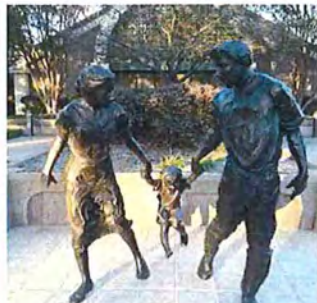


# COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017 CITY OF PLEASANTON, CALIFORNIA



# City of Pleasanton

Pleasanton, California

*Comprehensive Annual Financial Report*

*For the year ended June 30, 2017*

*Prepared by the Finance Department*

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# City of Pleasanton

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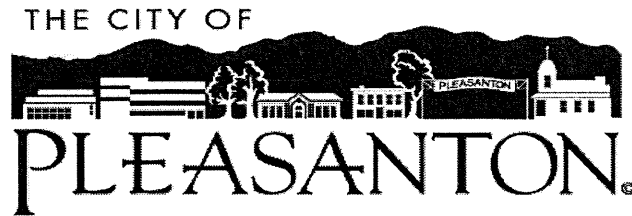
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To the Honorable Mayor, Members of the City Council  
and Citizens of the City of Pleasanton:

December 15, 2017

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2017. 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, 2017.

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

Maze and Associates Accountancy Corporation (Maze and Associates), a firm of licensed certified public accountants, has audited the City of Pleasanton's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Pleasanton for the fiscal year ended June 30, 2017, 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. Maze and Associates, the independent auditor, concluded based on the audit that there was a reasonable basis for rendering an unmodified opinion that the City of Pleasanton's financial statements for the fiscal year ending June 30, 2017, 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. Maze and Associates will issue the Single Audit in March of 2018. However, Maze and Associates will issue the Memorandum of Internal Control (MOIC) with the City's CAFR and will issue an update to the MOIC, if necessary, when they issue the Single Audit in March of 2018.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This



letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Pleasanton's MD&A can be found immediately following the independent auditor's report in the financial section of this report.

## **Profile of the Government**

The City of Pleasanton was incorporated on June 18, 1894. Pleasanton's history has been shaped largely by its geographic location, from its days as a stop on the transcontinental railroad to its modern day position as a center of commerce at the intersection of interstate freeways 580 and 680. Pleasanton enjoys a rich blend of historic turn-of-the-century charm and vital modern facilities that provide the quality of life and economic well-being desired by residents and businesses. This successful balance has been achieved through Pleasanton's active and involved citizenry, strong community leadership and committed City government.

Pleasanton occupies a land area of 24.2 square miles and serves a residential population of 75,365. Pleasanton is a full service general law city providing police, fire, sewer, water, street, parks, support services, economic development, community development (planning, building and inspection services), community services (recreation, sports, senior center, preschool, etc.) and library services. The City operates under the Council-Manager form of government, with four Council members elected at-large for staggered four-year terms and the Mayor elected for a two-year term. The Council appoints the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and appointing department directors.

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

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

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

## Assessing the City's Economic Condition

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

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

Pleasanton's business community consists of more than 55,000 employees working within the more than 22 million square feet of commercial, office and industrial space throughout the City. Pleasanton boasts five distinct business parks, among them the nationally recognized Hacienda Business Park. Businesses indicate that they are attracted to Pleasanton for the highly educated and skilled workforce. In addition to the diversified regional labor force, the Pleasanton area has a good base of executive, managerial, and professional people giving employers access to people with a wide range of skill levels including one of the nation's largest concentrations of scientific and engineering talent. In 2017, Pleasanton had one of the highest median household incomes in the nation (in cities with populations from 65,000 to 249,999) at approximately \$145,000.

We are pleased to say, Pleasanton's economy has fully recovered from the Great Recession:

- Median home prices values in 2017 were \$1,090,000 which is \$246,000 or 29% greater than they were in 2005 or the highest pre-recession year for Pleasanton's home values.
- The unemployment rate remains at 3.3%, down from a high of 8.8% in 2010.
- Office vacancies are 6.3%, down from 18.5% in 2011.

### Commercial Office Activity

At the end of 2016, the total office market vacancy rate for the Tri-Valley closed the year at 9.3%, the first time in fifteen years the year-end rate settled below 10%. Net absorption for the year was a positive 744,072 square feet across all categories of space, which was coupled with robust sales activity. Of note, the 2016 July-August-September quarter was significant for its more than 752,000 square feet of Class A space absorption; much of Pleasanton's share came from Ellie Mae's expansion at Rosewood Commons, bringing the company's total footprint at the campus to 280,000 square feet. Across the Tri-Valley, tenant demand was driven largely by a few industry sectors that are well represented in Pleasanton's commercial community: the greatest demand was in Healthcare & Medical Devices, followed by Business Services, Technology, and Legal, Finance & Insurance.

In Pleasanton, the office vacancy rate at the end of 2016 was 6.3% as compared to the 8.8% vacancy rate at the same time one year earlier. Contributing significantly to this decrease was a drop of 4% in Class A office space vacancy, demonstrated by Rosewood Commons' reported decrease from 36% vacancy (365,058 square feet) at the start of 2016 to a 7.4% vacancy (74,750 square feet) at the end of 2016. Also at the campus, Allergan's purchase of Zeltiq led the company to lease 37,101 square feet, taking the entire fourth floor of 4410 Rosewood Drive. Additional activity was generated by a complete renovation of the

on-site conference center, which has served to attract major regional events to Pleasanton. This is a successful conclusion to the campus's repositioning by Swift Real Estate Partners over the past two years.

Pleasanton's amenities – affordable office and flex space relative to other Bay Area markets with free parking, freeway and BART access and proximity to housing and labor pools – continued to support a healthy, albeit slower, real estate market trend of rising rents and continued vacancy erosion during the first half of 2017. As a result, at the mid-point of 2017, Class A weighted average asking rents were at \$2.93 full service gross, up \$0.08 from the same time in 2016, while Class B weighted average asking rents stood at \$2.53 full service gross, up \$0.10 from one year ago.

The Stoneridge Shopping Center commercial area continued to garner additional investment by Workday Inc. as the company leased an additional 18,669 square feet at Pleasanton Corporate Commons, bringing its total footprint at that project to approximately 300,000 square feet. In mid-2016, Workday also purchased 205,051 square feet from Albertsons (formerly Safeway) when it purchased 5928 Stoneridge Mall Road in the Centerpointe office campus. It is expected that Workday will vacate its leased footage at Pleasanton Corporate Commons once construction is complete on its 410,000 square foot, 5-story building between the West Dublin/Pleasanton BART station and the 5-building Stoneridge Corporate Plaza it purchased in 2013. The design includes traffic, pedestrian and design site improvements to the area that creates an entryway to the BART station and a police substation in the parking garage. This collection of buildings and related amenities will be fully integrated to create the company's headquarters campus, estimated for completion in mid-2018. Workday's general confidence in Pleasanton, and its investment in this area of the city, has served as a catalyst for additional redevelopment. For example, investors purchased the adjacent Sheraton hotel in mid-2017 with plans to renovate the property under the AC Marriott flag in 2018 to leverage the travel activity created by Workday's training programs.

Pleasanton's life sciences sector continued to grow as several new companies joined long-term industry performers. Moving into the fiscal year, Abbott Laboratories purchased St. Jude Medical (which had previously purchased Pleasanton-headquartered Thoratec) for \$25 billion, bringing together two manufacturers of devices for cardiovascular disease. Other noteworthy activity included Roche Molecular Systems' construction on its new 70,700 square foot administration building to bring its campus to 384,000 square feet; manufacturer of breath analysis devices for respiratory disease diagnosis and management, Spirometrix, expansion into 6,683 square feet; medical device manufacturer NeoTract's lease renewal of 28,823 square feet; analytical instrument manufacturer Purigen Biosystems' lease of 16,165 square feet; medical aesthetic devices manufacturer Solta Medical (a Valeant Pharmaceuticals company) lease of 7,442 square feet; Providence Medical Technology's lease of 17,451 square feet; and Gritstone Oncology's leasing of a 42,620 square feet building at Saratoga Center and commenced building out its state-of-the-art biomanufacturing facility as it creates personalized cancer immunotherapy treatments.

Pleasanton's technology sector sustained its strength, as smaller tenants took advantage of the healthy economic climate to expand their presence in the city and on the national scene. Two leading examples: soon after leaving the I-GATE innovation hub for commercial space in Pleasanton, startup AEye raised \$16 million in Series A financing led by Kleiner Perkins Caufield & Byers for its combination of Lidar along with computer vision technology for autonomous vehicles; and Safe Traces – a Pleasanton-based startup developing edible bar codes for food safety – secured \$6.5 million in Series A funding led by Omidyar Network. Other transactional activity in the tech sector included the addition of OpenText as it leased 31,816 square feet of Class A space; renewal of 9,342 square feet for Workday services partner, DayNine Consulting; and recruiting firm Deploy HR's lease of 6,845 square feet. At the same time, Pleasanton's larger technology companies continued to demonstrate their successful growth trajectories. Ellie Mae, the leading cloud-based platform provider for the mortgage finance industry, was named to Deloitte's Technology Fast 500, a ranking of the 500 fastest growing technology, media,

telecommunications, life sciences and energy tech companies in North America, as the company's operating revenue increased 180% from 2013 to 2016. And Veeva Systems was ranked as the #1 up-and-coming challenger in the Fortune Future 50 list of U.S. companies poised for breakout growth, following its recent inclusion on Fortune 100 Fastest-Growing Companies and Forbes Fast Tech 25.

Implementation of the Johnson Drive Economic Development Zone program continued. Following an unsuccessful ballot measure in late 2016 that would have limited the size of individual building footprints within the zone, staff moved forward with preparing the proposed zoning changes to include warehouse retail and other large format retailers along with hotels/lodging properties, finalizing required environmental documentation, and developing a financing plan through which the City along with immediate and future tenants would pay for needed transportation infrastructure improvements. The final approvals of the JDEDZ will be considered by the Planning Commission and City Council in late 2017; approvals of the project are anticipated to bring development applications for the warehouse retail and hotels in early 2018.

#### Retail Activity

Pleasanton continues to maintain a solid retail position within the Tri-Valley, with sales tax revenues of \$23.3 million for FY2016/17. However, increasing competition from other Tri-Valley cities has begun to detract from Pleasanton retailers. Citywide retail space vacancy remains low at less than 10% which still allows some room for new additions to meet the community's ongoing demand for retail, although as current shopping center footprints become more dated these spaces and newer spaces are being built nearby, Pleasanton's retail spaces could become less desirable. Stoneridge Shopping Center continues to serve the regional market and throughout the fiscal year opened several new stores to entice patrons to visit more often, stay longer and increase per person spending. The center's owners – Simon Property Group – has expressed interest in adding additional shopping, dining and entertainment. The current development agreement outlines existing entitlement for more than 250,000 square feet of such uses. Given the synergy created by Workday in the area, Staff anticipates Simon will submit an application for improvements to the mall in 2018.

Neighborhood shopping centers within the city are also benefitting from investment by property owners; one notable example is the façade renovation program at Rosewood Pavilion by property owner Brixmor to build on the momentum generated by the relocation of Trader Joe's to the center. In east Pleasanton, the newly constructed mixed-use project Vintage added 345 apartments to the city, along with 39,000 square feet of on-site retail offering a CVS, Starbucks, Orange Theory Fitness and independent craft beer tap house.

The 112,000 square foot Pacific Pearl community shopping center that was under construction in the previous fiscal year is now largely completed, and will be anchored by 99 Ranch Market complemented by 20-30 restaurants, retail, and service businesses. At mid-2017, the center was more than 70% leased and tenant improvements are underway at many of those spaces. Pacific Pearl is strategically positioned to attract local and regional shoppers given a population of more than 4.5 million within a 30-mile radius of the center, as well as the more than 9 million annual visitors to the adjacent San Francisco Premium Outlets in Livermore.

Activity among Pleasanton's auto dealerships continues throughout 2017, as evidenced by their inclusion among the City's top 25 sales tax revenue generators. At Pleasanton Auto Mall, upgrades to the Mini and BMW facilities were completed in the previous fiscal year, and construction on a new 83,000 square foot Lexus showroom and service facility neared completion in mid-2017. On the Staples Ranch site, both the Chrysler Jeep Dodge and CarMax dealerships now show a full fiscal year of sales tax revenues to the city, and are contributing satisfactorily to the City's revenues. City staff continues efforts to attract additional

auto dealerships to the remaining auto mall-zoned portion of the property (approximately 15 acres), although there is competition between neighboring cities for brands unrepresented in the Tri-Valley.

The current retail vacancy rate in downtown Pleasanton is also steadily less than 10% with a few Main Street locations available at mid-2017. Despite the increase in online shopping, downtown Pleasanton retailers are uniquely positioned to provide personalized service and experiences to keep patrons shopping at local brick-and-mortar shops, and City and Pleasanton Downtown Association staff work collaboratively to support their efforts and attract patrons to downtown. A few key property owners focused on repositioning and redeveloping their tenant spaces, while two long-awaited projects were given the green light: the construction of a 2-story restaurant/retail building at 725 Main Street, and issuance of permits to rebuild a restaurant at 30 West Angela Street. Several new establishments joined the downtown scene in existing inline spaces, reinforcing downtown's place as the community's social gathering space: Peet's Coffee & Tea and Prime Poke opened alongside the recent addition Almare Gelato at the southern end of Main Street, while Rita's Italian Ice and Andy & Yu's joined Beer Baron to bring more activity to St. Mary Street. Downtown also benefited from the recent ice cream and pizza trends, welcoming Icicles and Namaste Pizza to the district. Even with some retail rents approaching \$3.00 per square foot, downtown Pleasanton is still a sought-after destination.

#### Other Business Activity

Indicators continue to demonstrate robust commercial activity in Pleasanton. For example, the number of jobs has again exceeded 55,000 across all employers in the city. In addition, the revenues from more than 9,800 business licenses – based on gross receipts – was its highest at \$4 million for the fiscal year. Similarly, downtown business improvement district assessment revenues – based on gross receipts factored by location within the downtown district – have been slowly increasing, providing more than \$68,000 annually to support the Pleasanton Downtown Association. Transient occupancy tax revenues reached a high mark of more than \$6 million for the fiscal year.

Offering additional validation of the city's successful commercial climate, Pleasanton-based investment management firm Mirador Capital Partners offered a broader perspective on commercial success during FY2016/17: In 2016, the company launched the Mirador Tri-Valley Index (MTVX), a composite index comprised of the publicly traded companies located within the immediate Tri-Valley, to help to demonstrate the value of the region's companies; its 2017 The Mirador View report showed that the MTVX would have outperformed the S&P 500 (equally-weighted) by over 25% over the last five years, and over 12% over the last ten years.

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

The City's General Plan is the official document used by City decision makers and citizens to guide the long-range development of land and conservation of resources as the City grows and changes. It is the City's "constitution" for all future development, containing goals, policies and maps. The most recent General Plan was adopted in July 2009 and the City's Housing Element was adopted on January 6, 2015, and certified by the State Housing and Community Development Department on January 30, 2015. The Housing Element identified sites which had been zoned for multifamily development in 2012, several of which have projects currently under construction or nearing completion. In FY 2016/17 the following major housing development projects were under construction or completed: The SummerHill project (Andares) at 5850 W. Las Positas Boulevard with 94 residential condo units (40 units completed); Kottinger Gardens at 240 – 258 Kottinger Drive which includes demolition of 90 existing units and construction of 185 senior units in apartment buildings and cottages (51 cottage units completed); and Sunrise Senior Living at 5700 Pleasant Hill Road, a 103 bed senior assisted living facility. Other housing development projects approved in FY2016/17 and will commence construction in FY2017/18 include: Irby Ranch a 87 unit single family home development at 3780 Stanley Boulevard and Valley Trails

(Ponderosa Homes) a 36 unit single family home development at 6900 Valley Trails Drive. In addition, there are several in-fill residential projects under construction during FY 2016/17. Many of these housing units are coming on line for occupancy starting in FY 2017/18.

### **Major City Sponsored Initiatives**

In addition to construction activity underway in the private sector, the City completed the following major construction and technology projects in FY 2016/17 that improved the City's infrastructure and facilities and enhanced business processes with contemporary technology:

- Recycled Water Infrastructure
- Valley Avenue Recycled Water
- Cubby Dog Park
- Stanley Boulevard Reconstruction and Utility Undergrounding
- Bernal Bridge Painting
- Veteran's Memorial at Pioneer Cemetery
- Various Street Resurfacing and Street Signal projects
- Automated Water Meter Infrastructure Upgrade
- Utility Billing system conversion
- Recreation billing and scheduling system conversion
- Implementation of the budget, payment card, and cashiering modules of the City's Enterprise Resource Program (ERP)

In addition, the City began the following major construction and planning projects in FY 2016/17:

- Downtown Plan update
- Two new Lighted Tennis Courts
- Fire Stations #2 and #3 Designs
- Pioneer Cemetery Storage Area Improvements
- Design of Second Bernal Bridge

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

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

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

Consistent with the City Council policy adopted in October of 2016, the City maintains a reserve at least equal to 20% of operating expenses in the General Fund<sup>1</sup>, currently totaling \$22.6 million at June 30, 2017. The City also has a total \$46.6 million in capital project reserves and fund balances available for future projects, and \$24.2 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

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<sup>1</sup> In October of 2017, the City Council adopted a new reserve policy that requires the General Fund to maintain minimum reserves equal to 20% of operating expenses and target reserves equal to 25% of operating expenses. The General Fund reserve at FY 2016/17 year-end equals 22.2% of operating expenses.

renovation of equipment, vehicles, parks and facilities, excluding the City's net pension liability. Finally, the City has reserves set aside for retiree medical benefits<sup>2</sup> of \$21.1 million. If needed, these reserves could be drawn upon temporarily to sustain operations during a prolonged economic downturn or until the City could make operational changes to fit the constraints of its resources. While the City's financial policies require that one-time funds be used for one-time purposes, they do allow the temporary use of surplus fund balances to help stabilize services in the event of an emergency situation such as after a major earthquake. If any of these reserves were drawn upon for stabilization of services, the goal would be to begin restoring them as soon as possible.

Through June 30, 2017, the City has allocated a total of \$27.3 million to prefund pension related liabilities. These contributions demonstrate the City's commitment to reduce its pension related liabilities which will help reduce increases to the City's annual payments to CalPERS required to pay down the City's pension liability.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pleasanton for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This was the twentieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

### **Acknowledgments**

The preparation of the CAFR was made possible through the dedicated work of all members of the Finance Department. We would like to extend special thanks and acknowledgment to Diane Punzo and Nicholas Johnson who were primarily responsible for managing the year-end closing of the City's books and preparing the CAFR. Other contributing staff include: Charly Yang, John Furtado, Karen Chang, Steven Lam, Margaret Lyons, Annette Gibson, Becky Perry, and Raquel Zegarra.

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

Respectfully submitted,



Tina Olson  
Director of Finance



Nelson Fialho  
City Manager

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<sup>2</sup> Includes both LPPD and City of Pleasanton Retiree Insurance Reserve Funds.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Pleasanton  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



**CITY OF PLEASANTON**

**LISTING OF PUBLIC OFFICIALS  
AS OF JUNE 30, 2017**

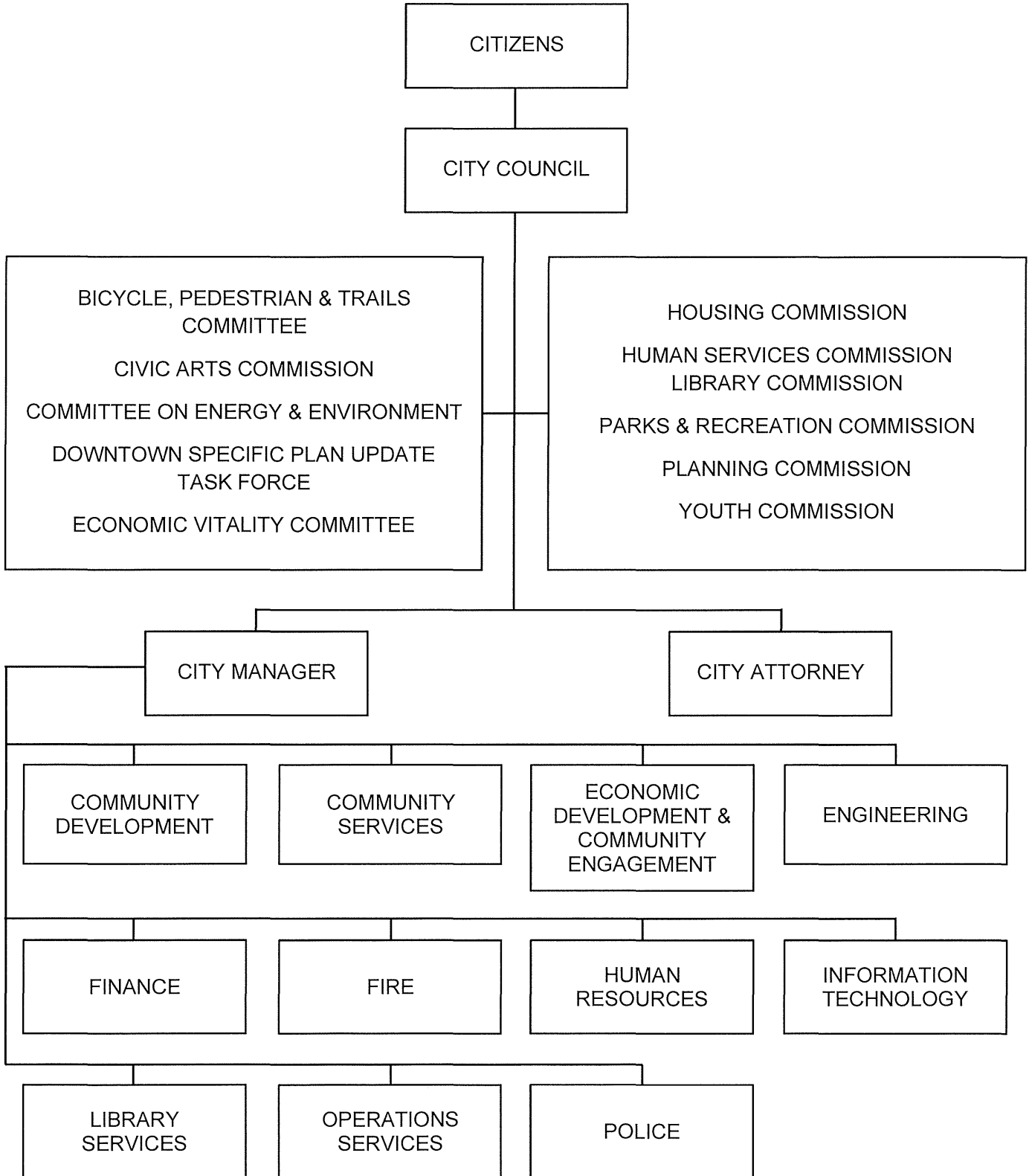
**ELECTED OFFICIALS:**

Mayor	Jerry Thorne
Vice Mayor	Jerry Pentin
Council Member	Karla Brown
Council Member	Kathy Narum
Council Member	Arne Olson

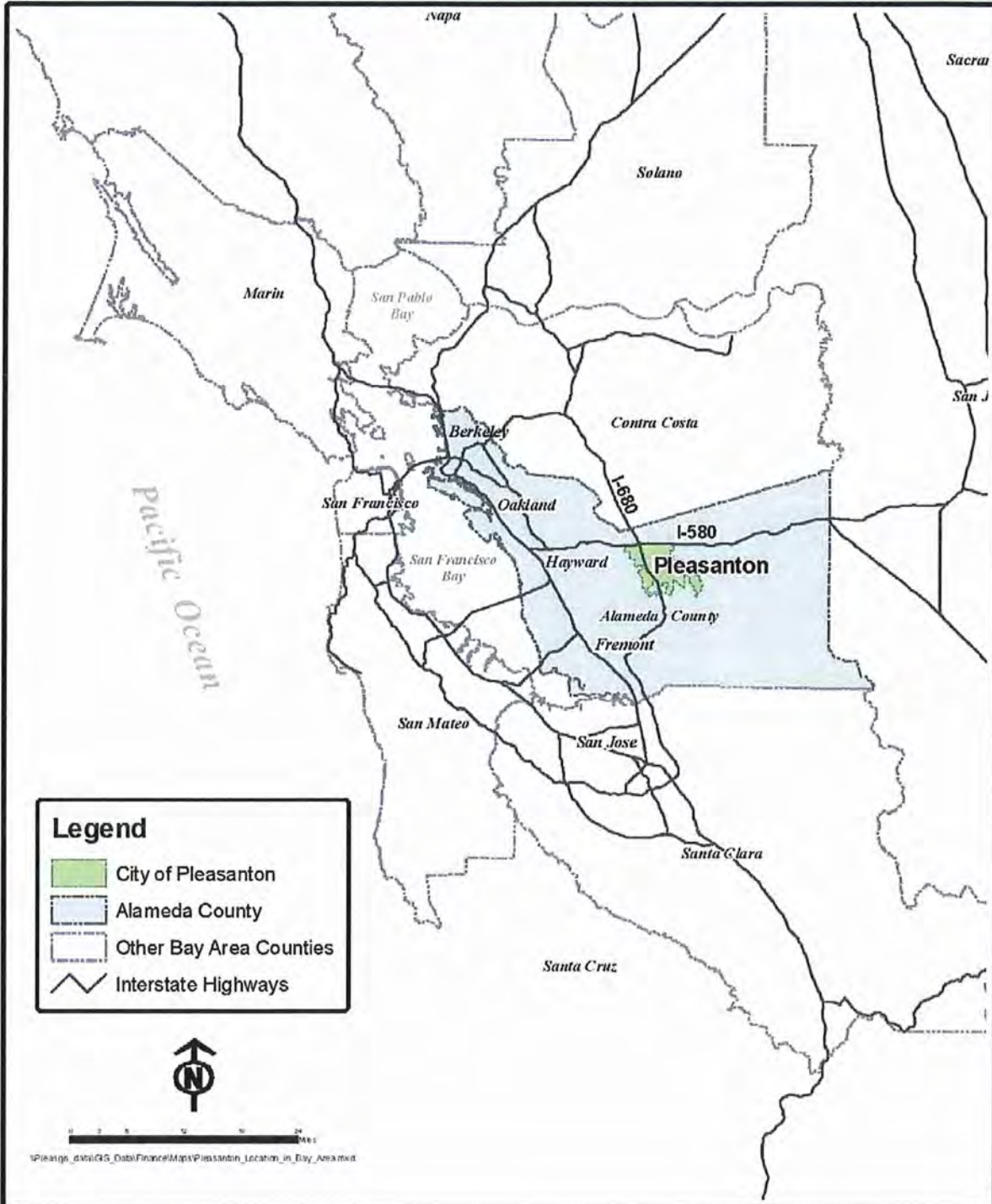
**ADMINISTRATIVE PERSONNEL:**

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

# CITY OF PLEASANTON ORGANIZATION CHART FOR FY 2016/17



# Pleasanton, California.



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
of City of 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 the City of Pleasanton (City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Callippe Preserve Golf Course, that is reported as part of the Golf Enterprise Fund which represents 0.3%, 0.0% and 8.2%, respectively, of the assets, net position and revenues of the City's business-type activities and 3.0%, 0.5% and 100%, respectively, of the assets, net position, and revenues of the City's Golf Enterprise Fund. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities and Golf Enterprise fund, is based solely on the report of the other auditors.

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplementary Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Maze & Associates*

Pleasant Hill, California  
December 8, 2017

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of the City of Pleasanton's (City) Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2017 (FY 2016/17). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's basic financial statements, which follows this section.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY 2016/17 by \$796.2 million (net position). Of this amount, \$29.4 million (unrestricted net position) includes the City's liabilities, including pension liability, which are offset by various City reserves, \$74.4 million is restricted for specific purposes (restricted net position), and \$692.4 million is the net investment in capital assets.
- The City's total net position increased by \$24.6 million or 3.2% from FY 2015/16. Of this amount, an increase of \$25.9 million or 4.8% in net position was attributable to governmental activities and a decrease of \$1.3 million or 0.6% in net position was due to business-type activities.
- Taxes increased by \$4.5 million from FY 2015/16 as a result of the new developments throughout the City and increased property values. Additional housing units contributed to a higher tax base for property tax revenues as well as properties sold at a higher cost.
- The City's governmental funds reported ending fund balances of \$108.1 million, an increase of \$9.4 million (9.5%) from FY 2015/16 which is primarily a result of increased development fees from the following projects:
  - The Vintage Village development, a 345-unit multi-story apartment complex and retail center located on Stanley Boulevard
  - The Township Square, a 97-unit single family home development located off of Valley Avenue
  - The Workday six-story corporate headquarters development adjacent to the West Dublin-Pleasanton BART station
- The General Fund fund balance is \$22.5 million, of which \$11.6 million is committed for economic uncertainties, \$10.8 million is unassigned and \$0.1 million is non-spendable. The \$22.5 million fund balance is a \$1.8 million increase over the General Fund fund balance at the end of FY 2015/16.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



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

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

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

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

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

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a substantial portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, community development, operations services, and community activities (parks, recreation, and library). The business-type activities of the City include water, sewer, golf, transit, storm drain, and cemetery, as well as the Housing Authority as a component unit.

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

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

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

The City maintains several individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the *major funds* (see *Notes to Basic Financial Statements*).

Data from the remaining non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as supplementary information in the form of *combining statements*.

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

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

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

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

**Required Supplementary Information** includes budgetary comparison schedules that have been provided for the major governmental funds to demonstrate compliance with the budget. The City adopts a two-year budget in June of every odd numbered year. An update of the second year is presented to the City Council in June preceding the start of the second year (even numbered year). Required supplementary information also includes schedules showing the City's progress towards funding its pension plan and other post-employment benefits (OPEB). The City participates in California's Public Employees Retirement System (CalPERS) for its pension plan and provides its employees with post-retirement health care benefits (OPEB).

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for FY 2015/16 and FY 2016/17. The Statement of Net Position for the two years will be discussed first, followed by a discussion of the Changes in Net Position for the two years.

The following table is a summary of the Statement of Net Position as of June 30, 2016 (2016) and June 30, 2017 (2017):

<b>City of Pleasanton</b>							
<b>Net Position (in millions of dollars)</b>							
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		<b>Total Percentage Change 2016 to 2017</b>
	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	
<b>Assets:</b>							
Current and other assets	\$179.5	\$198.4	\$65.1	\$65.0	\$244.6	\$263.4	7.7%
Capital assets	500.0	511.0	188.9	193.8	688.9	704.8	2.3%
<b>Total assets</b>	<b>679.5</b>	<b>709.4</b>	<b>254.0</b>	<b>258.8</b>	<b>933.5</b>	<b>968.2</b>	<b>3.7%</b>
Deferred outflows of resources	24.8	40.7	1.5	1.8	26.3	42.5	0.0%
<b>Liabilities:</b>							
Other liabilities	14.5	13.8	11.2	8.4	25.7	22.2	-13.6%
Long-term liabilities	125.9	153.4	13.4	23.2	139.3	176.6	26.8%
<b>Total liabilities</b>	<b>140.4</b>	<b>167.2</b>	<b>24.6</b>	<b>31.6</b>	<b>165.0</b>	<b>198.8</b>	<b>20.5%</b>
Deferred inflows of resources	21.8	15.0	1.3	0.7	23.1	15.7	100.0%
<b>Net Position:</b>							
Net investment in capital assets	497.8	509.1	182.9	183.3	680.7	692.4	1.7%
Restricted	61.0	74.1	6.8	0.3	67.8	74.4	9.7%
Unrestricted	(16.8)	(15.3)	39.9	44.7	23.1	29.4	27.3%
<b>Total net position</b>	<b>\$542.0</b>	<b>\$567.9</b>	<b>\$229.6</b>	<b>\$228.3</b>	<b>\$771.6</b>	<b>\$796.2</b>	<b>3.2%</b>

### Statement of Net Position as of June 30, 2017 (in millions of dollars)



**Analysis of Net Position** – With the consolidation of government-wide net position into one statement and the exclusion of fiduciary funds, net position serves as a useful indicator of a government’s financial position. For the City, assets exceeded liabilities by \$796.2 million at the close of FY 2016/17, a \$24.6 million or 3.2% increase over FY 2015/16.

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

- The *net investment in capital assets* (e.g. infrastructure, land, buildings, improvements other than buildings, construction in progress, and equipment), less any related debt used to acquire assets still outstanding, is \$692.4 million (87.0% of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since generally capital assets are not used to liquidate these liabilities. The City’s net investment in capital assets increased by \$11.7 million (1.7%) in FY 2016/17. The increase is primarily attributable to the Bernal Community Park, Phase II Project and the Old Stanley Boulevard improvements from Main to First Street Project of \$4.0 million and \$6.4 million, respectively, and the purchase of property located at the 401/403 Old Bernal Avenue in the amount of \$4.2 million. These additions were partially offset by the reduction of capital assets due to annual depreciation expense.
- The *restricted net position* of \$74.4 million (9.3% of the total) represents resources that are subject to external restrictions on how they may be used. Among these amounts are \$60.0 million restricted in the capital project funds for the construction of major capital projects (including improvements to streets, bridges, and bicycle and pedestrian trail and park improvements throughout the City including the Lions Wayside and Delucchi Parks design and construction), \$14.1 million in a variety of special revenue funds to support specific City programs, and \$0.3 million for the City’s transportation program.
- The *unrestricted net position* of \$29.4 million (3.7% of the total) reflects the City’s net pension liability of \$146.0 million which is offset by various reserves including amounts set aside for future capital improvements in the capital projects funds, and reserves held in internal service funds to pay for retiree medical expenses, general liability claims, and repair and replacement of City facilities and equipment. Business-type activities account for \$44.7 million, the majority of which is held in the utility funds for future capital projects and emergency repairs and replacement.

The following table reflects the change in net position for governmental and business-type activities for the year ended June 30:

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

	Governmental Activities		Business-type Activities		Total		Total % Change
	2016	2017	2016	2017	2016	2017	
Revenues:							
Program revenues:							
Charges for Services	\$15.3	\$14.2	\$36.3	\$44.4	\$51.6	\$58.6	13.6%
Operating grants & contributions	2.8	2.2	4.9	0.1	7.7	2.3	-70.1%
Capital grants & contributions	12.8	29.3	3.6	5.1	16.4	34.4	109.8%
Interfund charges			0.7	0.3	0.7	0.3	-57.1%
General revenues:							
Property taxes	57.3	61.2	-	-	57.3	61.2	6.8%
Sales taxes	23.5	23.4	-	-	23.5	23.4	-0.4%
All other taxes	13.2	13.9	-	-	13.2	13.9	5.3%
All other general revenues	3.5	1.8	0.8	0.5	4.3	2.3	-46.5%
Total revenues	<u>128.4</u>	<u>146.0</u>	<u>46.3</u>	<u>50.4</u>	<u>174.7</u>	<u>196.4</u>	12.4%
Expenses:							
General government	11.6	13.3	-	-	11.6	13.3	14.7%
Public safety	44.7	50.4	-	-	44.7	50.4	12.8%
Community development	14.7	15.0	-	-	14.7	15.0	2.0%
Operations services	23.6	26.3	-	-	23.6	26.3	11.4%
Community Activities	13.2	14.3	-	-	13.2	14.3	8.3%
Water	-	-	18.4	27.8	18.4	27.8	51.1%
Sewer	-	-	15.0	16.0	15.0	16.0	6.7%
Golf	-	-	4.9	5.0	4.9	5.0	2.0%
Other	-	-	3.3	3.4	3.3	3.4	3.0%
Indirect charges	0.7	0.3			0.7	0.3	-57.1%
Total expenses	<u>108.5</u>	<u>119.6</u>	<u>41.6</u>	<u>52.2</u>	<u>150.1</u>	<u>171.8</u>	14.5%
Revenues over (under) expenses	<u>19.9</u>	<u>26.4</u>	<u>4.7</u>	<u>(1.8)</u>	<u>24.6</u>	<u>24.6</u>	0.0%
Transfer In/(Out)	0.3	(0.5)	(0.3)	0.5	0.0	0.0	0.0%
Change in net position	20.2	25.9	4.4	(1.3)	24.6	24.6	0.0%
Net position, beginning of year	521.8	542.0	225.2	229.6	747.0	771.6	3.3%
Prior period adjustment					0.0		
Net position, end of year	<u>\$542.0</u>	<u>\$567.9</u>	<u>\$229.6</u>	<u>\$228.3</u>	<u>\$771.6</u>	<u>\$796.2</u>	3.2%

### Changes in Net Position

*Governmental Activities* increased the City's net position by \$25.9 million in FY 2016/17. Key factors in the increase are as follows:

Total governmental activities revenues increased by approximately \$17.6 million over FY 2015/16.

#### Program Revenues - \$14.8 million increase

- Community Development's capital grants and contributions increased by \$20.3 million over FY 2015/16 and accounted for the majority of the increase. The significant increase in capital grants and contributions was related to development impact fees received for the Vintage Village apartment complex, Township Square single family home development, and the Workday corporate headquarters development. The City also received contributions from utility and cable companies for work the City performed undergrounding utilities on Old Stanley Boulevard.

#### General Revenues - \$2.8 million increase

- Property Tax increased by \$3.9 million in FY 2016/17 primarily due to the increase in assessed property values attributed to the continued upward growth of the economy and additional housing units.
- Other Tax revenues remained relatively constant with a slight increase of \$0.6 million over FY 2015/16.

The City's governmental activities expenses increased \$11.1 million over FY 2015/16.

- During FY 2016/17, the governmental net pension liability and claims liability increased \$24.2 million and \$3.6 million, respectively, over FY 2015/16. The associated increase in related expenses attributed to increases in expenses across City functions.

Business-type activities decreased the City's net position by \$1.3 million.

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

- Work continued on the Recycled Water Infrastructure Expansion project in FY 2016/17. In FY 2016/17, \$1.4 million of work was completed on the project and capitalized as Construction in Progress. The City anticipates that the project will be finalized in FY 2017/18.
- During FY 2016/17, the City paid \$3.3 million in capital contributions to assist with the DERWA facilities expansion project, bringing total contributions to \$6.0 million. This project is required in order to increase recycled water capacity to meet the City's recycled water demands. The City issued \$7.1 million in water revenue bonds to assist with funding this project.
- Other Business-type activities remained relatively constant between FY 2016/17 and FY 2015/16.

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

## **FUND FINANCIAL ANALYSIS**

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

### ***Governmental Funds***

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

### Fund Balances

On June 21, 2011, the City Council adopted Resolution No. 11-463 to establish the classification of fund balances in conformance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. That resolution also identified the fund balance category, the Economic Uncertainty Reserve as *Committed 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. The detail of the fund balance classifications are disclosed in *Note 9* in the **Notes to the Basic Financial Statements**.

As of June 30, 2017, the City's governmental funds reported combined fund balances of \$108.1 million, an increase of \$9.4 million in comparison with FY 2015/16. During the year, there were increases in property tax revenues (\$3.9 million) and development impact fees (\$8.7 million). These revenue increases were partially offset by increases in construction expenditures related to the Bernal Community Park, Phase II (\$4.0 million) and the Old Stanley Boulevard improvements (\$6.4 million). Expenditures for the Old Stanley Boulevard improvements were partially offset by reimbursements in the amount of \$3.4 million received from utility and cable companies for work performed by the City.

*Restricted fund balances* constitute \$65.5 million of the combined governmental fund balance and are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation, for example; low income housing projects, projects funded by park development fees and street projects funded by gas tax, Measure B and Measure BB funds. *Committed fund balances* of \$11.6 million have been constrained by the City Council for reserves for economic uncertainties. *Assigned fund balances* of \$21.3 million represent funds to be used for City funded capital projects that have not been specifically identified or constrained by City Council. *Unassigned fund balances* of \$9.6 million consist of amounts that have not been classified as nonspendable, restricted, committed or assigned.

The following table presents the Governmental Funds' fund balances by classification as of June 30, 2017:

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Other Funds	Total
<b><u>Nonspendable</u></b>					
Notes Receivable	\$ 75,199	\$ -	\$ -	\$ -	\$ 75,199
<b><u>Restricted</u></b>					
Assessment District Construction	-	-	-	1,351,862	1,351,862
Asset Forfeiture	-	-	-	49,050	49,050
Budgeted Developer Projects	-	-	-	6,735,789	6,735,789
Community Access Television	-	-	-	1,050,419	1,050,419
Miscellaneous Donations/Developer Contributions	-	-	-	716,541	716,541
Downtown & North Pleasanton	-	-	-	3,639,640	3,639,640
Geological Hazard Assessment District	-	-	-	1,082,039	1,082,039
Grants	-	-	-	-	-
Housing	-	11,629,838	-	-	11,629,838
Landscape and Lighting District	-	-	-	421,403	421,403
Landscape Maintenance NPID	-	-	-	959,585	959,585
Marilyn Kane Trail Reserve	-	-	-	108,325	108,325
Park Development	-	-	-	10,967,408	10,967,408
Public Facilities Capital Improvements	-	-	-	6,349,310	6,349,310
Public Safety	-	-	-	126,851	126,851
Resource Management	-	-	-	853,156	853,156
Street Maintenance	-	-	-	7,661,619	7,661,619
Traffic Impact	-	-	-	8,059,966	8,059,966
Traffic Impact - Bernal	-	-	-	753,479	753,479
Tri-Valley Transportation	-	-	-	1,559,422	1,559,422
Various Specific Plan	-	-	-	1,420,558	1,420,558
<b><u>Committed</u></b>					
Economic Uncertainty	11,634,112	-	-	-	11,634,112
<b><u>Assigned</u></b>					
Capital Projects	-	-	13,847,546	6,822,499	20,670,045
Other Purposes	-	-	-	609,826	609,826
<b><u>Unassigned</u></b>					
	10,763,003	-	-	(1,165,707)	9,597,296
<b>Total Fund Balances</b>	<b>\$ 22,472,314</b>	<b>\$ 11,629,838</b>	<b>\$ 13,847,546</b>	<b>\$ 60,133,040</b>	<b>\$ 108,082,738</b>



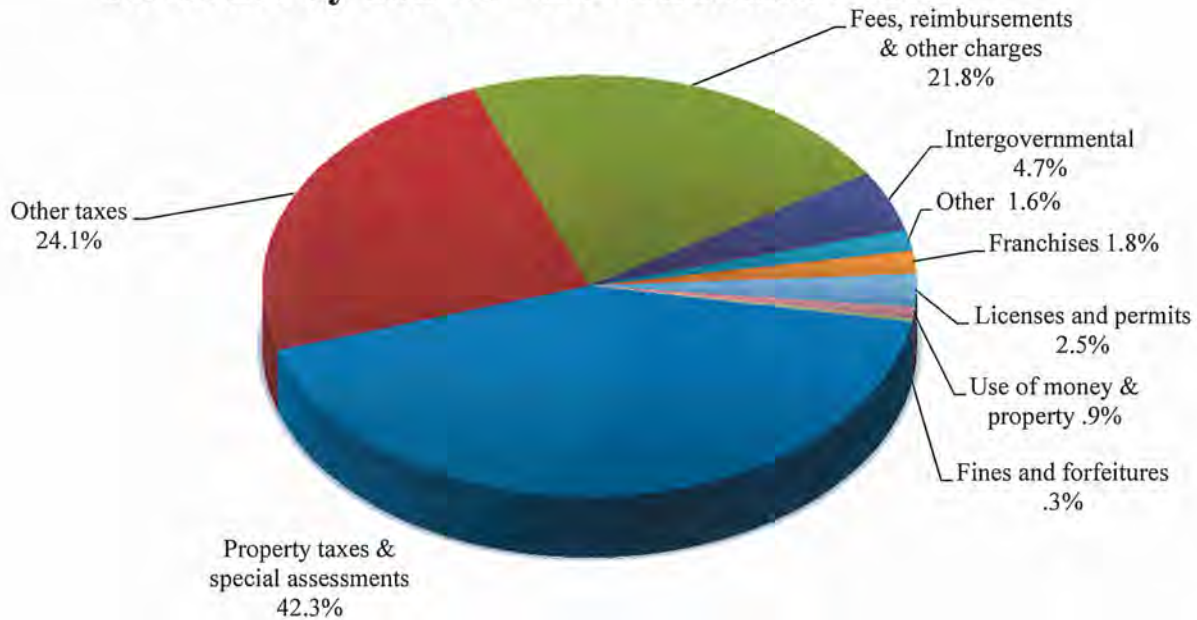
Revenues

The following table presents the FY 2016/17 revenues from various sources, as well as the increase or decrease in these revenues over FY 2015/16.

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

Revenues by Source	FY 2016		FY 2017		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Property taxes & special assessments	\$ 57.5	44.9%	\$ 61.4	42.3%	\$ 3.9	6.8%
Other taxes	34.6	27.0%	35.1	24.1%	0.5	1.4%
Licenses and permits	3.3	2.6%	3.6	2.5%	0.3	9.1%
Fines and forfeitures	0.3	0.2%	0.4	0.3%	0.1	33.3%
Use of money & property	1.9	1.5%	1.3	0.9%	(0.6)	-31.6%
Intergovernmental	5.8	4.5%	6.8	4.7%	1.0	17.2%
Franchises	2.6	2.0%	2.6	1.8%	-	0.0%
Fees, reimbursements & other charges	19.2	15.0%	31.7	21.8%	12.5	65.1%
Other	3.0	2.3%	2.3	1.6%	(0.7)	-23.3%
<b>Total</b>	<b>\$ 128.2</b>	<b>100.0%</b>	<b>\$ 145.2</b>	<b>99.9%</b>	<b>\$ 17.0</b>	<b>13.3%</b>

**Revenues by Source - Governmental Funds**



The following provides an explanation of significant changes in revenues by source in FY 2016/17.

- **Property tax** increased \$3.9 million primarily due to the increase in assessed property values (6.8%).
- **Other taxes** remained relatively constant, increasing \$0.6 million during FY 2016/17.

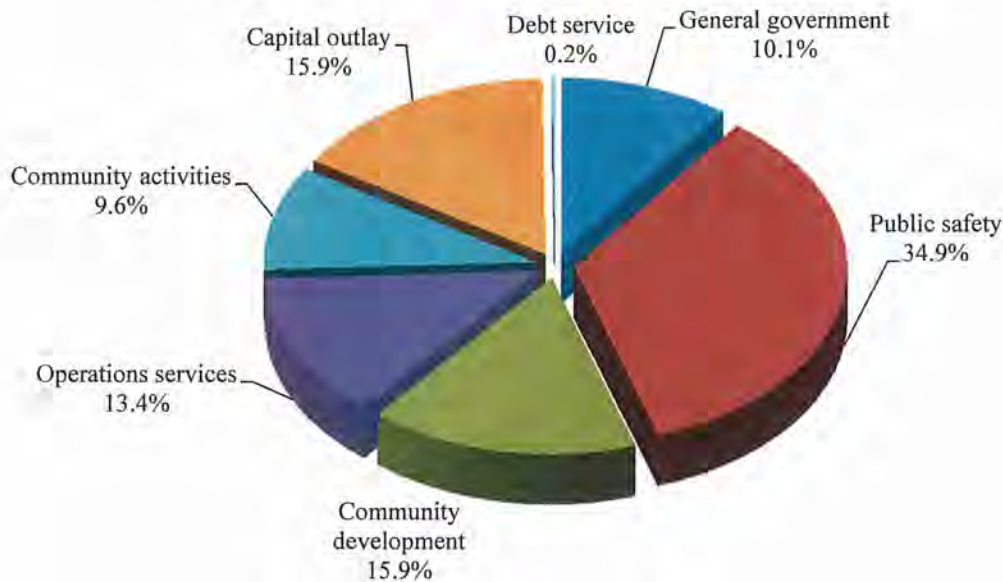
- Development fees increased by \$8.7 million as a result of new developments occurring throughout the City. Lower-income housing development fees increased \$5.0 million, park development fees increased \$2.2 million and public facilities development fees increased \$1.5 million in FY 2016/17. The major projects driving these increases are the Township Square and Vintage Village housing projects and the Workday corporate headquarters development.
- Reimbursements increased \$4.2 million as a result of an additional \$3.4 million reimbursed by utility and cable companies for work completed by the City for the undergrounding of utilities on Old Stanley Boulevard.

**Expenditures**

The following table presents expenditures by function in FY 2016/17 and the increase and decrease in expenditures as compared to FY 2015/16.

City of Pleasanton Expenditures Classified by Function Governmental Funds (in millions of dollars)						
Expenditures by Function	FY 2016		FY 2017		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$12.7	9.8%	\$13.2	10.1%	\$0.5	3.9%
Public safety	44.5	34.4%	45.5	34.9%	1.0	2.2%
Community development	18.9	14.6%	20.8	15.9%	1.9	10.1%
Operations services	18.1	14.0%	17.5	13.4%	-0.6	-3.3%
Community activities	12.3	9.5%	12.5	9.6%	0.2	1.6%
Capital outlay	21.5	16.6%	20.7	15.9%	-0.8	-3.7%
Debt service						
Principal	1.2	0.9%	0.3	0.2%	-0.9	-75.0%
Total	<u>\$129.2</u>	<u>100.0%</u>	<u>\$130.5</u>	<u>100.0%</u>	<u>\$1.3</u>	<u>1.0%</u>

## Expenditures by Function - Governmental Funds



The following provides an explanation of significant changes in expenditures in FY 2016/17.

- Governmental expenditures as a whole remained relatively constant, increasing \$1.3 million or 1.0% over FY 2015/16.
- Loans provided for the Kottinger Gardens project increased by \$1.9 million in FY 2016/17.

### Major Governmental Funds

The designated major *Governmental Funds* in FY 2016/17 are the General Fund, the Lower Income Housing Fund, and the Miscellaneous Capital Improvement Programs Fund.

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

By policy, the City maintains a reserve 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 FY 2016/17 are reflected in more detail in the **Required Supplementary Information**. The following is a summary of these variances:

- Revenues were greater than projected at the mid-year budget by \$3.5 million or 3.1%.
- Expenditures were less than expected by \$3.1 million or 2.9%.

The City Council has committed or assigned certain General Fund reserves in conformance with GASB Statement No. 54. The City maintains these commitments and assignments consistent with its formal financial policies.

The following table summarizes all General Fund reserves, as well as non-spendable or unassigned fund balance, showing the beginning balances, plus changes resulting from FY 2016/17 operations and the resulting ending balances.

**General Fund Reserves and Fund Balance as of 6/30/2017**

	Balance 6/30/2016	Actual Additions and Deletions	Balance 6/30/2017
Committed Reserves			
Economic Uncertainty	\$ 11,179,088	\$ 455,024	\$ 11,634,112
CIP and Repair and Replacement	840,000	(840,000)	-
Unassigned	8,481,624	2,281,379	10,763,003
Nonspendable	121,900	(46,701)	75,199
<b>Total Fund Balance</b>	<b>\$ 20,622,612</b>	<b>\$ 1,849,702</b>	<b>\$ 22,472,314</b>

The **Lower Income Housing Fund** is funded with developer fees that are used to provide both rental and ownership affordable housing in the City through programs that subsidize rents and provide secondary financing to first-time homebuyers. The Lower Income Housing Fee, which is paid by developers in lieu of constructing new affordable housing, amounted to \$6.4 million in FY 2016/17, a \$5.0 million increase over FY 2015/16. The increase is attributable to a one-time \$4.5 million payment received for the Vintage housing development, \$3.5 million of which was transferred to the CIP Fund to pay for various capital projects in FY 2017/18. The \$3.5 million was in addition to the Lower Income Housing fees. Housing loan repayments totaled \$0.4 million and included a \$249,000 interest payment from BLP Partnership, Inc. During FY 2016/17, significant work continued on the Kottinger Gardens project. The City entered into an agreement to provide up to \$13.5 million in loans for the development of Kottinger Gardens. During FY 2016/17, \$6.3 million of loans were disbursed.

The **Miscellaneous Capital Improvement Programs Fund** receives contributions from the General Fund to be used for design and construction of facilities and infrastructure as adopted in the annual miscellaneous capital improvement program. In FY 2016/17, the fund received transfers from the General Fund and Lower Income Housing Fund in the amounts of \$7.0 million and \$3.5 million, respectively. Significant projects identified include the design and construction of the new Fire Station #3 (\$4.0 million) and the expansion of downtown parking (\$2.2 million).

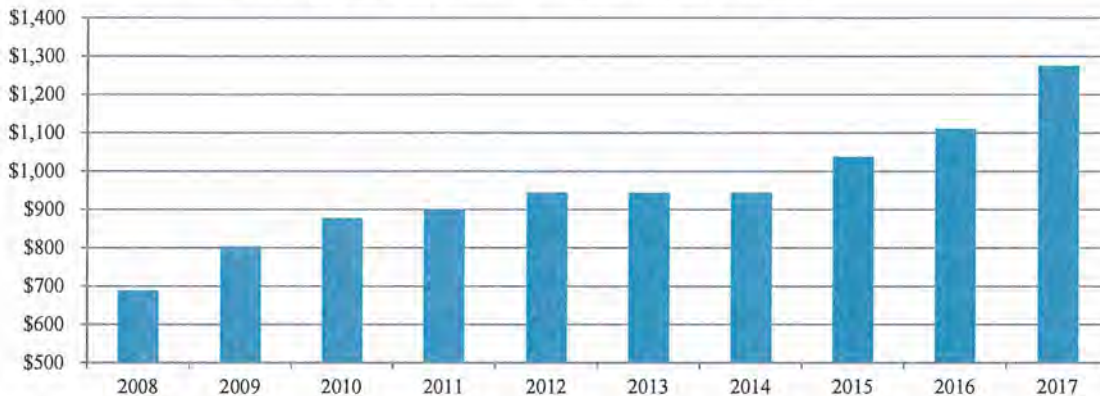
**Major Proprietary Funds**

The designated major *Proprietary funds* in FY 2016/17 are the Water, Sewer, Golf, and Storm Drain funds.

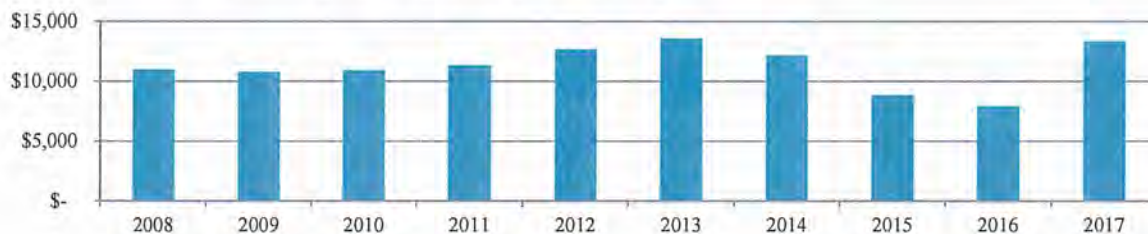
The **Water Fund's** net position remained relatively constant at \$97.1 million. During FY 2016/17, work continued on the City's Recycled Water Infrastructure Expansion project with construction costs amounting to \$1.4 million. The City also issued \$7.1 million in bonds to assist with the capital contributions towards the DERWA recycled water capacity expansion project. Infrastructure improvements for the advanced metering project incurred costs of \$4.4 million. Expenses related to these projects were capitalized and recorded as City assets.

Due to Zone 7 rate increases in treated wholesale water, the end of the drought and accompanying use restrictions, the City's water costs increased during FY 2016/17. The graphs below depict the price increases over the last ten years in the Zone 7 treated water rates per acre-foot and the total expended by the City over that period to purchase water from Zone 7. The City's water rate ordinance requires the City to increase its water rates to offset the increase in Zone 7 water rates in order to remain fiscally solvent. The City continues to monitor the revenues and expenses of the Water Fund.

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



**Summary of Water Costs (in thousands)**



The **Sewer Fund's** net position increased by \$1.0 million in FY 2016/17. Operating income and operating expenses increased at a relatively constant rate, increasing by \$0.9 million and \$1.0 million, respectively. These increases are primarily the result of DSRSD sewer rate increases. Other financing sources which is composed of connection fees, capital contributions received, interest income and transfers remained relatively constant at \$1.5 million. Capital contributions remained constant at \$1.3 million as a result of increased housing development throughout the City. During development of the Township Square housing project, developers installed sewer lines, catch basins, and manholes required for the project. These assets were donated to the City and recorded as infrastructure. Similar to the Water Fund, the City's sewer rate ordinance requires the City to increase its sewer rates to pass through the increase in DSRSD rates in order to remain fiscally solvent.

The **Golf Fund's** net position decreased by \$1.6 million in FY 2016/17 due largely to depreciation expense of \$1.7 million for golf course facilities.

The **Storm Drain Fund's** net position increased \$0.1 million in FY 2016/17 as compared to a decrease of \$0.5 million in FY 2015/16. The increase is primarily the result of capital contributions increasing by \$0.6 million due to the development associated with the Township Square housing project.

***Fiduciary Funds***

There were no designated major funds in the *Fiduciary funds* in FY 2016/17.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The following table displays the General Fund's budget to actual variances for FY 2016/17. The Original Budget was established in July 2015 when the City adopted the two year budget for fiscal years 2015/16 and 2016/17. The Final Budget was adopted in December 2017 when the City Council approved the year-end report for FY 2016/17. Actual revenues were greater than final budget by \$3.5 million or 3.1% and expenditures were less than budget by about \$3.1 million or 2.9%.

The fund balance of \$22.5 million is an increase of \$1.8 million over FY 2015/16. At the fiscal year end, there was a budget surplus of \$6.4 million. The City Council approved allocating the surplus to the following: Operating Reserves (\$1.8 million), Workers' Compensation Reserves (\$1.0 million), CIP Reserves (\$1.8 million) and to prefund PERS pension liability (\$1.8 million).

**General Fund FY 2016/17 Budgetary Comparison**

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Revenues	\$ 110,247,990	\$ 112,076,453	\$ 115,572,991	\$ 3,496,538
Expenditures	(104,483,679)	(104,775,324)	(101,698,720)	3,076,604
Other Financing Sources(Uses):				
Transfers in	1,131,701	1,136,301	776,113	(360,188)
Transfers out	(7,387,223)	(12,953,037)	(12,800,682)	152,355
Net change in fund balance	\$ (491,211)	\$ (4,515,607)	\$ 1,849,702	\$ 6,365,309

Actual General Fund revenues exceeded final budget estimates by \$3.5 million in FY 2016/17 as a result of the increase in housing and commercial development throughout the City. The increase in revenues is summarized below:

**General Fund FY 2016/17 Revenues Budgetary Comparison**

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Property Tax	\$ 58,600,000	\$ 60,325,000	\$ 61,203,780	\$ 878,780
Sales & Use Tax	25,600,000	22,525,000	23,362,536	837,536
Hotel & Motel Tax	4,550,000	6,045,000	6,263,021	218,021
Business License Tax	3,450,000	3,580,000	4,045,206	465,206
Other Taxes	1,225,000	1,360,000	1,426,231	66,231
Development Services Fees	4,464,900	5,848,650	6,786,572	937,922
Franchise Fees	2,475,000	2,570,000	2,637,490	67,490
Recreation Fees	3,943,870	4,164,460	4,097,171	(67,289)
Department Service Fees	1,010,650	1,075,900	1,184,189	108,289
Other Revenues	592,850	622,550	579,192	(43,358)
Grants & Intergovernmental	495,000	429,000	253,731	(175,269)
Reimbursements	807,344	807,064	1,109,079	302,015
Interest Income	223,000	325,000	282,687	(42,313)
Inter-fund Labor Charges	2,810,376	2,398,829	2,342,106	(56,723)
<b>Total</b>	<b>\$ 110,247,990</b>	<b>\$ 112,076,453</b>	<b>\$ 115,572,991</b>	<b>\$ 3,496,538</b>

Actual General Fund expenditures of \$101.7 million were less than the final budget estimates by \$3.1 million (3.0%). The majority of the decrease was related to OPEB actuary costs being less than budgeted by \$1.0 million and a reduction in Material, Supplies, & Services related to reduced contractual services expenses.

**General Fund FY 2016/17 Expenditures Budgetary Comparison**

	Original Budget	Final Budget	Actual Amount	Variance from Final Budget
Personnel Expenses	\$ 77,912,383	\$ 76,896,832	\$ 75,655,509	\$ 1,241,324
Transportation and Training	5,664,650	5,785,340	5,517,443	267,897
Repairs and Maintenance	1,128,281	1,303,379	1,035,800	267,579
Material, Supplies and Services	19,172,415	20,191,975	18,904,542	1,287,433
Capital Outlay	605,950	587,050	574,679	12,371
Debt Service	-	10,748	10,748	-
<b>Total</b>	<b>\$ 104,483,679</b>	<b>\$ 104,775,324</b>	<b>\$ 101,698,720</b>	<b>\$ 3,076,604</b>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2017 was \$704.8 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, right-of-ways, buildings, improvements other than buildings, vehicles and equipment, and construction-in-progress. The City's investment in capital assets (net of accumulated depreciation) increased by \$15.9 million from the prior fiscal year. Major capital asset changes during the fiscal year were as follows:

- Governmental activities net capital assets increased overall by \$11.0 million in FY 2016/17. Additions in capital assets of \$26.2 million were offset by decreases of \$15.2 million from the retirement of assets (\$1.7 million) and depreciation (\$13.5 million). Capital assets activity included:
  - Various construction-in-progress projects were added in FY 2016/17 and totaled \$15.0 million including Valley Avenue and Hopyard Road pavement rehabilitation (\$1.5 million), construction of the Bernal Community Park, Phase II (\$4.0 million), Old Stanley Boulevard improvements from Main to First Street (\$6.4 million) and Bernal Avenue street resurfacing (\$0.8 million). The following completed construction projects of \$21.4 million were transferred to various asset categories: the Bernal Community Park, Phase II (\$17.5 million), the Bernal/I-680 landscaping improvements (\$1.4 million), Bernal Avenue Resurfacing (\$0.9 million), and traffic signal installation at Amador Valley High School (\$0.6 million).
  - Capital asset additions totaling \$11.2 million including \$2.7 million in developer contributions of infrastructure and land improvements (lighting, landscaping and street improvements at cost) from developers associated with housing developments throughout the City. The City also acquired land at 401/403 Old Bernal Avenue for \$4.2 million.
  - These additions were offset by the retirement of assets (\$1.7 million) and net depreciation expense (\$13.5 million).
- Business-type activities net capital assets increased overall by \$4.9 million in FY 2016/17. Additions in capital assets of \$14.4 million were offset by decreases of \$9.4 million from the retirement of assets (\$0.4 million) and depreciation (\$9.0 million). Capital assets activity included:
  - Additions to construction-in-progress projects totaling \$8.9 million including \$1.4 million for the Recycled Water Infrastructure Expansion project and \$4.4 million for Advanced Metering Infrastructure improvements.
  - Contributed assets totaled \$3.7 million. During development of the Pleasanton Township Square, the developers installed water and sewer lines, meters and hydrants required for the project. These assets were donated to the City and recorded as infrastructure in the City's Water and Sewer Funds.
  - These additions were offset by the retirement of assets (\$0.4 million) and net depreciation expense (\$9.0 million).



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

Capital assets for the governmental and business-type activities are presented in the following table to illustrate changes in FY 2016/17.

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

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2016	2017	2016	2017	2016	2017	% Change
Infrastructure	\$114.8	\$111.6	\$110.4	\$108.0	\$225.2	\$219.6	-2.5%
Land	240.3	244.6	14.5	14.5	254.8	259.1	1.7%
Right-of-ways	36.4	36.4	-		36.4	36.4	0.0%
Buildings	54.4	54.4	20.9	20.3	75.3	74.7	-0.8%
Improvements other than buildings	20.4	33.9	14.5	12.7	34.9	46.6	33.5%
Vehicles & equipment	10.4	13.9	7.5	8.2	17.9	22.1	23.5%
Public Art	0.7	0.8	-	-	0.7	0.8	14.3%
Construction in progress	22.6	15.4	21.1	30.1	43.7	45.5	4.1%
<b>Total</b>	<b>\$500.0</b>	<b>\$511.0</b>	<b>\$188.9</b>	<b>\$193.8</b>	<b>\$688.9</b>	<b>\$704.8</b>	<b>2.3%</b>

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

**Debt Administration**

Governmental activities debt decreased to \$1.9 million in FY 2016/17.

- During the year, the City made its annual payment on the HUD Section 108 loan of \$50,000 to bring the remaining balance to \$0.9 million.
- Payments on the LifePak cardiac monitor/defibrillators capital lease during the fiscal year totaled \$10,748. The lease was fully repaid as of June 30, 2017.
- The City’s loan from the California Energy Commission for the LED Lighting Upgrade project was decreased by \$0.2 million from the normal amortization of the loan payable.

Debt of the business-type activities increased to \$17.6 million in FY 2016/17.

- During the year, the City received an additional \$4.5 million in California Clean Water State Revolving Fund loans. These loans assisted in funding the Recycled Water Infrastructure Expansion project.
- Payments made on the existing golf course maintenance equipment capital lease during the fiscal year totaled \$0.1 million.
- The City issued \$7.1 million of Water Revenue Bonds, Series 2017 during FY 2016/17. The bonds will assist with the City’s participation in the DERWA facilities expansion project that is needed to meet recycled water demands throughout the City.

The following table compares the outstanding balances on long-term debt of the City as of June 30, 2016 and 2017:

**City of Pleasanton  
Long Term Debt Outstanding**

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
California Energy Commission (CEC)	\$ 1,195,879	\$ 1,016,764	\$ -	\$ -	\$ 1,195,879	\$ 1,016,764
Fire Equipment Capital Lease	10,748	-	-	-	10,748	-
HUD Section 108 Loan	950,000	900,000	-	-	950,000	900,000
Golf Course Capital Lease	-	-	321,524	254,072	321,524	254,072
California Clean Water SRF Loan	-	-	5,762,772	10,281,920	5,762,772	10,281,920
Water Revenue Bonds, Series 2017	-	-	-	7,100,000	-	7,100,000
<b>TOTAL</b>	<b>\$ 2,156,627</b>	<b>\$ 1,916,764</b>	<b>\$ 6,084,296</b>	<b>\$ 17,635,992</b>	<b>\$ 8,240,923</b>	<b>\$ 19,552,756</b>

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

## **ECONOMIC FACTORS, FY 2017/18 and FY 2018/19 BUDGET, AND CALPERS PENSION RATES**

The unemployment rate in Alameda County decreased to 4.0% as of June 2017, as compared with 4.7% for June 2016, and the unemployment rate in the City of Pleasanton decreased to 3.3% as of June 30, 2017 compared with 3.7% as of June 2016.

As of the adoption of the two-year budget for the FY 2017/18 and FY 2018/19 by the City Council on June 20, 2017, the economic outlook for the City was considered to be stable with some modest improvement. The FY 2017/18 Original Budget, adopted June 20, 2017, with a General Fund Budget of approximately \$115.2 million is an increase of 2.8% from the FY 2016/17 Mid-year budget, and the City is anticipating that current revenue sources will match expenditures and net transfers.

The required contribution rates as a percentage of payroll for the City's employer share of retirement funding will change effective July 1, 2017 to the following:

### **July 1, 2017**

- Miscellaneous Plan 10.837% \*
- Safety Fire Plan 17.786% \*
- Safety Police Plan (pooled) 19.723% (1<sup>st</sup> Tier) \*  
16.842% (2<sup>nd</sup> Tier)  
11.99% (PEPRA)

\* Assuming employer prepayment of unfunded liability in the amount of \$4,482,420 (16.9% of projected covered payroll) for the Miscellaneous Plan, \$3,759,886 (27.0% of projected covered payroll) for the Safety Fire Plan and \$939,905 (9.5% of projected covered payroll) for the Safety Police Plan.

### **July 1, 2016**

- Miscellaneous Plan 26.902%
- Safety Fire Plan 42.668%
- Safety Police Plan (pooled) 19.536% (1<sup>st</sup> Tier) \*  
16.656% (2<sup>nd</sup> Tier)  
12.082% (PEPRA)

\* Assuming employer prepayment of unfunded liability in the amount of \$1,061,727.

## **REQUEST FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**City of Pleasanton**  
**Statement of Net Position**  
**June 30, 2017**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments (Note 2)	\$ 162,142,559	\$ 44,840,072	\$ 206,982,631
Restricted cash (Note 2)	-	444,254	444,254
Receivables (net):			
Accounts	3,761,487	7,799,849	11,561,336
Taxes	6,429,683	-	6,429,683
Grants	2,370,797	-	2,370,797
Interest	1,191,889	154,031	1,345,920
Lease	419,838	-	419,838
Internal balances (Note 1H)	203,466	(203,466)	-
Inventory and prepaid expenses	-	129,163	129,163
Prepaid other post employment benefits (Note 11)	3,884,748	-	3,884,748
Notes receivable (Note 3)	17,993,925	-	17,993,925
Net investment in joint ventures (Note 8)	-	11,838,275	11,838,275
Capital assets (Note 5):			
Nondepreciable	297,144,084	44,592,021	341,736,105
Depreciable, net	213,836,891	149,249,700	363,086,591
<b>Total assets</b>	<b>709,379,367</b>	<b>258,843,899</b>	<b>968,223,266</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions (Note 10)	40,673,657	1,767,506	42,441,163
<b>Total deferred outflows of resources</b>	<b>40,673,657</b>	<b>1,767,506</b>	<b>42,441,163</b>
<b>LIABILITIES</b>			
Accounts payable	7,722,250	6,400,990	14,123,240
Payroll payable	1,411,609	168,308	1,579,917
Refundable deposits	-	149,177	149,177
Unearned revenue	573,261	511,107	1,084,368
Compensated absences (Note 1K):			
Due within one fiscal year	1,218,934	-	1,218,934
Due in more than one fiscal year	3,011,944	-	3,011,944
Long-term debt (Note 6):			
Due within one fiscal year	230,910	1,168,389	1,399,299
Due in more than one fiscal year	1,685,854	16,467,603	18,153,457
Claims liability (Note 7):			
Due within one fiscal year	2,656,690	-	2,656,690
Due in more than one fiscal year	9,420,781	-	9,420,781
Net pension liability, due in more than one fiscal year (Note 10)	139,247,261	6,757,651	146,004,912
<b>Total liabilities</b>	<b>167,179,494</b>	<b>31,623,225</b>	<b>198,802,719</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions (Note 10)	15,023,024	686,263	15,709,287
<b>NET POSITION (Note 9)</b>			
Net investment in capital assets	509,064,211	183,305,729	692,369,940
Restricted for:			
Capital projects	60,005,391	-	60,005,391
Transportation	-	305,694	305,694
Special projects	14,099,787	-	14,099,787
<b>Total restricted net position</b>	<b>74,105,178</b>	<b>305,694</b>	<b>74,410,872</b>
Unrestricted net position	(15,318,883)	44,690,494	29,371,611
<b>Total net position</b>	<b>\$ 567,850,506</b>	<b>\$ 228,301,917</b>	<b>\$ 796,152,423</b>

See accompanying Notes to Basic Financial Statements.



**City of Pleasanton  
Statement of Activities  
For the Year Ended June 30, 2017**

Functions / Programs	Expenses	Indirect Charges	Program Revenues	
			Charges for Services	Operating Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 13,262,964	\$ (1,161,458)	\$ 380,148	\$ 271,038
Public safety	50,423,097	226	2,209,630	972,563
Community development	15,053,634	(283,060)	7,137,220	464,644
Operations services	26,341,007	1,180,199	245,567	260,374
Community activities	14,281,965	-	4,238,718	175,949
Interest on long-term debt	21,469	-	-	-
Total governmental activities	119,384,136	(264,093)	14,211,283	2,144,568
<b>Business-type activities:</b>				
Water	27,775,558	(575,435)	24,979,440	-
Sewer	15,952,170	1,003,768	14,756,465	-
Golf	4,955,932	-	3,678,545	-
Storm Drain	2,502,935	(165,504)	872,260	-
Transit	647,029	-	25,229	107,176
Cemetery	266,740	1,264	120,202	-
Pleasanton Housing Authority	134	-	-	-
Total business-type activities	52,100,498	264,093	44,432,141	107,176
<b>Total primary government</b>	<b>\$ 171,484,634</b>	<b>\$ -</b>	<b>\$ 58,643,424</b>	<b>\$ 2,251,744</b>

**General Revenues:**

Taxes:

Property

Other

Sales tax

Franchise taxes

Total taxes - unrestricted

Investment income not restricted to specific programs

Miscellaneous

Transfers

**Total general revenues and transfers**

**Change in net position**

**Net position - beginning of year**

**Net position - end of year**

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ -	\$ (13,773,236)	\$ -	\$ (13,773,236)
-	(47,240,678)	-	(47,240,678)
24,777,830	17,043,000	-	17,043,000
4,170,401	(20,484,466)	-	(20,484,466)
320,605	(9,546,693)	-	(9,546,693)
-	(21,469)	-	(21,469)
<u>29,268,836</u>	<u>(74,023,542)</u>	<u>-</u>	<u>(74,023,542)</u>
2,131,310	-	(1,240,243)	(1,240,243)
1,515,511	-	1,323,574	1,323,574
-	-	(1,277,387)	(1,277,387)
1,425,324	-	(370,855)	(370,855)
-	-	(514,624)	(514,624)
-	-	(145,274)	(145,274)
-	-	(134)	(134)
<u>5,072,145</u>	<u>-</u>	<u>(2,224,943)</u>	<u>(2,224,943)</u>
<u>\$ 34,340,981</u>	<u>(74,023,542)</u>	<u>(2,224,943)</u>	<u>(76,248,485)</u>
	61,203,788	-	61,203,788
	11,286,091	-	11,286,091
	23,362,536	-	23,362,536
	2,637,490	-	2,637,490
	<u>98,489,905</u>	<u>-</u>	<u>98,489,905</u>
	1,029,883	208,100	1,237,983
	750,129	272,743	1,022,872
	<u>(488,321)</u>	<u>488,321</u>	<u>-</u>
	<u>99,781,596</u>	<u>969,164</u>	<u>100,750,760</u>
	25,758,054	(1,255,779)	24,502,275
	<u>542,092,452</u>	<u>229,557,696</u>	<u>771,650,148</u>
	<u>\$ 567,850,506</u>	<u>\$ 228,301,917</u>	<u>\$ 796,152,423</u>

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## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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

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

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

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**City of Pleasanton  
Balance Sheet  
Governmental Funds  
June 30, 2017**

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Non-major Governmental Funds	Total
<b>ASSETS</b>					
Cash and investments (Note 2)	\$ 17,904,082	\$ 11,407,202	\$ 13,880,948	\$ 62,099,348	\$ 105,291,580
Receivables (net):					
Accounts	1,835,645	264,711	-	1,636,980	3,737,336
Taxes	6,429,683	-	-	-	6,429,683
Grants	-	-	-	2,370,797	2,370,797
Interest	138,217	414,032	18,576	467,444	1,038,269
Lease	-	419,838	-	-	419,838
Due from other funds (Note 4)	1,269,670	-	-	-	1,269,670
Notes receivable, net (Note 3)	75,199	15,420,035	-	2,498,691	17,993,925
<b>Total assets</b>	<b>\$ 27,652,496</b>	<b>\$ 27,925,818</b>	<b>\$ 13,899,524</b>	<b>\$ 69,073,260</b>	<b>\$ 138,551,098</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,251,864	\$ 84,827	\$51,978	\$ 3,323,769	\$ 6,712,438
Payroll payable	1,402,331	6,328	-	2,950	1,411,609
Due to other funds (Note 4)	-	-	-	1,253,341	1,253,341
Advances from other funds (Note 4)	-	-	-	1,557,494	1,557,494
Unearned revenue	518,183	-	-	47,274	565,457
Refundable deposits	7,804	-	-	-	7,804
<b>Total liabilities</b>	<b>5,180,182</b>	<b>91,155</b>	<b>51,978</b>	<b>6,184,828</b>	<b>11,508,143</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	16,204,825	-	2,755,392	18,960,217
<b>FUND BALANCES (Note 9)</b>					
Nonspendable	75,199	-	-	-	75,199
Restricted	-	11,629,838	-	53,866,422	65,496,260
Committed	11,634,112	-	-	-	11,634,112
Assigned	-	-	13,847,546	7,432,325	21,279,871
Unassigned	10,763,003	-	-	(1,165,707)	9,597,296
<b>Total fund balances</b>	<b>22,472,314</b>	<b>11,629,838</b>	<b>13,847,546</b>	<b>60,133,040</b>	<b>108,082,738</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 27,652,496</b>	<b>\$ 27,925,818</b>	<b>\$ 13,899,524</b>	<b>\$ 69,073,260</b>	<b>\$ 138,551,098</b>

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**

**Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide  
Statement of Net Position - Governmental Activities  
June 30, 2017**

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**Fund Balances - Total Governmental Funds** \$ 108,082,738

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

Capital assets used in governmental activities are not current financial resources. Therefore they were not reported in the Governmental Funds Balance Sheet. This amount is net of capital assets of the internal service funds in the amount of \$13,454,748. 497,526,227

Notes and lease receivables are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the fund financial statements. 18,960,217

Internal service funds are used by management to charge the costs of employee benefits, public art acquisition and maintenance, assessment district administration, equipment replacement/renovation and self-insurance programs to individual departments or to other governments. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in governmental activities in the Statement of Net Position. (54,801,912)

Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the Governmental Fund Financial Statements:

Note payable to California Energy Commission	(1,016,764)
HUD Section 108 Loan	(900,000)

**Net Position of Governmental Activities** \$ 567,850,506

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, 2017**

	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Non-major Governmental Funds	Total
<b>REVENUES:</b>					
Taxes	\$ 96,300,774	\$ -	\$ -	\$ -	\$ 96,300,774
Special assessments	-	-	-	207,293	207,293
Licenses	9,409	-	-	-	9,409
Permits	3,598,675	-	-	-	3,598,675
Fines and forfeitures	299,605	-	-	55,695	355,300
Use of money and property	282,687	725,120	32,985	288,669	1,329,461
Intergovernmental	255,994	250,711	-	6,249,309	6,756,014
Franchises	2,637,490	-	-	-	2,637,490
Charges for services	1,578,779	-	-	-	1,578,779
Development fees	322,278	6,374,939	-	9,792,449	16,489,666
Plan check fees	2,856,220	-	-	-	2,856,220
Reimbursements	3,096,496	15	-	3,586,259	6,682,770
Contributions and donations	18,991	-	-	657,944	676,935
Other revenues	208,234	984,557	-	391,748	1,584,539
Recreation charges	4,107,359	-	-	-	4,107,359
<b>Total revenues</b>	<b>115,572,991</b>	<b>8,335,342</b>	<b>32,985</b>	<b>21,229,366</b>	<b>145,170,684</b>
<b>EXPENDITURES:</b>					
Current:					
General government	13,221,537	-	-	-	13,221,537
Public safety	45,203,173	-	-	302,807	45,505,980
Community development	13,401,980	7,165,633	-	224,539	20,792,152
Operations services	16,919,027	-	-	520,383	17,439,410
Community activities	12,367,486	-	-	155,426	12,522,912
Capital outlay	574,680	-	3,684,487	16,478,047	20,737,214
Debt Service:					
Principal	10,748	-	179,115	50,000	239,863
Interest	89	-	11,513	9,867	21,469
<b>Total expenditures</b>	<b>101,698,720</b>	<b>7,165,633</b>	<b>3,875,115</b>	<b>17,741,069</b>	<b>130,480,537</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>13,874,271</b>	<b>1,169,709</b>	<b>(3,842,130)</b>	<b>3,488,297</b>	<b>14,690,147</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in (Note 4)	776,113	-	10,497,143	1,317,506	12,590,762
Transfers out (Note 4)	(12,800,682)	(3,558,579)	(775,000)	(783,062)	(17,917,323)
<b>Total other financing sources (uses)</b>	<b>(12,024,569)</b>	<b>(3,558,579)</b>	<b>9,722,143</b>	<b>534,444</b>	<b>(5,326,561)</b>
<b>Net change in fund balances</b>	<b>1,849,702</b>	<b>(2,388,870)</b>	<b>5,880,013</b>	<b>4,022,741</b>	<b>9,363,586</b>
<b>FUND BALANCES:</b>					
Beginning of year	20,622,612	14,018,708	7,967,533	56,110,299	98,719,152
End of year	\$ 22,472,314	\$ 11,629,838	\$ 13,847,546	\$ 60,133,040	\$ 108,082,738

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, 2017**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<b>9,363,586</b>
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Amounts reported for governmental activities in the Statement of Activities and Changes in Net Position were different because:

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

Capital outlay		20,737,214
Capital contributions		2,429,837
Operation services additions		113,811
Retirements		(1,705,319)
Depreciation (net of internal service funds of \$1,551,564)		(11,987,891)

Loans receivable are not considered available revenue and are classified as deferred inflows of resources in the governmental funds.		6,451,353
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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 Position.

Principal repayments:

Capital lease		10,748
Note payable to California Energy Commission		179,115
HUD Section 108 Loan		50,000

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		115,600
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<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>25,758,054</b>
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See accompanying Notes to Basic Financial Statements.

## **PROPRIETARY FUND FINANCIAL STATEMENTS**

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

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

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

***Storm Drain Fund*** – accounts for the operation and maintenance of the City’s storm system. The revenue source for this fund is the urban runoff annual assessment fee levied on property owners beginning in fiscal year 1992/93 and a subsidy from the General Fund. The expenses accounted for in this fund are for the federally mandated program to reduce pollutants to the Bay and other expenses related to maintaining the City’s storm drain system.

**City of Pleasanton  
Statement of Fund Net Position  
Proprietary Funds  
June 30, 2017**

	Business-type Activities - Enterprise Funds						Governmental
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and investments (Note 2)	\$ 22,652,999	\$ 19,127,751	\$ 597,702	\$ 1,328,837	\$ 1,132,783	\$ 44,840,072	\$ 56,850,979
Restricted cash (Note 2)	444,254	-	-	-	-	444,254	-
Receivables (net):							
Accounts	5,322,843	2,396,285	6,279	2,398	72,044	7,799,849	24,151
Interest	74,264	72,933	988	3,603	2,243	154,031	153,620
Inventory and prepaid expenses	-	-	129,163	-	-	129,163	-
Total current assets	<u>28,494,360</u>	<u>21,596,969</u>	<u>734,132</u>	<u>1,334,838</u>	<u>1,207,070</u>	<u>53,367,369</u>	<u>57,028,750</u>
Noncurrent assets:							
Prepaid other post employment benefits (Note 11)	-	-	-	-	-	-	3,884,748
Net investment in joint ventures (Note 8)	-	11,838,275	-	-	-	11,838,275	-
Advances to other funds (Note 4)	-	-	-	-	-	-	3,462,617
Capital assets (Note 5):							
Nondepreciable	30,601,668	1,470,229	12,434,327	24,047	61,750	44,592,021	1,268,892
Depreciable, net	62,908,514	48,155,211	14,925,098	23,248,395	12,482	149,249,700	12,185,856
Total noncurrent assets	<u>93,510,182</u>	<u>61,463,715</u>	<u>27,359,425</u>	<u>23,272,442</u>	<u>74,232</u>	<u>205,679,996</u>	<u>20,802,113</u>
<b>Total assets</b>	<u>122,004,542</u>	<u>83,060,684</u>	<u>28,093,557</u>	<u>24,607,280</u>	<u>1,281,302</u>	<u>259,047,365</u>	<u>77,830,863</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Related to pensions (Note 10)	1,040,208	511,647	-	215,651	-	1,767,506	40,673,657
<b>Total deferred outflows of resources</b>	<u>1,040,208</u>	<u>511,647</u>	<u>-</u>	<u>215,651</u>	<u>-</u>	<u>1,767,506</u>	<u>40,673,657</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	3,870,906	2,066,058	351,730	68,408	43,888	6,400,990	1,009,812
Payroll payable	90,650	46,586	-	14,767	16,305	168,308	-
Due to other funds (Note 4)	-	-	-	-	16,329	16,329	-
Refundable deposits	-	-	149,177	-	-	149,177	-
Unearned revenue	238,960	-	264,277	-	7,870	511,107	-
Accrued compensated absences (Note 1K)	-	-	-	-	-	-	1,218,934
Claims payable (Note 7)	-	-	-	-	-	-	2,656,690
Capital leases payable (Note 6B)	-	-	70,888	-	-	70,888	-
Loan payable (Note 6B)	302,501	-	-	-	-	302,501	-
Bonds payable (Note 6B)	795,000	-	-	-	-	795,000	-
Total current liabilities	<u>5,298,017</u>	<u>2,112,644</u>	<u>836,072</u>	<u>83,175</u>	<u>84,392</u>	<u>8,414,300</u>	<u>4,885,436</u>
Noncurrent liabilities:							
Accrued compensated absences (Note 1K)	-	-	-	-	-	-	3,011,944
Advances from other funds (Note 4)	-	-	-	-	-	-	1,905,123
Claims payable (Note 7)	-	-	-	-	-	-	9,420,781
Capital leases payable (Note 6B)	-	-	183,184	-	-	183,184	-
Loan payable (Note 6B)	9,979,419	-	-	-	-	9,979,419	-
Bonds payable (Note 6B)	6,305,000	-	-	-	-	6,305,000	-
Net pension liability (Note 10)	3,976,991	1,956,162	-	824,498	-	6,757,651	139,247,261
Total noncurrent liabilities	<u>20,261,410</u>	<u>1,956,162</u>	<u>183,184</u>	<u>824,498</u>	<u>-</u>	<u>23,225,254</u>	<u>153,585,109</u>
<b>Total liabilities</b>	<u>25,559,427</u>	<u>4,068,806</u>	<u>1,019,256</u>	<u>907,673</u>	<u>84,392</u>	<u>31,639,554</u>	<u>158,470,545</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Related to pensions (Note 10)	403,877	198,655	-	83,731	-	686,263	15,023,024
<b>Total deferred inflows of resources</b>	<u>403,877</u>	<u>198,655</u>	<u>-</u>	<u>83,731</u>	<u>-</u>	<u>686,263</u>	<u>15,023,024</u>
<b>NET POSITION</b>							
Net investment in capital assets	83,228,262	49,625,440	27,105,353	23,272,442	74,232	183,305,729	13,454,748
Restricted for:							
Transportation	-	-	-	-	305,694	305,694	-
Unrestricted	13,853,184	29,679,430	(31,052)	559,085	816,984	44,877,631	(68,443,797)
<b>Total net position</b>	<u>\$ 97,081,446</u>	<u>\$ 79,304,870</u>	<u>\$ 27,074,301</u>	<u>\$ 23,831,527</u>	<u>\$ 1,196,910</u>	<u>228,489,054</u>	<u>\$ (54,989,049)</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.							
						(187,137)	
						<u>\$ 228,301,917</u>	

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2017**

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Water	Sewer	Golf	Storm Drain	Other Non-major Enterprise Funds	Total	Internal Service Funds
<b>OPERATING REVENUES:</b>							
Charges for services	\$ 24,965,716	\$ 14,750,852	\$ 3,678,545	\$ 511,355	\$ 143,294	\$ 44,049,762	\$ 14,815,741
Reimbursements	3,102	5,259	-	359,568	-	367,929	85,800
Miscellaneous	10,622	354	-	1,337	2,137	14,450	-
<b>Total operating revenues</b>	<b>24,979,440</b>	<b>14,756,465</b>	<b>3,678,545</b>	<b>872,260</b>	<b>145,431</b>	<b>44,432,141</b>	<b>14,901,541</b>
<b>OPERATING EXPENSES:</b>							
Personnel services	2,540,592	1,507,473	-	561,036	531,696	5,140,797	10,296,411
Transportation	109,297	53,109	-	5,110	81,571	249,087	1,074
Repairs and maintenance	107,804	72,007	507,079	17,486	4,679	709,055	645,749
Materials, supplies, and services	21,483,431	11,454,304	2,736,347	804,885	282,519	36,761,486	8,220,445
Depreciation (Note 5)	3,325,113	2,865,277	1,707,023	1,114,418	13,438	9,025,269	1,551,564
<b>Total operating expenses</b>	<b>27,566,237</b>	<b>15,952,170</b>	<b>4,950,449</b>	<b>2,502,935</b>	<b>913,903</b>	<b>51,885,694</b>	<b>20,715,243</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,586,797)</b>	<b>(1,195,705)</b>	<b>(1,271,904)</b>	<b>(1,630,675)</b>	<b>(768,472)</b>	<b>(7,453,553)</b>	<b>(5,813,702)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Grants	-	-	-	-	107,176	107,176	-
Intergovernmental	-	-	-	-	281,459	281,459	-
Interest income	97,796	100,482	1,021	4,538	4,263	208,100	212,055
Interest (expense)	(209,321)	-	(5,483)	-	-	(214,804)	-
Equity interest in gain from joint ventures	-	573,530	-	-	-	573,530	-
Gain (loss) from sale of capital assets	166,412	-	-	-	-	166,412	83,428
<b>Total nonoperating revenues (expenses)</b>	<b>54,887</b>	<b>674,012</b>	<b>(4,462)</b>	<b>4,538</b>	<b>392,898</b>	<b>1,121,873</b>	<b>295,483</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Capital contributions received	1,822,860	1,262,311	-	1,425,324	-	4,510,495	311,014
Connection fees	308,450	253,200	-	-	-	561,650	-
Transfers in (Note 4)	573,998	109,081	-	330,000	384,425	1,397,504	5,267,147
Transfers out (Note 4)	(204,522)	(96,351)	(323,939)	(12,300)	(7,978)	(645,090)	(693,000)
<b>Total contributions and transfers</b>	<b>2,500,786</b>	<b>1,528,241</b>	<b>(323,939)</b>	<b>1,743,024</b>	<b>376,447</b>	<b>5,824,559</b>	<b>4,885,161</b>
<b>Change in net position</b>	<b>(31,124)</b>	<b>1,006,548</b>	<b>(1,600,305)</b>	<b>116,887</b>	<b>873</b>	<b>(507,121)</b>	<b>(633,058)</b>
<b>NET POSITION:</b>							
Beginning of year	97,112,570	78,298,322	28,674,606	23,714,640	1,196,037		(54,355,991)
End of year	<u>\$ 97,081,446</u>	<u>\$ 79,304,870</u>	<u>\$ 27,074,301</u>	<u>\$ 23,831,527</u>	<u>\$ 1,196,910</u>		<u>\$ (54,989,049)</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.

(748,658)  
Change in net position of business-type activities \$ (1,255,779)

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2017**

	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	\$ 24,350,151	\$ 14,168,168	\$ 3,672,341	\$ 872,653	\$ 159,447	\$ 43,222,760	\$ 14,944,216
Cash payment to suppliers for goods and services	(25,338,246)	(12,092,042)	(3,153,390)	(837,340)	(338,429)	(41,759,447)	(5,160,016)
Cash payment to and on behalf of employees for services	(3,781,812)	(1,682,265)	-	(592,244)	(526,933)	(6,583,254)	(10,175,791)
Net cash provided (used) by operating activities	(4,769,907)	393,861	518,951	(556,931)	(705,915)	(5,119,941)	(391,591)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Grants received	-	-	-	-	112,901	112,901	-
Intergovernmental funds received	-	-	-	-	280,125	280,125	442,506
Transfers in	573,998	109,081	-	330,000	384,425	1,397,504	5,267,147
Transfers out	(204,522)	(96,351)	(323,939)	(12,300)	(7,978)	(645,090)	(693,000)
Net cash provided (used) by noncapital financing activities	369,476	12,730	(323,939)	317,700	769,473	1,145,440	5,016,653
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Proceeds of long-term debt	11,619,148	-	12,319	-	-	11,631,467	-
Principal payments on long-term debt	-	-	(79,771)	-	-	(79,771)	-
Interest payments	(209,321)	-	(5,483)	-	-	(214,804)	-
Net investment in joint ventures	-	(573,530)	-	-	-	(573,530)	-
Proceeds from sale of capital assets	166,412	-	-	-	-	166,412	83,428
Capital asset (acquisitions)	(9,679,593)	(162,819)	(12,318)	-	(11,000)	(9,865,730)	(2,638,013)
Capital asset retirements	337,783	93,620	3,938	-	-	435,341	-
Connection fees received	308,450	253,200	-	-	-	561,650	-
Net cash provided (used) by capital and related financing activities	2,542,879	(389,529)	(81,315)	-	(11,000)	2,061,035	(2,554,585)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Interest and investment income received	67,939	637,286	937	3,421	3,112	712,695	154,404
Net cash provided by (used in) noncapital investing activities	67,939	637,286	937	3,421	3,112	712,695	154,404
Net increase (decrease) in cash and cash equivalents	(1,789,613)	654,348	114,634	(235,810)	55,670	(1,200,771)	2,224,881
<b>CASH AND CASH EQUIVALENTS:</b>							
Beginning of year	24,886,866	18,473,403	483,068	1,564,647	\$1,077,113	46,485,097	54,626,098
End of year	\$ 23,097,253	\$ 19,127,751	\$ 597,702	\$ 1,328,837	\$ 1,132,783	\$ 45,284,326	\$ 56,850,979
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ (2,586,797)	\$ (1,195,705)	\$ (1,271,904)	\$ (1,630,675)	\$ (768,472)	\$ (7,453,553)	\$ (5,813,702)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	3,325,113	2,865,277	1,707,023	1,114,418	13,438	9,025,269	1,551,564
Decrease (increase) in:							
Accounts receivable	(629,289)	(588,297)	(6,204)	393	12,340	(1,211,057)	42,675
Inventory and prepaid items	-	-	(8,894)	-	-	(8,894)	(284,748)
Increase (decrease) in:							
Accounts payable	(3,523,072)	(512,622)	47,909	(9,859)	42,699	(3,954,945)	(912,347)
Payroll payable	6,117	21,278	-	3,828	4,763	35,986	-
Refundable deposits	-	-	32,575	-	-	32,575	-
Due to other funds	-	-	-	-	(12,359)	(12,359)	-
Unearned revenue	(114,642)	-	18,446	-	1,676	(94,520)	-
Compensated absences	-	-	-	-	-	-	(62,178)
Claims payable	-	-	-	-	-	-	3,591,539
Net pension liability	(1,247,337)	(196,070)	-	(35,036)	-	(1,478,443)	1,495,606
Net cash provided (used) by operating activities	\$ (4,769,907)	\$ 393,861	\$ 518,951	\$ (556,931)	\$ (705,915)	\$ (5,119,941)	\$ (391,591)
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Capital contributions received	\$ 1,822,860	\$ 1,262,311	\$ -	\$ 1,425,324	\$ -	\$ 4,510,495	\$ 311,014
Total noncash capital and related financing activities	\$ 1,822,860	\$ 1,262,311	\$ -	\$ 1,425,324	\$ -	\$ 4,510,495	\$ 311,014

See accompanying Notes to Basic Financial Statements.

## **FIDUCIARY FUND FINANCIAL STATEMENTS**

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

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

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**City of Pleasanton  
Statement of Fund Net Position  
Fiduciary Funds  
June 30, 2017**

<b>ASSETS</b>	<u>Private-Purpose Trust</u>	<u>Agency</u>
Cash and investments (Note 2)	\$ 420,976	\$ 9,929,150
Receivables (net):		
Accounts	2,550	571,530
Interest	1,612	8,186
Notes receivable	-	18,252
Prepaid other post-employment benefits	-	42,959
<b>Total assets</b>	<u>425,138</u>	<u>\$ 10,570,077</u>
<b>LIABILITIES</b>		
Accounts payable	-	\$ 4,873,872
Claims	-	4,013,192
Accrued compensated absences	-	579,369
Loans payable	-	18,252
Deposits	-	1,085,392
<b>Total liabilities</b>	<u>-</u>	<u>\$ 10,570,077</u>
<b>NET POSITION</b>		
Net position held in trust for others	<u>\$ 425,138</u>	

See accompanying Notes to Basic Financial Statements.



**City of Pleasanton  
Statement of Changes in Fiduciary Net Position  
Private - Purpose Trust  
For the Year Ended June 30, 2017**

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	Private-Purpose Trust
<b>ADDITIONS:</b>	
Investment income	\$ 2,229
Miscellaneous	2,225
<b>Total additions</b>	<u>4,454</u>
<b>DEDUCTIONS:</b>	
Operations services	18,066
<b>Total deductions</b>	<u>18,066</u>
<b>Change in net position</b>	<u>13,612</u>
<b>NET POSITION HELD IN TRUST:</b>	
Beginning of year	<u>438,750</u>
End of year	<u>\$ 425,138</u>

See accompanying Notes to Basic Financial Statements.

**City of Pleasanton**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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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 most significant of the City's accounting policies are described below.

**A. Reporting Entity**

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

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations, and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The City had no discretely presented component units. The following entities are reported as blended component units of the City as the component units governing bodies are the same as the governing body of the City and City management has operational responsibility for the component unit:

Housing Authority of the City of Pleasanton, California (Housing Authority) - The Housing Authority was established in 1943. The purpose of the Housing Authority is to advocate for housing units and services for low and moderate income families. In accordance with Section 2.36 of the Municipal Code, the Pleasanton City Council serves as the Board of Directors for the Housing Authority of the City of Pleasanton. Separate financial statements for the Housing Authority may be obtained from the City's Finance Department located in City Hall at 123 Main Street, Pleasanton, CA 94566.

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

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

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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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 Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

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

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

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

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

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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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 position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

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

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

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

The City reports the following major governmental funds:

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

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

The *Miscellaneous Capital Improvement Programs Fund* – is a capital projects fund that receives contributions from the General Fund to be used for the purchase of equipment or the construction of facilities as adopted in the annual miscellaneous capital improvement program.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

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

*Proprietary Fund Financial Statements*

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

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

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

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

The City reports the following major enterprise funds:

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

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

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

The *Storm Drain Fund* – accounts for the operation and maintenance of the City’s storm system. The revenue source for this fund is the urban runoff annual assessment fee levied on property owners beginning in fiscal year 1992/93 and a subsidy from the General Fund. The expenses accounted for in this fund are for the federally mandated program to reduce pollutants to the Bay and other expenses related to maintaining the City’s storm drain system.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

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

The City also reports the following types of funds:

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

*Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City’s fiduciary funds represent agency funds and a private purpose trust fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The private purpose trust fund is accounted for using the economic resources measurement focus. The fiduciary funds are accounted for using the accrual basis of accounting.

The City reports the following fiduciary funds:

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

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

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

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

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

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

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



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***D. Restricted Cash and Investments***

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

***E. Receivables***

During the course of normal operations, the City carries various receivable balances that are shown net of allowances for doubtful accounts for taxes, interest, services, utilities and special assessments. The City maintains allowances for doubtful accounts of \$30,000 in the Water Fund and \$20,000 in the Sewer Fund.

***F. Notes Receivable***

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

***G. Deferred Inflows/Outflows of Resources***

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

***H. Interfund Transactions***

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

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

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***I. Inventory***

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

***J. Capital Assets***

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting general capital assets at \$5,000, for CIP projects at \$50,000, and for reporting infrastructure (streets, water, sewer and storm drains) at \$100,000. All streetlights and traffic signals are included. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

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

The City has included the value of all infrastructure in the current Basic Financial Statements. Capital assets that meet the definition of a major infrastructure network or extend the life of existing infrastructure networks are capitalized as infrastructure. Infrastructure networks include: roads, bridges, water, sewer, drainage systems and lighting systems.

***K. Compensated Absences***

Accumulated unpaid vacation and compensatory time is accrued in and liquidated from the Employee Benefit Internal Service Fund using the accrual basis of accounting. Sick leave with pay is granted to all eligible employees. Sick leave is not considered a right which employees may use at their discretion, but is allowed only for specific purposes as explained in the City's personnel policies. The City accrues accumulated unpaid compensated absences when earned by the employee.

	Governmental Activities
Balance June 30, 2016	\$ 4,293,056
Additions	2,716,883
Payments	(2,779,061)
Balance June 30, 2017	<u>\$ 4,230,878</u>
Due within one year	<u>\$ 1,218,934</u>

The City records both an asset funded by the operating funds and a liability in its Employee Benefits Internal Service Fund to recognize the financial effect of unused vacation and other compensated leaves.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***L. Long-Term Debt***

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

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

***M. Interest Payable***

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

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

***N. Property Taxes***

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

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

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

***P. Use of Estimates***

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***Q. Fair Value Measurements***

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

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

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

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

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

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

**GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68.*** This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes.

**GASB Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*** The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

**GASB Statement No. 77 – *Tax Abatement Disclosures.*** This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

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

**GASB Statement No. 78 – Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.** This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

**GASB Statement No. 80 – Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14.** This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units.

**GASB Statement No. 82 – Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73.** The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

***S. Closed and Reclassified Funds***

During the fiscal year ended June 30, 2017, the City closed the Electric Vehicle Enterprise Fund and transferred remaining assets and liabilities to the General Fund. The City also reclassified the Landscape Maintenance North Pleasanton Improvement District Fund from a Capital Projects Fund to a Special Revenue Fund as the funds are restricted for maintenance needs and not for acquisition or construction of capital facilities.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

**2. CASH AND INVESTMENTS**

The City maintains a cash and investments pool, which includes cash balances and authorized investments of all funds, that is available for use by all funds.

The following is a summary of pooled cash and investments at June 30, 2017:

	Government-Wide		Fiduciary Funds	Total	
	Statement of Net Position				Statement of Net Position
	Governmental Activities	Business-Type Activities			
Cash and investments	\$ 162,142,559	\$ 44,840,072	\$ 10,350,126	\$ 217,332,757	
Restricted cash	-	444,254	-	444,254	
<b>Total Cash and investments</b>	<b>\$ 162,142,559</b>	<b>\$ 45,284,326</b>	<b>\$ 10,350,126</b>	<b>\$ 217,777,011</b>	

At June 30, 2017, the City's pooled cash and investments consisted of the following:

	Fair Value at June 30, 2017
<b>Deposits:</b>	
Cash on hand	\$ 7,525
Restricted cash	444,254
Deposits with banks	16,162,133
<b>Total Deposits</b>	<b>16,613,912</b>
<b>Investments:</b>	
U.S. government agencies	153,989,929
U.S. Treasury notes	5,011,180
Medium-term corporate notes	5,974,160
Certificates of deposit	1,224,907
California Local Agency Investment Fund	34,962,923
<b>Total Investments</b>	<b>201,163,099</b>
<b>Total City Treasury</b>	<b>\$ 217,777,011</b>

**A. Deposits**

At June 30, 2017, the carrying amount of the City's cash deposits with the bank had a balance of \$16,606,387 and the banks' balance was \$17,792,455. The difference between the bank balance and the City's carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$2,172,710 was covered by federal depository insurance and \$15,619,745 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. The California Government Code requires California banks to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits, or by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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**2. CASH AND INVESTMENTS, Continued**

***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:

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

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that the City's investments be carried at fair market value instead of cost. Accordingly, the City adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and the effects of these adjustments are included in income for that fiscal year. Changes in market value at the fiscal year ended June 30, 2017 from the fiscal year ended June 30, 2016 amounted to an unrealized loss of \$665,958.

***C. Interest Rate Risk***

As a means of limiting its exposure to fair market value losses arising from interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2017, the City had the following investment maturities:

Investment Type	Investment Maturities (In Years)		Total
	Less than 1	1 to 5	
U.S. Government agencies	\$ 46,768,840	\$ 107,221,089	\$ 153,989,929
U.S. Treasury notes	-	5,011,180	5,011,180
Medium-term corporate notes	1,992,760	3,981,400	5,974,160
Certificates of deposit	1,224,907	-	1,224,907
California Local Agency Investment Fund	34,962,923	-	34,962,923
Total Investments	<u>\$ 84,949,430</u>	<u>\$ 116,213,669</u>	<u>\$ 201,163,099</u>

During the year, the City held callable notes. Callable notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises such as the Federal National Mortgage Association (FNMA) and the Federal Home Loan Bank (FHLB). These securities could be called prior to maturity, depending on changes in interest rates. As of June 30, 2017, the City held \$94,720,699 in callable notes, which amounted to 47.09% of total investments.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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**2. CASH AND INVESTMENTS, Continued**

**D. Fair Value Hierarchy**

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

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2017:

	Level 1	Level 2	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Investments by Fair Value Level:</i>			
U.S. Government agencies	\$ -	\$ 153,989,929	\$ 153,989,929
U.S. Treasury notes	5,011,180	-	5,011,180
Medium-term Corporate Notes	-	5,974,160	5,974,160
Negotiable Certificates of Deposit	-	244,907	244,907
Sub-total	<u>\$ 5,011,180</u>	<u>\$ 160,208,996</u>	<u>165,220,176</u>
 <i>Investments Reported at Cost:</i>			
Non-negotiable Certificates of Deposit			980,000
 <i>Investments Exempt from Fair Value Hierarchy:</i>			
California Local Agency Investment Fund			<u>34,962,923</u>
Total Investments			<u>\$ 201,163,099</u>

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



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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**2. CASH AND INVESTMENTS, Continued**

***E. 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, including Moody's Investor's Service and Standard & Poor's.

The City's investments are rated by the nationally recognized rating organizations, and as of June 30, 2017, the ratings, as well as the percentage of credit risk expressed on a percentage basis, are as follows:

	Moody's	Standard & Poor's	Percentage
U.S. Government Agencies:			
Federal Farm Credit Bank	Aaa	AA+	19.9%
Federal Home Loan Bank	Aaa	AA+	15.4%
Federal Home Loan Mortgage Corporation	Aaa	AA+	24.8%
Federal National Mortgage Association	Aaa	AA+	16.4%
Medium Term Corporate Notes:			
Apple, Inc.	Aa1	AA+	3.0%
Microsoft Inc.	Aaa	AAA	2.0%

*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. Government Agencies	Amount Invested	Percentage of Investments
Federal Farm Credit Bank	\$ 40,061,884	20%
Federal Home Loan Mortgage Corporation	49,907,647	25%
Federal Home Loan Bank	31,018,787	15%
Federal National Mortgage Association	33,001,611	16%

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 the City's behalf by its third-party custodian are not at risk or commingled with other entities' securities, therefore removing the custodial risk for the City.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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**2. CASH AND INVESTMENTS, Continued**

**F. External Investment Pool**

As of June 30, 2017, the City had \$34,962,923 invested in the California Local Agency Investment Fund (LAIF), a State of California external investment pool. LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and a State in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and the State Controller. The LAIF determines the fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. At June 30, 2017, 42.96% of LAIF's portfolio was invested in government guaranteed U.S. Treasuries.

As of June 30 2017, 2.25% of LAIF's portfolio was invested in Structured Notes and Asset-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

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

The fair value of LAIF was calculated by applying a factor of .998940671 to total investments held by LAIF. The fair value of the City's position in the pool is substantially equivalent to the value of the pool share. At June 30, 2017, these investments matured on an average of 194 days. Separate financial statements for the PMIB may be obtained from the California State Treasurer's Office, 915 Capital Mall, Sacramento, CA 95814.

**3. NOTES RECEIVABLE**

The following table summarizes the notes receivable outstanding as of June 30, 2017, and a brief description of each of the loan categories appears below the table:

Housing Loans:	
Multifamily Housing Projects-Developers	\$ 998,062
Revolving Home Loans-Individuals	464,091
Senior Housing Projects-Developers	13,841,215
Nonprofit Public Benefit Corporations	65,000
HOME Grant Program Loans	1,806,308
CDBG Program Loans	535,762
Tri-Valley Housing Opportunity Center Loan	51,667
In-Lieu Parking Fee Loans	29,000
Sewer Connection Fee Loans	75,199
Hacienda Business Park LED Project	127,621
	\$ 17,993,925

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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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 receives approximately \$75,000 annually through a formula administered by the County of Alameda. The City has allocated its HOME funds primarily to agencies and programs that provide housing to low-income persons and households.

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

Tri-Valley Housing Opportunity Center Loan – The Tri-Valley Housing Opportunity Center (TVHOC) is a non-profit public charity that provides financial and housing counseling and education services to residents of the cities of Danville, Dublin, Livermore, Pleasanton, and San Ramon. In April 2013, the City joined with Dublin and Livermore in funding a \$155,001 loan to TVHOC to enable it to meet its outstanding financial obligations. The City's share of the loan to TVHOC was \$51,667 and the full amount was outstanding as of June 30, 2017.

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, 2017 was \$29,000.

Sewer Loans – Loans are granted to restaurant owners to finance sewer connection fees. The loan program was adopted in 1989 to encourage restaurants to locate in the downtown area. In 1997, the City expanded the loan program to restaurants outside downtown Pleasanton. The outstanding amount as of June 30, 2017 was \$75,199.

Hacienda Business Park LED Loan – In 2015, the City loaned \$251,668 to the Hacienda Business Park Owners Association (HBPOA) for their share of the City LED Street Light Retrofit Capital Improvement Project. There are twenty-one (21) semi-annual payments due on the loan; each payment is due by June 22<sup>nd</sup> and December 22<sup>nd</sup> of each year. The interest rate adjusts annually based on the Local Agency Investment Fund interest calculated each January 2<sup>nd</sup>. The outstanding amount as of June 30, 2017 was \$127,621.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

**3. NOTES RECEIVABLE, Continued**

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

- Eden Housing/Ridge View Commons Associates – In 1988, the City loaned \$4,000,000 to Eden Housing, Inc. for the development of Ridge View Commons, a rental housing development for low and very low income seniors. Funding for this loan came from a Department of Housing and Urban Development (HUD) grant through the Housing Development Grant (HODAG) program. This loan bears interest of 5% per annum and both principal and interest are payable only to the extent that surplus cash is available. In 1999, the City loaned \$2,250,000 from the Lower Income Housing Fund to Ridgeview Commons Associates, a California Limited Partnership affiliated with Eden Housing, Inc., for this same housing project. In FY 2009/10, the City loaned an additional \$225,000 to Ridgeview Commons Associates to buy out the financial interests of the limited partner (Chevron USA, Inc.) in this project. This loan, totaling \$2,475,000, bears interest of 5.5% per annum and is payable only to the extent that surplus cash is available. Due to the contingent nature of the loan repayments, the City has recorded an allowance for doubtful accounts in its Lower Income Housing Fund for both principal and interest.
- Tri-Valley REACH, Inc. Loans – Beginning in January 1992, the City has entered into a series of agreements with REACH, Inc. (formerly HOUSE, Inc.), a local nonprofit agency, to provide funding to purchase below-market priced homes in Pleasanton for developmentally disabled adults who can live independently with supportive services. These loans do not include interest payments and no repayment of principal is due as long as REACH, Inc. owns the property and continues to use it for the intended purpose. Total REACH, Inc. loans outstanding as of June 30, 2017 were \$1,147,531. 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 \$47,564 is funded by the CDBG Program.

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

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

- Case Avenue Associates - In 1996, the City loaned \$766,063 to Case Avenue Associates to finance the construction of the Promenade Apartments, a mixed income rental housing development of very low income, low income and market rate units. This loan was to finance the construction of the low income and very low income units in the project and was comprised of two components: \$636,063 funded by the City, and \$130,000 funded through the City’s allocation of HOME Program funds. Both loans are reported in the Lower Income Housing Fund. The \$636,063 portion did not bear interest through 2007. Beginning in 2008, interest accrues at 2% 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, 2017 was \$9,270. The principal amounts outstanding at June 30, 2017 for the City funded and the HOME funded portions were \$636,063 and \$130,000, respectively.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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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, 2017, was \$1,486. The principal amounts outstanding at June 30, 2017, 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, 2017, was \$51,000.
- Pleasanton Homeownership Assistance Program - As part of the Pleasanton Homeownership Assistance Program (PHAP) developed by the City to provide affordable housing opportunities for households of low and moderate income, loans are provided to eligible low and moderate income homebuyers for second mortgages and down payment assistance. For the City's Down Payment Assistance (DPA) program, which was started in 2004, amortized payments are made on half of the loan for the first ten years while payments are partially deferred for ten years on the other half. During FY 2016/17, the City received loan repayments totaling \$81,958. The outstanding amount due to the City for these types of loans as of June 30, 2017 was \$464,091.
- Kottinger Gardens Phase 1 Associates, L.P. (Successor of MidPen Housing Corporation) - On November 12, 2013, the City approved a Disposition, Development and Loan Agreement with MidPen Housing Corporation that provides for a \$10,000,000 loan from the City's Lower Income Housing Fund for the development of the Kottinger Place and Pleasanton Gardens affordable senior housing project. During FY 2014/15, the City appropriated an additional \$3,750,000 from the Lower Income Housing Fund for this project, increasing the project funding to \$13,750,000. Interest accrues on the principal amount at 3% per annum. The term of the loan expires fifty-five years from the date of conversion to permanent financing. On March 1, 2016, MidPen Housing Corporation entered into an Assignment and Modification Agreement with Kottinger Gardens Phase 1 Associates, L.P. and the City of Pleasanton where MidPen assigned all rights, titles, interest and obligations of the loan to Kottinger Gardens Phase 1 Associates, L.P. During FY 2016/17, the City disbursed an additional \$6,346,592. The principal and interest outstanding at June 30, 2017 were \$11,300,215 and \$354,194, respectively.

During FY 2014/15, the City agreed to provide a separate predevelopment loan up to a maximum of \$450,000 for the predevelopment costs of the Kottinger Place and Pleasanton Gardens senior housing project. The loan was funded through the City's annual formula allocation of federal HOME Program funds. Interest accrues on the principal amount at 3% per annum. The term of the loan expires fifty-five years from the date of conversion to permanent financing. During FY 2016/17, the City disbursed an additional \$89,937. The principal and interest outstanding at June 30, 2017 were \$450,000 and \$26,942, respectively.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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**3. NOTES RECEIVABLE, Continued**

- BLP Partnership, Inc. – In 2005, the City loaned \$2,490,000 to BLP Partnership, Inc. for the predevelopment and construction of the Parkview assisted living facility. The loan requires an annual interest-only payment of 10% (\$249,000) for 55 years or until the loan is paid in full. Annual payments are based on the availability of surplus cash from the operation of the facility according to a “waterfall of payments” provision in the Loan Agreement, and any unpaid amounts are accrued to be paid from surplus cash in subsequent years. At maturity, on September 1, 2060, any unpaid principal and interest will be forgiven. Consequently, the City has recorded the accrued unpaid interest in an allowance for doubtful accounts in its Lower Income Housing Fund. During FY 2016/17, BLP paid the City \$249,000 representing a portion of the accrued unpaid interest. As of June 30, 2017, the accrued unpaid interest in the allowance for doubtful accounts was \$1,372,399 and the principal amount outstanding was \$2,490,000.
- Regional Affordable Housing Projects – The City has also allocated HOME funding via loans and grants to several regional affordable housing projects that have been deemed to provide a benefit to Pleasanton residents due to the unique populations they serve. There are three affordable housing loans outstanding which include: \$80,000 to Housing Alliance for the construction of Lorenzo Creek apartments (28 units of rental housing in Castro Valley for homeless individuals and families with disabilities); \$30,000 to the Deaf Senior Retirement Corporation for the construction of the Fremont Oak Gardens (50 units of rental housing in Fremont for very low income deaf seniors); and \$50,000 to Affordable Housing Associates for the construction of the Carmen Avenue apartments (30 units of rental housing in Livermore for families that were formerly homeless and have special needs). All three loans are deferred and the Fremont Oak Gardens and Carmen Avenue loans bear no interest. The Housing Alliance loan is subject to 3% interest, and payments are deferred for 15 years. Starting March 2021, payments are subject to available cash flow as determined by Alameda County (the lead agency in the multi-jurisdictional funding agreement). Interest outstanding on the Housing Alliance loan at June 30, 2017 was \$27,000. The principal amount outstanding for all three loans at June 30, 2017 was \$160,000.
- Housing Rehabilitation Program - The Housing Rehabilitation Program provides financial assistance for the improvement of properties occupied by very low or low-income homeowners. These loans accrue 3% simple interest. Principal and interest are deferred for thirty years or until such time the property is sold or ceases to be the principal residence of the borrower. The majority of loans issued through the Housing Rehabilitation Program have been funded using CDBG funds, with the exception of several loans that have been funded with HOME funds. 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, 2017 were \$488,197 and \$177,084 respectively. The outstanding principal and interest amounts of Housing Rehabilitation Program loans funded by HOME funds as of June 30, 2017 were \$161,341 and \$25,676, respectively.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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**4. INTERFUND TRANSACTIONS**

**A. *Interfund Receivables / Payables***

The composition of interfund balances as of June 30, 2017 is as follows:

*Due to/from Other Funds*

As of June 30, 2017, the General Fund provided \$1,253,341 to various non-major special revenue funds and \$16,329 to the Transit Fund Enterprise Fund.

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$ 1,253,341
	Non-Major Enterprise Funds	<u>16,329</u>
		<u>\$ 1,269,670</u>

*Long-Term Advances*

On July 1, 2012, the Retirees Insurance Reserve Internal Service Fund advanced \$7,840,284 to the Employee Benefits Internal Service Fund to internally finance the payoff of the PERS Police Retirement Group side fund loan. In FY 2016/17, \$921,606 of the advance was repaid, and the remaining \$1,905,123 will be repaid over the next two years.

On April 17, 2015, the Replacement/Renovation Internal Service Fund advanced \$2,000,000 to the Park Capital Improvement Program Capital Projects Fund to be used for costs associated with the Bernal Community Park, Phase II Lighted Multi-Purpose Sports Fields project. The advance will be repaid through private fundraising efforts within ten years after the date of the park's opening. In FY 2016/17, \$442,506 of the advance was repaid, and the remaining \$1,557,494 will be repaid over the next eight years.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

**4. INTERFUND TRANSACTIONS, Continued**

**B. Transfers In/Out**

Transfers in/out for the year ended June 30, 2017 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
General Fund	Golf Enterprise Fund	\$ 112,000	(A)
	Non-Major Governmental Funds	19,135	(A), (B)
	Non-Major Enterprise Funds	7,978	(C)
	Internal Service Funds	637,000	(D)
Miscellaneous Capital Improvement Programs Fund	General Fund	7,038,564	(A), (F)
	Lower Income Housing Fund	3,458,579	(F)
Water Enterprise Fund	General Fund	214,577	(E)
	Non-Major Governmental Funds	321,421	(A)
	Internal Service Funds	38,000	(D)
Sewer Enterprise Fund	General Fund	91,081	(E)
	Internal Service Funds	18,000	(D)
Storm Drain Enterprise Fund	General Fund	330,000	(D)
Non-Major Governmental Funds	Lower Income Housing Fund	100,000	(F)
	Non-Major Governmental Funds	1,217,506	(F)
Non-Major Enterprise Funds	General Fund	384,425	(H)
Internal Service Funds	General Fund	4,742,035	(G)
	Water Enterprise Fund	204,522	(G)
	Sewer Enterprise Fund	96,351	(G)
	Golf Enterprise Fund	211,939	(G)
	Storm Drain Enterprise Fund	12,300	(G)
Total Interfund Transfers		<u>\$ 19,255,413</u>	

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



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance at June 30, 2016	Additions	Retirements and Adjustments	Transfers	Balance at June 30, 2017
<b>Governmental Activities</b>					
Nondepreciable assets:					
Land	\$ 240,288,265	\$ 4,523,336	\$ (239,046)	\$ -	\$ 244,572,555
Right-of-ways	36,354,674	-	-	-	36,354,674
Public art	716,352	81,666	-	-	798,018
Construction in progress	22,614,817	15,059,382	(873,278)	(21,382,084)	15,418,837
Total nondepreciable assets	299,974,108	19,664,384	(1,112,324)	(21,382,084)	297,144,084
Depreciable assets:					
Infrastructure	288,165,351	2,744,837	(903,960)	1,478,855	291,485,083
Buildings	79,884,554	1,032,691	(597,578)	1,206,799	81,526,466
Improvements other than buildings	59,385,885	-	-	15,616,968	75,002,853
Machinery and equipment	23,000,984	1,118,755	(885,293)	3,079,462	26,313,908
Vehicles	12,393,227	1,689,194	(904,397)	-	13,178,024
Total depreciable assets	462,830,001	6,585,477	(3,291,228)	21,382,084	487,506,334
Less accumulated depreciation:					
Infrastructure	173,346,346	7,446,956	(903,960)	-	179,889,342
Buildings	25,474,816	1,613,471	(4,583)	-	27,083,704
Improvements other than buildings	38,962,815	2,138,185	-	-	41,101,000
Machinery and equipment	17,199,099	1,485,317	(865,689)	-	17,818,727
Vehicles	7,825,173	855,526	(904,029)	-	7,776,670
Total accumulated depreciation	262,808,249	13,539,455	(2,678,261)	-	273,669,443
Net depreciable assets	200,021,752	(6,953,978)	(612,967)	21,382,084	213,836,891
Governmental activities capital assets, net	\$ 499,995,860	\$ 12,710,406	\$ (1,725,291)	\$ -	\$ 510,980,975
<b>Business-type Activities</b>					
Nondepreciable assets:					
Land	\$ 14,512,340	\$ -	\$ -	\$ -	\$ 14,512,340
Construction in progress	21,109,936	10,580,574	(346,444)	(1,264,385)	30,079,681
Total nondepreciable assets	35,622,276	10,580,574	(346,444)	(1,264,385)	44,592,021
Depreciable assets:					
Infrastructure	264,893,289	3,675,092	-	-	268,568,381
Buildings	35,802,849	-	-	-	35,802,849
Improvements other than buildings	31,481,268	-	-	-	31,481,268
Machinery and equipment	14,124,342	120,559	(456,772)	1,264,385	15,052,514
Vehicles	608,088	-	-	-	608,088
Total depreciable assets	346,909,836	3,795,651	(456,772)	1,264,385	351,513,100
Less accumulated depreciation:					
Infrastructure	154,452,060	6,112,330	-	-	160,564,390
Buildings	14,889,822	629,027	-	-	15,518,849
Improvements other than buildings	17,013,546	1,753,824	-	-	18,767,370
Machinery and equipment	6,657,412	516,707	(367,875)	-	6,806,244
Vehicles	593,166	13,381	-	-	606,547
Total accumulated depreciation	193,606,006	9,025,269	(367,875)	-	202,263,400
Net depreciable assets	153,303,830	(5,229,618)	(88,897)	1,264,385	149,249,700
Business-type activities capital assets, net	\$ 188,926,106	\$ 5,350,956	\$ (435,341)	\$ -	\$ 193,841,721

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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**5. CAPITAL ASSETS, Continued**

Depreciation expense was charged to various governmental functions as follows:

<b>Governmental Activities</b>		
General government		\$ 24,126
Public safety		655,797
Community development		1,259,929
Operations services		8,498,047
Community activities		1,549,992
	Total Governmental Functions	11,987,891
Internal Service Fund		1,551,564
	Total Governmental Activities	<u>\$ 13,539,455</u>

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

<b>Business-Type Activities</b>		
Water		\$ 3,325,113
Sewer		2,865,277
Golf		1,707,023
Transit		13,381
Storm Drain		1,114,418
Cemetery		57
	Total Business-Type Activities	<u>\$ 9,025,269</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

**6. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	Balance			Balance June 30, 2017	Amounts	
	June 30, 2016	Additions	Retirements		Due Within One Year	Due in More Than One Year
<b>Governmental Activity Debt:</b>						
Emergency Medical Equipment Capital Lease*	\$ 10,748	\$ -	\$ 10,748	\$ -	\$ -	\$ -
California Energy Commission (CEC) 1.0%, due 2022	1,195,879	-	179,115	1,016,764	180,910	835,854
HUD Section 108 Loan Variable rate, due 2032	950,000	-	50,000	900,000	50,000	850,000
<b>Total Governmental Activity Debt</b>	<b>\$ 2,156,627</b>	<b>\$ -</b>	<b>\$ 239,863</b>	<b>\$ 1,916,764</b>	<b>\$ 230,910</b>	<b>\$ 1,685,854</b>
<b>Business-type Activity Debt:</b>						
Golf Course Capital Lease	\$ 321,524	\$ 12,319	\$ 79,771	\$ 254,072	\$ 70,888	\$ 183,184
California Clean Water SRF Loan	5,762,772	4,519,148	-	10,281,920	302,501	9,979,419
Water Revenue Bonds, Series 2017	-	7,100,000	-	7,100,000	795,000	6,305,000
<b>Total Business-type Activity Debt</b>	<b>\$ 6,084,296</b>	<b>\$ 11,631,467</b>	<b>\$ 79,771</b>	<b>\$ 17,635,992</b>	<b>\$ 1,168,389</b>	<b>\$ 16,467,603</b>

\*Amount included Livermore's 50% share of LPPD's capital lease obligation.

**A. Governmental Activities**

*Emergency Medical Equipment Capital Lease*

On November 8, 2011, the City entered into a lease purchase agreement with Bank of America for emergency medical equipment. The cost of the leased equipment was \$102,371. The City made quarterly payments of \$5,418 over a lease period of 60 months, including interest payments at a rate of 2.194%. The City and the City of Livermore, through the Livermore-Pleasanton Fire Department, shared the cost of the equipment lease payments. The lease was paid in full as of June 30, 2017.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

**A. Governmental Activities, Continued**

California Energy Commission (CEC) Loan

On June 7, 2013, the City entered into an agreement with the California Energy Resources Conservation and Development Commission to borrow up to \$2,755,000 for the LED Street Light Retrofit Capital Improvement Project. Loan funds are to be disbursed to the City on a reimbursement basis based on eligible invoices paid. Interest accrues at 1% per annum on the unpaid principal, computed from each disbursement date. Payments begin on or before December 22 of the fiscal year following the year in which the project is completed, and continues thereafter on each June 22 and December 22 until principal and interest is paid in full. The CEC disbursed an additional \$248,962 to the City during FY 2015/16, of which the City repaid \$171,097 by the end of the fiscal year. The outstanding balance at June 30, 2017 was \$1,016,764.

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	California Energy Commission (CEC)		
	Principal	Interest	Total
2018	\$ 180,910	\$ 9,718	\$ 190,628
2019	182,724	7,904	190,628
2020	184,541	6,088	190,629
2021	186,406	4,222	190,628
2022	188,274	2,354	190,628
2023	93,909	471	94,380
Total	<u>\$ 1,016,764</u>	<u>\$ 30,757</u>	<u>\$ 1,047,521</u>

HUD Section 108 Loan

On August 28, 2015, the City entered into an agreement with the U.S. Department of Housing and Urban Development to borrow up to \$1,250,000. The City used these funds to reimburse Axis Community Health, Inc. for construction costs of their new health clinic. In FY 2015/16, the City requested an advance of \$950,000 on this loan. Principal payments are due August 1 each year. Interest accrues at a variable rate equal to 2% above the applicable LIBOR rate as defined in the loan agreement. The outstanding balance at June 30, 2017 was \$900,000.

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	HUD Section 108 Loan		
	Principal	Interest	Total
2018	\$ 50,000	\$ 17,250	\$ 67,250
2019	50,000	16,250	66,250
2020	50,000	15,250	65,250
2021	50,000	14,250	64,250
2022	50,000	13,250	63,250
2023-2027	250,000	51,250	301,250
2028-2032	250,000	26,250	276,250
2033-2035	150,000	3,750	153,750
Total	<u>\$ 900,000</u>	<u>\$ 157,500</u>	<u>\$ 1,057,500</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***B. Business-Type Activities***

*Golf Course Capital Leases*

On September 30, 2011, the City entered into a lease purchase agreement with Bank of America for golf course maintenance equipment. The cost of the leased equipment was \$293,125. The City made quarterly payments of \$15,637 over a lease period of 60 months, which included interest payments at a rate of 2.194%. This lease was paid in full as of June 30, 2017.

On February 10, 2016, the City entered into an additional lease purchase agreement with U.S. Bank for golf course maintenance equipment. The cost of the leased equipment was \$321,373. The City makes quarterly payments of \$15,637 over a lease period of 60 months, including interest payments at a rate of 1.78%. At the end of the term, the equipment becomes the property of the City.

On November 7, 2016, the City entered into an additional lease purchase agreement with Yamaha Motor Finance for golf course maintenance equipment. The cost of the leased equipment was \$12,391. The City makes monthly payments of \$287 over a lease period of 4 years, including interest payments at a rate of 5.98%. At the end of the term, the equipment becomes the property of the City.

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Golf Course Capital Lease		
	Principal	Interest	Total
2018	\$ 70,888	\$ 4,426	\$ 75,314
2019	67,643	3,121	70,764
2020	68,977	1,788	70,765
2021	46,564	459	47,023
Total	<u>\$ 254,072</u>	<u>\$ 9,794</u>	<u>\$ 263,866</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***B. Business-Type Activities, Continued***

*California Clean Water State Revolving Fund (SRF) Loan*

In June 2015, the City entered into an agreement with the California State Water Resources Control Board for State Revolving Fund project financing in the amount of \$19,875,720 to fund the City of Pleasanton Recycled Water Project. The loan is secured by and payable solely from net revenues from the ownership or operation of the City's Water Enterprise. The agreement was amended in September 2015 to reduce the project funding to \$11,317,177. The project was completed in October 2016 and as of June 30, 2017 the City has drawn down \$10,281,920. The loan bears annual interest of 1.00%, and annual principal and interest payments are as follows:

For the Year Ending June 30	California Clean Water SRF Loan		
	Principal	Interest	Total
2018	\$ 302,501	\$ 95,628	\$ 398,129
2019	298,335	99,794	398,129
2020	301,318	96,811	398,129
2021	304,331	93,798	398,129
2022	307,375	90,754	398,129
2023-2027	1,583,600	407,047	1,990,647
2028-2032	1,664,379	326,267	1,990,646
2033-2037	1,749,279	241,368	1,990,647
2038-2042	1,838,510	152,136	1,990,646
2043-2047	1,932,292	58,350	1,990,642
Total	<u>\$ 10,281,920</u>	<u>\$ 1,661,953</u>	<u>\$ 11,943,873</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***B. Business-Type Activities, Continued***

*Water Revenue Bonds, Series 2017*

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

Annual debt service requirements to maturity are as follows:

For the Year Ending June 30	Water Revenue Bonds, Series 2017		
	Principal	Interest	Total
2018	\$ 795,000	\$ 146,290	\$ 941,290
2019	845,000	135,558	980,558
2020	860,000	117,390	977,390
2021	880,000	98,900	978,900
2022	900,000	79,980	979,980
2023-2025	2,820,000	122,120	2,942,120
Total	<u>\$ 7,100,000</u>	<u>\$ 700,238</u>	<u>\$ 7,800,238</u>

***C. Debt Without City Commitment***

*Conduit Debt*

The City has issued two separate Multifamily Housing Revenue Bonds, the proceeds of which were used to fund mortgage loans to finance the acquisition and construction of multifamily rental housing facilities located in the City. The projects include the Bernal Apartments Project (original bond issue date 2001 in the amount of \$18,925,000; final maturity on September 15, 2034) and the Busch Senior Housing Apartments (original bond issue date 2003 in the amount of \$13,360,000; final maturity on June 15, 2037). Each facility is required to be occupied in part by low or moderate income families. In addition, the Busch Senior Housing Project is restricted to apartment units exclusively for seniors.

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

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***C. Debt Without City Commitment, Continued***

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

The aggregate amount of all conduit debt outstanding as of June 30, 2017 was \$44,154,567.

***D. Legal Debt Limit***

As of June 30, 2017, the City's debt limit based on the legal debt margin (15% of 25% of the City's assessed valuation subject to taxation) was \$782,708,093.

***E. Arbitrage and Debt Covenant Compliance***

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations pertain to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Treasury at least every five years. The City has evaluated each bond issued subject to the arbitrage rebate requirements and has determined that no arbitrage liability exists at June 30, 2017.

As of June 30, 2017, the City was in compliance with all bond covenants as they pertain to reserve and sinking fund requirements.



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

**7. RISK MANAGEMENT**

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

The City's self-insured retained limits and maximum coverage for its significant risk sharing public entity pools are as follows:

Coverage	Self - insured Retained Limit	Maximum Coverage	Maximum Coverage Through
General Liability	\$ 250,000	\$ 29,000,000	BCJPIA/CARMA
Employment Practices Liability	75,000	3,000,000	ERMA/Beazley Insurance, a Lloyd Company
Workers Compensation	N/A	Up to Statutory Limit	BCJPIA/LAWCX
All Risk Property	10,000	Up to Replacement Cost	BCJPIA/APIP
Auto Physical Damage	1,000	Up to Replacement Cost	BCJPIA/APIP
Cyber Liability	50,000	25,000,000	APIP
Commercial Crime Bond	5,000	1,000,000	FDCM/GAIC

Within the past three fiscal years, all claims that have settled have been within the maximum coverage.

The City accounts for and finances its uninsured risks of loss and liability insurance premiums in a Self Insurance Retention Fund and its Worker's Compensation Program in an Employee Benefits Fund. Both funds are classified as Internal Service Funds.

The Workers' Compensation Program makes payments needed to pay prior and current year claims and to establish a reserve for future losses. The net position of the Workers' Compensation Program had a negative balance of \$4,008,451 at fiscal year-end, reflecting an increase in claims liability from the prior year. The claims liability of \$11,121,192 is reported as claims payable as of June 30, 2017. Payments in future years from funds of the City participating in the Worker's Compensation Program are anticipated to recover the full cost of the claims liability.

In the Self Insurance Retention Fund, at June 30, 2017, reserves of \$5,149,667 are reported in net position and claims liabilities of \$956,279 reported as claims payable.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

**7. RISK MANAGEMENT, Continued**

The Workers' Compensation Program claims liabilities in the Employee Benefits Fund for miscellaneous and police public safety employees are based on the result of an actuarial study and include IBNR claims amounts. The Workers' Compensation Program claims liabilities in the Employee Benefits Fund for fire public safety employees are based on the City's historical incurred claims and paid loss experience and include amounts for claims incurred but not reported (IBNR). The general and employment practices claims liabilities in the Self Insurance Retention Fund are based on the results of actuarial studies and include IBNR claims amounts. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

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

	June 30,	
	2017	2016
Unpaid claims, beginning of year	\$ 8,485,932	\$ 7,880,575
Incurred claims and changes in estimates	4,982,951	2,233,766
Claim payments	(1,391,412)	(1,628,409)
Unpaid claims, end of year	<u>\$ 12,077,471</u>	<u>\$ 8,485,932</u>
Current portion	<u>\$ 2,656,690</u>	<u>\$ 2,589,029</u>

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

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

*Bay Cities Joint Powers Insurance Authority*

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

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
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**8. INVESTMENT IN JOINT VENTURES AND MEMBERSHIP IN INSURANCE POOL, Continued**

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

*Local Agency Workers' Compensation Excess Joint Powers Authority*

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

*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 Discharge Authority's systems and discharges treated wastewater into San Francisco Bay. The current members of the Agency are Dublin San Ramon Services District (DSRSD), the City of Livermore, and the City of Pleasanton. Sewer revenue bonds issued by LAVWMA are being repaid with user charges assessed to member agencies.

The City accounts for its investment in LAVWMA by the equity method in the Sewer Enterprise Fund. The City records its share of earnings and losses in the Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Position as "Equity Interest in Gain (Loss) from Joint Ventures," and the carrying value of the City's investment in LAVWMA is recorded in the Proprietary Funds Statement of Fund Net Position as "Net Investment in Joint Ventures." The City's equity interest in LAVWMA was \$11,838,275 as of June 30, 2017. Financial statements for LAVWMA may be obtained from DSRSD, 7051 Dublin Boulevard, Dublin, CA 94568.

*Pleasanton Joint Powers Financing Authority*

In June 1993, the Pleasanton Joint Powers Financing Authority (PJPPFA) was formed by a Joint Exercise of Powers Agreement between the City of Pleasanton and the Housing Authority. The PJPPFA has facilitated lease financings (through the issuance of Certificates of Participation) for many of the City's public buildings and infrastructure. The PJPPFA issued \$7,100,000 of Water Revenue Bonds during FY 2016/17. The entire amount was outstanding at June 30, 2017. See Note 6B. 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.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
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**8. INVESTMENT IN JOINT VENTURES AND MEMBERSHIP IN INSURANCE POOL, Continued**

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

*Tri-Valley Transportation Council*

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

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

*Livermore-Pleasanton Fire Department*

On December 3, 1996, the cities of Pleasanton and Livermore signed a Joint Powers Agreement (JPA) to form a joint fire department, Livermore-Pleasanton Fire Department (LPPD), covering both cities. LPPD may not own or enter into a contract without the approval of the governing board. The LPPD budget includes the contributions required from each City to fund operating and capital needs for the year. For the fiscal year ending June 30, 2017, the City of Pleasanton's net contribution was \$16,570,323. The City of Pleasanton's share of revenues and expenditures is reported in the General Fund. No separate financial statements are prepared for the JPA.

*East Bay Regional Communications System Authority*

In 2007, the City joined the East Bay Regional Communications System Authority (EBRCSA). The EBRCSA was formed to govern the regional communications system servicing Alameda and Contra Costa Counties, as well as many cities and special districts within the East Bay. Currently there are forty-three member agencies consisting of both counties, thirty cities, six special districts, three colleges, Dublin-San Ramon Services District, and the California Department of Transportation, serving a population of over 2.5 million people. The EBRCSA is governed by a twenty-three member board of directors selected from participating counties, cities and districts. Financial statements for EBRCSA may be obtained from EBRCSA, 4985 Broder Boulevard, Dublin, CA 94568.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

*Alameda County Transportation Commission*

The Alameda County Transportation Commission (Alameda CTC) was formed in 2010 as a result of the merger between the Alameda County Congestion Management Agency (ACCMA) and the Alameda County Transportation Improvement Agency (ACTIA) to more cost effectively plan and deliver transportation programs in Alameda County. Members include the fourteen cities in Alameda County, the County of Alameda, AC Transit and BART. Financial statements for Alameda CTC may be obtained from Alameda CTC, 1111 Broadway, Suite 800, Oakland, CA 94607.

**9. NET POSITION/ FUND BALANCES**

**A. Net Position**

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

*Net Investment in Capital Assets*

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

*Restricted Net Position*

This category represents net position subject to external restrictions imposed by creditors, grantors, contributors, laws or regulations of governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position*

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

**B. Fund Balance**

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

*Nonspendable* – amounts that cannot be spent due to not being in a spendable form (long-term assets, prepaid expenses, inventory) or are legally or contractually required to be maintained intact.

*Restricted* – amounts constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.

*Committed* – amounts constrained for a specific purpose by the governmental entity and designated as such by its highest level of decision-making authority.

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***B. Fund Balance, Continued***

*Unassigned* – portion of a fund that is not classified as nonspendable, restricted, committed, or assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount.

On June 21, 2011, the City Council adopted Resolution No. 11-463 classifying the City's fund balances in conformance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance commitments may be established only by formal action (either resolution or ordinance, as each is equally binding) of the City Council, the City's highest level of decision-making authority. Commitments may be modified or rescinded only by the City Council taking the same formal action that established the commitment originally.

Assignment of fund balances to specific purposes may be established, modified, or rescinded by the City Council or the City's Director of Finance. Resolution No. 11-463 designated the Director of Finance as the City official to determine and define the amounts of those components of fund balance that are classified as "Assigned Fund Balance." When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the City's policy is to apply committed fund balance first, followed by assigned fund balance and then unassigned fund balance. The General Fund is the only fund that reports a positive unassigned fund balance amount.

Additionally, the City Council committed the General Fund reserves in accordance with the City's fiscal policies for the Economic Uncertainty Reserve and the CIP and Repair & Replacement Reserves. These commitments may only be changed by approval of a subsequent resolution of the City Council. Resolution No. 11-463 also specified that the Economic Uncertainty Reserve would be maintained at a level equal to 10% of General Fund revenues.

Funds committed under the Economic Uncertainty Reserve will be used to mitigate costs associated with unforeseen emergencies, including natural disasters or catastrophic events where the state or federal government declares a natural disaster. Should unforeseen and unavoidable events occur that require the expenditure of City resources beyond those provided for in the annual budget, the City Council must approve appropriations from the Economic Uncertainty Reserve.

Funds committed under the CIP Reserve will be used for future City projects as identified in the Capital Improvement Program.

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

**B. Fund Balance, Continued**

As of June 30, 2017, fund balances are composed of the following:

GASB 54 Fund Balances:	General Fund	Lower Income Housing Fund	Miscellaneous Capital Improvement Programs Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>					
Notes Receivable	\$ 75,199	\$ -	\$ -	\$ -	\$ 75,199
Total Nonspendable	75,199	-	-	-	75,199
<b>Restricted</b>					
Assessment District Construction	-	-	-	1,351,862	1,351,862
Asset Forfeiture	-	-	-	49,050	49,050
Budgeted Developer Projects	-	-	-	6,735,789	6,735,789
Community Access Television	-	-	-	1,050,419	1,050,419
Miscellaneous Donations/Developer Contributions	-	-	-	716,541	716,541
CIP for Downtown & North Pleasanton	-	-	-	3,639,640	3,639,640
Geological Hazard Assessment District	-	-	-	1,082,039	1,082,039
Housing	-	11,629,838	-	-	11,629,838
Landscape and Lighting District	-	-	-	421,403	421,403
Landscape Maintenance NPID	-	-	-	959,585	959,585
Marilyn Kane Trail Reserve	-	-	-	108,325	108,325
Park Development	-	-	-	10,967,408	10,967,408
Public Facilities Capital Improvements	-	-	-	6,349,310	6,349,310
Public Safety	-	-	-	126,851	126,851
Resource Management	-	-	-	853,156	853,156
Street Maintenance	-	-	-	7,661,619	7,661,619
Traffic Impact	-	-	-	8,059,966	8,059,966
Traffic Impact - Bernal	-	-	-	753,479	753,479
Tri-Valley Transportation	-	-	-	1,559,422	1,559,422
Various Specific Plan	-	-	-	1,420,558	1,420,558
Total Restricted	-	11,629,838	-	53,866,422	65,496,260
<b>Committed</b>					
Economic Uncertainty	11,634,112	-	-	-	11,634,112
Total Committed	11,634,112	-	-	-	11,634,112
<b>Assigned</b>					
Capital Projects	-	-	13,847,546	6,822,499	20,670,045
Other Purposes	-	-	-	609,826	609,826
Total Assigned	-	-	13,847,546	7,432,325	21,279,871
<b>Unassigned</b>	10,763,003	-	-	(1,165,707)	9,597,296
Total Unassigned	10,763,003	-	-	(1,165,707)	9,597,296
<b>Total Fund Balances</b>	\$ 22,472,314	\$ 11,629,838	\$ 13,847,546	\$ 60,133,040	\$ 108,082,738

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

**C. Deficit Fund Balances and Deficit Net Position**

At June 30, 2017, the following funds had a deficit fund balance or deficit net position:

- Employee Benefits Internal Service Fund - \$119,570,059.
- Miscellaneous Grants Special Revenue Fund - \$124,592.
- Park Capital Improvement Program Capital Projects Fund - \$1,041,115.

The Employee Benefits Internal Service Fund finished FY 2016/17 with a net position deficit of \$119,570,059 as shown in the Internal Service Funds Combining Statement of Fund Net Position. This net position deficit is primarily due to the recording of the net pension liability of \$139,247,261 as a result of the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The City will continue to make the required contributions each year based on the 30 year CalPERS payment amortization schedule. In addition, the City will periodically make one-time payments beyond the minimum required by CalPERS to reduce the liability.

The deficit is also attributable to the balance remaining on the advance from the Retirees Insurance Reserve Fund to pay off the PERS Police Retirement Group side fund of \$1,905,123 and an increase of \$3,359,680 in workers' compensation claims liability. The City will continue to monitor the workers' compensation portion of the deficit and ensure it has sufficient cash to pay current claims. The deficit related to the advance from the Retirees Insurance Reserve Fund is being eliminated through annual payments from the General Fund over an eight year period beginning in FY 2011/12. The annual payment from the General Fund for FY 2016/17 was \$921,606.

The Miscellaneous Grants Special Revenue Fund concluded FY 2016/17 with a deficit fund balance of \$124,592. This amount will be eliminated through grant draw-downs to reimburse for allowable expenses.

The Park Capital Improvement Program Capital Projects Fund concluded FY 2016/17 with a deficit fund balance of \$1,041,115. This amount will be eliminated through advance repayments funded by contributions raised for the Play Bernal fundraising campaign.

**10. DEFINED BENEFIT PENSION PLAN**

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

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

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

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

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



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

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

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

The Miscellaneous and Safety Fire Plans are agent multiple-employer defined benefit pension plans which act as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website. As discussed in Note 8, the City is a member of a Joint Powers Agreement (JPA), along with the City of Livermore, of the Livermore-Pleasanton Fire Department (LPFD). The employees of the LPFD are the City of Pleasanton's employees, however, as agreed to in the JPA, the City shares the Safety Fire Plan affiliated with the LPFD with the City of Livermore with a share of 50%, therefore, the following tables show only the City of Pleasanton's 50% share.

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

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

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

	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$ 21,142,440	\$ 80,833,158	\$ (8,208,864)
Safety (Fire)	8,899,077	35,511,515	(3,690,675)
Safety (Police)	12,399,646	29,660,239	(3,809,748)
Total	<u>\$ 42,441,163</u>	<u>\$ 146,004,912</u>	<u>\$ (15,709,287)</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

Each Plan is discussed in detail below.

**B. Miscellaneous and Safety (Fire) Plans**

**Benefits Provided** – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final 3 years’ compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The plans’ provisions and benefits in effect at June 30, 2017 are summarized as follows:

	<u>Miscellaneous Plan</u>	<u>Safety (Fire) Plan</u>
Benefit formula	2.7% @ 55 <sup>(1)</sup>	3.0% @ 50 <sup>(2)</sup>
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	50
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	3.0% <sup>(2)</sup>
Required employee contribution rates	8.0%	9.0%
Required employer contribution rates	11.144%	18.018%

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

<sup>(2)</sup> Newly hired Safety (Fire) Employees will be enrolled in the 3% at 55 or 2.7% @ 57 formula, dependent on the individual's eligibility, as per AB340

**Employees Covered** – At June 30, 2017, the following employees were covered by the benefit terms of the Miscellaneous Plan and Safety (Fire) Plan:

	<u>Miscellaneous</u>	<u>Safety (Fire)</u>
Inactive employees or beneficiaries currently receiving benefits	339	139
Inactive employees entitled to but not yet receiving benefits	170	27
Active employees	301	114
Total	<u>810</u>	<u>280</u>

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

**B. Miscellaneous and Safety (Fire) Plans, Continued**

*Net Pension Liability* – The City’s net pension liability for the Miscellaneous and Safety (Fire) Plans are measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures.

*Changes in the Net Pension Liability* – The changes in the Net Pension Liability for the Miscellaneous and Safety (Fire) Plans are as follows:

	Miscellaneous		
	Total Pension Liability	Plan Fiduciary Net Position	
<b>Balance at June 30, 2015</b>	\$234,138,055	\$164,875,552	\$ 69,262,503
<b>Changes in the year:</b>			
Service cost	4,642,360	-	4,642,360
Interest on the total pension liability	17,579,426	-	17,579,426
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between actual and expected experience	(600,717)	-	(600,717)
Plan to plan resource movement	-	-	-
Contribution - employer	-	7,313,803	(7,313,803)
Contribution - employee	-	1,841,400	(1,841,400)
Net investment income	-	995,694	(995,694)
Benefit payments, including refunds of employee contributions	(12,124,179)	(12,124,179)	-
Administrative expense	-	(100,483)	100,483
Other miscellaneous income	-	-	-
<b>Net changes</b>	<u>9,496,890</u>	<u>(2,073,765)</u>	<u>11,570,655</u>
<b>Balance at June 30, 2016</b>	<u>\$243,634,945</u>	<u>\$162,801,787</u>	<u>\$ 80,833,158</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***B. Miscellaneous and Safety (Fire) Plans, Continued***

	Safety (Fire)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2015</b>	\$ 95,253,466	\$ 64,934,770	\$ 30,318,696
<b>Changes in the year:</b>			
Service cost	1,837,906	-	1,837,906
Interest on the total pension liability	7,152,791	-	7,152,791
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Differences between actual and expected experience	(125,441)	-	(125,441)
Plan to plan resource movement	-	-	-
Contribution - employer	-	2,680,857	(2,680,857)
Contribution - employee	-	695,501	(695,501)
Net investment income	-	335,653	(335,653)
Benefit payments, including refunds of employee contributions	(5,092,872)	(5,092,872)	-
Administrative expense	-	(39,574)	39,574
Other miscellaneous income	-	-	-
<b>Net changes</b>	<u>3,772,384</u>	<u>(1,420,435)</u>	<u>5,192,819</u>
<b>Balance at June 30, 2016</b>	<u>\$ 99,025,850</u>	<u>\$ 63,514,335</u>	<u>\$ 35,511,515</u>

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

	Miscellaneous	Safety (Fire)
1% Decrease	6.65%	6.65%
Net Pension Liability	\$ 112,320,328	\$ 47,773,434
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 80,833,158	\$ 35,511,515
1% Increase	8.65%	8.65%
Net Pension Liability	\$ 54,652,938	\$ 25,271,681

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***B. Miscellaneous and Safety (Fire) Plans, Continued***

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

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

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

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

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

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

For the year ended June 30, 2017, the City recognized pension expense of \$7,412,406 and \$3,352,746, for the Miscellaneous and Safety Fire Plan, respectively. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety (Fire)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,884,294	\$ -	\$ 3,156,981	\$ -
Changes in assumptions	-	(1,665,035)	-	(862,929)
Differences between actual and expected experience	-	(1,181,917)	-	(566,756)
Net differences between projected and actual earnings on plan investments	14,258,146	(5,361,912)	5,742,096	(2,260,990)
Total	<u>\$ 21,142,440</u>	<u>\$ (8,208,864)</u>	<u>\$ 8,899,077</u>	<u>\$ (3,690,675)</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***B. Miscellaneous and Safety (Fire) Plans, Continued***

The \$6,884,294 and \$3,156,981, reported as deferred outflows of resources related to contributions subsequent to the measurement date for the Miscellaneous Plan and Safety (Fire) Plan, respectively, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous	Safety (Fire)
	Annual	Annual
	Amortization	Amortization
2018	\$ (609,808)	\$ (103,211)
2019	430,878	(103,211)
2020	3,933,051	1,360,316
2021	2,295,161	897,527

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

***C. Safety (Police) Plan***

***Benefits Provided*** – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final 3 years’ compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2017 are summarized as follows:

	Safety (Police) Plan		
	Tier 1	Tier 2	PEPRA
Hire date	prior to 1/1/13	starting 1/1/2013	starting 1/1/2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as a % of eligible compensation	3%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.0%	9.0%	11.5%
Required employer contribution rates	19.536%	16.656%	12.082%

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
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**10. DEFINED BENEFIT PENSION PLAN, Continued**

**C. Safety (Police) Plan, Continued**

Beginning in fiscal year 2017, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The City’s required contribution for the unfunded liability and side fund was \$1,024,020 in fiscal year 2017.

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

For the year ended June 30, 2017, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Safety (Police)</u>
Contributions - employer	\$ 6,159,217

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions** – As of June 30, 2017, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	<u>Proportionate Share</u> <u>of Net Pension Liability</u>
Safety (Police)	<u>\$ 29,660,239</u>

The City’s net pension liability for each Plan is measured as the proportionate share of net pension liability. The net pension liability of the Plan is measured as of June 30, 2016 and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the Plan as of June 30, 2015 and 2016 was as follows:

	<u>Safety (Police)</u>
Proportion - June 30, 2015	0.55410%
Proportion - June 30, 2016	<u>0.57268%</u>
Change - Increase (Decrease)	<u>0.01858%</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
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**10. DEFINED BENEFIT PENSION PLAN, Continued**

**C. Safety (Police) Plan, Continued**

For the year ended June 30, 2017, the City recognized negative pension expense of \$5,452,500 for the Safety (Police) Plan. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,159,217	\$ -
Differences between actual and expected experience	-	(198,750)
Changes in assumptions	-	(866,566)
Net differences between projected and actual earnings on plan investments	4,257,396	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,983,033	(2,744,432)
Total	<u>\$ 12,399,646</u>	<u>\$ (3,809,748)</u>

The \$6,159,217 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2018	\$ (324,800)
2019	(130,963)
2020	1,778,120
2021	1,108,324



**City of Pleasanton**  
**Notes to Basic Financial Statements**  
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**10. DEFINED BENEFIT PENSION PLAN, Continued**

**C. Safety (Police) Plan, Continued**

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

	<u>Safety (Police)</u>
1% Decrease	6.65%
Net Pension Liability	\$ 48,020,702
Current Discount Rate	7.65%
Net Pension Liability	\$ 29,660,239
1% Increase	8.65%
Net Pension Liability	\$ 14,588,182

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

**D. Information Common to the Miscellaneous and Safety Plans**

*Actuarial Assumptions* – The total pension liabilities in June 30, 2015 actuarial valuations were determined using the following actuarial assumptions for the Miscellaneous and Safety Plans:

	<u>Miscellaneous &amp; Safety</u>
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.65% Net of Pension Plan Investment Expenses, includes Inflation
Mortality	Derived using CalPERS Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on the CalPERS website under Forms and Publications.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***D. Information Common to the Miscellaneous and Safety Plans, Continued***

***Changes of Assumptions*** – GASB 68, paragraph 68, states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.65% used for the June 30, 2016 measurement date is without reduction of pension plan administrative expense.

***Discount Rate*** – The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS’ website under GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

***D. Information Common to the Miscellaneous and Safety Plans, Continued***

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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**11. POST EMPLOYMENT HEALTH CARE BENEFITS**

***A. Plan Description***

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

- If retiring from service, the City shall pay for each year of service, four percent (4%) of the Kaiser Early Retiree Health Plan coverage 2-party rate for: PCEA/AFSCME Local 955 (Pleasanton City Employees' Association) who retired before 7/1/12; POA (Police Officers' Association) who retired prior to 7/1/09; IAFF (International Association of Firefighters) who retired prior to 1/1/08; and Management and Confidential who retired prior to 7/1/09. For purposes of calculating service credit, Management and Confidential employees who were hired prior to 1/1/09 and retire with at least five years of City service may include years of non-City municipal CalPERS service, as agreed to in its Management/Confidential Employee Performance Compensation Plan.
- For employees classified as PCEA/AFSCME Local 955 who were hired prior to 6/1/11 and retire after 7/1/12, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO 2-party rate. If hired after 6/1/11, the City shall pay for each year of service four percent (4%) of the lowest cost HMO single rate, until age 65. Upon reaching 65, all retiree medical benefits will cease.
- For POA who were hired prior to 1/1/09 and retire after 7/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate. If hired after 1/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, single rate if employment is less than 20 years. If employed for more than 20 years, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate. If hired after 1/1/12, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, single rate, until age 65. Upon reaching 65, all retiree medical benefits will cease.
- For IAFF who retire after 1/1/08, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate. If hired on or after 7/1/12, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, single rate, until age 65. Upon reaching 65, all retiree medical benefits will cease.
- For employees classified as Management and Confidential who were hired prior to 1/21/09 and retire after 7/1/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, 2-party rate. For purposes of calculating service credit, Management and Confidential employees who were hired prior to 1/1/09 and retire with at least five years of City service may include years of non-City municipal CalPERS service. If hired after 1/21/09, the City shall pay for each year of service, four percent (4%) of the lowest cost HMO, single rate, until age 65. Upon reaching 65, all retiree medical benefits will cease.

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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

**A. Plan Description, Continued**

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

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

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

As of June 30, 2015 (the most recent valuation date), plan membership consisted of 463 active participants, consisting of 342 Non-Fire (Miscellaneous and Police) and 121 Fire active participants, and 374 retirees, consisting of 295 Non-Fire and 79 Fire retirees.

**B. Funding Policy**

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

The following table summarizes the City’s contributions toward the City's FY 2016/17 ARC:

	Non-Fire	Fire <sup>(1)</sup>	Total
Prefunding OPEB Trust	\$ 1,528,747	\$ 915,998	\$ 2,444,745
Benefit to retirees	2,823,157	994,786	3,817,943
Legal and actuarial services	3,885	1,134	5,019
Implied subsidy	693,000	250,000	943,000
Total	<u>\$ 5,048,789</u>	<u>\$ 2,161,918</u>	<u>\$ 7,210,707</u>

The City’s ARC was \$6,890,000 (\$4,814,000 for Non-Fire and \$2,076,000 for Fire) for FY 2016/17 (See Note 11C).

**City of Pleasanton**  
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**11. 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, 2015, shows the components of the City's annual OPEB cost for FY 2016/17, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation:

	Non-Fire	Fire <sup>(1)</sup>	Total
Annual required contribution	\$ 4,814,000	\$ 2,076,000	\$ 6,890,000
Adjustment to annual required contribution	-	-	-
Interest on net OPEB obligation	(262,000)	-	(262,000)
Amortization of net OPEB obligation	255,000	-	255,000
Annual OPEB cost (expense)	4,807,000	2,076,000	6,883,000
Prefunding OPEB trust	(1,528,747)	(915,998)	(2,444,745)
Unfunded Actuarial Liability Paydown	-	-	-
Benefit payments to retirees	(2,823,157)	(994,786)	(3,817,943)
Legal and actuarial services	(3,885)	(1,134)	(5,019)
Implied subsidy	(693,000)	(250,000)	(943,000)
Increase in net OPEB obligation (asset)	(241,789)	(85,918)	(327,707)
Net OPEB obligation (asset) - beginning of year	(3,600,000)	-	(3,600,000)
Net OPEB obligation (asset) - end of year	(3,841,789)	(85,918)	(3,927,707)
Less City of Livermore's share		(42,959)	(42,959)
Net OPEB obligation (asset) - end of year (City of Pleasanton's Share)	<u>\$ (3,841,789)</u>	<u>\$ (42,959)</u>	<u>\$ (3,884,748)</u>

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

**City of Pleasanton**  
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**11. 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 2014/15 through 2016/17 are as follows:

Fiscal Year Ended	Annual OPEB Cost	None-Fire	
		Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset)
June 30, 2015	\$ 5,570,595	165%	\$ -
June 30, 2016	5,695,000	100%	(3,600,000)
June 30, 2017	4,807,000	105%	(3,841,789)

Fiscal Year Ended	Annual OPEB Cost	Fire <sup>(1)</sup>	
		Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset)
June 30, 2015	\$ 2,358,361	100%	\$ -
June 30, 2016	2,423,000	100%	-
June 30, 2017	2,076,000	104%	(42,959)

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

**Funded Status and Funding Progress.** The June 30, 2015 actuarial valuation was used to develop the FY 2016/17 ARC. The funded status of the plan as of June 30, 2017 was:

	Non-Fire	Fire <sup>(1)</sup>	Total
Actuarial accrued liability (AAL)	\$ 80,992,000	\$ 33,073,000	\$ 114,065,000
Actuarial value of plan assets	37,403,000	15,310,000	52,713,000
Unfunded actuarial accrued liability (UAAL)	\$ 43,589,000	\$ 17,763,000	\$ 61,352,000
Funded ratio (actuarial value of plan assets/AAL)	46.2%	46.3%	46.2%
Projected covered payroll (active Plan members)	\$ 34,839,000	\$ 15,262,000	\$ 50,101,000
UAAL as a percentage of covered payroll	125.1%	116.4%	122.5%

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

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

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
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**11. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued**

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

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

For the June 30, 2015 actuarial valuation that was used to develop the FY 2016/17 ARC, the entry age normal actuarial cost method was used. The actuarial assumptions included: (a) discount rate of 7.25%, prefunded with CERBT Investment Option 1; (b) 3.25% annual aggregate payroll increase rate; and (c) projected healthcare cost are actual premiums for HMO and PPO plans for 2017 and changes to 5.5% and 5.6% for HMO and PPO plans, respectively, after 4 years. Both (a) and (b) include an inflation component of 3.0%. The unfunded actuarial accrued liability (or excess assets) is being amortized over a closed fixed 30-year period as a level percentage of projected payroll beginning with the year ended June 30, 2008. For purposes of determining the actuarial value of assets, investment gains and losses are spread over a five-year rolling period, but valuation assets cannot be outside the range of 80% to 120% of the market value of assets. As of June 30, 2017, the actuarial value of assets was \$37,403,000 for Non-Fire and \$15,310,000 for Fire.

**D. Retiree Medical Reserves**

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

	<b>Retirees Insurance Reserve</b>	<b>LPFD Reserve (1)</b>	<b>Total</b>
June 30, 2016 Net Position	\$ 19,312,382	\$ 2,172,452	\$ 21,484,834
FY 2016/17 Contributions from operating funds	4,814,000	1,300,000	6,114,000
FY 2016/17 Interest Income	48,202	4,116	52,318
FY 2016/17 Prefunding OPEB Trust	(1,528,747)	(915,998)	(2,444,745)
FY 2016/17 Net OPEB Obligation	241,789	85,918	327,707
Benefit payments to retirees <sup>(2)</sup>	(2,823,157)	(994,786)	(3,817,943)
Legal and actuarial services	(3,885)	(1,134)	(5,019)
Transfer in from operating funds	908,890	-	908,890
Transfer out implied subsidy to operating funds	(693,000)	-	(693,000)
June 30, 2017 Net Position	<u>\$ 20,276,474</u>	<u>\$ 1,650,568</u>	<u>\$ 21,927,042</u>

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

(2) Does not include an implicit rate subsidy of \$943,000.



**City of Pleasanton**  
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**12. COMMITMENTS AND CONTINGENCIES**

**A. Animal Shelter**

The County of Alameda owns and operates the East County Animal Shelter. The facility was placed in service during 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 FY 2016/17 debt service and operating costs for the facility was \$212,620. Debt service will be fully repaid by the County by June 30, 2022. The City's proportionate share of debt service is 12.6% and the outstanding balance due to the County for remaining debt service payments is approximately \$132,256 at June 30, 2017.

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

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

**C. LAVWMA Bonds**

The City has recorded an investment in joint venture for its participation in the Livermore-Amador Valley Water Management Agency (LAVWMA). LAVWMA issued \$105,345,000 of the 2011 Sewer Revenue Refunding Bonds (2011 Bonds) on September 28, 2011 to refinance the costs of improvements to the wastewater disposal system, including the Export Pipeline Expansion/Rehabilitation Project originally constructed with bonds issued in 2001. The 2011 Bonds are secured by the pledge of the net revenues of the Agency.

**D. Construction Commitments**

The City had several outstanding or planned construction projects as of June 30, 2017. These projects are evidenced by contractual commitments with consultants and contractors, and include the following major projects:

Project Description	Amount
Recycled Water Treatment Plant Expansion - Phase 2	\$ 3,854,384
Redevelopment of Kottinger Place and Pleasanton Gardens	1,765,846
Recycled Water Infrastructure Expansion - Phase 1A	1,611,692
Meadowlark Sewer Siphon Installation	1,056,865
Stanley Boulevard Reconstruction and Utility Undergrounding	835,767
Pleasanton Tennis and Community Park Additional Lighted Tennis Courts	791,943
Bridge Painting: Bernal Bridge over Arroyo De La Laguna	710,705
Total	<u>\$ 10,627,202</u>

**City of Pleasanton**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2017**

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**12. COMMITMENTS AND CONTINGENCIES, Continued**

***E. Operating Leases***

The City has ongoing commitments under operating lease agreements for office equipment necessary for City operations, which expire at various dates through 2020. Each governmental fund includes the expenditures related to such lease agreements. There are both cancelable and non-cancelable lease agreements. Rental expenditures reported in the General Fund under these operating lease agreements for the fiscal year ended June 30, 2017 amounted to approximately \$121,704.

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

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>Total</u>
General Fund	\$ 75,986	\$ 28,884	\$ 11,643	\$ 116,513
Total Governmental Activities	<u>\$ 75,986</u>	<u>\$ 28,884</u>	<u>\$ 11,643</u>	<u>\$ 116,513</u>

The City has ongoing commitments under operating lease agreements for golf carts, the GPS system, and office equipment at Callippe Preserve Golf Course, which expire at various dates through 2018. Rental expenses reported in the Golf Fund under these operating lease agreements for the fiscal year ended June 30, 2017 amounted to \$105,956.

The future minimum lease payments anticipated under the existing lease commitments for business-type activities as of June 30, 2017 are as follow:

	<u>2017/18</u>	<u>2018/19</u>	<u>Total</u>
Golf Fund	\$ 81,308	\$ 6,640	\$ 87,948
Total Business-Type Activities	<u>\$ 81,308</u>	<u>\$ 6,640</u>	<u>\$ 87,948</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Pleasanton**  
**Required Supplementary Information**  
**For the year ended June 30, 2017**

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**1. BUDGETARY INFORMATION**

*Budgetary Information*

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

1. Prior to July 1, the City Manager submits to the City Council a proposed operating budget for the coming fiscal year. The operating budget includes proposed expenditures and projected revenues.
2. Public hearings are conducted to obtain public comments.
3. The budget is legally adopted through passage of a Council resolution.
4. The transfer of budgeted amounts between funds must be approved by the City Council.
5. A budget review is presented to the City Council by the City Manager mid-year and approved additions or changes are legally adopted through Council resolution.
6. 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 increase the budget without the approval of the City Council. However, the City Manager may authorize transfers from one account to another within the same fund.
9. The following funds have expenditures in excess of appropriation:
  - Asset Forfeiture Special Revenue Fund - \$16,312
  - Miscellaneous Donations Special Revenue Fund - \$84,806
  - Landscape Maintenance N.P.I.D. Special Revenue Fund - \$4,090
  - Abandoned Vehicle Special Revenue Fund - \$2,570
  - Library Trust Fund Special Revenue Fund - \$104
  - HBPOA Maintenance District Special Revenue Fund - \$18,244
  - Community Access Television Special Revenue Fund - \$22,384

**City of Pleasanton  
 Budgetary Comparison Schedule - General Fund  
 For the Year Ended June 30, 2017**

**2. BUDGETARY COMPARISON SCHEDULES**

*Budgetary Comparison Schedule - General Fund*

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 93,805,000	\$ 94,215,000	\$ 96,300,774	\$ 2,085,774
Licenses	11,000	11,000	9,409	(1,591)
Permits	2,720,000	3,091,000	3,598,675	507,675
Fines and forfeitures	409,500	307,000	299,605	(7,395)
Use of money and property	223,000	325,000	282,687	(42,313)
Intergovernmental	70,600	29,800	255,994	226,194
Franchises	2,475,000	2,570,000	2,637,490	67,490
Charges for services	1,374,794	1,448,044	1,578,779	130,735
Development fees	203,900	271,650	322,278	50,628
Plan check fees	1,530,000	2,475,000	2,856,220	381,220
Reimbursements	3,355,276	2,894,449	3,096,496	202,047
Contribution and donations	5,800	5,800	18,991	13,191
Other revenues	106,300	254,300	208,234	(46,066)
Recreation charges	3,957,820	4,178,410	4,107,359	(71,051)
<b>Total revenues</b>	<b>110,247,990</b>	<b>112,076,453</b>	<b>115,572,991</b>	<b>3,496,538</b>
<b>EXPENDITURES:</b>				
Current:				
General government	15,277,338	14,647,005	13,221,537	1,425,468
Public safety	46,036,868	45,729,702	45,203,173	526,529
Community development	12,618,897	13,950,196	13,401,980	548,216
Operations service	17,515,266	17,394,859	16,919,027	475,832
Community activities	12,429,360	12,455,764	12,367,486	88,278
Capital outlay	605,950	587,050	574,680	12,370
Debt service:				
Principal	-	10,748	10,748	-
Interest	-	-	89	(89)
<b>Total expenditures</b>	<b>104,483,679</b>	<b>104,775,324</b>	<b>101,698,720</b>	<b>3,076,604</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,764,311</b>	<b>7,301,129</b>	<b>13,874,271</b>	<b>6,573,142</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,131,701	1,136,301	776,113	(360,188)
Transfers out	(7,387,223)	(12,953,037)	(12,800,682)	152,355
<b>Total other financing sources</b>	<b>(6,255,522)</b>	<b>(11,816,736)</b>	<b>(12,024,569)</b>	<b>(207,833)</b>
<b>Net change in fund balances</b>	<b>\$ (491,211)</b>	<b>\$ (4,515,607)</b>	<b>1,849,702</b>	<b>\$ 6,365,309</b>
<b>FUND BALANCES:</b>				
Beginning of year			20,622,612	
End of year			<b>\$ 22,472,314</b>	

**City of Pleasanton**  
**Budgetary Comparison Schedule - Lower Income Housing Fund**  
**For the Year Ended June 30, 2017**

**2. BUDGETARY COMPARISON SCHEDULES, 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	\$ 320,000	\$ 320,000	\$ 725,120	\$ 405,120
Intergovernmental	-	330,900	250,711	(80,189)
Development fees	-	5,000,000	6,374,939	1,374,939
Reimbursements	-	-	15	15
Other	160,000	400,000	984,557	584,557
<b>Total revenues</b>	<u>480,000</u>	<u>6,050,900</u>	<u>8,335,342</u>	<u>2,284,442</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	429,338	10,260,203	7,165,633	3,094,570
<b>Total expenditures</b>	<u>429,338</u>	<u>10,260,203</u>	<u>7,165,633</u>	<u>3,094,570</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>50,662</u>	<u>(4,209,303)</u>	<u>1,169,709</u>	<u>3,499,690</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(3,558,579)	(3,558,579)	-
<b>Total other financing sources</b>	<u>-</u>	<u>(3,558,579)</u>	<u>(3,558,579)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 50,662</u>	<u>\$ (7,767,882)</u>	<u>(2,388,870)</u>	<u>\$ 5,379,012</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>14,018,708</u>	
End of year			<u>\$ 11,629,838</u>	



**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2017**

**3. OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF FUNDING PROGRESS,**

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

<b>Non-Fire</b>						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A - B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A - B)/C]
6/30/2011	\$ 10,109,000	\$ 74,712,000	\$ (64,603,000)	13.5%	\$ 38,985,000	165.7%
6/30/2013	19,361,000	74,631,000	(55,270,000)	25.9%	40,252,000	137.3%
6/30/2015	37,403,000	80,992,000	(43,589,000)	46.2%	34,414,000	126.7%

<b>Fire<sup>(2)</sup></b>						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A - B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A - B)/C]
6/30/2011	\$ 4,708,000	\$ 30,857,000	\$ (26,149,000)	15.3%	\$ 16,582,000	157.7%
6/30/2013	8,696,000	32,064,000	(23,368,000)	27.1%	17,121,000	136.5%
6/30/2015	15,310,000	33,073,000	(17,763,000)	46.3%	15,019,000	118.3%

(1) The actuarial valuations are performed biennially.

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

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**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2017**

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

City of Pleasanton - Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan  
As of June 30, 2017  
Last 10 Years\*  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

Measurement Date	6/30/2014	6/30/2015	6/30/2016
<b>Total Pension Liability</b>			
Service Cost	\$ 4,784,381	\$ 4,620,237	\$ 4,642,360
Interest on total pension liability	16,162,509	16,848,783	17,579,426
Changes of benefit terms	-	-	-
Changes of assumptions	-	(4,043,655)	-
Differences between expected and actual experience	-	(1,853,569)	(600,717)
Benefit payments, including refunds of employee contributions	(9,911,617)	(10,532,758)	(12,124,179)
<b>Net change in total pension liability</b>	<b>11,035,273</b>	<b>5,039,038</b>	<b>9,496,890</b>
<b>Total pension liability - beginning</b>	<b>218,063,744</b>	<b>229,099,017</b>	<b>234,138,055</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 229,099,017</b>	<b>\$ 234,138,055</b>	<b>\$ 243,634,945</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 6,912,621	\$ 12,476,826	\$ 7,313,803
Contributions - employee	1,956,863	1,936,755	1,841,400
Net investment income	23,466,228	3,697,901	995,694
Other miscellaneous income	-	-	-
Benefit payments, including refunds of employee contributions	(9,911,617)	(10,532,758)	(12,124,179)
Plan to plan resource movement	-	47	-
Administrative expense	-	(185,591)	(100,483)
<b>Net change in plan fiduciary net position</b>	<b>22,424,095</b>	<b>7,393,180</b>	<b>(2,073,765)</b>
<b>Plan fiduciary net position - beginning</b>	<b>135,058,277</b>	<b>157,482,372</b>	<b>164,875,552</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 157,482,372</b>	<b>\$ 164,875,552</b>	<b>\$ 162,801,787</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 71,616,645</b>	<b>\$ 69,262,503</b>	<b>\$ 80,833,158</b>
Plan fiduciary net position as a percentage of the total pension liability	68.74%	70.42%	66.82%
Covered payroll	\$ 24,742,104	\$ 25,009,403	\$ 25,673,931
Net pension liability as percentage of covered payroll	289.45%	276.95%	314.85%

**Notes to Schedule:**

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

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

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

City of Pleasanton  
 Required Supplementary Information, Continued  
 For the year ended June 30, 2017

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

City of Pleasanton - Safety (Fire) Plan, an Agent Multiple-Employer Defined Pension Plan  
 As of June 30, 2017  
 Last 10 Years \*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	6/30/2014	6/30/2015	6/30/2016
<b>Total Pension Liability</b>			
Service Cost	\$ 3,647,581	\$ 3,440,755	\$ 3,675,812
Interest on total pension liability	13,303,540	13,761,314	14,305,583
Changes of benefit terms	-	-	-
Changes of assumptions	-	(3,164,073)	-
Differences between expected and actual experience	-	(1,720,368)	(250,882)
Benefit payments, including refunds of employee contributions	(9,192,267)	(9,722,438)	(10,185,743)
<b>Net change in total pension liability</b>	<b>7,758,854</b>	<b>2,595,190</b>	<b>7,544,770</b>
<b>Total pension liability - beginning</b>	<b>180,152,886</b>	<b>187,911,740</b>	<b>190,506,930</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 187,911,740</b>	<b>\$ 190,506,930</b>	<b>\$ 198,051,700</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 4,539,230	\$ 4,930,309	\$ 5,361,714
Contributions - employee	1,168,645	1,221,550	1,391,002
Net investment income	19,743,524	2,855,434	671,305
Other miscellaneous income	-	-	-
Benefit payments, including refunds of employee contributions	(9,192,267)	(9,722,438)	(10,185,743)
Plan to plan resource movement	-	(285)	-
Administrative expense	-	(146,155)	(79,149)
Other miscellaneous income	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>16,259,132</b>	<b>(861,585)</b>	<b>(2,840,871)</b>
<b>Plan fiduciary net position - beginning</b>	<b>114,471,993</b>	<b>130,731,125</b>	<b>129,869,540</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 130,731,125</b>	<b>\$ 129,869,540</b>	<b>\$ 127,028,669</b>
Net pension liability - ending (a)-(b)	\$ 57,180,615	\$ 60,637,390	\$ 71,023,031
Less: City of Livermore's Share of net pension liability	(28,590,307)	(30,318,694)	(35,511,516)
City of Pleasanton's Share of net pension liability	\$ 28,590,308	\$ 30,318,696	\$ 35,511,515
Plan fiduciary net position as a percentage of the total pension liability	69.57%	68.17%	64.14%
Covered payroll	\$ 13,543,667	\$ 13,131,650	\$ 14,128,499
Net pension liability as percentage of covered payroll	422.19%	461.77%	502.69%

**Notes to Schedule:**

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

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

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

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2017**

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

**City of Pleasanton - Safety (Police) Plan, Cost-Sharing Multiple-Employer Defined Pension Plan**  
**As of June 30, 2017**  
**Last 10 Years\***

<b>Measurement Date</b>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>
<b>Safety (Police)</b>			
Plan's proportion of the Net Pension Liability (Asset)	0.62067%	0.55410%	0.57268%
Plan's proportion share of the Net Pension Liability (Asset)	<u>\$ 23,281,243</u>	<u>\$ 22,831,189</u>	<u>\$ 29,660,239</u>
Plan's Covered Payroll	<u>\$ 7,810,882</u>	<u>\$ 7,564,225</u>	<u>\$ 7,525,351</u>
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	298.06%	301.83%	394.14%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	0.57572%	0.57730%	0.55691%

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

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**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2017**

**6. SCHEDULES OF CONTRIBUTIONS**

**City of Pleasanton - Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan**  
**For the fiscal year ending June 30, 2017**  
**Last 10 Years\***  
**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended June 30	2015	2016	2017
Actuarially determined contribution	\$ 6,476,826	\$ 7,326,646	\$ 6,884,294
Contributions in relation to the actuarially determined contributions	<u>(12,476,826)</u>	<u>(7,326,646)</u>	<u>(6,884,294)</u>
Contribution deficiency (excess)	<u>\$ (6,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 25,009,403	\$ 24,034,312	\$ 25,673,931
Contributions as a percentage of covered payroll	49.89%	30.48%	26.81%

**Notes to Schedule**

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	For details, see June 30, 2013 Funding Valuation Report
Remaining amortization period	For details, see June 30, 2013 Funding Valuation Report
Asset valuation method	Market Value of Assets. For details, see June 30, 2013 Funding Valuation Report
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.50%, Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries

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

**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2017**

**6. SCHEDULES OF CONTRIBUTIONS, Continued**

**City of Pleasanton - Safety (Fire) Plan, an Agent Multiple-Employer Defined Pension Plan**  
**For the fiscal year ending June 30, 2017**  
**Last 10 Years \***  
**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended June 30	2015	2016	2017
Actuarially determined contribution	\$ 4,880,354	\$ 5,390,058	\$ 6,313,962
Contributions in relation to the actuarially determined contributions (City of Livermore's Share)	(2,440,177)	(2,695,029)	(3,156,981)
Contributions in relation to the actuarially determined contributions (City of Pleasanton's Share)	(2,440,177)	(2,695,029)	(3,156,981)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,131,650	\$ 12,129,974	\$ 13,389,302
Contributions as a percentage of covered payroll	18.58%	22.22%	23.58%

**Notes to Schedule**

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	For details, see June 30, 2013 Funding Valuation Report
Remaining amortization period	For details, see June 30, 2013 Funding Valuation Report
Asset valuation method	Market Value of Assets. For details, see June 30, 2013 Funding Valuation Report
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.50%, Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries

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



**City of Pleasanton**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2017**

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**6. SCHEDULES OF CONTRIBUTIONS, Continued**

**City of Pleasanton - Safety (Police) Plan, Cost-Sharing Multiple-Employer Defined Pension Plan**  
**For the year ending June 30, 2017**  
**Last 10 Years \***

**SCHEDULE OF CONTRIBUTIONS**

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

\* Fiscal year 2015 was the 1st year of implementation.

**SUPPLEMENTARY INFORMATION**

**City of Pleasanton  
 Budgetary Comparison Schedule  
 Major Capital Projects Fund  
 Miscellaneous Capital Improvement Programs Fund  
 For the Year Ended June 30, 2017**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 26,000	\$ 26,000	\$ 32,985	\$ 6,985
<b>Total revenues</b>	<u>26,000</u>	<u>26,000</u>	<u>32,985</u>	<u>6,985</u>
<b>EXPENDITURES:</b>				
Current:				
Community activities	-	250,000	-	250,000
Capital outlay	4,255,589	14,624,264	3,684,487	10,939,777
Debt service:				
Principal	179,115	179,115	179,115	-
Interest	11,513	11,513	11,513	-
<b>Total expenditures</b>	<u>4,446,217</u>	<u>15,064,892</u>	<u>3,875,115</u>	<u>11,189,777</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,420,217)</u>	<u>(15,038,892)</u>	<u>(3,842,130)</u>	<u>11,196,762</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	5,195,217	10,497,143	10,497,143	-
Transfers out	(775,000)	(775,000)	(775,000)	-
<b>Total other financing sources</b>	<u>4,420,217</u>	<u>9,722,143</u>	<u>9,722,143</u>	
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ (5,316,749)</u>	5,880,013	<u>\$ 11,196,762</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>7,967,533</u>	
End of year			<u>\$ 13,847,546</u>	

**City of Pleasanton  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2017**

	Special Revenue Funds	Capital Project Funds	Total
<b>ASSETS</b>			
Cash and investments	\$ 15,054,124	\$ 47,045,224	\$ 62,099,348
Receivables:			
Accounts	715,083	921,897	1,636,980
Grants	2,370,797	-	2,370,797
Interest	309,119	158,325	467,444
Notes receivable	2,498,691	-	2,498,691
<b>Total assets</b>	<b>\$ 20,947,814</b>	<b>\$ 48,125,446</b>	<b>\$ 69,073,260</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,954,077	\$ 1,369,692	\$ 3,323,769
Payroll payable	2,950	-	2,950
Due to other funds	1,253,341	-	1,253,341
Advances from other funds	-	1,557,494	1,557,494
Unearned revenue	47,274	-	47,274
<b>Total liabilities</b>	<b>3,257,642</b>	<b>2,927,186</b>	<b>6,184,828</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>2,755,392</b>	<b>-</b>	<b>2,755,392</b>
<b>FUND BALANCES</b>			
Restricted	14,449,546	39,416,876	53,866,422
Assigned	609,826	6,822,499	7,432,325
Unassigned	(124,592)	(1,041,115)	(1,165,707)
<b>Total fund balances</b>	<b>14,934,780</b>	<b>45,198,260</b>	<b>60,133,040</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 20,947,814</b>	<b>\$ 48,125,446</b>	<b>\$ 69,073,260</b>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2017**

	Special Revenue Funds	Capital Project Funds	Total
<b>REVENUES:</b>			
Special assessments	\$ 207,293	\$ -	\$ 207,293
Fines and forfeitures	55,695	-	55,695
Use of money and property	72,906	215,763	288,669
Intergovernmental	6,249,309	-	6,249,309
Charges for service	-	-	-
Development fees	405,888	9,386,561	9,792,449
Reimbursements	154,380	3,431,879	3,586,259
Contributions and donations	577,571	80,373	657,944
Other revenues	391,748	-	391,748
<b>Total revenues</b>	<b>8,114,790</b>	<b>13,114,576</b>	<b>21,229,366</b>
<b>EXPENDITURES:</b>			
Current:			
Public safety	302,807	-	302,807
Community development	214,807	9,732	224,539
Operations services	493,710	26,673	520,383
Community activities	155,426	-	155,426
Capital outlay	3,322,744	13,155,303	16,478,047
Debt service:			
Principal	50,000	-	50,000
Interest	9,867	-	9,867
<b>Total expenditures</b>	<b>4,549,361</b>	<b>13,191,708</b>	<b>17,741,069</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,565,429</b>	<b>(77,132)</b>	<b>3,488,297</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	1,317,506	1,317,506
Transfers out	(783,062)	-	(783,062)
<b>Total other financing sources (uses)</b>	<b>(783,062)</b>	<b>1,317,506</b>	<b>534,444</b>
<b>Net change in fund balances</b>	<b>2,782,367</b>	<b>1,240,374</b>	<b>4,022,741</b>
<b>FUND BALANCES:</b>			
Beginning of year	12,152,413	43,957,886	56,110,299
End of year	<u>\$ 14,934,780</u>	<u>\$ 45,198,260</u>	<u>\$ 60,133,040</u>

## NON-MAJOR SPECIAL REVENUE FUNDS

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

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

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

### **Asset Forfeiture**

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

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

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

### **Resource Management**

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

### **Miscellaneous Donations**

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

### **Landscape and Lighting Districts**

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

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

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

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

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

### **Measure B Transportation Improvements**

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

### **Gas Tax**

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

## 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.

### **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 FY 2000/01 to account for donations made to the library. Funds will be expended for equipment and enhanced services in accordance with donor's requests.

### **Miscellaneous Grants**

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

### **HBPOA Maintenance District**

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

### **Community Development Block Grant**

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

### **Traffic Grants**

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

### **Downtown Economic Loan**

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

## **NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

### **Federal ISTEA Program**

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

### **Community Access Television**

Under City Ordinance No. 2013, Section 6.54.060 of the Pleasanton Municipal Code, the City collects one percent (1%) of gross revenues from Cable Operators to support PEG (public, educational and governmental) channel facilities. This fund accounts for collection of PEG revenues and the capital expenditures related to PEG channel facilities.

### **Marilyn Murphy Kane Trail Reserve**

This fund accounts for the unspent portion of a donation received for the construction of the Marilyn Murphy Kane Trail. The remaining funds will be spent on design and construction services to install additional trees along the Marilyn Murphy Kane Trail on the City's Bernal property.

### **Specific Plan Funds**

Under Government Code Section 65450-65457, the City has established specific plans to develop policies, programs, and regulations for implementing its general plan in site-specific areas. Fees collected under these plans for the construction of infrastructure in these specific areas of the City are accounted for in this fund. This fund currently consists of the Happy Valley Specific Plan, the Vineyard Avenue Corridor Specific Plan and the Stoneridge Drive Specific Plan.

### **Vehicle Registration Fees**

This fund accounts for moneys received from voter approved Measure F which is to be used for repair and maintenance of local streets and roads and the improvement of traffic flow, public transportation, and bicyclist, pedestrian and driver safety.

### **Measure BB Transportation Improvements**

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



**City of Pleasanton  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
June 30, 2017**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations
<b>ASSETS</b>					
Cash and investments	\$ 17,349	\$ 48,789	\$ 580,564	\$ 851,879	\$ 412,788
Receivables:					
Accounts	-	-	-	77,381	-
Grants	-	-	-	-	-
Interest	63	261	1,896	2,627	981
Notes receivable	-	-	29,000	-	-
<b>Total assets</b>	<u>\$ 17,412</u>	<u>\$ 49,050</u>	<u>\$ 611,460</u>	<u>\$ 931,887</u>	<u>\$ 413,769</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 78,731	\$ 294
Payroll payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,731</u>	<u>294</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Resources related to loans	-	-	29,000	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>29,000</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	17,412	49,050	-	853,156	413,475
Assigned	-	-	582,460	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<u>17,412</u>	<u>49,050</u>	<u>582,460</u>	<u>853,156</u>	<u>413,475</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 17,412</u>	<u>\$ 49,050</u>	<u>\$ 611,460</u>	<u>\$ 931,887</u>	<u>\$ 413,769</u>

Landscape and Lighting Districts	Landscape Maintenance N.P.I.D.	Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Gas Tax	H.O.M.E. Program	Abandoned Vehicle	Urban Forestry Program
\$ 437,748	\$ 952,733	\$ 1,081,115	\$ 1,265,380	\$ 4,049,851	\$ -	\$ 100,434	\$ 246,544
305	3,415	431	165,282	132,299	-	8,025	-
-	-	-	-	-	35,912	-	-
1,638	3,437	3,893	4,140	14,302	79,618	980	717
-	127,621	-	-	-	1,806,308	-	-
<u>\$ 439,691</u>	<u>\$ 1,087,206</u>	<u>\$ 1,085,439</u>	<u>\$ 1,434,802</u>	<u>\$ 4,196,452</u>	<u>\$ 1,921,838</u>	<u>\$ 109,439</u>	<u>\$ 247,261</u>
\$ 18,288	\$ -	\$ 3,400	\$ 10,169	\$ 175,265	\$ 19,587	\$ -	\$ 3,190
-	-	-	-	-	262	-	-
-	-	-	-	-	16,063	-	-
-	-	-	-	-	-	-	-
<u>18,288</u>	<u>-</u>	<u>3,400</u>	<u>10,169</u>	<u>175,265</u>	<u>35,912</u>	<u>-</u>	<u>3,190</u>
-	127,621	-	-	-	1,885,926	-	-
-	127,621	-	-	-	1,885,926	-	-
421,403	959,585	1,082,039	1,424,633	4,021,187	-	109,439	244,071
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>421,403</u>	<u>959,585</u>	<u>1,082,039</u>	<u>1,424,633</u>	<u>4,021,187</u>	<u>-</u>	<u>109,439</u>	<u>244,071</u>
<u>\$ 439,691</u>	<u>\$ 1,087,206</u>	<u>\$ 1,085,439</u>	<u>\$ 1,434,802</u>	<u>\$ 4,196,452</u>	<u>\$ 1,921,838</u>	<u>\$ 109,439</u>	<u>\$ 247,261</u>

(Continued)

**City of Pleasanton  
Combining Balance Sheet  
Non-Major Special Revenue Funds, Continued  
June 30, 2017**

	Library Trust Fund	Miscellaneous Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants
<b>ASSETS</b>					
Cash and investments	\$ 58,995	\$ -	\$ -	\$ 11,388	\$ -
Receivables:					
Accounts	-	-	38,537	17,443	-
Grants	-	1,692,885	-	-	275,000
Interest	-	1,022	-	177,083	-
Notes receivable	-	-	-	535,762	-
<b>Total assets</b>	<u>\$ 58,995</u>	<u>\$ 1,693,907</u>	<u>\$ 38,537</u>	<u>\$ 741,676</u>	<u>\$ 275,000</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 1,215,852	\$ 24,151	\$ 624	\$ -
Payroll Payable	-	-	-	2,688	-
Due to other funds	-	580,892	14,386	-	275,000
Unearned revenue	-	21,755	-	25,519	-
<b>Total liabilities</b>	<u>-</u>	<u>1,818,499</u>	<u>38,537</u>	<u>28,831</u>	<u>275,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Resources related to loans	-	-	-	712,845	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>712,845</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted	58,995	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(124,592)	-	-	-
<b>Total fund balances</b>	<u>58,995</u>	<u>(124,592)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 58,995</u>	<u>\$ 1,693,907</u>	<u>\$ 38,537</u>	<u>\$ 741,676</u>	<u>\$ 275,000</u>

Downtown Economic Loan	Federal ISTE Program	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plan Funds	Vehicle Registration Fees	Measure BB Transportation Improvements	Total
\$ 27,267	\$ -	\$ 984,783	\$ 107,934	1,415,402	\$ 693,878	\$ 1,709,303	\$ 15,054,124
-	-	62,559	-	-	64,791	144,615	715,083
-	367,000	-	-	-	-	-	2,370,797
99	-	3,077	391	5,156	2,268	5,470	309,119
-	-	-	-	-	-	-	2,498,691
<u>\$ 27,366</u>	<u>\$ 367,000</u>	<u>\$ 1,050,419</u>	<u>\$ 108,325</u>	<u>\$ 1,420,558</u>	<u>\$ 760,937</u>	<u>\$ 1,859,388</u>	<u>\$ 20,947,814</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,526	\$ 1,954,077
-	-	-	-	-	-	-	2,950
-	367,000	-	-	-	-	-	1,253,341
-	-	-	-	-	-	-	47,274
-	367,000	-	-	-	-	404,526	3,257,642
-	-	-	-	-	-	-	2,755,392
-	-	-	-	-	-	-	2,755,392
-	-	1,050,419	108,325	1,420,558	760,937	1,454,862	14,449,546
27,366	-	-	-	-	-	-	609,826
-	-	-	-	-	-	-	(124,592)
<u>27,366</u>	<u>-</u>	<u>1,050,419</u>	<u>108,325</u>	<u>1,420,558</u>	<u>760,937</u>	<u>1,454,862</u>	<u>14,934,780</u>
<u>\$ 27,366</u>	<u>\$ 367,000</u>	<u>\$ 1,050,419</u>	<u>\$ 108,325</u>	<u>\$ 1,420,558</u>	<u>\$ 760,937</u>	<u>\$ 1,859,388</u>	<u>\$ 20,947,814</u>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the year ended June 30, 2017**

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations
<b>REVENUES:</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	69	263	3,337	3,420	1,825
Intergovernmental	-	-	-	260,374	-
Charges for service	-	-	-	-	-
Reimbursements	-	-	-	-	-
Contributions and donations	1,600	-	-	-	365,374
Development fees	-	-	90,971	-	-
Other	-	-	-	-	81,483
<b>Total revenues</b>	<b>1,669</b>	<b>263</b>	<b>94,308</b>	<b>263,794</b>	<b>448,682</b>
<b>EXPENDITURES:</b>					
Current:					
Public safety	1,500	28,312	-	-	10,755
Community development	-	-	-	-	-
Operations services	-	-	-	206,117	-
Community activities	-	-	-	-	13,240
Capital outlay	-	10,950	-	-	62,811
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total expenditures</b>	<b>1,500</b>	<b>39,262</b>	<b>-</b>	<b>206,117</b>	<b>86,806</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>169</b>	<b>(38,999)</b>	<b>94,308</b>	<b>57,677</b>	<b>361,876</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(442,506)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(442,506)</b>
<b>Net change in fund balances</b>	<b>169</b>	<b>(38,999)</b>	<b>94,308</b>	<b>57,677</b>	<b>(80,630)</b>
<b>FUND BALANCES:</b>					
Beginning of year	17,243	88,049	488,152	795,479	494,105
End of year	\$ 17,412	\$ 49,050	\$ 582,460	\$ 853,156	\$ 413,475

Landscape and Lighting Districts	Landscape Maintenance N.P.I.D.	Geologic Hazard Assessment Districts	Measure B Transportation Improvements	Gas Tax	H.O.M.E. Program	Abandoned Vehicle	Urban Forestry Program
\$ 130,521	\$ -	\$ 76,772	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	55,695
2,116	4,670	5,342	4,441	19,957	-	1,281	1,343
-	-	-	1,069,709	1,438,979	35,914	32,570	-
-	-	-	-	-	-	-	-
11,560	-	1,202	-	-	2,874	-	-
-	-	-	-	-	-	-	210,597
-	-	-	-	-	-	-	-
-	15,669	-	-	-	-	-	-
<u>144,197</u>	<u>20,339</u>	<u>83,316</u>	<u>1,074,150</u>	<u>1,458,936</u>	<u>38,788</u>	<u>33,851</u>	<u>267,635</u>
-	-	-	-	-	-	177,570	-
-	-	28,782	-	7,500	38,788	-	-
133,631	7,090	-	-	-	-	-	28,628
-	-	-	-	-	-	-	-
-	-	-	345,680	1,033,915	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>133,631</u>	<u>7,090</u>	<u>28,782</u>	<u>345,680</u>	<u>1,041,415</u>	<u>38,788</u>	<u>177,570</u>	<u>28,628</u>
<u>10,566</u>	<u>13,249</u>	<u>54,534</u>	<u>728,470</u>	<u>417,521</u>	<u>-</u>	<u>(143,719)</u>	<u>239,007</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(19,000)
-	-	-	-	-	-	-	(19,000)
<u>10,566</u>	<u>13,249</u>	<u>54,534</u>	<u>728,470</u>	<u>417,521</u>	<u>-</u>	<u>(143,719)</u>	<u>220,007</u>
<u>410,837</u>	<u>946,336</u>	<u>1,027,505</u>	<u>696,163</u>	<u>3,603,666</u>	<u>-</u>	<u>253,158</u>	<u>24,064</u>
<u>\$ 421,403</u>	<u>\$ 959,585</u>	<u>\$ 1,082,039</u>	<u>\$ 1,424,633</u>	<u>\$ 4,021,187</u>	<u>\$ -</u>	<u>\$ 109,439</u>	<u>\$ 244,071</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, 2017**

	Library Trust Fund	Miscellaneous Grants	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants
<b>REVENUES:</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-
Use of money and property	-	1,419	-	-	-
Intergovernmental	-	1,974,805	-	140,506	-
Charges for service	-	-	-	-	-
Reimbursements	-	-	118,244	20,500	-
Contributions and donations	-	-	-	-	-
Development fees	-	-	-	-	-
Other	-	-	-	38,598	-
<b>Total revenues</b>	<b>-</b>	<b>1,976,224</b>	<b>118,244</b>	<b>199,604</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Current:					
Public safety	-	84,670	-	-	-
Community development	-	-	-	139,737	-
Operations services	-	-	118,244	-	-
Community activities	104	30,663	-	-	-
Capital outlay	-	1,464,090	-	-	-
Debt Service:					
Principal	-	-	-	50,000	-
Interest	-	-	-	9,867	-
<b>Total expenditures</b>	<b>104</b>	<b>1,579,423</b>	<b>118,244</b>	<b>199,604</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(104)</b>	<b>396,801</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(104)</b>	<b>396,801</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Beginning of year	59,099	(521,393)	-	-	-
End of year	\$ 58,995	\$ (124,592)	\$ -	\$ -	\$ -

Downtown Economic Loan	Federal ISTE Program	Community Access Television	Marilyn Murphy Kane Trail Reserve	Specific Plan Funds	Vehicle Registration Fees	Measure BB Transportation Improvements	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 207,293
-	-	-	-	-	-	-	\$55,695
159	-	4,620	563	6,222	3,640	8,219	72,906
-	-	-	-	-	361,625	934,827	6,249,309
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	154,380
-	-	-	-	-	-	-	577,571
-	-	-	-	314,917	-	-	405,888
-	-	255,998	-	-	-	-	391,748
159	-	260,618	563	321,139	365,265	943,046	8,114,790
-	-	-	-	-	-	-	302,807
-	-	-	-	-	-	-	214,807
-	-	-	-	-	-	-	493,710
-	-	111,419	-	-	-	-	155,426
-	-	-	-	772	-	404,526	3,322,744
-	-	-	-	-	-	-	50,000
-	-	-	-	-	-	-	9,867
-	-	111,419	-	772	-	404,526	4,549,361
159	-	149,199	563	320,367	365,265	538,520	3,565,429
-	-	-	-	-	-	-	-
-	-	-	-	(321,556)	-	-	(783,062)
-	-	-	-	(321,556)	-	-	(783,062)
159	-	149,199	563	(1,189)	365,265	538,520	2,782,367
27,207	-	901,220	107,762	1,421,747	395,672	916,342	12,152,413
\$ 27,366	\$ -	\$ 1,050,419	\$ 108,325	\$ 1,420,558	\$ 760,937	\$ 1,454,862	\$ 14,934,780



**City of Pleasanton**  
**Combining Budgetary Comparison Schedules**  
**Non-Major Special Revenue Funds**  
**For the year ended June 30, 2017**

	SPECIAL REVENUE					
	D.A.R.E. Trust			Asset Forfeiture		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	200	69	(131)	100	263	163
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Development fees	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Contributions and donations	1,000	1,600	600	-	-	-
Other revenues	-	-	-	1,300	-	(1,300)
<b>Total revenues</b>	<u>1,200</u>	<u>1,669</u>	<u>469</u>	<u>1,400</u>	<u>263</u>	<u>(1,137)</u>
<b>EXPENDITURES:</b>						
Current:						
Public safety	6,000	1,500	4,500	12,000	28,312	(16,312)
Community development	-	-	-	-	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	10,950	10,950	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>6,000</u>	<u>1,500</u>	<u>4,500</u>	<u>22,950</u>	<u>39,262</u>	<u>(16,312)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,800)</u>	<u>169</u>	<u>4,969</u>	<u>(21,550)</u>	<u>(38,999)</u>	<u>(17,449)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (4,800)</u>	<u>169</u>	<u>\$ 4,969</u>	<u>\$ (21,550)</u>	<u>(38,999)</u>	<u>\$ (17,449)</u>
<b>FUND BALANCES:</b>						
Beginning of year		<u>17,243</u>			<u>88,049</u>	
End of year		<u>\$ 17,412</u>			<u>\$ 49,050</u>	

SPECIAL REVENUE

CBD Parking In-Lieu			Resource Management			Miscellaneous Donations		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
400	3,337	2,937	4,000	3,420	(580)	1,400	1,825	425
-	-	-	200,000	260,374	60,374	-	-	-
-	-	-	-	-	-	-	-	-
14,500	90,971	76,471	-	-	-	-	-	-
-	-	-	-	-	-	-	365,374	365,374
-	-	-	-	-	-	-	81,483	81,483
14,900	94,308	79,408	204,000	263,794	59,794	1,400	448,682	447,282
-	-	-	-	-	-	2,000	10,755	(8,755)
-	-	-	-	-	-	-	-	-
-	-	-	290,000	206,117	83,883	-	-	-
-	-	-	-	-	-	-	13,240	(13,240)
-	-	-	-	-	-	-	62,811	(62,811)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	290,000	206,117	83,883	2,000	86,806	(84,806)
14,900	94,308	79,408	(86,000)	57,677	143,677	(600)	361,876	362,476
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(442,506)	(442,506)
-	-	-	-	-	-	-	(442,506)	(442,506)
\$ 14,900	94,308	\$ 79,408	\$ (86,000)	57,677	\$ 143,677	\$ (600)	(80,630)	\$ (80,030)
	488,152			795,479			494,105	
	\$ 582,460			\$ 853,156			\$ 413,475	

(Continued)

**City of Pleasanton**  
**Combining Budgetary Comparison Schedules**  
**Non-Major Special Revenue Funds**  
**For the year ended June 30, 2017**

SPECIAL REVENUE						
	Landscape and Lighting Districts			Landscape Maintenance N.P.I.D		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Special assessments	\$ 129,947	\$ 130,521	\$ 574		\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	2,600	2,116	(484)	7,000	4,670	(2,330)
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Development fees	-	-	-	-	-	-
Reimbursements	11,559	11,560	1	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	15,669	15,669
<b>Total revenues</b>	<u>144,106</u>	<u>144,197</u>	<u>(483)</u>	<u>7,000</u>	<u>20,339</u>	<u>13,339</u>
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Operations services	174,725	133,631	41,094	3,000	7,090	(4,090)
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>174,725</u>	<u>133,631</u>	<u>41,094</u>	<u>3,000</u>	<u>7,090</u>	<u>(4,090)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(30,619)</u>	<u>10,566</u>	<u>40,611</u>	<u>4,000</u>	<u>13,249</u>	<u>9,249</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (30,619)</u>	<u>10,566</u>	<u>\$ 40,611</u>	<u>\$ 4,000</u>	<u>13,249</u>	<u>\$ 9,249</u>
<b>FUND BALANCES (DEFICITS):</b>						
Beginning of year		<u>410,837</u>			<u>946,336</u>	
End of year		<u>\$ 421,403</u>			<u>\$ 959,585</u>	

SPECIAL REVENUE

Geologic Hazard Assessment Districts			Measure B Transportation Improvements			Gas Tax		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 76,475	\$ 76,772	\$ 297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
6,800	5,342	(1,458)	12,000	4,441	(7,559)	-	19,957	19,957
-	-	-	1,043,000	1,069,709	26,709	1,538,680	1,438,979	(99,701)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,194	1,202	8	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>84,469</u>	<u>83,316</u>	<u>(1,153)</u>	<u>1,055,000</u>	<u>1,074,150</u>	<u>19,150</u>	<u>1,538,680</u>	<u>1,458,936</u>	<u>(79,744)</u>
-	-	-	-	-	-	-	-	-
67,932	28,782	39,150	-	-	-	7,500	7,500	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	1,622,378	345,680	1,276,698	4,796,235	1,033,915	3,762,320
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>67,932</u>	<u>28,782</u>	<u>39,150</u>	<u>1,622,378</u>	<u>345,680</u>	<u>1,276,698</u>	<u>4,803,735</u>	<u>1,041,415</u>	<u>3,762,320</u>
<u>16,537</u>	<u>54,534</u>	<u>37,997</u>	<u>(567,378)</u>	<u>728,470</u>	<u>1,295,848</u>	<u>(3,265,055)</u>	<u>417,521</u>	<u>3,682,576</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 16,537</u>	<u>54,534</u>	<u>\$ 37,997</u>	<u>\$ (567,378)</u>	<u>728,470</u>	<u>\$ 1,295,848</u>	<u>\$ (3,265,055)</u>	<u>417,521</u>	<u>\$ 3,682,576</u>
	<u>1,027,505</u>			<u>696,163</u>			<u>3,603,666</u>	
	<u>\$ 1,082,039</u>			<u>\$ 1,424,633</u>			<u>\$ 4,021,187</u>	

(Continued)

**City of Pleasanton**  
**Combining Budgetary Comparison Schedules**  
**Non-Major Special Revenue Funds**  
**For the year ended June 30, 2017**

SPECIAL REVENUE						
	H.O.M.E. Program			Abandoned Vehicle		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	-	-	-	2,000	1,281	(719)
Intergovernmental	133,534	35,914	(97,620)	30,000	32,570	2,570
Charges for service	-	-	-	-	-	-
Development fees	-	-	-	-	-	-
Reimbursements	-	2,874	2,874	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
<b>Total revenues</b>	<b>133,534</b>	<b>38,788</b>	<b>(94,746)</b>	<b>32,000</b>	<b>33,851</b>	<b>1,851</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	-	-	175,000	177,570	(2,570)
Community development	129,329	38,788	90,541	-	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>129,329</b>	<b>38,788</b>	<b>90,541</b>	<b>175,000</b>	<b>177,570</b>	<b>(2,570)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,205</b>	<b>-</b>	<b>(4,205)</b>	<b>(143,000)</b>	<b>(143,719)</b>	<b>(719)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 4,205</b>	<b>-</b>	<b>\$ (4,205)</b>	<b>\$ (143,000)</b>	<b>(143,719)</b>	<b>\$ (719)</b>
<b>FUND BALANCES (DEFICITS):</b>						
Beginning of year	-	-	-	-	253,158	-
End of year	\$ -	-	-	-	\$ 109,439	-

SPECIAL REVENUE

Urban Forestry Program			Library Trust Fund			Miscellaneous Grants		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	55,695	55,695	-	-	-	-	-	-
500	1,343	843	300	-	(300)	1,000	1,419	419
-	-	-	-	-	-	3,729,583	1,974,805	(1,754,778)
-	-	-	-	-	-	-	-	-
500	-	(500)	-	-	-	-	-	-
180,950	210,597	29,647	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>181,950</u>	<u>267,635</u>	<u>29,990</u>	<u>300</u>	<u>-</u>	<u>(300)</u>	<u>3,730,583</u>	<u>1,976,224</u>	<u>(1,754,359)</u>
-	-	-	-	-	-	156,754	84,670	72,084
-	-	-	-	-	-	-	-	-
35,765	28,628	7,137	-	-	-	-	-	-
-	-	-	-	104	(104)	-	30,663	(30,663)
-	-	-	-	-	-	2,885,077	1,464,090	1,420,987
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>35,765</u>	<u>28,628</u>	<u>7,137</u>	<u>-</u>	<u>104</u>	<u>(104)</u>	<u>3,041,831</u>	<u>1,579,423</u>	<u>1,462,408</u>
146,185	239,007	37,127	300	(104)	(404)	688,752	396,801	(291,951)
-	-	-	-	-	-	-	-	-
(19,000)	(19,000)	-	-	-	-	-	-	-
(19,000)	(19,000)	-	-	-	-	-	-	-
<u>\$ 127,185</u>	<u>220,007</u>	<u>\$ 37,127</u>	<u>\$ 300</u>	<u>(104)</u>	<u>\$ (404)</u>	<u>\$ 688,752</u>	<u>396,801</u>	<u>\$ (291,951)</u>
	<u>24,064</u>			<u>59,099</u>			<u>(521,393)</u>	
	<u>\$ 244,071</u>			<u>\$ 58,995</u>			<u>\$ (124,592)</u>	

(Continued)

**City of Pleasanton**  
**Combining Budgetary Comparison Schedules**  
**Non-Major Special Revenue Funds**  
**For the year ended June 30, 2017**

	SPECIAL REVENUE					
	HBPOA Maintenance District			Community Development Block Grant		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	-	-	-	-	-	-
Intergovernmental	-	-	-	298,550	140,506	(158,044)
Charges for service	-	-	-	-	-	-
Development fees	-	-	-	-	-	-
Reimbursements	100,000	118,244	18,244	-	20,500	20,500
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	38,598	38,598
<b>Total revenues</b>	<u>100,000</u>	<u>118,244</u>	<u>18,244</u>	<u>298,550</u>	<u>199,604</u>	<u>(98,946)</u>
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	666,849	139,737	527,112
Operations services	100,000	118,244	(18,244)	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	50,000	50,000	-
Interest	-	-	-	11,520	9,867	1,653
<b>Total expenditures</b>	<u>100,000</u>	<u>118,244</u>	<u>(18,244)</u>	<u>728,369</u>	<u>199,604</u>	<u>528,765</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(429,819)</u>	<u>-</u>	<u>429,819</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (429,819)</u>	<u>-</u>	<u>\$ 429,819</u>
<b>FUND BALANCES (DEFICITS):</b>						
Beginning of year		-			-	
End of year		<u>\$ -</u>			<u>\$ -</u>	

SPECIAL REVENUE

Traffic Grants			Downtown Economic Loan			Federal ISTE A Program		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	200	159	(41)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	200	159	(41)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ 200	159	\$ (41)	\$ -	-	\$ -

	<u>27,207</u>	
<u>\$ -</u>	<u>\$ 27,366</u>	<u>\$ -</u>

(Continued)



**City of Pleasanton**  
**Combining Budgetary Comparison Schedules**  
**Non-Major Special Revenue Funds**  
**For the year ended June 30, 2017**

	SPECIAL REVENUE					
	Community Access Television			Marilyn Murphy Kane Trail Reserve		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures		-	-		-	-
Use of money and property	4,000	4,620	620	800	563	(237)
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Development fees	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	240,000	255,998	15,998	-	-	-
<b>Total revenues</b>	<b>244,000</b>	<b>260,618</b>	<b>16,618</b>	<b>800</b>	<b>563</b>	<b>(237)</b>
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Operations services	-	-	-	-	-	-
Community activities	39,035	111,419	(72,384)	-	-	-
Capital outlay	50,000	-	50,000	172,005	-	172,005
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>89,035</b>	<b>111,419</b>	<b>(22,384)</b>	<b>172,005</b>	<b>-</b>	<b>172,005</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>154,965</b>	<b>149,199</b>	<b>(5,766)</b>	<b>(171,205)</b>	<b>563</b>	<b>171,768</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 154,965</b>	<b>149,199</b>	<b>\$ (5,766)</b>	<b>\$ (171,205)</b>	<b>563</b>	<b>\$ 171,768</b>
<b>FUND BALANCES (DEFICITS):</b>						
Beginning of year		901,220			107,762	
End of year		<u>\$ 1,050,419</u>			<u>\$ 108,325</u>	

SPECIAL REVENUE

Specific Plan Funds			Vehicle Registration fees			Measure BB Transportation Improvements		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,000	6,222	1,222	1,500	3,640	2,140	-	8,219	8,219
-	-	-	338,000	361,625	23,625	906,000	934,827	28,827
-	-	-	-	-	-	-	-	-
-	314,917	314,917	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>5,000</u>	<u>321,139</u>	<u>316,139</u>	<u>339,500</u>	<u>365,265</u>	<u>25,765</u>	<u>906,000</u>	<u>943,046</u>	<u>37,046</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	38,500	-	38,500	-	-	-
-	-	-	-	-	-	-	-	-
672,734	772	671,962	550,000	-	550,000	1,631,000	404,526	1,226,474
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>672,734</u>	<u>772</u>	<u>671,962</u>	<u>588,500</u>	<u>-</u>	<u>588,500</u>	<u>1,631,000</u>	<u>404,526</u>	<u>1,226,474</u>
<u>(667,734)</u>	<u>320,367</u>	<u>988,101</u>	<u>(249,000)</u>	<u>365,265</u>	<u>614,265</u>	<u>(725,000)</u>	<u>538,520</u>	<u>1,263,520</u>
-	-	-	-	-	-	-	-	-
-	(321,556)	(321,556)	-	-	-	-	-	-
-	(321,556)	(321,556)	-	-	-	-	-	-
<u>\$ (667,734)</u>	<u>(1,189)</u>	<u>\$ 666,545</u>	<u>\$ (249,000)</u>	<u>365,265</u>	<u>\$ 614,265</u>	<u>\$ (725,000)</u>	<u>538,520</u>	<u>\$ 1,263,520</u>
	<u>1,421,747</u>			<u>395,672</u>			<u>916,342</u>	
	<u>\$ 1,420,558</u>			<u>\$ 760,937</u>			<u>\$ 1,454,862</u>	

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## NON-MAJOR CAPITAL PROJECTS FUNDS

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

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

This fund was set up in FY 2007/08 to account for the purchase of land and to construct parking facilities and other improvements in the Downtown Area and in North Pleasanton.

### **Public Facilities**

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

### **Park Development**

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

### **Park Capital Improvement Program**

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

### **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.

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

This fund was set up in FY 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 revenues from developers for specific capital improvement projects.

### **Assessment District Construction**

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

### **Tri-Valley Transportation**

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

**City of Pleasanton  
Combining Balance Sheet  
Non-Major Capital Project Funds  
June 30, 2017**

	CIP for Downtown & North Pleasanton	Public Facilities	Park Development	Park Capital Improvement Program	Street Capital Improvement Program
<b>ASSETS</b>					
Cash and investments	\$ 3,626,497	\$ 6,328,406	\$ 10,977,810	\$ 582,401	\$ 6,963,600
Receivables:					
Accounts	-	-	-	6,705	915,192
Interest	13,143	20,904	35,004	2,116	23,742
Notes receivable	-	-	-	-	-
<b>Total assets</b>	<u>\$ 3,639,640</u>	<u>\$ 6,349,310</u>	<u>\$ 11,012,814</u>	<u>\$ 591,222</u>	<u>\$ 7,902,534</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 45,406	\$ 74,843	\$ 1,080,035
Advances from other funds	-	-	-	1,557,494	-
<b>Total liabilities</b>	-	-	45,406	1,632,337	1,080,035
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted	3,639,640	6,349,310	10,967,408	-	-
Assigned	-	-	-	-	6,822,499
Unassigned	-	-	-	(1,041,115)	-
<b>Total fund balances</b>	<u>3,639,640</u>	<u>6,349,310</u>	<u>10,967,408</u>	<u>(1,041,115)</u>	<u>6,822,499</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 3,639,640</u>	<u>\$ 6,349,310</u>	<u>\$ 11,012,814</u>	<u>\$ 591,222</u>	<u>\$ 7,902,534</u>

<u>Traffic Impact</u>	<u>Traffic Impact Bernal Property</u>	<u>Budgeted Developer Projects</u>	<u>Assessment District Construction</u>	<u>Tri-Valley Transportation</u>	<u>Total</u>
\$ 8,099,425	\$ 852,685	\$ 6,711,514	\$ 1,346,884	\$ 1,556,002	\$ 47,045,224
-	-	-	-	-	921,897
27,644	3,099	24,275	4,978	3,420	158,325
-	-	-	-	-	-
<u>\$ 8,127,069</u>	<u>\$ 855,784</u>	<u>\$ 6,735,789</u>	<u>\$ 1,351,862</u>	<u>\$ 1,559,422</u>	<u>\$ 48,125,446</u>
\$ 67,103	\$ 102,305	\$ -	\$ -	\$ -	\$ 1,369,692
-	-	-	-	-	1,557,494
67,103	102,305	-	-	-	2,927,186
-	-	-	-	-	-
8,059,966	753,479	6,735,789	1,351,862	1,559,422	39,416,876
-	-	-	-	-	6,822,499
-	-	-	-	-	(1,041,115)
8,059,966	753,479	6,735,789	1,351,862	1,559,422	45,198,260
<u>\$ 8,127,069</u>	<u>\$ 855,784</u>	<u>\$ 6,735,789</u>	<u>\$ 1,351,862</u>	<u>\$ 1,559,422</u>	<u>\$ 48,125,446</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, 2017**

	CIP for Downtown & North Pleasanton	Public Facilities	Park Development	Park Capital Improvement Program	Street Capital Improvement Program
<b>REVENUES:</b>					
Use of money and property	\$ 17,947	\$ 30,561	\$ 51,718	\$ (2,824)	\$ 32,655
Charges for services	-	-	-	-	-
Development fees	-	2,136,915	3,828,300	-	35,400
Reimbursements	-	-	29,396	-	3,398,981
Contributions and donations	-	-	-	-	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>17,947</b>	<b>2,167,476</b>	<b>3,909,414</b>	<b>(2,824)</b>	<b>3,467,036</b>
<b>EXPENDITURES:</b>					
Current:					
Operations services	-	-	-	-	-
Capital outlay	-	1,314,124	1,638,736	3,461,356	4,544,447
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>1,314,124</b>	<b>1,638,736</b>	<b>3,461,356</b>	<b>4,544,447</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>17,947</b>	<b>853,352</b>	<b>2,270,678</b>	<b>(3,464,180)</b>	<b>(1,077,411)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	100,000	442,506	775,000
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>442,506</b>	<b>775,000</b>
<b>Net change in fund balances</b>	<b>17,947</b>	<b>853,352</b>	<b>2,370,678</b>	<b>(3,021,674)</b>	<b>(302,411)</b>
<b>FUND BALANCES:</b>					
Beginning of year	3,621,693	5,495,958	8,596,730	1,980,559	7,124,910
End of year	\$ 3,639,640	\$ 6,349,310	\$ 10,967,408	\$ (1,041,115)	\$ 6,822,499

Traffic Impact	Traffic Impact Bernal Property	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Total
\$ 39,202	\$ 2,614	32,434	\$ 6,766	\$ 4,690	\$ 215,763
-	-	-	-	-	-
2,697,407	-	-	-	688,539	9,386,561
-	3,502	-	-	-	3,431,879
-	-	80,373	-	-	80,373
-	-	-	-	-	-
2,736,609	6,116	112,807	6,766	693,229	13,114,576
-	-	-	26,673	-	26,673
821,209	911,124	464,307	-	-	13,155,303
-	-	-	-	-	-
-	-	-	-	-	-
821,209	911,124	464,307	26,673	9,732	13,191,708
1,915,400	(905,008)	(351,500)	(19,907)	683,497	(77,132)
-	-	-	-	-	1,317,506
-	-	-	-	-	-
-	-	-	-	-	1,317,506
1,915,400	(905,008)	(351,500)	(19,907)	683,497	1,240,374
6,144,566	1,658,487	7,087,289	1,371,769	875,925	43,957,886
\$ 8,059,966	\$ 753,479	\$ 6,735,789	\$ 1,351,862	\$ 1,559,422	\$ 45,198,260



**City of Pleasanton**  
**Combining Budgetary Comparison Schedules**  
**Non-Major Capital Projects Funds**  
**For the year ended June 30, 2017**

	CAPITAL PROJECT FUNDS					
	CIP for Downtown & North Pleasanton			Public Facilities		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	26,000	17,947	(8,053)	26,000	30,561	4,561
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Development fees	-	-	-	3,094,926	2,136,915	(958,011)
Reimbursements	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
<b>Total revenues</b>	<u>26,000</u>	<u>17,947</u>	<u>(8,053)</u>	<u>3,120,926</u>	<u>2,167,476</u>	<u>(953,450)</u>
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	-	-	-	5,985,134	1,314,124	4,671,010
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,985,134</u>	<u>1,314,124</u>	<u>4,671,010</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>26,000</u>	<u>17,947</u>	<u>(8,053)</u>	<u>(2,864,208)</u>	<u>853,352</u>	<u>3,717,560</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 26,000</u>	<u>17,947</u>	<u>\$ (8,053)</u>	<u>\$(2,864,208)</u>	<u>853,352</u>	<u>\$ 3,717,560</u>
<b>FUND BALANCES (DEFICITS):</b>						
Beginning of year		<u>3,621,693</u>			<u>5,495,958</u>	
End of year		<u>\$ 3,639,640</u>			<u>\$ 6,349,310</u>	

**CAPITAL PROJECT FUNDS**

Park Development			Park Capital Improvement Program Fund			Street Capital Improvement Program		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
45,000	51,718	6,718	10,000	(2,824)	(12,824)	46,200	32,655	(13,545)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
7,410,373	3,828,300	(3,582,073)	-	-	-	8,000	35,400	27,400
4,140	29,396	25,256	-	-	-	2,862,311	3,398,981	536,670
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>7,459,513</u>	<u>3,909,414</u>	<u>(3,550,099)</u>	<u>10,000</u>	<u>(2,824)</u>	<u>(12,824)</u>	<u>2,916,511</u>	<u>3,467,036</u>	<u>550,525</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,862,311	-	2,862,311
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
14,424,481	1,638,736	12,785,745	3,956,273	3,461,356	494,917	7,662,930	4,544,447	3,118,483
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>14,424,481</u>	<u>1,638,736</u>	<u>12,785,745</u>	<u>3,956,273</u>	<u>3,461,356</u>	<u>494,917</u>	<u>10,525,241</u>	<u>4,544,447</u>	<u>5,980,794</u>
<u>(6,964,968)</u>	<u>2,270,678</u>	<u>9,235,646</u>	<u>(3,946,273)</u>	<u>(3,464,180)</u>	<u>482,093</u>	<u>(7,608,730)</u>	<u>(1,077,411)</u>	<u>6,531,319</u>
100,000	100,000	-	-	442,506	442,506	775,000	775,000	-
-	-	-	-	-	-	-	-	-
<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>442,506</u>	<u>442,506</u>	<u>775,000</u>	<u>775,000</u>	<u>-</u>
<u>\$(6,864,968)</u>	<u>2,370,678</u>	<u>\$9,235,646</u>	<u>\$(3,946,273)</u>	<u>(3,021,674)</u>	<u>\$ 924,599</u>	<u>\$(6,833,730)</u>	<u>(302,411)</u>	<u>\$6,531,319</u>
	<u>8,596,730</u>			<u>1,980,559</u>			<u>7,124,910</u>	
	<u>\$10,967,408</u>			<u>\$(1,041,115)</u>			<u>\$6,822,499</u>	

(Continued)

**City of Pleasanton**  
**Combining Budgetary Comparison Schedules**  
**Non-Major Capital Projects Funds**  
**For the year ended June 30, 2017**

	CAPITAL PROJECTS					
	Traffic Impact			Traffic Impact - Bernal Property		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	20,000	39,202	19,202	20,000	2,614	(17,386)
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Development fees	5,082,277	2,697,407	(2,384,870)	-	-	-
Reimbursements	-	-	-	-	3,502	3,502
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
<b>Total revenues</b>	<u>5,102,277</u>	<u>2,736,609</u>	<u>(2,365,668)</u>	<u>20,000</u>	<u>6,116</u>	<u>(13,884)</u>
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Operations services	-	-	-	-	-	-
Community activities	-	-	-	-	-	-
Capital outlay	2,671,210	821,209	1,850,001	914,880	911,124	3,756
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<u>2,671,210</u>	<u>821,209</u>	<u>1,850,001</u>	<u>914,880</u>	<u>911,124</u>	<u>3,756</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,431,067</u>	<u>1,915,400</u>	<u>(515,667)</u>	<u>(894,880)</u>	<u>(905,008)</u>	<u>(10,128)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 2,431,067</u>	<u>1,915,400</u>	<u>\$ (515,667)</u>	<u>\$ (894,880)</u>	<u>(905,008)</u>	<u>\$ (10,128)</u>
<b>FUND BALANCES (DEFICITS):</b>						
Beginning of year		<u>6,144,566</u>			<u>1,658,487</u>	
End of year		<u>\$ 8,059,966</u>			<u>\$ 753,479</u>	

**CAPITAL PROJECTS**

Budgeted Developer Projects			Assessment District Construction			Tri-Valley Transportation		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
54,500	32,434	(22,066)	8,000	6,766	(1,234)	3,000	4,690	1,690
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	663,601	688,539	24,938
-	80,373	80,373	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>54,500</u>	<u>112,807</u>	<u>58,307</u>	<u>8,000</u>	<u>6,766</u>	<u>(1,234)</u>	<u>666,601</u>	<u>693,229</u>	<u>26,628</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,732	(9,732)
-	-	-	25,750	26,673	(923)	-	-	-
-	-	-	-	-	-	-	-	-
5,923,163	464,307	5,458,856	1,086,118	-	1,086,118	1,537,993	-	1,537,993
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>5,923,163</u>	<u>464,307</u>	<u>5,458,856</u>	<u>1,111,868</u>	<u>26,673</u>	<u>1,085,195</u>	<u>1,537,993</u>	<u>9,732</u>	<u>1,528,261</u>
<u>(5,868,663)</u>	<u>(351,500)</u>	<u>5,517,163</u>	<u>(1,103,868)</u>	<u>(19,907)</u>	<u>1,083,961</u>	<u>(871,392)</u>	<u>683,497</u>	<u>1,554,889</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ (5,868,663)</u>	<u>(351,500)</u>	<u>\$ 5,517,163</u>	<u>\$ (1,103,868)</u>	<u>(19,907)</u>	<u>\$ 1,083,961</u>	<u>\$ (871,392)</u>	<u>683,497</u>	<u>\$ 1,554,889</u>
	<u>7,087,289</u>			<u>1,371,769</u>			<u>875,925</u>	
	<u>\$ 6,735,789</u>			<u>\$ 1,351,862</u>			<u>\$ 1,559,422</u>	

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## NON-MAJOR ENTERPRISE FUNDS

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

### **Transit**

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

### **Cemetery**

This fund accounts for the operations of the Pleasanton Pioneer Cemetery. The City currently contracts with Graham-Hitch Mortuary for daily operations management of the cemetery, including sales and burial coordination services. The Cemetery Fund is supported by an operating subsidy contribution from the General Fund.

### **Housing Authority**

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

### **Electric Vehicle**

This fund accounts for the collection of fees from the use of city-owned electric vehicle charging stations and the expenses associated with this activity, including charging station maintenance and repair, marketing, and payment processing. This fund was closed as of June 30, 2017.

**City of Pleasanton**  
**Combining Statement of Fund Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2017**

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 288,581	\$ 491,176	\$ 353,026	\$ -	\$ 1,132,783
Receivables (net):					
Accounts	67,573	4,471	-	-	72,044
Interest	1,012	1,231	-	-	2,243
Total current assets	357,166	496,878	353,026	-	1,207,070
Noncurrent assets:					
Capital assets:					
Nondepreciable	-	10,000	51,750	-	61,750
Depreciable	1,539	10,943	-	-	12,482
Total noncurrent assets	1,539	20,943	51,750	-	74,232
<b>Total assets</b>	<b>358,705</b>	<b>517,821</b>	<b>404,776</b>	<b>-</b>	<b>1,281,302</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	11,800	32,088	-	-	43,888
Payroll payable	15,473	832	-	-	16,305
Due to other funds	16,329	-	-	-	16,329
Unearned revenue	7,870	-	-	-	7,870
Total current liabilities	51,472	32,920	-	-	84,392
<b>Total liabilities</b>	<b>51,472</b>	<b>32,920</b>	<b>-</b>	<b>-</b>	<b>84,392</b>
<b>NET POSITION</b>					
Net investment in capital assets	1,539	20,943	51,750	-	74,232
Restricted for:					
Transportation	305,694	-	-	-	305,694
Unrestricted	-	463,958	353,026	-	816,984
<b>Total net position</b>	<b>\$ 307,233</b>	<b>\$ 484,901</b>	<b>\$ 404,776</b>	<b>\$ -</b>	<b>\$ 1,196,910</b>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2017**

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle	Total
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 23,199	\$ 120,095	\$ -	\$ -	\$ 143,294
Miscellaneous	2,030	107	-	-	2,137
<b>Total operating revenues</b>	<b>25,229</b>	<b>120,202</b>	<b>-</b>	<b>-</b>	<b>145,431</b>
<b>OPERATING EXPENSES:</b>					
Personnel services	505,878	25,818	-	-	531,696
Transportation	81,571	-	-	-	81,571
Repairs and maintenance	4,679	-	-	-	4,679
Materials, supplies, and services	41,520	240,865	134	-	282,519
Depreciation	13,381	57	-	-	13,438
<b>Total operating expenses</b>	<b>647,029</b>	<b>266,740</b>	<b>134</b>	<b>-</b>	<b>913,903</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(621,800)</b>	<b>(146,538)</b>	<b>(134)</b>	<b>-</b>	<b>1,059,334</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Grants	107,176	-	-	-	107,176
Intergovernmental	281,459	-	-	-	281,459
Interest income	1,515	1,586	1,162	-	4,263
<b>Total non-operating revenues (expenses)</b>	<b>390,150</b>	<b>1,586</b>	<b>1,162</b>	<b>-</b>	<b>392,898</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(231,650)</b>	<b>(144,952)</b>	<b>1,028</b>	<b>-</b>	<b>(375,574)</b>
Transfers in	339,725	44,700	-	-	384,425
Transfers out	-	-	-	(7,978)	(7,978)
<b>Change in net position</b>	<b>108,075</b>	<b>(100,252)</b>	<b>1,028</b>	<b>(7,978)</b>	<b>873</b>
<b>NET POSITION:</b>					
Beginning of year	199,158	585,153	403,748	7,978	1,196,037
End of year	\$ 307,233	\$ 484,901	\$ 404,776	\$ -	\$ 1,196,910



**City of Pleasanton**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2017**

	Transit	Cemetery	Pleasanton Housing Authority	Electric Vehicle	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash receipts from customers	\$ 26,905	\$ 132,542	\$ -	\$ -	\$ 159,447
Cash payments to suppliers for goods and services	(128,404)	(209,891)	(134)	-	(338,429)
Cash payments to employees for services	(501,651)	(25,282)	-	-	(526,933)
<b>Net cash provided (used) by operating activities</b>	<b>(603,150)</b>	<b>(102,631)</b>	<b>(134)</b>	<b>-</b>	<b>(705,915)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital assets (acquisition)	-	(11,000)	-	-	(11,000)
<b>Net cash provided (used) by capital financing activities</b>	<b>-</b>	<b>(11,000)</b>	<b>-</b>	<b>-</b>	<b>(11,000)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Grants received	112,901	-	-	-	112,901
Intergovernmental funds received	280,125	-	-	-	280,125
Transfer in	339,725	44,700	-	-	384,425
Transfer out	-	-	-	(7,978)	(7,978)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>732,751</b>	<b>44,700</b>	<b>-</b>	<b>(7,978)</b>	<b>769,473</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	759	1,176	1,162	15	3,112
<b>Net cash provided (used) by investing activities</b>	<b>759</b>	<b>1,176</b>	<b>1,162</b>	<b>15</b>	<b>3,112</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>130,360</b>	<b>(67,755)</b>	<b>1,028</b>	<b>(7,963)</b>	<b>55,670</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	158,221	558,931	351,998	7,963	1,077,113
End of year	<u>\$ 288,581</u>	<u>\$ 491,176</u>	<u>\$ 353,026</u>	<u>\$ -</u>	<u>\$ 1,132,783</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (621,800)	\$ (146,538)	\$ (134)	\$ -	\$ (768,472)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	13,381	57	-	-	13,438
Change in operating assets and liabilities:					
Accounts receivable	-	12,340	-	-	12,340
Accounts payable	11,725	30,974	-	-	42,699
Payroll payable	4,227	536	-	-	4,763
Due to other funds	(12,359)	-	-	-	(12,359)
Unearned revenue	1,676	-	-	-	1,676
<b>Net cash provided (used) by operating activities</b>	<b>\$ (603,150)</b>	<b>\$ (102,631)</b>	<b>\$ (134)</b>	<b>\$ -</b>	<b>\$ (705,915)</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 unemployment insurance benefit costs, accrued unused employee vacation leave, and employees' retirement liability. Revenues come from benefit accrual charges placed on all City operating programs. This fund also includes the accounting for workers' compensation benefits.

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

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

### **Replacement / Renovation**

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

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

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

### **Self Insurance Retention**

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

### **Retiree Insurance Reserve**

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

### **PERS Rate Stabilization**

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

**City of Pleasanton**  
**Combining Statement of Fund Net Position**  
**Internal Service Funds**  
**June 30, 2017**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LPPD Retirees Insurance Reserve (Pleasanton Share Only)
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 11,405,975	\$ 186,398	\$ 21,598,485	\$ 829,869
Accounts receivable	19,757	-	4,394	-
Interest receivable	34,109	527	62,433	1,576
Prepaid other post employment benefits	-	-	-	42,959
<b>Total current assets</b>	<b>11,459,841</b>	<b>186,925</b>	<b>21,665,312</b>	<b>874,404</b>
Noncurrent assets:				
Advances to other funds	-	-	1,557,494	-
Capital assets:				
Nondepreciable	-	318,893	949,999	-
Depreciable	-	-	12,185,856	-
<b>Total noncurrent assets</b>	<b>-</b>	<b>318,893</b>	<b>14,693,349</b>	<b>-</b>
<b>Total assets</b>	<b>11,459,841</b>	<b>505,818</b>	<b>36,358,661</b>	<b>874,404</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions	40,673,657	-	-	-
<b>Total deferred outflows of resources</b>	<b>40,673,657</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accrued liabilities	176,079	11,350	529,362	49,120
Accrued compensated absences	1,218,934	-	-	-
Claims payable	2,495,764	-	-	-
<b>Total current liabilities</b>	<b>3,890,777</b>	<b>11,350</b>	<b>529,362</b>	<b>49,120</b>
Noncurrent liabilities:				
Advances from other funds	1,905,123	-	-	-
Accrued compensated absences	3,011,944	-	-	-
Net pension liability	139,247,261	-	-	-
Claims payable	8,625,428	-	-	-
<b>Total noncurrent liabilities</b>	<b>152,789,756</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>156,680,533</b>	<b>11,350</b>	<b>529,362</b>	<b>49,120</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pensions	15,023,024	-	-	-
<b>Total deferred inflows of resources</b>	<b>15,023,024</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	-	318,893	13,135,855	-
Unrestricted	(119,570,059)	175,575	22,693,444	825,284
<b>Total net position</b>	<b>\$ (119,570,059)</b>	<b>\$ 494,468</b>	<b>\$ 35,829,299</b>	<b>\$ 825,284</b>

Self Insurance Retention	Retiree Insurance Reserve	PERS Rate Stabilization	Total
\$ 6,096,948	\$ 14,727,486	\$ 2,005,818	\$ 56,850,979
-	-	-	24,151
18,112	36,863	-	153,620
-	3,841,789	-	3,884,748
<u>6,115,060</u>	<u>18,606,138</u>	<u>2,005,818</u>	<u>60,913,498</u>
-	1,905,123	-	3,462,617
-	-	-	1,268,892
-	-	-	12,185,856
-	1,905,123	-	16,917,365
<u>6,115,060</u>	<u>20,511,261</u>	<u>2,005,818</u>	<u>77,830,863</u>
-	-	-	40,673,657
-	-	-	40,673,657
9,114	234,787	-	1,009,812
-	-	-	1,218,934
160,926	-	-	2,656,690
<u>170,040</u>	<u>234,787</u>	<u>-</u>	<u>4,885,436</u>
-	-	-	1,905,123
-	-	-	3,011,944
-	-	-	139,247,261
795,353	-	-	9,420,781
<u>795,353</u>	<u>-</u>	<u>-</u>	<u>153,585,109</u>
965,393	234,787	-	158,470,545
-	-	-	15,023,024
-	-	-	15,023,024
-	-	-	13,454,748
5,149,667	20,276,474	2,005,818	(68,443,797)
<u>\$ 5,149,667</u>	<u>\$ 20,276,474</u>	<u>\$ 2,005,818</u>	<u>\$ (54,989,049)</u>

**City of Pleasanton**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2017**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LPPFD Retirees Insurance Reserve (Pleasanton Share Only)
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 3,688,197	\$ 58,000	\$ 4,505,544	\$ 650,000
Reimbursements	10,471	-	56,831	-
<b>Total operating revenues</b>	<b>3,698,668</b>	<b>58,000</b>	<b>4,562,375</b>	<b>650,000</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	1,633,363	-	-	912,433
Transportation	-	-	1,074	-
Repairs and maintenance	-	-	645,749	-
Materials, supplies, and services	5,074,737	103,560	1,727,655	567
Depreciation and amortization	-	-	1,551,564	-
<b>Total operating expenses</b>	<b>6,708,100</b>	<b>103,560</b>	<b>3,926,042</b>	<b>913,000</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,009,432)</b>	<b>(45,560)</b>	<b>636,333</b>	<b>(263,000)</b>
<b>NONOPERATING REVENUES/EXPENSES:</b>				
Interest income	50,675	686	83,978	5,561
Gain (loss) from disposal of capital assets	-	-	83,428	-
<b>Total non-operating revenues (expenses)</b>	<b>50,675</b>	<b>686</b>	<b>167,406</b>	<b>5,561</b>
<b>Income before Transfers in (out)</b>	<b>(2,958,757)</b>	<b>(44,874)</b>	<b>803,739</b>	<b>(257,439)</b>
Capital contributions	-	-	314,517	(3,503)
Transfers in	-	-	211,939	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>526,456</b>	<b>(3,503)</b>
<b>Change in net position</b>	<b>(2,958,757)</b>	<b>(44,874)</b>	<b>1,330,195</b>	<b>(260,942)</b>
<b>NET POSITION (DEFICIT):</b>				
Beginning of year	(116,611,302)	539,342	34,499,104	1,086,226
End of year	<u>\$ (119,570,059)</u>	<u>\$ 494,468</u>	<u>\$ 35,829,299</u>	<u>\$ 825,284</u>

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization	Total
\$ 1,100,000	\$ 4,814,000	\$ -	\$ 14,815,741
18,498	-	-	85,800
<u>1,118,498</u>	<u>4,814,000</u>	<u>-</u>	<u>14,901,541</u>
-	4,110,115	3,640,500	10,296,411
-	-	-	1,074
-	-	-	645,749
1,310,041	3,885	-	8,220,445
-	-	-	1,551,564
<u>1,310,041</u>	<u>4,114,000</u>	<u>3,640,500</u>	<u>20,715,243</u>
<u>(191,543)</u>	<u>700,000</u>	<u>(3,640,500)</u>	<u>(5,813,702)</u>
22,953	48,202	-	212,055
-	-	-	83,428
<u>22,953</u>	<u>48,202</u>	<u>-</u>	<u>295,483</u>
<u>(168,590)</u>	<u>748,202</u>	<u>(3,640,500)</u>	<u>(5,518,219)</u>
-	-	-	311,014
-	908,890	4,146,318	5,267,147
-	(693,000)	-	(693,000)
-	215,890	4,146,318	4,885,161
<u>(168,590)</u>	<u>964,092</u>	<u>505,818</u>	<u>(633,058)</u>
<u>5,318,257</u>	<u>19,312,382</u>	<u>1,500,000</u>	<u>(54,355,991)</u>
<u>\$ 5,149,667</u>	<u>\$ 20,276,474</u>	<u>\$ 2,005,818</u>	<u>\$ (54,989,049)</u>

**City of Pleasanton**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2017**

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	LPFD Retirees Insurance Reserve (Pleasanton Share Only)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipt from customer/other funds	\$ 3,744,829	\$ 58,000	\$ 4,558,889	\$ 650,000
Cash payment to suppliers for goods and services	(1,843,017)	(92,210)	(2,147,999)	197
Cash payment to and on behalf of employees for services	(199,935)	-	-	(1,070,050)
<b>Net cash provided (used) by operating activities</b>	<u>1,701,877</u>	<u>(34,210)</u>	<u>2,410,890</u>	<u>(419,853)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfer in	-	-	211,939	-
Transfer out	-	-	-	-
Interfund payments	(921,606)	-	442,506	-
<b>Net cash provided (used) by noncapital financing activities</b>	<u>(921,606)</u>	<u>-</u>	<u>654,445</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital assets acquisition	-	-	(2,634,510)	(3,503)
Proceeds from sale of capital assets	-	-	83,428	-
<b>Net cash provided (used) by capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>(2,551,082)</u>	<u>(3,503)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	34,708	571	61,890	6,602
<b>Net cash provided (used) by investing activities</b>	<u>34,708</u>	<u>571</u>	<u>61,890</u>	<u>6,602</u>
<b>Net (decrease) in cash and cash equivalents</b>	814,979	(33,639)	576,143	(416,754)
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	10,590,996	220,037	21,022,342	1,246,623
End of year	<u>\$ 11,405,975</u>	<u>\$ 186,398</u>	<u>\$ 21,598,485</u>	<u>\$ 829,869</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (3,009,432)	\$ (45,560)	\$ 636,333	\$ (263,000)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	1,551,564	-
Change in operating assets and liabilities:				
Accounts receivable	46,161	-	(3,486)	-
Prepaid other post employment benefits	-	-	-	(42,959)
Accrued liabilities	(127,960)	11,350	226,479	(113,894)
Accrued compensated absences	(62,178)	-	-	-
Net pension liability	1,495,606	-	-	-
Claims payable	3,359,680	-	-	-
<b>Net cash provided (used) by operating activities</b>	<u>\$ 1,701,877</u>	<u>\$ (34,210)</u>	<u>\$ 2,410,890</u>	<u>\$ (419,853)</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Contributed capital assets	\$ -	\$ -	\$ 314,517	\$ (3,503)
<b>Total noncash capital and related financing activities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,517</u>	<u>\$ (3,503)</u>

Self Insurance Retention	Retirees Insurance Reserve	PERS Rate Stabilization	Total
\$ 1,118,498	\$ 4,814,000	\$ -	\$ 14,944,216
(1,076,314)	(673)	-	(5,160,016)
-	(5,265,306)	(3,640,500)	(10,175,791)
<u>42,184</u>	<u>(451,979)</u>	<u>(3,640,500)</u>	<u>(391,591)</u>
-	908,890	4,146,318	5,267,147
-	(693,000)	-	(693,000)
-	921,606	-	442,506
-	<u>1,137,496</u>	<u>4,146,318</u>	<u>5,016,653</u>
-	-	-	(2,638,013)
-	-	-	83,428
-	-	-	<u>(2,554,585)</u>
14,491	36,142	-	154,404
14,491	36,142	-	154,404
56,675	721,659	505,818	2,224,881
6,040,273	14,005,827	1,500,000	54,626,098
<u>\$ 6,096,948</u>	<u>\$ 14,727,486</u>	<u>\$ 2,005,818</u>	<u>\$ 56,850,979</u>
\$ (191,543)	\$ 700,000	\$ (3,640,500)	\$ (5,813,702)
-	-	-	1,551,564
-	-	-	42,675
-	(241,789)	-	(284,748)
1,868	(910,190)	-	(912,347)
-	-	-	(62,178)
-	-	-	1,495,606
231,859	-	-	3,591,539
<u>\$ 42,184</u>	<u>\$ (451,979)</u>	<u>\$ (3,640,500)</u>	<u>\$ (391,591)</u>
\$ -	\$ -	\$ -	\$ 311,014
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,014</u>



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## AGENCY FUNDS

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

### **Retiree Insurance**

This fund collects money from retired employees and pays their share of insurance bills. Retired employees 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**

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

### **Miscellaneous Agencies and Trusts**

This fund collects various fees and contributions from developers and others and passes the money on to various government agencies (i. e. Zone 7 Water, DSRSD, Tri-Valley Transportation Council, etc.), or organizations.

### **Cash Bonds**

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

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

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

**City of Pleasanton**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2017**

	Retiree Insurance	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts
<b>ASSETS</b>				
Cash and investments	\$ 6,828	\$ 39,291	\$ 80,981	\$ 4,573,431
Receivables:				
Accounts	759	-	-	504,265
Interest	-	253	-	-
Notes receivable	-	-	-	18,252
Prepaid other post-employment benefits	-	-	-	-
<b>Total assets</b>	<b>\$ 7,587</b>	<b>\$ 39,544</b>	<b>\$ 80,981</b>	<b>\$ 5,095,948</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,127	\$ -	\$ 6,000	\$ 4,683,087
Claims	-	-	-	-
Accrued compensated absences	-	-	-	-
Loan payable	-	-	-	18,252
Deposits	6,460	39,544	74,981	394,609
<b>Total liabilities</b>	<b>\$ 7,587</b>	<b>\$ 39,544</b>	<b>\$ 80,981</b>	<b>\$ 5,095,948</b>

Cash Bonds	Livermore- Pleasanton Fire Department (Livermore Share Only)	Total
\$ 2,509,855	\$ 2,718,764	\$ 9,929,150
-	66,506	571,530
-	7,933	8,186
-	-	18,252
-	42,959	42,959
<u>\$ 2,509,855</u>	<u>\$ 2,836,162</u>	<u>\$ 10,570,077</u>
\$ -	\$ 183,658	\$ 4,873,872
-	4,013,192	4,013,192
-	579,369	579,369
-	-	18,252
<u>2,509,855</u>	<u>(1,940,057)</u>	<u>1,085,392</u>
<u>\$ 2,509,855</u>	<u>\$ 2,836,162</u>	<u>\$ 10,570,077</u>

**City of Pleasanton**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b><u>Retiree Insurance</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 38,782	\$ 536,545	\$ (568,499)	\$ 6,828
Accounts receivable	42,162	483,130	(524,533)	759
<b>Total assets</b>	<b>\$ 80,944</b>	<b>\$ 1,019,675</b>	<b>\$ (1,093,032)</b>	<b>\$ 7,587</b>
<b>Liabilities:</b>				
Accounts payable	\$ 14,654	\$ 517,429	\$ (530,956)	\$ 1,127
Deposits	66,290	463,803	(523,633)	6,460
<b>Total liabilities</b>	<b>\$ 80,944</b>	<b>\$ 981,232</b>	<b>\$ (1,054,589)</b>	<b>\$ 7,587</b>
<b><u>Downtown Merchant Association</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 41,261	\$ 115,832	\$ (117,802)	\$ 39,291
Interest receivable	76	252	(75)	253
<b>Total assets</b>	<b>\$ 41,337</b>	<b>\$ 116,084</b>	<b>\$ (117,877)</b>	<b>\$ 39,544</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 39,544	\$ (39,544)	\$ -
Deposits	41,337	74,819	(76,612)	39,544
<b>Total liabilities</b>	<b>\$ 41,337</b>	<b>\$ 114,363</b>	<b>\$ (116,156)</b>	<b>\$ 39,544</b>
<b><u>Asset Forfeiture</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 49,818	\$ 58,144	\$ (26,981)	\$ 80,981
<b>Total assets</b>	<b>\$ 49,818</b>	<b>\$ 58,144</b>	<b>\$ (26,981)</b>	<b>\$ 80,981</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 23,915	\$ (17,915)	\$ 6,000
Deposits	49,818	58,144	(32,981)	74,981
<b>Total liabilities</b>	<b>\$ 49,818</b>	<b>\$ 82,059</b>	<b>\$ (50,896)</b>	<b>\$ 80,981</b>
<b><u>Miscellaneous Agencies and Trust</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 2,330,241	\$ 14,987,568	\$ (12,744,378)	\$ 4,573,431
Receivables:				
Accounts	454,075	1,114,957	(1,064,767)	504,265
Notes	21,616	-	(3,364)	18,252
<b>Total assets</b>	<b>\$ 2,805,932</b>	<b>\$ 16,102,525</b>	<b>\$ (13,812,509)</b>	<b>\$ 5,095,948</b>
<b>Liabilities:</b>				
Payables:				
Accounts	\$ 2,481,633	\$ 14,416,873	\$ (12,215,419)	\$ 4,683,087
Notes	21,616	-	(3,364)	18,252
Deposits	302,683	12,323,684	(12,231,758)	394,609
<b>Total liabilities</b>	<b>\$ 2,805,932</b>	<b>\$ 26,740,557</b>	<b>\$ (24,450,541)</b>	<b>\$ 5,095,948</b>

(Continued)

**City of Pleasanton**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds, Continued**  
**For the year ended June 30, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b><u>Cash Bonds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 2,927,657	\$ 708,053	\$ (1,125,855)	\$ 2,509,855
<b>Total assets</b>	<b><u>\$ 2,927,657</u></b>	<b><u>\$ 708,053</u></b>	<b><u>\$ (1,125,855)</u></b>	<b><u>\$ 2,509,855</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 1,088,900	\$ (1,088,900)	\$ -
Deposits	2,927,657	315,153	(732,955)	2,509,855
<b>Total liabilities</b>	<b><u>\$ 2,927,657</u></b>	<b><u>\$ 1,404,053</u></b>	<b><u>\$ (1,821,855)</u></b>	<b><u>\$ 2,509,855</u></b>
<b><u>Livermore-Pleasanton Fire Department (Livermore Share Only)</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 2,834,929	\$ 2,800,415	\$ (2,916,580)	\$ 2,718,764
Receivables:				
Accounts	156,253	66,506	(156,253)	66,506
Interest	5,837	7,933	(5,837)	7,933
Prepaid other post-employment benefits	-	42,959	-	42,959
<b>Total assets</b>	<b><u>\$ 2,997,019</u></b>	<b><u>\$ 2,917,813</u></b>	<b><u>\$ (3,078,670)</u></b>	<b><u>\$ 2,836,162</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 227,362	\$ 183,659	\$ (227,363)	\$ 183,658
Claims payable	3,552,500	460,692	-	4,013,192
Accrued compensated absences	579,369	-	-	579,369
Deposits	(1,362,212)	1,340,869	(1,918,714)	(1,940,057)
<b>Total liabilities</b>	<b><u>\$ 2,997,019</u></b>	<b><u>\$ 1,985,220</u></b>	<b><u>\$ (2,146,077)</u></b>	<b><u>\$ 2,836,162</u></b>
<b><u>Total of All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 8,222,688	\$ 19,206,557	\$ (17,500,095)	\$ 9,929,150
Receivables:				
Accounts	652,490	1,664,593	(1,745,553)	571,530
Interest	5,913	8,185	(5,912)	8,186
Notes receivable	21,616	-	(3,364)	18,252
Prepaid other post-employment benefits	-	42,959	-	42,959
<b>Total assets</b>	<b><u>\$ 8,902,707</u></b>	<b><u>\$ 20,922,294</u></b>	<b><u>\$ (19,254,924)</u></b>	<b><u>\$ 10,570,077</u></b>
<b>Liabilities:</b>				
Payables:				
Accounts	\$ 2,723,649	\$ 16,270,320	\$ (14,120,097)	\$ 4,873,872
Claims	3,552,500	460,692	-	4,013,192
Accrued compensated absences	579,369	-	-	579,369
Loan	21,616	-	(3,364)	18,252
Deposits	2,025,573	14,576,472	(15,516,653)	1,085,392
<b>Total liabilities</b>	<b><u>\$ 8,902,707</u></b>	<b><u>\$ 31,307,484</u></b>	<b><u>\$ (29,640,114)</u></b>	<b><u>\$ 10,570,077</u></b>

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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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#### ***Financial Trends Information***

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This information is intended to assist users in understanding and assessing how a government's financial position has changed over time.

#### ***Revenue Capacity Information***

187

This information is intended to assist users in understanding and assessing factors affecting a government's ability to generate its own revenue.

#### ***Debt Capacity Information***

195

This information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

#### ***Demographic and Economic Information***

203

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.

#### ***Operating Information***

207

This information is intended to provide information about operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.



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**Financial Trends Information**

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

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

**Fund Balances – Last Ten Fiscal Years**

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

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

	Fiscal Year Ended June 30			
	2008	2009	2010	2011
<b>Governmental Activities</b>				
Net investment in capital assets (1)	\$ 387,184,839	\$ 408,670,524	\$ 447,001,813	\$ 442,888,249
Restricted	56,544,224	49,187,538	52,277,108	53,388,353
Unrestricted (2)	153,668,288	145,009,695	129,218,569	125,477,861
<b>Total government activities net position</b>	<b>\$ 597,397,351</b>	<b>\$ 602,867,757</b>	<b>\$ 628,497,490</b>	<b>\$ 621,754,463</b>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 210,923,039	\$ 214,389,793	\$ 210,069,900	\$ 202,753,118
Restricted	620,850	610,294	264,948	2,267,923
Unrestricted	52,522,039	49,036,181	42,260,016	40,528,824
<b>Total business-type activities net position</b>	<b>\$ 264,065,928</b>	<b>\$ 264,036,268</b>	<b>\$ 252,594,864</b>	<b>\$ 245,549,865</b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 598,107,878	\$ 623,060,317	\$ 657,071,713	\$ 645,641,367
Restricted	57,165,074	49,797,832	52,542,056	55,656,276
Unrestricted	206,190,327	194,045,876	171,478,585	166,006,685
<b>Total primary government activities net position</b>	<b>\$ 861,463,279</b>	<b>\$ 866,904,025</b>	<b>\$ 881,092,354</b>	<b>\$ 867,304,328</b>

**Notes:**

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

(2) In 2013, the reduction in unrestricted net position primarily reflects the use of General Fund reserves (\$13.2 million) and the Retirees Medical Reserve (\$6.5 million) to redeem the 2003 COPs. Additionally, \$3.7 million of the reduction resulted from the reclassification of the City of Livermore's share of LPFD financial activity from Governmental Funds to Agency Funds. Beginning 2015, the negative unrestricted net position in Governmental Activities is attributable to the recording of net position liability as a result of the implementation of GASB 68, Accounting and Financial Reporting for Pensions.

Fiscal Year Ended June 30

2012	2013	2014	2015	2016	2017
\$ 459,571,666	\$ 478,640,595	\$ 478,618,864	\$ 487,153,226	\$ 497,839,233	\$ 509,064,211
53,945,028	54,730,098	59,542,954	62,296,241	61,029,572	74,105,178
116,496,384	88,466,476	92,908,491	(27,653,975)	(16,776,353)	(15,318,883)
<u>\$ 630,013,078</u>	<u>\$ 621,837,169</u>	<u>\$ 631,070,309</u>	<u>\$ 521,795,492</u>	<u>\$ 542,092,452</u>	<u>\$ 567,850,506</u>
\$ 196,819,739	\$ 189,306,314	\$ 182,419,601	\$ 176,512,644	\$ 182,841,810	\$ 183,305,729
4,273,502	4,630,314	5,245,338	6,081,192	6,797,332	305,694
41,306,525	41,910,981	45,209,251	42,651,779	39,918,554	44,690,494
<u>\$ 242,399,766</u>	<u>\$ 235,847,609</u>	<u>\$ 232,874,190</u>	<u>\$ 225,245,615</u>	<u>\$ 229,557,696</u>	<u>\$ 228,301,917</u>
\$ 656,391,405	\$ 667,946,909	\$ 661,038,465	\$ 663,665,870	\$ 680,681,043	\$ 692,369,940
58,218,530	59,360,412	64,788,292	68,377,433	67,826,904	74,410,872
157,802,909	130,377,457	138,117,742	14,997,804	23,142,201	29,371,611
<u>\$ 872,412,844</u>	<u>\$ 857,684,778</u>	<u>\$ 863,944,499</u>	<u>\$ 747,041,107</u>	<u>\$ 771,650,148</u>	<u>\$ 796,152,423</u>

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

	Fiscal Year Ended June 30			
	2008	2009	2010	2011
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services</b>				
General Government	\$ 539,443	\$ 553,377	\$ 552,655	\$ 600,615
Public Safety (1)	15,748,044	15,222,341	15,438,986	15,133,410
Community Development (2)	579,215	2,143,307	1,881,698	1,263,487
Operations Services (2)	3,074,811	115,257	180,938	254,425
Community Activities	4,005,599	3,794,922	3,316,593	3,409,771
<b>Operating Grants &amp; Contributions</b>	3,090,744	4,238,873	2,352,064	2,344,348
<b>Capital Grants &amp; Contributions</b>	21,607,143	15,900,420	7,684,713	9,269,252
<b>Total Government Activities:</b>	<u>48,644,999</u>	<u>41,968,497</u>	<u>31,407,647</u>	<u>32,275,308</u>
<b>Business-Type Activities:</b>				
<b>Charges for Services</b>				
Water	15,535,004	14,882,156	14,045,288	15,906,217
Sewer	11,178,802	10,461,999	10,693,533	11,201,749
Golf	4,578,857	4,374,085	4,182,190	3,871,138
Transit	43,130	42,289	40,306	40,278
Storm Drain	356,724	361,563	365,816	370,024
Cemetery	-	-	-	349,941
Pleasanton Housing Authority	159,226	175,873	160,093	155,609
Electric Vehicle	-	-	-	-
<b>Operating Grants &amp; Contributions</b>	-	-	-	-
<b>Capital Grants &amp; Contributions</b>	7,075,196	10,913,306	665,225	-
<b>Total Business-Type Activities</b>	<u>38,926,939</u>	<u>41,211,271</u>	<u>30,152,451</u>	<u>31,894,956</u>
<b>Total Primary Government Revenues</b>	<u>\$ 87,571,938</u>	<u>\$ 83,179,768</u>	<u>\$ 61,560,098</u>	<u>\$ 64,170,264</u>
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$ 9,928,811	\$ 10,751,657	\$ 14,462,794	\$ 11,320,194
Public Safety (1)	47,939,264	53,586,653	53,923,103	53,346,944
Community Development (2)	5,054,123	12,485,756	10,931,688	11,383,162
Operations Services (2)	27,080,827	16,774,701	16,120,414	25,859,451
Community Activities	20,866,873	25,180,011	21,559,193	13,238,584
Interest on Long-Term Debt	1,202,153	1,159,175	1,122,135	1,077,908
<b>Total Government Activities:</b>	<u>112,072,051</u>	<u>119,937,953</u>	<u>118,119,327</u>	<u>116,226,243</u>
<b>Business-Type Activities:</b>				
Water	16,671,095	20,941,922	17,710,045	18,783,261
Sewer	13,883,619	13,968,779	14,794,022	13,818,267
Golf	5,737,159	5,249,520	5,530,246	5,048,601
Transit	557,103	708,954	687,793	694,687
Storm Drain	1,531,754	1,894,830	1,866,985	1,822,769
Cemetery	58,407	47,983	207,186	36,998
Pleasanton Housing Authority	372,050	413,767	425,771	453,270
Electric Vehicle	-	-	-	-
<b>Total Business-Type Activities</b>	<u>38,811,187</u>	<u>43,225,755</u>	<u>41,222,048</u>	<u>40,657,853</u>
<b>Total Primary Government Expense</b>	<u>\$ 150,883,238</u>	<u>\$ 163,163,708</u>	<u>\$ 159,341,375</u>	<u>\$ 156,884,096</u>

**Notes:**

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

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

Fiscal Year Ended June 30

2012	2013	2014	2015	2016	2017
\$ 530,379	\$ 847,400	\$ 351,432	\$ 576,781	\$ 489,842	\$ 380,148
15,349,962	1,925,017	1,871,706	1,864,000	2,252,106	2,209,630
4,213,319	5,070,801	5,406,350	6,193,038	7,434,666	7,137,220
172,033	488,833	615,063	464,764	385,681	245,567
3,814,092	3,786,304	3,920,184	4,429,931	4,721,811	4,238,718
1,981,223	2,339,740	1,446,304	2,472,764	2,837,179	2,144,568
30,930,426	8,257,001	13,322,657	13,467,743	12,777,297	29,268,836
56,991,434	22,715,096	26,933,696	29,469,021	30,898,582	45,624,687
17,858,731	19,874,140	19,542,181	17,700,120	17,639,091	24,979,440
12,450,545	12,873,074	13,591,371	14,274,645	13,861,477	14,756,465
3,924,212	3,921,815	3,781,952	3,620,949	3,825,552	3,678,545
36,393	32,728	29,287	26,934	25,560	25,229
365,155	347,612	361,348	451,835	788,101	872,260
102,046	77,242	49,142	58,310	72,743	120,202
153,255	163,515	176,432	182,096	129,879	-
-	-	-	-	4,054	-
370,989	182,854	114,771	259,729	244,749	107,176
99,596	78,595	-	-	8,215,464	5,072,145
35,360,922	37,551,575	37,646,484	36,574,618	44,806,670	49,611,462
\$ 92,352,356	\$ 60,266,671	\$ 64,580,180	\$ 66,043,639	\$ 75,705,252	\$ 95,236,149
\$ 11,287,857	\$ 10,983,778	\$ 10,360,977	\$ 11,664,448	\$ 11,626,959	\$ 13,262,964
61,545,745	47,486,526	42,173,584	45,039,711	44,667,204	50,423,097
12,614,316	18,502,872	15,690,263	15,545,862	14,680,399	15,053,634
25,072,278	20,676,081	23,101,587	14,765,337	23,621,666	26,341,007
12,186,269	11,705,687	10,767,100	12,625,484	13,158,251	14,281,965
1,048,843	1,528,110	36,565	3,196	22,828	21,469
123,755,308	110,883,054	102,130,076	99,644,038	107,777,307	119,384,136
20,624,535	22,028,379	19,955,880	17,297,973	18,390,589	27,775,558
14,216,171	14,050,710	14,397,652	14,585,270	14,986,417	15,952,170
5,146,812	5,154,023	5,217,734	4,923,007	4,896,052	4,955,932
690,067	668,192	656,825	576,286	647,326	2,502,935
1,746,357	1,758,604	1,661,216	1,166,224	2,426,049	647,029
22,544	29,656	88,195	50,420	20,755	266,740
380,940	375,950	400,015	386,248	347,495	134
-	-	-	-	2,500	-
42,827,426	44,065,514	42,377,517	38,985,428	41,717,183	52,100,498
\$ 166,582,734	\$ 154,948,568	\$ 144,507,593	\$ 138,629,466	\$ 149,494,490	\$ 171,484,634

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

	Fiscal Year Ended June 30			
	2008	2009	2010	2011
<b>Net (Expenses)/Revenue:</b>				
<b>Governmental Activities:</b>	\$ (63,427,052)	\$ (77,969,456)	\$ (86,711,680)	\$ (83,950,935)
<b>Business-Type Activities:</b>	115,752	(2,014,484)	(11,069,597)	(8,762,897)
<b>Total Net (Expense)/Revenue</b>	<u>(63,311,300)</u>	<u>(79,983,940)</u>	<u>(97,781,277)</u>	<u>(92,713,832)</u>
<b>General Revenues &amp; Other Changes in Net Position</b>				
<b>Governmental Activities:</b>				
<b>Taxes</b>				
Property taxes	47,973,499	50,414,405	49,724,115	48,569,049
Other taxes	7,257,360	6,031,852	5,957,264	6,245,758
Sales tax	21,130,683	17,535,784	15,420,066	18,503,316
Motor vehicle in lieu	304,886	236,475	206,180	356,653
Franchise fees	1,783,405	1,829,153	1,955,493	2,001,934
Infrastructure maintenance contribution	-	-	-	-
Unrestricted investment earnings	10,554,711	6,863,523	1,766,743	1,585,593
Miscellaneous	641,888	663,770	647,235	568,212
Interfund charges	-	-	-	-
Gain/(loss) on sale of capital assets	-	-	-	-
Transfers	889,502	144,302	393,080	(622,606)
<b>Total Government Activities:</b>	<u>90,535,934</u>	<u>83,719,264</u>	<u>76,070,176</u>	<u>77,207,909</u>
<b>Business-Type Activities:</b>				
Unrestricted investment earnings	1,898,546	1,176,950	267,730	264,762
Equity interest in gain from joint ventures	-	-	-	-
Miscellaneous	1,617,882	1,078,280	1,151,141	830,530
Interfund charges	-	-	-	-
Gain/(loss) on sale of capital assets	-	-	-	-
Transfers	(889,502)	(144,302)	(393,080)	622,606
<b>Total Business-Type Activities</b>	<u>2,626,926</u>	<u>2,110,928</u>	<u>1,025,791</u>	<u>1,717,898</u>
<b>Total Primary Government</b>	<u>93,162,860</u>	<u>85,830,192</u>	<u>77,095,967</u>	<u>78,925,807</u>
<b>Change in Net Position</b>				
<b>Governmental Activities:</b>	27,108,882	5,749,808	(10,641,503)	(6,743,027)
<b>Business-Type Activities:</b>	2,742,678	96,444	(10,043,806)	(7,044,999)
<b>Total Primary Government</b>	<u>\$ 29,851,560</u>	<u>\$ 5,846,252</u>	<u>\$ (20,685,309)</u>	<u>\$ (13,788,026)</u>

Fiscal Year Ended June 30

2012	2013	2014	2015	2016	2017
\$ (66,763,874)	\$ (88,167,958)	\$ (75,196,380)	\$ (70,175,017)	\$ (77,590,854)	\$ (74,023,542)
(7,466,504)	(6,513,938)	(4,731,033)	(2,410,810)	3,801,616	(2,224,943)
<u>(74,230,378)</u>	<u>(94,681,897)</u>	<u>(79,927,413)</u>	<u>(72,585,827)</u>	<u>(73,789,238)</u>	<u>(76,248,485)</u>
47,923,732	48,648,728	50,366,818	53,744,273	57,276,734	61,203,788
6,962,201	7,866,876	8,278,095	9,292,582	10,680,021	11,286,091
19,107,418	19,102,977	20,993,123	22,410,654	23,543,972	23,362,536
36,534	30,491	-	-	-	-
2,012,970	2,114,954	2,371,125	2,455,508	2,570,130	2,637,490
-	-	-	-	-	-
1,439,639	230,933	2,326,506	1,493,023	1,878,574	1,029,883
983,690	1,076,858	868,797	275,323	1,647,178	750,129
-	-	-	-	-	-
-	-	-	-	-	-
<u>(3,443,695)</u>	<u>920,232</u>	<u>(774,943)</u>	<u>(755,609)</u>	<u>291,205</u>	<u>(488,321)</u>
<u>75,022,489</u>	<u>79,992,049</u>	<u>84,429,521</u>	<u>88,915,754</u>	<u>97,887,814</u>	<u>99,781,596</u>
282,760	(100,734)	525,766	325,838	486,865	208,100
-	-	-	-	-	-
589,950	982,747	456,905	1,635,657	314,805	272,743
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,443,695</u>	<u>(920,232)</u>	<u>774,943</u>	<u>755,609</u>	<u>(291,205)</u>	<u>488,321</u>
<u>4,316,405</u>	<u>(38,219)</u>	<u>1,757,614</u>	<u>2,717,104</u>	<u>510,465</u>	<u>969,164</u>
<u>79,338,894</u>	<u>79,953,830</u>	<u>86,187,135</u>	<u>91,632,858</u>	<u>98,398,279</u>	<u>100,750,760</u>
8,258,615	(8,175,909)	9,233,141	18,740,737	20,296,960	25,758,054
(3,150,099)	(6,552,157)	(2,973,419)	306,294	4,312,081	(1,255,779)
<u>\$ 5,108,516</u>	<u>\$ (14,728,066)</u>	<u>\$ 6,259,722</u>	<u>\$ 19,047,031</u>	<u>\$ 24,609,041</u>	<u>\$ 24,502,275</u>



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

	Fiscal Year Ended June 30		
	2008	2009	2010
<b>General Fund</b>			
Reserved	\$ 643,256	\$ 1,756,537	\$ -
Unreserved	24,807,190	23,694,199	25,282,385
<b>Total General Fund</b>	<u>25,450,446</u>	<u>25,450,736</u>	<u>25,282,385</u>
<b>All Other Governmental Funds</b>			
Reserved	\$ 406,282	\$ 404,188	\$ 394,945
Unreserved, reported in:			
Special Revenue Funds	24,006,111	22,754,570	23,681,256
Capital Projects Funds	70,880,985	57,965,409	52,325,470
<b>Total All Other Governments Funds</b>	<u>\$ 95,293,378</u>	<u>\$ 81,124,167</u>	<u>\$ 76,401,671</u>

	Fiscal Year Ended June 30						
	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>							
Nonspendable	\$ 168,033	\$ 218,658	\$ 264,456	\$ 218,082	\$ 163,689	\$ 121,900	\$ 75,199
Restricted	-	-	-	-	-	-	-
Committed (2)	19,953,285	20,029,711	9,229,188	9,650,614	13,319,218	12,019,088	11,634,112
Assigned (2)	2,000,000	2,000,000	-	-	-	-	-
Unassigned	3,207,664	3,083,456	3,425,359	5,136,347	7,085,423	8,481,624	10,763,003
<b>Total General Fund</b>	<u>\$ 25,328,982</u>	<u>\$ 25,331,825</u>	<u>\$ 12,919,003</u>	<u>\$ 15,005,043</u>	<u>\$ 20,568,330</u>	<u>\$ 20,622,612</u>	<u>\$ 22,472,314</u>
<b>All Other Governmental Funds</b>							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	53,388,353	53,945,028	54,730,098	59,542,954	62,296,241	61,029,572	65,496,260
Committed	-	-	-	-	-	1,980,559	-
Assigned	22,584,906	22,174,209	20,544,393	19,872,240	21,493,248	15,607,802	7,432,325
Unassigned	-	-	-	(732,151)	(680,538)	(521,393)	(1,165,707)
<b>Total All Other Governments Funds</b>	<u>\$ 75,973,259</u>	<u>\$ 76,119,237</u>	<u>\$ 75,274,491</u>	<u>\$ 78,683,043</u>	<u>\$ 83,108,951</u>	<u>\$ 78,096,540</u>	<u>\$ 71,762,878</u>

**Notes:**

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

(2) The reduction in the General Fund of committed and assigned fund balance from 2012 to 2013 reflects the use of the committed Temporary Recession Reserve (\$11,700,000) and the assigned Golf Course Debt Service Reserve (\$2,000,000) to pay off the City's 2003 Certificates of Participation.

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

	Fiscal Year Ended June 30				
	2008	2009	2010	2011	2012
<b>Revenues:</b>					
Taxes	\$ 76,668,560	\$ 74,321,964	\$ 71,408,195	\$ 73,637,299	\$ 74,342,216
Special Assessments	196,784	194,311	203,798	202,642	198,710
Licenses	11,591	11,536	11,424	10,978	11,180
Permits	1,701,275	974,211	852,900	1,453,709	1,775,254
Fines and Forfeitures	557,615	471,606	453,118	554,089	514,613
Use of Money & Property	6,306,432	3,840,218	1,211,827	1,201,627	1,169,435
Intergovernmental	5,916,548	5,585,376	5,382,179	7,204,939	5,398,749
Franchises	1,783,405	1,829,153	1,955,493	2,001,935	2,012,970
Charges for Services (1)	14,320,932	14,409,775	14,741,021	14,382,797	14,624,998
Development Fees	6,403,102	4,747,036	1,646,586	3,104,570	3,822,464
Plan Check fees	995,038	483,500	428,476	918,878	1,616,141
Reimbursements	2,043,745	2,142,775	2,368,673	1,387,642	1,525,030
Contributions and Donations	6,027,436	1,145,881	1,659,234	461,576	4,341,337
Other Revenues	3,836,587	3,707,092	3,053,264	3,061,797	3,326,512
Recreation Charges	3,731,918	3,708,827	3,210,480	3,295,411	3,504,924
	<u>130,500,968</u>	<u>117,573,261</u>	<u>108,586,668</u>	<u>112,879,889</u>	<u>118,184,533</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	12,405,156	12,127,645	11,896,618	11,172,110	11,671,393
Public Safety (1)	50,030,665	50,354,468	51,761,407	50,091,867	52,128,400
Community Development (2)	5,841,161	12,453,559	11,490,516	11,991,350	12,658,878
Operations Services (2)	15,791,053	8,006,599	8,130,826	14,377,543	14,109,244
Community Activities	18,580,800	17,621,844	16,885,312	10,644,722	10,551,455
Capital Outlay	18,073,711	30,476,317	12,720,830	9,199,072	10,123,534
<b>Debt Service:</b>					
Principal (3)	1,385,000	1,425,000	1,825,000	1,860,000	1,852,741
Interest & Fiscal Charges (3)	1,167,388	1,129,603	1,091,998	1,053,120	1,009,993
Total Expenditures	<u>123,274,934</u>	<u>133,595,035</u>	<u>115,802,507</u>	<u>110,389,784</u>	<u>114,105,638</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>7,226,034</u>	<u>(16,021,774)</u>	<u>(7,215,839)</u>	<u>2,490,105</u>	<u>4,078,895</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Issuance of Debt	227,487	20,000	-	-	-
Capital Lease	-	-	-	-	102,372
Loan Proceeds	-	-	-	-	-
Transfers In (4)	11,085,480	11,193,907	6,702,172	5,610,956	10,172,452
Transfers Out (4)	<u>(9,972,337)</u>	<u>(9,361,054)</u>	<u>(4,377,180)</u>	<u>(8,482,876)</u>	<u>(14,204,898)</u>
Total Other Financing Sources (Uses)	<u>1,340,630</u>	<u>1,852,853</u>	<u>2,324,992</u>	<u>(2,871,920)</u>	<u>(3,930,074)</u>
Net Change in Fund Balances	<u>8,566,664</u>	<u>(14,168,921)</u>	<u>(4,890,847)</u>	<u>(381,815)</u>	<u>148,821</u>
<b>Fund Balances:</b>					
Beginning of Year	112,177,160	120,743,824	106,574,903	101,684,056	101,302,241
Prior Period Adjustment	-	-	-	-	-
End of Year	<u>\$ 120,743,824</u>	<u>\$ 106,574,903</u>	<u>\$ 101,684,056</u>	<u>\$ 101,302,241</u>	<u>\$ 101,451,062</u>
<b>Debt Service as a Percentage of Noncapital Expenditure (5)</b>					
	2.26%	2.32%	2.75%	2.76%	2.70%

**Notes:**

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

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

(3) Debt service expenditures in 2013 reflects the redemption of the City's outstanding 2003 Certificates of Participation and payment of accrued interest (approximately \$20.7 million principal and \$191,000 interest).

(4) Transfers in 2013 reflect transfers from the General Fund (\$13.2 million, also included in transfers out), the Golf Fund (\$1.2 million), and the Retiree Medical Fund (\$6.5 million) to the 2003 Certificates of Participation Debt Service Fund totaling approximately \$20.9 million.

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

Fiscal Year Ended June 30

	2013	2014	2015	2016	2017
\$	75,998,183	\$ 80,036,078	\$ 85,842,939	\$ 91,902,097	\$ 96,300,774
	210,276	204,912	204,755	206,219	207,293
	10,548	15,534	10,018	10,270	9,409
	1,963,950	1,809,142	3,276,533	3,307,959	3,598,675
	606,483	528,070	535,269	308,911	355,300
	966,402	2,002,307	1,445,331	1,896,314	1,329,461
	7,470,232	5,665,356	5,616,638	5,862,784	6,756,014
	2,114,955	2,371,125	2,455,509	2,570,130	2,637,490
	955,963	1,003,549	1,002,509	2,095,908	1,578,779
	3,117,578	8,559,519	8,684,756	7,791,583	16,489,666
	1,200,174	2,124,937	1,963,429	2,776,668	2,856,220
	2,422,053	1,759,826	2,239,210	2,463,578	6,682,770
	414,842	547,642	181,937	864,641	676,935
	3,139,666	2,985,310	3,067,997	1,865,217	1,584,539
	3,457,871	3,772,872	4,063,003	4,242,435	4,107,359
	<u>104,049,176</u>	<u>113,386,179</u>	<u>120,589,833</u>	<u>128,164,714</u>	<u>145,170,684</u>
	11,942,389	11,269,902	12,590,280	12,709,762	13,221,537
	39,771,835	41,687,750	42,781,587	44,521,472	45,505,980
	12,851,491	13,761,593	15,875,983	18,949,408	20,792,152
	14,526,304	15,943,523	7,624,563	18,028,059	17,439,410
	10,976,770	11,462,498	11,518,746	12,314,149	12,522,912
	10,294,297	12,510,682	17,322,318	21,499,776	20,737,214
	22,132,902	1,753,025	1,781,107	1,222,660	239,863
	1,173,287	29,335	10,955	22,828	21,469
	<u>123,669,275</u>	<u>108,418,308</u>	<u>109,505,539</u>	<u>129,268,114</u>	<u>130,480,537</u>
	<u>(19,620,099)</u>	<u>4,967,871</u>	<u>11,084,294</u>	<u>(1,103,400)</u>	<u>14,690,147</u>
	-	-	-	-	-
	-	-	-	-	-
	-	1,687,250	1,468,014	1,198,962	-
	25,318,583	2,853,819	3,339,742	9,784,448	12,590,762
	<u>(18,956,053)</u>	<u>(4,014,347)</u>	<u>(5,902,855)</u>	<u>(14,838,139)</u>	<u>(17,917,323)</u>
	<u>6,362,530</u>	<u>526,722</u>	<u>(1,095,099)</u>	<u>(3,854,729)</u>	<u>(5,326,561)</u>
	<u>(13,257,569)</u>	<u>5,494,593</u>	<u>9,989,195</u>	<u>(4,958,129)</u>	<u>9,363,586</u>
	101,451,062	88,193,493	93,688,086	103,677,281	98,719,152
	-	-	-	-	-
\$	<u>88,193,493</u>	<u>\$ 93,688,086</u>	<u>\$ 103,677,281</u>	<u>\$ 98,719,152</u>	<u>\$ 108,082,738</u>
	20.14%	1.86%	1.94%	1.15%	0.24%

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**Revenue Capacity Information**

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

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

**Principal Property Tax Payers – Current Year and Ten Years Ago**

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

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

Fiscal Year Ended June 30	Net Secured	Public Utilities	Net Unsecured	Net Taxable Assessed Value (1)	Total Direct Tax Rate (2)
2008	\$ 15,884,626,870	\$ 1,520,242	\$ 634,144,021	\$ 16,520,291,133	0.2971%
2009	16,703,488,099	1,520,242	667,916,119	17,372,924,460	0.2971%
2010	16,608,342,939	1,520,242	678,842,286	17,288,705,467	0.2971%
2011	16,330,693,261	1,583,493	639,791,920	16,972,068,674	0.2971%
2012	16,118,033,742	1,583,493	624,006,570	16,743,623,805	0.2971%
2013	16,310,521,666	1,583,493	610,478,023	16,922,583,182	0.2971%
2014	17,035,804,215	1,583,362	605,798,375	17,643,185,952	0.2971%
2015	17,986,025,380	1,398,984	674,719,475	18,662,143,839	0.2971%
2016	18,941,502,719	865,618	804,706,503	19,747,074,840	0.2971%
2017	20,020,565,177	848,576	850,802,064	20,872,215,817	0.2971%

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

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

Source: Alameda County Office of the Auditor-Controller



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

	Fiscal Year Ended June 30			
	2008	2009	2010	2011
County Wide Levy (Net Pleasanton)	0.7029	0.7029	0.7029	0.7029
City of Pleasanton	0.2971	0.2971	0.2971	0.2971
Pleasanton Unified School District	0.0756	0.0777	0.0809	0.0891
Community College District	0.0164	0.0183	0.0195	0.0211
Flood Zone 7	0.0150	0.0169	0.0203	0.0250
Bay Area Rapid Transit District	0.0076	0.0090	0.0057	0.0031
East Bay Regional Park District	<u>0.0080</u>	<u>0.0100</u>	<u>0.0108</u>	<u>0.0084</u>
<b>Total</b>	<u><u>1.1226</u></u>	<u><u>1.1319</u></u>	<u><u>1.1372</u></u>	<u><u>1.1467</u></u>

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

**Source:** HDL Companies

Fiscal Year Ended June 30					
2012	2013	2014	2015	2016	2017
0.7029	0.7029	0.7029	0.7029	0.7029	0.7029
0.2971	0.2971	0.2971	0.2971	0.2971	0.2971
0.0908	0.0963	0.0916	0.0695	0.0239	0.0224
0.0214	0.0219	0.0214	0.0217	0.0198	0.0246
0.0307	0.0228	0.0257	0.0250	0.0343	0.0333
0.0041	0.0043	0.0075	0.0045	0.0026	0.0080
0.0071	0.0051	0.0078	0.0085	0.0067	0.0032
<u>1.1541</u>	<u>1.1504</u>	<u>1.1540</u>	<u>1.1292</u>	<u>1.0873</u>	<u>1.0915</u>

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

FY 2016/2017			FY 2007/2008		
Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Kaiser	\$ 290,589,479	1.39%	Stoneridge Properties	\$ 219,070,716	1.32%
Stoneridge Properties	251,603,253	1.20%	Pleasanton Property LLC	201,251,500	1.21%
Stoneridge Creek Pleasanton CCRC LLC	192,676,565	0.92%	NNN Britannia Business Ctr	190,484,955	1.15%
Stoneridge Residential LLC	153,376,131	0.73%	Kaiser Foundation Health Plan Inc.	185,120,371	1.11%
Tishman Speyer Archstone Smith	151,900,471	0.72%	6200 Stoneridge Mall Rd Inv	183,940,817	1.11%
SFI Pleasanton LLC	146,293,994	0.70%	Safeway Inc.	150,758,981	0.91%
6200 Stoneridge Mall Rd Inv	145,752,981	0.69%	Applera Corporation	137,405,229	0.83%
Oracle America Inc/PeopleSoft	136,540,469	0.65%	Stoneridge Residential LLC	135,237,000	0.81%
Workday Inc.	132,934,862	0.63%	C-T Stoneridge LLC	118,181,116	0.71%
Boehringer Manheim Corporation	106,443,485	0.51%	Clorox Services Company	101,209,025	0.61%
	<u>\$ 1,708,111,690</u>	<u>8.14%</u>		<u>\$ 1,622,659,710</u>	<u>9.77%</u>

Source: HdL Companies

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (1)	Collection within the Fiscal Year of Levy		Delinquent Tax Collections (2)
		Amount	Percent of Levy	
2008	\$ 55,187,206	\$ 52,552,853	95.23%	\$ 1,342,062
2009	55,938,376	53,700,031	96.00%	2,219,607
2010	53,217,192	50,776,973	95.41%	2,281,671
2011	52,430,338	51,798,923	98.80%	1,515,544
2012	52,910,059	52,215,414	98.69%	1,445,750
2013	53,198,430	51,821,281	97.41%	1,265,459
2014	54,769,569	54,438,909	99.40%	1,001,164
2015	59,017,605	58,536,604	99.18%	971,138
2016 (3)	57,899,615	57,173,499	98.75%	726,117
2017	61,659,431	60,767,127	98.55%	892,304

- (1) Total Tax Levy includes estimated Unitary Tax, estimated supplemental assessments, home owners' exemptions, In Lieu Vehicle License Fees and In Lieu Sales and Use Tax. Educational Revenue Augmentation Fund payments have been deducted from the Total Tax Levy beginning in Fiscal Year 1992-93.
- (2) Alameda County does not provide delinquent tax collection data by levy year or distinguish between delinquent taxes and penalties and interest, so the amounts shown in the delinquent tax collections column include the delinquency collections for all prior years, including penalties and interest, that were remitted to the City in each fiscal year.
- (3) Backfill payments from Proposition 57, The California Economic Recovery Bond Act (Triple Flip) ended during FY 15/16. Local agencies now receive the full one percent local sales tax, and no backfill payment will be required in the future.

Source: Alameda County Office of the Auditor-Controller

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**Debt Capacity Information**

**Ratios of Outstanding Debt by Type – Last Ten Fiscal Years**

**Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years**

**Direct and Overlapping Debt – Year Ended June 30, 2017**

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

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

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

Fiscal Year Ended June 30	Governmental Activities			
	General Obligation Bonds	Certificates of Participation	Notes and Capital Lease Payable	Total Governmental Activities
2008	\$ -	\$ 27,830,000	\$ 1,822,487	\$ 29,652,487
2009	-	26,405,000	5,242,487	31,647,487
2010	-	25,110,000	4,712,487	29,822,487
2011	-	23,780,000	2,682,487	26,462,487
2012	-	22,405,000	2,307,117	24,712,117
2013	-	750,000	1,829,215	2,579,215
2014	-	380,000	2,113,419	2,493,419
2015	-	-	2,180,326	2,180,326
2016	-	-	2,156,627	2,156,627
2017	-	-	1,916,764	1,916,764

**Business-Type Activities**

<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>
\$ 2,010,000	\$ 1,645,000	\$ 274,117	\$ 296,531	\$ 33,878,135	0.8%	\$ 494.15
1,415,000	975,000	226,105	149,158	34,412,750	0.8%	496.31
840,000	825,000	174,875	-	31,662,362	0.8%	451.38
685,000	-	120,263	316,939	27,584,689	0.8%	390.10
520,000	-	-	502,508	25,734,625	0.8%	361.09
355,000	-	-	375,864	3,310,079	0.1%	46.06
180,000	-	-	246,316	2,919,735	0.1%	39.96
-	-	-	113,797	2,294,123	0.1%	31.41
-	-	5,762,772	321,524	8,240,923	0.2%	109.91
-	7,100,000	10,281,920	254,072	19,552,756	0.5%	257.56



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

Fiscal Year Ended June 30	Governmental Activities			Percent of Assessed Value	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
2008	-	-	-	0.000%	-
2009	-	-	-	0.000%	-
2010	-	-	-	0.000%	-
2011	-	-	-	0.000%	-
2012	-	-	-	0.000%	-
2013	-	-	-	0.000%	-
2014	-	-	-	0.000%	-
2015	-	-	-	0.000%	-
2016	-	-	-	0.000%	-
2017	-	-	-	0.000%	-

**City of Pleasanton**  
**Direct and Overlapping Debt**  
**For the year ended June 30, 2017**

2016/17 Net Assessed Valuation: \$20,872,215,817

Overlapping Tax Debt:	Outstanding Debt 06/30/17	Percentage Applicable (1)	Estimated Share of Overlapping Debt
Bay Area Rapid Transit District	\$891,135,000	3.247%	\$28,935,153
Chabot-Las Positas Community College District	536,465,000	19.003%	101,944,444
Dublin Joint Unified School District	339,242,619	0.005%	16,962
Livermore Valley Joint Unified School District	148,505,000	1.956%	2,904,758
Pleasanton Unified School District	19,919,976	97.577%	19,437,315
Sunol Glen Unified School District	614,949	0.002%	12
East Bay Regional Park District	123,590,000	5.009%	6,190,623
<b>Total Overlapping Tax Debt:</b>			<b>\$159,429,267</b>

**Ratios to Net Assessed Valuation:**

Total Overlapping Tax Debt 0.76%

**Direct and Overlapping General Fund Debt:**

Alameda County General Fund Obligations	\$856,742,500	8.256%	\$70,732,661
Alameda County Pension Obligation Bonds	27,719,489	8.256%	2,288,521
Pleasanton Unified School District Certificates of Participation	15,730,000	97.577%	15,348,862
City of Pleasanton Notes and Capital Lease	1,916,764	100.000%	1,916,764
<b>Total Direct and Overlapping General Fund Debt:</b>			<b>90,286,808</b>
<b>Combined Total Debt</b>			<b>\$249,716,075 (2)</b>
<b>Total Direct Debt</b>			<b>\$1,916,764</b>
<b>Total Overlapping Debt</b>			<b>247,799,311</b>
<b>Combined Total Debt</b>			<b>\$249,716,075 (2)</b>

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

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

**Ratios to Assessed Valuation:**

Total Overlapping Tax and Assessment Debt 0.76%  
Total Direct Debt (\$1,916,764) 0.01%  
Combined Total Debt 1.20%

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

**City of Pleasanton  
Legal Debt Margin  
Last Ten Fiscal Years**

	Fiscal Year Ended June 30			
	2008	2009	2010	2011
<b>Net Assessed Valuation</b>	\$16,520,291,133	\$17,372,924,460	\$17,288,705,467	\$16,972,068,674
<b>Conversion Percentage for Calculation of Debt Limit</b>	25%	25%	25%	25%
<b>Adjusted Assessed Valuation</b>	4,130,072,783	4,343,231,115	4,322,176,367	4,243,017,169
<b>Debt Limit Percentage</b>	15%	15%	15%	15%
<b>Legal Debt Limit</b>	<u>619,510,917</u>	<u>651,484,667</u>	<u>648,326,455</u>	<u>636,452,575</u>
<b>Amount of Debt Subject to Limit</b>	-	-	-	-
<b>Legal Debt Margin</b>	<u>\$619,510,917</u>	<u>\$651,484,667</u>	<u>\$648,326,455</u>	<u>\$636,452,575</u>
<b>Total Debt Applicable to Limit as a Percentage of Debt Limit</b>	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year Ended June 30					
2012	2013	2014	2015	2016	2017
\$16,743,623,805	\$16,922,583,182	\$17,643,185,952	\$18,662,143,839	\$19,747,074,840	\$20,872,215,817
25%	25%	25%	25%	25%	25%
4,185,905,951	4,230,645,796	4,410,796,488	4,665,535,960	4,936,768,710	5,218,053,954
15%	15%	15%	15%	15%	15%
<u>627,885,893</u>	<u>634,596,869</u>	<u>661,619,473</u>	<u>699,830,394</u>	<u>740,515,307</u>	<u>782,708,093</u>
-	-	-	-	-	-
<u><u>\$627,885,893</u></u>	<u><u>\$634,596,869</u></u>	<u><u>\$661,619,473</u></u>	<u><u>\$699,830,394</u></u>	<u><u>\$740,515,307</u></u>	<u><u>\$782,708,093</u></u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year Ended June 30	Water Revenues	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2016	\$ 18,236,204	\$ 14,034,696	\$ 4,201,508	\$ -	\$ -	\$ -	N/A
2017	25,664,616	19,784,665	5,879,951	-	152,756	152,756	38.49

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

**Source:** City of Pleasanton, Finance Department

**Demographic and Economic Information**

**Demographic and Economic Statistics – Last Ten Fiscal Years**

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

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

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

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2007	68,558	\$ 4,007,301,000	\$ 58,451	2.3%
2008	69,337	4,103,578,000	59,183	3.0%
2009	70,145	3,990,557,000	56,890	5.4%
2010	70,711	3,297,749,000	46,637	5.8%
2011	71,269	3,338,739,000	46,847	5.3%
2012	71,871	3,512,480,000	48,872	3.5%
2013	73,067	3,610,971,000	49,420	2.8%
2014	73,028	3,612,987,000	49,474	4.6%
2015	74,982	3,729,303,000	49,736	3.7%
2016	75,916	3,926,999,000	51,728	3.3%

Source: HDL Companies - Statistical Package  
Most current year available from HDL is for 2016.

**City of Pleasanton  
Principal Employers  
Current Year and Ten Years Ago**

<b>Employer</b>	<b>FY 2016/2017</b>		<b>Employer</b>	<b>FY 2007/2008</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment</b>		<b>Number of Employees</b>	<b>Percent of Total Employment</b>
Kaiser Permanente	3,742	6.73%	Safeway	2,627	4.52%
Workday	3,135	5.64%	EMC Corporation	2,200	3.79%
Safeway Inc.	1,668	3.00%	Kaiser Permanente	1,871	3.22%
Oracle	1,580	2.84%	Oracle	1,500	2.58%
Valleycare Medical Center	1,424	2.56%	Washington Mutual	1,450	2.49%
Pleasanton Unified School Dist.	1,373	2.47%	Pleasanton Unified School Dist.	1,259	2.17%
State Compensation Ins. Fund	758	1.36%	AT & T	1,000	1.72%
Roche Molecular Systems Inc.	750	1.35%	Valley Care Medical Center	900	1.55%
Blackhawk Network Inc.	736	1.32%	State Fund Compensation Insurance	820	1.41%
The Clorox Company	727	1.31%	Macy's	705	1.21%
Ellie Mae Inc.	662	1.19%	Ross Stores	562	0.97%
Thermo Fisher Scientific	579	1.04%	City of Pleasanton <sup>(1)</sup>	510	0.88%
Veeva Systems	538	0.97%	Fireside Bank	481	0.83%
EMC Corporation	507	0.91%	Clorox Services Company	427	0.73%
Macy's Womens	483	0.87%	Roche Molecular Systems, Inc.	371	0.64%

Sources: City of Pleasanton Economic Development Department

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



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

Function	Full-Time, Part-Time and Limited Term Employees as of June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government (1)	45	46	45	41	38	37	37	38	39	40
Public Safety (2)	186	186	184	181	175	175	175	175	178	178
Community Development (3)	22	59	51	50	48	48	48	48	52	52
Public Works - Admin, Engr, Bldg (3)	40	-	-	-	-	-	-	-	-	-
Public Works - Field, Streets, Support (4)	36	-	-	-	-	-	-	-	-	-
Operations Services (4) (5)	-	35	36	63	59	58	57	60	62	62
Community Activities (5)	85	83	79	44	47	47	46	45	45	46
Utilities & Paratransit	35	40	39	36	35	35	38	38	39	41
<b>Total</b>	<b>449</b>	<b>449</b>	<b>434</b>	<b>415</b>	<b>402</b>	<b>400</b>	<b>402</b>	<b>405</b>	<b>413</b>	<b>418</b>

- (1) In 2011 Business License was transferred from Finance (General Government) to Economic Development (Community Development).
- (2) Public Safety includes Police personnel and the City of Pleasanton's cost share allocation of Livermore-Pleasanton Fire Department (LPFD) personnel per Joint Powers Agreement; does not include Livermore fire personnel in LPFD.
- (3) In 2009 Public Works Administration, Engineering & Inspection and Building & Safety transferred to Community Development.
- (4) In 2009 Public Works Field Services, Streets and Support Services transferred to Operations Services.
- (5) In 2011 Parks Division was transferred from Community Activities to Operations Services.

Source: City of Pleasanton Budget

## **Operating Information**

**Operating Indicators by Function – Last Ten Fiscal Years**

**Capital Asset Statistics by Function – Last Ten Fiscal Years**

**City of Pleasanton**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30			
	2008	2009	2010	2011
<b>Fire:</b>				
Number of Responses (Pleasanton only)	5,129	5,007	4,952	4,146
Number of Inspections (Pleasanton only)	1,604	1,269	861	988
<b>Library:</b>				
Annual Circulation	1,303,995	1,433,876	1,475,666	1,465,716
Gate Count (# of people thru the doors)	498,614	530,738	552,779	562,757
e-Resources				
<b>Economic Development:</b>				
Business Licenses Issued	9,368	8,783	9,067	8,534
<b>Parks &amp; Community Services:</b>				
Paratransit Trips (1)	18,656	22,122	20,393	17,506
Golf Revenue Rounds Played	72,092	68,294	63,591	58,559
Aquatics Programs (No. of Participants) (2)	17,756	21,185	21,982	23,907
Sports, Camps, Classes and Leagues (No. of Participants) (2)	12,782	12,683	13,400	13,580
Amador Theater & Firehouse Arts Center (No. of Patrons)	42,500	50,100	28,380	43,048
<b>Operations Services:</b>				
Streets Resurfacing (miles)	9.0	9.0	6.0	11.5
Utility Bills Generated	131,290	131,500	134,651	132,141
New Water Connections	52	21	26	44
Gallons Delivered (in million gallons/day)	16.0 mgd	15.0 mgd	14.1 mgd	11.4 mgd
New Sewer Connections	65	24	26	82

(1) In FY 2012/13, Downtown Route Service was reduced from 5 days a week to 3 days a week to meet the service demands.

(2) In FY 2012/13, the category was widened from youth to all participants.

Fiscal Year Ended June 30					
2012	2013	2014	2015	2016	2017
4,342	4,548	4,753	4,849	5,133	5,579
1,194	1,032	1,415	1,552	1,912	1,538
1,438,609	1,428,665	1,422,134	1,309,117	353,184	1,223,999
561,351	551,297	556,810	529,996	521,042	527,240
			50,000	87,876	71,667
9,147	9,275	9,625	9,776	9,817	9,729
15,499	13,486	11,921	10,725	10,291	8,932
58,272	56,104	54,998	56,066	55,389	51,485
25,494	34,334	25,861	40,803	39,992	39,992
22,480	54,579	52,589	55,054	62,817	56,155
51,096	45,291	44,762	42,759	48,809	50,121
12.0	11.8	2.0	12.9	1.0	1.0
126,104	127,955	128,277	134,559	134,741	123,571
51	88	74	124	99	54
13.4 mgd	14.8 mgd	14.2 mgd	10.8 mgd	10.9 mgd	11.2 mgd
49	136	231	285	374	79

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

	Fiscal Year Ended June 30			
	2008	2009	2010	2011
<b>Police:</b>				
Stations	1	1	1	1
<b>Fire:</b>				
Stations (Pleasanton only)	5	5	5	5
<b>Library:</b>				
Branches	1	1	1	1
<b>Parks &amp; Community Services:</b>				
Acres of Parks Maintained*	385	385	385	385
Municipal Golf Courses	1	1	1	1
Aquatic Centers	1	1	1	1
Senior Centers	1	1	1	1
<b>Operations Services:</b>				
Streets ( miles)	206	213	213	214
Streetlights	5,379	5,992	6,007	6,007
Traffic Signals	93	93	93	93
<b>Water:</b>				
Water mains (miles)	318	320	320	321
Pumping Capacity (gallons/day)	37.0M	37.0M	32.0M	30.0M
<b>Wastewater:</b>				
Sanitary Sewers (miles)	253	255	255	255
Storm Sewers (miles)	188	191	192	192

Source: City of Pleasanton Community Services and Operations Services

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

**Fiscal Year Ended June 30**

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
1	1	1	1	1	1
5	5	5	5	5	5
1	1	1	1	1	1
385	385	390	390	335	447
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
214	214	215	215	215	216
6,007	6,025	6,200	6,247	6,262	6,534
95	96	101	104	104	106
324	324	327	329	329	314
31.0M	31.0M	31.0M	31.0M	31.0M	31.0M
257	257	257	258	258	259
194	194	194	194	194	194

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