.3 million during the 2011FY.
- Intergovernmental revenues** increased by \$1.8 million (33.3%). Approximately half of the increase is due to Proposition 1B funding of \$1.0 million. In 2006, California voters approved Proposition 1B allowing the State to sell \$19.9 billion of general obligation bonds for State and local transportation improvement projects. The bond funds are to be used to relieve congestion, reduce street pavement deterioration, improve traffic flows, or increase the safety and security of

the transportation system. The City's share of Proposition 1B bond funds is based on its population. The other contributor to the increase in intergovernmental revenues consists of various American Recovery and Reinvestment Act of 2009 (ARRA) grants totaling \$1.6 million, compared to \$0.7 million of ARRA grants last year. The ARRA grant revenues were used for resurfacing local streets and roads and Energy Efficiency and Conservation projects.

- **Property taxes and special assessments** overall decreased by \$1.1 million (2.2%), from \$49.9 million to \$48.8 million during the year. This decrease is primarily due to a \$0.4 million decline in secured property tax revenue and a \$0.7 million reduction in delinquent tax revenues.

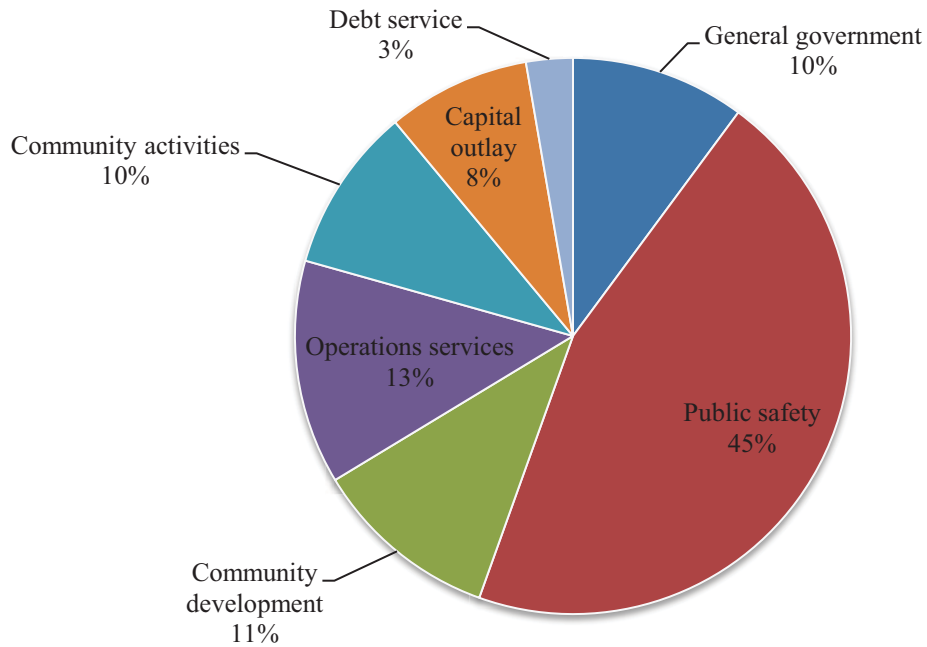
Expenditures

The following table presents expenditures by function compared to the 2010FY.

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

Expenditures by Function	FY 2010		FY 2011		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$ 11.9	10.3%	\$ 11.2	10.1%	\$ (0.7)	-5.9%
Public safety	51.8	44.7%	50.1	45.3%	(1.7)	-3.3%
Community development	11.5	9.9%	12.0	10.9%	0.5	4.3%
Operations services	8.1	7.0%	14.4	13.0%	6.3	77.8%
Community activities	16.9	14.6%	10.6	9.6%	(6.3)	-37.3%
Capital outlay	12.7	11.0%	9.2	8.3%	(3.5)	-27.6%
Debt service:						
Principal	1.8	1.6%	1.9	1.7%	0.1	5.6%
Interest and fiscal charges	1.1	0.9%	1.1	1.0%	-	0.0%
<b>Total</b>	<b>\$ 115.8</b>	<b>100.0%</b>	<b>\$ 110.5</b>	<b>100.0%</b>	<b>\$ (5.3)</b>	<b>-4.6%</b>

**Expenditures by Function - Governmental Funds**



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

- **General government** – The net decrease of \$0.7 million (5.9%) is mainly due to decreased personnel costs, including salary and benefit costs. During the year, operating departments continued to reduce staffing levels by eliminating vacant positions through attrition.
- **Capital outlay** – Expenditures totaled \$9.2 million this year, a decrease of \$3.5 million (27.6 %) from the 2010FY. The 2010FY included significant project costs of \$7.0 million associated with the completion of the renovation and conversion of historic Fire Station No. 1 into the Firehouse Arts Center.
- **Operation Services & Community activities** – Expenditures for the park maintenance division in community activities of \$6.5 million was transferred to the Operation Services in the 2011FY to improve effectiveness and enhance efficiency. The change allowed for greater utilization of existing resources with consistent management and oversight of the City’s overall maintenance functions.

**Major Governmental Funds**

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

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

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

- Revenues were higher than projected by \$1.8 million (2.1%).
- Expenditures net of transfers were less than expected by \$1.8 million (2.0%).

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

**General Fund Reserves and Fund Balance as of 6/30/2011**

	Balance 6/30/2010	Budgeted Additions and Deletions	Actual Additions and Deletions	Budget to Actual Variance	Balance 6/30/2011
Committed					
Economic Uncertainty	\$ 8,466,813	\$ 316,472	\$ 316,472	\$ -	\$ 8,783,285
Temporary Recession	12,210,258	(1,040,258)	(1,040,258)	-	11,170,000
Assigned					
Golf Debt Service	2,000,000	-	-	-	2,000,000
Nonspendable/Unassigned*	2,605,313	723,786	770,384	46,598	3,375,697
<b>Total Fund Balance</b>	<b>\$ 25,282,384</b>	<b>\$ -</b>	<b>\$ 46,598</b>	<b>\$ 46,598</b>	<b>\$ 25,328,982</b>

\* The \$46,598 variance in Unassigned Fund Balance represents the adjustment for unrecognized gains and losses prescribed in GASB Statement No. 31.



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

- Some special revenues are restricted for capital use and some are restricted for specific kinds of operating expenditures.
- Examples of the types of uses for these revenues include street and park construction and improvement projects and certain operating expenditures such as grant-funded public safety equipment, recycling programs, and housing assistance programs.
- Highlights of the *major Special Revenue* funds include:
  - The Lower Income Housing Fund is funded with developer fees and other financing sources such as State loans. The money is used to provide both rental and ownership affordable housing in the City through programs that subsidize rents and provide secondary financing to first-time homebuyers. In the 2011FY, the City exercised the option to repurchase a low income house for \$269,161 in accordance with the Pleasanton Homeownership Assistance Program (PHAP). After a minor repair, this property will be re-sold to an eligible low income household for the maximum sales price utilizing the services of the Tri-Valley Home Opportunity Center. The City also purchased a property at 4138 Vineyard Avenue for \$602,605 to develop additional affordable senior housing units to be used as part of the Kottinger Place Development project. The City loaned \$449,750 to BRIDGE Housing to assist with the repayment of the existing Housing Enabled Local Partnerships (HELP) loan with California Housing Finance Agency (CalHFA), taking advantage of the early repayment program from CalHFA. The term and repayment requirement is disclosed in *Note 3* in the **Notes to the Basic Financial Statements**. Reimbursement revenue, as well as the fees collected from developers of new residential, commercial and office buildings, remained the same as the 2010FY.
  - The Livermore-Pleasanton Fire Department (Livermore share only) fund accounts for Livermore's share of the costs for the joint fire department between the neighboring cities. Pleasanton's share of costs for the joint fire department is presented in the City's *General Fund*. Compared to the prior fiscal year, revenues and expenses were reduced by 2.5% and 4.2%, respectively, due primarily to a decrease in personnel costs including salary and benefit costs.

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

- Funding sources include annual transfers from the *General Fund* when funding is available and developer impact fees and contributions.
- Because projects vary from year to year, a financial comparison between years has little meaning.
- The City's policy is to not start projects that have significant developer funding expected until the fees have been received. This practice helps avoid committing to a project one year and then finding that a weakening economy in the following year has resulted in developer fee funding shortfalls in the midst of project construction.
- None of the *Capital Project* funds were classified as a major fund in the 2011FY.

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

### ***Proprietary Funds***

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

At the end of the fiscal year, the unrestricted net assets for the *Proprietary funds* consisted primarily of \$15.1 million for the Water Fund, \$20.9 million for the Sewer Fund, \$1.5 million for the Golf Fund, \$1.1 million for the Storm Drain Fund and \$0.7 million for the remaining *non-major enterprise funds*. Included within the unrestricted net assets, among other things, are amounts already committed for capital projects.

During the year net assets of the *Proprietary funds* decreased by \$6.8 million. Decreases included \$2.2 million in the Water Fund, \$2.3 million in the Sewer Fund, \$1.6 million in the Golf Fund and \$0.9 million in the Storm Drain Fund.

- The decrease in the Water Fund net assets was due primarily to higher material, supplies and services expenses. With improved water revenues, the operating loss was narrowed to \$2.7 million compared to the 2010FY loss of \$3.5 million. The City implemented a water rate increase to offset the increase in Zone 7 water rates during the fiscal year. And to remain fiscally solvent in the future, the City will annually increase remaining water rates based on the increase in the consumer price index (CPI) as of January 1 each year starting January 1, 2011. The non-operating income from interest revenues, connection fees, and transfers offset the loss by \$0.5 million.
- The decrease in the Sewer Fund was due primarily to an operating loss of \$1.4 million after depreciation expenses of \$2.8 million and the adjustment of \$1.2 million from the City's equity in the Livermore Amador Valley Water Management Agency. Similar to the Water operation, the City implemented rate increases effective September 1, 2010. In order to remain fiscally solvent in the Sewer Fund, the City is annually increasing the current sewer rates based on the increase in the consumer price index (CPI) starting July 1, 2011.
- Golf Fund net assets decreased \$1.6 million this year due largely to depreciation expenses of \$1.6 million for golf course facilities. Operations from the City's golf course provided \$0.4 million this year towards the debt service payment. With increased environmental monitoring expenses coupled with a very wet spring season, the operating loss grew to \$1.2 million from \$1.1 million in the 2010FY.
- The net decrease in the Storm Drain Fund was due primarily to the depreciation expense of \$1.1 million and resulted in an operating loss of \$1.3 million.

### ***Fiduciary Funds***

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

#### Pleasanton Joint Powers Financing Authority

In 1993, the Pleasanton Joint Powers Financing Authority (PJFPA) refunded \$220 million of assessment district bonds (originally fifteen (15) separate bond issues) that were sold during the 1980s to fund improvements needed to construct most of the City's business parks. These improvements included streets, utilities, freeway interchanges, water reservoirs, Fire Station No. 2 and the Fire Training Tower. In May 2004, the PJFPA refunded the outstanding 1993 bonds by issuing \$76,485,000 of PJFPA Reassessment Revenue Refunding Bonds 2004 Series A and B Bonds (the Bonds). The Bonds had a final maturity of September 2, 2011. To minimize the final reassessment levied on the property owners while remaining in compliance with the Bond covenants, the PJFPA chose to defease the Bonds two months in advance of the maturity date. On June 29, 2011 the PJFPA executed escrow instructions with US Bank for the defeasance of the Bonds on September 2, 2011, in the amount of \$6,693,100, declared any excess monies in the Bond funds as surplus monies to be used for capital improvements and facilities in the North Pleasanton/Downtown Capital Improvement Area, and canceled the Local Obligations and any remaining Reassessments outstanding in the fifteen assessment districts.

#### California Employer's Retiree Benefit Trust

The City has established California Employer's Retiree Benefit Trust (CERBT) accounts to manage the other post employment benefits (OPEB) liability of the City and to comply with GASB No. 43 and No. 45 requirements. CERBT is a not-for-profit OPEB service provider managed by CalPERS. The assets held by CERBT are irrevocably dedicated to, and are used for the exclusive purpose of, providing for payments of OPEBs. Consequently, the Miscellaneous and Fire Retiree Medical CERBT funds are not considered assets owned by the City. Detailed information about the City's OPEB obligations and the Annual Required Contribution (ARC) can be found in *Note 12* in the **Notes to the Basic Financial Statements**.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The table on the following page displays the General Fund's original budget (established in June 2009 when the City adopted the two year budget for fiscal years 2009/10 and 2010/11), final budget (adopted in November 2011 when the City Council approved the year-end report for the fiscal year 2011) and actual results for fiscal year 2011 revenues, expenditures and transfers. Actual revenues exceeded budget by \$1.8 million (2.1%) and expenditures were less than budget by about \$1.5 million (1.8%).

Differences between the original and final revenue budget reflect an increase of \$2.4 million (2.9%), and include, among other things, adjustments in projections for

- property and other tax revenues (\$2.2 million increase);
- permits (\$0.4 million increase);
- plan check fees (\$0.4 million increase);
- interest revenues (\$0.2 million decrease), and
- recreation charges (\$0.4 million decrease).

Differences between the original and final expenditure budget represent a \$1.1 million decrease (1.2%), and include adjustments to

- personnel expenses (\$2.1 million decrease) and
- repairs and maintenance (\$0.9 million increase).

### General Fund 2010-11 Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Revenues	\$ 83,723,668	\$ 86,110,338	\$ 87,879,448	\$ 1,769,110
Expenditures	(85,192,596)	(84,133,586)	(82,586,765)	1,546,821
Other Financing Sources				
(Uses):				
Transfers in	1,137,274	37,274	37,274	-
Transfers out	(1,715,435)	(5,503,061)	(5,283,360)	219,701
Net change in fund balance	(\$ 2,047,089)	(\$ 3,489,035)	\$ 46,597	\$ 3,535,632

\* GASB 31 adjustment for General Fund revenue is (\$46,597).

General Fund actual revenues were more than the final budget estimates by \$1.8 million in the 2011FY. Property tax revenues are the largest single revenue source for the General Fund and accounted for 55.3% of total revenues. Actual property tax collections in the 2011FY were \$0.2 million above the final budget estimates and decreased 2.3% from the 2010FY. Property tax revenues include secured, unsecured, delinquent and supplemental property taxes. Sales tax revenues exceeded the final budget estimates by \$0.5 million, accounting for 21.1% of total revenues (\$18.5 million). Sales tax revenues rebounded sharply from the 2010FY by 20.0% due to improved economic conditions in almost all sectors. However, the City has not recovered from its sales tax losses that began in 2007 when sales tax revenues totaled \$22.0 million.

Expenditures net of transfers out were less than expected by \$1.8 million. Savings of \$0.5 million occurred in the field supplies and miscellaneous expenditures categories, while the professional and miscellaneous services categories decreased by \$0.5 million. The savings of \$1.8 million is summarized below.

### General Fund 2010-11 Expenditures and Net Transfers Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Personnel Expenses	\$ 67,419,809	\$ 65,295,293	\$ 65,175,403	\$ 119,890
Transportation and Training	1,243,229	1,347,163	1,310,238	36,925
Repairs and Maintenance	1,795,182	2,654,255	2,591,622	62,633
Material, Supplies and Services	14,318,229	14,184,154	12,860,364	1,323,790
Capital Outlay	416,147	495,551	491,051	4,500
Prior Year Expenditures	-	157,170	158,082	(912)
Net Transfers	578,161	5,465,787	5,246,085	219,702
Total	\$ 85,770,757	\$ 89,599,373	\$ 87,832,845	\$ 1,766,522

## 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, 2011, was \$672.8 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, rights-of-way, buildings, improvements other than buildings, vehicles and equipment, and construction in progress. The total decrease in the City's investment in capital assets for the current period was \$14.1 million, or 2.0% (net of accumulative depreciation). Major capital asset events during the current fiscal year included:

- Governmental activities overall decreased \$6.0 million in the 2011FY. The increases of \$6.3 million were offset by a \$12.3 million charge for depreciation. The following is a summary of the increases in Governmental activities in the 2011FY:
  - Various construction-in-progress projects amounted to \$2.9 million.
  - Various street pavement projects of \$1.5 million, the purchase of residential property for the Kottinger Place Development project of \$0.9 million and various machinery and equipment of \$1.3 million were added to the City's capital assets.
- Business-type activities totaling an \$8.1 million decrease included:
  - Various City water/sewer projects totaling \$0.6 million and \$0.4 million for the City's Golf equipment funded by a new capital lease were the additions from the business-type activities.
  - These additions were offset by decreases due to depreciation of \$9.0 million.

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

Capital assets for the governmental and business-type activities are presented in the following table to illustrate changes from the 2010FY.

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

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/ (Decrease)</u>
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>% Change</u>
Infrastructure	\$123.5	\$123.2	\$138.9	\$133.7	\$262.4	\$256.9	-2.1%
Land	215.1	216.3	14.3	14.3	229.4	230.6	0.5%
Right-of-ways	36.3	36.3	-	-	36.3	36.3	0.0%
Buildings	44.2	43.9	21.9	21.2	66.1	65.1	-1.6%
Improvements other than buildings	25.0	24.6	23.9	22.3	48.9	46.9	-4.1%
Vehicles & equipment	7.0	6.9	10.2	10.1	17.2	17.0	-1.2%
Construction in progress	23.9	17.8	2.7	2.3	26.6	20.1	-24.4%
<b>Total</b>	<b>\$475.0</b>	<b>\$469.0</b>	<b>\$211.9</b>	<b>\$203.8</b>	<b>\$686.9</b>	<b>\$672.8</b>	<b>-2.0%</b>

Refer to *Note 5* to Basic Financial Statements for more information on capital assets.

## Debt Administration

Debt, considered a liability of governmental activities, decreased by \$3.4 million in the 2011FY.

- The 2003 Certificates of Participation (COPs) and 2004 COPs outstanding were reduced by \$995,000 and \$335,000, respectively, as a result of the normal amortization of the debt.
- The State CalHFA Housing Enabled Local Partnerships (HELP) Program for the Assisted Living Facility was paid off during the fiscal year.
- The County of Alameda note payable for the purchase of the Alameda County Transportation Corridor was reduced by \$530,000 as a result of the normal amortization of the note payable.

Debt of the business-type activities decreased in the 2011FY by \$1.0 million as a result of the defeasance of the 2004 Water Revenue Bonds during the fiscal year.

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

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

The following table compares the outstanding balances on long-term debt of the City as of June 30, 2010 and 2011:

### City of Pleasanton Long Term Debt Outstanding

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
State CalHFA HELP Program note payable	\$ 342,487	\$ 342,487	\$ -	\$ -	\$ 342,487	\$ 342,487
State CalHFA HELP Loan	1,500,000	-	-	-	1,500,000	-
2003 Certificates of Participation	23,325,000	22,330,000	-	-	23,325,000	22,330,000
2004 Refunding Lease Certificates of Participation	1,785,000	1,450,000	-	-	1,785,000	1,450,000
Alameda County Transportation Corridor Purchase Agmt	2,870,000	2,340,000	-	-	2,870,000	2,340,000
Notes Payable – Federal Financing Bank	-	-	174,875	120,263	174,875	120,263
2004 Water Revenue Bonds	-	-	825,000	-	825,000	-
2004 Sewer Revenue Bonds	-	-	840,000	685,000	840,000	685,000
Golf Course Capital Lease	-	-	-	316,939	-	316,939
<b>Total</b>	<b>\$29,822,487</b>	<b>\$26,462,487</b>	<b>\$1,839,875</b>	<b>\$1,122,202</b>	<b>\$31,662,362</b>	<b>\$27,584,689</b>

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



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

The net assessed value for taxable property in the City decreased 1.8% between the 2010FY and the 2011FY. Property taxes decreased between the 2010FY and the 2011FY by 2.3%, as a result of the lower assessed property value and lower delinquent tax revenues. The unemployment rate in Alameda County has remained much the same at 11.4% as of June 2011 as compared with 11.5% for June 2010, whereas the unemployment rate in the City of Pleasanton has shown some modest improvement at 5.5% as of June 2011 compared to the prior year of 5.8%. The required contribution rates as a percentage of payroll for the City's retirement funding, including the employee portion which is partially paid by the City, will be changing effective July 1, 2012 as follows:

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

As of the adoption of the two-year budget for fiscal year 2011/2012 and 2012/2013 by the City Council on June 21, 2011, the economic outlook for the City was considered to be stable with some modest improvement. The City is anticipating that current revenue sources will match expenditures and net transfers for the adopted fiscal year 2011/2012 General Fund Budget of approximately \$87.3 million.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide our residential and business community, taxpayers, customers, investors and creditors with a general overview of the City's finances. Additional information regarding the City's component units may be found in the separately-issued financial statements for the Pleasanton Joint Powers Financing Authority and the Housing Authority of the City of Pleasanton, California. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, P.O. Box 520, Pleasanton, CA 94566.

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**City of Pleasanton**  
**Statement of Net Assets**  
**June 30, 2011**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 184,065,685	\$ 31,569,756	\$ 215,635,441
Receivables (net):			
Accounts	5,791,353	4,694,366	10,485,719
Taxes	615,986	-	615,986
Grants	952,154	-	952,154
Interest	843,538	103,840	947,378
Deposits	1,002,371	-	1,002,371
Due to (from) other funds	10,305	-	10,305
Internal balances	(1,200,463)	1,200,463	-
Inventory and prepaid items	-	141,534	141,534
Restricted cash and investments	394,945	72,844	467,789
Long-term receivable	-	130,408	130,408
Notes receivable	7,317,551	21,740	7,339,291
Bond issuance cost, net	650,932	48,049	698,981
Net investment in joint ventures	-	10,165,776	10,165,776
Deferred loss	-	46,327	46,327
Capital assets:			
Nondepreciable	270,449,201	16,545,554	286,994,755
Depreciable, net	198,559,048	187,283,439	385,842,487
<b>Total assets</b>	<u>669,452,606</u>	<u>252,024,096</u>	<u>921,476,702</u>
<b>LIABILITIES</b>			
Accounts payable	6,087,713	4,844,413	10,932,126
Payroll payable	2,653,576	160,944	2,814,520
Interest payable	257,790	5,293	263,083
Refundable deposits	91,856	87,563	179,419
Unearned revenue	2,025,428	253,816	2,279,244
Long-term liabilities:			
Due within one fiscal year	4,182,501	290,800	4,473,301
Due in more than one fiscal year	32,399,279	831,402	33,230,681
<b>Total liabilities</b>	<u>47,698,143</u>	<u>6,474,231</u>	<u>54,172,374</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	442,888,249	202,753,118	645,641,367
Restricted for:			
Debt service	394,945	72,844	467,789
Capital projects	35,662,058	2,195,079	37,857,137
Special projects	2,224,407	-	2,224,407
Community development	15,106,943	-	15,106,943
<b>Total restricted net assets</b>	<u>53,388,353</u>	<u>2,267,923</u>	<u>55,656,276</u>
Unrestricted net assets	125,477,861	40,528,824	166,006,685
<b>Total net assets</b>	<u>\$ 621,754,463</u>	<u>\$ 245,549,865</u>	<u>\$ 867,304,328</u>

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Activities and Changes in Net Assets**  
**For the year ended June 30, 2011**

Functions / Programs	Expenses	Indirect Charges	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 12,386,584	\$ (1,066,390)	\$ 600,615	\$ -	\$ -
Public safety	53,346,944	-	15,133,410	710,712	-
Community development	11,815,470	(432,308)	1,263,487	913,346	-
Operations services	25,110,309	749,142	254,425	74,088	7,987,411
Community activities	13,228,829	9,755	3,409,771	646,202	1,281,841
Interest on long-term debt	1,077,908	-	-	-	-
Total governmental activities	116,966,045	(739,801)	20,661,708	2,344,348	9,269,252
<b>Business-type activities:</b>					
Water	18,978,247	(194,986)	15,906,217	-	-
Sewer	12,968,407	849,860	11,201,749	-	-
Golf	5,048,601	-	3,871,138	-	-
Transit	694,687	-	40,278	-	-
Storm Drain	1,739,479	83,290	370,024	-	-
Cemetery	35,361	1,637	349,941	-	-
Pleasanton Housing Authority	453,270	-	155,609	-	-
Total business-type activities	39,918,052	739,801	31,894,956	-	-
<b>Total primary government</b>	<b>\$ 156,884,096</b>	<b>\$ -</b>	<b>\$ 52,556,664</b>	<b>\$ 2,344,348</b>	<b>\$ 9,269,252</b>

**General Revenues:**

Taxes:

Property

Other

Sales tax

Motor vehicle in lieu taxes

Franchise taxes

Total taxes - unrestricted

Investment income not restricted to specific programs

Miscellaneous

**Transfers**

**Total general revenues and transfers**

**Change in net assets**

**Net assets - beginning of year**

**Net assets - end of year**

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (10,719,579)	\$ -	\$ (10,719,579)
(37,502,822)	-	(37,502,822)
(9,206,329)	-	(9,206,329)
(17,543,527)	-	(17,543,527)
(7,900,770)	-	(7,900,770)
(1,077,908)	-	(1,077,908)
<u>(83,950,936)</u>	<u>-</u>	<u>(83,950,936)</u>
-	(2,877,044)	(2,877,044)
-	(2,616,518)	(2,616,518)
-	(1,177,463)	(1,177,463)
-	(654,409)	(654,409)
-	(1,452,745)	(1,452,745)
-	312,943	312,943
-	(297,661)	(297,661)
<u>-</u>	<u>(8,762,897)</u>	<u>(8,762,897)</u>
<u>(83,950,936)</u>	<u>(8,762,897)</u>	<u>(92,713,833)</u>
48,569,049	-	48,569,049
6,245,758	-	6,245,758
18,503,316	-	18,503,316
356,653	-	356,653
2,001,934	-	2,001,934
75,676,710	-	75,676,710
1,585,593	264,762	1,850,355
568,212	830,530	1,398,742
(622,606)	622,606	-
77,207,909	1,717,898	78,925,807
(6,743,027)	(7,044,999)	(13,788,026)
628,497,490	252,594,864	881,092,354
<u>\$ 621,754,463</u>	<u>\$ 245,549,865</u>	<u>\$ 867,304,328</u>

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Pleasanton**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
<b>ASSETS</b>					
Cash and investments	\$ 23,208,768	\$ 14,475,494	\$ 2,305,656	\$ 60,036,704	\$ 100,026,622
Receivables (net):					
Accounts	4,997,837	-	11,905	757,844	5,767,586
Taxes	615,986	-	-	-	615,986
Grants	-	-	-	952,154	952,154
Interest	124,208	104,843	-	336,035	565,086
Deposits	-	-	-	1,002,371	1,002,371
Due from other funds	891,658	-	-	-	891,658
Restricted cash and investments	-	-	-	394,945	394,945
Notes receivable, net	168,033	5,231,181	-	1,918,337	7,317,551
<b>Total assets</b>	<b>\$ 30,006,490</b>	<b>\$ 19,811,518</b>	<b>\$ 2,317,561</b>	<b>\$ 65,398,390</b>	<b>\$ 117,533,959</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 2,242,691	\$ 156,079	\$ 1,887,860	\$ 789,584	\$ 5,076,214
Payroll payable	2,134,324	-	414,862	-	2,549,186
Due to other funds	-	-	-	822,853	822,853
Refundable deposits	-	2,189	-	89,667	91,856
Deferred revenue	300,493	5,286,222	14,839	2,090,055	7,691,609
<b>Total liabilities</b>	<b>4,677,508</b>	<b>5,444,490</b>	<b>2,317,561</b>	<b>3,792,159</b>	<b>16,231,718</b>
<b>Fund Balances:</b>					
Nonspendable	168,033	-	-	-	168,033
Restricted	-	14,367,028	-	39,021,325	53,388,353
Committed	19,953,285	-	-	-	19,953,285
Assigned	2,000,000	-	-	22,584,906	24,584,906
Unassigned	3,207,664	-	-	-	3,207,664
<b>Total fund balances</b>	<b>25,328,982</b>	<b>14,367,028</b>	<b>-</b>	<b>61,606,231</b>	<b>101,302,241</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,006,490</b>	<b>\$ 19,811,518</b>	<b>\$ 2,317,561</b>	<b>\$ 65,398,390</b>	<b>\$ 117,533,959</b>

See accompanying Notes to Basic Financial Statements.



# City of Pleasanton

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

June 30, 2011

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<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 101,302,241</b>
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Amounts reported for governmental activities in the Statement of Net Assets 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 \$8,561,137.	<u>460,447,112</u>
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Notes receivables are not available to pay for current-period expenditures and therefore are reported as deferred revenue in the fund financial statements.	<u>5,666,181</u>
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Bond issuance costs are an expenditure in the governmental funds but are capitalized and amortized over the life of the bonds in the government-wide financial statements.	<u>650,932</u>
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Internal service funds are used by management to charge the costs of employee benefits, public art acquisition and maintenance, assessment district administration, equipment replacement/ renovation and self-insurance programs to individual departments or to other governments. The assets and liabilities are included in governmental activities in the statement of net assets.	<u>80,408,274</u>
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Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental fund financial statements:

2003 Certificates of Participation	(22,330,000)
2004 Certificates of Participation	(1,450,000)
Note payable to State	(342,487)
Note payable to Alameda County	(2,340,000)
Accrued interest payable	<u>(257,790)</u>
Total long-term liabilities	<u>(26,720,277)</u>

<b>Net Assets of Governmental Activities</b>	<b>\$ 621,754,463</b>
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See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2011**

	General Fund	Lower Income Housing	Livermore Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
<b>REVENUES:</b>					
Taxes	\$ 73,637,299	\$ -	\$ -	\$ -	\$ 73,637,299
Special assessments	-	-	-	202,642	202,642
Licenses	10,978	-	-	-	10,978
Permits	1,453,709	-	-	-	1,453,709
Fines and forfeitures	554,089	-	-	-	554,089
Use of money and property	332,241	376,541	-	483,646	1,192,428
Intergovernmental	1,046,289	-	45,047	6,122,802	7,214,138
Franchises	2,001,935	-	-	-	2,001,935
Charges for services	1,014,658	-	13,338,233	29,906	14,382,797
Development fees	45,388	148,481	-	2,910,701	3,104,570
Plan check fees	918,878	-	-	-	918,878
Reimbursements	847,842	128,536	22,791	388,473	1,387,642
Contributions and donations	8,241	-	471	452,864	461,576
Other revenues	2,712,490	-	7,006	342,301	3,061,797
Recreation charges	3,295,411	-	-	-	3,295,411
<b>Total revenues</b>	<b>87,879,448</b>	<b>653,558</b>	<b>13,413,548</b>	<b>10,933,335</b>	<b>112,879,889</b>
<b>EXPENDITURES:</b>					
Current:					
General government	11,172,110	-	-	-	11,172,110
Public safety	36,805,442	-	13,192,329	94,096	50,091,867
Community development	10,332,643	1,077,405	-	581,302	11,991,350
Operations services	13,742,961	-	-	634,582	14,377,543
Community activities	10,042,558	-	-	602,164	10,644,722
Capital outlay	491,051	892,088	262,708	7,553,225	9,199,072
Debt service:					
Principal	-	-	-	1,860,000	1,860,000
Interest, fiscal charges	-	-	-	1,053,120	1,053,120
<b>Total expenditures</b>	<b>82,586,765</b>	<b>1,969,493</b>	<b>13,455,037</b>	<b>12,378,489</b>	<b>110,389,784</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,292,683</b>	<b>(1,315,935)</b>	<b>(41,489)</b>	<b>(1,445,154)</b>	<b>2,490,105</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	37,274	-	-	5,573,682	5,610,956
Transfers out	(5,283,360)	-	-	(3,199,516)	(8,482,876)
<b>Total other financing sources (uses)</b>	<b>(5,246,086)</b>	<b>-</b>	<b>-</b>	<b>2,374,166</b>	<b>(2,871,920)</b>
<b>Net change in fund balances</b>	<b>46,597</b>	<b>(1,315,935)</b>	<b>(41,489)</b>	<b>929,012</b>	<b>(381,815)</b>
<b>FUND BALANCES:</b>					
Beginning of year	25,282,385	15,682,963	41,489	60,677,219	101,684,056
End of year	\$ 25,328,982	\$ 14,367,028	\$ -	\$ 61,606,231	\$ 101,302,241

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, 2011

**Net Change in Fund Balances - Total Governmental Funds** \$ (381,815)

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

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

Capital outlay (net of internal service funds of \$763,499).	5,005,248
Depreciation (net of internal service funds of \$1,284,827).	(11,036,697)

In the Statement of Activities, capital assets donated to the City are reported as program revenue, whereas in the governmental funds, capital assets donated do not increase financial resources. Thus, the change in net assets differs from the change in fund balances by the value of the asset donated.	626,946
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In the Statement of Activities, only the gain (loss) on the sale or disposal of capital assets is reported and allocated to the various program revenues and expenses, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the asset sold.	(39,881)
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Loans receivable are not considered available revenue and are deferred in the governmental funds. However, those loans are considered earned and recognized as revenue in the government-wide statement of activities. This amount represents current year's activities.	(1,110,884)
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Bonds issuance cost are expensed on the fund statements. However, in the government-wide statement of activities, the bonds issuance cost are allocated over the life of the bonds. This amount represent the current year amortization of the bond issuance cost.	(40,015)
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Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. Accrued interest payable decreased by this amount.	15,228
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal repayments:	
Alameda County Corridor Purchase	530,000
2003 Certificates of Participation	995,000
2004 Certificates of Participation	335,000
CALHFA Help Loan	1,500,000

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.	(3,141,157)
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<b>Change in Net Assets of Governmental Activities</b>	<b>\$ (6,743,027)</b>
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See accompanying Notes to Basic Financial Statements.

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**PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Pleasanton**  
**Statement of Fund Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 16,566,007	\$ 11,326,904	\$ 1,847,095	\$ 1,129,026	\$ 700,724	\$ 31,569,756	\$ 84,039,063
Receivables (net):							
Accounts	2,861,300	1,692,087	2,270	3,869	134,840	4,694,366	23,767
Interest	56,556	41,488	1,670	3,223	903	103,840	278,452
Notes receivable	-	-	21,740	-	-	21,740	-
Inventory and prepaid items	-	-	141,534	-	-	141,534	-
Restricted cash and investments	-	72,844	-	-	-	72,844	-
Total current assets	<u>19,483,863</u>	<u>13,133,323</u>	<u>2,014,309</u>	<u>1,136,118</u>	<u>836,467</u>	<u>36,604,080</u>	<u>84,341,282</u>
Noncurrent assets:							
Long-term receivable	130,408	-	-	-	-	130,408	-
Bond issuance costs, net of accumulated amortization	25,587	22,462	-	-	-	48,049	-
Net investment in joint ventures	-	10,165,776	-	-	-	10,165,776	-
Deferred loss	46,327	-	-	-	-	46,327	-
Capital assets:							
Nondepreciable	2,145,071	1,828,042	12,434,327	76,364	61,750	16,545,554	993,734
Depreciable, net	76,871,368	58,829,201	24,385,983	26,575,050	621,837	187,283,439	7,567,403
Total noncurrent assets	<u>79,218,761</u>	<u>70,845,481</u>	<u>36,820,310</u>	<u>26,651,414</u>	<u>683,587</u>	<u>214,219,553</u>	<u>8,561,137</u>
<b>Total assets</b>	<u>98,702,624</u>	<u>83,978,804</u>	<u>38,834,619</u>	<u>27,787,532</u>	<u>1,520,054</u>	<u>250,823,633</u>	<u>92,902,419</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	2,973,924	1,580,892	238,954	23,007	27,636	4,844,413	1,011,499
Due to other funds	-	-	-	-	58,500	58,500	-
Payroll payable	86,488	40,190	-	15,319	18,947	160,944	104,390
Interest payable	-	-	-	-	5,293	5,293	-
Refundable deposits	-	-	75,591	-	11,972	87,563	-
Unearned revenue	60,094	-	193,661	-	61	253,816	-
Accrued compensated absences	-	-	-	-	-	-	994,175
Claims payable	-	-	-	-	-	-	1,345,326
Capital leases payable - due within one year	-	-	67,584	-	-	67,584	-
Notes payable - due within one year	-	-	-	-	58,216	58,216	-
Bonds payable - due within one year	-	165,000	-	-	-	165,000	-
Total current liabilities	<u>3,120,506</u>	<u>1,786,082</u>	<u>575,790</u>	<u>38,326</u>	<u>180,625</u>	<u>5,701,329</u>	<u>3,455,390</u>
Noncurrent liabilities:							
Accrued compensated absences - due in more than one year	-	-	-	-	-	-	4,126,735
Claims payable - due in more than one year	-	-	-	-	-	-	3,653,057
Capital leases payable - due in more than one year	-	-	249,355	-	-	249,355	-
Notes payable - due in more than one year	-	-	-	-	62,047	62,047	-
Bonds payable - due in more than one year	-	520,000	-	-	-	520,000	-
Total noncurrent liabilities	<u>-</u>	<u>520,000</u>	<u>249,355</u>	<u>-</u>	<u>62,047</u>	<u>831,402</u>	<u>7,779,792</u>
<b>Total liabilities</b>	<u>3,120,506</u>	<u>2,306,082</u>	<u>825,145</u>	<u>38,326</u>	<u>242,672</u>	<u>6,532,731</u>	<u>11,235,182</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	79,062,766	59,972,243	36,503,371	26,651,414	563,324	202,753,118	8,561,137
Restricted for:							
Debt service	-	72,844	-	-	-	72,844	-
Capital improvements	1,447,275	747,804	-	-	-	2,195,079	-
Unrestricted	15,072,077	20,879,831	1,506,103	1,097,792	714,058	39,269,861	73,106,100
<b>Total net assets</b>	<u>\$ 95,582,118</u>	<u>\$ 81,672,722</u>	<u>\$ 38,009,474</u>	<u>\$ 27,749,206</u>	<u>\$ 1,277,382</u>	<u>244,290,902</u>	<u>\$ 81,667,237</u>

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

Net assets of business-type activities 1,258,963  
\$ 245,549,865

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the year ended June 30, 2011**

	Business-type Activities - Enterprise Funds					Total	Governmental
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds		Internal Service Funds
<b>OPERATING REVENUES:</b>							
Charges for services	\$ 17,090,824	\$ 11,150,226	\$ 3,871,138	\$ 515,319	\$ 545,828	\$ 33,173,335	\$ 27,339,453
Miscellaneous	146,745	36,647	6,707	148,189	258,835	597,123	64,102
<b>Total operating revenues</b>	<u>17,237,569</u>	<u>11,186,873</u>	<u>3,877,845</u>	<u>663,508</u>	<u>804,663</u>	<u>33,770,458</u>	<u>27,403,555</u>
<b>OPERATING EXPENSES:</b>							
Personnel services	2,489,155	1,109,925	1,585,032	409,950	666,826	6,260,888	26,316,658
Transportation	51,328	30,931	-	2,869	57,427	142,555	-
Repairs and maintenance	104,284	181,688	533,591	552	148,862	968,977	-
Materials, supplies, and services	13,918,231	8,489,679	1,239,218	448,142	107,212	24,202,482	6,190,168
Amortization	9,984	7,080	-	-	-	17,064	-
Depreciation	3,338,283	2,753,750	1,686,760	1,083,994	162,322	9,025,109	1,284,827
<b>Total operating expenses</b>	<u>19,911,265</u>	<u>12,573,053</u>	<u>5,044,601</u>	<u>1,945,507</u>	<u>1,142,649</u>	<u>40,617,075</u>	<u>33,791,653</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(2,673,696)</u>	<u>(1,386,180)</u>	<u>(1,166,756)</u>	<u>(1,281,999)</u>	<u>(337,986)</u>	<u>(6,846,617)</u>	<u>(6,388,098)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Grants	-	-	-	-	233,407	233,407	-
Interest income	140,435	103,924	7,469	8,073	4,861	264,762	716,617
Interest expense	(24,144)	(24,637)	(4,000)	-	(9,139)	(61,920)	-
Equity interest in loss from joint ventures	-	(1,199,193)	-	-	-	(1,199,193)	-
Gain (loss) from sale of capital assets	-	-	-	-	-	-	(19,741)
<b>Total nonoperating revenues (expenses)</b>	<u>116,291</u>	<u>(1,119,906)</u>	<u>3,469</u>	<u>8,073</u>	<u>229,129</u>	<u>(762,944)</u>	<u>696,876</u>
<b>Net income (loss) before contributions and transfers</b>	<u>(2,557,405)</u>	<u>(2,506,086)</u>	<u>(1,163,287)</u>	<u>(1,273,926)</u>	<u>(108,857)</u>	<u>(7,609,561)</u>	<u>(5,691,222)</u>
Capital contributions	-	-	-	-	-	-	13,000
Connection fees	136,200	93,507	-	-	-	229,707	-
Transfers in	220,000	110,000	1,320,000	330,000	350,734	2,330,734	2,258,604
Transfers out	-	-	(1,708,128)	-	-	(1,708,128)	(9,290)
<b>Change in net assets</b>	<u>(2,201,205)</u>	<u>(2,302,579)</u>	<u>(1,551,415)</u>	<u>(943,926)</u>	<u>241,877</u>	<u>(6,757,248)</u>	<u>(3,428,908)</u>
<b>NET ASSETS:</b>							
Beginning of year	<u>97,783,323</u>	<u>83,975,301</u>	<u>39,560,889</u>	<u>28,693,132</u>	<u>1,035,505</u>		<u>85,096,145</u>
End of year	<u>\$ 95,582,118</u>	<u>\$ 81,672,722</u>	<u>\$ 38,009,474</u>	<u>\$ 27,749,206</u>	<u>\$ 1,277,382</u>		<u>\$ 81,667,237</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. (287,751)

Change in net assets of business-type activities \$ (7,044,999)

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2011**

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash receipt from customers	\$ 17,279,317	\$ 10,602,894	\$ 3,868,609	\$ 514,611	\$ 386,740	\$32,652,171	\$ 27,327,261
Cash payment to suppliers for goods and services	(14,119,044)	(8,546,154)	(1,830,564)	(442,502)	(266,721)	(25,204,985)	(5,841,238)
Cash payment to employees for services	(2,490,448)	(1,104,591)	(1,585,032)	(407,262)	(668,085)	(6,255,418)	(26,394,585)
Miscellaneous revenue	162,895	36,647	6,707	148,189	258,835	613,273	64,102
<b>Net cash provided (used) by operating activities</b>	<b>832,720</b>	<b>988,796</b>	<b>459,720</b>	<b>(186,964)</b>	<b>(289,231)</b>	<b>1,805,041</b>	<b>(4,844,460)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Advance payments to/from other funds	473,000	-	(473,000)	-	-	-	-
Grants received	-	-	-	-	233,407	233,407	-
Transfer in	220,000	110,000	2,165,000	330,000	350,734	3,175,734	2,258,604
Transfer out	-	-	(2,553,128)	-	-	(2,553,128)	(9,290)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>693,000</b>	<b>110,000</b>	<b>(861,128)</b>	<b>330,000</b>	<b>584,141</b>	<b>856,013</b>	<b>2,249,314</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Principal payments on long-term debt	(873,246)	(155,000)	(33,204)	-	(54,612)	(1,116,062)	-
Interest payments	(24,144)	(24,637)	(4,000)	-	(11,541)	(64,322)	-
Capital asset acquisition	(159,265)	(411,586)	-	-	(23,335)	(594,186)	(762,387)
Connection fees received	136,200	93,507	-	-	-	229,707	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(920,455)</b>	<b>(497,716)</b>	<b>(37,204)</b>	<b>-</b>	<b>(89,488)</b>	<b>(1,544,863)</b>	<b>(762,387)</b>
<b>CASH FLOWS FROM NONCAPITAL INVESTING ACTIVITIES:</b>							
Interest received	171,496	126,733	15,286	10,091	4,499	328,105	915,314
<b>Net cash provided by (used in) noncapital investing activities</b>	<b>171,496</b>	<b>126,733</b>	<b>15,286</b>	<b>10,091</b>	<b>4,499</b>	<b>328,105</b>	<b>915,314</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>776,761</b>	<b>727,813</b>	<b>(423,326)</b>	<b>153,127</b>	<b>209,921</b>	<b>1,444,296</b>	<b>(2,442,219)</b>
<b>CASH AND CASH EQUIVALENTS:</b>							
Beginning of year	15,789,246	10,671,935	2,270,421	975,899	490,803	30,198,304	86,481,282
End of year	\$ 16,566,007	\$ 11,399,748	\$ 1,847,095	\$ 1,129,026	\$ 700,724	\$31,642,600	\$ 84,039,063
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ (2,673,696)	\$ (1,386,180)	\$ (1,166,756)	\$(1,281,999)	\$ (337,986)	\$ (6,846,617)	\$ (6,388,098)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	3,348,267	2,760,830	1,686,760	1,083,994	162,322	9,042,173	1,284,827
Decrease (increase) in:							
Accounts receivable	188,493	(547,332)	(1,095)	(708)	(94,023)	(454,665)	(12,192)
Inventory and prepaid items	-	-	(26,203)	-	-	(26,203)	-
Increase (decrease) in:							
Accounts payable	(45,201)	156,144	(43,238)	9,061	8,201	84,967	122,005
Accrued payroll	(1,293)	5,334	-	2,688	(1,259)	5,470	76,954
Due to other funds	-	-	-	-	38,579	38,579	-
Deferred revenue	16,150	-	11,686	-	(64,909)	(37,073)	-
Refundable deposits	-	-	(1,434)	-	(156)	(1,590)	-
Accrued benefits payable	-	-	-	-	-	-	(154,881)
Claims payable	-	-	-	-	-	-	226,925
<b>Net cash provided (used) by operating activities</b>	<b>\$ 832,720</b>	<b>\$ 988,796</b>	<b>\$ 459,720</b>	<b>\$(186,964)</b>	<b>\$(289,231)</b>	<b>\$ 1,805,041</b>	<b>\$(4,844,460)</b>

See accompanying Notes to Basic Financial Statements.



**FIDUCIARY FUND FINANCIAL STATEMENTS**

**City of Pleasanton**  
**Statement of Fund Net Assets**  
**Fiduciary Funds**  
**June 30, 2011**

	Other Post-Employment Benefit Trusts	Private-Purpose Trust	Agency
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 124,393	\$ 4,744,528
Receivables (net):			
Accounts	-	3,118	538,333
Interest	-	442	(2,609)
Notes receivable	-	-	35,393
<b>Total assets</b>	<b>-</b>	<b>127,953</b>	<b>\$ 5,315,645</b>
<b>LIABILITIES</b>			
Accounts payable	-	-	\$ 1,634,547
Due to other funds	-	-	10,305
Due to bondholders	-	-	2,611,979
Due to employees	-	-	35,393
Deposits	-	-	1,023,421
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>\$ 5,315,645</b>
<b>NET ASSETS</b>			
Net assets	<b>\$ -</b>	<b>\$ 127,953</b>	

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Changes in Fiduciary Net Assets**  
**Trust Funds**  
**For the Year Ended June 30, 2011**

	Other Post-Employment Benefit Trusts	Private-Purpose Trust
<b>ADDITIONS:</b>		
Investment income	\$ 99,546	\$ 1,098
Miscellaneous	-	1,925
<b>Total additions</b>	<u>99,546</u>	<u>3,023</u>
<b>DEDUCTIONS:</b>		
Operations services	-	15,203
Contributions	9,924,736	-
<b>Total deductions</b>	<u>9,924,736</u>	<u>15,203</u>
<b>Changes in net assets</b>	<u>(9,825,190)</u>	<u>(12,180)</u>
<b>NET ASSETS:</b>		
Beginning of year	<u>9,825,190</u>	<u>140,133</u>
End of year	<u>\$ -</u>	<u>\$ 127,953</u>

See accompanying Notes to Basic Financial Statements.

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**City of Pleasanton**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2011**

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**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***A. Reporting Entity***

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

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The City had no discretely presented component units. The following entities are reported as blended component units and separate financial statements for the units may be obtained from the City's Finance Department located in City Hall at 123 Main Street, Pleasanton, CA 94566:

*Pleasanton Joint Powers Financing Authority (Authority)* - The Authority was established on June 29, 1993 for the purpose of providing assistance to the City and the Housing Authority of the City in financing public capital improvements, including but not limited to refunding the 1915 Act improvement bonds previously issued by the City. The City exercises significant financial and management control over the Authority and members of the board of directors are appointed by the City Council.

*Housing Authority of the City of Pleasanton, California (Housing Authority)* - The Housing Authority was established in 1943. The purpose of the Housing Authority is to provide and maintain the maximum number of housing units and services for low and moderate income families at rents they can afford, making the most effective and economical possible use of its resources. In accordance with Section 2.36 of the Municipal Code, the Pleasanton City Council serves as the Board of Directors for the Housing Authority of the City of Pleasanton.

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

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

*Government-Wide Financial Statements*

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These government-wide financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out
- Interfund charges

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989 to the business-type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. The City has elected not to apply applicable FASB Statement and Interpretations issued after November 30, 1989.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

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

*Governmental Fund Financial Statements*

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

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

Deferred revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the Combined Balance Sheet and recognized as revenue.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

The *General Fund* - is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, community development, operations services and community activities.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

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

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

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

Proprietary Fund Financial Statements

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

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental and business-type activities in the government-wide financial statements as appropriate.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

The City reports the following major enterprise funds:

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

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

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

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

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

The *Storm Drain Fund* - accounts for the operation and maintenance of the City's storm system. The revenue source for this fund is the urban runoff annual assessment fee levied on property owners since 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.

The City reports the following internal service funds:

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

*Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a Statement of Fund Net Assets and a Statement of Changes in Net Assets. The City's fiduciary funds represent agency funds, a private purpose trust fund, and two other post-employment benefit trust funds (OPEB). Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The private purpose trust fund and the OPEB trust funds are accounted for using the economic resources measurement focus. The fiduciary funds are accounted for using the accrual basis of accounting.

The City reports the following fiduciary funds:

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

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

The *Other Post-Employment Benefit Trust Funds* - account for the Miscellaneous (non-Fire) Retiree Medical Trust and the Fire Retiree Medical Trust Funds. The City entered into an agreement with the CalPERS California Employers' Retiree Benefit Trust fund (CERBT) on April 11, 2011, as the vehicle for managing the City's long-term obligation for retiree medical benefits, and transferred all funds held in the Other Post-Employment Benefit Trust Funds to the CERBT.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

**C. Cash, Cash Equivalents and Investments**

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-backed Securities are subject to market risk as to change in interest rates.

For purposes of the statement of cash flows of the proprietary funds types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

**D. Restricted Cash and Investments**

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects. Cash and investments are also restricted for deposits held for others within the enterprise funds.

**E. Receivables**

During the course of normal operations, the City carries various receivable balances that are shown net of allowances for doubtful accounts for taxes, interest, services, utilities and special assessments. The City maintains the allowances for doubtful accounts of \$17,500 in the Water Fund, \$13,000 in the Sewer Fund and \$157,170 in the General Fund.

**F. Notes Receivable**

For the purposes of the governmental fund financial statements, expenditures related to long-term notes arising from subsidy programs are charges to operations upon funding and the notes are recorded with an offset to a deferred revenue account. For the purposes of the government-wide financial statements, long-term loans are not offset by deferred revenue accounts.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

---

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

**G. Interfund Transactions**

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

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

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

**H. Inventory**

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

**I. Capital Assets**

The City’s assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting general capital assets at \$5,000 and for reporting infrastructure (streets, water, sewer and storm drains) at \$100,000. All streetlights and traffic signals are included. Donated capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

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

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

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

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

---

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

***J. Compensated Absences***

Accumulated unpaid vacation and compensatory time is accrued in the Employee Benefit Internal Service Fund using the accrual basis of accounting. Sick leave with pay is granted to all eligible employees. Sick leave is not considered a right which employees may use at their discretion, but is allowed only for specific purposes as explained in the City's personnel policies. The City has determined that it has no accrued liability to report at June 30, 2011 as a result of its sick leave policy. The City accrues accumulated unpaid compensated absences when earned by the employee.

***K. Long-Term Debt***

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

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

***L. Interest Payable***

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

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

***M. Property Taxes***

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

***N. Net Assets / Fund Equity***

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

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



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

---

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

***N. Net Assets / Fund Equity, Continued***

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

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

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

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

***P. Fund Balances – Governmental Funds***

Under previous reporting standards, the City’s governmental fund balances were reported under three categories: reserved, unreserved, and designated. The City implemented GASB Statement No. 54, a new accounting standard, in Fiscal Year 2010/11 (2010/11FY) which replaces these three fund balance categories with five new classifications: nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Fund balance commitments may be established, modified, or rescinded only by formal action (resolution or ordinance) of the City Council, the City’s highest level of decision-making authority. Assignment of fund balances to specific purposes may be established, modified, or rescinded by the City Council or the City’s Director of Finance, as specified in City Council Resolution No. 11-463, adopted on June 21, 2011.

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.

Additional disclosure concerning the implementation of GASB Statement No. 54 is available in Note 1R and Note 10.

***Q. Use of Estimates***

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

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

**R. Implementation of New GASB Pronouncements**

In the 2010/11FY, the City adopted a new accounting standard in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* – The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.
- GASB issued GASB Statement No. 59, *Financial Instruments Omnibus* – The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2010. The City implemented the provisions of this Statement in the 2010/11FY, with no significant impact on the financial statements.

**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, except certain construction and bond reserve funds held by the City.

The following is a summary of pooled cash and investments, including cash and investments with fiscal agent at June 30, 2011:

	Government-Wide Statement of Net Assets		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Statement of Net Assets	
Cash and investments	\$ 184,065,685	\$ 31,569,756	\$ 4,868,921	\$ 220,504,362
Restricted cash and investments	394,945	72,844	-	467,789
<b>Total</b>	<b>\$ 184,460,630</b>	<b>\$ 31,642,600</b>	<b>\$ 4,868,921</b>	<b>\$ 220,972,151</b>



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**2. CASH AND INVESTMENTS, Continued**

At June 30, 2011, the City's pooled cash and investments, including restricted funds consisted of the following:

	Fair Value
	June 30, 2011
<b>City Treasury:</b>	
Deposits:	
Cash on hand	\$ 4,425
Deposits with banks	5,617,727
Certificates of deposits	307,815
<b>Total Deposits</b>	<b>5,929,967</b>
Investments:	
U.S. Government treasuries	33,199,668
U.S. Government agencies	117,448,617
Money market	10,823,480
Medium-term corporate notes	1,061,875
Certificates of deposits	735,000
California Local Agency Investment Fund	51,305,755
<b>Total Investments</b>	<b>214,574,395</b>
<b>Total City Treasury</b>	<b>220,504,362</b>
<b>Cash with Fiscal Agent</b>	<b>467,789</b>
<b>Total City and fiscal agent cash and investments</b>	<b>\$ 220,972,151</b>

**A. Deposits**

At June 30, 2011, the carrying amount of the City's cash deposits with the bank had a balance of \$5,617,727 and the bank's balance was \$5,511,731. The difference between the bank balance and the City's carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$1,299,065 was covered by federal depository insurance and \$4,212,666 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. The California Government Code requires California banks to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits, or by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits.

**B. Investments**

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

- Bankers' acceptances
- Commercial paper
- Local Agency Investment Fund
- Mutual funds
- Medium-term corporate notes
- Money market funds
- Negotiable certificates of deposit
- Repurchase agreements
- Securities of the Federal government or its agencies

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**2. CASH AND INVESTMENTS, Continued**

***B. Investments, Continued***

Included in restricted cash and investments at June 30, 2011 was \$467,789 held by trustees or fiscal agents. These funds may only be used for the payment of certain bonds and certificates of participation and have been invested only as permitted by specific state statutes or applicable City ordinances, resolutions, or bond indentures.

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that the City's investments be carried at fair market value instead of cost. Accordingly, the City adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and the effects of these adjustments are included in income for that fiscal year. Changes in value at the fiscal year ended June 30, 2011 from the fiscal year ended June 30, 2010 amounted to an unrealized loss of \$23,920.

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, 2011, the City held \$52,228,476 in callable notes, which amounted to 24.34% of investments at June 30, 2011.

***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, 2011, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 to 5
U.S. Government treasuries	\$ 33,199,668	\$ 31,172,168	\$ 2,027,500
U.S. Government agencies	117,448,617	33,505,961	83,942,656
Money market	10,823,480	10,823,480	-
Medium-term notes	1,061,875	-	1,061,875
Certificates of deposit	735,000	490,000	245,000
California Local Agency Investment Fund	51,305,755	51,305,755	-
Total	\$ 214,574,395	\$ 127,297,364	\$ 87,277,031

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**2. CASH AND INVESTMENTS, Continued**

***D. Credit Risk***

The City's policy, consistent with state law, limits investments in corporate notes to notes rated "A" or better by a nationally recognized statistical rating organization (NRSRO), including Moody's Investor's Service and Standard & Poor's. At June 30, 2011, the City's credit risks, expressed on a percentage basis, were as follows:

The City's investments are rated by the nationally recognized rating organizations as follows, and the percentage of credit risk, expressed on a percentage basis is also shown:

	Moody's	Standard & Poor's	Percentage
U.S. Government Treasuries	Aaa	AAA	15.47%
<b>U.S. Government Agencies</b>			
Federal Farm Credit Bank	Aaa	AAA	20.77%
Federal Home Loan Bank	Aaa	AAA	28.36%
Federal Home Loan Mortgage Corporation	Aaa	AAA	1.40%
Federal National Mortgage Association	Aaa	AAA	4.21%
<b>U.S. Treasury Money Market Funds</b>			
Fidelity – Government Portfolio	Aaa	AAA	5.04%
Medium-Term Notes	Aa	AA	0.50%
Certificates of Deposit	Not Rated	Not Rated	0.34%
<b>External Pool</b>			
State of California – Local Agency Investment Fund	Not Rated	Not Rated	23.91%

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**2. CASH AND INVESTMENTS, Continued**

***D. Credit Risk, Continued***

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

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

U.S. Agencies	Amount Invested	Percentage of Investments
Federal Farm Credit Bank	\$ 44,559,264	20.77%
Federal Home Loan Bank	60,845,630	28.36%
	\$105,404,894	49.12%

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

***E. External Investment Pool***

As of June 30, 2011, the City had \$51,305,755 invested in the California Local Agency Investment Fund (LAIF), a State of California external investment pool. The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and a State in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and the State Controller. The LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. At June 30, 2011, 53.55% of LAIF's portfolio was invested in government guaranteed U.S. Treasuries.

As of June 30 2011, 5.01% 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.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**2. CASH AND INVESTMENTS, Continued**

*E. External Investment Pool, Continued*

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

Fair value of LAIF was calculated by applying a factor of 1.001576470 to total investments held by LAIF. The fair value of the City's position in the pool is substantially equivalent to the value of the pool share. Separate financial statements for the PMIB may be obtained from California State Treasurer's Office, 915 Capital Mall, Sacramento, CA 95814.

**3. NOTES RECEIVABLE**

The following table summarizes the notes receivable outstanding as of June 30, 2011, and a brief description of each of the loan categories appears on the following page:

	Government- Wide Statement of Net Assets
Housing Loans	
Multifamily Housing Projects – Developers	\$ 3,812,812
Revolving Home Loans – Individuals	1,093,369
Nonprofit Public Benefit Corporation	65,000
HOME Grant Program Loans	1,527,752
CDBG Program Loans	545,586
In-Lieu Parking Fee Loans	105,000
Sewer Connection Fee Loans	168,033
Happy Valley Infrastructure Loans	21,740
<b>Total</b>	<b>\$ 7,339,291</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**3. NOTES RECEIVABLE, Continued**

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

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

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

In-Lieu Parking Fee Loans - Loans are provided to property owners within the Downtown Revitalization District to finance the cost of off-street parking required for a development project pursuant to the Pleasanton Municipal Code Chapter 18.88 Off Street Parking Facilities. This loan program was adopted by Ordinance No. 1898 in 2003, and is set forth in Pleasanton Municipal Code section 18.88.120. Since the program's inception, several property owners have utilized this loan program, and repaid their loans. The outstanding amount as of June 30, 2011 was \$105,000.

Sewer Loans - Loans are granted to restaurant owners to finance sewer connection fees. The loan program was adopted in 1989 to encourage restaurants to locate in the downtown area. Since the program's inception, there have been no defaults in these loan payments. Therefore, in 1997 the City expanded the loan program for restaurants outside downtown Pleasanton. The outstanding amount as of June 30, 2011 was \$168,033.

Happy Valley Infrastructure Loans - In 2009, the City entered into an agreement with a resident for reimbursement of water and sewer infrastructure costs in the Happy Valley area of the City. The amount of the note is \$33,493 and does not include interest. There are sixty (60) monthly installment payments of \$565.75 due on the note, commencing on November 1, 2009. Payments received during 2010/11FY amounted to \$6,708. The amount outstanding as of June 30, 2011 was \$21,740.

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

- Eden Housing/Ridge View Commons Associates - In 1988, the City loaned \$4,000,000 to Eden Housing, Inc. for the development of Ridge View Commons, a rental housing development for low and very low income seniors. Funding for this loan came from a Department of Housing and Urban Development (HUD) grant through the Housing Development Grant (HODAG) program. This loan bears interest of 5% per annum and both principal and interest are payable only to the extent that surplus cash is available. In 1999, the City loaned \$2,250,000 from the Lower Income Housing Fund to Ridgeview Commons Associates, a California Limited Partnership affiliated with Eden Housing, Inc., for this same housing project. In Fiscal Year 2009/10, the City loaned an additional \$225,000 to Ridge View Commons Associates to buy out the financial interests of the limited partner (Chevron USA, Inc.) in this project. This loan, totaling \$2,475,000, bears interest of 5.5% per annum and is payable only to the extent that surplus cash is available. Due to the contingent nature of the loan repayments, the City has recorded an allowance for doubtful accounts in its Lower Income Housing Fund for both principal and interest.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**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 second mortgage loan program, which was started in 1992, monthly payments of principal and interest were waived for the first five years for most of the loans. For more recent loans provided since 2004 under the City's Down Payment Assistance (DPA) program, amortized payments are made on half of the loan for the first ten years while payments are partially deferred for ten years on the other half. During 2010/11FY, an additional \$40,000 was loaned to individuals and the City received loan repayments totaling \$86,634. The outstanding amount due to the City for these types of loans as of June 30, 2011 was \$1,093,369.
- Tri-Valley REACH, Inc. Loans - Beginning in January 1992, the City has entered into series of agreements with REACH, Inc. (formerly HOUSE, Inc.), a local nonprofit agency, to provide funding to purchase below-market priced homes in Pleasanton for developmentally disabled adults who can live independently with supportive services. These loans do not include interest payments and no repayment of principal is due as long as REACH, Inc. owns the property and continues to use it for the intended purpose. Total REACH, Inc. loans outstanding as of June 30, 2011 were \$1,147,532. Of this amount, \$1,034,967 is funded by the HOME Grant Program, \$65,000 is funded from the City's Lower Income Housing Fund and \$47,565 is funded by the CDBG Program. The five loans to REACH, Inc. currently outstanding are summarized in the following table:

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

- Case Avenue Associates - In 1996, the City loaned \$766,063 to Case Avenue Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low income, low income and market rate units. This loan was to finance the construction of the low income and very low income units in the project and was comprised of two components, \$636,063 funded by the City and \$130,000 funded through the City's allocation of HOME Program funds. Both loans are reported in the Lower Income Housing Fund. The \$636,063 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2% and is payable from available cash flow from the project. Any interest not paid due to insufficient cash flow is deferred until the first year cash flow is available. All deferred interest and principal are due in full on the date of maturity, April 1, 2051. The \$130,000 HOME portion bears no interest and principal is to be paid in full on the date of maturity, April 1, 2051. Interest outstanding on the City funded portion of the loan at June 30, 2011 was \$47,435. The principal amounts outstanding at June 30, 2011 for the City funded and the HOME funded portions were \$636,063 and \$130,000, respectively.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**3. NOTES RECEIVABLE, Continued**

- Promenade Housing Associates - In 1996, the City loaned \$231,999 to Promenade Housing Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low income, low income and market rate units. This loan was to finance the construction of affordable units in the project and was comprised of two components, \$101,999 funded by the City and \$130,000 funded through the City's allocation of HOME Program funds. Both loans are reported in the Lower Income Housing Fund. The \$101,999 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2% and is payable from available cash flow from the project. Any interest not paid due to insufficient cash flow is deferred until the first year cash flow is available. All deferred interest and principal are due in full on the date of maturity, April 1, 2051. The \$130,000 HOME portion bears no interest and principal is to be paid in full on the date of maturity, April 1, 2051. Interest outstanding on the City funded portion of the loan at June 30, 2011 was \$7,607. The principal amounts outstanding at June 30, 2011 for the City funded and the HOME funded portions were \$101,999 and \$130,000, respectively.
- Busch Garden Investors - In 2003, the City loaned Busch Garden Investors \$205,000 for the construction of the Gardens at Ironwood senior apartment project. The loan is a zero interest rate loan with annual principal payments in the amount of \$14,000. The amount outstanding at June 30, 2011 was \$135,000.
- BLP Partnership, Inc. - In 2005, the City loaned \$2,490,000 to BLP Partnership, Inc., for the predevelopment and construction of the Parkview assisted living facility. The loan requires an annual interest-only payment of 10% (\$249,000) for 55 years or until the loan is paid in full. Annual payments toward the principal are based on the availability of surplus cash from the operation of the facility according to a "waterfall of payments" provision in the Loan Agreement. For each of the first five (5) years following the Borrower's certificate of occupancy (July 22, 2006), to the extent that surplus cash is insufficient to pay the annual interest-only payment, the City shall forgive that payment. Surplus cash calculations have not been completed in accordance with the Loan Agreement during the past five years, and the City has consequently recorded an allowance for doubtful accounts in its Lower Income Housing Fund for the accrued interest of \$1,434,649. The City and BLP are currently discussing a revision of the "waterfall of payments" provision that will be brought to the City Council for their review and approval in 2012, and BLP expects to perform a surplus cash calculation in the next fiscal year. The principal amount outstanding at June 30, 2011 was \$2,490,000.
- BLP Partnership, Inc. - In 2005, the City loaned \$1,500,000 to BLP Partnership, Inc. for the predevelopment and construction of the Parkview assisted living facility. This loan was funded by a City loan agreement with the California Housing Finance Agency (CalHFA) through the Housing Enabled by Local Partnerships (HELP) program. During the fiscal year, CalHFA informed the City of an early prepayment program which would reduce interest on the loan if paid early. The City and BLP agreed to pay off the loan, with BLP paying \$1,200,000 and the City paying the balance of the loan, which amounted to \$449,750. The prepayment resulted in approximately \$90,000 in interest savings. Per the amended and restated promissory note, BLP owes the City \$449,750 to be repaid by December 1, 2015; however, there is no interest due on this loan. The amount outstanding at June 30, 2011 was \$449,750.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**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 and include: \$80,000 to Housing Alliance for the construction of Lorenzo Creek apartments (28 units of rental housing in Castro Valley for homeless individuals and families with disabilities); \$30,000 to the Deaf Senior Retirement Corporation for the construction of the Fremont Oak Gardens (50 units of rental housing in Fremont for very low income deaf seniors); and \$50,000 to Affordable Housing Associates for the construction of the Carmen Avenue apartments (30 units of rental housing in Livermore for families that were formerly homeless and have special needs). All three loans are deferred, and the Fremont Oak Gardens and Carmen Avenue loans bear no interest. The Housing Alliance loan is subject to 3% interest, and payments are deferred for 15 years. Starting March 2021, payments are subject to available cash flow as determined by Alameda County (the lead agency in the multi-jurisdictional funding agreement). Interest outstanding on the Housing Alliance loan at June 30, 2011 was \$12,600. The principal amount outstanding for all three loans at June 30, 2011 was \$160,000.
  
- *Housing Rehabilitation Program* - The Housing Rehabilitation Program provides financial assistance for the improvement of properties occupied by very low or low-income homeowners. These loans accrue 3% simple interest. Principle and interest is deferred for thirty years or until such time the property is sold or ceases to be the principal residence of the borrower. The majority of loans issued through the Housing Rehabilitation Program have been funded using CDBG funds with the exception of several loans that have been funded with HOME funds. The City currently contracts with Amerinational Community Services to service the City's Housing Rehabilitation Program loan portfolio. The outstanding principal and interest amounts of Housing Rehabilitation Program loans funded by CDBG funds as of June 30, 2011 were \$498,021 and \$125,697, respectively. The outstanding principal and interest amounts of Housing Rehabilitation Program loans funded by HOME funds as of June 30, 2011 were \$72,785 and \$3,123, respectively.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**4. INTERFUND TRANSACTIONS**

**A. Interfund Receivables / Payables**

The composition of interfund balances as of June 30, 2011, is as follows:

Due to/from Other Funds

The General Fund provides cash flow assistance to various grant funds and Enterprise Funds that have grant programs subsidized by the General Fund. The General Fund also provided assistance to the Employee Insurance Agency Fund in 2010/11FY. The City pays COBRA benefits when due for former employees and their dependents, which may be earlier in time than when the City receives COBRA payments from the former employees and their dependents. As of June 30, 2011, the General Fund provided \$822,853 to various non-major special revenue funds, \$58,500 to the Transit fund, and \$10,305 to Employee Insurance Agency fund to cover negative cash balances that arise from the outstanding account receivables.

Due to Other Funds	<b>Due from Other Funds</b>	
		General Fund
Non-major Governmental Funds:		
Community Development Block Grant Fund	\$	32,447
Federal ISTEPA Program Fund		367,000
Federal Stimulus ARRA Grants Fund		112,044
HBPOA Maintenance District Fund		8,008
HOME Program Fund		8,552
Traffic Grants Fund		275,000
Miscellaneous Grants Fund		19,802
Non-major Enterprise Funds:		
Transit Fund		58,500
Agency Funds:		
Employee Insurance Agency Fund		10,305
<b>Total</b>		<b>\$ 891,658</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**4. INTERFUND TRANSACTIONS, Continued**

**B. Transfers In/Out**

The majority of transfers occurred in 2010/11FY to cover debt service payments and to provide operating subsidies to the enterprise funds.

- The General Fund transferred \$632,608 to the Capital Improvement Program (CIP) to cover the CIP's share of annual debt service for the 2003 Certificates of Participation and the 2004 Refunding Lease Certificates of Participation.
- The Golf Funds transferred \$1,592,360 to the Debt Service Fund to cover the golf enterprise's share of annual debt service for the 2003 Certificates of Participation.
- The General Fund transferred \$2,330,734 to enterprise funds to support storm drain, sewer, water, transportation, golf facilities, and cemetery operations.
- In addition, the General Fund also transferred \$1,000,000 to both the Self Insurance Retention and PERS Rate Stabilization Internal Service Funds.

Transfers in/out for the year ended June 30, 2011, were as follows:

	Transfers Out				
	Major Fund				
	General Fund	Golf Funds	Internal Service Funds	Non-Major Governmental Funds	Total
Major Fund:					
General Fund	\$ -	\$ -	\$ -	\$ 37,274	\$ 37,274
Sewer Enterprise Funds	110,000 <sup>(1)</sup>	-	-	-	110,000
Water Enterprise Funds	220,000 <sup>(1)</sup>	-	-	-	220,000
Storm Enterprise Funds	330,000	-	-	-	330,000
Golf Enterprise Funds	1,320,000	-	-	-	1,320,000
Internal Service Funds	2,000,000	115,768	-	142,836	2,258,604
Non-Major Governmental Funds	952,626	1,592,360	9,290	3,019,406	5,573,682
Non-Major Enterprise Fund	350,734	-	-	-	350,734
<b>Total</b>	<u>\$ 5,283,360</u>	<u>\$ 1,708,128</u>	<u>\$ 9,290</u>	<u>\$ 3,199,516</u>	<u>\$10,200,294</u>

<sup>(1)</sup> Low income and senior discounts per Proposition 218 cannot be funded by rate payers and instead must be funded by the General Fund

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011, was as follows:

	Balance 7/1/10	Additions	Retirements	Transfers	Balance 6/30/11
<b>Governmental activities:</b>					
Nondepreciable assets:					
Land	\$ 215,099,833	\$ -	\$ -	\$ 1,201,925	\$ 216,301,758
Right-of-ways	36,309,656	-	-	-	36,309,656
Construction in progress	23,886,512	2,910,943	(365,228)	(8,594,440)	17,837,787
Total nondepreciable assets	275,296,001	2,910,943	(365,228)	(7,392,515)	270,449,201
Depreciable assets:					
Infrastructure	262,912,604	1,489,299	(1,646,095)	6,031,467	268,787,275
Accumulated depreciation	(139,432,550)	(7,730,373)	1,617,231	-	(145,545,692)
Buildings	60,923,112	878,353	-	-	61,801,465
Accumulated depreciation	(16,703,847)	(1,221,411)	-	-	(17,925,258)
Improvements other than buildings	52,729,822	71,111	-	1,293,859	54,094,792
Accumulated depreciation	(27,694,394)	(1,939,433)	128,157	-	(29,505,670)
Machinery and equipment	19,003,382	1,288,052	(20,305)	67,189	20,338,318
Accumulated depreciation	(13,864,679)	(963,988)	18,668	-	(14,809,999)
Vehicles	9,686,200	-	(129,483)	-	9,556,717
Accumulated depreciation	(7,873,838)	(466,322)	107,260	-	(8,232,900)
Net depreciable assets	199,685,812	(8,594,712)	75,433	7,392,515	198,559,048
<b>Governmental activities capital assets, net</b>	<b>\$ 474,981,813</b>	<b>\$ (5,683,769)</b>	<b>\$ (289,795)</b>	<b>\$ -</b>	<b>\$ 469,008,249</b>
<b>Business-type activities:</b>					
Nondepreciable assets:					
Land	\$ 14,274,798	\$ -	\$ -	\$ -	\$ 14,274,798
Construction in progress	2,724,397	563,640	-	(1,017,281)	2,270,756
Total nondepreciable assets	16,999,195	563,640	-	(1,017,281)	16,545,554
Depreciable assets:					
Infrastructure	257,237,323	-	(42,688)	834,760	258,029,395
Accumulated depreciation	(118,306,143)	(6,077,820)	42,688	-	(124,341,275)
Buildings	33,814,075	11,956	-	-	33,826,031
Accumulated depreciation	(11,926,664)	(722,162)	-	-	(12,648,826)
Improvements other than buildings	31,481,268	-	-	-	31,481,268
Accumulated depreciation	(7,624,118)	(1,563,422)	-	-	(9,187,540)
Machinery and equipment	14,323,222	368,731	-	182,521	14,874,474
Accumulated depreciation	(4,343,528)	(601,248)	-	-	(4,944,776)
Vehicles	709,459	-	(17,500)	-	691,959
Accumulated depreciation	(454,314)	(60,457)	17,500	-	(497,271)
Net depreciable assets	194,910,580	(8,644,422)	-	1,017,281	187,283,439
<b>Business-type activities capital assets, net</b>	<b>\$ 211,909,775</b>	<b>\$ (8,080,782)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 203,828,993</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**5. CAPITAL ASSETS, Continued**

*Depreciation*

Depreciation expense was charged to various governmental functions as follows:

General government	\$	160,922
Public safety		933,985
Community development		7,893
Operations services		8,451,217
Community activities		2,767,507
<b>Total depreciation expense - governmental functions</b>	<b>\$</b>	<b>12,321,524</b>

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

Water	\$	3,338,283
Sewer		2,753,750
Golf		1,686,760
Transit		67,101
Storm Drain		1,083,994
Housing Authority		95,221
<b>Total depreciation expense - business-type functions</b>	<b>\$</b>	<b>9,025,109</b>

**6. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Amounts Due Within One Year	Amounts Due in More than One Year
<b>Governmental Activities:</b>						
2003 Certificates of Participation	\$ 23,325,000	\$ -	\$ (995,000)	\$ 22,330,000	\$ 1,030,000	\$ 21,300,000
2004 Refunding Lease Certificates of Participation	1,785,000	-	(335,000)	1,450,000	345,000	1,105,000
CALHFA Help Loan	1,500,000	-	(1,500,000)	-	-	-
State CALHFA Help Program note payable	342,487	-	-	342,487	-	342,487
Note payable, County of Alameda	2,870,000	-	(530,000)	2,340,000	468,000	1,872,000
Claims payable (Note 7)	4,771,458	1,572,252	(1,345,327)	4,998,383	1,345,326	3,653,057
Compensated absences (Note 8)	5,275,791	3,460,970	(3,615,851)	5,120,910	994,175	4,126,735
<b>Total governmental activities</b>	<b>\$ 39,869,736</b>	<b>\$ 5,033,222</b>	<b>\$ (8,321,178)</b>	<b>\$ 36,581,780</b>	<b>\$ 4,182,501</b>	<b>\$ 32,399,279</b>
<b>Business-type Activities:</b>						
Note payable, Federal Financing Bank	\$ 174,875	\$ -	\$ (54,612)	\$ 120,263	\$ 58,216	\$ 62,047
Golf Course Capital Lease	-	350,144	(33,205)	316,939	67,584	249,355
2004 Water Revenue Refunding Bonds	825,000	-	(825,000)	-	-	-
2004 Sewer Revenue Refunding Bonds	840,000	-	(155,000)	685,000	165,000	520,000
<b>Total business-type activities</b>	<b>\$ 1,839,875</b>	<b>\$ 350,144</b>	<b>\$ (1,067,817)</b>	<b>\$ 1,122,202</b>	<b>\$ 290,800</b>	<b>\$ 831,402</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

Long-term debt at June 30, 2011, consisted of the following:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments (000's)	Amount Issued	Outstanding June 30, 2011
<b>Governmental Activities:</b>					
2003 Certificates of Participation	2032	3 - 4.75%	\$650 - \$1,530	\$ 28,425,000	\$ 22,330,000
2004 Refunding Lease Certificates of Participation	2014	2.1 - 3.4%	\$345 - \$380	4,040,000	1,450,000
State CalHFA HELP Program note payable	2015	3.0%	\$6 - \$8	342,487	342,487
Note payable, County of Alameda	2016	0.6%	\$468	6,500,000	2,340,000
<b>Total governmental activities</b>					<u>\$ 26,462,487</u>
<b>Business-type Activities:</b>					
Note payable, Federal Financing Bank	2012	6.6%	\$58 - \$62	882,636	\$ 120,263
2004 Sewer Revenue Refunding Bonds	2014	2 - 3.5%	\$165 - \$180	1,760,000	685,000
<b>Total business-type activities</b>					<u>\$ 805,263</u>

2003 - Certificates of Participation

On April 30, 2003, the City issued Certificates of Participation in the amount of \$28,425,000. The proceeds were used to provide funds for the acquisition and construction of the Callippe Golf Course and to refinance the City's obligations relating to certain 1991 Certificates of Participation of the City, the proceeds of which originally were used to fund the construction and acquisition of the Senior Center. The certificates bear an interest rate range from 3.0% to 4.75% and are payable semiannually on April 1 and October 1. Principal payments are payable annually on each October 1 through 2032. These certificates are obligated to be repaid from the City's general fund or any other source of funds legally available.

2004 - Refunding Lease Certificates of Participation

On December 8, 2004, the City issued Refunding Lease Certificates of Participation in the amount of \$4,040,000. The proceeds were used to refinance in part the City's obligations relating to certain Refunding Lease Revenue Bonds, 1994 Series B of the Pleasanton Joint Powers Financing Authority, to fund a Reserve Fund for the Certificates, and to pay certain costs of issuing the Certificates. The original certificate proceeds were used in 1988 to finance the construction and acquisition of fire station improvements, the Fire Training Center and the Pleasanton City Hall at 123 Main Street. The certificates bear an interest rate range from 2.1% to 3.4% and are payable semiannually on March 1 and September 1. Principal payments are payable annually on each September 1 through 2014. These certificates are obligated to be repaid from the City's general fund or any source of funds legally available.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

State CALHFA Help Program Note Payable

On June 26, 2003, the State of California approved the City's application for a maximum of \$450,000 assistance for the City's down payment assistance program for low and moderate-income homebuyers. This program will assist first-time homebuyers with second mortgages offered at below-market interest rates. The loans to homebuyers are 10 year loans with an interest rate of 3%. After the homebuyers repay the City in full, the City will then repay the State. As of June 30, 2011, \$342,487 in second mortgages was outstanding.

Note Payable, County of Alameda

On July 8, 2008, the City signed a Purchase Agreement with the County of Alameda for the acquisition of approximately ten acres of vacant property, known as the Alameda County Transportation Corridor, located between Bernal Avenue and Stanley Boulevard and parallel to First Street in the Downtown area. For purposes of the Purchase Agreement, the property is divided into two sections, the Southern Property and the Northern Property. The purchase prices of the Southern and Northern Properties are \$5,500,000 and \$2,000,000, respectively. The City paid the County \$2,100,000 for the Southern Property at the close of escrow in July 2008 with the balance of \$3,400,000 to be paid to the County in seven, roughly equal, installments, of which the first two installments are interest free. The first two installments were paid in August 2009 and August 2010, respectively. The third installment, paid in August 2011, as well as the remaining four installments shall bear interest at the Local Agency Investment Fund (LAIF) rate prevailing on the payment date. The purchase of the entire Northern Property is contingent upon the remedial cleanup action of a recognized environmental condition on the property, as discussed in Note 13. Regardless of the cleanup of a portion of the Northern Property, the City is obligated to purchase the remainder of the Northern Property or it will forfeit \$1,000,000 that it has placed in escrow.

Note Payable, Federal Financing Bank

The Housing Authority issued a note payable to the Federal Financing Bank to finance Kottinger Place, a housing project. Payments of \$66,153 including interest at 6.6% are due annually on November 1, through 2012. The mortgage is to be repaid from grants from the U.S. Department of Housing and Urban Development.

Golf Course Capital Lease

On January 24, 2011, the City entered into a lease purchase agreement with Bank of America for golf course maintenance equipment. The cost of the leased equipment is \$350,144. Accumulated depreciation of the leased equipment was \$0 as of June 30, 2011. The City will make quarterly payments of \$37,205 over a lease period of 60 months, including interest payments at a rate of 2.34%. At the end of the term, the equipment becomes the property of the City. After the first 30 months of the lease, the City will have the option to pre-pay the lease on any payment date for a premium of 1% on the then-outstanding balance. Revenues of the golf course are expected to pay for the equipment lease payments, but the General Fund has provided the pledge for repayment.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

2004 Water Revenue Refunding Bonds

On December 8, 2004, the City issued \$3,595,000 of the Series 2004 Water Revenue Refunding Bonds. The 2004 Water Revenue Refunding Bonds were issued to refund a portion of the City’s obligations with respect to the Pleasanton Joint Powers Financing Authority 1994 Series A Refunding Water and Sewer Revenue Bonds and 1994 Series B Refunding Lease Revenue Bonds, to fund a reserve fund for the Bonds, and to pay certain costs of issuance of the Bonds. The original bond proceeds were used to fund the acquisition and construction of improvements to the City's water system. The bonds bear an interest rate range from 2.0% to 3.5% and are payable semiannually on each September 1 and March 1. Principal payments are payable annually on each September 1 through 2014. These bonds are to be repaid from net revenues received by the City from the operation of the water system. The Indenture for the 2004 Water Revenue Refunding Bonds requires the City to pledge its annual Net Water Revenues (defined as operating income plus depreciation, interest income and non-operating income) in an amount equal to 125% of the annual debt service requirement each fiscal year, through final maturity of the Bonds on September 1, 2014 or early retirement of the bonds, whichever first occurs.

Because a water rate increase larger than the one adopted on September 1, 2010, would have been necessary to maintain the 125% coverage requirement, and because sufficient Water Fund reserves were available to pay off the outstanding Bonds, the City chose to defease the Bonds in advance of the final maturity date. A defeasance escrow, in the amount of \$715,916, was funded in May 2011 from a combination of the Water Fund reserves, the Debt Service Reserve Fund of the Bonds, and the Bonds Debt Service Fund. The defeasance escrow, deposited in an irrevocable trust with U.S. Bank as the escrow agent, provides for the principal and interest payments on the Bonds through the final maturity date of September 1, 2014. The defeased bonds have been removed from the City's basic financial statements. Although the defeasance resulted in the accounting recognition of a deferred loss of \$48,245 in the 2010/11FY, the City's water rate payers were spared the additional cost of a water rate increase.

The schedule of debt service payments on the defeased bonds by fiscal year is presented in the table below.

Fiscal Year	Principal	Interest	Total
2011/12	\$ 160,000	\$ 19,419	\$ 179,419
2012/13	165,000	14,441	179,441
2013/14	170,000	8,994	178,994
2014/15	175,000	3,062	178,062
Total	<u>\$ 670,000</u>	<u>\$ 45,916</u>	<u>\$ 715,916</u>

2004 Sewer Revenue Refunding Bonds

On December 8, 2004, the City issued \$1,760,000 of the Series 2004 Sewer Revenue Refunding Bonds. The 2004 Sewer Revenue Refunding Bonds were issued to refund a portion of the City’s obligations with respect to the Pleasanton Joint Powers Financing Authority 1994 Series A Refunding Water and Sewer Revenue Bonds and 1994 Series B Refunding Lease Revenue Bonds, to fund a reserve fund for the Bonds, and to pay certain costs of issuance of the Bonds. The original bond proceeds were used to fund the acquisition and construction of improvements to the City's sewer collection system.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

*2004 Sewer Revenue Refunding Bonds, Continued*

The bonds bear an interest rate range from 2.0% to 3.5% and are payable semiannually on each September 1 and March 1. Principal payments are payable annually on each September 1 through 2014. These bonds are to be repaid from net revenues received by the City from the operation of the sewer enterprise.

The Indentures for the 2004 Sewer Revenue Refunding Bonds require the City to pledge its annual Net Sewer Revenues (defined as operating income plus depreciation, interest income and non-operating income) in an amount equal to 125% of the combined annual debt service requirement each fiscal year, through final maturity of the bonds on September 1, 2014, or early retirement of the bonds, whichever first occurs. At June 30, 2011, the ratio of Net Sewer Revenues to the debt service payments due during 2010/11FY was 9.78:1.

The following schedule illustrates the debt service requirements to maturity for governmental activities as of June 30, 2011:

Year Ending June 30,	2003 Certificates of Participation		2004 Refunding Lease Certificates of Participation	
	Principal	Interest	Principal	Interest
2012	\$ 1,030,000	\$ 968,690	\$ 345,000	\$ 41,303
2013	650,000	939,399	355,000	30,536
2014	675,000	914,961	370,000	18,933
2015	700,000	889,005	380,000	6,460
2016	725,000	861,205	-	-
2017 - 2021	4,105,000	3,822,163	-	-
2022 - 2026	5,085,000	2,810,423	-	-
2027 - 2031	6,370,000	1,491,347	-	-
2032 - 2033	2,990,000	143,688	-	-
<b>Total</b>	<b>\$ 22,330,000</b>	<b>\$ 12,840,880</b>	<b>\$ 1,450,000</b>	<b>\$ 97,231</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

The following schedule illustrates the payment requirements for purchase agreements for governmental activities as of June 30, 2011:

Alameda County Transportation Corridor  
Purchase Agreement

Year Ending June 30,	Principal	Coupon	*Estimated Interest	Total Payment	Balance
2012	\$ 468,000	0.48%	\$ 11,232	\$ 479,232	\$ 1,872,000
2013	468,000	0.48%	8,986	476,986	1,404,000
2014	468,000	0.48%	6,739	474,739	936,000
2015	468,000	0.48%	4,493	472,493	468,000
2016	468,000	0.48%	2,246	470,246	-
<b>Total</b>	<b>\$ 2,340,000</b>		<b>\$ 33,696</b>	<b>\$ 2,373,696</b>	

\* Interest shall accrue commencing two years following the closing date (July 30, 2008) at the LAIF rate prevailing on the payment due date. The June 30, 2011 LAIF rate was used for purposes of this schedule.

The following schedule illustrates the debt service requirements to maturity for business-type activities as of June 30, 2011:

Year Ending June 30,	Note Payable		2004 Sewer	
	Federal Financing Bank		Revenue Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 58,216	\$ 7,937	\$ 165,000	\$ 19,838
2013	62,047	4,106	165,000	14,784
2014	-	-	175,000	9,253
2015	-	-	180,000	3,150
<b>Total</b>	<b>\$ 120,263</b>	<b>\$ 12,043</b>	<b>\$ 685,000</b>	<b>\$ 47,025</b>

The following schedule presents future minimum lease payments for equipment at Callippe Golf Course as of June 30, 2011:

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>Total</u>
Minimum Lease Payments	\$55,807	\$74,410	\$74,410	\$77,410	\$55,807	\$334,844
Less: Interest						(17,905)
Present Value of Minimum Lease Payment						<u>\$316,939</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

*Non-commitment Special Assessment Debt*

The following issues of Special Assessment District Bonds issued pursuant to the Municipal Improvement Act of 1915 were not reflected in the governmental activities because these are special obligations payable solely from and secured by specific revenue sources described in the bond resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof, is pledged for the payment of these bonds.

On June 29, 2004, the Authority issued \$76,485,000 of Series 2004A and 2004B Reassessment Revenue Refunding Bonds (the 2004 Bonds). The proceeds were used to refinance the Authority's 1993 Series A Reassessment Revenue Bonds and 1993 Series B Subordinate Reassessment Revenue Bonds (the 1993 Bonds), to fund a Reserve Fund for the Bonds, and to pay certain costs of issuing the Bonds. The 1993 Bonds refunded \$220,000,000 of assessment district bonds (originally fifteen separate bond issues) that were sold during the 1980s to fund improvements needed to construct most of the City's business parks. These improvements included streets, utilities, freeway interchanges, water reservoirs, Fire Station No. 2 and the Fire Training Tower. The 2004 Bonds are not a general debt liability of the Authority or the City, and are solely payable from the annual reassessments paid on the Local Obligations. The 2004 Bonds had a final maturity of September 2, 2011.

A defeasance escrow for the 2004 Bonds, in the amount of \$6,693,100, was funded on June 29, 2011, from reassessments collected via the tax roll from the 400 private property owners in the assessment districts. The defeasance escrow, deposited in an irrevocable trust with U.S. Bank as the escrow agent, provided for the principal and interest payments on the 2004 Bonds through the final maturity date of September 2, 2011. The defeasance resulted in no economic gain or loss. As of June 30, 2011, the 2004 Bonds were considered defeased for financial reporting purposes, and \$6,530,000 of principal remained outstanding on the defeased 2004 Bonds.

*Conduit Debt*

The City has issued two separate Multifamily Housing Revenue Bonds, the proceeds of which were used to fund mortgage loans to finance the acquisition and construction of multifamily rental housing facilities located in the City. The projects include the Bernal Apartments Project (original bond issue date 2001 in the amount of \$18,925,000) and the Busch Senior Housing Apartments (original bond issue date 2003 in the amount of \$13,360,000). Each facility is required to be occupied in part by low or moderate income families. In addition, the Busch Senior Housing Project is restricted to apartment units exclusively for seniors.

The bonds are secured by a first lien priority deed of trust, assignment of rents and security agreement encumbering the project. In addition, the required payments under the mortgage notes are secured by a pledge and security interest granted by the Federal National Mortgage Association (FNMA) to the trustee of interests in certain collateral owned by FNMA pursuant to the terms of each agreement.

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

In September 2005, the City issued Variable Rate Demand Certificates of Participation (COP) for the Pleasanton Assisted Living Project (The Parkview) Financing in the amount of \$19,700,000. The 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. On October 1, 2010, the corporation refinanced the COP and replaced the obligation with private financing.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

The aggregate amount of all conduit debt outstanding as of June 30, 2011, was \$27,110,000.

Legal Debt Limit

As of June 30, 2011, the City's debt limit based on the legal debt margin (15% of 25% of the City's assessed valuation subject to taxation) was \$636,452,575.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations pertain to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Treasury at least every five years. The City has evaluated each bond issued subject to the arbitrage rebate requirements and has determined that no arbitrage liability exists at June 30, 2011.

As of June 30, 2011, the City was in compliance with all bond covenants as they pertain to reserve and sinking fund requirements.

**7. RISK MANAGEMENT**

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

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

Coverage	Self Retained Limit	Maximum Coverage	Maximum Coverage Through
General Liability	\$ 250,000	\$ 29,000,000	BCJPIA/CARMA
Employment Practices Liability	75,000	3,000,000	ERMA/Lloyds of London-Beazley
Workers Compensation	1,000,000	Up to Statutory Limit	LAWCX
All Risk Property	10,000	Up to Replacement Cost	BCJPIA/PEPIP/Lexington Insurance Co.
Auto Physical Damage	1,000	Up to Replacement Cost	BCJPIA/PEPIP

All claims have been settled within the maximum coverage in the past three fiscal years.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**7. RISK MANAGEMENT, Continued**

The City accounts for and finances its uninsured risks of loss and liability insurance premiums in a Self Insurance Retention Fund and its Worker's Compensation Program in an Employee Benefit Fund. Both funds are classified as Internal Service Funds. The Employee Benefit Fund receives payments from certain funds of the City which participate in the Worker's Compensation Program and makes payments of the amounts needed to pay prior and current-year claims and to establish a reserve for future losses. The reserves are \$3,023,756 and \$5,911,479 at June 30, 2011 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, and are reported in net assets. The claims liabilities of \$3,627,144 and \$1,371,239 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, and are reported in the funds as claims payable at June 30, 2011. The general and employment practices claims liabilities in the Self Insurance Retention Fund are based on the results of actuarial studies and include amounts for claims incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

The aggregate change in the balance of claims liabilities for the internal service self-insurance funds were as follows:

	June 30,	
	2010	2011
Unpaid claims, beginning of year	\$ 2,219,374	\$ 4,771,458
Incurred claims and changes in estimates	3,370,058	1,572,252
Claim payments	(817,974)	(1,345,327)
<b>Unpaid claims, end of year</b>	<b>\$ 4,771,458</b>	<b>\$ 4,998,383</b>

**8. COMPENSATED ABSENCES**

The City records both an asset funded by the operating funds and a liability in its Employee Benefits Internal Service Fund to recognize the financial effect of unused vacation and other compensated leaves. As of June 30, 2011, the total of vacation and other compensated leaves is \$5,120,910.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

The City participates in seven joint venture activities through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued.

*Bay Cities Joint Powers Insurance Authority*

The Bay Cities Joint Powers Insurance Authority (Bay Cities) was created in 1986 to provide an independently managed, self insurance program for its members. Members of Bay Cities currently are the cities of Albany, Berkeley, Emeryville, Monte Sereno, Piedmont, Redwood City, Union City, Menlo Park, Brisbane, Pleasanton, Sausalito, Mill Valley, Fairfax, San Anselmo, Larkspur, and Novato, and the San Francisco Redevelopment Agency. The City's proportionate share of Bay Cities net assets depends on a number of factors as there are inflows into the City's account with Bay Cities based on premium deposits and interest earned and there are outflows for expenditures for matters such as administration, claims handling, incurred losses and a reserve for IBNR. Accordingly, it is difficult to ascertain what the City's proportionate share is at any given time. Nevertheless, if there is excess equity in the City's account for a program year that is five years old and for which there are no longer any outstanding claims for that program year, the Bay Cities Board of Directors may declare a dividend and distribute such dividend to the member entities based on what is in each member's equity account. Financial statements for Bay Cities may be obtained from Bay Cities at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

Total Assets	\$ 23,605,320
Total Liabilities	14,163,410
Total Equity	<u>\$ 9,441,910</u>
Total Revenue	\$ 10,298,131
Total Expenses	10,919,098
Revenue over Expenses	<u>\$ (620,967)</u>

*Pleasanton Joint Powers Financing Authority*

In June 1993, the Pleasanton Joint Powers Financing Authority (PJPPFA) was formed by a Joint Exercise of Powers Agreement between the City of Pleasanton and the Housing Authority. The PJPPFA was the issuing agency for the Series 2004A and 2004B Reassessment Revenue Bonds (final maturity September 2, 2011). The City defeased the Series 2004A and 2004B Reassessment Revenue Bonds on June 29, 2011 (see Long-Term Liabilities Note 6). The PJPPFA also facilitated lease financings (through the issuance of Certificates of Participation) for many of the City's public buildings. The PJPPFA is a blended component unit of the City and the financial operations of the PJPPFA are included in the City of Pleasanton's financial statements. Separate financial data for the PJPPFA may be obtained from the City of Pleasanton, P.O. Box 520, Pleasanton, California, 94566.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

Local Agency Workers' Compensation Excess Joint Powers Authority

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

Livermore-Amador Valley Waste Management Agency

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

The City accounts for its investment in LAVWMA by the equity method in the Sewer Enterprise Fund. The City records its share of earnings (loss) in the Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Assets as "Equity Interest in Loss from Joint Ventures," and the carrying value of the City's investment in LAVWMA is recorded in the Proprietary Funds Statement of Fund Net Assets as "Net Investment in Joint Ventures." The City's equity interest in LAVWMA was \$10,165,776 as of June 30, 2011. Financial statements for LAVWMA may be obtained from LAVWMA, 7051 Dublin Boulevard, Dublin, CA 94568.

Total Assets	\$ 157,930,788
Total Liabilities	128,885,713
Total Equity	<u>\$ 29,045,075</u>
Total Revenue	\$ 9,394,275
Total Expenses	<u>12,677,605</u>
Revenue over Expenses	<u>\$ (3,283,330)</u>

Livermore- Amador Valley Transit Authority

Livermore-Amador Valley Transit Authority (LAVTA) was formed in 1985 by a joint exercise of powers agreement between the County of Alameda, and the cities of Dublin, Livermore and Pleasanton to provide transportation services within the Cities' limits and portions of the unincorporated County. The Authority operates under the name "Wheels". Financial statements for LAVTA may be obtained from LAVTA, 1362 Rutan Court, Suite 100, Livermore, CA 94551.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

*Tri-Valley Transportation Council*

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

*Livermore-Pleasanton Fire Department*

In 1996, the cities of Pleasanton and Livermore signed a Joint Powers Agreement (JPA) to form a joint fire department, Livermore-Pleasanton Fire Department (LFPD), covering both cities. LFPD may not own or enter into a contract without the approval of the governing board. The department prepares its budget including the contributions required from each City to fund operating and capital needs for the year. For the fiscal year ending June 30, 2011, the City of Pleasanton's contribution was \$14,458,781 and the City of Livermore's was \$13,020,881. The City of Pleasanton's share of revenues and expenditures is reported in the General Fund. The City of Pleasanton is the Treasurer for the JPA and no separate financial statements are prepared. Financial data for the LFPD JPA are included in the City of Pleasanton's financial statements.

*East Bay Regional Communications System Authority*

In 2007, the City joined the East Bay Regional Communications System Authority (EBRCSA). The Authority was formed to govern the regional communications system servicing Alameda and Contra Costa Counties, as well as many cities and special districts within the East Bay. There are currently 39 member agencies consisting of 2 counties, 30 cities, 5 special districts, the University of California and the Department of Transportation serving a population of over 2.5 million people. The Authority is governed by 23 board of directors selected from participating counties and cities. Financial statements for the EBRCSA may be obtained from EBRCSA, 4985 Broder Boulevard, Dublin, CA 94568.

*Alameda County Transportation Commission*

The Alameda County Transportation Commission (Alameda CTC) was formed in 2010 as a result of the merger between the Alameda County Congestion Management Agency (ACCMA) and the Alameda County Transportation Improvement Agency (ACTIA) to more cost effectively plan and deliver transportation programs in Alameda County. Members include the fourteen cities in Alameda County, the County of Alameda, AC Transit and BART. ACCMA and ACTIA are also members until such time their respective functions are fully assumed by the Alameda CTC. Financial statements for the Alameda CTC may be obtained from Alameda CTC, 1333 Broadway, Suites 220 & 300, Oakland, CA 94612.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**10. NET ASSETS / FUND BALANCES**

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

*Invested in Capital Assets, Net of Related Debt*

This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

*Restricted Net Assets*

This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Assets*

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

In the fund financial statements, governmental funds report five classifications of fund balance and are as follows:

*Nonspendable* – amounts that cannot be spent due to not being in a spendable form (prepaid expenses, inventory) or is 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 government entity and designated as such by its highest level of decision-making authority.

*Assigned* – amounts intended to be used for a specific purpose by a governing board or official that has been delegated the authority to assign amounts.

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

On June 21, 2011, City Council adopted the Resolution No. 11-463 classifying the City's fund balances in conformance with the Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The City Council committed the General Fund reserves in accordance with the City's fiscal policies for the Economic Uncertainty Reserve and the Temporary Recession Reserve, and assigned the Golf Course Debt Service Reserve in conformance with GASB Statement No. 54. These designations may only be changed by approval of a subsequent resolution of the City Council.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

**10. NET ASSETS / FUND BALANCES, Continued**

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

As of June 30, 2011, fund balances are composed of the following:

	General Fund	Lower Income Housing Fund	Other Funds	Total
<b>Nonspendable</b>				
Notes Receivable	\$ 168,033	\$ -	\$ -	\$ 168,033
<b>Restricted</b>				
Assessment District Construction	-	-	2,049,606	2,049,606
Asset Forfeiture	-	-	124,420	124,420
Budgeted Developer Projects	-	-	10,925,453	10,925,453
Capital Improvements	-	-	2,825,849	2,825,849
Debt Service Reserves	-	-	394,945	394,945
Donations	-	-	276,740	276,740
Downtown & North Pleasanton	-	-	2,002,583	2,002,583
Downtown Parking Project	-	-	50,608	50,608
Geological Hazard Assessmt District	-	-	762,029	762,029
Grants	-	-	373,557	373,557
Housing	-	7,070,730	-	7,070,730
Kottinger Place Redevelopment	-	7,296,298	-	7,296,298
Landscape and Lighting District	-	-	322,665	322,665
Landscape Maintenance NPID	-	-	1,200,730	1,200,730
Neighborhood Park Development	-	-	6,215,386	6,215,386
Other Purposes	-	-	10,000	10,000
Public Safety	-	-	304,388	304,388
Resource Management	-	-	739,915	739,915
Street Maintenance	-	-	6,416,287	6,416,287
Traffic Impact	-	-	2,464,891	2,464,891
Traffic Impact - Bernal	-	-	670,968	670,968
Tri-Valley Transportation	-	-	890,305	890,305
<b>Committed</b>				
Economic Uncertainty	8,783,285	-	-	8,783,285
Temporary Recession	11,170,000	-	-	11,170,000
<b>Assigned</b>				
Capital Projects	-	-	22,568,739	22,568,739
Golf Course Debt Service	2,000,000	-	-	2,000,000
Other Purposes	-	-	16,167	16,167
<b>Unassigned</b>	3,207,664	-	-	3,207,664
<b>Total Fund Balances</b>	<b>\$ 25,328,982</b>	<b>\$ 14,367,028</b>	<b>\$ 61,606,231</b>	<b>\$ 101,302,241</b>

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**11. DEFINED BENEFIT PENSION PLAN**

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

Plan Description - The City contributes to the California Public Employees' Retirement System (PERS). The miscellaneous and fire employees of the City are part of an agent multiple-employer defined benefit pension plan. The police employees are part of a cost-sharing multiple-employer defined benefit plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy - Active members are required by State statute to contribute 8% of their annual salary if a miscellaneous member and 9% if a safety member. The City made the contributions on behalf of City employees for their account which amounted to \$4,875,084 for the year ended June 30, 2011. The City's employer required contribution rate for Safety Fire employees was 27.757%, for Safety Police employees was 29.074%, and for Miscellaneous employees was 17.319% for the fiscal year. Effective July 1, 2011, PCEA/AFSCME Local 955 (PCEA) miscellaneous members will be paying a portion of the employee required contributions equal to 2% of their salaries that is subject to PERS. PCEA members will also pay an additional 1% of the required contribution effective December 1, 2011 and another 1% effective July 1, 2012, for a total of 4%. Effective July 1, 2011, Management and Confidential miscellaneous members will be paying a portion of the employee required contributions equal to 4% of their salaries that is subject to PERS.

Annual Pension Cost - For the 2010/11FY, the City's annual pension cost of \$10,492,408 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.25% to 14.45% for miscellaneous and safety police employees and 3.25% to 13.15% for safety fire employees depending on age, service, and type of employment, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.00%. The actuarial value of PERS assets was determined using techniques that smooth the effects of volatility in the market value of investments over a fifteen year period. PERS unfunded actuarial liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period as of June 30, 2008 was 16 years for safety police, 32 years for safety fire and 30 years for miscellaneous employees for prior and current service unfunded liability. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

The table on the following page shows the City's required contributions and the percentage contributed for the current year and each of the preceding two years for each of the City's pension plans. The schedule of funding progress shown in the Required Supplementary Information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

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

**THREE-YEAR TREND INFORMATION FOR PERS**

**Miscellaneous Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of	
		APC Contributed	Net Pension Obligation
6/30/2009	\$ 4,474,726	100%	\$ -
6/30/2010	4,594,911	100%	-
6/30/2011	4,311,609	100%	-

**Safety Police Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of	
		APC Contributed	Net Pension Obligation
6/30/2009	\$ 2,592,282	100%	\$ -
6/30/2010	2,799,139	100%	-
6/30/2011	2,713,892	100%	-

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of	
		APC Contributed	Net Pension Obligation
6/30/2009	\$ 3,476,142	100%	\$ -
6/30/2010	3,618,523	100%	-
6/30/2011	3,466,907	100%	-

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

**B. Funded Status<sup>(1)</sup>**

	Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio <sup>(1)</sup>	Annual Covered Payroll <sup>(1)</sup>	Actuarial Liability as Percentage of Covered Payroll
Miscellaneous	6/30/2010	\$126,057,749	\$176,913,928	\$ 50,856,179	71.3%	\$ 26,888,060	189.1%
Fire	6/30/2010	114,736,220	151,602,344	36,866,124	75.7%	13,510,782	272.9%

<sup>(1)</sup> Does not include the Police Plan obligation because it is in a Risk Pool.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**12. POST EMPLOYMENT HEALTH CARE BENEFITS**

**A. Plan Description**

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

- If retiring for service, the City shall pay for each year of service, four percent (4%) of the Kaiser Early Retiree Health Plan coverage 2-party rate for PCEA/AFSCME Local 955 (Pleasanton City Employees' Association) who retire before 7/1/11, POA (Police Officers' Association) who retire prior to 7/1/09, IAFF (International Association of Firefighters) who retire prior to 1/1/08, and Management and Confidential who retire prior to 7/1/09. Management and Confidential employees have an option to use a second alternative, based on years of CalPERS service, as agreed to in its Management/Confidential Employee Performance Compensation Plan.
- For employees classified as PCEA/AFSCME Local 955 who were hired prior to 6/1/11 and retire after 6/30/12, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO 2-party rate. If hired after 6/1/11, the City shall pay for each year of service four percent (4%) of the lowest cost HMO, single rate, until age 65. Upon reaching 65, all retiree medical benefits will cease.
- For POA who were hired prior to 7/1/09 and retire after 7/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate. If hired after 7/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, single rate if employment is less than 20 years. If employed for 20 years+, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate.
- For IAFF who retire after 1/1/08, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate.
- For employees classified as Management and Confidential who were hired prior to 1/1/09 and retire after 7/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate. If hired after 1/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, single rate, until age 65. Upon reaching 65, all retiree medical benefits will cease.

Surviving spouses are eligible for one-half of the retiree benefit for those retirees eligible for the 2-party benefit. If a spouse remarries the benefit terminates.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

**A. Plan Description, Continued**

For all employees mentioned above who retire for disability, the City shall pay a percentage of the monthly premium in accordance with the applicable MOU.

The City allows retirees to participate in the same medical plan as active employees at the same premium rates. Because the rate is a “blended rate”, payments for the active employees include an implied subsidy of what would normally be a higher rate for retirees if the retirees were in a stand alone health plan. GASB 45 requires that this implied subsidy be reclassified when reporting the contributions to retiree medical costs. The premium rate paid by a retiree depends on the retiree's former classification, years of service, and the formula specified in the applicable MOU.

As of June 30, 2010 (the most recent valuation date), plan membership consisted of 487 active participants, consisting of 371 Non-Fire (Miscellaneous and Police) and 116 Fire active participants, and 266 retirees, consisting of 210 Non-Fire and 56 Fire retirees.

**B. Funding Policy**

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

In 2010/11FY, the City contributed \$7,024,463 (\$4,753,390 for Non-Fire and \$2,271,073 for Fire), including \$4,027,000 (\$2,582,000 for Non-Fire and \$1,445,000 for Fire) deposited to the OPEB Trust, \$2,286,483 (\$1,658,865 for Non-Fire and \$627,618 for Fire) for pay-as-you-go current cash benefit payments to retirees; \$18,890 (\$12,525 for Non-Fire and \$6,455 for Fire) for legal and actuarial services; and \$692,000 (\$500,000 for Non-Fire and \$192,000 for Fire) in implied subsidy benefit payments. The following table summarizes the City’s 2010/11FY contribution:

	<u>Non-Fire</u>	<u>Fire <sup>(1)</sup></u>	<u>Total</u>
Contributions of OPEB Trust	\$2,582,000	\$1,445,000	\$4,027,000
Benefit to retirees	1,658,865	627,618	2,286,483
Legal and actuarial services	12,525	6,455	18,890
Implied subsidy	500,000	192,000	692,000
<b>Total</b>	<u>\$4,753,390</u>	<u>\$2,271,073</u>	<u>\$7,024,463</u>

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

The City’s ARC was \$7,024,463 (\$4,753,390 for Non-Fire and \$2,271,073 for Fire) for the 2010/11FY (See Note 12 C).

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

**C. Annual OPEB Cost and Net OPEB Obligation**

The City's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table, based on the City's actuarial valuation as of June 30, 2008, shows the components of the City's annual OPEB cost for the 2010/11FY, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation:

	<u>Non-Fire</u>	<u>Fire<sup>(1)</sup></u>	<u>Total</u>
Annual required contribution	\$ 4,787,000	\$ 2,285,000	\$ 7,072,000
Adjustment to annual required contribution <sup>(2)</sup>	<u>(33,610)</u>	<u>(13,927)</u>	<u>(47,537)</u>
Annual OPEB cost (expense)	4,753,390	2,271,073	7,024,463
Contributions to OPEB trust	(2,582,000)	(1,445,000)	(4,027,000)
Benefit payments to retirees	(1,658,865)	(627,618)	(2,286,483)
Legal and actuarial services	(12,525)	(6,455)	(18,980)
Implied subsidy	<u>(500,000)</u>	<u>(192,000)</u>	<u>(692,000)</u>
Increase in net OPEB obligation	-	-	-
Net OPEB obligation – beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB obligation – end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<sup>(2)</sup> Adjustment reflects: (a) the difference between actuarial assumptions and actual costs for benefit payments (\$32,959) and professional services (\$14,128); and (b) an amount resulting from the rounding of the annual required contribution (\$450) by the actuary.



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

**C. Annual OPEB Cost and Net OPEB Obligation, Continued**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for Fiscal Years 2008/09 through 2010/11 are as follows:

<b>Non-Fire</b>			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 5,196,000	100.0%	\$ -
June 30, 2010	4,654,614	100.0%	-
June 30, 2011	4,753,390	100.0%	-

<b>Fire<sup>(1)</sup></b>			
Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 2,548,000	100.0%	\$ -
June 30, 2010	2,201,244	100.0%	-
June 30, 2011	2,271,073	100.0%	-

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

**Funded Status and Funding Progress.** The June 30, 2008 actuarial valuation was used to develop the 2010/11FY ARC. The most recent, June 30, 2010, actuarial valuation will be used for the Fiscal Year 2011-12 ARC. The funded status of the plan as of June 30, 2010 was:

	<b>Non-Fire</b>	<b>Fire <sup>(1)</sup></b>	<b>Total</b>
Actuarial accrued liability (AAL)	\$ 65,860,000	\$ 27,193,000	\$ 93,053,000
Actuarial value of plan assets	7,192,000	2,970,000	10,162,000
Unfunded actuarial accrued liability (UAAL)	<u>\$ 58,668,000</u>	<u>\$ 24,223,000</u>	<u>\$ 82,891,000</u>
Funded ratio (actuarial value of plan assets/AAL)	10.9%	10.9%	10.9%
Projected covered payroll (active Plan members)	\$ 37,759,000	\$ 16,059,000	\$ 53,818,000
UAAL as a percentage of covered payroll	155.4%	150.8%	154.0%

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



**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

***C. Annual OPEB Cost and Net OPEB Obligation, Continued***

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

***Actuarial Methods and Assumptions.*** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are consistent with the long-term perspective of the calculations.

For the June 30, 2008 actuarial valuation that was used to develop the 2010/11FY ARC, the entry age normal actuarial cost method was used. The actuarial assumptions included: (a) discount rate of 4% for 2 years and 7.75% thereafter; (b) 3.25% annual aggregate payroll increase rate; and (c) projected healthcare cost increases of 9.1% (HMO) and 9.9% (PPO) for 2010 decreasing to 4.5% (HMO) and 5.0% (PPO) after 7 years. Both (a) and (b) include an inflation component of 3.0%. The unfunded actuarial accrued liability (or excess assets) is being amortized over a closed fixed 30-year period as a level percentage of projected payroll beginning with the year ended June 30, 2008. As the City did not begin prefunding of the OPEB trust until after June 30, 2008, the actuarial value of plan assets as of June 30, 2008, was \$0. For purposes of determining the actuarial value of assets, investments gains and losses are spread over a five-year rolling period, but valuation assets cannot be outside the range of 80% to 120% of the market value of assets.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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

***D. Retiree Medical Reserves***

The City has accumulated reserves in two Internal Service Funds, the Retirees' Insurance Reserve and the Livermore-Pleasanton Fire Retirees' Insurance Reserve, for payment of retiree medical benefits. The following schedule identifies the beginning fund balance; plus contributions from Operating Funds and annual interest income; less payment of benefits for current retirees (pay-as-you-go) and the City's Annual Required Contribution (ARC) to the OPEB trust. The ending fund balance for the reserves reflect the amounts that are being accumulated for the purpose of paying retiree medical benefits.

	<b>Retiree Medical Reserves- Retirees Insurance Reserve</b>	<b>LPFD Reserve<sup>(1)</sup></b>	<b>Total</b>
June 30, 2010 Fund Balance	\$ 31,729,005	\$ 10,127,302	\$ 41,856,307
2010/11FY Contributions from operating funds	3,034,528	700,000	3,734,528
2010/11FY Interest income	278,310	81,436	359,746
2010/11FY Miscellaneous revenue	12,724	176	12,900
2010/11FY Contributions to OPEB trust	(2,582,000)	(1,445,000)	(4,027,000)
Benefit payments to retirees <sup>(2)</sup>	(1,658,865)	(627,618)	(2,286,483)
Legal and actuarial services	(12,525)	(6,455)	(18,980)
June 30, 2011 Fund Balance	<u>\$ 30,801,177</u>	<u>\$ 8,829,841</u>	<u>\$ 39,631,018</u>

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

<sup>(2)</sup> Does not include an implicit rate subsidy of \$692,000.

**13. COMMITMENTS AND CONTINGENCIES**

***A. Animal Shelter***

The County of Alameda owns and operates the East County Animal Shelter. The facility was placed in service during fiscal year 1996. The cities of Pleasanton, Dublin and Livermore and the County of Alameda (County) entered into an agreement under which the County constructed the animal shelter on County property. The cities pay their prorata share of the debt service and operating costs based on their usage of the animal shelter. The City's share of the 2010/11FY debt service and operating costs for the facility was \$177,586.

***B. Lawsuits in the Normal Course of Business***

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

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**13. COMMITMENTS AND CONTINGENCIES, Continued**

***C. Pleasanton Unified School District Line of Credit***

On May 18, 2009, the City signed a Revolving Line of Credit Agreement (Agreement) approving a line of credit to the Pleasanton Unified School District (PUSD). The draws on the revolving line of credit (advances) are to be used to pay the annual lease payments on the District's outstanding \$20,000,000 in Certificates of Participation. The line of credit is not to exceed \$1,200,000 at any one time and would be repaid over a four year period; however, the Agreement extends the credit over a period of ten years in order to fully recover the advances. Interest on the advances will commence on the date of the advance and the interest will be equal to the Bank of America prime rate (currently at 3.25%) and will be calculated based on simple interest. The revolving line of credit is secured by a Promissory Note between the City of Pleasanton and the PUSD. As of June 30, 2011, the PUSD had not yet drawn down on the line of credit.

***D. Purchase of the Alameda County Transportation Corridor***

On July 8, 2008, the City signed a Purchase Agreement with the County of Alameda for the acquisition of approximately ten acres of vacant property, known as the Alameda County Transportation Corridor, between Bernal Avenue and Stanley Boulevard, and roughly parallel to First Street in the Downtown area. For purposes of the Agreement, the property is divided into two sections, the Southern Property and the Northern Property. The purchase price includes \$5,500,000 for the Southern Property and \$2,000,000 for the Northern Property. The purchase of the entire Northern Property is contingent upon the receipt of Remedial Action Completion Certification Letters from Alameda County Health Care Services concerning the cleanup of the contamination on the property. If the Certification Letters are not issued, the City is not obligated to purchase all of the Northern Property but would be obligated to purchase uncontaminated portions of the Northern Property or else it would forfeit a portion of the \$1,000,000 that the City has placed into escrow. If however, the Certification Letters are issued and the City decides not to purchase all of the Northern Property, the City will forfeit all of the \$1,000,000 deposit paid into an escrow account to guarantee the purchase of the Northern Property.

***E. LAVWMA Bonds***

The City has recorded an investment in joint venture for its participation in the Livermore-Amador Valley Water Management Agency (LAVWMA). LAVWMA issued 2001 Series A Sewer Revenue Bonds (2001 Bonds) on March 1, 2001 to finance the costs of improvements to the wastewater disposal system, including the Export Pipeline Expansion/Rehabilitation Project. The 2001 Bonds were refunded in October 2011 in order to take advantage of lower interest rates. The Sewer Revenue Bonds are secured by the pledge of the net revenues of the Agency.

**City of Pleasanton**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2011**

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**13. COMMITMENTS AND CONTINGENCIES, Continued**

***F. Construction Commitments***

The City had several outstanding or planned construction projects as of June 30, 2011. These projects are evidenced by contractual commitments with contractors, and include the following major projects:

Project Description	Amount
Sanitary Sewer Lift Station S-6 Replacement	\$ 2,322,641
Annual Resurfacing of Various City Streets	2,022,193
Bernal Community Park Design - Phase II	637,833
I-580 at Foothill Road Intersection Improvements	189,271
I-680/Bernal Interchange Project	168,370
Total	<u>\$ 5,340,308</u>

**14. SUBSEQUENT EVENTS**

***Pay-Off of PERS Side Fund Loan for Police Risk Pool***

In 2002/03FY, California legislation mandated that all agencies with less than 100 active members be enrolled in a risk-sharing pool with all other agencies in the State with similar benefit packages. The City's Police Group was the only City group that had less than 100 active members; consequently the Police Group was put into a risk pool. At the time of joining the risk pool, a Side Fund was created to account for the difference between the funded status of the City's plan and the funded status of the risk pool. PERS then funded the Side Fund obligation on behalf of the City (the Side Fund Loan) and, in turn, the City was obligated to repay PERS. The repayment period for the Side Fund Loan was approximately twenty years at an interest rate of 7.75%, which is the actuarially assumed rate of return for the PERS fund. As of June 30, 2011, the City had 10 years remaining to pay on this obligation with a principal balance remaining of \$7,840,284.

In 2010/11FY, City staff determined that paying-off the Side Fund Loan early would yield significant long-term financial benefits to the City including savings of future interest costs of \$3,509,653 and an immediate reduction in operating expenses starting in 2011/12FY. On July 1, 2011, using funds from the Retiree Medical Reserve held by the City, the City paid \$7,840,284 to PERS to extinguish the Side Fund Loan.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Pleasanton**  
**Required Supplementary Information**  
**For the year ended June 30, 2011**

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**1. BUDGETARY BASIS OF ACCOUNTING**

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

1. Prior to July 1, the City Manager submits to the City Council a proposed operating budget for the coming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers' comments.
3. The budget is legally adopted through passage of a Council resolution.
4. The transfer of budgeted amounts between funds must be approved by the City Council.
5. A budget review is presented to the City Council by the City Manager mid-year and approved additions or changes are legally adopted through Council resolution.
6. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Debt Service funds and certain Capital Projects Funds, Enterprise Funds and Internal Service Funds.
7. The budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States.
8. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without the approval of the City Council. However, the City Manager may authorize transfers from one account to another within the same fund.

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2011**

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

Budgetary Comparison Schedule – General Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 69,902,641	\$ 72,131,606	\$ 73,637,299	\$ 1,505,693
Licenses	11,702	11,752	10,978	(774)
Permits	753,458	1,196,593	1,453,709	257,116
Fines and forfeitures	522,010	479,010	554,089	75,079
Use of money and property	440,335	260,335	332,241	71,906
Intergovernmental	796,682	787,037	1,046,289	259,252
Franchises	2,045,237	1,988,237	2,001,935	13,698
Charges for services	1,057,695	961,365	1,014,658	53,293
Development fees	103,884	110,534	45,388	(65,146)
Plan check fees	350,000	730,000	918,878	188,878
Reimbursements	820,901	904,168	847,842	(56,326)
Contribution and donations	8,000	8,800	8,241	(559)
Other revenues	3,384,588	3,392,305	2,712,490	(679,815)
Recreation charges	3,526,535	3,148,596	3,295,411	146,815
<b>Total revenues</b>	<b>83,723,668</b>	<b>86,110,338</b>	<b>87,879,448</b>	<b>1,769,110</b>
<b>EXPENDITURES:</b>				
Current:				
General government	11,746,997	11,363,480	11,172,110	191,370
Public safety	37,785,339	36,916,488	36,805,442	111,046
Community development	10,398,737	10,694,193	10,332,643	361,550
Operations services	14,447,627	14,519,229	13,742,961	776,268
Community activities	10,397,749	10,144,645	10,042,558	102,087
Capital outlay	416,147	495,551	491,051	4,500
<b>Total expenditures</b>	<b>85,192,596</b>	<b>84,133,586</b>	<b>82,586,765</b>	<b>1,546,821</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,468,928)</b>	<b>1,976,752</b>	<b>5,292,683</b>	<b>3,315,931</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,137,274	37,274	37,274	-
Transfers out	(1,715,435)	(5,503,061)	(5,283,360)	219,701
<b>Total other financing sources</b>	<b>(578,161)</b>	<b>(5,465,787)</b>	<b>(5,246,086)</b>	<b>219,701</b>
<b>Net change in fund balances</b>	<b>\$ (2,047,089)</b>	<b>\$ (3,489,035)</b>	<b>46,597</b>	<b>\$ 3,535,632</b>
<b>FUND BALANCES:</b>				
Beginning of year			25,282,385	
End of year			<u>\$ 25,328,982</u>	



**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2011**

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

*Budgetary Comparison Schedule – Lower Income Housing Fund*

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 592,600	\$ 320,600	\$ 376,541	\$ 55,941
Development fees	672,925	672,925	148,481	(524,444)
Reimbursements	160,000	160,000	128,536	(31,464)
<b>Total revenues</b>	<u>1,425,525</u>	<u>1,153,525</u>	<u>653,558</u>	<u>(499,967)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	429,557	1,723,103	1,077,405	645,698
Capital Outlay	-	898,073	892,088	5,985
<b>Total expenditures</b>	<u>429,557</u>	<u>2,621,176</u>	<u>1,969,493</u>	<u>651,683</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>995,968</u>	<u>(1,467,651)</u>	<u>(1,315,935)</u>	<u>151,716</u>
<b>Net change in fund balances</b>	<u>\$ 995,968</u>	<u>\$ (1,467,651)</u>	<u>(1,315,935)</u>	<u>\$ 151,716</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>15,682,963</u>	
End of year			<u>\$ 14,367,028</u>	

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2011**

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

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

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 4,752	\$ 4,743	\$ -	\$ (4,743)
Intergovernmental	58,824	38,206	45,047	6,841
Charges for services	13,378,362	13,243,362	13,338,233	94,871
Reimbursements	2,353	2,353	22,791	20,438
Contribution and donations	941	941	471	(470)
Other revenues	13,862	-	7,006	7,006
<b>Total revenues</b>	<b>13,459,094</b>	<b>13,289,605</b>	<b>13,413,548</b>	<b>123,943</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	13,191,401	12,895,650	13,192,329	(296,679)
Capital outlay	9,853	272,156	262,708	9,448
<b>Total expenditures</b>	<b>13,201,254</b>	<b>13,167,806</b>	<b>13,455,037</b>	<b>(287,231)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>257,840</b>	<b>121,799</b>	<b>(41,489)</b>	<b>(163,288)</b>
<b>Net change in fund balances</b>	<b>\$ 257,840</b>	<b>\$ 121,799</b>	<b>(41,489)</b>	<b>\$ (163,288)</b>
<b>FUND BALANCES:</b>				
Beginning of year			41,489	
End of year			\$ -	

Excess of Expenditures over Appropriations

For the year ended June 30, 2011, expenditures exceed appropriations in the Livermore-Pleasanton Fire Department special revenue fund by \$296,679. These over expenditures were partially offset by greater than anticipated revenues of \$123,943 in that fund.

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2011**

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

*Fire Safety*

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2008	\$ 104,870,711	\$ 131,945,472	\$ 27,074,761	79.5%	\$ 13,143,252	206.0%
6/30/2009	109,438,771	142,893,893	33,455,122	76.6%	13,863,781	241.3%
6/30/2010	114,736,220	151,602,344	36,866,124	75.7%	13,510,782	272.9%

*Police Safety*

As of the actuarial valuation date of June 30, 2003, the City's police plan became part of a CalPERS Risk Pool for employers with less than 100 active plan members. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the schedule of funding progress is not required.

*Miscellaneous*

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
6/30/2008	\$ 109,842,486	\$ 142,269,005	\$ 32,426,519	77.2%	\$ 25,916,037	125.1%
6/30/2009	117,974,146	164,715,543	46,741,397	71.6%	27,229,117	171.7%
6/30/2010	126,057,749	176,913,928	50,856,179	71.3%	26,888,060	189.1%

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2011**

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

**Schedule of Funding Progress**  
**Other Postemployment Benefits**

**Non-Fire**

Actuarial Valuation Date <sup>(1)</sup>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/06	\$ -	\$ 49,757,000	\$ 49,757,000	0.0%	\$ 30,429,000	163.4%
6/30/07	-	53,990,000	53,990,000	0.0%	34,034,000	158.6%
6/30/08	-	54,965,000	54,965,000	0.0%	34,751,000	158.2%
6/30/10	7,192,000	65,860,000	58,668,000	10.9%	37,759,000	155.4%

**Fire**

Actuarial Valuation Date <sup>(1)</sup>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/06	\$ -	\$ 25,784,000	\$ 25,784,000	0.0%	\$ 11,611,000	222.1%
6/30/07	-	27,873,000	27,873,000	0.0%	12,978,000	214.8%
6/30/08	-	23,887,000	23,887,000	0.0%	14,506,000	164.7%
6/30/10	2,970,000	27,193,000	24,223,000	10.9%	16,059,000	150.8%

<sup>(1)</sup> The actuarial valuations have been performed biennially. The 6/30/07 results were based on an actuarial roll-forward of the 6/30/06 valuation results.

## **SUPPLEMENTARY INFORMATION**

**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 9,053,093	\$ -	\$ 50,983,611	\$ 60,036,704
Receivables:				
Accounts	621,572	-	136,272	757,844
Grants	952,154	-	-	952,154
Interest	169,501	-	166,534	336,035
Deposits	-	-	1,002,371	1,002,371
Restricted cash and investments	-	394,945	-	394,945
Notes receivable	1,918,337	-	-	1,918,337
<b>Total assets</b>	<b>\$ 12,714,657</b>	<b>\$ 394,945</b>	<b>\$ 52,288,788</b>	<b>\$ 65,398,390</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 404,973	\$ -	\$ 384,611	\$ 789,584
Due to other funds	822,853	-	-	822,853
Deposits	-	-	89,667	89,667
Deferred revenue	2,090,055	-	-	2,090,055
<b>Total liabilities</b>	<b>3,317,881</b>	<b>-</b>	<b>474,278</b>	<b>3,792,159</b>
<b>Fund Balances:</b>				
Restricted	9,380,609	394,945	29,245,771	39,021,325
Assigned	16,167	-	22,568,739	22,584,906
<b>Total fund balances</b>	<b>9,396,776</b>	<b>394,945</b>	<b>51,814,510</b>	<b>61,606,231</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,714,657</b>	<b>\$ 394,945</b>	<b>\$ 52,288,788</b>	<b>\$ 65,398,390</b>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2011**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>REVENUES:</b>				
Special assessments	\$ 202,642	\$ -	\$ -	\$ 202,642
Use of money and property	65,698	-	417,948	483,646
Intergovernmental	6,122,802	-	-	6,122,802
Charges for service	29,906	-	-	29,906
Development fees	-	-	2,910,701	2,910,701
Reimbursements	167,953	-	220,520	388,473
Contributions and donations	451,214	-	1,650	452,864
Other revenues	300,622	-	41,679	342,301
<b>Total revenues</b>	<b>7,340,837</b>	<b>-</b>	<b>3,592,498</b>	<b>10,933,335</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	94,096	-	-	94,096
Community development	581,302	-	-	581,302
Operations services	593,384	-	41,198	634,582
Community activities	165,742	-	436,422	602,164
Capital outlay	3,215,423	-	4,337,802	7,553,225
Debt service:				
Principal	-	1,330,000	530,000	1,860,000
Interest and fiscal charges	-	1,053,120	-	1,053,120
<b>Total expenditures</b>	<b>4,649,947</b>	<b>2,383,120</b>	<b>5,345,422</b>	<b>12,378,489</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,690,890</b>	<b>(2,383,120)</b>	<b>(1,752,924)</b>	<b>(1,445,154)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	9,290	2,383,120	3,181,272	5,573,682
Transfers out	(1,260,208)	-	(1,939,308)	(3,199,516)
<b>Total other financing sources (uses)</b>	<b>(1,250,918)</b>	<b>2,383,120</b>	<b>1,241,964</b>	<b>2,374,166</b>
<b>Net change in fund balances</b>	<b>1,439,972</b>	<b>-</b>	<b>(510,960)</b>	<b>929,012</b>
<b>FUND BALANCES:</b>				
Beginning of year	7,956,804	394,945	52,325,470	60,677,219
End of year	<u>\$ 9,396,776</u>	<u>\$ 394,945</u>	<u>\$ 51,814,510</u>	<u>\$ 61,606,231</u>

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## NON-MAJOR SPECIAL REVENUE FUNDS

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

### **D.A.R.E Trust**

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

### **Asset Forfeiture**

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

### **Central Business District Parking (CBD) In-Lieu**

This fund accounts for fees collected from developers in the downtown area in lieu of providing required parking. The City will use this money to build downtown parking structures in the future.

### **Resource Management**

This fund accounts for Measure D revenues from Alameda County as well as other mitigation revenues. The City has developed a variety of recycling programs in accordance with state and county requirements.

### **Miscellaneous Donations**

This fund is used to account for donations made to the City for equipment or to enhance services in accordance with the donor's requests.

### **Landscape and Lighting Districts**

Residents of five different subdivisions (Ponderosa 84-1, Windsor 93-1, Bond 93-2, Moller 95-1 and Oak Tree Farms 94-1) participate in landscape maintenance districts that pay to maintain and repair designated landscaped and open space areas. It is administered by the City but paid for by the homeowners through annual assessments placed on their property tax bills.

### **Geologic Hazard Assessment Districts (GHADs)**

Residents of four different subdivisions (Lemoine, Laurel Creek, Moller and Oak Tree Farm) participate in assessment districts that will pay for any landslide repairs and related geologic work. It is administered by the City but paid for by the homeowners through annual assessments placed on their property tax bills.

### **Measure B Transportation Improvements**

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

### **Prop 1B Street Repair Bond**

This fund accounts for moneys received from the State to fund the maintenance and improvement of local transportation facilities.

### **Gas Tax**

The City receives its share of gas tax from the State and uses the funds to construct, reconstruct and maintain streets throughout the City as designated in the annual capital improvement program.

## NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

### **H.O.M.E Program**

The Housing Opportunities Made Easy program is funded through a federal grant from the U.S. Department of Housing and Urban Development. The City receives its annual formula allocation and the funds must be used for housing projects that benefit lower income persons.

### **M.T.C. Funds**

The City annually applies to the Metropolitan Transportation Commission (M.T.C.) for monies to be used on various bicycle path projects.

### **Abandoned Vehicle**

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

### **Urban Forestry Program**

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

### **Library Trust Fund**

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

### **Miscellaneous Grants**

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

### **HBPOA Maintenance District**

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

### **Community Development Block Grant**

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

### **Traffic Grants**

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

### **State Park Bonds**

This fund receives revenue from State Park Bonds for various Park Capital Improvement projects.

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

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

### **Downtown Economic Loan**

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

### **Federal ISTEA Program**

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

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**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2011**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
<b>ASSETS</b>						
Cash and investments	\$ 21,828	\$ 124,380	\$ 50,433	\$ 611,899	\$ 88,324	\$ 333,432
Receivables:						
Accounts	-	-	-	135,299	-	201
Grants	-	-	-	-	-	-
Interest	76	40	175	2,105	308	1,203
Notes receivable	-	-	105,000	-	-	-
<b>Total assets</b>	<b>\$ 21,904</b>	<b>\$ 124,420</b>	<b>\$ 155,608</b>	<b>\$ 749,303</b>	<b>\$ 88,632</b>	<b>\$ 334,836</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 9,388	\$ -	\$ 12,171
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	105,000	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>105,000</b>	<b>9,388</b>	<b>-</b>	<b>12,171</b>
<b>Fund Balances:</b>						
Restricted	21,904	124,420	50,608	739,915	88,632	322,665
Assigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>21,904</b>	<b>124,420</b>	<b>50,608</b>	<b>739,915</b>	<b>88,632</b>	<b>322,665</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,904</b>	<b>\$ 124,420</b>	<b>\$ 155,608</b>	<b>\$ 749,303</b>	<b>\$ 88,632</b>	<b>\$ 334,836</b>

Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Prop 1B Street Repair Bond	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program
\$ 758,428	\$ 1,992,455	\$ 1,022,982	\$ 3,210,055	\$ -	\$ -	\$ 281,420	\$ 148,861
3,438	206,576	-	210,000	-	-	-	20,750
-	-	-	-	30,735	-	-	-
2,663	5,676	1,173	11,412	15,723	-	1,064	648
-	-	-	-	1,267,751	-	-	-
<u>\$ 764,529</u>	<u>\$ 2,204,707</u>	<u>\$ 1,024,155</u>	<u>\$ 3,431,467</u>	<u>\$ 1,314,209</u>	<u>\$ -</u>	<u>\$ 282,484</u>	<u>\$ 170,259</u>
\$ 2,500	\$ 76,393	\$ -	\$ 167,649	\$ 22,183	\$ -	\$ -	\$ 495
-	-	-	-	8,552	-	-	-
-	-	-	-	1,283,474	-	-	-
<u>2,500</u>	<u>76,393</u>	<u>-</u>	<u>167,649</u>	<u>1,314,209</u>	<u>-</u>	<u>-</u>	<u>495</u>
762,029	2,128,314	1,024,155	3,263,818	-	-	282,484	169,764
-	-	-	-	-	-	-	-
<u>762,029</u>	<u>2,128,314</u>	<u>1,024,155</u>	<u>3,263,818</u>	<u>-</u>	<u>-</u>	<u>282,484</u>	<u>169,764</u>
<u>\$ 764,529</u>	<u>\$ 2,204,707</u>	<u>\$ 1,024,155</u>	<u>\$ 3,431,467</u>	<u>\$ 1,314,209</u>	<u>\$ -</u>	<u>\$ 282,484</u>	<u>\$ 170,259</u>

(Continued)

**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds, Continued**  
**June 30, 2011**

	Library Trust Fund	Miscellaneous Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants	State Park Bonds
<b>ASSETS</b>						
Cash and investments	\$ 18,281	\$ 364,239	\$ -	\$ -	\$ -	\$ -
Receivables:						
Accounts	-	-	45,308	-	-	-
Grants	-	43,124	-	91,765	275,000	-
Interest	63	1,275	-	125,698	-	-
Notes receivable	-	-	-	545,586	-	-
<b>Total assets</b>	<b>\$ 18,344</b>	<b>\$ 408,638</b>	<b>\$ 45,308</b>	<b>\$ 763,049</b>	<b>\$ 275,000</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 16,825	\$ 37,300	\$ 40,505	\$ -	\$ -
Due to other funds	-	19,802	8,008	32,447	275,000	-
Deferred revenue	-	-	-	690,097	-	-
<b>Total liabilities</b>	<b>-</b>	<b>36,627</b>	<b>45,308</b>	<b>763,049</b>	<b>275,000</b>	<b>-</b>
<b>Fund Balances:</b>						
Restricted	18,344	372,011	-	-	-	-
Assigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>18,344</b>	<b>372,011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,344</b>	<b>\$ 408,638</b>	<b>\$ 45,308</b>	<b>\$ 763,049</b>	<b>\$ 275,000</b>	<b>\$ -</b>

Federal Stimulus ARRA Grants	Downtown Economic Loan	Federal ISTEA Program	Total
\$ -	\$ 26,076	\$ -	\$ 9,053,093
-	-	-	621,572
144,530	-	367,000	952,154
108	91	-	169,501
-	-	-	1,918,337
<u>\$ 144,638</u>	<u>\$ 26,167</u>	<u>\$ 367,000</u>	<u>\$ 12,714,657</u>
\$ 19,564	\$ -	\$ -	\$ 404,973
112,044	-	367,000	822,853
11,484	-	-	2,090,055
<u>143,092</u>	<u>-</u>	<u>367,000</u>	<u>3,317,881</u>
1,546	10,000	-	9,380,609
-	16,167	-	16,167
<u>1,546</u>	<u>26,167</u>	<u>-</u>	<u>9,396,776</u>
<u>\$ 144,638</u>	<u>\$ 26,167</u>	<u>\$ 367,000</u>	<u>\$ 12,714,657</u>

(Concluded)

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the year ended June 30, 2011**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,555
Use of money and property	181	314	453	5,750	3,463	3,003
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Contributions and donations	2,500	-	-	-	448,614	-
Other	-	-	-	286,222	-	11,559
<b>Total revenues</b>	<b>2,681</b>	<b>314</b>	<b>453</b>	<b>291,972</b>	<b>452,077</b>	<b>143,117</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	5,439	-	-	-	-	-
Community development	-	-	-	62,379	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	4,631	153,664
Capital outlay	-	-	-	-	33,711	-
<b>Total expenditures</b>	<b>5,439</b>	<b>-</b>	<b>-</b>	<b>62,379</b>	<b>38,342</b>	<b>153,664</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,758)</b>	<b>314</b>	<b>453</b>	<b>229,593</b>	<b>413,735</b>	<b>(10,547)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	9,290	-
Transfers out	-	-	-	-	(931,934)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(922,644)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,758)</b>	<b>314</b>	<b>453</b>	<b>229,593</b>	<b>(508,909)</b>	<b>(10,547)</b>
<b>FUND BALANCES:</b>						
Beginning of year	24,662	124,106	50,155	510,322	597,541	333,212
End of year	\$ 21,904	\$ 124,420	\$ 50,608	\$ 739,915	\$ 88,632	\$ 322,665



Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Prop 1B Street Repair Bond	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program
\$ 74,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,819	4,939	1,574	30,980	-	-	2,611	1,495
-	785,730	1,022,135	1,761,988	108,615	43,707	-	-
-	-	-	-	-	-	29,906	-
500	-	-	-	-	-	-	1,000
-	-	-	-	-	-	-	-
1,103	-	-	-	-	-	-	-
<u>82,509</u>	<u>790,669</u>	<u>1,023,709</u>	<u>1,792,968</u>	<u>108,615</u>	<u>43,707</u>	<u>32,517</u>	<u>2,495</u>
-	-	-	-	-	-	30,000	-
-	-	-	-	108,615	-	-	-
23,826	44,353	-	7,500	-	-	-	-
-	-	-	-	-	-	-	7,447
-	480,455	460,578	957,073	-	43,707	-	-
<u>23,826</u>	<u>524,808</u>	<u>460,578</u>	<u>964,573</u>	<u>108,615</u>	<u>43,707</u>	<u>30,000</u>	<u>7,447</u>
<u>58,683</u>	<u>265,861</u>	<u>563,131</u>	<u>828,395</u>	<u>-</u>	<u>-</u>	<u>2,517</u>	<u>(4,952)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(37,274)
-	-	-	-	-	-	-	(37,274)
<u>58,683</u>	<u>265,861</u>	<u>563,131</u>	<u>828,395</u>	<u>-</u>	<u>-</u>	<u>2,517</u>	<u>(42,226)</u>
<u>703,346</u>	<u>1,862,453</u>	<u>461,024</u>	<u>2,435,423</u>	<u>-</u>	<u>-</u>	<u>279,967</u>	<u>211,990</u>
<u>\$ 762,029</u>	<u>\$ 2,128,314</u>	<u>\$ 1,024,155</u>	<u>\$ 3,263,818</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,484</u>	<u>\$ 169,764</u>

(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, 2011**

	Library Trust Fund	Miscellaneous Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants	State Park Bonds
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	164	3,465	-	-	-	-
Intergovernmental	-	131,808	-	410,308	-	291,000
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	166,453	-	-	-
Contributions and donations	100	-	-	-	-	-
Other	-	1,738	-	-	-	-
<b>Total revenues</b>	<b>264</b>	<b>137,011</b>	<b>166,453</b>	<b>410,308</b>	<b>-</b>	<b>291,000</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	53,318	-	-	-	-
Community development	-	-	-	410,308	-	-
Operations services	-	-	166,453	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	28,979	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>82,297</b>	<b>166,453</b>	<b>410,308</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>264</b>	<b>54,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291,000</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(291,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(291,000)</b>
<b>Net change in fund balances</b>	<b>264</b>	<b>54,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>						
Beginning of year	18,080	317,297	-	-	-	-
End of year	\$ 18,344	\$ 372,011	\$ -	\$ -	\$ -	\$ -

(Continued)

State Park Bonds	Federal Stimulus ARRA Grants	Downtown Economic Loan	Federal ISTE Program
\$ -	\$ -	\$ -	\$ -
-	252	235	-
291,000	1,567,511	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
291,000	1,567,763	235	-
-	5,339	-	-
-	-	-	-
-	351,252	-	-
-	-	-	-
-	1,210,920	-	-
-	1,567,511	-	-
291,000	252	235	-
-	-	-	-
(291,000)	-	-	-
(291,000)	-	-	-
-	252	235	-
-	1,294	25,932	-
\$ -	\$ 1,546	\$ 26,167	\$ -

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**D.A.R.E Trust Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 550	\$ 100	\$ 181	\$ 81
Contributions and donations	-	-	2,500	2,500
<b>Total revenues</b>	<u>550</u>	<u>100</u>	<u>2,681</u>	<u>2,581</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>5,439</u>	<u>(439)</u>
<b>Total expenditures</b>	<u>5,000</u>	<u>5,000</u>	<u>5,439</u>	<u>(439)</u>
<b>Net change in fund balances</b>	<u>\$ (4,450)</u>	<u>\$ (4,900)</u>	<u>(2,758)</u>	<u>\$ 2,142</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>24,662</u>	
End of year			<u>\$ 21,904</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Asset Forfeiture Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Other	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Use of money and property	600	100	314	214
<b>Total revenues</b>	<u>4,600</u>	<u>4,100</u>	<u>314</u>	<u>(3,786)</u>
<b>Net change in fund balances</b>	<u>\$ 4,600</u>	<u>\$ 4,100</u>	314	<u>\$ (3,786)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>124,106</u>	
End of year			<u>\$ 124,420</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**CBD Parking In-Lieu Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 600	\$ 300	\$ 453	\$ 153
<b>Total revenues</b>	<u>600</u>	<u>300</u>	<u>453</u>	<u>153</u>
<b>Net change in fund balances</b>	<u>\$ 600</u>	<u>\$ 300</u>	453	<u>\$ 153</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>50,155</u>	
End of year			<u>\$ 50,608</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Resource Management Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 15,000	\$ 3,100	\$ 5,750	\$ 2,650
Other	349,500	349,500	286,222	(63,278)
<b>Total revenues</b>	<u>364,500</u>	<u>352,600</u>	<u>291,972</u>	<u>(60,628)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	165,001	581,148	62,379	518,769
<b>Total expenditures</b>	<u>165,001</u>	<u>581,148</u>	<u>62,379</u>	<u>518,769</u>
<b>Net change in fund balances</b>	<u>\$ 199,499</u>	<u>\$ (228,548)</u>	229,593	<u>\$ 458,141</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>510,322</u>	
End of year			<u>\$ 739,915</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Donations Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 4,060	\$ 8,060	\$ 3,463	\$ (4,597)
Contributions and donations	-	448,965	448,614	(351)
<b>Total revenues</b>	<b>4,060</b>	<b>457,025</b>	<b>452,077</b>	<b>(4,948)</b>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	46,926	4,631	42,295
Capital Outlay	-	-	33,711	(33,711)
<b>Total expenditures</b>	<b>-</b>	<b>46,926</b>	<b>38,342</b>	<b>8,584</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	9,290	9,290	-
Transfers out	-	(931,934)	(931,934)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(922,644)</b>	<b>(922,644)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 4,060</b>	<b>\$ (512,545)</b>	<b>(508,909)</b>	<b>\$ 3,636</b>
<b>FUND BALANCES:</b>				
Beginning of year			597,541	
End of year			<u>\$ 88,632</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Landscape and Lighting Districts Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special assessments	\$ 129,947	\$ 129,947	\$ 128,555	\$ (1,392)
Use of money and property	7,750	2,400	3,003	603
Other	11,579	11,559	11,559	-
<b>Total revenues</b>	<u>149,276</u>	<u>143,906</u>	<u>143,117</u>	<u>(789)</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	112,500	152,810	153,664	(854)
<b>Total expenditures</b>	<u>112,500</u>	<u>152,810</u>	<u>153,664</u>	<u>(854)</u>
<b>Net change in fund balances</b>	<u>\$ 36,776</u>	<u>\$ (8,904)</u>	(10,547)	<u>\$ (1,643)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>333,212</u>	
End of year			<u>\$ 322,665</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Geologic Hazard Assessment Districts Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Special assessments	\$ 68,568	\$ 68,568	\$ 74,087	\$ 5,519
Use of money and property	13,600	5,200	6,819	1,619
Reimbursements	-	-	500	500
Other	1,103	1,103	1,103	-
<b>Total revenues</b>	<u>83,271</u>	<u>74,871</u>	<u>82,509</u>	<u>7,638</u>
<b>EXPENDITURES:</b>				
Current:				
Operations services	64,150	64,150	23,826	40,324
<b>Total expenditures</b>	<u>64,150</u>	<u>64,150</u>	<u>23,826</u>	<u>40,324</u>
<b>Net change in fund balances</b>	<u>\$ 19,121</u>	<u>\$ 10,721</u>	58,683	<u>\$ 47,962</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>703,346</u>	
End of year			<u>\$ 762,029</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Measure B Transportation Improvements Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 14,000	\$ 8,000	\$ 4,939	\$ (3,061)
Intergovernmental	666,916	760,429	785,730	25,301
<b>Total revenues</b>	<b>680,916</b>	<b>768,429</b>	<b>790,669</b>	<b>22,240</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	13,225	43,901	44,353	(452)
Capital outlay	2,474,077	2,128,485	480,455	1,648,030
<b>Total expenditures</b>	<b>2,487,302</b>	<b>2,172,386</b>	<b>524,808</b>	<b>1,647,578</b>
<b>Net change in fund balances</b>	<b>\$ (1,806,386)</b>	<b>\$ (1,403,957)</b>	<b>265,861</b>	<b>\$ 1,669,818</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,862,453	
End of year			<b>\$ 2,128,314</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Prop 1B Street Repair Bond Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 16,000	\$ -	\$ 1,574	\$ 1,574
Intergovernmental	1,022,135	1,022,135	1,022,135	-
<b>Total revenues</b>	<u>1,038,135</u>	<u>1,022,135</u>	<u>1,023,709</u>	<u>1,574</u>
<b>EXPENDITURES:</b>				
Capital outlay	397,877	460,578	460,578	-
<b>Total expenditures</b>	<u>397,877</u>	<u>460,578</u>	<u>460,578</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 640,258</u>	<u>\$ 561,557</u>	563,131	<u>\$ 1,574</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>461,024</u>	
End of year			<u>\$ 1,024,155</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Gas Tax Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 40,000	\$ 17,000	\$ 30,980	\$ 13,980
Intergovernmental	1,796,970	1,852,896	1,761,988	(90,908)
<b>Total revenues</b>	<b>1,836,970</b>	<b>1,869,896</b>	<b>1,792,968</b>	<b>(76,928)</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	7,500	7,500	7,500	-
Capital outlay	3,188,092	3,530,835	957,073	2,573,762
<b>Total expenditures</b>	<b>3,195,592</b>	<b>3,538,335</b>	<b>964,573</b>	<b>2,573,762</b>
<b>Net change in fund balances</b>	<b>\$ (1,358,622)</b>	<b>\$ (1,668,439)</b>	<b>828,395</b>	<b>\$ 2,496,834</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,435,423	
End of year			<b>\$ 3,263,818</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**H.O.M.E. Program Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 183,500	\$ 535,523	\$ 108,615	\$ (426,908)
<b>Total revenues</b>	<u>183,500</u>	<u>535,523</u>	<u>108,615</u>	<u>(426,908)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	183,500	535,523	108,615	426,908
<b>Total expenditures</b>	<u>183,500</u>	<u>535,523</u>	<u>108,615</u>	<u>426,908</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**M.T.C. Special Revenue Fund**  
**For the year ended June 30, 2011**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 104,992	\$ 104,992	\$ 43,707	\$ (61,285)
<b>Total revenues</b>	<u>104,992</u>	<u>104,992</u>	<u>43,707</u>	<u>(61,285)</u>
<b>EXPENDITURES:</b>				
Capital outlay	104,992	104,992	43,707	61,285
<b>Total expenditures</b>	<u>104,992</u>	<u>104,992</u>	<u>43,707</u>	<u>61,285</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Abandoned Vehicle Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 6,700	\$ 2,000	\$ 2,611	\$ 611
Charges for services	30,000	30,000	29,906	(94)
<b>Total revenues</b>	<u>36,700</u>	<u>32,000</u>	<u>32,517</u>	<u>517</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	30,000	30,000	30,000	-
<b>Total expenditures</b>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 6,700</u>	<u>\$ 2,000</u>	2,517	<u>\$ 517</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>279,967</u>	
End of year			<u>\$ 282,484</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Urban Forestry Program Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 6,300	\$ 1,200	\$ 1,495	\$ 295
Reimbursements	-	-	1,000	1,000
<b>Total revenues</b>	<u>6,300</u>	<u>1,200</u>	<u>2,495</u>	<u>1,295</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	19,400	19,400	7,447	11,953
<b>Total expenditures</b>	<u>19,400</u>	<u>19,400</u>	<u>7,447</u>	<u>11,953</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfer out	(37,274)	(37,274)	(37,274)	-
<b>Total other financing sources</b>	<u>(37,274)</u>	<u>(37,274)</u>	<u>(37,274)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (50,374)</u>	<u>\$ (55,474)</u>	(42,226)	<u>\$ 13,248</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>211,990</u>	
End of year			<u>\$ 169,764</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Library Trust Fund Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 320	\$ 100	\$ 164	\$ 64
Contributions and donations	-	-	100	100
<b>Total revenues</b>	<u>320</u>	<u>100</u>	<u>264</u>	<u>164</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	665	-	665
<b>Total expenditures</b>	-	<u>665</u>	-	<u>665</u>
<b>Net change in fund balances</b>	<u>\$ 320</u>	<u>\$ (565)</u>	264	<u>\$ 829</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>18,080</u>	
End of year			<u>\$ 18,344</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Grants Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 3,600	\$ 2,600	\$ 3,465	\$ 865
Intergovernmental	24,648	38,723	131,808	93,085
Reimbursements	30,800	-	-	-
Other	-	1,738	1,738	-
<b>Total revenues</b>	<u>59,048</u>	<u>43,061</u>	<u>137,011</u>	<u>93,950</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	55,448	182,748	53,318	129,430
Capital outlay	101,433	136,339	28,979	107,360
<b>Total expenditures</b>	<u>156,881</u>	<u>319,087</u>	<u>82,297</u>	<u>236,790</u>
<b>Net change in fund balances</b>	<u>\$ (97,833)</u>	<u>\$ (276,026)</u>	54,714	<u>\$ 330,740</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>317,297</u>	
End of year			<u>\$ 372,011</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**HBPOA Maintenance District Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Reimbursements	\$ 97,980	\$ 148,277	\$ 166,453	\$ 18,176
<b>Total revenues</b>	<u>97,980</u>	<u>148,277</u>	<u>166,453</u>	<u>18,176</u>
<b>EXPENDITURES:</b>				
Operations services	97,980	148,277	166,453	(18,176)
<b>Total expenditures</b>	<u>97,980</u>	<u>148,277</u>	<u>166,453</u>	<u>(18,176)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Community Development Block Grant Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 250,000	\$ 483,687	\$ 410,308	\$ (73,379)
<b>Total revenues</b>	<u>250,000</u>	<u>483,687</u>	<u>410,308</u>	<u>(73,379)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>250,000</u>	<u>483,687</u>	<u>410,308</u>	<u>73,379</u>
<b>Total expenditures</b>	<u>250,000</u>	<u>483,687</u>	<u>410,308</u>	<u>73,379</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Grants Special Revenue Fund**  
**For the year ended June 30, 2011**

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

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**State Park Bonds Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 291,000	\$ 291,000	\$ -
<b>Total revenues</b>	<u>-</u>	<u>291,000</u>	<u>291,000</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(291,000)	(291,000)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(291,000)</u>	<u>(291,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Federal Stimulus ARRA Grants Special Revenue Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 252	\$ 252
Intergovernmental	1,858,244	1,877,845	1,567,511	(310,334)
<b>Total revenues</b>	<b>1,858,244</b>	<b>1,877,845</b>	<b>1,567,763</b>	<b>(310,082)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	5,333	5,339	(6)
Operations services	573,882	588,150	351,252	236,898
Capital outlay	1,284,362	1,284,362	1,210,920	73,442
<b>Total expenditures</b>	<b>1,858,244</b>	<b>1,877,845</b>	<b>1,567,511</b>	<b>310,334</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>252</b>	<b>\$ 252</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,294	
End of year			\$ 1,546	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Downtown Economic Loan Special Revenue Fund**  
**For the year ended June 30, 2011**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Use of money and property	\$ 600	\$ 200	\$ 235	\$ 35
<b>Total revenues</b>	<u>600</u>	<u>200</u>	<u>235</u>	<u>35</u>
<b>Net change in fund balances</b>	<u>\$ 600</u>	<u>\$ 200</u>	235	<u>\$ 35</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>25,932</u>	
End of year			<u>\$ 26,167</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Federal ISTEPA Program Special Revenue Fund**  
**For the year ended June 30, 2011**

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

## NON-MAJOR DEBT SERVICE FUNDS

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

### **2003 COPs**

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

### **2004 COPs**

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

**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Debt Service Funds**  
**June 30, 2011**

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	2003 COPs	2004 COPs	Total
<b>ASSETS</b>			
Restricted cash and investments	\$ -	\$ 394,945	\$ 394,945
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 394,945</b>	<b>\$ 394,945</b>
<b>FUND BALANCES</b>			
Restricted	\$ -	\$ 394,945	\$ 394,945
<b>Total fund balances</b>	<b>\$ -</b>	<b>\$ 394,945</b>	<b>\$ 394,945</b>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Debt Service Funds**  
**For the year ended June 30, 2011**

	2003 COPs	2004 COPs	Total
<b>REVENUES:</b>			
Use of money and property	\$ -	\$ -	\$ -
<b>Total operating revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>			
Debt service:			
Principal	995,000	335,000	1,330,000
Interest	1,002,120	51,000	1,053,120
<b>Total expenditures</b>	<u>1,997,120</u>	<u>386,000</u>	<u>2,383,120</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,997,120)</u>	<u>(386,000)</u>	<u>(2,383,120)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,997,120	386,000	2,383,120
<b>Total other financing sources (uses)</b>	<u>1,997,120</u>	<u>386,000</u>	<u>2,383,120</u>
<b>Net change in fund balances</b>	-	-	-
<b>FUND BALANCES:</b>			
Beginning of year	-	394,945	394,945
End of year	<u>\$ -</u>	<u>\$ 394,945</u>	<u>\$ 394,945</u>

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**2003 COPs Debt Service Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	995,000	995,000	995,000	-
Interest, fiscal charges	1,002,120	1,002,120	1,002,120	-
<b>Total expenditures</b>	<u>1,997,120</u>	<u>1,997,120</u>	<u>1,997,120</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,997,120)</u>	<u>(1,997,120)</u>	<u>(1,997,120)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,997,120	1,997,120	1,997,120	-
<b>Total other financing sources (uses)</b>	<u>1,997,120</u>	<u>1,997,120</u>	<u>1,997,120</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**2004 COPs Debt Service Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 3,100	\$ 3,100	\$ -	\$ (3,100)
<b>Total revenues</b>	<u>3,100</u>	<u>3,100</u>	<u>-</u>	<u>(3,100)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	335,000	335,000	335,000	-
Interest, fiscal charges	51,000	51,000	51,000	-
<b>Total expenditures</b>	<u>386,000</u>	<u>386,000</u>	<u>386,000</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(382,900)</u>	<u>(382,900)</u>	<u>(386,000)</u>	<u>(3,100)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	386,000	386,000	386,000	-
<b>Total other financing sources (uses)</b>	<u>386,000</u>	<u>386,000</u>	<u>386,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 3,100</u>	<u>\$ 3,100</u>	<u>-</u>	<u>\$ (3,100)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>394,945</u>	
End of year			<u>\$ 394,945</u>	

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## NON-MAJOR CAPITAL PROJECTS FUNDS

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

### **Miscellaneous Capital Improvement Program**

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

### **CIP for Downtown and North Pleasanton**

This fund was set up in fiscal year 07-08 to account for the purchase of land and to construct parking facilities and other improvements in the Downtown Area and in North Pleasanton.

### **Capital Improvements**

This fund receives revenues from developers of properties. The moneys are used for the purchase of equipment or construction of facilities related to the new property development as adopted in the annual miscellaneous capital improvement program.

### **Neighborhood Park Development**

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

### **Street Capital Improvement Program**

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

### **Traffic Impact**

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

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

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

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

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

### **Budgeted Developer Projects**

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

### **Assessment District Construction**

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

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

### **Tri-Valley Transportation**

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

### **Mutual Benefits District**

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

### **Park Capital Improvement Program**

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

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**City of Pleasanton**  
**Combining Balance Sheet**  
**Non-Major Capital Project Funds**  
**June 30, 2011**

	Miscellaneous Capital Improvement Program	CIP for Downtown & North Pleasanton	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact
<b>ASSETS</b>						
Cash and investments	\$ 8,415,966	\$ 996,750	\$ 2,817,374	\$ 6,194,863	\$ 8,699,709	\$ 2,459,988
Receivables:						
Accounts	4,116	-	-	-	130,896	-
Interest	27,453	3,462	9,309	20,523	28,192	8,131
Deposits	-	1,002,371	-	-	-	-
<b>Total assets</b>	<b>\$ 8,447,535</b>	<b>\$ 2,002,583</b>	<b>\$ 2,826,683</b>	<b>\$ 6,215,386</b>	<b>\$ 8,858,797</b>	<b>\$ 2,468,119</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 62,048	\$ -	\$ 834	\$ -	\$ 89,985	\$ 3,228
Deposits	-	-	-	-	-	-
<b>Total liabilities</b>	<b>62,048</b>	<b>-</b>	<b>834</b>	<b>-</b>	<b>89,985</b>	<b>3,228</b>
<b>Fund Balances:</b>						
Restricted	-	2,002,583	2,825,849	6,215,386	-	2,464,891
Assigned	8,385,487	-	-	-	8,768,812	-
<b>Total fund balances</b>	<b>8,385,487</b>	<b>2,002,583</b>	<b>2,825,849</b>	<b>6,215,386</b>	<b>8,768,812</b>	<b>2,464,891</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,447,535</b>	<b>\$ 2,002,583</b>	<b>\$ 2,826,683</b>	<b>\$ 6,215,386</b>	<b>\$ 8,858,797</b>	<b>\$ 2,468,119</b>

Landscape Maintenance N.P.I.D.	Traffic Impact Fund Bernal	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Mutual Benefits District	Park Capital Improvement Program	Total
\$ 1,196,877	\$ 784,156	\$ 10,905,749	\$ 2,048,152	\$ 979,374	\$ 89,667	\$ 5,394,986	\$ 50,983,611
-	-	-	-	-	-	1,260	136,272
4,163	2,723	37,875	1,454	3,295	-	19,954	166,534
-	-	-	-	-	-	-	1,002,371
<u>\$ 1,201,040</u>	<u>\$ 786,879</u>	<u>\$ 10,943,624</u>	<u>\$ 2,049,606</u>	<u>\$ 982,669</u>	<u>\$ 89,667</u>	<u>\$ 5,416,200</u>	<u>\$ 52,288,788</u>
\$ 310	\$ 115,911	\$ 18,171	\$ -	\$ 92,364	\$ -	\$ 1,760	\$ 384,611
-	-	-	-	-	89,667	-	89,667
<u>310</u>	<u>115,911</u>	<u>18,171</u>	<u>-</u>	<u>92,364</u>	<u>89,667</u>	<u>1,760</u>	<u>474,278</u>
1,200,730	670,968	10,925,453	2,049,606	890,305	-	-	29,245,771
-	-	-	-	-	-	5,414,440	22,568,739
<u>1,200,730</u>	<u>670,968</u>	<u>10,925,453</u>	<u>2,049,606</u>	<u>890,305</u>	<u>-</u>	<u>5,414,440</u>	<u>51,814,510</u>
<u>\$ 1,201,040</u>	<u>\$ 786,879</u>	<u>\$ 10,943,624</u>	<u>\$ 2,049,606</u>	<u>\$ 982,669</u>	<u>\$ 89,667</u>	<u>\$ 5,416,200</u>	<u>\$ 52,288,788</u>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Capital Project Funds**  
**For the year ended June 30, 2011**

	Miscellaneous Capital Improvement Program	CIP for Downtown & North Pleasanton	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact
<b>REVENUES:</b>						
Use of money and property	\$ 59,490	\$ 5,905	\$ 23,896	\$ 53,695	\$ 71,803	\$ 20,392
Development fees	-	-	331,530	611,803	61,050	756,654
Reimbursements	-	-	-	-	220,520	-
Contributions and donations	1,650	-	-	-	-	-
Other revenues	41,679	-	-	-	-	-
<b>Total revenues</b>	<b>102,819</b>	<b>5,905</b>	<b>355,426</b>	<b>665,498</b>	<b>353,373</b>	<b>777,046</b>
<b>EXPENDITURES:</b>						
Current:						
Operations services	-	-	-	-	-	-
Community activities	191,964	1,000	-	-	-	173,798
Capital outlay	1,383,755	-	137,943	-	728,892	150,642
Debt service						
Principal	-	-	530,000	-	-	-
<b>Total expenditures</b>	<b>1,575,719</b>	<b>1,000</b>	<b>667,943</b>	<b>-</b>	<b>728,892</b>	<b>324,440</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,472,900)</b>	<b>4,905</b>	<b>(312,517)</b>	<b>665,498</b>	<b>(375,519)</b>	<b>452,606</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	1,784,391	-	158,152	75,000	620,000	131,666
Transfers out	(902,608)	-	(233,152)	-	-	-
<b>Total other financing sources (uses)</b>	<b>881,783</b>	<b>-</b>	<b>(75,000)</b>	<b>75,000</b>	<b>620,000</b>	<b>131,666</b>
<b>Net change in fund balances</b>	<b>(591,117)</b>	<b>4,905</b>	<b>(387,517)</b>	<b>740,498</b>	<b>244,481</b>	<b>584,272</b>
<b>FUND BALANCES:</b>						
Beginning of year	8,976,604	1,997,678	3,213,366	5,474,888	8,524,331	1,880,619
End of year	\$ 8,385,487	\$ 2,002,583	\$ 2,825,849	\$ 6,215,386	\$ 8,768,812	\$ 2,464,891

Landscape Maintenance N.P.I.D.	Traffic Impact Fund Bernal	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Mutual Benefits District	Park Capital Improvement Program	Total
\$ 10,803	\$ 6,996	\$ 98,650	\$ 6,334	\$ 9,140	\$ -	\$ 50,844	\$ 417,948
-	-	-	-	1,149,664	-	-	2,910,701
-	-	-	-	-	-	-	220,520
-	-	-	-	-	-	-	1,650
-	-	-	-	-	-	-	41,679
10,803	6,996	98,650	6,334	1,158,804	-	50,844	3,592,498
19,434	-	-	21,764	-	-	-	41,198
-	-	69,660	-	-	-	-	436,422
-	134,426	29,995	-	1,749,809	-	22,340	4,337,802
-	-	-	-	-	-	-	530,000
19,434	134,426	99,655	21,764	1,749,809	-	22,340	5,345,422
(8,631)	(127,430)	(1,005)	(15,430)	(591,005)	-	28,504	(1,752,924)
-	-	-	-	-	-	412,063	3,181,272
-	-	(310,712)	-	-	-	(492,836)	(1,939,308)
-	-	(310,712)	-	-	-	(80,773)	1,241,964
(8,631)	(127,430)	(311,717)	(15,430)	(591,005)	-	(52,269)	(510,960)
1,209,361	798,398	11,237,170	2,065,036	1,481,310	-	5,466,709	52,325,470
\$ 1,200,730	\$ 670,968	\$ 10,925,453	\$ 2,049,606	\$ 890,305	\$ -	\$ 5,414,440	\$ 51,814,510

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Miscellaneous Capital Improvement Program Capital Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 40,000	\$ 30,000	\$ 59,490	\$ 29,490
Contributions and donations	-	-	1,650	1,650
Other revenues	-	34,340	41,679	7,339
<b>Total revenues</b>	<u>40,000</u>	<u>64,340</u>	<u>102,819</u>	<u>38,479</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	315,277	315,277	191,964	123,313
Capital outlay	6,624,929	8,490,826	1,383,755	7,107,071
<b>Total expenditures</b>	<u>6,940,206</u>	<u>8,806,103</u>	<u>1,575,719</u>	<u>7,230,384</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,900,206)</u>	<u>(8,741,763)</u>	<u>(1,472,900)</u>	<u>7,268,863</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,784,391	1,784,391	-
Transfers out	(1,452,608)	(902,608)	(902,608)	-
<b>Total other financing sources (uses)</b>	<u>(1,452,608)</u>	<u>881,783</u>	<u>881,783</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (8,352,814)</u>	<u>\$ (7,859,980)</u>	<u>(591,117)</u>	<u>\$ 7,268,863</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>8,976,604</u>	
End of year			<u>\$ 8,385,487</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**CIP for Downtown and North Pleasanton Capital Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 400	\$ 5,905	\$ 5,505
<b>Total revenues</b>	<u>-</u>	<u>400</u>	<u>5,905</u>	<u>5,505</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	1,000	1,000	-
Capital outlay	1,921,736	1,927,774	-	1,927,774
<b>Total expenditures</b>	<u>1,921,736</u>	<u>1,928,774</u>	<u>1,000</u>	<u>1,927,774</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,921,736)</u>	<u>(1,928,374)</u>	<u>4,905</u>	<u>1,933,279</u>
<b>Net change in fund balances</b>	<u>\$ (1,921,736)</u>	<u>\$ (1,928,374)</u>	<u>4,905</u>	<u>\$ 1,933,279</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,997,678</u>	
End of year			<u>\$ 2,002,583</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Capital Improvement Capital Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 50,000	\$ 20,000	\$ 23,896	\$ 3,896
Development fees	110,188	200,188	331,530	131,342
<b>Total revenues</b>	<u>160,188</u>	<u>220,188</u>	<u>355,426</u>	<u>135,238</u>
<b>EXPENDITURES:</b>				
Capital outlay	2,656,004	2,656,004	137,943	2,518,061
Debt service				
Principal	-	-	530,000	(530,000)
<b>Total expenditures</b>	<u>2,656,004</u>	<u>2,656,004</u>	<u>667,943</u>	<u>1,988,061</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	158,152	158,152	-
Transfers out	(233,152)	(233,152)	(233,152)	-
<b>Total other financing sources (uses)</b>	<u>(233,152)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (2,728,968)</u>	<u>\$ (2,510,816)</u>	<u>(387,517)</u>	<u>\$ 2,123,299</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>3,213,366</u>	
End of year			<u>\$ 2,825,849</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Neighborhood Park Development Capital Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 81,500	\$ 29,500	\$ 53,695	\$ 24,195
Development fees	184,433	299,433	611,803	312,370
<b>Total revenues</b>	<u>265,933</u>	<u>328,933</u>	<u>665,498</u>	<u>336,565</u>
<b>EXPENDITURES:</b>				
Capital outlay	5,224,167	5,224,167	-	5,224,167
<b>Total expenditures</b>	<u>5,224,167</u>	<u>5,224,167</u>	<u>-</u>	<u>5,224,167</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,958,234)</u>	<u>(4,895,234)</u>	<u>665,498</u>	<u>5,560,732</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	75,000	75,000	75,000	-
<b>Total other financing sources (uses)</b>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (4,883,234)</u>	<u>\$ (4,820,234)</u>	<u>740,498</u>	<u>\$ 5,560,732</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>5,474,888</u>	
End of year			<u>\$ 6,215,386</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Street Capital Improvement Program Capital Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 40,000	\$ 40,000	\$ 71,803	\$ 31,803
Development fees	50,000	53,000	61,050	8,050
Reimbursements	-	50,000	220,520	170,520
<b>Total revenues</b>	<u>90,000</u>	<u>143,000</u>	<u>353,373</u>	<u>210,373</u>
<b>EXPENDITURES:</b>				
Capital outlay	8,775,136	8,637,247	728,892	7,908,355
<b>Total expenditures</b>	<u>8,775,136</u>	<u>8,637,247</u>	<u>728,892</u>	<u>7,908,355</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(8,685,136)</u>	<u>(8,494,247)</u>	<u>(375,519)</u>	<u>8,118,728</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	270,000	620,000	620,000	-
<b>Total other financing sources (uses)</b>	<u>270,000</u>	<u>620,000</u>	<u>620,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (8,415,136)</u>	<u>\$ (7,874,247)</u>	244,481	<u>\$ 8,118,728</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>8,524,331</u>	
End of year			<u>\$ 8,768,812</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Impact Capital Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 20,392	\$ 10,392
Development fees	109,688	382,688	756,654	373,966
<b>Total revenues</b>	<u>119,688</u>	<u>392,688</u>	<u>777,046</u>	<u>384,358</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	76,652	145,470	173,798	(28,328)
Capital outlay	1,164,895	1,154,682	150,642	1,004,040
<b>Total expenditures</b>	<u>1,241,547</u>	<u>1,300,152</u>	<u>324,440</u>	<u>975,712</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,121,859)</u>	<u>(907,464)</u>	<u>452,606</u>	<u>1,360,070</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	131,666	131,666	-
<b>Net change in fund balances</b>	<u>\$ (1,121,859)</u>	<u>\$ (775,798)</u>	<u>584,272</u>	<u>\$ 1,360,070</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,880,619</u>	
End of year			<u>\$ 2,464,891</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Landscape Maintenance N.P.I.D. Capital Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 23,000	\$ 10,803	\$ (12,197)
<b>Total revenues</b>	<b>-</b>	<b>23,000</b>	<b>10,803</b>	<b>(12,197)</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	-	23,000	19,434	3,566
<b>Total expenditures</b>	<b>-</b>	<b>23,000</b>	<b>19,434</b>	<b>3,566</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(8,631)</b>	<b>(8,631)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(8,631)</b>	<b>\$ (8,631)</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,209,361	
End of year			<u>\$ 1,200,730</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Traffic Impact - Bernal Capital Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ 4,000	\$ 6,996	\$ 2,996
<b>Total revenues</b>	<u>-</u>	<u>4,000</u>	<u>6,996</u>	<u>2,996</u>
<b>EXPENDITURES:</b>				
Capital Outlay	686,462	686,462	134,426	552,036
<b>Total expenditures</b>	<u>686,462</u>	<u>686,462</u>	<u>134,426</u>	<u>552,036</u>
<b>Net change in fund balances</b>	<u>\$ (686,462)</u>	<u>\$ (682,462)</u>	(127,430)	<u>\$ 555,032</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>798,398</u>	
End of year			<u>\$ 670,968</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Budgeted Developer Projects Capital Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 98,650	\$ 98,650
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>98,650</u>	<u>98,650</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	-	69,660	(69,660)
Capital outlay	2,447,835	4,019,737	29,995	3,989,742
<b>Total expenditures</b>	<u>2,447,835</u>	<u>4,019,737</u>	<u>99,655</u>	<u>3,920,082</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(310,712)	(310,712)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(310,712)</u>	<u>(310,712)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (2,447,835)</u>	<u>\$ (4,330,449)</u>	<u>(311,717)</u>	<u>\$ 4,018,732</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>11,237,170</u>	
End of year			<u>\$ 10,925,453</u>	



**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Assessment District Construction Capital Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 6,000	\$ 4,500	\$ 6,334	\$ 1,834
<b>Total revenues</b>	<b>6,000</b>	<b>4,500</b>	<b>6,334</b>	<b>1,834</b>
<b>EXPENDITURES:</b>				
Current:				
Operations services	-	20,574	21,764	(1,190)
Capital outlay	1,632,880	1,682,880	-	1,682,880
<b>Total expenditures</b>	<b>1,632,880</b>	<b>1,703,454</b>	<b>21,764</b>	<b>1,681,690</b>
<b>Net change in fund balances</b>	<b>\$ (1,626,880)</b>	<b>\$ (1,698,954)</b>	<b>(15,430)</b>	<b>\$ 1,683,524</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,065,036	
End of year			<b>\$ 2,049,606</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Tri-Valley Transportation Capital Projects Fund**  
**For the year ended June 30, 2011**

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	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 10,000	\$ 7,000	\$ 9,140	\$ 2,140
Development fees	1,111,341	1,111,341	1,149,664	38,323
<b>Total revenues</b>	<u>1,121,341</u>	<u>1,118,341</u>	<u>1,158,804</u>	<u>40,463</u>
<b>EXPENDITURES:</b>				
Capital outlay	1,804,511	2,357,552	1,749,809	607,743
<b>Total expenditures</b>	<u>1,804,511</u>	<u>2,357,552</u>	<u>1,749,809</u>	<u>607,743</u>
<b>Net change in fund balances</b>	<u>\$ (683,170)</u>	<u>\$ (1,239,211)</u>	(591,005)	<u>\$ 648,206</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,481,310</u>	
End of year			<u>\$ 890,305</u>	

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Mutual Benefits District Fund Capital Projects Fund**  
**For the year ended June 30, 2011**

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

**City of Pleasanton**  
**Budgetary Comparison Schedule**  
**Park Capital Improvement Projects Fund**  
**For the year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 50,000	\$ 35,000	\$ 50,844	\$ 15,844
<b>Total revenues</b>	<b>50,000</b>	<b>35,000</b>	<b>50,844</b>	<b>15,844</b>
<b>EXPENDITURES:</b>				
Capital outlay	4,831,347	4,831,347	22,340	4,809,007
<b>Total expenditures</b>	<b>4,831,347</b>	<b>4,831,347</b>	<b>22,340</b>	<b>4,809,007</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,781,347)</b>	<b>(4,796,347)</b>	<b>28,504</b>	<b>4,824,851</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	412,063	412,063	-
Transfers out	(550,000)	(492,836)	(492,836)	-
<b>Total other financing sources (uses)</b>	<b>(550,000)</b>	<b>(80,773)</b>	<b>(80,773)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (5,331,347)</b>	<b>\$ (4,877,120)</b>	<b>(52,269)</b>	<b>\$ 4,824,851</b>
<b>FUND BALANCES:</b>				
Beginning of year			5,466,709	
End of year			<b>\$ 5,414,440</b>	

## NON-MAJOR ENTERPRISE FUNDS

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

### **Transit**

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

### **Cemetery**

This fund accounts for the operations of the Pleasanton Memorial Gardens Cemetery. The City currently contracts with Catholic Funeral & Cemetery Services for burial and monument services for previously purchased plots. The Cemetery Fund currently generates no revenue and is supported by an operating subsidy contribution from the General Fund.

### **Pleasanton Housing Authority**

This fund represents the activities of the Pleasanton Housing Authority. The purpose is to provide and maintain the maximum number of housing units and services for low and moderate income families at rents they can afford.

**City of Pleasanton**  
**Combining Statement of Fund Net Assets**  
**Non-Major Enterprise Funds**  
**June 30, 2011**

	Transit	Cemetery	Pleasanton Housing Authority	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ -	\$ 403,289	\$ 297,435	\$ 700,724
Receivables (net):				
Accounts	77,965	56,875	-	134,840
Interest	-	903	-	903
Total current assets	<u>77,965</u>	<u>461,067</u>	<u>297,435</u>	<u>836,467</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	10,000	51,750	61,750
Depreciable	<u>210,469</u>	<u>-</u>	<u>411,368</u>	<u>621,837</u>
Total noncurrent assets	<u>210,469</u>	<u>10,000</u>	<u>463,118</u>	<u>683,587</u>
<b>Total assets</b>	<u>288,434</u>	<u>471,067</u>	<u>760,553</u>	<u>1,520,054</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	457	2,394	24,785	27,636
Payroll payable	18,947	-	-	18,947
Due to other funds	58,500	-	-	58,500
Interest payable	-	-	5,293	5,293
Refundable deposits	-	-	11,972	11,972
Deferred revenue	61	-	-	61
Notes payable - current portion	-	-	58,216	58,216
Total current liabilities	<u>77,965</u>	<u>2,394</u>	<u>100,266</u>	<u>180,625</u>
Noncurrent liabilities:				
Notes payable	-	-	62,047	62,047
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>62,047</u>	<u>62,047</u>
<b>Total liabilities</b>	<u>77,965</u>	<u>2,394</u>	<u>162,313</u>	<u>242,672</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	210,469	10,000	342,855	563,324
Unrestricted	<u>-</u>	<u>458,673</u>	<u>255,385</u>	<u>714,058</u>
<b>Total net assets</b>	<u>\$ 210,469</u>	<u>\$ 468,673</u>	<u>\$ 598,240</u>	<u>\$ 1,277,382</u>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenses and Change in Fund Net Assets**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2011**

	Transit	Cemetery	Pleasanton Housing Authority	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 40,278	\$ 349,941	\$ 155,609	\$ 545,828
Miscellaneous	-	-	258,835	258,835
<b>Total operating revenues</b>	<b>40,278</b>	<b>349,941</b>	<b>414,444</b>	<b>804,663</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	526,406	-	140,420	666,826
Transportation	57,427	-	-	57,427
Repairs and maintenance	3,671	-	145,191	148,862
Materials, supplies, and services	6,915	36,998	63,299	107,212
Depreciation	67,101	-	95,221	162,322
<b>Total operating expenses</b>	<b>661,520</b>	<b>36,998</b>	<b>444,131</b>	<b>1,142,649</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(621,242)</b>	<b>312,943</b>	<b>(29,687)</b>	<b>(337,986)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Grants	233,407	-	-	233,407
Interest income	-	2,415	2,446	4,861
Interest expense	-	-	(9,139)	(9,139)
<b>Total non-operating revenues (expenses)</b>	<b>233,407</b>	<b>2,415</b>	<b>(6,693)</b>	<b>229,129</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(387,835)</b>	<b>315,358</b>	<b>(36,380)</b>	<b>(108,857)</b>
Transfers in	320,734	30,000	-	350,734
<b>Change in net assets</b>	<b>(67,101)</b>	<b>345,358</b>	<b>(36,380)</b>	<b>241,877</b>
<b>NET ASSETS:</b>				
Beginning of year	277,570	123,315	634,620	1,035,505
End of year	<b>\$ 210,469</b>	<b>\$ 468,673</b>	<b>\$ 598,240</b>	<b>\$ 1,277,382</b>

**City of Pleasanton**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2011**

	Transit	Cemetery	Pleasanton Housing Authority	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipt from customers	\$ 2,620	\$ 293,066	\$ 91,054	\$ 386,740
Cash payment to suppliers for goods and services	(29,096)	(36,397)	(201,228)	(266,721)
Cash payment to employees for services	(527,665)	-	(140,420)	(668,085)
Miscellaneous revenue	-	-	258,835	258,835
<b>Net cash provided (used) by operating activities</b>	<b>(554,141)</b>	<b>256,669</b>	<b>8,241</b>	<b>(289,231)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Grants received	233,407	-	-	233,407
Transfer in	320,734	30,000	-	350,734
<b>Net cash provided (used) by noncapital financing activities</b>	<b>554,141</b>	<b>30,000</b>	<b>-</b>	<b>584,141</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal payments on long-term debt	-	-	(54,612)	(54,612)
Interest payment	-	-	(11,541)	(11,541)
Capital assets acquisition	-	-	(23,335)	(23,335)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(89,488)</b>	<b>(89,488)</b>
<b>CASH FLOWS FROM NONCAPITAL INVESTING ACTIVITIES</b>				
Interest received	-	2,053	2,446	4,499
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>2,053</b>	<b>2,446</b>	<b>4,499</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>288,722</b>	<b>(78,801)</b>	<b>209,921</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	-	114,567	376,236	490,803
End of year	\$ -	\$ 403,289	\$ 297,435	\$ 700,724
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (621,242)	\$ 312,943	\$ (29,687)	\$ (337,986)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	67,101	-	95,221	162,322
Decrease (increase) in:				
Accounts receivable	(37,148)	(56,875)	-	(94,023)
Increase (decrease) in:				
Accounts payable	338	601	7,262	8,201
Accrued payroll	(1,259)	-	-	(1,259)
Due to other funds	38,579	-	-	38,579
Deferred revenue	(510)	-	(64,399)	(64,909)
Refundable deposits	-	-	(156)	(156)
<b>Net cash provided (used) by operating activities</b>	<b>\$ (554,141)</b>	<b>\$ 256,669</b>	<b>\$ 8,241</b>	<b>\$ (289,231)</b>



## INTERNAL SERVICE FUNDS

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

### **Employee Benefits**

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

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

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

### **Replacement / Renovation**

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

### **Livermore/Pleasanton Fire Retirees Insurance Reserve**

This fund is establishing reserves for future medical insurance obligations for retirees from the Livermore/Pleasanton Fire Department.

### **Self Insurance Retention**

This fund pays insurance premiums and claims that fall under the City's various limits.

### **Retirees Insurance Reserve**

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

### **PERS Rate Stabilization Fund**

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

**City of Pleasanton**  
**Combining Statement of Fund Net Assets**  
**Internal Services Funds**  
**June 30, 2011**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 12,514,838	\$ 374,066	\$ 23,366,632	\$ 8,803,217
Accounts receivable	1,714	-	21,167	-
Interest receivable	38,891	1,138	78,975	32,495
<b>Total current assets</b>	<b>12,555,443</b>	<b>375,204</b>	<b>23,466,774</b>	<b>8,835,712</b>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	-	993,734	-
Depreciable	-	-	7,567,403	-
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>8,561,137</b>	<b>-</b>
<b>Total assets</b>	<b>12,555,443</b>	<b>375,204</b>	<b>32,027,911</b>	<b>8,835,712</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	679,243	-	302,131	5,871
Payroll payable	104,390	-	-	-
Accrued compensated absences	994,175	-	-	-
Claims payable	1,204,519	-	-	-
<b>Total current liabilities</b>	<b>2,982,327</b>	<b>-</b>	<b>302,131</b>	<b>5,871</b>
Noncurrent liabilities:				
Accrued compensated absences	4,126,735	-	-	-
Claims payable	2,422,625	-	-	-
<b>Total noncurrent liabilities</b>	<b>6,549,360</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>9,531,687</b>	<b>-</b>	<b>302,131</b>	<b>5,871</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	-	-	8,561,137	-
Unrestricted	3,023,756	375,204	23,164,643	8,829,841
<b>Total net assets</b>	<b>\$ 3,023,756</b>	<b>\$ 375,204</b>	<b>\$ 31,725,780</b>	<b>\$ 8,829,841</b>

Self Insurance Retention	Retiree Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 7,261,770	\$ 30,718,540	\$ 1,000,000	\$ 84,039,063
886	-	-	23,767
20,810	106,143	-	278,452
<u>7,283,466</u>	<u>30,824,683</u>	<u>1,000,000</u>	<u>84,341,282</u>
-	-	-	993,734
-	-	-	7,567,403
-	-	-	8,561,137
<u>7,283,466</u>	<u>30,824,683</u>	<u>1,000,000</u>	<u>92,902,419</u>
748	23,506	-	1,011,499
-	-	-	104,390
-	-	-	994,175
140,807	-	-	1,345,326
<u>141,555</u>	<u>23,506</u>	<u>-</u>	<u>3,455,390</u>
-	-	-	4,126,735
<u>1,230,432</u>	<u>-</u>	<u>-</u>	<u>3,653,057</u>
<u>1,230,432</u>	<u>-</u>	<u>-</u>	<u>7,779,792</u>
<u>1,371,987</u>	<u>23,506</u>	<u>-</u>	<u>11,235,182</u>
-	-	-	8,561,137
<u>5,911,479</u>	<u>30,801,177</u>	<u>1,000,000</u>	<u>73,106,100</u>
<u>\$ 5,911,479</u>	<u>\$ 30,801,177</u>	<u>\$ 1,000,000</u>	<u>\$ 81,667,237</u>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**Internal Services Funds**  
**For the year ended June 30, 2011**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 21,149,116	\$ 50,000	\$ 2,105,809	\$ 700,000
Miscellaneous	30,867	6,000	13,362	176
<b>Total operating revenues</b>	<u>21,179,983</u>	<u>56,000</u>	<u>2,119,171</u>	<u>700,176</u>
<b>OPERATING EXPENSES:</b>				
Personnel services	20,003,176	-	-	2,072,617
Materials, supplies, and services	2,768,270	62,459	2,392,530	6,456
Depreciation and amortization	-	-	1,284,827	-
<b>Total operating expenses</b>	<u>22,771,446</u>	<u>62,459</u>	<u>3,677,357</u>	<u>2,079,073</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,591,463)</u>	<u>(6,459)</u>	<u>(1,558,186)</u>	<u>(1,378,897)</u>
<b>NONOPERATING REVENUES/EXPENSES:</b>				
Interest income	96,923	2,426	208,314	81,436
Gain (loss) from disposal of capital assets	-	-	(19,741)	-
<b>Total non-operating revenues (expenses)</b>	<u>96,923</u>	<u>2,426</u>	<u>188,573</u>	<u>81,436</u>
<b>Income before Transfers in (out)</b>	<u>(1,494,540)</u>	<u>(4,033)</u>	<u>(1,369,613)</u>	<u>(1,297,461)</u>
Capital contributions	-	-	13,000	-
Transfers in	-	142,836	115,768	-
Transfers out	-	(9,290)	-	-
<b>Change in net assets</b>	<u>(1,494,540)</u>	<u>129,513</u>	<u>(1,240,845)</u>	<u>(1,297,461)</u>
<b>NET ASSETS:</b>				
Beginning of year	4,518,296	245,691	32,966,625	10,127,302
End of year	<u>\$ 3,023,756</u>	<u>\$ 375,204</u>	<u>\$ 31,725,780</u>	<u>\$ 8,829,841</u>

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 300,000	\$ 3,034,528	\$ -	\$ 27,339,453
973	12,724	-	64,102
300,973	3,047,252	-	27,403,555
-	4,240,865	-	26,316,658
947,928	12,525	-	6,190,168
-	-	-	1,284,827
947,928	4,253,390	-	33,791,653
(646,955)	(1,206,138)	-	(6,388,098)
49,208	278,310	-	716,617
-	-	-	(19,741)
49,208	278,310	-	696,876
(597,747)	(927,828)	-	(5,691,222)
-	-	-	13,000
1,000,000	-	1,000,000	2,258,604
-	-	-	(9,290)
402,253	(927,828)	1,000,000	(3,428,908)
5,509,226	31,729,005	-	85,096,145
\$ 5,911,479	\$ 30,801,177	\$ 1,000,000	\$ 81,667,237

**City of Pleasanton**  
**Combining Statement of Cash Flows**  
**Internal Services Funds**  
**For the year ended June 30, 2011**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipt from customer/other funds	\$ 21,150,649	\$ 50,000	\$ 2,091,703	\$ 700,000
Cash payment to suppliers for goods and services	(1,599,654)	(95,571)	(2,241,110)	(3,365)
Cash payment to employees for services	(20,081,103)	-	-	(2,072,617)
Miscellaneous revenue	30,867	6,000	13,362	176
<b>Net cash provided (used) by operating activities</b>	<b>(499,241)</b>	<b>(39,571)</b>	<b>(136,045)</b>	<b>(1,375,806)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfer in	-	142,836	115,768	-
Transfer out	-	(9,290)	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>133,546</b>	<b>115,768</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital assets acquisition	-	-	(762,387)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>(762,387)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	131,717	3,006	257,442	108,770
<b>Net cash provided (used) by investing activities</b>	<b>131,717</b>	<b>3,006</b>	<b>257,442</b>	<b>108,770</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(367,524)</b>	<b>96,981</b>	<b>(525,222)</b>	<b>(1,267,036)</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	12,882,362	277,085	23,891,854	10,070,253
End of year	<u>\$ 12,514,838</u>	<u>\$ 374,066</u>	<u>\$ 23,366,632</u>	<u>\$ 8,803,217</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (1,591,463)	\$ (6,459)	\$ (1,558,186)	\$ (1,378,897)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	1,284,827	-
Decrease (increase) in:				
Accounts receivable	1,533	-	(14,106)	-
Increase (decrease) in:				
Accounts payable	(7,383)	(33,112)	151,420	3,091
Payroll payable	76,954	-	-	-
Accrued compensated absences	(154,881)	-	-	-
Claims payable	1,175,999	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ (499,241)</b>	<b>\$ (39,571)</b>	<b>\$ (136,045)</b>	<b>\$ (1,375,806)</b>

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization Fund	Total
\$ 300,381	\$ 3,034,528	\$ -	\$ 27,327,261
(1,897,410)	(4,128)	-	(5,841,238)
-	(4,240,865)	-	(26,394,585)
973	12,724	-	64,102
(1,596,056)	(1,197,741)	-	(4,844,460)
1,000,000	-	1,000,000	2,258,604
-	-	-	(9,290)
1,000,000	-	1,000,000	2,249,314
-	-	-	(762,387)
-	-	-	(762,387)
71,078	343,301	-	915,314
71,078	343,301	-	915,314
(524,978)	(854,440)	1,000,000	(2,442,219)
7,786,748	31,572,980	-	86,481,282
\$ 7,261,770	\$ 30,718,540	\$ 1,000,000	\$ 84,039,063
\$ (646,955)	\$ (1,206,138)	\$ -	\$ (6,388,098)
-	-	-	1,284,827
381	-	-	(12,192)
(408)	8,397	-	122,005
-	-	-	76,954
-	-	-	(154,881)
(949,074)	-	-	226,925
\$ (1,596,056)	\$ (1,197,741)	\$ -	\$ (4,844,460)

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## OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

### **Miscellaneous Retiree Medical Trust**

This irrevocable trust; established in June 2009, complies with GASB Statement No. 45 and the assets transferred into this fund are restricted solely for the payment of retiree medical benefits for miscellaneous employees.

### **Fire Retiree Medical Trust**

This irrevocable trust, established in June 2009, complies with GASB Statement No. 45 and the assets transferred into this fund are restricted solely for the payment of retiree medical benefits for LPFD employees.

**City of Pleasanton**  
**Statement of Changes in Fiduciary Net Assets**  
**Other Post-Employment Benefit Trust Funds**  
**For the Year Ended June 30, 2011**

	Miscellaneous Retiree Medical	Fire Retiree Medical	Total
<b>ADDITIONS:</b>			
Investment income	\$ 64,047	\$ 35,499	\$ 99,546
Contributions: Employer	-	-	-
<b>Total additions</b>	<u>64,047</u>	<u>35,499</u>	<u>99,546</u>
<b>DEDUCTIONS:</b>			
Contributions	<u>6,480,603</u>	<u>3,444,133</u>	<u>9,924,736</u>
<b>Changes in net assets</b>	<u>(6,416,556)</u>	<u>(3,408,634)</u>	<u>(9,825,190)</u>
<b>NET ASSETS:</b>			
Beginning of year	<u>6,416,556</u>	<u>3,408,634</u>	<u>9,825,190</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## AGENCY FUNDS

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

### **Employee Insurance Agency**

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

### **Downtown Merchant Improvements**

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

### **Asset Forfeiture Agency**

This fund collects the assets forfeited as a result of investigations of criminal offences, generally narcotics related. The money is passed on to various other governmental agencies.

### **Miscellaneous Agencies and Trusts**

This fund collects various fees and contributions from developers and others and passes the money on to various government agencies, other people or organizations.

### **Cash Bonds Agency**

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

### **1915 Act Bond Interest and Redemption Agency**

This fund collects assessments placed on property owners who reside in certain assessment districts. This money is passed on to a trustee that pays holders of the assessment bonds.

### **Pleasanton Joint Powers Financing Authority**

The Authority was established on June 29, 1993 for the purpose of providing assistance to the City and the Housing Authority of the city in refinancing public capital improvements.

### **Art Gallery Fund**

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

**City of Pleasanton**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2011**

	Employee Insurance Agency	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts	Cash Bonds
<b>ASSETS</b>					
Cash and investments	\$ 6,527	\$ 36,886	\$ 7,263	\$ 1,201,217	\$ 924,224
Receivables:					
Accounts	34,952	-	-	455,157	-
Interest	-	125	-	-	-
Notes receivable	-	-	-	35,393	-
<b>Total assets</b>	<b>\$ 41,479</b>	<b>\$ 37,011</b>	<b>\$ 7,263</b>	<b>\$ 1,691,767</b>	<b>\$ 924,224</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 31,174	\$ -	\$ -	\$ 1,601,451	\$ -
Due to other funds	10,305	-	-	-	-
Due to Bondholders	-	-	-	-	-
Loan payable	-	-	-	35,393	-
Deposits	-	37,011	7,263	54,923	924,224
<b>Total liabilities</b>	<b>\$ 41,479</b>	<b>\$ 37,011</b>	<b>\$ 7,263</b>	<b>\$ 1,691,767</b>	<b>\$ 924,224</b>

1915 Act Bond Interest and Redemption	Pleasanton Joint Powers Financing Authority	Art Gallery Fund	Total
\$ 2,568,411	\$ -	\$ -	\$ 4,744,528
48,224	-	-	538,333
(2,734)	-	-	(2,609)
-	-	-	35,393
<u>\$ 2,613,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,315,645</u>
\$ 1,922	\$ -	\$ -	\$ 1,634,547
-	-	-	10,305
2,611,979	-	-	2,611,979
-	-	-	35,393
-	-	-	1,023,421
<u>\$ 2,613,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,315,645</u>

**City of Pleasanton**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2011**

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b><u>Employee Insurance Agency</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 24,644	\$ 443,999	\$ (462,116)	\$ 6,527
Accounts receivable	19,518	330,007	(314,573)	34,952
<b>Total assets</b>	<b>\$ 44,162</b>	<b>\$ 774,006</b>	<b>\$ (776,689)</b>	<b>\$ 41,479</b>
<b>Liabilities:</b>				
Accounts payable	\$ 44,162	\$ 569,152	\$ (582,140)	\$ 31,174
Due to other funds	-	10,305	-	10,305
<b>Total liabilities</b>	<b>\$ 44,162</b>	<b>\$ 579,457</b>	<b>\$ (582,140)</b>	<b>\$ 41,479</b>
<b><u>Downtown Merchant Association</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 32,420	\$ 67,946	\$ (63,480)	\$ 36,886
Interest receivable	218	528	(621)	125
<b>Total assets</b>	<b>\$ 32,638</b>	<b>\$ 68,474</b>	<b>\$ (64,101)</b>	<b>\$ 37,011</b>
<b>Liabilities:</b>				
Deposits	\$ 32,638	\$ 4,373	\$ -	\$ 37,011
<b>Total liabilities</b>	<b>\$ 32,638</b>	<b>\$ 4,373</b>	<b>\$ -</b>	<b>\$ 37,011</b>
<b><u>Asset Forfeiture</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 7,263	\$ -	\$ -	\$ 7,263
<b>Total assets</b>	<b>\$ 7,263</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,263</b>
<b>Liabilities:</b>				
Deposits	\$ 7,263	\$ -	\$ -	\$ 7,263
<b>Total liabilities</b>	<b>\$ 7,263</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,263</b>
<b><u>Miscellaneous Agencies and Trust</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 200,935	\$ 6,534,660	\$ (5,534,378)	\$ 1,201,217
Receivables:				
Accounts	209,797	455,157	(209,797)	455,157
Notes	-	35,393	-	35,393
<b>Total assets</b>	<b>\$ 410,732</b>	<b>\$ 7,025,210</b>	<b>\$ (5,744,175)</b>	<b>\$ 1,691,767</b>
<b>Liabilities:</b>				
Payables:				
Accounts	\$ 356,859	\$ 5,219,184	\$ (3,974,592)	\$ 1,601,451
Notes	-	35,393	-	35,393
Deposits	53,873	1,050	-	54,923
<b>Total liabilities</b>	<b>\$ 410,732</b>	<b>\$ 5,255,627</b>	<b>\$ (3,974,592)</b>	<b>\$ 1,691,767</b>

(Continued)

**City of Pleasanton**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds, Continued**  
**For the year ended June 30, 2011**

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b><u>Cash Bonds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 919,926	\$ 160,198	\$ (155,900)	\$ 924,224
<b>Total assets</b>	<b>\$ 919,926</b>	<b>\$ 160,198</b>	<b>\$ (155,900)</b>	<b>\$ 924,224</b>
<b>Liabilities:</b>				
Accounts payable	\$ 6,450	\$ 50,450	\$ (56,900)	\$ -
Deposits	913,476	160,198	(149,450)	924,224
<b>Total liabilities</b>	<b>\$ 919,926</b>	<b>\$ 210,648</b>	<b>\$ (206,350)</b>	<b>\$ 924,224</b>
<b><u>1915 Act Bond</u></b>				
<b><u>Interest and Redemption</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 13,477,168	\$ 8,176,374	\$ (19,085,131)	\$ 2,568,411
Receivables:				
Accounts	35,043	86,043	(72,862)	48,224
Interest	7,171	-	(9,905)	(2,734)
<b>Total assets</b>	<b>\$ 13,519,382</b>	<b>\$ 8,262,417</b>	<b>\$ (19,167,898)</b>	<b>\$ 2,613,901</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 8,976	\$ (7,054)	\$ 1,922
Due to Bondholders	13,519,382	8,253,441	(19,160,844)	2,611,979
<b>Total liabilities</b>	<b>\$ 13,519,382</b>	<b>\$ 8,262,417</b>	<b>\$ (19,167,898)</b>	<b>\$ 2,613,901</b>
<b><u>Pleasanton Joint Powers</u></b>				
<b><u>Financing Authority</u></b>				
<b>Assets:</b>				
Restricted cash and investments	\$ -	\$ 17,561,372	\$ (17,561,372)	\$ -
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 17,561,372</b>	<b>\$ (17,561,372)</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Due to bondholders	\$ -	\$ 17,561,372	\$ (17,561,372)	\$ -
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 17,561,372</b>	<b>\$ (17,561,372)</b>	<b>\$ -</b>
<b><u>Art Gallery Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ -	\$ 6,795	\$ (6,795)	\$ -
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 6,795</b>	<b>\$ (6,795)</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 6,795	\$ (6,795)	\$ -
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 6,795</b>	<b>\$ (6,795)</b>	<b>\$ -</b>
<b><u>Total of All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 14,662,356	\$ 15,389,972	\$ (25,307,800)	\$ 4,744,528
Receivables:				
Accounts	264,358	871,207	(597,232)	538,333
Interest	7,389	528	(10,526)	(2,609)
Restricted cash and investments	-	17,561,372	(17,561,372)	-
Notes receivable	-	35,393	-	35,393
<b>Total assets</b>	<b>\$ 14,934,103</b>	<b>\$ 33,858,472</b>	<b>\$ (43,476,930)</b>	<b>\$ 5,315,645</b>
<b>Liabilities:</b>				
Payables:				
Accounts	\$ 407,471	\$ 5,854,557	\$ (4,627,481)	\$ 1,634,547
Notes	-	35,393	-	35,393
Due to other funds	-	10,305	-	10,305
Due to bondholders	13,519,382	25,814,813	(36,722,216)	2,611,979
Deposits	1,007,250	165,621	(149,450)	1,023,421
<b>Total liabilities</b>	<b>\$ 14,934,103</b>	<b>\$ 31,880,689</b>	<b>\$ (41,499,147)</b>	<b>\$ 5,315,645</b>

(Concluded)

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## STATISTICAL SECTION

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

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<b><i>Debt Capacity Information</i></b> This information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.	205
<b><i>Demographic and Economic Information</i></b>  This information is intended to assist users in understanding socioeconomic environment within which a government operates and provide information that facilitates comparison of financial statement information over time and among governments.	213
<b><i>Operating Information</i></b> This information is intended to provide information about operations and resources to assist readers in using financial statements information to understand and assess a government's economic condition.	217

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**Financial Trends Information**

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

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

**Fund Balances - Last Ten Fiscal Years**

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

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

	<b>Fiscal Year Ending June 30</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 219,488,950	\$ 334,851,123	\$ 372,119,378	\$ 380,390,639
Restricted	46,671,181	46,521,689	44,199,190	47,141,404
Unrestricted	82,109,173	98,162,932	105,968,078	117,261,111
<b>Total government activities net assets</b>	<b>348,269,304</b>	<b>479,535,744</b>	<b>522,286,646</b>	<b>544,793,154</b>
<b>Business-Type Activities</b>				
Invested in capital assets, net of related debt	135,313,592	152,081,347	164,784,413	175,189,829
Restricted	1,215,473	9,972,160	1,123,828	1,243,708
Unrestricted	48,753,140	58,774,393	58,750,236	54,511,151
<b>Total business-type activities net assets</b>	<b>185,282,205</b>	<b>220,827,900</b>	<b>224,658,477</b>	<b>230,944,688</b>
<b>Primary Government</b>				
Invested in capital assets, net of related debt	354,802,542	486,932,470	536,903,791	555,580,468
Restricted	47,886,654	56,493,849	45,323,018	48,385,112
Unrestricted	130,862,313	156,937,325	164,718,314	171,772,262
<b>Total primary government activities net assets</b>	<b>\$ 533,551,509</b>	<b>\$ 700,363,644</b>	<b>\$ 746,945,123</b>	<b>\$ 775,737,842</b>

Fiscal Year Ending June 30					
2006	2007	2008	2009	2010	2011
\$ 376,469,051	\$ 378,710,205	\$ 387,184,839	\$ 408,670,524	\$ 447,001,813	\$ 442,888,249
47,775,291	50,280,585	56,544,224	49,187,538	52,277,108	53,388,353
132,091,752	141,297,679	153,668,288	145,009,695	129,218,569	125,477,861
<u>556,336,094</u>	<u>570,288,469</u>	<u>597,397,351</u>	<u>602,867,757</u>	<u>628,497,490</u>	<u>621,754,463</u>
183,167,289	204,187,116	210,923,039	214,389,793	210,069,900	202,753,118
814,068	686,964	620,850	610,294	264,948	2,267,923
58,875,845	56,449,170	52,522,039	49,036,181	42,260,016	40,528,824
<u>242,857,202</u>	<u>261,323,250</u>	<u>264,065,928</u>	<u>264,036,268</u>	<u>252,594,864</u>	<u>245,549,865</u>
559,636,340	582,897,321	598,107,878	623,060,317	657,071,713	645,641,367
48,589,359	50,967,549	57,165,074	49,797,832	52,542,056	55,656,276
190,967,597	197,746,849	206,190,327	194,045,876	171,478,585	166,006,685
<u>\$ 799,193,296</u>	<u>\$ 831,611,719</u>	<u>\$ 861,463,279</u>	<u>\$ 866,904,025</u>	<u>\$ 881,092,354</u>	<u>\$ 867,304,328</u>

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

	Fiscal Year Ending June 30				
	2002	2003	2004	2005	2006
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
<b>Charges for Services</b>					
General Government	\$ 537,118	\$ 250,970	\$ 200,296	\$ 535,485	\$ 488,237
Public Safety	12,330,298	11,243,548	11,667,396	12,788,675	13,949,960
Community Development *	637,603	575,923	740,202	1,549,543	3,194,674
Operations Services *	3,937,931	3,280,013	4,112,858	3,602,716	3,634,892
Community Activities	2,614,504	2,906,387	3,313,130	3,300,615	3,425,758
Operating Grants & Contributions	3,605,904	4,080,731	4,652,966	4,674,945	5,695,141
Capital Grants & Contributions	2,961,801	145,189,089	48,129,129	14,099,033	12,350,368
<b>Total Government Activities:</b>	<b>26,625,159</b>	<b>167,526,661</b>	<b>72,815,977</b>	<b>40,551,012</b>	<b>42,739,030</b>
<b>Business-Type Activities:</b>					
<b>Charges for Services</b>					
Water	15,774,127	15,044,768	15,830,842	14,723,422	15,060,402
Sewer	10,748,529	10,882,458	10,970,513	10,910,064	10,947,581
Golf	81,165	-	3,700	-	2,671,290
Transit	31,601	37,001	34,362	43,077	38,740
Storm Drain	475,591	474,926	380,271	223,505	353,976
Cemetery	-	-	-	-	-
Pleasanton Housing Authority	167,950	257,404	166,371	149,706	231,478
Operating Grants & Contributions	102,075	-	-	-	-
Capital Grants & Contributions	2,428,979	10,691,928	2,955,665	4,494,296	7,559,908
<b>Total Business-Type Activities</b>	<b>29,810,017</b>	<b>37,388,485</b>	<b>30,341,724</b>	<b>30,544,070</b>	<b>36,863,375</b>
<b>Total Primary Government Revenues</b>	<b>\$ 56,435,176</b>	<b>\$ 204,915,146</b>	<b>\$ 103,157,701</b>	<b>\$ 71,095,082</b>	<b>\$ 79,602,405</b>
<b>Expenses</b>					
<b>Governmental Activities:</b>					
General Government	\$ 6,363,133	\$ 9,343,400	\$ 8,892,418	\$ 8,844,298	\$ 10,142,529
Public Safety	32,534,525	32,618,740	34,392,664	39,354,201	43,286,424
Community Development *	3,229,969	3,179,100	4,927,532	3,954,646	7,376,026
Operations Services *	25,340,545	20,549,745	26,402,176	20,522,902	26,053,044
Community Activities	14,558,585	13,468,360	15,963,151	16,483,828	17,783,181
Interest on Long-Term Debt	684,063	838,032	1,444,009	1,445,994	1,276,016
<b>Total Government Activities:</b>	<b>82,710,820</b>	<b>79,997,377</b>	<b>92,021,950</b>	<b>90,605,869</b>	<b>105,917,220</b>
<b>Business-Type Activities:</b>					
Water	14,530,381	14,370,149	15,056,432	13,057,857	15,197,789
Sewer	12,584,936	11,035,016	11,279,697	11,558,840	11,457,129
Golf	44,620	44,621	44,620	346,627	2,810,105
Transit	385,377	452,472	537,470	475,477	518,813
Storm Drain	1,171,779	1,120,130	1,280,061	1,215,224	1,288,566
Cemetery	-	-	-	-	-
Pleasanton Housing Authority	252,932	268,762	230,384	290,944	343,746
<b>Total Business-Type Activities</b>	<b>28,970,025</b>	<b>27,291,150</b>	<b>28,428,664</b>	<b>26,944,969</b>	<b>31,616,148</b>
<b>Total Primary Government Expense</b>	<b>\$ 111,680,845</b>	<b>\$ 107,288,527</b>	<b>\$ 120,450,614</b>	<b>\$ 117,550,838</b>	<b>\$ 137,533,368</b>

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

Fiscal Year Ending June 30

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

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

	<b>Fiscal Year Ending June 30</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Net (Expenses)/Revenue:</b>				
<b>Governmental Activities:</b>	\$ (56,085,661)	\$ 87,529,284	\$ (19,205,973)	\$ (50,054,857)
<b>Business-Type Activities:</b>	839,992	10,097,335	1,913,060	3,599,101
<b>Total Net (Expense)/Revenue</b>	<u>\$ (55,245,669)</u>	<u>\$ 97,626,619</u>	<u>\$ (17,292,913)</u>	<u>\$ (46,455,756)</u>
<b>General Revenues &amp; Other Changes in Net Assets</b>				
<b>Governmental Activities:</b>				
<b>Taxes</b>				
Property taxes	\$ 29,370,379	\$ 31,203,614	\$ 33,310,777	\$ 36,670,867
Other taxes	6,358,282	6,201,315	6,341,691	7,080,946
Sales tax	17,276,332	18,385,104	18,555,644	19,885,692
Motor vehicle in lieu	3,528,024	3,838,559	2,916,339	714,960
Franchise fees	1,740,281	1,489,968	1,403,790	1,465,139
<b>Infrastructure maintenance contribution</b>	2,356,100	-	-	-
<b>Unrestricted investment earnings</b>	5,136,101	5,415,548	1,553,297	4,467,829
<b>Miscellaneous</b>	1,177,429	506,337	1,673,068	1,091,220
<b>Interfund charges</b>	-	742,905	170,367	1,413,457
<b>Gain/(loss) on sale of capital assets</b>	-	(161,883)	(3,592,355)	-
<b>Transfers</b>	(3,483,257)	(22,962,552)	(375,744)	(1,126,044)
<b>Total Government Activities:</b>	<u>63,459,671</u>	<u>44,658,915</u>	<u>61,956,874</u>	<u>71,664,066</u>
<b>Business-Type Activities:</b>				
Unrestricted investment earnings	1,627,169	1,592,843	400,146	1,733,994
Equity interest in gain from joint ventures	301,075	1,845,928	947,195	-
Miscellaneous	161	-	371,475	1,477,956
<b>Interfund charges</b>	-	(742,905)	(170,367)	(1,413,457)
<b>Gain/(loss) on sale of capital assets</b>	-	(210,059)	(6,676)	-
<b>Transfers</b>	3,483,257	22,962,552	375,744	1,126,044
<b>Total Business-Type Activities</b>	<u>5,411,662</u>	<u>25,448,359</u>	<u>1,917,517</u>	<u>2,924,537</u>
<b>Total Primary Government</b>	<u>68,871,333</u>	<u>70,107,274</u>	<u>63,874,391</u>	<u>74,588,603</u>
<b>Change in Net Assets</b>				
<b>Governmental Activities:</b>	7,374,010	132,188,199	42,750,901	21,609,209
<b>Business-Type Activities:</b>	6,251,654	35,545,694	3,830,577	6,523,638
<b>Total Primary Government</b>	<u>\$ 13,625,664</u>	<u>\$ 167,733,893</u>	<u>\$ 46,581,478</u>	<u>\$ 28,132,847</u>

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



Fiscal Year Ending June 30

2006	2007	2008	2009	2010	2011
\$ (63,178,190)	\$ (73,158,987)	\$ (63,427,052)	\$ (77,969,456)	\$ (86,711,680)	\$ 83,950,936
5,247,227	8,471,790	115,752	(2,014,484)	(11,069,597)	8,762,897
<u>\$ (57,930,963)</u>	<u>\$ (64,687,197)</u>	<u>\$ (63,311,300)</u>	<u>\$ (79,983,940)</u>	<u>\$ (97,781,277)</u>	<u>\$ 92,713,833</u>
\$ 41,257,246	\$ 45,341,149	\$ 47,973,499	\$ 50,414,405	\$ 49,724,115	\$ 48,569,049
7,484,133	7,534,768	7,257,360	6,031,852	5,957,264	6,245,758
21,029,378	21,060,115	21,130,683	17,535,784	15,420,066	18,503,316
1,538,398	403,401	304,886	236,475	206,180	356,653
1,578,689	1,727,617	1,783,405	1,829,153	1,955,493	2,001,934
-	-	-	-	-	-
4,230,879	9,654,142	10,554,711	6,863,523	1,766,743	1,585,593
641,283	792,476	641,888	663,770	647,235	568,212
1,322,631	-	-	-	-	-
-	-	-	-	-	-
(4,361,507)	597,694	889,502	144,302	393,080	(622,606)
<u>74,721,130</u>	<u>87,111,362</u>	<u>90,535,934</u>	<u>83,719,264</u>	<u>76,070,176</u>	<u>77,207,909</u>
1,109,607	2,181,462	1,898,546	1,176,950	267,730	264,762
1,918,111	-	-	-	-	-
598,693	802,445	1,617,882	1,078,280	1,151,141	830,530
(1,322,631)	-	-	-	-	-
-	-	-	-	-	-
4,361,507	(597,694)	(889,502)	(144,302)	(393,080)	622,606
<u>6,665,287</u>	<u>2,386,213</u>	<u>2,626,926</u>	<u>2,110,928</u>	<u>1,025,791</u>	<u>1,717,898</u>
<u>81,386,417</u>	<u>89,497,575</u>	<u>93,162,860</u>	<u>85,830,192</u>	<u>77,095,967</u>	<u>78,925,807</u>
11,542,940	13,952,375	27,108,882	5,749,808	(10,641,503)	(6,743,027)
11,912,514	10,858,003	2,742,678	96,444	(10,043,806)	(7,044,999)
<u>\$ 23,455,454</u>	<u>\$ 24,810,378</u>	<u>\$ 29,851,560</u>	<u>\$ 5,846,252</u>	<u>\$ (20,685,309)</u>	<u>\$ (13,788,026)</u>

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

	<b>Fiscal Year Ending June 30</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>General Fund</b>				
Reserved	\$ 1,158,165	\$ 635,649	\$ 392,835	\$ 612,602
Unreserved	<u>15,840,457</u>	<u>15,097,428</u>	<u>18,562,212</u>	<u>22,010,563</u>
<b>Total General Fund</b>	<u><u>16,998,622</u></u>	<u><u>15,733,077</u></u>	<u><u>18,955,047</u></u>	<u><u>22,623,165</u></u>
<b>All Other Governmental Funds</b>				
Reserved	2,465,319	4,173,006	1,928,604	421,035
Unreserved, reported in :				
Special Revenue Funds	20,112,048	15,530,639	20,702,621	22,675,830
Capital Projects Funds	<u>45,769,745</u>	<u>58,888,011</u>	<u>53,976,167</u>	<u>57,038,753</u>
<b>Total All Other Governments Funds</b>	<u><u>\$ 68,347,112</u></u>	<u><u>\$ 78,591,656</u></u>	<u><u>\$ 76,607,392</u></u>	<u><u>\$ 80,135,618</u></u>

**Fiscal Year Ending June 30**

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 605,264	\$ 1,360,798	\$ 643,256	\$ 1,756,537	\$ -
<u>23,915,653</u>	<u>24,713,932</u>	<u>24,807,190</u>	<u>23,694,199</u>	<u>25,282,385</u>
<u>24,520,917</u>	<u>26,074,730</u>	<u>25,450,446</u>	<u>25,450,736</u>	<u>25,282,385</u>
411,095	412,354	406,282	404,188	394,945
21,886,907	20,877,745	24,006,111	22,754,570	23,681,256
<u>62,842,692</u>	<u>64,812,331</u>	<u>70,880,985</u>	<u>57,965,409</u>	<u>52,325,470</u>
<u>\$ 85,140,694</u>	<u>\$ 86,102,430</u>	<u>\$ 95,293,378</u>	<u>\$ 81,124,167</u>	<u>\$ 76,401,671</u>

**Fiscal Year  
Ending June 30,  
2011**

<b>General Fund</b>	
Nonspendable	\$ 168,033
Restricted	-
Committed	19,953,285
Assigned	2,000,000
Unassigned	3,207,664
<b>Total General Fund</b>	<u>\$ 25,328,982</u>
<b>All Other Governmental Funds</b>	
Nonspendable	-
Restricted	53,388,353
Committed	-
Assigned	22,584,906
Unassigned	-
<b>Total All Other Governments Funds</b>	<u>\$ 75,973,259</u>

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

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

	Fiscal Year Ending June 30			
	2002	2003	2004	2005
<b>Revenues:</b>				
Taxes	\$ 52,953,380	\$ 56,132,418	\$ 58,551,260	\$ 63,993,411
Special Assessments	690,772	677,416	187,775	195,654
Licenses	13,273	12,876	12,050	12,906
Permits	2,011,839	1,922,531	2,401,186	2,275,465
Fines and Forfeitures	533,572	562,417	689,309	630,864
Use of Money & Property	3,220,285	3,796,195	1,665,186	3,519,701
Intergovernmental	10,057,142	13,063,028	7,834,260	5,096,526
Franchises	1,740,281	1,489,967	1,403,790	1,465,139
Charges for Services	10,559,645	11,241,057	11,603,324	12,423,506
Development Fees	2,685,108	3,265,332	3,815,313	5,304,045
Plan Check fees	1,176,506	774,429	1,126,924	924,146
Reimbursements	741,472	888,428	1,729,241	1,520,518
Contributions and Donations	309,918	721,167	6,023,264	4,091,889
Other Revenues	1,996,281	5,598,430	7,841,159	3,622,421
Recreation Charges	2,518,653	2,766,415	2,999,640	3,068,010
	<u>91,208,127</u>	<u>102,912,106</u>	<u>107,883,681</u>	<u>108,144,201</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	7,009,811	10,285,596	9,176,425	9,333,247
Public Safety	33,734,061	34,566,762	35,673,629	39,983,855
Community Development *	3,316,758	3,482,879	5,484,984	3,611,279
Operations Services *	18,981,967	16,178,057	13,937,835	14,463,138
Community Activities	12,942,667	14,733,221	15,464,202	14,819,659
Capital Outlay	8,839,363	14,061,881	24,640,700	15,386,422
<b>Debt Service:</b>				
Principal	1,185,000	4,695,000	1,325,000	755,000
Interest & Fiscal Charges	698,644	1,417,582	1,395,072	1,524,714
<b>Total Expenditures</b>	<u>86,708,271</u>	<u>99,420,978</u>	<u>107,097,847</u>	<u>99,877,314</u>
Excess/(Deficiency of Revenues Over/(Under) Expenditures	<u>4,499,856</u>	<u>3,491,128</u>	<u>785,834</u>	<u>8,266,887</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	-	25,423	-	-
Proceeds from Issuance of Debt	-	28,425,000	-	-
Proceeds from Sale of Bonds	-	-	-	4,040,000
Payment to Escrow Agents	-	-	-	(4,755,000)
Transfers In	7,348,087	13,359,981	11,659,951	16,600,296
Transfers Out	(10,831,344)	(36,322,533)	(11,208,079)	(16,955,839)
<b>Total Other Financing Sources (Uses)</b>	<u>(3,483,257)</u>	<u>5,487,871</u>	<u>451,872</u>	<u>(1,070,543)</u>
<b>Net Change in Fund Balances</b>	<u>1,016,599</u>	<u>8,978,999</u>	<u>1,237,706</u>	<u>7,196,344</u>
<b>Fund Balances:</b>				
Beginning of Year	84,329,135	85,345,734	94,324,733	95,562,439
Prior Period Adjustment	-	-	-	-
<b>End of Year</b>	<u>\$ 85,345,734</u>	<u>\$ 94,324,733</u>	<u>\$ 95,562,439</u>	<u>\$ 102,758,783</u>

<b>Debt Service as a Percentage of Noncapital Expenditure</b>	2.42%	7.16%	3.01%	2.65%
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\* In 2008-09 Planning & Community Development and Public Works were reorganized into two functions: Community Development and Operations Services.

**Fiscal Year Ending June 30**

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 69,225,234	\$ 75,235,506	\$ 76,668,560	\$ 74,321,964	\$ 71,408,195	\$ 73,637,299
215,035	190,362	196,784	194,311	203,798	202,642
11,709	11,259	11,591	11,536	11,424	10,978
2,031,209	1,950,100	1,701,275	974,211	852,900	1,453,709
575,524	526,208	557,615	471,606	453,118	554,089
2,766,468	5,926,569	6,306,432	3,840,218	1,211,827	1,201,627
6,171,443	5,933,046	5,916,548	5,585,376	5,382,179	7,204,939
1,578,689	1,727,617	1,783,405	1,829,153	1,955,493	2,001,935
13,747,992	13,268,001	14,320,932	14,409,775	14,741,021	14,382,797
3,685,255	3,824,811	6,403,102	4,747,036	1,646,586	3,104,570
1,119,904	924,558	995,038	483,500	428,476	918,878
1,786,422	2,147,204	2,043,745	2,142,775	2,368,673	1,387,642
3,417,226	748,144	6,027,436	1,145,881	1,659,234	461,576
3,520,069	3,313,780	3,836,587	3,707,092	3,053,264	3,061,797
3,318,406	3,659,920	3,731,918	3,708,827	3,210,480	3,295,411
<u>113,170,585</u>	<u>119,387,085</u>	<u>130,500,968</u>	<u>117,573,261</u>	<u>108,586,668</u>	<u>112,879,889</u>
10,279,430	11,362,742	12,405,156	12,127,645	11,896,618	11,172,110
43,826,861	47,626,223	50,030,665	50,354,468	51,761,407	50,091,867
7,560,598	5,250,750	5,841,161	12,453,559	11,490,516	11,991,350
15,413,787	15,780,590	15,791,053	8,006,599	8,130,826	14,377,543
16,209,390	17,850,952	18,580,800	17,621,844	16,885,312	10,644,722
8,486,034	16,521,137	18,073,711	30,476,317	12,720,830	9,199,072
1,330,000	1,345,000	1,385,000	1,425,000	1,825,000	1,860,000
1,239,890	1,204,063	1,167,388	1,129,603	1,091,998	1,053,120
<u>104,345,990</u>	<u>116,941,457</u>	<u>123,274,934</u>	<u>133,595,035</u>	<u>115,802,507</u>	<u>110,389,784</u>
<u>8,824,595</u>	<u>2,445,628</u>	<u>7,226,034</u>	<u>(16,021,774)</u>	<u>(7,215,839)</u>	<u>2,490,105</u>
-	-	-	-	-	-
1,520,000	-	227,487	20,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,426,644	17,317,214	11,085,480	11,193,907	6,702,172	5,610,956
<u>(11,868,411)</u>	<u>(16,429,835)</u>	<u>(9,972,337)</u>	<u>(9,361,054)</u>	<u>(4,377,180)</u>	<u>(8,482,876)</u>
<u>(1,921,767)</u>	<u>887,379</u>	<u>1,340,630</u>	<u>1,852,853</u>	<u>2,324,992</u>	<u>(2,871,920)</u>
<u>6,902,828</u>	<u>3,333,007</u>	<u>8,566,664</u>	<u>(14,168,921)</u>	<u>(4,890,847)</u>	<u>(381,815)</u>
102,758,783	109,661,611	112,177,160	120,743,824	106,574,903	101,684,056
-	(817,458)	-	-	-	-
<u>\$ 109,661,611</u>	<u>\$ 112,177,160</u>	<u>\$ 120,743,824</u>	<u>\$ 106,574,903</u>	<u>\$ 101,684,056</u>	<u>\$ 101,302,241</u>
2.63%	2.37%	2.26%	2.32%	2.75%	2.76%

## **Revenue Capacity Information**

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

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years**

**Principal Property Tax Payers - Current Year & Ten Years Ago**

**Property Tax Levies and Collections - Last Ten Fiscal Years**

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

<b>Fiscal Year Ended June 30</b>	<b>Net Secured</b>	<b>Public Utilities</b>	<b>Net Unsecured</b>	<b>Net Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2002	\$10,073,773,908	\$3,539,632	\$745,410,806	\$10,822,724,346	0.271%
2003	11,007,214,146	2,053,960	680,796,620	11,690,064,726	0.270%
2004	11,789,099,384	2,135,286	680,766,777	12,472,001,447	0.270%
2005	12,594,592,116	2,297,346	611,932,067	13,208,821,529	0.316%
2006	13,618,889,401	2,242,475	575,007,837	14,196,139,713	0.322%
2007	14,878,786,916	2,146,073	575,007,837	15,455,940,826	0.334%
2008	15,884,626,870	1,520,242	634,144,021	16,520,291,133	0.326%
2009	16,703,488,099	1,520,242	667,916,119	17,372,924,460	0.322%
2010	16,608,342,939	1,520,242	678,842,286	17,288,705,467	0.324%
2011	16,118,033,742	1,583,493	624,006,570	16,743,623,805	0.334%

Source: Alameda County Office of the Auditor-Controller

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

	<b>Fiscal Year Ending June 30</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>County Wide Levy</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>
<b>City of Pleasanton</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Pleasanton Unified School District</b>	<b>0.0870</b>	<b>0.0759</b>	<b>0.0726</b>	<b>0.0935</b>
<b>Community College District</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0186</b>
<b>Flood Zone 7</b>	<b>0.0157</b>	<b>0.0158</b>	<b>0.0145</b>	<b>0.0114</b>
<b>Bay Area Rapid Transit District</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>
<b>East Bay Regional Park District</b>	<b>0.0072</b>	<b>0.0065</b>	<b>0.0057</b>	<b>0.0057</b>
<b>Total</b>	<b><u>1.1099</u></b>	<b><u>1.0982</u></b>	<b><u>1.0928</u></b>	<b><u>1.1292</u></b>

**Note:** Rates are percentage of total assessed value

**Source:** Alameda County Office of the Auditor-Controller



<b>Fiscal Year Ending June 30</b>					
<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>
<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>
<b>0.0854</b>	<b>0.0721</b>	<b>0.0756</b>	<b>0.0777</b>	<b>0.0809</b>	<b>0.0891</b>
<b>0.0158</b>	<b>0.0159</b>	<b>0.0164</b>	<b>0.0183</b>	<b>0.0195</b>	<b>0.0211</b>
<b>0.0130</b>	<b>0.0151</b>	<b>0.0150</b>	<b>0.0169</b>	<b>0.0203</b>	<b>0.0250</b>
<b>0.0048</b>	<b>0.0050</b>	<b>0.0076</b>	<b>0.0090</b>	<b>0.0057</b>	<b>0.0031</b>
<b>0.0235</b>	<b>0.0085</b>	<b>0.0080</b>	<b>0.0100</b>	<b>0.0108</b>	<b>0.0084</b>
<b>1.1425</b>	<b>1.1166</b>	<b>1.1226</b>	<b>1.1319</b>	<b>1.1372</b>	<b>1.1467</b>

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

2011			2001		
Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Kaiser Foundation Health Plan	\$ 240,191,871	1.46%	WB Bernal LLC	\$144,277,322	1.49%
Stoneridge Properties	230,917,791	1.40%	Stoneridge Properties	142,233,368	1.47%
Pleasant Property LLC	208,886,061	1.27%	PeopleSoft Properties Inc.	130,597,296	1.35%
6200 Stoneridge Mall Road Investors	190,915,741	1.16%	Carr Realty Corporation	122,808,449	1.27%
Metropolitan Life Insurance Co	159,321,211	0.97%	National Office Partners LP	88,080,700	0.91%
NNN Britannia Business 1 LLC	135,527,972	0.82%	Clorox Services Company	80,507,727	0.83%
Safeway, Inc	131,035,985	0.80%	Excel Realty Trust Inc.	73,048,153	0.76%
Stoneridge Residential LLC	128,321,955	0.78%	PeopleSoft Inc.	72,200,225	0.75%
Applera Corporation	127,400,641	0.77%	Lease Plan North America	68,318,565	0.71%
PeopleSoft Properties	120,119,380	0.73%	Security Capital Pacific Trust	62,828,963	0.65%
	<u>\$1,672,638,608</u>	<u>10.16%</u>		<u>\$984,900,768</u>	<u>10.19%</u>

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

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

<u>Fiscal Year Ended June 30</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collection within the Fiscal Year of Levy</u>		<u>Delinquent Tax Collections</u>
		<u>Amount</u>	<u>Percent of Levy</u>	
2002	\$29,208,610	\$28,677,731	98.18%	\$692,648
2003	32,064,712	30,670,848	95.65%	932,823
2004	33,131,453	32,706,909	98.72%	1,000,586
2005	41,714,177	40,792,806	97.79%	886,402
2006	44,899,643	44,721,215	99.60%	955,480
2007	52,176,573	50,841,540	97.44%	856,922
2008	55,187,206	52,552,853	95.23%	1,342,062
2009	55,938,376	53,700,031	96.00%	2,219,607
2010	53,217,192	50,776,973	95.41%	2,281,671
2011	52,430,338	51,798,923	98.80%	1,515,544

Note: Total Tax Levy includes estimated Unitary Tax, estimated supplemental assessments, home owners' exemptions, In Lieu Vehicle License Fees and In Lieu Sales and Use Tax. Educational Revenue Augmentation Fund payments have been deducted from the Total Tax Levy beginning in Fiscal Year 1992-93.

Note: Delinquent Tax Collections in subsequent years is based on revenues received from the County of Alameda in the fiscal year. The City does not receive information from the County that specifies the amounts with the levied year. The Delinquent Tax Collections include penalties and interest assessed on the previously unpaid amounts.

Source: Alameda County Office of the Auditor-Controller

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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, 2011**

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

**Pledged-Revenue Coverage - Last Ten Fiscal Years**

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

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>			
	<b>General Obligation Bonds</b>	<b>Certificates of Participation</b>	<b>Notes &amp; Mortgage Payable</b>	<b>Total Governmental Activities</b>
<b>2002</b>	<b>\$0</b>	<b>\$9,985,000</b>	<b>\$0</b>	<b>\$9,985,000</b>
<b>2003</b>	<b>0</b>	<b>34,180,000</b>	<b>0</b>	<b>\$34,180,000</b>
<b>2004</b>	<b>0</b>	<b>33,360,000</b>	<b>0</b>	<b>\$33,360,000</b>
<b>2005</b>	<b>0</b>	<b>31,890,000</b>	<b>75,000</b>	<b>\$31,965,000</b>
<b>2006</b>	<b>0</b>	<b>30,560,000</b>	<b>1,595,000</b>	<b>\$32,155,000</b>
<b>2007</b>	<b>0</b>	<b>29,215,000</b>	<b>1,595,000</b>	<b>\$30,810,000</b>
<b>2008</b>	<b>0</b>	<b>27,830,000</b>	<b>1,822,487</b>	<b>\$29,652,487</b>
<b>2009</b>	<b>0</b>	<b>26,405,000</b>	<b>5,242,487</b>	<b>\$31,647,487</b>
<b>2010</b>	<b>0</b>	<b>25,110,000</b>	<b>4,712,487</b>	<b>\$29,822,487</b>
<b>2011</b>	<b>0</b>	<b>23,780,000</b>	<b>2,682,487</b>	<b>\$26,462,487</b>

<b>Business-Type Activities</b>						
<b>Sewer Revenue Bonds</b>	<b>Water Revenue Bonds</b>	<b>Notes Payable</b>	<b>Capital Lease</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Debt Per Capita</b>
\$4,558,086	\$5,543,387	\$505,997	\$0	\$20,592,470	0.6%	\$316.06
4,120,930	4,970,738	473,239	0	\$43,744,907	1.3%	\$663.19
3,609,968	4,368,019	438,318	0	\$41,776,305	1.2%	\$625.51
3,660,000	3,595,000	401,173	697,844	\$40,319,017	1.0%	\$601.34
3,120,000	2,945,000	361,499	567,545	\$39,149,044	n/a	\$581.53
2,575,000	2,300,000	319,204	448,682	\$36,452,886	n/a	\$537.07
2,010,000	1,645,000	274,117	296,531	\$33,878,135	n/a	\$494.09
1,415,000	975,000	226,105	149,158	\$34,412,750	n/a	\$495.95
840,000	825,000	174,875	0	\$31,662,362	n/a	\$451.38
685,000	0	120,263	316,939	\$27,584,689	n/a	\$390.10

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

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>			<b>Percent of Assessed Value</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Tax Allocation Bonds</b>	<b>Total</b>		
2002	\$0	\$0	\$0	0.000%	0
2003	0	0	0	0.000%	0
2004	0	0	0	0.000%	0
2005	0	0	0	0.000%	0
2006	0	0	0	0.000%	0
2007	0	0	0	0.000%	0
2008	0	0	0	0.000%	0
2009	0	0	0	0.000%	0
2010	0	0	0	0.000%	0
2011	0	0	0	0.000%	0



**City of Pleasanton**  
**Direct and Overlapping Debt**  
**For the year ended June 30, 2011**

2010/11 Net Assessed Valuation \$17,081,179,074

Overlapping Tax and Assessment Debt:	Percentage Applicable (1)	Outstanding Debt 06/30/11	Estimated Share of Overlapping Debt
Bay Area Rapid Transit District	3.925%	\$413,865,000	\$16,244,201
Chabot-Las Positas Community College District	22.110%	454,819,320	100,560,552
Dublin Joint Unified School District	0.008%	195,200,908	15,616
Livermore Valley Joint Unified School District	2.131%	103,355,000	2,202,495
Pleasanton Unified School District	97.281%	87,984,429	85,592,132
Sunol Glen Unified School District	0.001%	1,194,789	12
East Bay Regional Park District	6.083%	153,990,000	<u>9,367,212</u>
Total Overlapping Tax and Assessment Debt:			<u>\$213,982,220</u>
<b>Ratios to Assessed Valuation:</b>			
Total Overlapping Tax and Assessment Debt	1.25%		
<b>Direct and Overlapping General Fund Debt:</b>			
Alameda County General Fund Obligations	10.127%	\$711,512,000	\$72,054,820
Alameda County Pension Obligations	10.127%	154,584,741	15,654,797
Chabot-Las Positas Community College District Certificates of Participation	22.110%	4,495,000	993,845
Pleasanton Unified School District Certificates of Participation	97.281%	17,510,000	17,033,903
City of Pleasanton Certificates of Participation	100.000%	23,780,000	<u>23,780,000</u>
Total Direct and Overlapping General Fund Debt:			<u>129,517,365</u>
Combined Total Debt			<u>\$343,499,585 (2)</u>
Total Direct Debt			\$23,780,000
Total Overlapping Debt			<u>319,719,585</u>
Combined Total Debt			<u>\$343,499,585</u>

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

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

**Ratios to Assessed Valuation:**

Combined Direct Debt (\$23,780,000)	0.14%
Combined Total Debt	2.01%

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

Source: California Municipal Statistics, Inc.

**City of Pleasanton  
Legal Debt Margin  
Last Ten Fiscal Years**

	<b>Fiscal Year Ending June 30</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Net Assessed Valuation</b>	<b>\$ 10,925,666,346</b>	<b>\$ 11,690,064,729</b>	<b>\$ 12,472,001,447</b>	<b>\$ 13,208,821,529</b>
<b>Conversion Percentage for Calculation of Debt Limit</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>
<b>Adjusted Assessed Valuation</b>	<b>2,731,416,587</b>	<b>2,922,516,182</b>	<b>3,118,000,362</b>	<b>3,302,205,382</b>
<b>Debt Limit Percentage</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>Legal Debt Limit</b>	<b>\$ 409,712,488</b>	<b>\$ 438,377,427</b>	<b>\$ 467,700,054</b>	<b>\$ 495,330,807</b>
<b>Amount of Debt Subject to Limit</b>	<b>970,000</b>	<b>505,000</b>	<b>-</b>	<b>-</b>
<b>Legal Debt Margin</b>	<b>\$ 408,742,488</b>	<b>\$ 437,872,427</b>	<b>\$ 467,700,054</b>	<b>\$ 495,330,807</b>
<b>Total Debt Applicable to Limit as a Percentage of Debt Limit</b>	<b>0.24%</b>	<b>0.12%</b>	<b>0.00%</b>	<b>0.00%</b>

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

<b>Fiscal Year Ending June 30</b>					
<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>\$ 14,220,963,928</b>	<b>\$ 15,455,940,826</b>	<b>\$ 16,520,291,133</b>	<b>\$ 17,372,884,460</b>	<b>\$ 17,398,703,467</b>	<b>\$ 17,081,179,074</b>
<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>
<b>3,555,240,982</b>	<b>3,863,985,207</b>	<b>4,130,072,783</b>	<b>4,343,221,115</b>	<b>4,349,675,867</b>	<b>4,270,294,769</b>
<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>\$ 533,286,147</b>	<b>\$ 579,597,781</b>	<b>\$ 619,510,917</b>	<b>\$ 651,483,167</b>	<b>\$ 652,451,380</b>	<b>\$ 640,544,215</b>
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>\$ 533,286,147</b>	<b>\$ 579,597,781</b>	<b>\$ 619,510,917</b>	<b>\$ 651,483,167</b>	<b>\$ 652,451,380</b>	<b>\$ 640,544,215</b>
<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**City of Pleasanton**  
**Pledged-Revenue Coverage for the Sewer and Water Funds**  
**Last Ten Fiscal Years**

Sewer Revenue Bonds							
Fiscal Year Ended June 30	Sewer Revenues*	Less Operating Expenses*	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2001/02	\$ 11,271,807	\$ 9,245,473	\$ 2,026,334	\$ 431,395	\$ 471,261	\$ 902,656	2.24
2002/03	11,331,746	9,308,075	2,023,671	436,156	183,963	620,119	3.26
2003/04	11,276,659	9,288,015	1,988,644	505,018	152,830	657,848	3.02
2004/05	11,317,202	9,399,929	1,917,273	473,020	190,028	663,048	2.89
2005/06	11,312,597	9,698,298	1,614,299	540,000	102,472	642,472	2.51
2006/07	11,681,865	10,048,466	1,633,399	545,000	88,744	633,744	2.58
2007/08	11,813,279	10,029,648	1,783,631	565,000	73,500	638,500	2.79
2008/09	10,944,451	9,605,229	1,339,222	595,000	56,434	651,434	2.06
2009/10	10,949,878	9,500,116	1,449,762	575,000	37,163	612,163	2.37
2010/11	11,360,283	9,602,747	1,757,536	155,000	24,638	179,638	9.78

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

**Source:** City of Pleasanton, Finance Department

**Demographic and Economic Information**

**Demographic and Economic Statistics - Last Ten Calendar Years**

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

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

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

<b>Fiscal Year</b>	<b>Population As of 1/1 (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Unemployment Rate (3)</b>
01/02	65,961	\$ 3,206,276,673	\$ 48,455	3.2%
02/03	66,788	3,314,652,042	49,473	3.3%
03/04	67,049	3,518,132,000	52,471	2.9%
04/05	67,321	3,865,229,000	57,415	2.5%
05/06	67,873	4,205,545,000	61,962	2.2%
06/07	68,567	4,427,598,000	64,573	2.3%
07/08	69,388	3,913,652,000	56,402	3.1%
08/09	70,145	3,629,630,000	51,745	5.4%
09/10	70,711	N/A	N/A	5.8%
10/11	71,534	N/A	N/A	5.5%

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

- Sources:**
- (1) Leadership Pleasanton (California Department of Finance, Demographic Research)
  - (2) California Franchise Tax Board / U S Dept of Commerce, Bureau of Economic Analysis
  - (3) California Employment Development Department, Labor Market Information Division

**City of Pleasanton  
Principal Employers  
Current Year and Ten Years Ago**

Employer	2011		Employer	2001	
	Number of Employees	Percent of Total Employment		Number of Employees	Percent of Total Employment
Kaiser Permanente	3,638	6.94%	PeopleSoft*	4,500	7.64%
Safe way Inc.	3,300	6.30%	Providian Financial	2,267	3.85%
Oracle	1,510	2.88%	A T & T	1,700	2.88%
Pleasanton Unified School Dist.	1,117	2.13%	Pleasanton Unified School Dist.	1,300	2.21%
Valley Care Medical Center	1,075	2.05%	Safe way*	1,000	1.70%
Macy's	984	1.88%	Pro Business	950	1.61%
State Fund Compensation Ins.	650	1.24%	Valley Care Medical Center	925	1.57%
Ross Dress for Less Inc.	631	1.20%	Robert Half International*	851	1.44%
EMC Corporation	574	1.10%	Macy's	800	1.36%
City of Pleasanton <sup>(1)</sup>	459	0.88%	Pacific Bell Mobile Services	735	1.25%
Workday Inc.	451	0.86%	Farmer's Insurance	700	1.19%
Thoratec Corporation	432	0.82%	Commerce One	661	1.12%
Hendrick Automotive (Auto Mall)	422	0.81%	Charles Schwab & Co. Inc.	575	0.98%
Roche Molecular Systems Inc.	416	0.79%	Documentum*	550	0.93%
A T & T	367	0.70%	Clorox Technical Center	544	0.92%

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

Sources: City of Pleasanton Economic Development Department

<sup>(1)</sup> Includes City of Livermore fire personnel in Livermore Pleasanton Joint Powers Authority.

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

Function	<u>Full-Time and Part-Time and Limited Term Employees as of June 30</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government	44	44	44	44	44	45	45	45	45	41
Public Safety (1)	183	182	182	182	185	187	186	186	180	180
Community Development	20	20	18	18	20	20	22	60	49	50
Operations Services (2)	91	89	76	76	76	75	76	36	32	63
Community Activities (2)	86	86	85	85	85	85	85	87	83	48
Utilities	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>37</u>	<u>32</u>	<u>32</u>
<b>Total</b>	<u><u>459</u></u>	<u><u>456</u></u>	<u><u>440</u></u>	<u><u>440</u></u>	<u><u>445</u></u>	<u><u>447</u></u>	<u><u>449</u></u>	<u><u>451</u></u>	<u><u>421</u></u>	<u><u>414</u></u>

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

(2) In 2010-11 Parks Division was transferred from Community Activities to Operations Services.

Source: City of Pleasanton Budget



## **Operating Information**

**Operating Indicators by Function - Last Ten Fiscal Years**

**Capital Asset Statistics by Function - Last Ten Fiscal Years**

**City of Pleasanton**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	Fiscal Year Ending June 30			
	2002	2003	2004	2005
<b>Police:</b>				
Arrests	2,574	3,000	2,450	2,401
Parking Citations Issued	1,447	1,712	1,866	1,398
Administrative Citations Issue	125	84	210	99
<b>Fire:</b>				
Number of Responses (Pleasanton only)	3,833	4,011	4,055	4,256
Number of Inspections (Pleasanton only) <sup>(1)</sup>	447	1,003	923	1,181
<b>Library:</b>				
Annual Circulation	845,266	969,833	969,483	1,047,607
Gate Count (# of people through the doors)	425,081	467,867	467,696	465,978
<b>Economic Development:</b>				
Business Licenses Issued	7,828	8,272	9,362	10,529
<b>Parks &amp; Community Services:</b>				
Paratransit Trips	22,560	23,717	24,867	22,898
Golf Rounds Played	-	-	-	-
Aquatics Youth Programs (No. of Participants)	9,193	8,235	16,523	17,364
Youth Sports, Camps, Classes and Leagues (No. of Participants)	N/A	6,556	5,639	7,039
Audiences & Performers at Amador Theater & Firehouse Arts Center	68,805	69,200	70,400	70,195
<b>Building Department:</b>				
Plan checks	941	982	1,131	1,217
Permits Issued	6,553	6,684	7,473	7,314
<b>Operations Services:</b>				
Streets Resurfacing (miles)	11.0	12.0	13.0	11.0
Utility Bills Generated	122,094	123,750	128,172	128,256
New Water Connections	182	204	283	279
Gallons Delivered (in million gallons/day)	5.7 mgd	5.7 mgd	6.3 mgd	5.5 mgd
New Sewer Connections	310	213	325	258

<sup>(1)</sup> Number of inspections reflect data available for fire inspection 1/1/02 - 6/30/02. Only CUPA inspections recorded, no HazMat field inspection data

<b>Fiscal Year Ending June 30</b>					
<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
2,281	2,414	2,563	2,772	2,970	3,283
1,285	1,175	1,019	911	1,133	1,634
181	129	150	92	108	144
4,547	4,886	5,129	5,007	4,952	
1,465	1,701	1,604	1,269	861	988
1,109,541	1,237,543	1,303,995	1,433,876	1,475,666	1,465,716
459,138	472,633	498,614	530,738	552,779	562,757
10,933	9,206	9,368	8,783	9,067	8,534
20,974	19,122	18,656	22,122	20,393	17,506
45,229	73,365	72,092	68,294	63,591	58,559
16,002	16,838	17,756	21,185	21,982	23,907
9,299	11,755	12,782	12,683	13,400	13,580
66,354	70,900	42,500	50,100	28,380	43,048
1,110	989	438	707	867	924
7,224	5,616	3,705	2,605	2,374	2,922
10.0	10.0	9.0	9.0	6.0	11.5
128,838	131,027	131,290	131,500	134,651	132,141
180	113	52	21	26	44
6.0 mgd	5.9 mgd	5.8 mgd	5.5 mgd	5.2 mgd	4.2 mgd
201	185	65	24	26	82

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

	<b>Fiscal Year Ending June 30</b>				
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Police:</b>					
Stations	1	1	1	1	1
<b>Fire:</b>					
Stations (Pleasanton only)	4	4	5	5	5
<b>Library:</b>					
Branches	1	1	1	1	1
<b>Parks &amp; Community Services:</b>					
Acres of Parks Maintained	338	338	351	378	378
Municipal Golf Courses	-	-	-	-	1
Aquatic Centers	1	1	1	1	1
Senior Centers	1	1	1	1	1
<b>Operations Services:</b>					
Streets ( miles)	189	189	194	194	198
Streetlights	5,114	5,136	5,208	5,209	5,311
Traffic Signals	75	79	80	86	87
<b>Water:</b>					
Water mains (miles)	303	306	310	313	314
Pumping Capacity (gallons/day)	35.9M	35.9M	35.9M	37.0 M	37.0M
<b>Wastewater:</b>					
Sanitary Sewers (miles)	239	241	245	248	249
Storm Sewers (miles)	175	176	179	182	183

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

**Fiscal Year Ending June 30**

<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
1	1	1	1	1
5	5	5	5	5
1	1	1	1	1
378	385	385	385	385
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
206	206	206	206	206
5,320	5,379	5,992	6,007	6,007
92	93	93	93	93
318	318	320	320	321
37.0M	37.0M	37.0M	32.0M	30.0M
253	253	255	255	255
188	188	191	192	192

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