



Comprehensive Annual Financial Report For the Year Ended June 30, 2014



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**Comprehensive Annual Financial Report
For the Year Ended June 30, 2014**

**Prepared By:
Administrative Services Department
Finance Division**



**Comprehensive Annual Financial Report
FY 2013-2014**

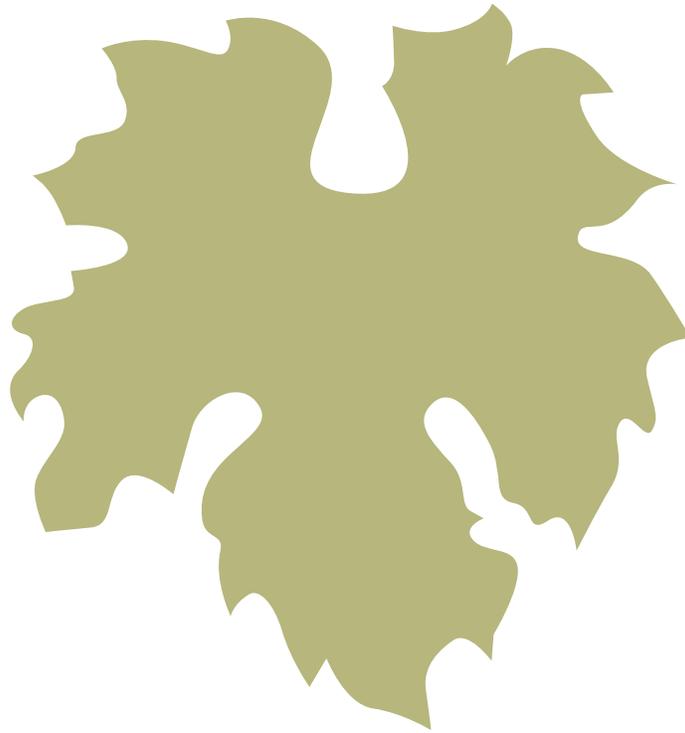




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October 15, 2014

Honorable Mayor and Members of the City Council:

I am pleased to transmit the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. Responsibility for accuracy of the data and the fairness of presentation including all footnotes and disclosures rests with the City. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). The data in this report is presented in a manner that is designed to fairly set forth the financial position and results of operations of the City. It contains the disclosures necessary to promote in-depth understanding of the City's financial affairs.

The City's financial statements have been audited by Maze & Associates Accountancy Corporation located in Pleasant Hill, California. The independent auditors concluded, based on their audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Livermore's financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is the first item presented in the financial section of this report.

In addition to the financial audit, each year the City is required to undergo an audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. That report is commonly referred to as a Single Audit report and is issued as a separate document and is not included herein. The Single Audit report includes the schedule of expenditures of federal financial awards, findings and recommendations, and an auditor's report on the internal control structure and compliance with applicable laws and regulations. Management assumes full responsibility for the completeness and reliability of the information contained in the auditor's report on the internal control structure, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

The provisions of Government Accounting Standard Board (GASB) Statement 34, "Basic Financial Statements—and Management's Discussion & Analysis—for State and Local Governments" requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements entitled, "Management Discussion & Analysis" (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A is found immediately following the report of the independent auditors in the financial section of the CAFR.

Reporting Entity and Services

The financial statements presented in this report include the financial activity of the City of Livermore as well as financial activity of the Livermore Capital Projects Financing Authority (LCPFA), which is a separate legal entity controlled by and is dependent upon the City.

Financial information for the LCPFA is included as blended component unit in the City's financial statements in accordance with GASB Statement 14, "*The Financial Reporting Entity*," issued by the Governmental Accounting Standards Board. The City Council serves as the governing board of the LCPFA. The LCPFA is a joint powers authority established between the City of Livermore and former Livermore Redevelopment Agency. The City provides accounting services to LCPFA and performs all its administrative functions.

Construction and acquisition activities of the LCPFA are shown as capital projects funds within the non-major governmental funds financial statements, specifically as the LCPFA 2008 Certificates of Participation (COP) Construction Fund and the LCPFA 2011 COP Construction fund.

Livermore was incorporated as a General Law city on April 1, 1876. A General Law city has the power to make and enforce ordinances and regulations with respect to municipal affairs to the extent expressly permitted or implied by the California constitution or specific legislation. The city government is organized under the Council-Manager form of local government. The five-member City Council is elected at large for overlapping four-year terms. The City Council includes an elected Mayor whose term of office is two years. The City Council appoints the City Manager and City Attorney to carry out its adopted policies. In addition, the City Council appoints members of advisory Commissions, Committees, and Boards.

The City provides full services to its citizens. Services include police safety; fire safety and building inspection; street and landscape maintenance; street lighting; planning and public improvements; public library; general administrative services; sewer and water services; as well as a municipal airport and two golf courses. Other than the municipal golf course facilities, recreation and leisure services are not provided by the City. Recreation and leisure services are provided to citizens by the Livermore Area Recreation and Park District (LARPD), a special district formed in 1947, governed by a separately elected board.

Basis of Accounting and Budgetary Control

The government-wide, proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *full accrual basis*. This means revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. This basis of accounting is contrasted with the *modified accrual basis* that is used by all governmental funds. As explained in Note 1 to the Basic Financial Statements, this means that with specified exceptions, revenues are recorded when *measurable and available*, rather than received, and expenditures are recorded when paid and not necessarily when the liability is incurred. The exceptions for revenue are fines, licenses and permits. The exceptions for expenditures are certain employee leave amounts and principal and interest on general long-term debt which is recognized when due.

The Livermore Municipal Code established the Finance Division and assigned specific duties and responsibilities for the provision of all fiscal and budgetary functions. Internal accounting controls

The Livermore Municipal Code established the Finance Division and assigned specific duties and responsibilities for the provision of all fiscal and budgetary functions. Internal accounting controls have been developed to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records for preparing financial statements and maintaining asset accountability. Examples of accounting controls include separation of operational responsibilities from financial recordkeeping in the areas of payroll, accounts payable, and accounts receivable. In addition, physical custody of assets is separated from accounting or the authorization of related transactions.

The City, in general, adopts a biennial operating budget on or before June 30 for each of the ensuing two fiscal years for all funds except the Fiduciary Funds and the Developer Deposits Capital Projects Fund. In November 2012, the Livermore electorate approved Measure W to change the City's local election cycle from odd years to even year so that it is aligned with the election cycles of the majority of Alameda County agencies, therefore providing cost savings for future elections. In order to align the two-year budget cycle with the new election cycle, the City has adopted an annual financial plan for FY 2014-15. The two-year financial planning process will resume in next fiscal year with the development of the fiscal years 2015-17 biennial financial plan.

A two-year financial plan is adopted by the City Council on a basis consistent with generally accepted accounting principles except for proprietary funds that have budgets for capital outlay but not depreciation. Legal budgetary control is maintained at the fund level. The City Council may amend the budget by resolution or minute order during the year. The City Manager may transfer appropriations from one activity to another within the same fund. Certain capital improvement project appropriations not expended during the first year of the two-year budget cycle may be carried over to the second year but lapse thereafter.

Financial Highlights of Fiscal Year 2013-14

The local economy continued on its course of recovery and expansion. The City's three major revenue sources- property tax, sales tax, and development fee- continued a steady growth with sales tax outgrowing property tax for the very first time. The economic growth has been driven largely by new commercial and residential developments. Over 200,000 square feet of new commercial/retail space was built during the year. Several new businesses, including the new Toyota automobile dealership opened in the City of Livermore. The Livermore Premium Outlets, which opened in November of prior fiscal year, had a full year of sales reflected in the current year's sales tax revenues. The Outlets continued to perform well and will be expanding during the next year. The economic recovery is also evident from the latest unemployment data for the City of Livermore. Since June 2013 the City's unemployment rate has dropped 1.3 percent to a level of 3.7 percent in June 2014.

Cash Management

The city pools cash from all operating sources in order to facilitate the control of cash and the investment of idle funds. The Administrative Services Director manages the portfolio in accordance with the Investment Policy of the City Council and Government Code §53601 and §56535. Permitted investments include U.S. Treasury bills and notes, U.S. Government Agency securities, Bankers Acceptances, Time Certificates of Deposit, Repurchase Agreements, Commercial Paper, Medium Term Notes, Mutual Funds and State of California Local Agency Investment Fund. Maturities may range from overnight to five years. Other funds held by fiscal agents and trustees are invested according to the restrictions of the bond documents and the city's investment policy.

Risk Management

In 1986 the City became self-insured and joined a risk sharing pool which covers general liability claims, now called the California Joint Powers Risk Management Authority (CJPRMA). The pool provides coverage up to \$40 million per occurrence above the self-insured retention of \$500,000. Claims are administered in the City Attorney's office by the Risk Manager with the assistance of a third-party claims adjustment firm. In FY 2013-2014, the pool made its distribution of excess assets. The amount distributed to the City of Livermore was \$67,429, or 25.4% of the amount of the deposit premium paid for FY 2013-2014.

In March 1992 the City joined a risk sharing pool called the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) for workers' compensation and employer liability and provides statutory unlimited coverage above the self-insured retention of \$500,000. Annually, the pool calculates a premium adjustment for the fiscal year's premium. The FY 2013-2014 premium adjustment was \$20,508.

Long-Term Financial Planning

In June 2012, the City Council adopted a resolution establishing the Livermore Fund Balance Policy to maintain the fiscal stability of the organization, to help maintain the City's credit worthiness, and to provide funds for economic uncertainties, contingencies and cash flow requirements. The General Fund Financial Stabilization Operating Reserve is set at 15% of budgeted operating expenditures plus debt service transfers to be used in a catastrophic event or in a major emergency or in periods of severe fiscal crisis. The General Fund Economic Uncertainty Reserve is set at 10% of budgeted operating expenditures plus debt service transfers to be used during times of severe economic distress such as protracted recessionary periods, State raids on local resources, or other impactful unforeseen events which greatly diminish the financial ability of the City to deliver core services. Minimum unassigned fund balance is set at 1.5% of the budgeted operating expenditures plus transfers for the debt service.

With the improvement of the local economy and cost cutting measures the City continued to keep General Fund Reserve fully replenished in accordance with its Reserve Policy. As of June 30, 2014, the Committed Financial Stabilization Operating reserve of \$12,548,889 met the minimum level of 15% expenditures plus debt service transfers. The Assigned Economic Uncertainty reserve of \$8,365,926 also met the 10% target. The Unassigned fund balance of \$5,050,960 is 6.0% of the budgeted operating expenditures plus debt service transfers, exceeding the unassigned fund balance goal of 1.5%.

Economic Indicators

The City of Livermore is located on the southeasterly boundary of Alameda County near the intersection of I-580 and I-680. The City is situated approximately 50 miles east of San Francisco in the growing Tri-Valley area which contains the cities of Pleasanton, Livermore, Dublin, and San Ramon. The estimated population of Livermore is 84,852 per the California Department of Finance as of January 1, 2014 and represents an increase of 1.74% compared to the prior year.

The East Bay region of Alameda County that includes Livermore is reflecting the effects of the current economy. According to information supplied by the East Bay Economic Development Alliance that can be found at its www.eastbayeda.org website, between March 2013 and March 2014, the total number of jobs in the East Bay increased by 17,000 or 1.7% which lagged behind the job growth in the South Bay (4.2% or 40,000 jobs) and San Francisco (2.2% or 23,000 jobs).

Some of the fastest growing sectors over the past year have been Transportation and Warehousing (4.9%), Real Estate (4.2%), and Wholesale Trade (4.0%). The Professional Services and Health Care sector expanded jobs by 3.5% and 3.3% respectively. The job growth in the Manufacturing sector was 2.4%. On the other side of spectrum were the Administrative Support sector, and Natural Resources and Mining Sector in which jobs shrank by 3.4% and 8.7% over the past year respectively.

In June 2014 the unemployment rate in Livermore was 3.7%. This is better in comparison to an unadjusted unemployment rate of 5.8% for Alameda County and 7.4% for California. In comparison to the Alameda County, San Francisco County's unemployment rate was 4.6% in June 2014, lower than the June 2013 rate of 6.0%. The unemployment rate in Santa Clara County was 5.4% in June 2014, down from 7.2% in June 2013.

The East Bay housing market continues to rebound at a rapid pace. As reported by the Bay East Association of Realtors the median sales price for a single family residence in Livermore in June 2014 grew by 20% to \$651,750 from \$545,000 in June 2013. The number of home sales accelerated slightly too. The 1,149 homes sold in 2014 were up 2.9% percent from the 1,117 of the year before. If these trends in sales price and homes sold increase, it will have a positive impact not only on the City's property tax base, but also its Documentary Transfer Tax revenues.

Independent Audit

Each year the Finance Division of the Administrative Services Department provides for an audit of the city's books of account, financial records and transactions of all operations. The contract for the services of an independent certified public accountant is approved by the City Council. The auditor's independent opinion is included in the Financial Section of this report.

Achievement Award

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 Livermore for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the twenty third consecutive year that the City of Livermore has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit 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 GFOA to determine its eligibility for another certificate.

Acknowledgments

This report represents the culmination of the dedicated efforts by city staff both inside and outside of the Finance Division of the Administrative Services Department. Sincere thanks to all of the Finance Division staff for the hard work and dedication required to produce this document, as well as Mark Wong and his staff at Maze & Associates Accountancy Corporation. I also wish to express my appreciation to the office of the City Manager and the City Council for their support of excellence in financial reporting to the public.

Very truly yours,



Douglas Alessio
Administrative Services Director



**Comprehensive Annual Financial Report
FY 2013-2014**

City of Livermore
ELECTED OFFICIALS

Elected Officials as of June 30, 2014

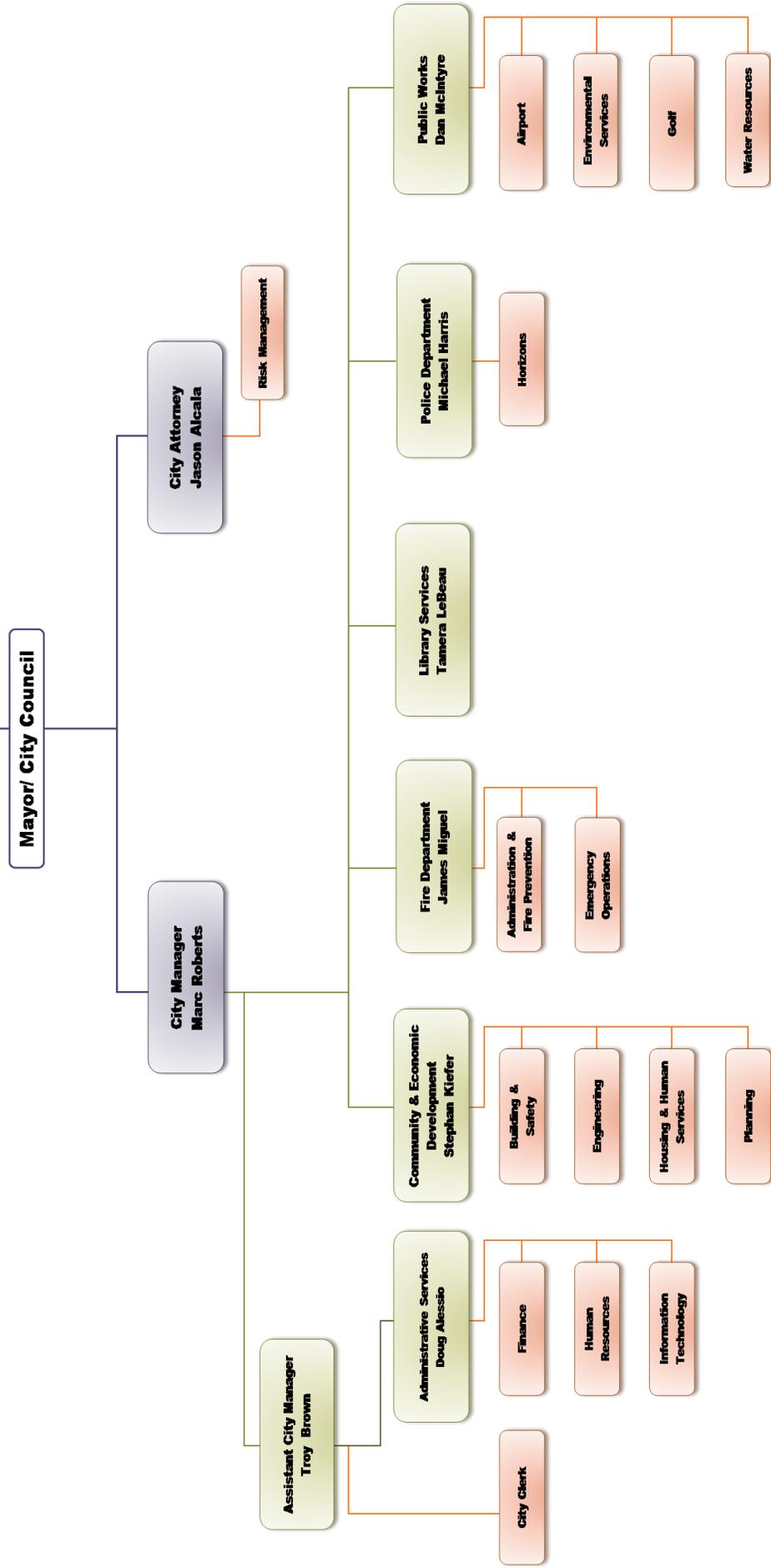
John Marchand, Mayor
Bob Woerner, Vice Mayor
Doug Horner, Councilmember
Laureen Turner, Councilmember
Stewart Gary, Councilmember

Department Heads as of June 30, 2014

Marc Roberts, City Manager
Troy Brown, Assistant City Manager
Jason Alcala, City Attorney
Stephan Kiefer, Director of Community and Economic Development
Tamera LeBeau, Director of Library Services
Douglas Alessio, Director of Administrative Services
Dan McIntyre, Director of Public Services
James Miguel, Fire Chief
Michael Harris, Police Chief

**FY 2013-2014
Organizational Chart**

Residents of Livermore





Government Finance Officers Association

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

Presented to

**City of Livermore
California**

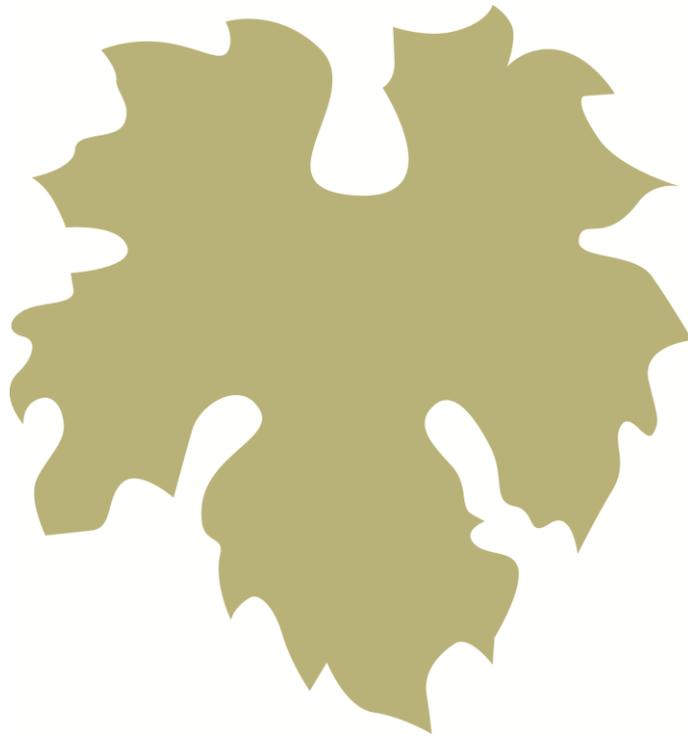
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



**Comprehensive Annual Financial Report
FY 2013-2014**



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the
City Council of the City of Livermore, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Livermore, California (City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, 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 and of the City as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows and respective budgetary comparisons listed as part of the basic financial statements thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in footnote 15, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the City's Redevelopment Agency was dissolved and its assets turned over to and liabilities assumed by a Housing Successor and a Successor Agency effective January 31, 2012. During the months of April and May 2013 the State Controller's Office conducted a review of the propriety of asset transfers that occurred between January 1, 2011 and January 31, 2012 from the former Redevelopment Agency (or the Successor Agency) to the City. The Successor agency received its final determination letter from the State Controller on February 24, 2014. The State found that \$85,000 in transfers are unallowable and needs to be returned to the Successor Agency. The City at this time is objecting to the ruling and has not made this payment.

The emphasis of this matter does not constitute modifications to our opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis 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 and other auditors 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, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental 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. The 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 Supplemental 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

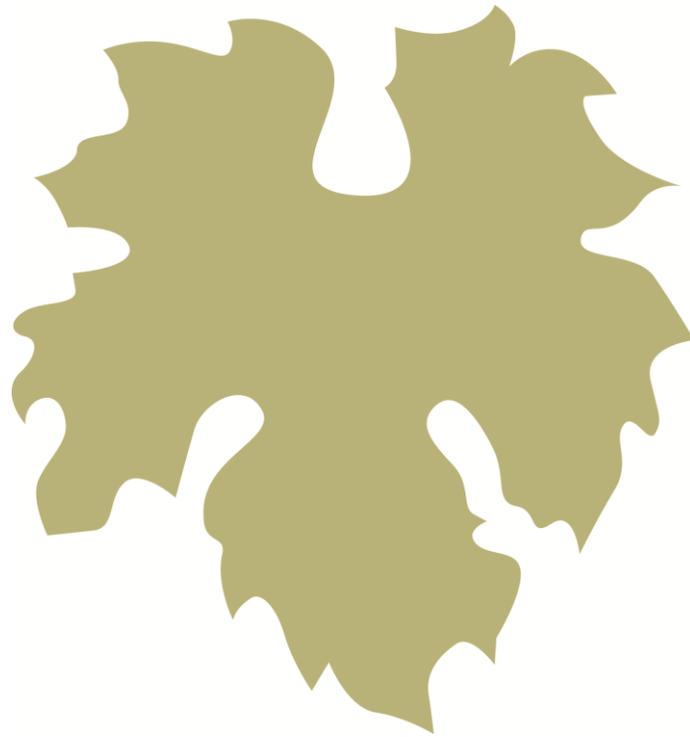
In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
October 10, 2014



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FY 2013-2014**





Comprehensive Annual Financial Report FY 2013-2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of the Management's Discussion and Analysis is to offer to the reader of the City's financial statements a narrative overview and analysis of the financial activities of the City of Livermore for the fiscal year ended June 30, 2014. The reader is encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal, which can be found on pages 1-6 of this report.

(A) Financial Highlights

Government-wide:

- The assets of the City of Livermore exceeded its liabilities at the close of the fiscal year 2014 by \$587.7 million (net position). Of this amount, \$129.1 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$6.8 million or 1.2% in fiscal year 2013-14 compared to the previous fiscal year.
- The City's total assets were \$732.7 million at June 30, 2014. Of this total, \$475.1 million were Governmental assets and \$257.6 million were Business-type assets.
- Total liabilities were \$145.0 million of which \$125.6 million were governmental liabilities and \$19.4 million were business-type liabilities.
- City-wide revenues (before extraordinary items and operating transfers) in fiscal 2014 were \$152.9 million, of which \$109.2 million was generated by governmental activities and \$43.7 million was generated by business-type activities.
- City-wide expenses were \$146.1 million, of which \$103.2 million was incurred by governmental activities and \$42.9 million was incurred by business-type activities.

Fund Level:

- The City's governmental funds reported combined ending fund balances of \$88.5 million, an increase of \$0.9 million from the prior fiscal year's balance of \$87.6 million.
- Governmental Fund revenues were \$108.2 million in fiscal 2014, a decline of \$6.0 million from the prior year's total revenue of \$114.2 million.
- Governmental Fund expenditures were \$107.5 million in fiscal year 2014, a decrease of \$11.2 million from total expenditures of \$118.7 million in fiscal year 2013.
- Enterprise Fund total assets went down by \$3.7 million to a balance of \$259.9 million in current year from the prior year ending balance of \$263.6 million.
- Enterprise Fund total liabilities fell to \$21.8 million at the end of current fiscal year compared to a balance of \$23.9 million in prior year, a decrease of \$2.1 million.
- Enterprise Fund operating revenues dropped by \$1.9 million to \$40.9 million in fiscal 2014 compared to \$42.8 million in the prior year.
- Enterprise Fund total operating expenses decreased \$2.0 million from a level of \$46.6 million in fiscal 2013 to \$44.6 million in current fiscal year.

(B) Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements.



Comprehensive Annual Financial Report FY 2013-2014

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. This is known as the full accrual basis of accounting.

Both of the 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 most of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include city council, city manager, city attorney, city clerk, finance, human resources, fire, police, public services, community & economic development, and library. The business-type activities of the City include airport, water, sewer, and golf courses.

The government-wide financial statements include not only the City itself (known as the primary government) but also the activities of its legally separate component units: the Livermore Capital Projects Financing Authority (LCPFA). Because the City Council acts as the governing board for this component unit and because it functions as part of the City government, its activities are blended with those of the primary government.

The government-wide financial statements can be found on pages 35-37 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been designated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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 fund 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. This information may be useful in evaluating the City's near-term financial requirements. The basis of accounting in governmental funds is known as the modified accrual basis.

The focus of fund financial statements is narrower than that of 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. By so doing, the reader may better understand the long-term impact of the City's near-term financing decisions.



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Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a *reconciliation* to facilitate the comparison between governmental funds and governmental activities. This is required because the government-wide statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting.

Proprietary Funds

The City maintains two different types of proprietary funds. *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 its airport, water, sewer, and golf course activities. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions including public liability, workers compensation, fleet and equipment services, information technology, and facilities rehabilitation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all five of the City's enterprise funds, each of which is considered a major fund of the City. These funds are Airport, Water, Sewer, Las Positas Golf Course, and Springtown Golf Course. The City's seven internal service funds are combined into a single, aggregated presentation in the propriety fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the *Supplemental Information* section of this report.

Fiduciary Statements

The City is the agent for certain Assessment Districts throughout the City, holding amounts collected and disbursing these amounts as directed or required. In the fiscal year 2012, the Successor to the Redevelopment Agency Private Purpose Trust Fund was established to account for the assets and liabilities of the former non-housing balances of the former Livermore Redevelopment Agency. The City's fiduciary activities are reported in the separate Statements of Fiduciary Net Position and the Agency Funds Statement of Changes in Assets and Liabilities. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data reported in the government-wide and fund financial statements. The notes to the basic financial Statements are found on pages 61-109.

Supplemental Information

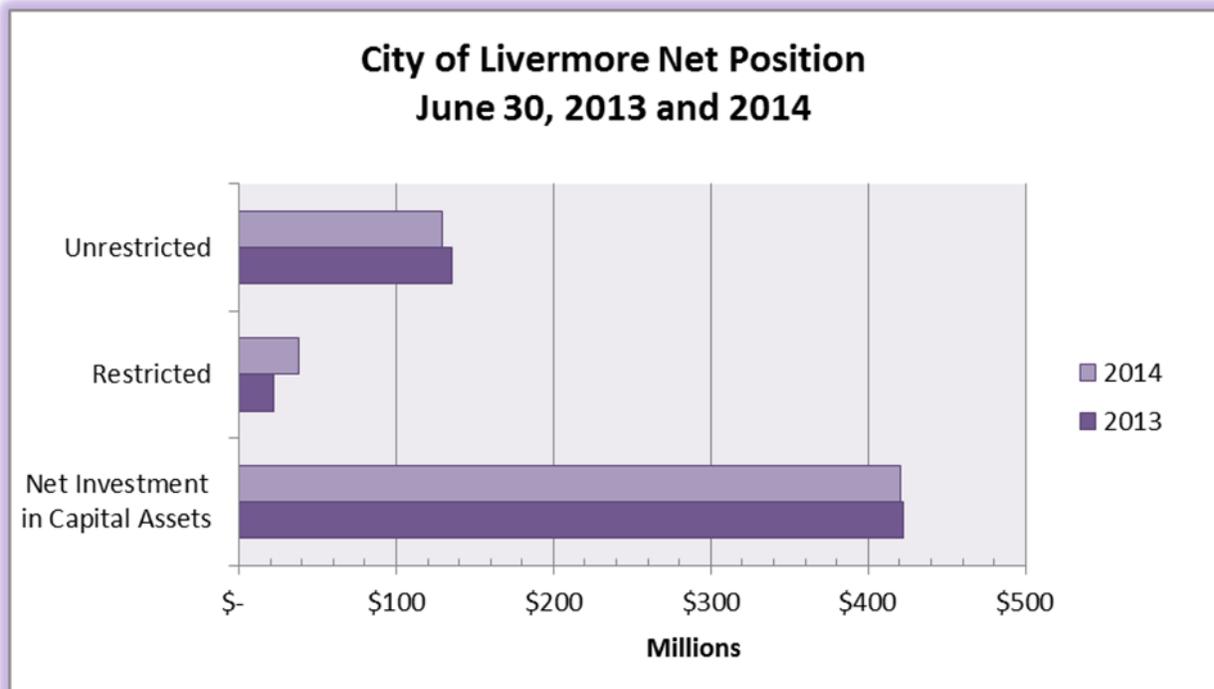
The *combining statements for non-major governmental funds* are found on pages 111-138. Combining and individual fund statements and schedules for the internal service funds and fiduciary funds can be found on pages 139-148 of this report.

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(C) Government-wide Financial Analysis

As noted earlier, the City's net position may serve over time as a useful indicator of whether the City's financial position is improving or deteriorating. Other factors, such as market conditions, should be considered in measuring the City's overall financial position.

This analysis focuses on the net position and changes in net position of the City as a whole. In the case of the City, assets exceeded liabilities by \$587.8 million, at the close of the most recent fiscal year.



By far, the largest portion of the City's net position (71.5% or \$420.5 million) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (6.5% or \$38.1 million) represents resources that may be used only to construct specified capital projects, for debt service, special revenue programs or special assessment districts. The restrictions on these funds were placed there by outside agencies and are not subject to change by the City. The remaining balance of \$129.1 million is unrestricted and may be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Overall, the City's overall net position increased \$6.8 million from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.



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Tables 1, 2 and 3 focus on the City’s Governmental Statement of Net Position and Statement of Activities, while Tables 4 and 5 focus on the City’s Business-type Statement of Net Position and Statement of Activities that follow.

Governmental Activities

**Table 1
Governmental Net Position at June 30
(in Millions)**

	2014	2013
Cash and investments	\$ 99.0	\$ 95.7
Other assets	25.7	31.1
Capital assets	350.4	352.2
Total assets	475.1	479.0
Long-term debt outstanding	75.8	85.1
Other liabilities	49.8	50.7
Total liabilities	125.6	135.8
Net position:		
Net investment in capital assets	279.9	278.1
Restricted	38.2	22.5
Unrestricted	31.5	42.7
Total net position	\$ 349.6	\$ 343.3

The City’s governmental Net Position was \$349.6 million at June 30, 2014, an increase of \$6.3 million over 2013. This increase in the Change in Net Position is reflected in the Governmental Activities column of the Statement of Activities shown in Table 2.

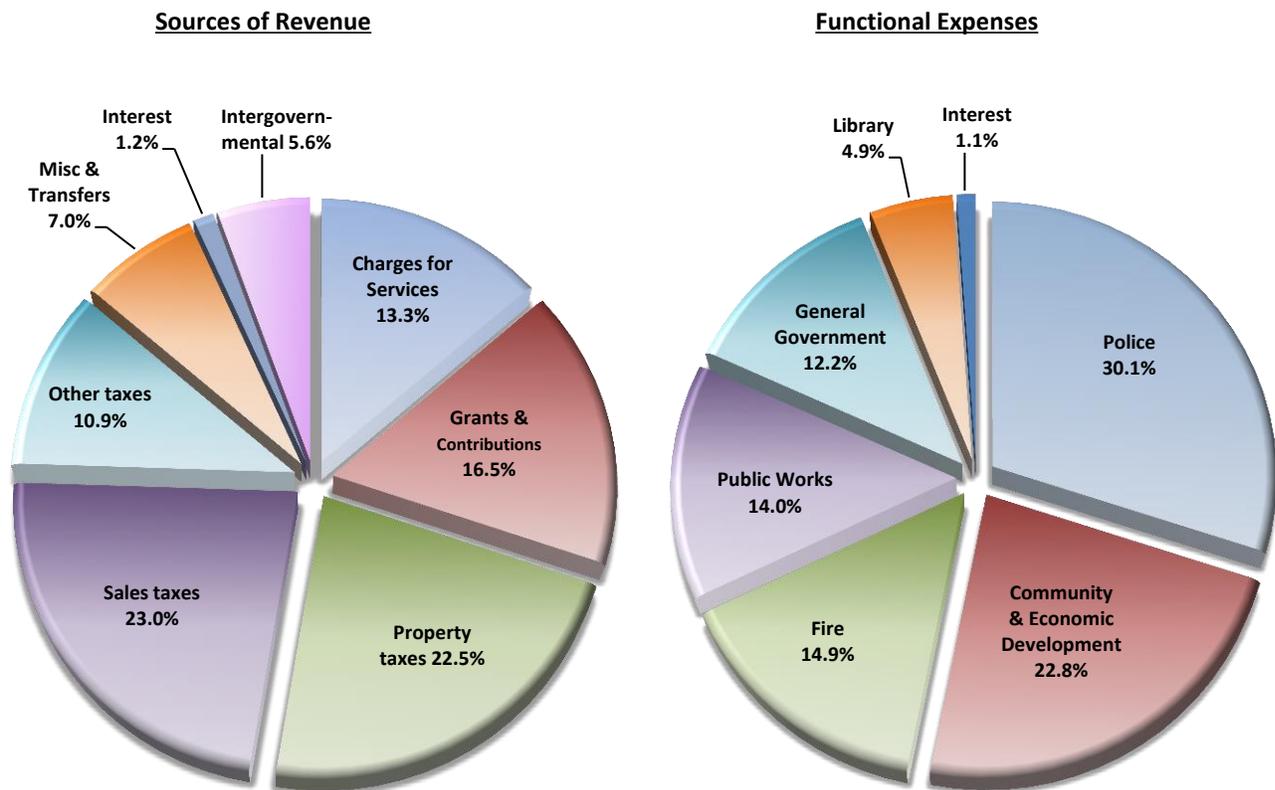
The City’s governmental Net Position at June 30, 2014 comprised the following:

- Cash and investments are comprised of \$4.8 million of cash with trustee related to debt issues and \$94.2 million of pooled cash and investments available for operations. All pooled cash is invested in accordance with State law and the City’s investment policy. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 3 to the financial statements. Pooled cash and investments were up \$9.4 million from June 30, 2013 balance while cash with trustee were down \$6.1 million from the prior year ending balance.
- Governmental receivables comprised of accounts and interest receivable of \$9.2 million, all current, and notes receivable of \$14.2 million that are due over longer periods of time, as explained in Note 5 to the financial statements. Accounts receivable decreased \$4.4 million in the current year. This decrease is attributed to the one-time revenues, such as sales tax settlement and two legal settlements, recognized in the prior year.
- Land held for redevelopment purposes remained at \$2.3 million as in the prior year
- Depreciable capital assets were \$266.3 million, net of depreciation charges, which includes the City’s infrastructure as well as its other capital assets used in governmental activities. Land and construction in progress is \$84.0 million including the conveyances of infrastructure property from developers.
- Current liabilities, including accounts payable, claims and other amounts due currently, of \$9.4 million at the end of current fiscal year were down from the prior year end balance of \$12.3 million.

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- Deposits payable and unearned revenue of \$4.8 million, primarily represent developer performance deposits, which are refundable if the developers performs City required improvements.
- Net OPEB obligations increased \$2.4 million from the balance of \$28.1 million in previous year to \$30.5 million. See Note 10D for additional information.
- Long-term debt of \$75.8 million, of which \$69.6 million is due in future years and \$6.2 million, is due currently. Long-term debt has decreased \$9.3 million compared to the last year due to scheduled debt service payments.

Fiscal Year 2014 Citywide Governmental Activities



As the Sources of Revenue Chart above shows 23.0% of the City's fiscal 2014 governmental activities revenue came from sales taxes, 22.5% from property tax, 10.9% from other taxes, 13.3% from charges for services, 16.5% from grants and contributions, and 7.0% from miscellaneous revenues & transfers. The remaining 6.8% came from intergovernmental and interest revenue.

The Functional Expenses Chart above includes fiscal year 2014 program expenses for governmental activities. As the chart shows, Police accounted for 30.1% of total governmental expenses, Community & Economic Development accounted for 22.8%, Fire accounted for 14.9%, Public Works accounted for 14.0% and other governmental programs and functions accounted for the remaining 18.2%.



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The Statement of Activities presents program revenues and expenses and general revenues in detail. All these are elements of the Changes in Governmental Net Position summarized below.

**Table 2
Changes in Governmental Net Position
(in Millions)**

	Governmental Activities	
	2014	2013
Expenses		
General Government	\$ 12.6	\$ 16.7
Fire	15.4	15.0
Police	31.1	31.4
Public Works	14.4	14.2
Community & Economic Development	23.5	26.9
Library	5.1	4.9
Interest on long term debt	1.1	2.9
Total expenses	<u>103.2</u>	<u>112.0</u>
Revenues		
Program revenues:		
Charges for services	14.5	11.2
Operating contributions and grants	9.7	10.6
Capital grants and contributions	8.4	18.3
Total program revenues	<u>32.6</u>	<u>40.1</u>
General revenues:		
Property taxes	24.7	24.3
Sales taxes	25.2	23.7
Other taxes	11.9	11.5
Intergovernmental	6.1	5.9
Interest	1.3	1.5
Miscellaneous	7.4	7.7
Total general revenues	<u>76.6</u>	<u>74.6</u>
Extraordinary item	-	(1.7)
Surplus before transfers	6.0	1.0
Transfers, net	0.3	0.2
Changes in net position	<u>\$ 6.3</u>	<u>\$ 1.2</u>

As Table 2 above shows, \$32.6 million, or 29.9%, of the City's fiscal 2014 Governmental revenue, came from program revenues (before extraordinary items and transfers) and \$76.6 million, or 70.1%, came from general revenues such as taxes and interest. Program revenues decreased \$7.5 million largely due to decline in capital grants and contributions, while general revenues increased \$2.0 million in the current year primarily due to the overall economic expansion.

Sales tax revenue increased \$1.5 million from the prior year due to a full year of the Livermore Premium Outlets and other additions to the City's sales tax base such as Livermore Toyota. Overall, the property tax grew by approximately \$0.4 million due to the recovering real estate market and its effect on the City's assessed valuation, including recapture of temporary reduction in assessed valuation under Section 51 of the California Revenue and Taxation Code. The Extraordinary item in fiscal 2013 represented \$1.7 million extraordinary loss due to the transfer of two parcels of the land to the Successor Agency to the Redevelopment Agency Private Purpose Trust Fiduciary Fund.

Program revenues were composed of charges for services of \$14.5 million which include permit revenues, fees and charges used to fund expenses incurred in providing services; \$9.7 million of operating grants and contributions which include gas tax revenues and housing and police grants and capital grants and

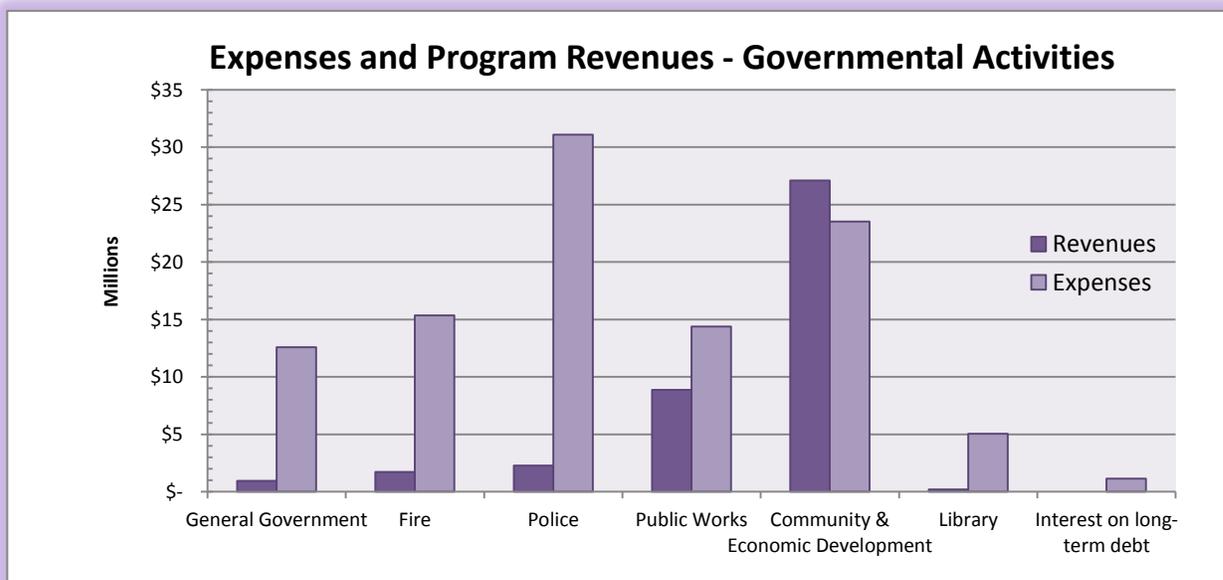
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to capital outlay. Operating Grants and Contributions decreased approximately by \$0.9 million. Capital Grants and Contributions were down \$9.9 million. This is largely attributed to the completion of Phase I of the El Charro Specific Plan Infrastructure projects in prior fiscal year. General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

The chart below shows the functional revenues and expenses of the governmental activities to demonstrate the extent to which the governmental functions produce direct revenues to offset the program costs. It should be noted that this is not intended to represent the full cost allocation to these functions. General revenues of the City, and transfers from the business type activities, cover expenses not generated by direct program revenues. Table 3 presents the net (expense) or revenue of each of the City's governmental activities, including interest on long-term debt. Net expense is defined as total program cost less the revenues generated by those specific activities. Revenues for Community Development activities exceeded expenses for 2014 while cost of other activities, such as Police, exceeded the revenue generated by those programs.

Table 3
Net Revenue (Expense) of Governmental Activities
(in Millions)

	2014	2013
General Government	(\$11.6)	(\$16.4)
Fire	(13.7)	(13.7)
Police	(28.9)	(29.3)
Public Works	(13.9)	(13.2)
Community & Economic Development	3.5	8.4
Library	(4.8)	(4.7)
Interest on long term debt	(1.1)	(2.9)
Totals	(\$70.5)	(\$71.8)





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Business-type Activities

The Statements of Net Position and Statement of Activities present a summary of the City's Business-type activities which are composed of the City's enterprise funds.

**Table 4
Business-Type Net Position at June 30
(in Millions)**

	Business-Type Activities	
	2014	2013
Cash and investments	\$ 84.3	\$ 81.5
Other assets	20.5	20.0
Capital assets	152.8	157.6
Total assets	257.6	259.1
Long-term debt outstanding	16.4	17.9
Other liabilities	3.0	3.5
Total liabilities	19.4	21.4
Net position:		
Net investment in capital assets	140.6	144.5
Unrestricted	97.6	93.2
Total net position	\$ 238.2	\$ 237.7

The Net Position of business-type activities increased to \$238.2 million in current year from \$237.7 million in fiscal year 2013, a slight increase of \$0.5 million. Cash and investments increased \$2.8 million while capital assets decreased \$4.8 million. The cash increase was largely due to the receipts of scheduled payment related to the interfund advances from other funds. A net decline in capital assets is attributed to the current year depreciation. Total liabilities balance at June 30, 2014 was \$2.0 million less than the balance on June 30, 2013 primarily as a result of scheduled amortization of the long-term debt.

**Table 5
Changes in Business-Type Net Position
(in Millions)**

	Business-type Activities	
	2014	2013
Expenses		
Airport	\$ 6.3	\$ 8.1
Water	11.4	11.9
Sewer	21.6	25.6
Las Positas Golf Course	3.5	2.6
Total expenses	\$ 42.8	\$ 48.2
Revenues		
Program Revenues:		
Charges for Services	\$ 41.5	\$ 42.1
Capital Grants and Contributions	2.1	6.7
Total Program Revenues	43.6	48.8
General Revenues	-	0.2
Transfers, net	(0.3)	(0.2)
Changes in net position	\$ 0.5	\$ 0.6



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Total program revenues of Business-type Activities were \$43.6 million in the current fiscal year, down by \$5.2 million from \$48.8 million in the prior year. This change is primarily credited to the Airport Enterprise Fund and Sewer Enterprise Fund. Miscellaneous operating revenues for the Airport Enterprise Fund declined by \$3.2 million in current year due to the reimbursement based grant revenue expended in previous fiscal year as well as one-time revenues of \$1.0 million, related to land and easement exchange with the General Fund, recognized in the prior fiscal year. During current fiscal year the Sewer Enterprise Fund received \$1.6 million less in connection fee revenue compared to the prior fiscal year.

Program expenses decreased \$5.4 million to a total of \$42.8 million in current year. Largest decline of \$4.0 million was for the Sewer Enterprise Fund which is caused by reduced repair and maintenance cost and allocation of the internal service funds' change in net position for the current year. The program expenses for the Airport Enterprise Fund were decreased by approximately \$1.8 million which was primarily due to completion of Runway Overlay Capital Project in the prior year.

General revenues decreased by \$0.5 million from the prior fiscal year due to change in the equity share in JPA- LAVWMA. Net transfers increased expenses by \$0.3 million.

The City's Fund Financial Statements

Table 6 below summarizes Governmental Activity and balances at the fund level:

**Table 6
Financial Highlights at Fund Level at June 30
(in Millions)**

	<u>2014</u>	<u>2013</u>
Governmental Funds		
Total assets	\$ 115.3	\$ 111.9
Total liabilities	16.1	14.2
Total deferred inflows	10.7	10.1
Total fund balances	88.5	87.6
Total revenues	108.2	114.2
Total expenditures	107.5	118.7
Total other financing sources (uses) and special items	0.2	6.2

At June 30, 2014, the City's governmental funds reported combined fund balances of \$88.5 million, an increase of \$0.9 million from the prior year ending fund balance of \$87.6 million.

Both the expenses and revenues declined in the current fiscal year. Governmental fund revenues shrank \$6.0 million to \$108.2 million in this fiscal year while expenditures shrank \$11.2 million to a total of \$107.5 million. This fluctuation was caused by one time revenues and expenditures differing from year to year. In particular, expenditures in the prior fiscal year included \$4.3 million in one-time capital expenditures related to land and easement swaps with the Airport Enterprise Fund and \$5.5 million to record an allowance for doubtful loan receivable from the Livermore Successor Agency.



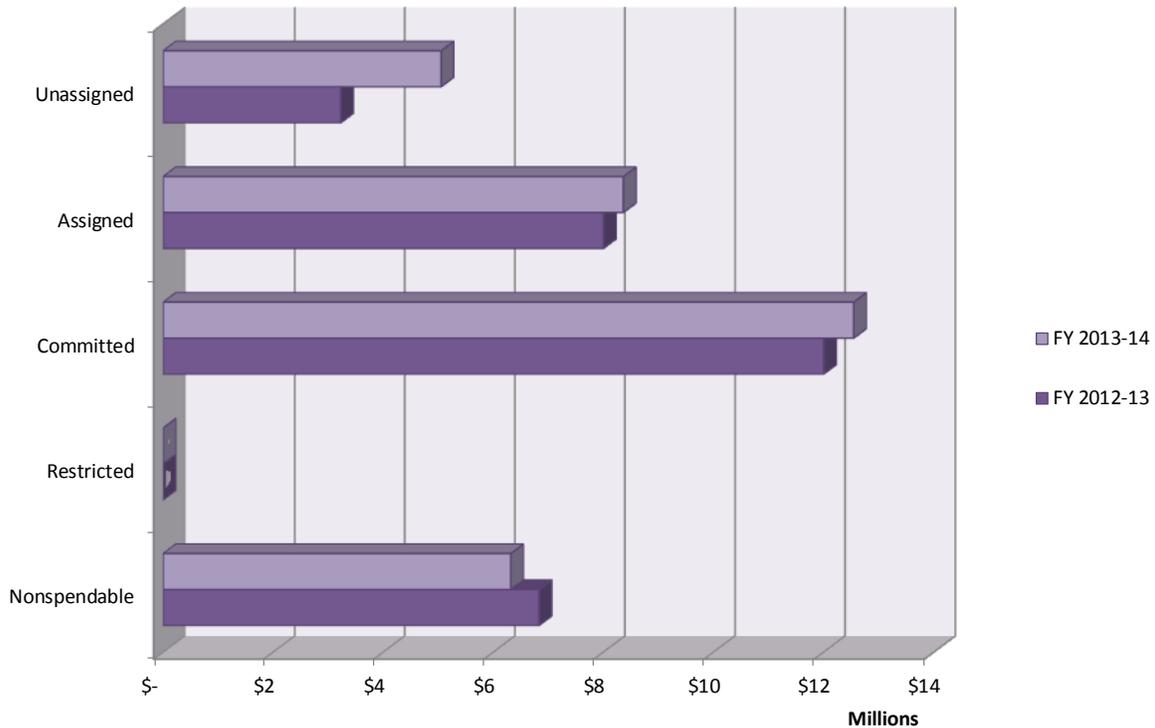
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Analyses of Major Governmental Funds

General Fund

The general fund is the chief operating fund of the City of Livermore. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5.1 million, while total fund balance increased to \$32.3 million. As a measure of the general fund liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 6.3% of total general fund expenditures, while total fund balance represents approximately 40.5% of the same amount.

General Fund Components of Fund Balance FY 2013-14



The general fund revenues were \$84.5 million in the fiscal year 2013-14, down \$2.9 million from the prior fiscal year. Increases came from Property tax, Sales tax, other taxes, Intergovernmental, Fines and forfeitures, and Use of money and property categories while decreases came from license and permits, charges for current services, and miscellaneous revenues.

Sales tax revenue grew by \$1.5 million from \$23.7 million in Fiscal Year 2012-13 to \$25.2 million in Fiscal Year 2013-14. The City anticipated some of this increase due to a full year of Livermore Premium Outlet compared to about half a year for the prior fiscal year and opening of new Toyota dealership and other new businesses. However, improved consumer spending in all economic segments also contributed to the overall increase.



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Use of money and property increased by \$1.5 million as a result of the fair market value gain in current fiscal year compared to a fair market value loss in the prior fiscal year.

Property tax revenues had a modest increase of \$0.4 million which is attributed to the strengthening of the housing market and recapture of reduction in the property assessment. Other taxes, which include business license tax and Transient Occupancy Tax, also increased \$0.4 million from \$11.5 million in the prior fiscal year to \$11.9 million in the current fiscal year. This change is attributed to the growth in Transient Occupancy Tax because of the increased development happening in the City resulting in greater construction workers' night stay. License and permits revenue amounted to \$2.0 million in the fiscal year 2013-14, a decline of \$0.8 million from the prior year. This change was due to the construction of Phase I of the Livermore Premium Outlets in FY 2013. Charges for services also decreased in the current fiscal year by \$0.3 million due to a decreased level of building permits inspections.

Miscellaneous revenues saw a significant decline of \$5.8 million compared to the prior fiscal year. This fluctuation is due to one-time revenue recognition in the prior fiscal year comprising of \$3.3 million credits given by the Airport Enterprise Fund for the land and easement swaps, \$1.8 million sales tax settlement with another City, \$0.5 million property tax administrative fee settlement with Alameda County, and \$0.5 million Waste Management settlement.

General Fund expenditures were \$79.7 million, an increase of \$1.9 million or 2.4% from the prior fiscal year. Two main reasons for this change were larger contributions towards Other Post-Employment Benefits (OPEB) costs and increase in workers compensations costs. During the recession the City chose not to budget the full amounts needed to finance the future liabilities arising from other post-employment benefits and workers compensation claims. Largest increase in the current year expenditure was for the Police which saw an increase of \$2.8 million compared to the prior year. Expenditures for Fire, and Community & Economic Development grew by \$0.8 million and \$0.7 million respectively while the expenditures for Administrative Services, Public Works, and City Manager grew by \$0.5 million each. Capital expenditures in current fiscal year declined by \$4.3 million compared to those in the prior fiscal year due to the capital expenditures related to the land and easement swaps with the Airport Enterprise Fund in the fiscal year 2012-13.



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The following table shows the budgetary variances between the original two-year budget approved in June 2012 versus the final amended budget for fiscal year 2013-14 that was approved on June 10, 2014 and reflects the change in economic expectations between the two time periods.

**Table 7
General Fund Budgetary Variance Analysis**

	Original Budget Adopted		Final Budget Adopted		Variance Final Budget to Original Budget	
	June 11, 2012	June 10, 2014	June 11, 2012	June 10, 2014	Positive/ (Negative)	%
Revenues:						
Property taxes	\$ 23,115,000	\$ 25,281,050	\$ 2,166,050		9.37%	
Sales taxes	21,736,740	25,250,000	3,513,260		16.16%	
Other taxes	10,368,220	11,612,600	1,244,380		12.00%	
Licenses and permits	2,168,000	2,059,000	(109,000)		-5.03%	
Intergovernmental	6,840,850	7,318,850	478,000		6.99%	
Contributions from outside sources	280,000	38,000	(242,000)		-86.43%	
Fines and forfeitures	675,000	375,000	(300,000)		-44.44%	
Other in lieu taxes	7,800	7,800	-		0.00%	
Charges for current services	7,897,500	8,994,590	1,097,090		13.89%	
Use of money and property	2,741,000	2,380,445	(360,555)		-13.15%	
Miscellaneous	291,050	631,200	340,150		116.87%	
Totals	76,121,160	83,948,535	7,827,375		10.28%	
Expenditures:						
General Government:						
City Council	\$ 184,225	\$ 152,828	\$ 31,397		17.04%	
City Manager	1,130,695	1,502,582	(371,887)		-32.89%	
City Attorney	1,211,170	1,032,453	178,717		14.76%	
City Clerk	924,280	577,296	346,984		37.54%	
Administrative Services	3,040,195	3,241,127	(200,932)		-6.61%	
General Services	5,552,827	10,293,395	(4,740,568)		-85.37%	
Fire	13,966,276	15,209,252	(1,242,976)		-8.90%	
Police	25,922,230	26,685,856	(763,626)		-2.95%	
Public Works	5,129,030	5,951,919	(822,889)		-16.04%	
Community & Economic Development	11,565,538	12,253,584	(688,046)		-5.95%	
Library	3,941,384	3,690,004	251,380		6.38%	
Capital projects	549,000	976,618	(427,618)		-77.89%	
Totals	73,116,850	81,566,914	(8,450,064)		-11.56%	



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The following table shows the original budget adopted on June 11, 2012 and the final amended budget adopted on June 10, 2014 and the actual results as of June 30, 2014. The variances computed are between the final budget and actual results. Overall revenues had a net positive variance of \$0.5 million and expenditures had a net positive variance of \$1.9 million. The largest contributor to the variance was Use of Money and Property budgeted which came better than the budgeted amount due to the fair market value gain for the investments at June 30, 2014. Property taxes were \$0.8 million lower than the budgeted amount. As to expenditures, the largest positive variance of \$4.2 million was in General Services while the largest negative variance of \$2.0 million was in Police expenditures. Main reason for this variance was due to the fact that the OPEB contributions were budgeted under the General Services while the actual expenditures were allocated to the functions where the employees' payroll was charged.

**Table 8
General Fund Budgetary and Actual Variance Analysis**

	Original Budget Adopted June 11, 2012	Final Budget Adopted June 10, 2014	Actual	Variance Final Budget to Actual Positive/ (Negative)	Variance Final Budget to Actual (%)
Revenues:					
Property taxes	\$ 23,115,000	\$ 25,281,050	\$ 24,512,860	\$ (768,190)	-3.04%
Sales taxes	21,736,740	25,250,000	25,159,952	(90,048)	-0.36%
Other taxes	10,368,220	11,612,600	11,851,656	239,056	2.06%
Licenses and permits	2,168,000	2,059,000	2,020,956	(38,044)	-1.85%
Intergovernmental	6,840,850	7,318,850	7,320,808	1,958	0.03%
Contributions from outside sources	280,000	38,000	44,965	6,965	18.33%
Fines and forfeitures	675,000	375,000	442,101	67,101	17.89%
Other in lieu taxes	7,800	7,800	7,924	124	1.59%
Charges for current services	7,897,500	8,994,590	9,461,339	466,749	5.19%
Use of money and property	2,741,000	2,380,445	2,931,119	550,674	23.13%
Miscellaneous	291,050	631,200	704,799	73,599	11.66%
Totals	<u>76,121,160</u>	<u>83,948,535</u>	<u>84,458,479</u>	<u>509,944</u>	<u>0.61%</u>
Expenditures:					
General Government:					
City Council	184,225	152,828	147,776	5,052	3.3%
City Manager	1,130,695	1,502,582	1,626,691	(124,109)	-8.3%
City Attorney	1,211,170	1,032,453	1,195,997	(163,544)	-15.8%
City Clerk	924,280	577,296	639,229	(61,933)	-10.7%
Administrative Services	3,040,195	3,241,127	3,505,934	(264,807)	-8.2%
General Services	5,552,827	10,293,395	6,076,617	4,216,778	41.0%
Fire	13,966,276	15,209,252	15,293,516	(84,264)	-0.6%
Police	25,922,230	26,685,856	28,653,910	(1,968,054)	-7.4%
Public Works	5,129,030	5,951,919	5,390,415	561,504	9.4%
Community & Economic Development	11,565,538	12,253,584	12,519,119	(265,535)	-2.2%
Library	3,941,384	3,690,004	4,294,522	(604,518)	-16.4%
Capital projects	549,000	976,618	364,811	611,807	62.6%
Totals	<u>73,116,850</u>	<u>81,566,914</u>	<u>79,708,537</u>	<u>1,858,377</u>	<u>2.3%</u>



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Isabel Parkway

This fund is the capital project fund for the Isabel/I-580 Interchange project. This project is constructing a new interchange on I-580 at the future Isabel Avenue/Route 84 extension. During fiscal 2014, capital expenditures amounted to \$1.8 million.

Revenue sources for this fund are Federal, State and local grants, Measure B funds, and Developer Impact Fees.

El Charro

This fund is the capital project fund for the El Charro Specific Infrastructure Plan. This project will design and construct public infrastructure to serve the El Charro Specific Plan Area. During fiscal 2014 capital expenditures amounted to \$3.0 million. Revenue sources for this fund include: the Water Fund, Storm Drain Fund, Traffic Impact Fee Fund, LCPFA 2008 and 2011 COP Construction Funds; financing from outside agencies including, Alameda County Zone 7 Water Agency, Alameda County Transportation Commission grant funds, State grant funds, City of Pleasanton and private developers.

Developer Deposits

This fund accounts for performance deposits from developers, which are held on their behalf. Funds are returned if developers perform required provisions under agreements with the City. Funds used by the City to complete required provisions are recorded as revenues in other funds to the extent used. As of June 30, 2014 the City held \$2.2 million in unearned revenues and performance deposits on behalf of developers.

LCPFA 2011 COP Construction Fund

This fund accounts for the bond proceeds from the LCPFA 2011 COP debt issue. The bond proceeds are expended for the construction of certain City capital projects. As of June 30, 2014 \$1.3 million of bond proceeds were held by the fiscal agent.

Other Governmental Funds

These funds are not presented separately in the Basic Financial statements, but are individually presented as Supplemental Information.



Comprehensive Annual Financial Report FY 2013-2014

Analysis of Major Business-type Activities – Enterprise Funds

Airport Fund

Airport Fund operating income decreased by \$1.3 million to \$0.1 million in fiscal year 2014 compared to \$1.4 million in the prior fiscal year. This is caused by a decrease of \$2.7 million in operating revenues offset with a decrease of \$1.4 million in the Operating expenses. Sales revenues were \$4.0 million, an increase of \$0.5 million, from the prior year level of \$3.5 million. Miscellaneous revenues declined \$3.2 million. This is primarily due to the operating grants of \$2.1 million from the Federal Aviation Agency and one-time revenue of approximately \$1.0 million related to the land and easement swaps with the general fund recognized in the fiscal year 2012-13. Largest decline of \$1.9 million was in the operating expense category of repair and maintenance offset with a slight increase of \$0.4 million in cost of sales, salaries and benefits. Repair and maintenance were higher in the prior fiscal year due to Runway Overlay project.

Water Fund

Water Fund change in net position was \$1.3 million, a decrease of \$0.6 million from the prior year largely because of \$0.9 million of property conveyed by the developers in the fiscal year 2012-13. Water Fund operating income remained stable with a slight increase of \$0.1 million as compared to the previous fiscal year. Operating revenues increased by \$0.3 million in fiscal 2014. The increase is primarily due to higher water rates related to drought.

Sewer Fund

Sewer Fund operating loss amounted to \$4.3 million in fiscal 2014, down from \$6.2 million in fiscal 2013. Operating revenues amounted to \$18.7 million in fiscal 2014, up from \$18.5 million in 2013. Operating expenses decreased \$1.7 million to \$23.0 million from \$24.7 million. This is primarily the result of a decrease of \$1.8 million in repair and maintenance as the Sewer Trunk-line Replacement Project was completed in FY 2012-13.

Net Non-Operating revenues decreased to \$1.2 million in fiscal 2014 from \$2.3 million in fiscal 2013. This is attributed primarily to the reduction in the connection fee offset with an increase in the investment income. The decline on connection fee is due to timing of the collection of major developments fees. Connection fees collected in fiscal 2013 were higher than normal due to fees from major developments such as Paragon and 24 hour fitness while Connection fees collected in fiscal 2014 represent average conditions due to mainly residential development. Investment income in current fiscal year increased largely because of the fair market value gain compared to the fair market value loss in the prior fiscal year.

Another significant change of \$1.6 million was a decrease in the contributions revenues from \$1.8 million in the prior fiscal year down to \$0.2 million in the current year related to property conveyed by developers.

Las Positas Golf Course Fund

The Las Positas Golf Course Fund suffered a net operating loss of \$0.2 million compared to an operating gain of \$0.3 million in fiscal 2013. While operating revenues only showed a small gain of \$0.2 million; operating expenses increased by a wider margin of \$0.7 million from the previous fiscal year. Both of these increases were related to the new management contract with the golf course operators taking effect in January 2013 according to which the City now directly earns all revenues generated by the golf course and the Golf Pro Shop in return for full City reimbursement of direct expenses and payment of a management fee to the operators. In the current year the City recognized a full year of revenues and expenses under these new contractual arrangements compared to only half a year in FY 2012-13.



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FY 2013-2014**

Springtown Golf Course Fund

In fiscal 2010, the City leased the Springtown Golf Course to a private operator to operate the facility independently. The operator will pay the City \$6,000 per year in rent.

The Springtown Golf Course Fund had a small operating loss of \$27,000 for the current year. Operating revenues experienced an increase of \$5,000 compared to the prior fiscal year. At the same time operating expenses almost doubled from the prior year to \$38,000 in current year due to contract services expense associated with subsidizing the private lessee's operations.

(D) Capital Assets

GASB 34 requires the City to record all its capital assets including infrastructure. Infrastructure includes roads, bridges, signals and similar assets used by the entire population. The City depreciates all its capital assets over their estimated useful lives, as required by GASB 34. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users.

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounts to \$503.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads, highways, and the water treatment plant. The total in capital assets for the current fiscal year dropped approximately 1.3%.

At the end of fiscal 2014 the cost of capital assets recorded on the City's financial statements was as shown in Table 9 below:

**Table 9
Capital Assets at Year-end
(in Millions)**

	<u>2014</u>	<u>2013</u>
<i>Governmental Activities</i>		
Land	\$ 37.2	\$ 36.1
Construction in progress	46.9	55.2
Buildings	97.9	97.9
Equipment	17.7	17.5
Infrastructure	302.1	298.4
Internal service fund equipment and vehicles	25.2	12.8
Less accumulated depreciation	<u>(176.7)</u>	<u>(165.7)</u>
Totals	<u>\$ 350.3</u>	<u>\$ 352.2</u>
<i>Business-type Activities</i>		
Land	\$ 14.2	\$ 14.2
Construction in progress	6.4	4.3
Land Improvements	0.6	0.6
Buildings	22.2	22.2
Equipment and vehicles	3.5	2.9
Golf Course Infrastructure	7.3	7.3
Sewer Infrastructure	224.9	224.7
Water Infrastructure	44.2	44.2
Airport Infrastructure	11.6	11.1
Less accumulated depreciation	<u>(182.0)</u>	<u>(173.8)</u>
Totals	<u>\$ 152.9</u>	<u>\$ 157.7</u>



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Major capital asset events during the current fiscal year included the following:

- The El Charro Specific Plan Phase II began in FY 2013-14 and added \$3.0 million of costs for construction in progress.
- The Energy Saving Project was completed and placed in service during the current year. The total construction costs of \$12.7 million included \$12.3 million for Internal Service Funds and 0.4 million in Airport Funds.
- The New Airport administration building added \$2.2 million to construction in progress costs.
- The East Avenue realignment project continues, adding \$1.2 million to construction in progress.
- New Golf Course Maintenance equipment capital lease for \$0.4 million began in January of 2014.

Additional information on capital assets may be found in Note 6 on pages 80-83 of this report.

(E) Debt Administration

Each of the City's debt issues is discussed in detail in Note 7 to the financial statements. At June 30, 2014 and 2013 the City's debt comprised:

**Table 10
Outstanding Debt
(in Millions)**

	2014	2013
Governmental Activity Debt:		
Certificates of Participation	\$ 58.4	\$ 61.5
Notes payable	4.8	10.2
Capital Leases	12.7	13.5
Totals	\$ 75.9	\$ 85.2
Business-type Activity Debt:		
Certificates of Participation	\$ 15.6	\$ 16.6
State Water Reclamation Loans	-	0.8
Airport Capital Lease	0.5	0.5
Golf Capital Lease	0.4	-
Totals	\$ 16.5	\$ 17.9

In fiscal 2014, Governmental activities debt decreased \$9.3 million largely due to the full payment of \$5.3 million of two California Housing Finance Agency Notes Payable as well as schedule debt service payments on the other debt. Business type activity debt decreased \$1.4 million for scheduled retirements offset with an increase of \$0.4 million in Capital lease financing to purchase Golf Maintenance Equipment.

(F) Special Assessment and Mello-Roos District Debt

Special assessment and Mello-Roos districts in different parts of the City have issued tax-exempt debt to finance the construction of public improvements entirely in those districts. At June 30, 2014, a total of \$48.8 million in special assessment district debt was outstanding, issued by four special assessment districts. This debt is secured only by special assessments on the real property in the district issuing the debt, and is not the City's responsibility. The City does act as these Districts' agent in the collection and remittance of assessments, and in the management of facilities construction. Further detail on these districts may be found in Note 8 to the financial statements.



Comprehensive Annual Financial Report FY 2013-2014

(G) Economic Factors and Outlook

The economic factors of the City are discussed in detail in the accompanying Transmittal Letter.

The City Council adopted a conservative and balanced budget for Fiscal Year 2014-15 which adheres to the goals of the City Council as well as the highest priorities of the City residents. FY 2014-15 Financial Plan includes increased funding for the Capital Improvement Plan (CIP), fleet replacement, facilities rehabilitation, Information Technology (IT), and other post-employment benefits (OPEB) which were purposefully underfunded during the economic downturn. The City continues to hold the line on City staff FTEs with the exception of an additional position for a Supervising Dispatcher in the Police Department.

Although the City increased its contribution towards annual OPEB cost in the current fiscal year, the unfunded liability remains over \$100 million. OPEB is a complex and difficult issue that cannot be solved unilaterally. As such the City is in process of developing and implementing a comprehensive strategy to address this situation.

The City expects retirement costs to increase substantially because of the recent decision by the California Public Employees' Retirement System (CalPERS) to change their amortization and smoothing policy. The new policy requires all gains and losses to be paid over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period, as opposed to the current policy which spread investment returns over a 15-year period with gains and losses paid over a rolling 30-year period. The new amortization and smoothing policy will be used for the first time in the June 30, 2013 actuarial valuations that will set employer contribution rates for the fiscal year 2015-16. The Government Accounting Standards Board (GASB) has released new pronouncement (GASB Statements No. 68) to bring public pension accounting more in line with the private sector rules. The City will be implementing the provisions of GASB Statement No. 68 in next fiscal year which will require the City to recognize a liability equal to the net pension liability in its government-wide financial statements. Currently pension liabilities are only disclosed in the notes section of the audited financial statements.

On the revenue side, the City is expecting property and sales tax base to grow further with the expansion of retail opportunities in Livermore. Phase II of the Livermore Premium Outlets is currently undergoing a 200,000 square feet expansion that will add 52 new retail stores. Phase II is expected to be opened in May 2015. Another retail center, "The Shoppes at Livermore" just south of the Livermore Premium Outlets are under construction. This center would add approximately 31 retail stores and several restaurants. The Shoppes at Livermore is expected to open in fall of 2015.

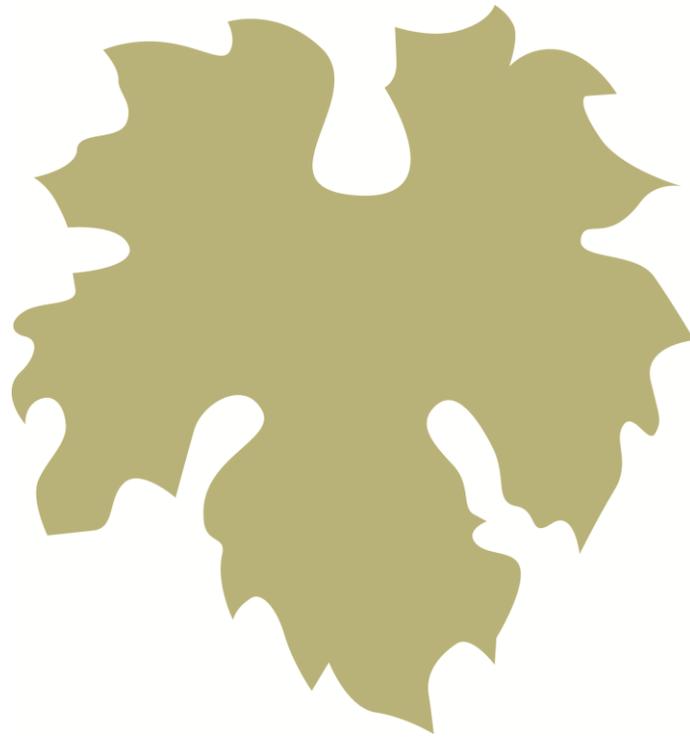
The recovery of the economy continues to have a positive impact on the City's fiscal outlook and although development and tax revenues are expected to grow, the City plans to remain fiscally conservative in regards to future forecasts in case the economic growth stalls or falters. Several factors including drought, unfunded pension, other post-employment benefits (OPEB) liabilities, and implementing the Affordable Care Act continue to cause concern about the sustainability of its fiscal health.

(H) Requests for Information

The Comprehensive Annual Financial Report is intended to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Administrative Services Director, 1052 South Livermore Avenue, Livermore, CA 94550-4899.



**Comprehensive Annual Financial Report
FY 2013-2014**





Comprehensive Annual Financial Report FY 2013-2014

Government-Wide Financial Statements Statement of Net Position and Activities

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all of the City's assets, deferred outflows, liabilities, and deferred inflows as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the City's total assets, liabilities, and deferred inflows/outflows of resources including all the City's capital assets and all its long-term debt. The Statement of Net Position presents similar information in a way that focuses the reader on the composition of the City's Net Position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources.

The Statement of Net Position summarizes the financial position of the entire City's Governmental Activities in a single column, and the financial position of the entire City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, measurable and available revenues, and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City as well as the Livermore Capital Projects Financing Authority, which is a legally separate but are component units of the City because it is controlled by the City, which is financially accountable for its activities.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.



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STATEMENT OF NET POSITION JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury (Note 3)	\$ 94,168,487	\$ 80,130,252	\$ 174,298,739
Cash and investments with Trustees (Note 3)	4,793,165	4,218,032	9,011,197
Accounts receivables, net	8,803,723	2,948,044	11,751,767
Interest receivable	381,321		381,321
Inventory	311,653	182,308	493,961
Internal balances (Note 4D)	(903,343)	903,343	-
Prepays, deposits and supplies	731,692	579	732,271
Notes receivable (Note 5)	14,214,819	-	14,214,819
Investment in JPA - LAVWMA (Note 12A)	-	16,396,831	16,396,831
Land held for redevelopment (Note 1J)	2,292,006	-	2,292,006
Land and construction in progress (Note 6)	84,057,037	21,231,174	105,288,211
Capital assets, net of accumulated depreciation (Note 6)	266,293,230	131,558,973	397,852,203
Total Assets	475,143,790	257,569,536	732,713,326
LIABILITIES			
Accounts payable and other accruals	4,456,644	1,610,111	6,066,755
Accrued payroll	1,742,657	324,448	2,067,105
Interest payable	1,141,018	93,458	1,234,476
Deposit payable and unearned revenue	4,806,528	481,577	5,288,105
Claims payable (Note 13B)			
Due within one year	1,130,000	-	1,130,000
Due in more than one year	3,495,530	-	3,495,530
Accrued compensated absences (Note 1G):			
Due within one year	959,223	176,275	1,135,498
Due in more than one year	1,500,889	248,169	1,749,058
Net OPEB obligation (Note 10)	30,526,549	-	30,526,549
Long-term debt (Note 7):			
Due within one year	6,276,206	1,118,837	7,395,043
Due in more than one year	69,549,409	15,317,619	84,867,028
Total Liabilities	125,584,653	19,370,494	144,955,147
NET POSITION (Note 9)			
Net investment in capital assets	279,947,761	140,571,723	420,519,484
Restricted:			
Capital projects	11,990,351	-	11,990,351
Debt service	849,510	-	849,510
Special assessment administration	6,678,042	-	6,678,042
Special revenue programs			
Solid waste	928,561	-	928,561
City street sweeping	268,081	-	268,081
Park fee	3,144,512	-	3,144,512
Impact fee	6,580,027	-	6,580,027
Grants	2,685,247	-	2,685,247
Other Special revenues	5,009,483	-	5,009,483
Unrestricted	31,477,562	97,627,319	129,104,881
Total Net Position	\$ 349,559,137	\$ 238,199,042	\$ 587,758,179

See accompanying notes to financial statements



Comprehensive Annual Financial Report FY 2013-2014

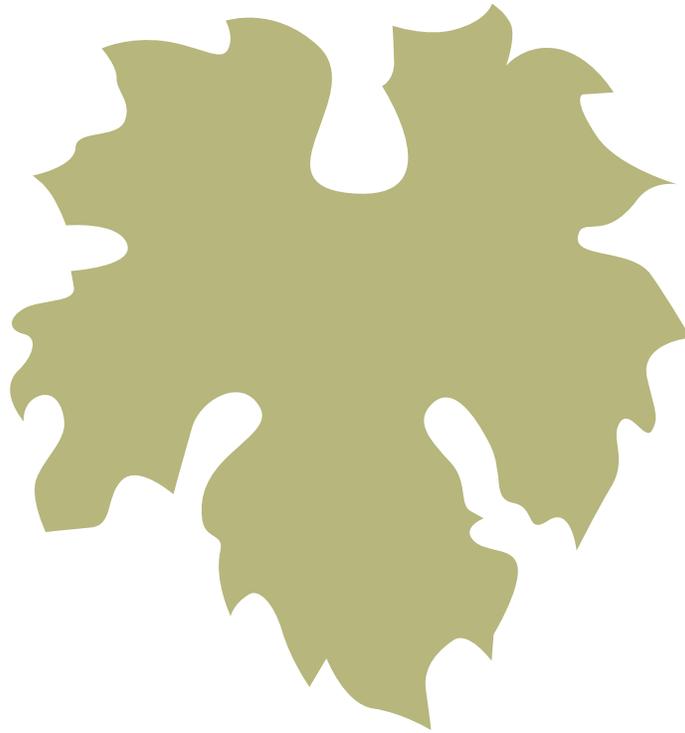
STATEMENT OF ACTIVITIES

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General Government	\$ 12,589,567	\$ 774,339	\$ 170,617	\$ -	\$ (11,644,611)	\$ -	\$ (11,644,611)
Fire	15,368,561	1,714,973	-	-	(13,653,588)	-	(13,653,588)
Police	31,092,970	1,340,240	927,154	-	(28,825,576)	-	(28,825,576)
Public Works	14,383,488	178,263	268,223	-	(13,937,002)	-	(13,937,002)
Community Development	23,528,766	10,414,752	8,238,005	8,435,777	3,559,768	-	3,559,768
Library	5,052,341	147,543	61,803	-	(4,842,995)	-	(4,842,995)
Interest on long term debt	1,142,866	-	-	-	(1,142,866)	-	(1,142,866)
	<u>103,158,559</u>	<u>14,570,110</u>	<u>9,665,802</u>	<u>8,435,777</u>	<u>(70,486,870)</u>	<u>-</u>	<u>(70,486,870)</u>
Business-type Activities:							
Airport	6,336,579	6,925,128	-	204,966	-	793,515	793,515
Water	11,408,389	12,523,886	-	555,869	-	1,671,366	1,671,366
Sewer	21,614,437	18,822,193	-	1,359,645	-	(1,432,599)	(1,432,599)
Las Positas Golf Course	3,492,698	3,259,879	-	-	-	(232,819)	(232,819)
Springtown Golf Course	38,399	11,392	-	-	-	(27,007)	(27,007)
	<u>42,890,502</u>	<u>41,542,478</u>	<u>-</u>	<u>2,120,480</u>	<u>-</u>	<u>772,456</u>	<u>772,456</u>
Total	<u>\$ 146,049,061</u>	<u>\$ 56,112,588</u>	<u>\$ 9,665,802</u>	<u>\$ 10,556,257</u>	<u>(70,486,870)</u>	<u>772,456</u>	<u>(69,714,414)</u>
General revenues:							
Property taxes					24,721,318	-	24,721,318
Sales taxes					25,159,952	-	25,159,952
Business license taxes					4,242,676	-	4,242,676
Transient occupancy and franchise taxes					7,616,904	-	7,616,904
Intergovernmental, unrestricted					6,055,370	-	6,055,370
Interest					1,336,195	254,165	1,590,360
Miscellaneous					7,366,432	27,543	7,393,975
Change of value of investment in JPA - LAVWMA					-	(232,754)	(232,754)
Transfers, net (Note 4B)					328,427	(328,427)	-
Total general revenues and transfers					<u>76,827,274</u>	<u>(279,473)</u>	<u>76,547,801</u>
Change in Net Position					<u>6,340,404</u>	<u>492,983</u>	<u>6,833,387</u>
Net Position-Beginning					<u>343,218,733</u>	<u>237,706,059</u>	<u>580,924,792</u>
Net Position-Ending					<u>\$ 349,559,137</u>	<u>\$ 238,199,042</u>	<u>\$ 587,758,179</u>

See accompanying notes to financial statements



**Comprehensive Annual Financial Report
FY 2013-2014**





Comprehensive Annual Financial Report FY 2013-2014

Fund Financial Statements

Only individual major funds are presented in the Fund Financial Statements, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

The funds described below were determined to be Major Governmental Funds by the City for the fiscal year ending on June 30, 2014. Individual non-major governmental funds may be found in the Supplemental Section.

GENERAL FUND

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds, and the related expenditures.

ISABEL AVENUE CAPITAL PROJECTS

Established to account for the construction of new interchange on I-580 at Isabel Avenue/ Route 84 Extension. Financing is provided by Other Local, State and Federal Grant Funds, Alameda County Transportation Fund, and developer impact fees.

EL CHARRO SPECIFIC PLAN CAPITAL PROJECTS

Established to account for the design and construction of the public infrastructure to serve the El Charro Specific Plan Area. Financing is provided by the Water Enterprise Fund, Storm Drain Fund, Traffic Impact Fee Fund, LCPFA 2008 and 2011 COPs Construction Funds, Alameda County Zone 7 Water Agency, Alameda County Transportation Commission Grant Funds, State grants, City of Pleasanton, and development impact fees collected.

DEVELOPER DEPOSITS CAPITAL PROJECTS

Established to account for developer fees received pursuant to development agreements, performance deposits, public park improvement fees and transportation development fees collected.

LCPFA 2011 COP CONSTRUCTION FUND

Established to account for the 2011 COP bond proceeds expended on eligible projects.



**Comprehensive Annual Financial Report
FY 2013-2014**

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014**

	<u>General</u>	<u>Isabel Avenue</u>	<u>El Charro Specific Plan</u>
ASSETS			
Cash and investments in City Treasury (Note 3)	\$ 22,892,110	\$ -	\$ 4,863,573
Cash and investments with Trustees (Note 3)	-	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	6,259,365	410,087	500,000
Interest receivable	381,321	-	-
Due from other funds (Note 4A)	148,234	-	941,221
Advances to other funds (Note 4C)	6,219,033	-	-
Prepays and deposits	98,748	-	-
Notes receivable (Note 5)	475,000	-	-
Land held for redevelopment (Note 1J)	-	-	-
Total Assets	<u><u>\$ 36,473,811</u></u>	<u><u>\$ 410,087</u></u>	<u><u>\$ 6,304,794</u></u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 1,135,894	\$ 749,926	\$ 1,407,437
Accrued payroll and benefits	1,557,747	-	-
Interest payable	-	-	-
Deposit payable	11,628	4,252	67,750
Due to other funds (Note 4A)	-	475,993	-
Advance from other funds (Note 4C)	822,424	-	-
Unearned rents and revenue	47,562	-	1,708,099
Total Liabilities	<u><u>3,575,255</u></u>	<u><u>1,230,171</u></u>	<u><u>3,183,286</u></u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	615,000	410,087	-
Total deferred inflows of resources	<u><u>615,000</u></u>	<u><u>410,087</u></u>	<u><u>-</u></u>
FUND BALANCES (Note 9)			
Nonspendable	\$ 6,317,781	\$ -	\$ -
Restricted	-	-	3,121,508
Committed	12,548,889	-	-
Assigned	8,365,926	-	-
Unassigned	5,050,960	(1,230,171)	-
Total fund balances (deficits)	<u><u>32,283,556</u></u>	<u><u>(1,230,171)</u></u>	<u><u>3,121,508</u></u>
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	<u><u>\$ 36,473,811</u></u>	<u><u>\$ 410,087</u></u>	<u><u>\$ 6,304,794</u></u>

See accompanying notes to financial statements



**Comprehensive Annual Financial Report
FY 2013-2014**

<u>Developer Deposits</u>	<u>LCFPA 2011 COP Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,209,720	\$ -	\$ 48,328,421	\$ 78,293,824
-	1,277,719	2,919,466	4,197,185
-	-	1,334,132	8,503,584
-	-	-	381,321
-	-	-	1,089,455
-	-	-	6,219,033
-	-	3,000	101,748
-	-	13,739,819	14,214,819
-	-	2,292,006	2,292,006
<u>\$ 2,209,720</u>	<u>\$ 1,277,719</u>	<u>\$ 68,616,844</u>	<u>\$ 115,292,975</u>
\$ -	\$ -	\$ 638,948	\$ 3,932,205
-	-	92,530	1,650,277
-	-	7,401	7,401
-	-	376,926	460,556
-	300,000	228,434	1,004,427
-	-	3,887,337	4,709,761
2,209,720	-	367,298	4,332,679
<u>2,209,720</u>	<u>300,000</u>	<u>5,598,874</u>	<u>16,097,306</u>
-	-	9,678,719	10,703,806
-	-	9,678,719	10,703,806
\$ -	\$ -	\$ -	\$ 6,317,781
-	977,719	53,339,799	57,439,026
-	-	-	12,548,889
-	-	-	8,365,926
-	-	(548)	3,820,241
-	977,719	53,339,251	88,491,863
<u>\$ 2,209,720</u>	<u>\$ 1,277,719</u>	<u>\$ 68,616,844</u>	<u>\$ 115,292,975</u>



**Comprehensive Annual Financial Report
FY 2013-2014**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014**

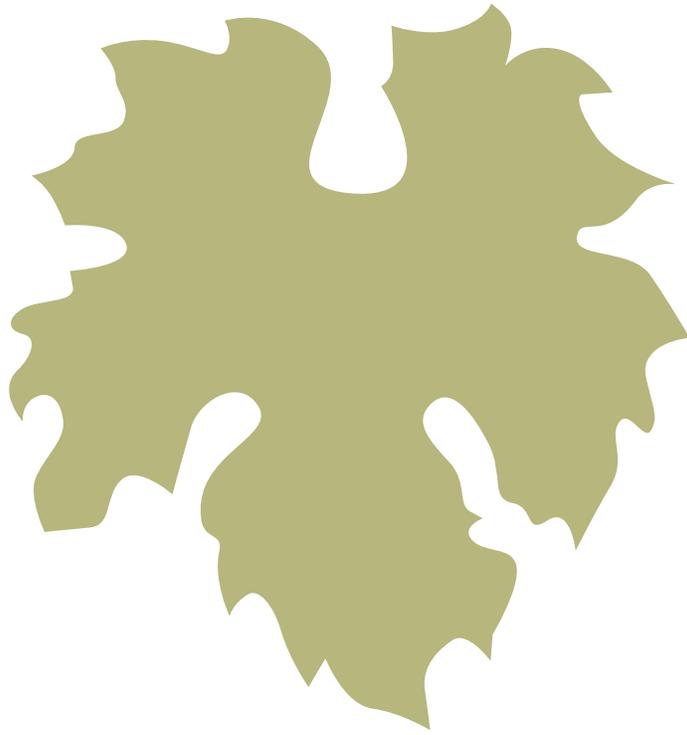
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

Amount reported in the Governmental Balance Sheet as Fund Balance	\$ 88,491,863
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	350,350,267
ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS	
Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The assets and liabilities of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.	
Cash and investments	15,874,663
Cash and investment with trustee	595,980
Accounts receivable	300,139
Inventory	311,653
Internal balances	(2,497,643)
Prepays, deposits and supplies	629,944
Accounts payable and other accruals	(524,439)
Accrued payroll	(92,380)
Interest payable	(11,254)
Deposits payable	(13,293)
Net pension obligation	(30,526,549)
Claims payable	(4,625,530)
Long term debt	(12,654,274)
ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES	
Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	10,703,806
LONG-TERM ASSETS AND LIABILITIES	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:	
Non-current portion of compensated absences	(2,460,112)
Long-term debt	(63,171,341)
Interest payable	<u>(1,122,363)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 349,559,137</u></u>

See accompanying notes to financial statements



**Comprehensive Annual Financial Report
FY 2013-2014**





Comprehensive Annual Financial Report FY 2013-2014

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	General	Isabel Avenue	El Charro Specific Plan
REVENUES			
Taxes and special assessments	\$ 24,512,860	\$ -	\$ -
Sales Taxes	25,159,952	-	-
Other taxes	11,859,580	-	-
Licenses and permits	2,020,956	-	-
Intergovernmental	7,320,808	-	1,017,500
Contributions from outside sources	44,965	-	1,933,088
Fines and forfeitures	442,101	-	-
Charges for current services	9,461,339	259,652	-
Use of money and property	2,931,119	-	-
Miscellaneous	704,799	-	-
	<u>84,458,479</u>	<u>259,652</u>	<u>2,950,588</u>
Total Revenues			
EXPENDITURES			
Current:			
General Government:			
City Council	147,776	-	-
City Manager	1,626,691	-	-
City Attorney	1,195,997	-	-
City Clerk	639,229	-	-
Administrative Services	3,505,934	-	-
General Services	6,076,617	-	-
Fire	15,293,516	-	-
Police	28,653,910	-	-
Public Works	5,390,415	-	-
Community & Economic Development	12,519,119	1,410,244	-
Library	4,294,522	-	-
Capital Outlay:			
Capital projects	364,811	340,033	3,009,508
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<u>79,708,537</u>	<u>1,750,277</u>	<u>3,009,508</u>
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,749,942</u>	<u>(1,490,625)</u>	<u>(58,920)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 4B)	1,667,186	135,431	461,564
Transfers (out) (Note 4B)	(4,201,241)	-	(2,539,182)
	<u>(2,534,055)</u>	<u>135,431</u>	<u>(2,077,618)</u>
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES	2,215,887	(1,355,194)	(2,136,538)
FUND BALANCES (DEFICITS)- BEGINNING	<u>30,067,669</u>	<u>125,023</u>	<u>5,258,046</u>
FUND BALANCES (DEFICITS)- ENDING	<u>\$ 32,283,556</u>	<u>\$ (1,230,171)</u>	<u>\$ 3,121,508</u>

See accompanying notes to financial statements



**Comprehensive Annual Financial Report
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Developer Deposits	LCFPA 2011 COP Construction Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,674,587	\$ 27,187,447
-	-	-	25,159,952
-	-	-	11,859,580
-	-	-	2,020,956
-	-	6,185,121	14,523,429
-	-	1,112,630	3,090,683
-	-	-	442,101
-	-	9,216,552	18,937,543
-	134	513,030	3,444,283
-	-	864,193	1,568,992
-	134	20,566,113	108,234,966
-	-	170,617	318,393
-	-	77,612	1,704,303
-	-	-	1,195,997
-	-	-	639,229
-	-	-	3,505,934
-	-	-	6,076,617
-	-	-	15,293,516
-	-	1,346,963	30,000,873
-	-	868,680	6,259,095
-	-	8,730,766	22,660,129
-	-	75,144	4,369,666
-	-	1,927,627	5,641,979
-	-	8,445,369	8,445,369
-	-	1,414,883	1,414,883
-	-	23,057,661	107,525,983
-	134	(2,491,548)	708,983
-	-	9,368,758	11,632,939
-	(300,000)	(4,408,589)	(11,449,012)
-	(300,000)	4,960,169	183,927
-	(299,866)	2,468,621	892,910
-	1,277,585	50,870,630	87,598,953
\$ -	\$ 977,719	\$ 53,339,251	\$ 88,491,863



**Comprehensive Annual Financial Report
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**RECONCILIATION OF THE NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
WITH STATEMENT OF ACTIVITIES- FOR THE YEAR ENDED JUNE 30, 2014**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 892,910

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay asset addition expenditures are therefore added back to fund balance	5,641,979
Retirements are deducted from fund balance	(11,770)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$679,547 which has already been allocated to internal service funds.)	(10,493,388)

Contributions of infrastructure and improvements by developers are capitalized in the Statement of Activities, but are not recorded in the Fund Statements because no cash changed hands.	935,570
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LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	8,445,369
Amortization of premium on long-term debt	32,245

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Long-term compensated absences	82,086
Interest payable	239,772
Unavailable revenue from loan receivable offset	594,917

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds	2,031,919
Change in Net Position of Internal Service Funds reported with Business-Type Activities	<u>(2,051,205)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 6,340,404</u>
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See accompanying notes to financial statements



**Comprehensive Annual Financial Report
FY 2013-2014**

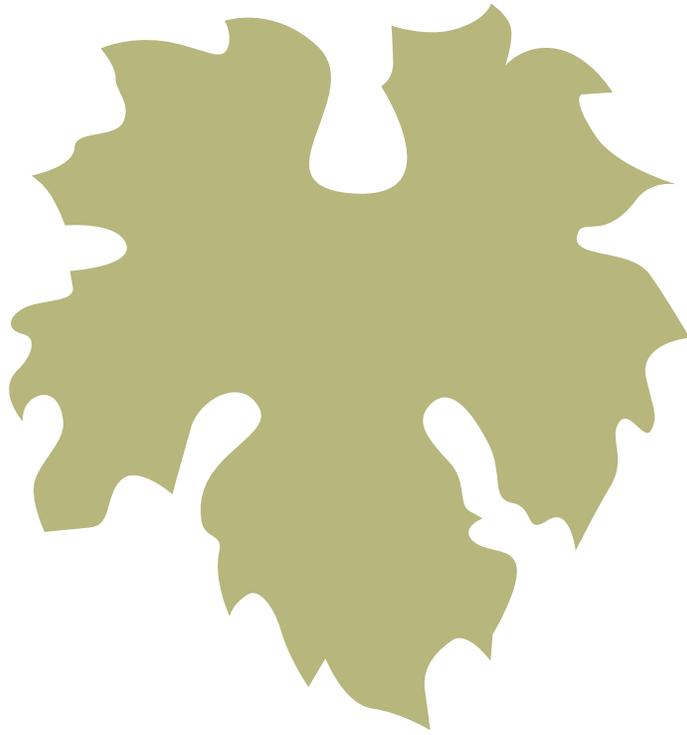
**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 23,115,000	\$ 25,281,050	\$ 24,512,860	\$ (768,190)
Sales taxes	21,736,740	25,250,000	25,159,952	(90,048)
Other taxes	10,368,220	11,612,600	11,851,656	239,056
Licenses and permits	2,168,000	2,059,000	2,020,956	(38,044)
Intergovernmental	6,840,850	7,318,850	7,320,808	1,958
Contributions from outside sources	280,000	38,000	44,965	6,965
Fines and forfeitures	675,000	375,000	442,101	67,101
Other in lieu taxes	7,800	7,800	7,924	124
Charges for current services	7,897,500	8,994,590	9,461,339	466,749
Use of money and property	2,741,000	2,380,445	2,931,119	550,674
Miscellaneous	291,050	631,200	704,799	73,599
	<u>76,121,160</u>	<u>83,948,535</u>	<u>84,458,479</u>	<u>509,944</u>
EXPENDITURES				
Current:				
General Government:				
City Council	184,225	152,828	147,776	5,052
City Manager	1,130,695	1,502,582	1,626,691	(124,109)
City Attorney	1,211,170	1,032,453	1,195,997	(163,544)
City Clerk	924,280	577,296	639,229	(61,933)
Administrative Services	3,040,195	3,241,127	3,505,934	(264,807)
General Services	5,552,827	10,293,395	6,076,617	4,216,778
Fire	13,966,276	15,209,252	15,293,516	(84,264)
Police	25,922,230	26,685,856	28,653,910	(1,968,054)
Public Works	5,129,030	5,951,919	5,390,415	561,504
Community & Economic Development	11,565,538	12,253,584	12,519,119	(265,535)
Library	3,941,384	3,690,004	4,294,522	(604,518)
Capital Outlay:				-
Capital projects	549,000	976,618	364,811	611,807
	<u>73,116,850</u>	<u>81,566,914</u>	<u>79,708,537</u>	<u>1,858,377</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,714,460	1,721,345	1,667,186	(54,159)
Transfers (out)	(4,436,680)	(4,020,654)	(4,201,241)	(180,587)
	<u>(2,722,220)</u>	<u>(2,299,309)</u>	<u>(2,534,055)</u>	<u>(234,746)</u>
Net change in fund balance	282,090	82,312	2,215,887	\$ <u>2,133,575</u>
Fund balance-beginning	<u>30,067,669</u>	<u>30,067,669</u>	<u>30,067,669</u>	
Fund balance-ending	<u>\$ 30,349,759</u>	<u>\$ 30,149,981</u>	<u>\$ 32,283,556</u>	

See accompanying notes to financial statements



**Comprehensive Annual Financial Report
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Proprietary Funds

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal 2014.

AIRPORT FUND

Established to account for the operations of the Livermore Municipal Airport.

WATER FUND

Established to account for the operations of the self-supporting municipal water service. Services are rendered on a user charge basis and impact fees are collected for future water storage needs.

SEWER FUND

Established to account for operations of the self-supporting wastewater disposal plant, the export pipeline, impact fees collected for sewer connections, and urban runoff fees.

GOLF COURSES (LAS POSITAS AND SPRINGTOWN)

Established to account for operations of the two golf courses in Livermore.



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PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2014

	Business-Type Activities-Enterprise Funds			
	Airport	Water	Sewer	Las Positas Golf Course
ASSETS				
Current Assets:				
Cash and investments in City Treasury (Note 3)	\$ 1,417,907	\$ 20,241,737	\$ 57,288,207	\$ 1,182,401
Cash and investments with Trustees (Note 3)	4,218,031	1	-	-
Accounts receivables (net of allowable for uncollectibles)	416,596	1,887,357	586,253	46,441
Inventory	94,283	-	-	88,025
Prepays, deposits and supplies	579	-	-	-
Total current assets	6,147,396	22,129,095	57,874,460	1,316,867
Noncurrent Assets:				
Investment in JPA-LAVVMA (Note 12A)	-	-	16,396,831	-
Advances to other funds	822,424	1,164,503	1,235,639	-
Land and construction in progress (Note 6)	17,238,240	128,049	3,085,676	725,484
Capital assets, net of accumulated depreciation (Note 6)	3,561,634	28,844,273	94,778,170	4,207,324
Total noncurrent assets	21,622,298	30,136,825	115,496,316	4,932,808
Total assets	27,769,694	52,265,920	173,370,776	6,249,675
LIABILITIES				
Current Liabilities:				
Accounts payable and other accruals	563,164	621,571	212,347	213,029
Accrued payroll and benefits	43,747	56,900	220,600	3,201
Interest payable	84,391	8,439	-	628
Accrued compensated absences (Note 1G)	23,650	25,930	125,062	1,633
Claims payable (Note 13B)	-	-	-	-
Deposit payable	209,927	126,044	535	104,494
Unearned revenue	-	-	-	36,883
Due to other funds (Note 4A)	-	-	-	-
Long-term debt (Note 7):				
Due within one year	170,558	713,858	-	234,421
Total current liabilities	1,095,437	1,552,742	558,544	594,289
Noncurrent Liabilities:				
Accrued compensated absences (Note 1G)	36,707	22,119	185,659	3,684
Claims payable (Note 13B)	-	-	-	-
Advances from other funds (Note 4C)	-	-	-	2,331,696
Net pension obligation (Note 10D)	-	-	-	-
Long-term debt (Note 7):				
Due in more than one year	5,923,542	5,681,522	-	3,712,555
Total non-current liabilities	5,960,249	5,703,641	185,659	6,047,935
Total liabilities	7,055,686	7,256,383	744,203	6,642,224
NET POSITION (Note 9)				
Net investment in capital assets	18,923,805	22,576,943	97,863,846	985,832
Unrestricted	1,790,203	22,432,594	74,762,727	(1,378,381)
Total net position	\$ 20,714,008	\$ 45,009,537	\$ 172,626,573	\$ (392,549)

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

Net position business-type activities

See accompanying notes to financial statements



**Comprehensive Annual Financial Report
FY 2013-2014**

<u>Springtown Golf Course</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
\$ -	\$ 80,130,252	\$ 15,874,663
-	4,218,032	595,980
11,397	2,948,044	300,139
-	182,308	311,653
-	579	629,944
<u>11,397</u>	<u>87,479,215</u>	<u>17,712,379</u>
-	16,396,831	-
-	3,222,566	-
53,725	21,231,174	1,436,093
<u>167,572</u>	<u>131,558,973</u>	<u>15,612,258</u>
<u>221,297</u>	<u>172,409,544</u>	<u>17,048,351</u>
<u>232,694</u>	<u>259,888,759</u>	<u>34,760,730</u>
-	1,610,111	524,439
-	324,448	92,380
-	93,458	11,254
-	176,275	-
-	-	1,130,000
3,694	444,694	13,293
-	36,883	-
85,028	85,028	-
-	1,118,837	986,272
<u>88,722</u>	<u>3,889,734</u>	<u>2,757,638</u>
-	248,169	-
-	-	3,495,530
-	2,331,696	2,400,142
-	-	30,526,549
-	15,317,619	11,668,002
-	17,897,484	48,090,223
<u>88,722</u>	<u>21,787,218</u>	<u>50,847,861</u>
221,297	140,571,723	5,620,001
<u>(77,325)</u>	<u>97,529,818</u>	<u>(21,707,132)</u>
<u>\$ 143,972</u>	<u>238,101,541</u>	<u>\$ (16,087,131)</u>
	<u>97,501</u>	
	<u>\$ 238,199,042</u>	



**Comprehensive Annual Financial Report
FY 2013-2014**

**PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Business-Type Activities-Enterprise Funds</u>			
	<u>Airport</u>	<u>Water</u>	<u>Sewer</u>	<u>Las Positas Golf Course</u>
OPERATING REVENUES				
Charges for services	\$ 2,217,802	\$ -	\$ 18,611,369	\$ 2,320,987
Sales	3,979,864	12,499,766	-	921,286
Miscellaneous	250,214	22,739	75,433	1,681
Total Operating Revenues	<u>6,447,880</u>	<u>12,522,505</u>	<u>18,686,802</u>	<u>3,243,954</u>
OPERATING EXPENSES				
Cost of sales, salaries and benefits	4,781,426	8,899,872	8,829,099	661,829
Contracted services	257,243	228,786	3,105,605	2,350,389
Insurance premiums	84,341	44,863	155,541	3,416
Materials, supplies and other	477,879	112,238	2,723,053	175,433
Utilities	162,472	196,961	773,971	1,574
Depreciation	184,609	1,372,462	6,426,880	228,895
Repairs and maintenance	426,321	862,745	989,148	4,008
Claims expense	-	-	-	-
Total Operating Expenses	<u>6,374,291</u>	<u>11,717,927</u>	<u>23,003,297</u>	<u>3,425,544</u>
Operating Income (Loss)	<u>73,589</u>	<u>804,578</u>	<u>(4,316,495)</u>	<u>(181,590)</u>
NONOPERATING REVENUES (EXPENSES)				
Connection fees	-	403,951	922,479	-
Investment income (loss)	35,516	211,868	552,475	15,925
Interest and fiscal charges (expense)	(224,864)	(60,754)	(3,662)	(90,016)
Change of value in investment in JPA - LAVWMA	-	-	(232,754)	-
Loss on disposal and other	646,698	28,922	(2,747)	-
Net Nonoperating Revenues (Expenses)	<u>457,350</u>	<u>583,987</u>	<u>1,235,791</u>	<u>(74,091)</u>
Income (Loss) Before Contributed Assets and Transfers	<u>530,939</u>	<u>1,388,565</u>	<u>(3,080,704)</u>	<u>(255,681)</u>
Contributions	-	-	214,093	-
Transfers in (Note 4B)	-	2	-	-
Transfers (out) (Note 4B)	(131,929)	(69,500)	(127,000)	-
Change in net position	<u>399,010</u>	<u>1,319,067</u>	<u>(2,993,611)</u>	<u>(255,681)</u>
Total net position (deficit)-beginning	<u>20,314,998</u>	<u>43,690,470</u>	<u>175,620,184</u>	<u>(136,868)</u>
Total net position(deficit)-ending	<u>\$ 20,714,008</u>	<u>\$ 45,009,537</u>	<u>\$ 172,626,573</u>	<u>\$ (392,549)</u>

Some amounts reported for *business-type activities* in the Statement of Activities are different because the portion of the net income of certain internal service funds is reported with the business-type activities which those funds services.

Net business-type activities reported on the Statement of Activities

See accompanying notes to financial statements



**Comprehensive Annual Financial Report
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<u>Springtown Golf Course</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
\$ 6,000	\$ 23,156,158	\$ 18,801,267
-	17,400,916	-
5,392	355,459	655,503
<u>11,392</u>	<u>40,912,533</u>	<u>19,456,770</u>
6,917	23,179,143	12,249,271
17,133	5,959,156	1,055,670
-	288,161	470,030
-	3,488,603	1,044,362
-	1,134,978	512,445
14,349	8,227,195	679,547
-	2,282,222	1,179,721
-	-	584,462
<u>38,399</u>	<u>44,559,458</u>	<u>17,775,508</u>
<u>(27,007)</u>	<u>(3,646,925)</u>	<u>1,681,262</u>
-	1,326,430	-
-	815,784	146
-	(379,296)	(356,780)
-	(232,754)	-
-	672,873	562,791
<u>-</u>	<u>2,203,037</u>	<u>206,157</u>
(27,007)	(1,443,888)	1,887,419
-	214,093	-
-	2	144,500
-	(328,429)	-
<u>(27,007)</u>	<u>(1,558,222)</u>	<u>2,031,919</u>
<u>170,979</u>		<u>(18,119,050)</u>
<u>\$ 143,972</u>		<u>\$ (16,087,131)</u>
	<u>2,051,205</u>	
	<u>\$ 492,983</u>	



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PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities-Enterprise Funds			
	Airport	Water	Sewer	Las Positas Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 7,020,311	\$ 12,501,782	\$ 18,589,127	\$ 3,350,046
Payments to suppliers	(5,110,684)	(9,002,102)	(10,230,158)	(3,192,125)
Payments to employees	(1,201,294)	(1,617,543)	(6,447,027)	(139,418)
Claims paid	-	-	-	-
Net cash provided by (used for) operating activities	708,333	1,882,137	1,911,942	18,503
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund receipts	108,239	710,323	753,959	-
Interfund payments	-	-	-	(62,645)
Transfers in	-	2	-	-
Transfers (out)	(131,929)	(69,500)	(127,000)	-
Net cash provided by (used for) noncapital financing activities	(23,690)	640,825	626,959	(62,645)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	403,951	922,479	-
Capital asset additions (dispositions)	(2,238,930)	(21,333)	(514,953)	-
Long term debt:				
Repayments	(162,939)	(696,878)	(813,753)	(193,433)
Interest paid	(225,405)	(64,001)	(21,971)	(90,614)
Net cash provided by (used for) capital and related financing activities	(2,627,274)	(378,261)	(428,198)	(284,047)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net increase (decrease) in the fair market value of investment	35,516	211,868	552,475	15,925
Net cash provided by (used for) investing activities	35,516	211,868	552,475	15,925
Net increase (decrease) in cash and cash equivalents	(1,907,115)	2,356,569	2,663,178	(312,264)
Cash and investments at beginning of period	7,543,053	17,885,169	54,625,029	1,494,665
Cash and investments at end of period	\$ 5,635,938	\$ 20,241,738	\$ 57,288,207	\$ 1,182,401
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 73,589	\$ 804,578	\$ (4,316,495)	\$ (181,590)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	184,609	1,372,462	6,426,880	228,895
Other nonoperating revenue	646,700	28,920	203	-
Change in assets and liabilities:				
Accounts receivable	(70,427)	(8,030)	(97,878)	69,209
Inventories	12,832	-	-	(88,025)
Prepays, deposits and supplies	(216)	60	-	-
Net pension obligation	-	-	-	-
Accounts payable and other accruals	(134,268)	(275,228)	(69,374)	31,972
Accrued payroll	(167)	(6,257)	(11,606)	(1,219)
Accrued compensated absences	(477)	7,245	(19,788)	(964)
Deposits payable	(3,842)	(41,613)	-	(39,775)
Net Cash provided by (Used for) operating activities	\$ 708,333	\$ 1,882,137	\$ 1,911,942	\$ 18,503
Non-cash transactions:				
Investment in LAVVMA JPA equity	\$ -	\$ -	\$ (232,754)	\$ -
Capital Assets contributed	-	-	214,092	-
Equipment acquired through capital leases	4,177	-	-	437,256
	\$ 4,177	\$ -	\$ (18,662)	\$ 437,256

See accompanying notes to financial statements

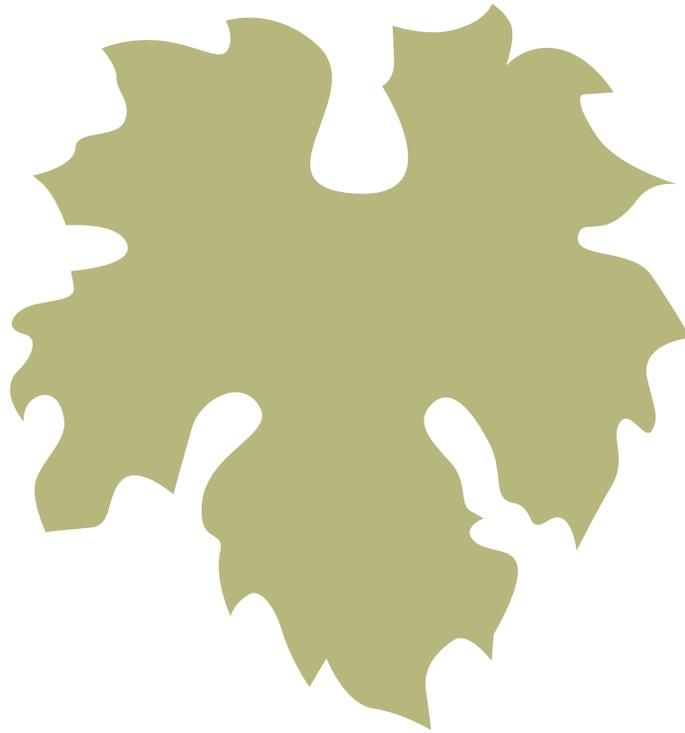


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<u>Springtown Golf Course</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
\$ 9,912	\$ 41,471,178	\$ 19,629,512
(24,051)	(27,559,120)	(8,238,649)
5	(9,405,277)	(9,565,142)
-	-	(284,999)
<u>(14,134)</u>	<u>4,506,781</u>	<u>1,540,722</u>
14,134	1,586,655	(1,464,282)
-	(62,645)	(41,617)
-	2	144,500
-	(328,429)	-
<u>14,134</u>	<u>1,195,583</u>	<u>(1,361,399)</u>
-	1,326,430	-
-	(2,775,216)	(2,619,660)
-	(1,867,003)	(922,449)
-	(401,991)	(359,141)
<u>-</u>	<u>(3,717,780)</u>	<u>(3,901,250)</u>
-	815,784	146
<u>-</u>	<u>815,784</u>	<u>146</u>
-	2,800,368	(3,721,781)
-	81,547,916	20,192,424
<u>\$ -</u>	<u>\$ 84,348,284</u>	<u>16,470,643</u>
\$ (27,007)	\$ (3,646,925)	1,681,262
14,349	8,227,195	679,547
-	675,823	562,791
(1,476)	(108,602)	94,142
-	(75,193)	-
-	(156)	(18,534)
-	-	2,462,561
-	(446,898)	(4,220,059)
-	(19,249)	661
-	(13,984)	(1,112)
-	(85,230)	299,463
<u>\$ (14,134)</u>	<u>\$ 4,506,781</u>	<u>\$ 1,540,722</u>
\$ -	\$ (232,754)	\$ -
-	214,092	-
-	441,433	106,317
<u>\$ -</u>	<u>\$ 422,771</u>	<u>\$ 106,317</u>



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Fiduciary Funds

Fiduciary funds account for assets held by the City acting as an agent for various functions. The City has the following fiduciary funds:

SUCCESSOR AGENCY TO THE LIVERMORE REDEVELOPMENT AGENCY PRIVATE PURPOSE TRUST FUND

Established for the assets received from the City's former redevelopment agency in order to liquidate its enforceable obligations, pursuant to Assembly Bill X1 26 which dissolved redevelopment agencies in California.

AGENCY FUNDS

Established to account for assets held by the City in a fiduciary capacity for special assessment districts, Livermore Pleasanton Fire Department, and agency pass through fees.



**Comprehensive Annual Financial Report
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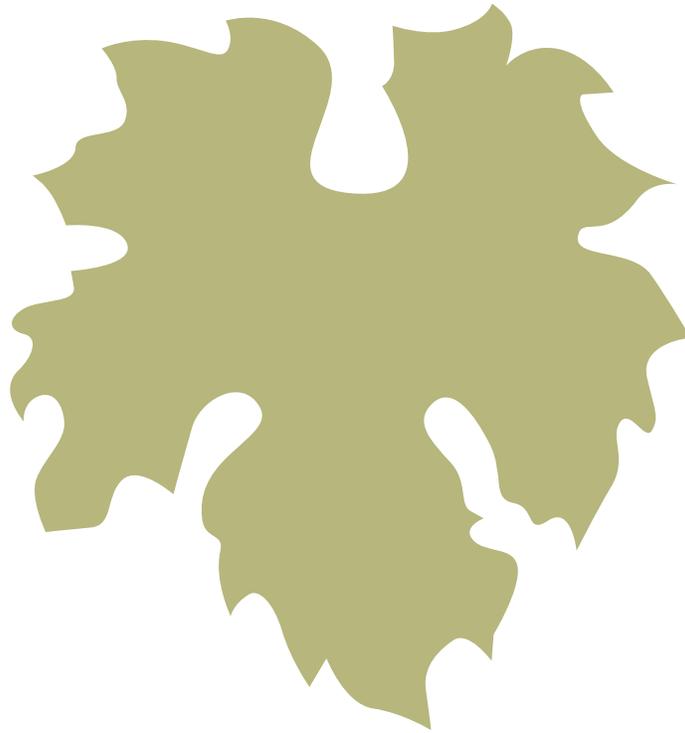
**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED ON JUNE 30, 2014**

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
	<hr/>
ADDITIONS	
Property taxes	\$ 2,438,330
Use of money and property	133,859
Miscellaneous	<u>596</u>
Total Additions	<u>2,572,785</u>
DEDUCTIONS	
Administrative Fee	250,000
Contract Services	3,685
Debt service:	
Interest and fiscal charges	<u>1,479,850</u>
Total Deductions	<u>1,733,535</u>
Net Change in Net Position	839,250
NET POSITION HELD IN TRUST FOR SUCCESSOR AGENCY AND OTHER GOVERNMENTS	
Beginning of year	<u>(13,911,149)</u>
End of year	<u><u>\$ (13,071,899)</u></u>

See accompanying notes to financial statements



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**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The City of Livermore was incorporated April 1, 1876. The City operates under the Council-Manager form of government and provides the following services; public safety (police and fire), highways and streets, sewer, water, public improvements, planning and zoning, general administration services and housing services.

The accounting policies of the City conform with generally accepted accounting principles in the United States of America as applicable to governments. The following is a summary of these policies:

A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. This City's component unit described below is blended.

COMPONENT UNITS INCLUDED IN THE REPORTING ENTITY:

The **Livermore Capital Projects Financing Authority** provides financing assistance to the City and has been included in these financial statements in the Livermore Capital Projects Financing Authority Debt Service Funds, Livermore Capital Projects Financing Authority Capital Projects Funds, and as part of the Airport, Water, Sewer and the Las Positas Golf Course Enterprise Funds. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority.

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.



**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Certain indirect costs are included in program expenses reported for individual functions and activities.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental, proprietary, and fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. *Operating* revenues and expenses generally result from exchange transactions associated with a proprietary fund's principal ongoing operations. Exchange transactions are those in which each party receives and gives up essentially equal values. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

C. Major Funds

The City's major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.



**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - The general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Isabel Avenue Capital Projects - Established to account for the construction of the new interchange on I-580 at Isabel Avenue/ Route 84 Extension. Financing is provided by Other Local, State and Federal Grant Funds, Alameda County Transportation Fund, and developer impact fees.

El Charro Specific Plan Capital Projects - Established to account for the design and construction of the public infrastructure to serve the El Charro Specific Plan Area.

Developer Deposits Capital Projects - Established to account for developer fees received pursuant to development agreements, performance deposits, public park improvement fees and transportation development fees collected.

LCPFA 2011 COP Construction Capital Projects Fund - Established to account for the 2011 COP bond proceeds expended on eligible projects.

The City reported all of its business-type funds as major funds in the accompanying financial statements.

Airport Fund - Established to account for the operations of the Livermore Municipal Airport.

Water Fund - Established to account for the operations of the self-supporting municipal water service. Services are rendered on a user charge basis and impact fees are collected for future water storage needs.

Sewer Fund - Established to account for operations of the self-supporting wastewater disposal plant, the export pipeline, impact fees collected for sewer connections, and urban runoff fees.

Golf Course Funds (Las Positas and Springtown) - Established to account for operations of the two golf courses in Livermore.

The City also reports the following fund types:

Internal Service Funds - These funds are used to account for the financing of services and supplies provided by one City department to another on a cost-reimbursement basis. The City operates the Liability Insurance Reserve Fund, Workers Compensation Fund, Fleet and Equipment Services Fund, Information Technology Fund, Facilities Rehabilitation Projects Fund, Reprographics Fund, and Employee Benefits Internal Service Funds.



**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

Fiduciary Funds - These funds are used to account for assets held by the City as an agent for various functions. The financial activities of these funds are excluded from the City wide financial statements but are presented in separate Fiduciary Fund financial statements. The City has following two types of fiduciary funds:

Successor Agency to the Redevelopment Agency Private Purpose Trust Fund – Established for the assets received from the City’s former redevelopment agency in order to liquidate its enforceable obligations, pursuant to Assembly Bill X1 26 which dissolved redevelopment agencies in California as of January 31, 2012. Funds received from the county to pay off enforceable obligations are held in the Redevelopment Obligation Retirement Fund.

Agency Funds – Established to account for assets held by the City as an agent for special assessment districts, Livermore Pleasanton Fire Department, and agency pass through fees.

D. Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when *measurable and available*. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City’s accrual period is sixty days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability has incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. Thus, such amounts are not current liabilities as their settlement will not require expenditures of existing fund assets.

Financial resources usually are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.



**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items including fines, license, and permits are considered to be measurable and available only when cash is received by the government.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and accrual basis of accounting. The Agency funds utilizes accrual basis of accounting but has no measurement focus since these are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

E. Inventories and Prepaid items

Inventories are valued at cost on an average cost basis and consist of expendable supplies, fuel, vehicle repair parts, and golf shop inventory. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

F. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting under this category. Accordingly, the item, unavailable revenue, is reported only in the government fund balance sheet. The governmental funds report unavailable revenues related to the loan receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.



**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated Absences

Compensated absences are comprised of unused vacation leave and certain compensated time off, and are accrued as earned. Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be paid out for permanent liquidations due to terminations and retirements are recorded as fund liabilities; the long term portion is recorded in the Statement of Net Position. Sick pay does not vest and is not accrued.

The change in compensated absences was as follows at June 30, 2014:

	Governmental Activities	Business Type Activities	Total
Beginning balance	\$ 2,542,198	\$ 438,428	\$ 2,980,626
Additions	2,532,034	480,845	3,012,879
Payments	<u>(2,614,120)</u>	<u>(494,829)</u>	<u>(3,108,949)</u>
Ending balance	<u>\$ 2,460,112</u>	<u>\$ 424,444</u>	<u>\$ 2,884,556</u>
Current portion	<u>\$ 959,223</u>	<u>\$ 176,275</u>	<u>\$ 1,135,498</u>

H. Property Tax Levy, Collection and Maximum Rates

The State of California Constitution Article XIII(A) provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII(A), generally equivalent to the latest sale price, and may be increased by no more than two percent per year unless the property is sold or transferred. Assessed values may be reduced as a result of taxpayer initiated re-assessments or declining sales prices. The State Legislature has determined the method of distribution of receipts from this tax levy among the counties, cities, school districts and other districts.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and become delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings, such as airplanes, boats, etc. These taxes are secured by liens on the property being taxed.



**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Revenue Recognition for Sewer and Operations

Revenues from residential sewer customers are based on annual billings collected on the tax rolls by Alameda County. Revenues for sewer services provided but not billed at the end of the fiscal year are estimated and accrued.

J. Land Held for Redevelopment

Land held for redevelopment includes land parcels used to develop or redevelop blighted properties and are accounted for as investments on the balance sheet at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer. Individual parcels which have experienced a market value decline are written down to estimated current market value. No appreciation is recorded if the current market value of an individual parcel exceeds cost.

As of June 30, 2014 the balance of the land held for redevelopment was \$2,269,052 in the Low Income Housing Special Revenue Fund and \$22,954 in the Housing Successor Agency Special Revenue Fund. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund had an investment of \$10,907,632 in the land for redevelopment.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. New Accounting Pronouncements

During the current fiscal year the City was required to implement the provisions of the GASB Statement No. 66, Technical Corrections– 2012 – an amendment of GASB Statements No. 10 and No. 62. In March 2012 the GASB issued this Statement in order to resolve conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The implementation of this Statement did not have any impact on the City's financial statements.



**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. New Accounting Pronouncements (Continued)

In June, 2012, GASB issued Statement No. 67, Financial Reporting for Pension Plans – amendment of GASB Statement No. 25. The objective of this Statement is to improve financial reporting by state and local government pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regards to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of Statement 67 became effective for financial statements for periods beginning after June 15, 2013. This Statement did not have any significant impact on the City's financial statement.

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. The objective of this Statement is to improve accounting and financial reporting by state and local government for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. The City will be required to recognize a liability equal to the net pension liability in its financial statements prepared using the economic resources measurement focus and accrual basis of accounting. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2015. The City has not determined what impact this pronouncement will have on the City's financial statements.

The GASB has issued Statement No. 69, "Government Combinations and Disposals of Government Operations." This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e. government combinations). The Statement provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013.

During the current year the City implemented the requirements of the GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees." This Statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions. The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The requirements of this Statement are effective for the City current year financial statements. The implementation of requirements of this Statement did not have any significant impact on the City's financial statement.

The GASB has issued Statement No. 71, "Pension transition for contribution made subsequent to the measurement date – an amendment of GASB statement No. 68." This statement amends paragraph 137 of statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. The City has not determined what impact this pronouncement will have on the City's financial statements.



**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 2- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgeting Procedures

The City, in general, adopts a biennial operating budget on or before June 30 for each of the ensuing two fiscal years for all funds except the Fiduciary Funds and the Developer Deposits Capital Projects Fund. The operating budget takes the form of a two-year financial plan which is adopted in its entirety by the City Council by a resolution. A mid-period review is conducted in the off-year and appropriations are adjusted accordingly. The fiscal year begins on July 1 and ends on June 30 of the following year. Because Livermore is a general law city, it is not subject to a budgetary process prescribed by statute or charter.

In November 2012, the Livermore electorate approved Measure W to change the City's local election cycle from odd years to even years so that it is aligned with the election cycles of the majority of Alameda County agencies. This change provides a significant cost reduction of future elections. In order to align the two-year budget cycle with the new election cycle, the City has adopted an annual financial plan for FY 2014-15. The two-year financial planning process will resume next year with the development of the 2015-17 Biennial Financial Plan document.

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. A resolution approving a supplemental appropriation is necessary when the original total appropriations for that fund would be exceeded. Budget adjustments within the same fund may be approved by the City Manager. Unencumbered appropriations lapse at the end of each fiscal year.

The operating budget is on a program basis. For governmental funds, the budget is prepared on a modified accrual basis consistent with generally accepted accounting principles (GAAP), except that land held for redevelopment is treated as an expenditure when purchased, proceeds from the disposition of this land is treated as revenue when measurable and available, and transfers (to) or from different fund categories are treated as budgetary resources (uses). Organizational priorities which have been developed by City Council and City staff are implemented at the program level.



**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 2- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Expenditures in Excess of Appropriations

The funds below incurred expenditures and transfers out in excess of appropriations in the amounts below. These funds had sufficient fund balances or revenues to finance these expenditures.

Fund	Excess of Expenditures Over Appropriations
Housing Successor Special Revenue Fund	\$ 20,166
Horizons Special Revenue Fund	199,359
City Street Sweeping Special Revenue Fund	10,994
PEG Special Revenue Fund	39,612
TVTC 20% Fee Special Revenue Fund	33,690
LCPFA 2008 COP Debt Service Fund	9,426
LCPFA 2011 COP Debt Service Fund	1,764
LCPFA 2012 COP Debt Service Fund	1,519
Other Capital Projects Capital Project Fund	551,848

C. Fund Balance Deficits / Net Position Deficits

As of June 30, 2014 the following funds had fund balance/Net Position deficits, which are expected to be eliminated by future revenues:

Fund	Amount of Deficit
Isabel Avenue Capital Project Fund	\$ 1,230,171
Las Positas Golf Course Enterprise Fund	392,549
Horizon Special Revenue Fund	548
Employee Benefits Internal Service Fund	32,926,955



**Comprehensive Annual Financial Report
FY 2013-2014
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except Cash and Investments held by Trustees, so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City’s cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City’s name and the City is placed ahead of general creditors of the institution.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

The City’s investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Cash and investments in City Treasury	\$ 174,298,739
Cash and investments with Trustees	<u>9,011,197</u>
Total City cash and investments	183,309,936
Cash and investments in Fiduciary Funds (Separate Statement)	
In City Treasury	15,412,091
With Trustees	<u>8,977,269</u>
Total cash and investments	<u>\$ 207,699,296</u>

Cash and investments available for operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the City’s Investment Policy

The City’s Investment Policy and the California Government Code allow the City to invest in the following Investment types, provided the credit ratings of the issuers are acceptable to the City and the approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City’s Investment Policy where the City’s Investment Policy where is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
City of Livermore or other California Local Agency Bonds	5 years		None	None
U.S. Treasury Bills and Notes	5 years		None	None
Obligations issued by United States Government Agencies	5 years		None	None
Bankers Acceptances	180 days		40%	30%
Commercial Paper	270 days	A1/P1/F1	10%	10%
Negotiable Certificates of Deposit	5 years	None	30%	None
Repurchase Agreements and Reverse Repurchase Agreements	1 year		20%	None
Medium Term Corporate Notes	5 years	A	30%	None
Money Market Mutual Funds	N/A	Top rating category	15%	10%
Collateralized Notes, Bonds, or Other Obligations Secured by First Priority Security Interest	5 years		None	None
Certificates of Deposit	5 years		30%	None
California Local Agency Investment Fund	N/A		\$50 million per account	\$50 million per account
Passbook Savings Account	None	None	None	None

Under the City’s Investment Policy, investments not described above are ineligible investments. In addition, the City may not invest any funds in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages in accordance with the California Government Code. With the exception of callable federal agency securities, any security that derives its value from another asset or index is prohibited. In addition, the City may not invest any funds in any security that could result in zero interest accrual if held to maturity.



**Comprehensive Annual Financial Report
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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City and the Successor Agency to the former Redevelopment Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City and/or the Successor Agency fail to meet their obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum % Allowed</u>
U.S. Treasury Bills and Notes	No Limit		No Limit
Federal and Local Agency Obligations	No Limit		No Limit
Federal funds, unsecured certificates of deposit, time deposits & bankers acceptances	Not more than 360 days	A-1 or A-1+ by S&P and P-1 by Moody	No Limit
Commercial Paper	Not more than 270 days	A-1+ by S&P and P-1 by Moody	No Limit
Money Market Mutual Funds	No Limit	AAAm or AAAm-G or better by S&P	No Limit
Municipal Bonds	No Limit	Aaa or AAA or general obligations of states with a rating of A2/A or high by Moody and S&P and LAIF	No Limit
California Local Agency Investment Fund (LAIF)			
Repurchase Agreements	6 mo. or less	Equal to or better than existing Certificates by Moody's	No Limit
Investment Agreements	No Limit	Equal to or better than existing Certificates by Moody's	No Limit
Pre-refunded municipal obligations	No Limit	Aaa by Moody's & AAA by S&P; if no Moody's rating, then must have been pre-refunded with cash.	No Limit



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NOTE 3 – CASH AND INVESTMENTS (Continued)

E. Interest Rate Risk

Interest rate risk represents how changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	More than 60 Months	Total
U.S. Government-Sponsored Enterprise Agencies -					
Callable	\$ 67,379,152	\$ -	\$ -	\$ -	\$ 67,379,152
Non-callable	7,891,740	11,222,730	34,239,186	-	53,353,656
California Local Agency Investment Fund	42,586,394	-	-	-	42,586,394
U.S. Government Money Market Funds	9,424,468	-	-	-	9,424,468
U.S. Government Money Market Funds- Sweep Account	3,743,031	-	-	-	3,743,031
Guaranteed Investment Contracts and Agreements	-	-	2,088,140	4,069,016	6,157,156
Medium Term Corporate Notes	-	4,899,075	23,129,737	-	28,028,812
Total Investments	<u>\$ 63,645,633</u>	<u>\$ 16,121,805</u>	<u>\$ 59,457,063</u>	<u>\$ 4,069,016</u>	210,672,669
Cash deposits (overdrafts) with banks and on hand					(2,973,373)
Total Cash and Investments					<u>\$ 207,699,296</u>

F. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2014 for each investment type as provided by Standard and Poor's investment rating service.

Investment Type	AAA	AA	A	Not Required To Be Rated	Total
U.S. Government-Sponsored Enterprise Agencies	\$ -	\$ 118,730,588	\$ -	\$ 2,002,220	\$ 120,732,808
U.S. Government Money Market Funds	9,112,489	-	-	311,979	9,424,468
U.S. Government Money Market Funds- Sweep Account	3,743,031	-	-	-	3,743,031
Guaranteed Investment Contracts and Agreements	-	5,802,891	354,265	-	6,157,156
Medium Term Corporate Notes	-	25,054,102	2,974,710	-	28,028,812
California Local Agency Investment Fund	-	-	-	42,586,394	42,586,394
Total Investments	<u>\$ 12,855,520</u>	<u>\$ 149,587,581</u>	<u>\$ 3,328,975</u>	<u>\$ 44,900,593</u>	210,672,669
Cash deposits (overdrafts) with banks and on hand					(2,973,373)
Total Cash and Investments					<u>\$ 207,699,296</u>



**Comprehensive Annual Financial Report
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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. Local Agency Investment Fund

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2014, these investments matured in an average of 232 days.

Money Market funds and mutual funds were available for withdrawal on demand at June 30, 2014 with an average maturity of 60 days or less.

H. Concentration of Credit Risk

Investments in the securities of any individual issuer, other than U. S. Treasury securities, mutual funds, and external investment funds that represent 5% or more of total investments are as follows at June 30, 2014:

Issuer	Type of Investments	Amount
<i>Entity-wide:</i>		
Federal Home Loan Bank	U.S. Agency Securities	\$ 37,155,064
Federal Farm Credit Bank	U.S. Agency Securities	35,540,916
Federal National Mortgage Association	U.S. Agency Securities	29,077,680
Federal Home Loan Mortgage Association	U.S. Agency Securities	16,956,929
Toyota Motor Credit Corporation	Medium Term Corporate Notes	14,117,675



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NOTE 4 - INTERFUND TRANSACTIONS

A. Current Interfund Balances

Current interfund balances arise in the normal course of business and represent short-term borrowings occurring as a result of expenditures which are paid prior to the receipt of revenues. These balances are expected to be repaid shortly after the end of the fiscal year when revenues are received. Current amounts due from one fund to another at June 30, 2014 were as follows:

<u>Due from Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
General Fund	Enterprise Fund	
	Springtown Golf Course	\$ 85,028
	Special Revenue Fund	
	Horizons	63,206
Capital Projects Fund	Capital Projects Funds	
El Charro Specific Plan	LCPFA 2008 COP	165,228
	LCPFA 2011 COP	300,000
	Isabel Avenue	475,993
	TOTAL	<u>\$ 1,089,455</u>

B. Transfers between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to subsidize operations of programs and funds which are not self-sustaining. Less often, a transfer may be made to open or close a fund. Interfund transfers for the year ended June 30, 2014 were as follows:

<u>Fund Receiving Transfers</u>	<u>Fund Making Transfers</u>	<u>Amount Transferred</u>
General Fund	Airport Enterprise Fund	\$ 131,929
	Sewer Enterprise Fund	90,000
	Water Enterprise Fund	50,000
	Non-Major Governmental Funds	1,395,257
Isabel Avenue Capital Projects	Non-Major Governmental Funds	135,431
El Charro Specific Plan Capital Projects	LCPFA 2011 COP Construction Fund	300,000
	Non-Major Governmental Funds	161,564
Water Enterprise Fund	Non-Major Governmental Funds	2
Information Technology Internal Service Fund	General Fund	88,000
	Sewer Enterprise Fund	37,000
	Water Enterprise Fund	19,500
Non-Major Governmental Funds	General Fund	4,113,241
	El Charro Specific Plan Capital Projects	2,539,182
	Non-Major Governmental Funds	<u>2,716,335</u>
Total Interfund Transfers		<u>\$ 11,777,441</u>



**Comprehensive Annual Financial Report
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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

C. Long-Term Interfund Advances

The City's General Fund made an advance of \$4,720,000 to the Other Impact Fees Special Revenue Fund for downtown revitalization and the loan will be repaid to the General Fund as the fees are collected. A total payment of \$49,070 was made to the General Fund during fiscal year 2013-2014. The balance as of June 30, 2014 is \$3,887,337.

During fiscal year 2008-2009, the City restructured advances of \$1,393,934 to the Las Positas Golf Course Enterprise Fund from the General Fund. The term of the loan was 15 years and the interest rate was 3% compounded annually. A payment of \$97,988 was made during fiscal year 2011-12. The City restructured outstanding balance of the advance during fiscal year 2012-13 again by lowering interest rate to 2% from 3% and by advancing an additional \$441,110. The General Fund also extended another capital loan in the amount of \$875,000 to the Las Positas Golf Course Enterprise Fund. The term of this loan is 18 years and the interest rate is 2.8% compounded annually. A total payment of \$141,711 was made during fiscal year 2013-2014. The balance of these two advances on June 30, 2014 is \$1,534,155 and \$797,541 respectively.

During the fiscal year 2012-13, the Water Enterprise Fund and the Sewer Enterprise Fund advanced \$2,000,000 and \$2,122,461 respectively to the Employee Benefits Internal Service Fund at an annual interest rate of 0.75%. The funds were used to pay off the City's portion of the unfunded liability resulting from the pooling of safety (police) retirement plan with fewer than 100 active plan members to the California Public Employees Retirement System (CALPERS). Since the prior side fund obligation was being paid to CALPERS through the employer's pension contribution rate structure, it was not reflected formally as a long-term liability. The City has realized savings by paying the interfund loan at a lower interest rate compared to the interest rate of 7.5% charged by CALPERS. Repayments started in fiscal year 2012-13 and are expected to conclude in fiscal year 2016-17. For the current year, the Employee Benefits Internal Service Fund paid off a total of \$1,464,282 of the advance to the Water and Sewer enterprise funds. As of June 30, 2014 the amount owed by the Employee Benefit Internal Service Fund was \$2,400,142.

During the fiscal year 2011-12 the General Fund purchased a parcel of land and certain easements related to the El-Charro Specific Development from the Airport enterprise fund in exchange for another parcel of land and certain credits allowed by the Airport Enterprise Fund. As a result of this transaction the general fund recognized an interfund loan of \$1,027,556 from the Airport Enterprise Fund in fiscal year 2012-13. The General Fund will pay this interfund loan over a period of ten years with final payment due on June 30, 2021. Annual interest is equal to the Treasury Department's Annual Current Value of Funds Rate and is accrued on the unpaid balance. During the current fiscal year the General Fund paid \$108,239 to the Airport fund. The balance as of June 30, 2014 is \$822,424.



**Comprehensive Annual Financial Report
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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

D. Internal Balances

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's airport, water, sewer, and golf course functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Internal balances are presented in the City-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

NOTE 5 - NOTES RECEIVABLE

Notes Receivables balances as of June 30, 2014:

	General Fund	Housing Successor	Low Income Housing	Housing & Community Assistance	Traffic Impact Fee	Other Local, State & Federal Grants	Total
Deferred Second Mortgage Program	\$ -	\$ -	\$ 2,372,977	\$ 1,323,301	\$ -	\$ 1,922,197	\$ 5,618,475
Rehabilitation Loan Program	-	-	439,683	1,355,755	-	211,704	2,007,142
Livermore Independent Living Associates Project	-	-	800,000	-	-	-	800,000
Livermore Housing Authority	-	-	-	-	-	510,000	510,000
Livermore Valley Performing Arts Center	475,000	-	-	-	-	-	475,000
Loans to Successor Agency of the former Redevelopment Agency	-	1,883,351	-	100,997	360,321	-	2,344,669
Eden Housing Project	-	1,547,131	-	-	-	-	1,547,131
Livermore Independent Living Associates Project	-	718,635	-	-	-	-	718,635
Affordable Housing Loans	-	193,767	-	-	-	-	193,767
Totals	\$ 475,000	\$ 4,342,884	\$ 3,612,660	\$ 2,780,053	\$ 360,321	\$ 2,643,901	\$ 14,214,819

The City administers the Deferred Second Mortgage Program using Low Income Housing Fund revenues and a Rehabilitation Loan Program using Community Development Block Grants. Under these Programs, individuals with incomes below a certain level are eligible to receive low interest loans, secured by second deeds of trust, to help purchase their home or rehabilitate it. Upon approval of loans, the City disburses the funds, arranges for and collects repayments.

As part of the Valley Care Senior Housing Project, Agency funds transferred to the City's Housing and Community Assistance Fund in Fiscal 2001-2002 were used to finance the Developer Loan in the amount of \$800,000 which was used to partially finance City and County Development Fees. The loan bears interest at ten percent, is due in fifty-seven years and is secured by a subordinated deed of trust. If the project maintains affordability covenants through maturity the interest rate will drop to five percent and eventually the five percent interest accrued will be forgiven.



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 5 - NOTES RECEIVABLE (Continued)

In fiscal 2006, the City loaned Livermore Housing Authority \$510,000 from the Housing Trust Fund to be used for the acquisition of six units for low-income individuals located at 2276-2280 Chestnut Street. The loan bears interest at 3.00% per annum on the outstanding principal from the date of the closing of the permanent loan. The principal and all the interest will be due and payable on the earlier of the date the property is sold or when the permanent loan is refinanced. In the event of residual receipts, payments of principal and interest will commence on July 1, 2008 until the loan is paid in full or terminated.

On March 18, 2013, the City of Livermore agreed to loan Livermore Valley Performing Arts Center (LVPAC) up to \$475,000 to assist them in their continued operation of the Bankhead Theater. Interest will be calculated based on the current LAIF rate and will commence on March 1, 2014. The principal and interest is due and payable on December 31, 2015. As of June 30, 2014, LVPAC drew down the total loan amount of \$475,000.

The former Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the Agency's terms. With the dissolution of the former Redevelopment Agency the City became the Successor to the former Redevelopment Agency's housing activities and as a result, the Housing Successor Fund assumed the notes receivable of the former Redevelopment Agency's Low and Moderate Income Housing Fund. The balances of the notes receivable in the Housing Successor Fund at June 30, 2014 are set forth below:

During the fiscal year ended June 30, 2010, the former Agency approved an interfund advance of \$1,561,803 from the Low and Moderate Income Housing fund to the former Agency's Capital Projects Fund to make the required payment to the Supplemental Education Revenue Augmentation Fund (SERAF). During the fiscal year ended June 30, 2011, the former Agency approved a second interfund advance in the amount of \$321,548 for a total of \$1,883,351.

During fiscal year 1992, the Agency loaned a developer \$1,520,605 as part of the Eden Housing Project agreement, the proceeds of which were used for land acquisition and development of low and moderate income housing. As of June 30, 2014, the loans had an outstanding balance of \$1,547,131. The land loan bears interest at 3% and the predevelopment loan bears interest at 9% which is due in 2049, and is subordinated to permanent bank loans.

In 2009, the Agency agreed to a property tax loan which bears interest at 3%. Annual repayments begin after the project is complete commencing in year eight from available cash flows of the project. As of June 30, 2014, the outstanding loan balance was \$718,635.

In April 2011, the Agency loaned an individual \$199,032 from low and moderate income housing funds to be used for the purchase of an affordable housing unit. An additional loan of \$61,000 was granted to the Housing Consortium of the East Bay to assist with the acquisition of a below market rate unit. The balance of the two loans as of June 30, 2014 is \$193,767.



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NOTE 5 - NOTES RECEIVABLE (Continued)

As of February 1, 2012, several advances made to the former Redevelopment Agency were transferred to the Successor Agency. The total outstanding balances were \$9,877,092. As discussed in Note 15C, the Department of Financed continues to deny certain items on the Recognized Obligation Payment Schedule including these loans, therefore the City is unable to determine whether it is collectible from the Successor Agency and has been offset with an allowance for doubtful accounts of \$7,532,423 in the Statement of Fiduciary Net Assets. The balance of these advances net of allowance in the Statement of Fiduciary Net Assets as of June 30, 2014 is \$2,344,669. The City has also recorded an allowance of \$7,532,423 to offset loan receivables of \$9,877,092 from the Livermore Successor Agency (LSA). When the LSA receives its Long Range Property Management Plan, it is the intent of the City and LSA to reinstate these loans that are encompassed within the allowance for doubtful accounts back on the Recognized Obligation Payment Schedule for Oversight Board Approval and future payment.

NOTE 6 - CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City's policy is to capitalize infrastructure with a cost exceeding \$100,000 and other capital assets with a cost exceeding \$5,000 and with useful lives exceeding one year.

The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems in its government-wide financial statements.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of the assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on statement of Net Position as a reduction in the book value of the capital assets.

Depreciation of capital assets in service is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Table with 2 columns: Asset Type and Useful Life. Rows include Buildings (25-50 years), Improvements (20-50 years), Equipment (3-20 years), and Infrastructure (25-50 years).



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NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital assets at June 30 comprise the following:

	June 30, 2013	Additions	Retirements and Adjustments	Transfers/ Reclassification	Balance at June 30, 2014
Governmental activities					
Governmental Fund Capital Assets					
Capital assets not being depreciated:					
Land	\$ 31,582,067	\$ 770,000	\$ -	\$ 300,000	\$ 32,652,067
Intangible asset - easement	4,517,994	-	-	-	4,517,994
Construction in progress	43,864,368	3,852,421	(11,770)	(2,254,136)	45,450,883
Subtotal	79,964,429	4,622,421	(11,770)	(1,954,136)	82,620,944
Capital assets being depreciated, cost:					
Office equipment	7,986,598	31,772	-	234,713	8,253,083
Other equipment	7,412,157	17,407	(15,356)	-	7,414,208
Library books	2,062,340	-	-	-	2,062,340
Infrastructure	298,474,221	1,905,949	-	1,719,423	302,099,593
Buildings	97,929,194	-	-	-	97,929,194
Subtotal	413,864,510	1,955,128	(15,356)	1,954,136	417,758,418
Accumulated Depreciation:					
Office equipment	(7,378,116)	(210,586)	-	-	(7,588,702)
Other equipment	(4,080,722)	(458,210)	15,356	-	(4,523,576)
Library books	(2,022,846)	(19,747)	-	-	(2,042,593)
Infrastructure	(119,046,990)	(7,822,638)	-	-	(126,869,628)
Buildings	(24,070,740)	(1,982,207)	-	-	(26,052,947)
Subtotal	(156,599,414)	(10,493,388)	15,356	-	(167,077,446)
Net Governmental Funds capital assets being depreciated	257,265,096	(8,538,260)	-	1,954,136	250,680,972
Total Governmental Funds capital assets	\$ 337,229,525	\$ (3,915,839)	\$ (11,770)	\$ -	\$ 333,301,916
	Balance at June 30, 2013	Additions	Retirements and Adjustments	Transfers/ Reclassification	Balance at June 30, 2014
Internal Service Fund Capital Assets					
Capital assets not being depreciated:					
Construction in progress	\$ 11,325,265	\$ 2,525,897	\$ -	\$ (12,415,069)	\$ 1,436,093
Subtotal	11,325,265	2,525,897	-	(12,415,069)	1,436,093
Capital assets being depreciated, cost:					
Office equipment	137,246	32,981	-	-	170,227
Other equipment	320,900	-	-	-	320,900
Infrastructure	112,468	-	-	12,313,927	12,426,395
Licensed vehicles	12,185,691	179,635	(168,167)	101,142	12,298,301
Subtotal	12,756,305	212,616	(168,167)	12,415,069	25,215,823
Accumulated Depreciation:					
Office equipment	(11,679)	(26,199)	-	-	(37,878)
Other equipment	(188,322)	(26,930)	-	-	(215,252)
Infrastructure	(14,131)	(80,018)	-	-	(94,149)
Licensed vehicles	(8,865,518)	(546,400)	155,632	-	(9,256,286)
Subtotal	(9,079,650)	(679,547)	155,632	-	(9,603,565)
Net Internal Service Fund capital assets being depreciated	3,676,655	(466,931)	(12,535)	12,415,069	15,612,258
Total Internal Service Funds	15,001,920	2,058,966	(12,535)	-	17,048,351
Governmental activity capital assets, net	\$ 352,231,445	\$ (1,856,873)	\$ (24,305)	\$ -	\$ 350,350,267



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance at June 30, 2013	Additions	Retirements and Adjustments	Transfers/ Reclassification	Balance at June 30, 2014
<i>Business-type activities</i>					
Capital assets not being depreciated:					
Land	\$ 14,160,133	\$ -	\$ -	\$ -	\$ 14,160,133
Land improvements	634,433	-	-	-	634,433
Construction in progress	4,312,199	2,632,341	-	(507,932)	6,436,608
Subtotal	19,106,765	2,632,341	-	(507,932)	21,231,174
Capital assets being depreciated:					
Office equipment	365,415	1,753	-	28,629	395,797
Other equipment	1,888,895	551,272	-	43,948	2,484,115
Licensed Vehicles	632,199	-	(13,879)	-	618,320
Airport infrastructure	11,127,973	-	-	435,355	11,563,328
Water infrastructure	44,161,409	17,182	-	-	44,178,591
Sewer infrastructure	224,698,465	228,193	(7,809)	-	224,918,849
Las Positas GC infrastructure	6,867,131	-	-	-	6,867,131
Springtown GC infrastructure	399,228	-	-	-	399,228
Buildings	22,169,723	-	-	-	22,169,723
Subtotal	312,310,438	798,400	(21,688)	507,932	313,595,082
Accumulated Depreciation:					
Office equipment	(276,998)	(13,753)	-	-	(290,751)
Other equipment	(1,392,802)	(97,826)	-	-	(1,490,628)
Licensed Vehicles	(565,924)	(26,237)	13,879	-	(578,282)
Airport infrastructure	(10,452,846)	(58,241)	-	-	(10,511,087)
Water infrastructure	(15,803,567)	(1,309,222)	-	-	(17,112,789)
Sewer infrastructure	(129,506,987)	(6,173,435)	4,859	-	(135,675,563)
Las Positas GC infrastructure	(6,642,500)	(90,876)	-	-	(6,733,376)
Springtown GC infrastructure	(223,071)	(14,201)	-	-	(237,272)
Buildings	(8,962,957)	(443,404)	-	-	(9,406,361)
Subtotal	(173,827,652)	(8,227,195)	18,738	-	(182,036,109)
Net capital assets being depreciated	138,482,786	(7,428,795)	(2,950)	507,932	131,558,973
Business-type activity capital assets, net	\$ 157,589,551	\$ (4,796,454)	\$ (2,950)	\$ -	\$ 152,790,147



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NOTE 6 – CAPITAL ASSETS (Continued)

B. Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. GASB 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

C. Depreciation Allocation

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amount allocated to each function or program was as follows:

<u><i>Governmental Activities</i></u>	Depreciation Expense	<u><i>Business-Type Activities</i></u>	Depreciation Expense
Governmental Fund Programs		Airport	\$ 184,609
City Council	\$ 2,147	Water	1,372,462
City Manager	3,831	Sewer	6,426,880
City Clerk	2,284	Las Positas	228,895
Administrative Services	101,763	Springtown	<u>14,349</u>
Fire	197,005		
Police	168,690	TOTAL	<u>\$ 8,227,195</u>
Public Works	8,113,248		
Community Development	1,271,803		
Library	632,617		
Internal Service Funds	<u>679,547</u>		
TOTAL	<u>\$ 11,172,935</u>		



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NOTE 7 – LONG-TERM DEBT

The City's debt comprises bonds, loans, notes, certificates of participation (COPs), and refunding certificates of participation. COPs are similar to debt; they allow investors to participate in a share of guaranteed payments, which are made by the City. Because they are similar to debt, the present value of the total of the payments to be made by the City is recorded as long-term debt. Details of the individual debt issues and transactions are set forth below:

A. Long-Term Debt Transactions and Balances:

	Balance at June 30, 2013	Additions	Retirements	Balance at June 30, 2014	Current Portion
Governmental Activities					
Certificates of Participation:					
2008, varies, 2030	\$ 43,647,618	\$ -	\$ 1,701,717	\$ 41,945,901	\$ 1,770,760
2011, 3.00 - 5.25%, 2042	13,046,596	-	246,444	12,800,152	253,912
2012, 2.0%, 2017	4,666,253	-	1,133,333	3,532,920	1,154,320
Unamortized Premium	120,916	-	32,245	88,671	32,245
Notes Payable, varies, 2011-2019	8,467,339	-	5,293,875	3,173,464	1,488,464
Housing & Urban Development Loan, 0%, 2030	1,180,000	-	70,000	1,110,000	70,000
Altamont Landfill Open Space Committee Loan	520,233	-	-	520,233	520,233
<u>Internal Service Funds:</u>					
Capital Lease Obligations:					
Banc of America Equipment Lease/Purchase Loan	12,275,288	106,317	683,271	11,698,334	758,478
IT Lease Purchase	1,195,118	-	239,178	955,940	227,794
Total governmental activities debt	<u>\$ 85,119,361</u>	<u>\$ 106,317</u>	<u>\$ 9,400,063</u>	<u>\$ 75,825,615</u>	<u>\$ 6,276,206</u>
Business-type Activities					
Airport					
Certificates of Participation:					
2008, varies, 2030	\$ 1,347,639	\$ -	\$ 52,541	\$ 1,295,098	\$ 54,673
2011, 3.00 - 5.25%, 2042	4,423,404	-	83,556	4,339,848	86,088
Capital Lease Obligations:					
Banc of America Equipment Lease/Purchase Loan	481,818	4,177	26,842	459,153	29,797
Water					
Certificates of Participation:					
2008, varies, 2030	5,036,590	-	196,365	4,840,225	204,332
2012, 2.0%, 2017	2,003,747	-	486,667	1,517,080	495,680
Unamortized Premium	51,923	-	13,848	38,075	13,846
Sewer					
1994 State Loan, 2.7%, 2014	813,753	-	813,753	-	-
Las Positas Golf Course					
Certificates of Participation:					
2008, varies, 2030	3,703,153	-	144,377	3,558,776	150,235
Golf Equipment Lease	-	437,256	49,055	388,201	84,186
Total business-type activities debt	<u>\$ 17,862,027</u>	<u>\$ 441,433</u>	<u>\$ 1,867,004</u>	<u>\$ 16,436,456</u>	<u>\$ 1,118,837</u>



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NOTE 7 – LONG-TERM DEBT (Continued)

B. Governmental Activities

CERTIFICATES OF PARTICIPATION

On October 1, 2008, \$63,000,000 principal amount of **2008 Variable Rate Demand Certificates of Participation**, (2008 COPs) were issued to fund the costs of design and development of a new Fire Station No. 9, to study the re-use options of the former library, to fund public safety communication projects, and to reconfigure a portion of the Las Positas Golf Course in order to extend Jack London Boulevard. A portion of the 2008 COPs proceeds was placed in an irrevocable trust which was used to refund and retire the outstanding balance of the 2000 COPs and 2002 COPs of \$25,975,000 and \$29,480,000, respectively.

Interest rates on the City's 2008 COPs are reset weekly, using the "put" mechanism described below. The 2008 COPs are periodically subject to repurchase at par, referred to as a "put". Once a put occurs, the remarketing agent resells the 2008 COPs at par by setting new interest rates and repurchase dates. The City has obtained an irrevocable, direct-pay letter of credit in the amount of \$61,399,606 to be used in the event the remarketing agent is unable to resell any 2008 COPs, and to ensure the City will not be required to repurchase the 2008 COPs before they mature. The letter of credit related to the 2008 COPs expires on September 11, 2016.

On June 1, 2011, \$17,470,000 principal amount of **2011 Certificates of Participation**, (2011 COPs) were issued to fund the costs of design and development of a two mile extension of Jack London Boulevard, storm drainage facilities, including a 40 acre southern conveyance facility, and to construct a new 8,400 square foot Airport Administration Building for the Livermore Municipal Airport. Semiannual interest payments are due February 1 and August 1, commencing February 1, 2012. Annual principal payments are due August 1, commencing on August 1, 2013. Debt service payments are being made by the Airport Enterprise Fund and the General Fund.

On August 1, 2012, \$8,310,000 of **2012 Certificates of Participation**, (2012 COPs) were issued to refund, on a current basis, the outstanding balance of \$5,729,624 of the 2007 COPs. The refunding was undertaken to reduce the total debt service payments over 4 years by \$383,480 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$357,015. Interest and principal payments are payable semiannually on April 1 and October 1 of each year, commencing April 1, 2013. Debt service payments are being made by the Sewer Enterprise Fund and the General Fund.

HUD SECTION 108 LOAN

In fiscal 2010, the City received a non-interest bearing Section 108 loan in the amount of \$1,320,000 from the Department of Housing and Urban Development to purchase the Hageman Farms. The principal payments are due annually from 2012 through 2030.



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NOTE 7 – LONG-TERM DEBT (Continued)

CALIFORNIA HOUSING FINANCE AGENCY NOTES PAYABLE

The City entered into five loan agreements with California Housing Finance Agency (CHFA) as listed below:

1. \$450,000 is to be used for down-payment assistance directed to first-time homebuyers. The amount drawn down on this loan was \$418,875. The City paid off this loan in August 2013.
2. \$1,500,000 is to be used as a revolving fund for an existing acquisition, bridge and construction loan program that will allow for the development of homeownership and multifamily rental projects. As of June 30, 2014, the City drew down \$1,488,464 from this loan.
3. \$1,500,000 is to be used to assist with the development of 55 units in a 130-unit senior rental complex. As of June 30, 2014 the City drew down the entire amount of this loan.
4. \$750,000, a loan entered in fiscal year 2007, is to be used to rehabilitate small multi-family rental housing complexes. As of June 30, 2014, the City drew down \$185,000 from this loan.
5. A loan of \$5,000,000 was obtained in fiscal year 2009 to loan to the former redevelopment agency for the purchase of the "Lucky Site." The amount drawn down on this loan was \$4,875,000 which was completely paid off in current fiscal year.

All CHFA funds bear interest at a 3.0% simple rate and all payments of principal and interest are deferred for a ten year period.

ALTAMONT LANDFILL OPEN SPACE COMMITTEE LOAN

In July 2009 the City received an interest-free loan of \$520,233 from the Altamont Landfill Settlement Agreement Open Space Account for a property acquisition and related legal, property title, and escrow costs. The City is required to pay back this loan in August 2014.

CAPITAL LEASE OBLIGATIONS

On October 24, 2012 the City entered into an equipment lease/purchase agreement with Banc of America Public Capital Corp to install photo voltaic panels and street lights throughout the City. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of minimum lease payments in the amount of \$12,538,957. Rental payments are due in 180 uneven monthly payments ranging from \$69,892 to \$115,868 and include interest at the rate of 2.59%. Monthly lease payments began on November 24, 2013 and end on October 24, 2028. Because, loan payments did not begin until November 2013, the accrued interest of \$110,494 for July through October was added to the Principal balance. Lease payments are being made by the Facilities Rehabilitation Internal Service Fund and the Airport Enterprise Fund. The City also executed an acquisition fund agreement with Deutsche Bank National Trust Company for distribution of funds.



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NOTE 7 – LONG-TERM DEBT (Continued)

On March 11, 2013, the City entered into a software lease-purchase agreement with Government Capital Corporation to finance the upgrade of Accela Permit Plus software, the City's permit system, to Accela Automation, including hosting and software maintenance services. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of minimum lease payments in the amount of \$1,195,118. The assets acquired under this agreement are recorded in the IT Internal Service Fund. The financing was obtained at an interest rate of 3.21% with annual payments of \$258,443 beginning September 2013 through September 2017.

C. Business-type Activities

1994 STATE LOAN

The State of California loaned the City \$13,010,062 under the terms of a **1994 State Loan** agreement. The proceeds from the Loan were used to partially repay the 1991 Variable Rate Demand Certificates of Participation. Annual principal and interest payments are due September 3, and are payable from Sewer Enterprise Fund connection fees and operating revenues. The City's water reclamation plant expansion, which was financed with the proceeds from the 1991 COPs, is pledged as collateral. The final installment payment for this loan was made in September 2013.

CAPITAL LEASE OBLIGATION

On September 23, 2014 the City entered into a five year lease/purchase agreement with Umpqua Bank Equipment Lease & Finance to lease grounds keeping equipment including new mowers and tractors for the Las Positas Golf Course Enterprise Fund. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of minimum lease payments as of the inception date. The lease was executed in the amount of \$437,256 at an interest rate of 2.5% with monthly lease payments of \$7,731 beginning September 1, 2013 and ending on September 1, 2018. Lease payments are payable from the Las Positas Golf Course Enterprise Fund.



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D. Debt Service Requirements

Debt service requirements are shown below for all long-term debt, including interest on variable rate 2008 COPs, based on a 0.05% rate.

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 6,243,961	\$ 1,131,235	\$ 1,104,991	\$ 252,687
2016	5,914,317	1,174,931	1,129,488	237,106
2017	4,401,049	645,898	1,166,856	221,177
2018	3,336,030	616,729	673,772	207,447
2019	3,075,508	2,893,767	638,944	201,674
2020-2024	17,276,953	2,821,573	3,374,040	941,549
2025-2029	20,964,382	2,368,930	4,110,034	792,486
2030-2034	9,024,562	1,762,212	2,335,438	596,456
2035-2039	3,162,698	1,045,627	1,072,302	354,516
2040-2044	2,337,484	188,390	792,516	63,873
Total	75,736,944	\$ 14,649,292	\$ 16,398,381	\$ 3,868,971
Premium, net of amortization	88,671		38,075	
	<u>\$ 75,825,615</u>		<u>\$ 16,436,456</u>	

NOTE 8 - SPECIAL ASSESSMENT DISTRICT DEBT WITH NO CITY COMMITMENT

Special assessment districts, including Mello Roos Districts, exist in various parts of the City to provide improvements to properties located in those districts. Properties are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements and must be sufficient to repay this debt. The City acts solely as the collecting and paying agent for the special assessment district debt issues below, but it has no direct or contingent liability or moral obligation for the payment of this debt. This debt is not included in the general debt of the City. The outstanding balance of each of these issues as of June 30, 2014 is as follows:

Consolidated Refunding Assessment Districts 1993-4	\$ 4,685,000
Community Facilities District No. 1 (Tri-Valley Technology Park) Special Tax Bonds Series 2000	16,730,000
Consolidated Reassessment and Refunding District 2002	1,160,000
Community Facilities District No. 2006-1 (Shea Properties) Special Tax Bonds Series 2006	9,690,000
Community Facilities District No. 2009-1 (El Charro) from Livermore Premium Outlets, LLC	16,511,643
Total	<u>\$ 48,776,643</u>



**Comprehensive Annual Financial Report
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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 8 - SPECIAL ASSESSMENT DISTRICT DEBT WITH NO CITY COMMITMENT (Continued)

In December 1998, the Livermore Capital Projects Financing Authority (LCPFA) issued \$26,675,000 principal amount of Marks-Roos Revenue Bonds to refinance the Consolidated Refunding Assessment District Bonds Series No. 1993-4. Proceeds from the Marks-Roos Bonds were used by a Trustee to purchase the 1993-4 Bonds which are held as an investment (\$4,685,000 as of June 30, 2014) and collateral for the repayment of the Marks-Roos Bonds. District property owners pay assessments on their property under the 1993-4 Bond indenture to the Trustee as owner of the 1993-4 Bonds. The Trustee then uses these assessments to pay debt service on the Marks-Roos Bonds. Neither the faith and credit nor the general taxing power of the City of Livermore have been pledged to the payment of the bonds. Therefore, the bonds have not been included in the accompanying financial statements.

On July 18, 2000, the City sponsored the issuance of the Community Facilities District No. 1 (Tri-valley Technology Park) Special Tax Bonds, Series 2000. The Bonds were issued to refund a portion of the Consolidated Refunding Assessment District 1993-2 and all of the bonds outstanding for the Triad Series 90-1B and Triad Series 90-1C. The balance outstanding for these Bonds as of June 30, 2014 is \$16,730,000.

On May 29, 2002, the City sponsored the issuance of the Consolidated Reassessment and Refunding District Limited Obligation Refunding Improvement Bonds, Series 2002. The Bonds were issued to refund the remaining principal amount of the Limited Obligation Refunding Bonds for Consolidated Refunding District 1993-1 and 1993-2. The balance outstanding for these 2002 Bonds as of June 30, 2014 is \$1,160,000.

On September 1, 2006, the City sponsored the issuance of the Community Facilities District (CFD) No. 2006-1 (Shea Properties) Special Tax Bonds, Series 2006. The Bonds were issued to fund certain public infrastructure improvements within and adjacent to the CFD. The balance outstanding for these Bonds as of June 30, 2014 is \$9,690,000.

During fiscal year 2012-13, the City sponsored the issuance of the Community Facilities District (CFD) No. 2009-1 (El Charro) Special tax Loan of \$13,415,000 from Livermore Premium Outlets LLC (formerly Paragon Outlets Livermore Valley LLC). This loan was issued to refund a loan of \$13,400,000 obtained from the Alameda County Surplus Property Authority in the fiscal year 2011-12. The balance outstanding of this loan as of June 30, 2014 is \$13,215,626.

On February 1, 2014, the City on behalf El Charro CFD No. 2009-1 entered into another special tax loan agreement with Livermore Premium Outlets, LLC. Under the 2014 Loan Agreement, the Lender will make a loan of up to \$7,500,000. As of June 30, 2014 the City on behalf of El Charro CFD has made a draw of \$3,296,017 on this loan to construct a new roadway.



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 9 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These restrictions principally include developer fees received for use on capital projects and debt service requirements.

Unrestricted describes the portion of Net Position which is not restricted as to use.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider to restricted-net position to have been depleted before unrestricted-net position is applied.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources.

Each category in the following hierarchy is ranked according to the degree of spending constraint:

Non-spendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of non-spendable assets are restricted, committed or assigned, then Non-spendable amounts are required to be presented as a component of the applicable category.



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NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances (Continued)

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and non-spendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation. Encumbrances and non-spendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed through Council resolution and/or budget document or its designee (City Manager) and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Non-spendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.



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NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2014, are below:

Fund Balance Classifications	Capital Projects					LCFPA 2011 COPS Construction Fund	Other Governmental Funds	Total
	General Fund	Isabel Avenue	El Charro Specific Plan	Developer Deposits				
Nonspendable:								
Items not in spendable form:								
Prepays and deposits	\$ 98,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,748
Advances	6,219,033	-	-	-	-	-	-	6,219,033
Total Nonspendable Fund Balances	6,317,781	-	-	-	-	-	-	6,317,781
Restricted for:								
Affordable housing projects	-	-	-	-	-	-	12,983,432	12,983,432
Housing and human services programs	-	-	-	-	-	-	1,001,869	1,001,869
Library programs	-	-	-	-	-	-	290,001	290,001
Other projects/programs	-	-	-	-	-	-	548,823	548,823
Neighborhood preservation program	-	-	-	-	-	-	165,516	165,516
Solid waste and recycling	-	-	-	-	-	-	928,561	928,561
Landscaping maintenance program	-	-	-	-	-	-	5,991,586	5,991,586
Police programs	-	-	-	-	-	-	487,833	487,833
Public works programs	-	-	-	-	-	-	71,182	71,182
AB1600 fee program	-	-	-	-	-	-	4,374,020	4,374,020
Debt service funds	-	-	-	-	-	-	849,510	849,510
Capital improvement program	-	-	3,121,508	-	-	977,719	25,647,466	29,746,693
Total Restricted Fund Balances	-	-	3,121,508	-	-	977,719	53,339,799	57,439,026
Committed for:								
Financial stabilization arrangement	12,548,889	-	-	-	-	-	-	12,548,889
Total Committed Fund Balance	12,548,889	-	-	-	-	-	-	12,548,889
Assigned to:								
Economic uncertainty reserve	8,365,926	-	-	-	-	-	-	8,365,926
Total Assigned Fund Balances	8,365,926	-	-	-	-	-	-	8,365,926
Unassigned:								
General Fund	5,050,960	-	-	-	-	-	-	5,050,960
Fund balance deficit	-	(1,230,171)	-	-	-	-	(548)	(1,230,719)
Total Unassigned Fund Balances	5,050,960	(1,230,171)	-	-	-	-	(548)	3,820,241
Total Fund Balances	\$ 32,283,556	\$ (1,230,171)	\$ 3,121,508	\$ -	\$ 977,719	\$ 53,339,251	\$ 88,491,863	



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NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

C. Minimum Operating Reserve Policy

On June 11, 2012 the City adopted a resolution to establish the City's Fund Balance Policy. The goal was to achieve full funding of each of these reserves by June 2018; however, the City used one-time revenues in FY 2012-13 to fully fund all these reserves. Special Revenue, Debt Service and Capital Projects Funds have no minimum funding levels due to the nature of the funds. The minimum funding levels of the policy are highlighted below.

General Fund

The Committed General Fund Financial Stabilization Operating Reserve minimum funding level is 15% of operating expenditures plus debt service transfers to be used in a catastrophic event or in a major emergency or in periods of severe fiscal crisis.

The Assigned General Fund Economic Uncertainty Reserve minimum funding level is 10% of operating expenditures plus debt service transfers to be used during times of severe economic distress such as protracted recessionary periods. State raids on local resources, or other impactful unforeseen events which greatly diminish the financial ability of the City to deliver core services.

The Unassigned General Fund balance minimum funding level is 1.5% of operating expenditures plus outgoing debt service transfers.

Enterprise Funds

The Airport, Water and Golf Course Funds Unrestricted Net Position minimum fund balance is 12.5% (or 45 days' worth of working capital) of operating expenditures plus debt service transfers. The Sewer and Storm Water Funds Unrestricted Net Position minimum fund balance is 50% of their operating budget plus debt service transfers.

Internal Service Funds

The Liability and Workers' Compensation Insurance Fund Unrestricted Net Position minimum fund balance is 50% of operating expenditures. The Fleet Services, Information Technology and Facilities Rehabilitation Funds Unrestricted Net Position minimum fund balances is 12.5% of operating expenses.



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NOTE 10 – RETIREMENT BENEFITS

A. CALPERS Safety and Miscellaneous Plans

All employees meeting PERS membership requirements must participate in pension plans offered by California Public Employees Retirement System (CALPERS) an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. On November 2012, the City adopted a second tier retirement system for all employees hired after December 31, 2012. The City also adopted a 3rd tier effective January 1, 2013 in pursuant of the State Assembly Bill 340.

The Plans' provisions and benefits in effect at June 30, 2014, are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Minimum retirement age	50	50/52
Employees hired prior to December 30, 2012	Tier 1	Tier 1
Monthly benefits, as a % of annual salary	3% at 50	2.7% at 55
Required member contribution rates	9%	8%
% paid by employee	5%	8%
% paid by employer	4%	0%
Required employer contribution rates	26.149%	20.918%
Employees hired December 31, 2012	Tier 2	Tier 2
Monthly benefits, as a % of annual salary	3% at 55*	2% at 60*
Required member (employee) contribution rates	9%	7%
Required employer contribution rates	20.774%	20.918%
Employees hired after December 31, 2012	Tier 3	Tier 3
Monthly benefits, as a % of annual salary	2.7% at 57*	2% at 62*
Required member (employee) contribution rates:	11.5%	6.25%
Required employer contribution rates	11.5%	20.918%

Newly hired Misc Employees will be enrolled in the 2% at 60 or 2% at 62 formula, dependent on the individual's eligibility, as per AB340.
Newly hired Safety Employees will be enrolled in the 3% at 55 or 2.7% at 57 formula, dependent on the individual's eligibility, as per AB340.



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT BENEFITS (Continued)

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City’s total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee’s projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the years ended June 30, 2014, 2013 and 2012 were as follows:

Fiscal Year Ended	Annual Pension Cost (APC)			% of APC Contributed	Net Pension Obligation
	Safety	Miscellaneous	Total		
2012	\$ 3,170,476	\$ 4,753,196	\$ 7,923,672	100%	Nil
2013	2,924,507	4,891,596	7,816,103	100%	Nil
2014	2,319,707	5,101,964	7,421,671	100%	Nil

CALPERS uses the market related value method of valuing the Plan’s assets. An investment rate of return of 7.5% is assumed, including inflation at 2.7%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and amortized over a rolling thirty year period.

The Miscellaneous Plan’s actuarial value (which differs from market value) and funding progress over the past three years is set forth below at their actuarial valuation date of June 30:

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2010	\$ 177,557,258	\$ 143,475,201	\$ 34,082,057	80.8%	\$ 30,170,999	113.0%
2011	191,383,518	153,976,782	37,406,736	80.5%	27,057,650	138.2%
2012	200,839,546	161,659,090	39,180,456	80.5%	26,171,173	149.7%



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NOTE 10 – RETIREMENT BENEFITS (Continued)

As of the actuarial valuation date of June 30, 2003, the City’s safety plan became part of a CalPERS Risk Pool for employers with less than 100 active plan members. When these risk pools were established, PERS assigned each entity in the pool a share of the unfunded liability, and assessed a rate of 7.75% annually. Contributions toward the payoff of the unfunded liability were included in the City’s annual rate adjustment. On February 22, 2013 the City prepaid its outstanding side fund balance of \$4,122,461 to CalPERS which reduced the future employer’s contribution rate for safety employees through the original side fund amortization period ending on June 30, 2017.

The Safety Plan actuarial value funding programs over the past three years is set forth below for all members of the cost sharing pool at June 30th:

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2010	\$ 10,165,475,166	\$ 8,470,235,152	\$ 1,695,240,014	83.3%	\$955,980,815	177.3%
2011	96,247,094	80,370,926	15,876,168	83.5%	9,647,798	164.6%
2012	100,893,634	84,771,485	16,122,149	84.0%	9,191,183	175.4%

Audited annual financial statements and ten year trend information are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.



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NOTE 10 – RETIREMENT BENEFITS (Continued)

B. Other Post Employment Benefits

By Council resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees under third-party insurance plans. A summary of eligibility and retiree contribution requirements are shown below by bargaining unit. As of June 30, 2014, 222 retirees were eligible to receive post-employment benefits. In addition, 308 current employees qualify to receive post-employment benefits if they retire from the City.

	Executive Mgmt	Mid-Mgmt & Confidential	MEAN	LPOA	Police Management	
■ Hired Before	• N/A	• 2/1/2006	• 4/1/2007	• 2/1/2007	• N/A	
■ Eligibility	<ul style="list-style-type: none"> Retire directly from the City with 10 years CalPERS service (15 years for Police safety) and a minimum of 5 years City service, or Industrial disability for Police safety 					
■ Benefit	<ul style="list-style-type: none"> City reimburses up to a percentage of the Kaiser Plan A2-party active premium (early retiree premium for Police Lieutenants hired before 5/29/06 and LPOA), subject to a cap that varies by bargaining group City will reimburse Medicare A & B if required for Medical coverage Reimbursement percentage based on bargaining group and CalPERS service: 					
	PERS Service	Reimb %	PERS Service	Reimb %	PERS Service	Reimb %
	10	75%	10	75%	15	75%
	15	80%	15	80%	20	85%
	20	90%	20	90%	25+	100%
	25+	100%	25+	100%		
■ Cap	<ul style="list-style-type: none"> Original DOH < 1/10/05: No cap Original DOH > 1/10/05: Active medical cap 	<ul style="list-style-type: none"> DOH < 2/1/06: No cap DOH > 2/1/06: No benefit, City contributes 4% of base pay to RHSA EE promoted from other units after 2/1/06 eligible for the previous benefits 	<ul style="list-style-type: none"> DOR < 10/3/03: \$200 benefit DOH < 4/1/07: DOR ≥ 1/1/06 Active medical cap DOH ≥ 4/1/07: No benefits, City contributes 4% of base pay to RHSA 	<ul style="list-style-type: none"> DOH < 2/1/07: Active medical cap DOH > 2/1/07: No benefits, City contributes 5% of base pay to RHSA, EE contributes 1% of base pay to RHSA 	<ul style="list-style-type: none"> Tier 1 (PL/Cpt): (DOH < 9/1/04) No cap Tier 2 (DOH: 9/1/04-5/29/06) Active medical cap Tier 3 (DOH > 5/29/06) Active medical cap Tier 4 Promoted EE's stay with RHSA if RHSA was prior benefit 	



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NOTE 10 – RETIREMENT BENEFITS (Continued)

C. Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2012 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 5.90% investment rate of return, (b) 3.25% projected annual salary increase, and (c) 3% general inflation rate and (d) health inflation increases ranging from 9.5% - 10%. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 26 year closed amortization period.

In accordance with the City's budget, the annual required contribution (ARC) is to be funded throughout the year as a percentage of payroll. During fiscal year ended June 30, 2010, the City joined the Public Agencies Post-Retirement Health Care Plan, a multiple employer trust administered by Public Agency Retirement Services (PARS). The City contributed \$ 3,905,000 to an irrevocable trust administered by PARS, managed by an appointed board not under the control of City Council. This trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for PARS may be obtained from PARS at 4350 Von Karman Ave., Suite 200, Newport Beach, CA 92660.



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NOTE 10 – RETIREMENT BENEFITS (Continued)

D. Funding Progress and Funded Status

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2014, the City made contributions toward the ARC amounting to \$7,013,349 to the Plan which represented 21.3% of the \$33.0 million of covered payroll. As a result, the City has recorded the Net OPEB Obligation, representing the difference between the ARC, the interest and amortization of the Net OPEB Obligation and actual contributions, as presented below:

Annual required contribution (ARC)	\$ 9,870,000
Interest on net OPEB obligation	1,195,683
Amortization of OPEB obligation	<u>(1,589,773)</u>
Annual OPEB cost	9,475,910
Contributions made:	
City portions of current year premiums paid	3,108,349
Contributions to PARS	<u>3,905,000</u>
Total contributions	<u>7,013,349</u>
Contributions less than the ARC	2,462,561
Net OPEB obligation at June 30, 2013	<u>28,063,988</u>
Net OPEB obligation at June 30, 2014	<u><u>\$ 30,526,549</u></u>

The unfunded actuarial accrued liability (UAAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2012, amounted to \$101.8 million and was partially funded with contributions made to irrevocable trusts.

The Plan’s annual OPEB cost and actual contributions for the last three fiscal years are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
6/30/2012	\$ 9,373,061	\$ 2,008,933	21%	\$ 20,268,820
6/30/2013	9,983,069	2,187,901	22%	28,063,988
6/30/2014	9,475,910	7,013,349	74%	30,526,549



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NOTE 10 – RETIREMENT BENEFITS (Continued)

The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the latest actuarial studies available is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded Actuarial Liability as Percentage of Covered Payroll [(B - A)/C]
6/30/2008	\$ 1,185,000	\$ 43,501,000	\$ 42,316,000	2.72%	\$ 37,065,000	114%
6/30/2010	3,214,000	95,573,000	92,359,000	3.36%	33,196,000	278%
6/30/2012	4,532,000	106,364,000	101,832,000	4.26%	32,965,000	309%

E. Social Security

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer’s existing system as of January 1, 1992 be covered by either Social Security or an alternative plan.

The City has an agreement with the Public Agency Retirement System (PARS) to provide an alternative retirement system for employees not eligible for PERS, and adopted the PARS 457 Trust including the PARS Section 457 FICA Alternative Retirement Plan.

NOTE 11 - DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City’s property and are not subject to City control, they have been excluded from these financial statements.



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NOTE 12 - JOINT VENTURES

The City participates in the joint venture activities described below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these organizations 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. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. Assets and liabilities of the separate entities are not those of the City. The City's sole financial responsibility is to fund annual contributions to each entity which are used along with other member contributions to finance each joint venture's annual operations.

A. Livermore-Amador Valley Water Management Agency (LAVWMA)

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

The City accounts for its investment in LAVWMA by the equity method in the Sewer Enterprise Fund. The City records its share of earnings (losses) in the Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position as "Change in value in investment in JPA - LAVWMA," and the carrying value of the City's investment in LAVWMA is recorded in the Proprietary Funds Statement of Net Position as "Investment in JPA - LAVWMA."

On August 1, 2011, LAVWMA issued \$105,345,000 principal amount of 2011 Sewer Revenue Refunding Bonds. Proceeds of the issuance were used to refund and retire the Series A Sewer Revenue Bonds and to pay costs of issuance. Under an Amended and Restated Sewer Service Contract dated October 1, 2011 between LAVWMA and the Members, the Members pledged and created, in favor of LAVWMA and the Trustee for the 2011 Bonds, a lien on the Net Revenues of their respective wastewater systems to pay to LAVWMA the amounts owed in order for LAVWMA to pay the debt service on the 2011 bonds. The City's share is 27.83% of the total debt service.

The City's equity interest in LAVWMA was \$16,396,831 as of June 30, 2014.

Financial statements for LAVWMA may be obtained from DSRSD at 7051 Dublin Boulevard, Dublin, California 94568.



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 12 - JOINT VENTURES (Continued)

B. Livermore-Amador Valley Transit Authority (LAVTA)

This Authority was formed in May 1985 by a joint exercise of powers agreement between the County of Alameda and the Cities of Livermore, Pleasanton and Dublin for the purpose of providing general public transportation under the business name "Wheels". Financial statements may be obtained from LAVTA, 1362 Rutan Court, Livermore, CA 94551.

C. Tri-Valley Transportation Council (TVTC)

The Tri-Valley Transportation Council 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 may be obtained from Franklin Management Systems, Inc., Attn: Mr. Jack Harrington, 3037 Hopyard Road, Suite M, Pleasanton, CA 94588.

D. Alameda County Congestion Management Program

The Alameda County Congestion Management Program was formed in 1991 by a joint exercise of powers agreement between the County and cities of Alameda for the purpose of preparing, implementing and administering a traffic congestion management plan pursuant to California Government Code section 66531. Financial statements may be obtained from the Alameda County Congestion Management Agency at 1333 Broadway, Suite 220, Oakland, CA, 94612.

E. Livermore - Pleasanton Fire Department Joint Powers Agreement (LPFD)

On December 3, 1996, the cities of Livermore and Pleasanton signed a joint powers agreement to form a joint Fire Department covering both cities. The LPFD may not own physical assets nor enter into contracts without approval of the governing board. The LPFD prepares its budget including contributions required from each City to fund operating and capital needs for the year. In January 2013, the City of Livermore began functioning as Treasurer for LPFD. The City accounts for LPFD in an Agency Fund. No separate financial statements are prepared. During the year ended June 30, 2014, the City contributed \$13,119,008 to LPFD representing its share of costs.



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NOTE 13 - GENERAL LIABILITY AND WORKERS COMPENSATION COVERAGE

A. Risk Management

California Joint Powers Risk Management Authority (CJPRMA) covers general liability claims in an amount up to \$40,000,000. The City has a deductible or uninsured liability of up to \$500,000 per claim. Once the City's deductible is met, CJPRMA becomes responsible for payment of all claims up to the limit. During the fiscal year ended June 30, 2014 the City contributed \$265,715 for current year coverage.

The Local Agency Workers Compensation Excess Insurance Joint Powers Authority (LAWCX) covers workers compensation up to statutory limits. The City has a deductible or uninsured liability of up to \$500,000 per claim. During the fiscal year ended June 30, 2014, the City contributed \$169,067 for current year coverage.

There were no significant reductions in insurance coverage nor were there settlements in excess of issuance coverage in any of the three prior fiscal years.

Each risk pool is governed by a board consisting of representatives from member municipalities. The board controls the operations of each risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. The City's contribution to each risk pool equals the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

CJPRMA's financial statements may be obtained from CJPRMA at 3201 Doolan Road, Suite 285, Livermore, CA 94551. LAWCX's financial statements may be obtained from Bickmore & Associates, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

B. Liability for Uninsured Claims

The City's liability for the uninsured portion of claims, including a provision for claims incurred but not reported, was computed as follows based on claims experience:

	Liability Insurance Reserve	Workers' Compensation	Total
Balances of claims payable at June 30, 2012	\$ 875,767	\$ 2,608,433	\$ 3,484,200
Change in estimated claims liability	209,125	1,390,557	1,599,682
Claims paid	<u>(203,381)</u>	<u>(554,434)</u>	<u>(757,815)</u>
Balances of claims payable at June 30, 2013	881,511	3,444,556	4,326,067
Change in estimated claims liability	284,999	1,422,931	1,707,930
Claims paid	<u>(284,999)</u>	<u>(1,123,468)</u>	<u>(1,408,467)</u>
Balances of claims payable at June 30, 2014	<u>\$ 881,511</u>	<u>\$ 3,744,019</u>	<u>\$ 4,625,530</u>

The City estimates the current portion of the claims liability at June 30, 2014 was \$350,000 and \$780,000 for liability insurance and worker's compensation, respectively.



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NOTE 14 - COMMITMENTS AND CONTINGENCIES

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

A. Construction Commitments

The City has the following outstanding construction commitments at June 30, 2014:

Diède Construction - Airport Administration Building	\$ 2,387,488
DeSilva Gates Construction - ECSP Infrastructure Project, Phase II	1,205,963
PARC Services - Galaxy Court Culvert Replacement	<u>406,377</u>
	<u>\$ 3,999,828</u>

B. Animal Shelter

The Cities of Dublin, Pleasanton, and Livermore and the County of Alameda reached an agreement under which Alameda County constructed an animal shelter facility on County property. Under the agreement the entities share in the debt service and operating costs of the project based on their use of the animal shelter. The City of Livermore paid \$398,721 for its share of debt service and operating costs. The City's portion of the project fluctuates based on actual usage and was 26.06% as of June 30, 2014.



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NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

C. Successor Agency to the former Redevelopment Agency

The City and former Agency have entered into a variety of development agreements with third parties to provide needed improvements and projects. Activities under agreements for which there are continuing commitments are disclosed in the following paragraphs. Additionally, the City and Agency have other agreements that entitle them to collect certain loans or notes receivables which are disclosed in Note 5.

1. Livermore Senior Housing Continuum of Care Project Phase I

The City and former Agency have an agreement with a Developer and an Owner under which a 250 unit residential rental senior citizen housing Congregate Care/Assisted Living Facility (Phase I) was to be constructed on a site composed of formerly Agency-owned land subdivided into two parcels, one for Phase 1 and another for a related Phase II project that has since been deemed unfeasible and has been replaced with the Valley Care Senior Housing Project. As of June 30, 2005, the former Agency sold the land for Phase I and construction was complete. In addition former Agency funds transferred to the City's Housing and Community Assistance Fund in fiscal 2001-2002 were used to finance the Developer Loan for \$800,000, which has been recorded in the Housing and Community Assistance Fund. The loan bears interest at ten percent, is due in fifty-seven years and is secured by a subordinated deed of trust. Provided the project is in compliance with affordability covenants, the interest rate will drop to five percent beginning the seventeenth year of the note until maturity. If the project maintains compliance with affordability covenants through maturity, interest accrued at the five percent rate will be forgiven.

As required under the agreement, the former Agency sponsored the issuance of \$29.8 million principal amount of Multifamily Housing Revenue Bonds proceeds, which were used by the Developer to acquire and construct the project. The Bonds are repayable solely from mortgage payments received from the Developer. The former Agency is not obligated for repayment of the Bonds.

2. Livermore Valley Performing Arts Center

The former Agency has an agreement under which the Developer, Livermore Valley Performing Arts Center (LVPAC), has agreed to construct a 2,000 seat regional performing arts theater along with certain infrastructure improvements. The Developer is to obtain financing for construction costs of building the theater and related improvements which is estimated to be \$69.2 million. Once the theater has been completed, the former Agency will make a series of scheduled payments to the Developer to purchase the Operating Covenant. At June 30, 2014, the theater construction has not started.



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NOTE 15 – SUCCESSOR AGENCY ACTIVITIES

A. Successor Agency Trust for Assets of the Former Livermore Redevelopment Agency.

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 9, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-006.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California could not enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). The oversight board is comprised of seven members, including one member of the City Council and one former Livermore Redevelopment Agency employee appointed by the Mayor. Certain activities of the Successor Agency are subject to review and approval of the oversight board. The City provides administrative services to the Successor Agency to wind down affairs of the former Livermore Redevelopment Agency.

After the date of dissolution, as of February 1, 2012, the housing-related assets and activities of the dissolved redevelopment agency are reported in the governmental Housing Successor Special Revenue Fund. The non-housing related assets and activities of the dissolved redevelopment agency are reported in the fiduciary Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund whose activities are subject to review and approval by the oversight board.



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NOTE 15 – SUCCESSOR AGENCY ACTIVITIES (Continued)

B. Long-Term Debt

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012.

	Balance at June 30, 2013	Retirements	Balance at June 30, 2014	Amount due in one year
Fiduciary Activities				
2001 Tax Allocation Bonds, 4.00%-5.00%, 2032	\$ 30,155,000	\$ 900,000	\$ 29,255,000	\$ 950,000
Total debt	\$ 30,155,000	\$ 900,000	\$ 29,255,000	\$ 950,000

On August 1, 2001, the Redevelopment Agency issued \$36,775,000 of **2001 Tax Allocation Bonds, Series A**. Proceeds were used to refund the above outstanding Livermore Redevelopment Project 1986 Tax Allocation Bonds Series A, and to provide funds to finance various redevelopment activities within the Project Area. Semiannual debt service payments are due August 1 and February 1, and are repayable from tax increment revenues of the Redevelopment Agency Project Area.

The pledge of future tax increment revenues ends upon repayment of the \$47.712 million in remaining debt service on the Agency’s long term debt which is scheduled to occur in 2032. As disclosed in the originating offering documents, pledged future tax increment revenues were expected to provide coverage of 1.75 times debt service over the life of the debt. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. For the period July 1, 2013 to June 30, 2014, RPTTF payments amounted to \$2,438,330 which represented coverage of 1.02 times the \$2,399,538 debt service for that same period.

Annual debt service requirements are shown below:

For the Year Ending June 30	Principal	Interest	Total
2015	\$ 950,000	\$ 1,450,975	\$ 2,400,975
2016	995,000	1,399,919	2,394,919
2017	1,050,000	1,346,238	2,396,238
2018	1,105,000	1,289,669	2,394,669
2019	1,165,000	1,230,081	2,395,081
2020-2024	6,765,000	5,184,875	11,949,875
2025-2029	8,630,000	3,269,500	11,899,500
2030-2033	8,595,000	885,875	9,480,875
Total	\$ 29,255,000	\$ 16,057,132	\$ 45,312,132



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NOTE 15 – SUCCESSOR AGENCY ACTIVITIES (Continued)

C. Commitments and Contingencies

State Department of Finance Approval of Enforceable Obligations

The Successor Agency submits a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance (DOF). Although the State Department of Finance may not question items included on the ROPS in one period, they may question those same certain items on a future ROPS and disallow associated activities. The Successor Agency plans to re-establish certain loans between the former RDA and the City that were previously denied since the Successor Agency has now received its Finding of Completion.

State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. During the months of April and May 2013 the State Controller's Office conducted a review of the propriety of asset transfers that occurred between January 1, 2011 and January 31, 2012 from the former Redevelopment Agency (or the Successor Agency) to the City. The Successor agency received its final determination letter from the State Controller on February 24, 2014. The State found that \$85,000 in transfers are unallowable and needs to be returned to the Successor Agency. The City at this time is objecting to the ruling and has not made this payment.

Finding of Completion

The Successor Agency was required to complete a number of tasks to receive a "Finding of Completion". The Successor Agency first made a true up payment on July 12, 2012 to the County for disbursement to the Affected Taxing Entities. Next a "Housing Asset Transfer Form" was submitted to the California Department of Finance (DOF) on August 31, 2012. The Successor Agency then submitted its Low and Moderate Housing Fund Due Diligence Review Report on January 9, 2013 to the DOF. Fourth requirement was to submit a Due Diligence Review Report to the DOF for its Other Funds and Accounts which was done on March 12, 2013. Finally a State Controller Asset Transfer audit was required which was performed in April 2013. The Successor Agency received its Finding of Completion on July 16, 2013.

Long Range Property Management Plan

The Successor Agency was required to complete a Long Range Property Management Plan (LRPMP) within six months of the Successor Agency receiving a Finding of Completion from the State. The LRPMP must address the disposition and use of the real properties of the former redevelopment agency. Once remitted and approved by both the Oversight Board and the State Department of Finance, the Successor Agency can dispose of its property as intended by the former Redevelopment Agency. The Long Range Property Management Plan was submitted to the Department of Finance for their review on September 27, 2013. As of June 30, 2014, the Department of Finance has not yet approved the Long Range Property Management Plan.



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NOTES TO BASIC FINANCIAL STATEMENTS**

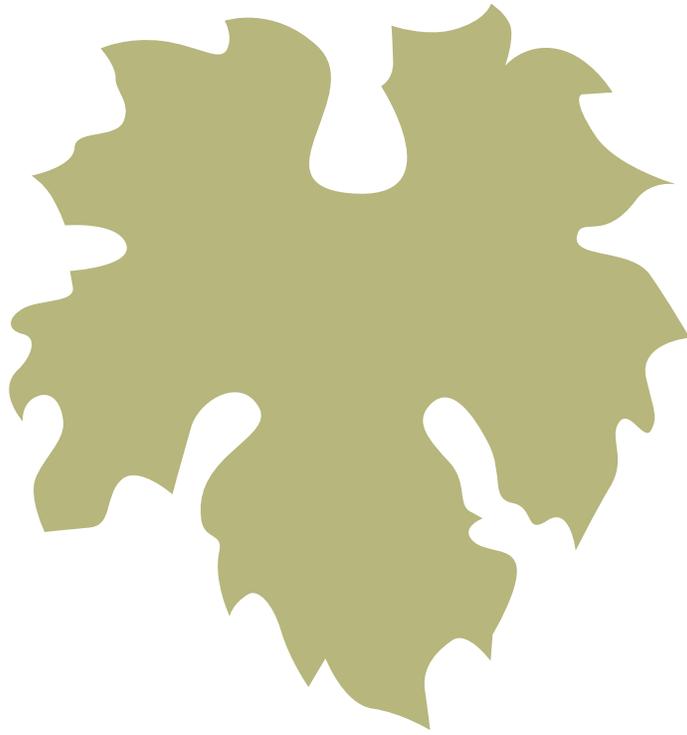
NOTE 16 – SUBSEQUENT EVENTS

On November 7, 2014 the City is planning to issue 2014 Certificates of Participation (2014 COPs) Series A for the amount \$9,300,000 and Series B for the amount \$49,760,000. The proceeds of the Series A Certificates will be used to: (1) refund a portion of the California Statewide Communities Development Authority revenue bonds series 2006, issued in the original aggregate principal amount of \$23,830,000, the proceeds of which were used to finance the construction of a 500-seat performing arts theater located in Livermore, operated by the Livermore Valley Performing Arts Center, (2) fund a debt service reserve fund, if any, for the Certificates; and (3) pay certain costs of issuing the Certificates. The proceeds of the Series B Certificates will be used to: (1) refund the City's 2008 Variable Rate Demand Certificates of Participations (2008 COPs) issued in the original aggregate principal amount of \$63,000,000, (2) fund a debt service reserve fund, if any, for the Certificates; and (3) pay certain costs of issuing the Certificates.

In May 2014 the City entered into a Public Participation Jurisdiction (PPJ) agreement with Alameda County and the Cities of Dublin and Pleasanton to jointly repay a \$1,250,000 Section 108 loan guarantee from the US Department of Housing and Urban Development (HUD). This loan will be used to renovate a building owned by Axis Community Health at 5925 West Las Positas Boulevard, Pleasanton, to expand medical and mental health services throughout the Tri-Valley region. The City is committing to pay \$389,884 or 31% of the total loan amount of \$1,250,000. Annual payments will be equal to \$19,494. The loan is being reviewed by HUD and has not yet been approved. Once this loan is approved, it will be subject to the requirements of the GASB Statement No. 70.



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**ISABEL AVENUE CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Charges for current services	<u>\$ 670,000</u>	<u>\$ 259,652</u>	<u>\$ (410,348)</u>
Total Revenues	<u>670,000</u>	<u>259,652</u>	<u>(410,348)</u>
Expenditures			
Current:			
Community Development	-	1,410,244	(1,410,244)
Capital outlay			-
Capital projects	<u>4,781,600</u>	<u>340,033</u>	<u>4,441,567</u>
Total Expenditures	<u>4,781,600</u>	<u>1,750,277</u>	<u>3,031,323</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>4,111,600</u>	<u>135,431</u>	<u>(3,976,169)</u>
Total Other Financing Sources (Uses)	<u>4,111,600</u>	<u>135,431</u>	<u>(3,976,169)</u>
Net change in budgetary fund balance	<u>\$ -</u>	<u>(1,355,194)</u>	<u>\$ (1,355,194)</u>
Fund balance (deficit)- beginning		<u>125,023</u>	
Fund balance (deficit)- ending		<u><u>\$ (1,230,171)</u></u>	



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**EL CHARRO SPECIFIC PLAN CAPITAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 1,000,000	\$ 1,017,500	\$ 17,500
Contributions from outside sources	<u>2,941,801</u>	<u>1,933,088</u>	<u>(1,008,713)</u>
Total Revenues	<u>3,941,801</u>	<u>2,950,588</u>	<u>(991,213)</u>
Expenditures			
Capital outlay:			
Capital projects	<u>3,301,300</u>	<u>3,009,508</u>	<u>291,792</u>
Total Expenditures	<u>3,301,300</u>	<u>3,009,508</u>	<u>291,792</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	627,900	461,564	(166,336)
Transfers (out)	<u>-</u>	<u>(2,539,182)</u>	<u>(2,539,182)</u>
Total Other Financing Sources (Uses)	<u>627,900</u>	<u>(2,077,618)</u>	<u>(2,705,518)</u>
Net change in budgetary fund balance	<u>\$ 1,268,401</u>	<u>(2,136,538)</u>	<u>\$ (3,404,939)</u>
Fund balance (deficit)-beginning		<u>5,258,046</u>	
Fund balance-ending		<u>\$ 3,121,508</u>	



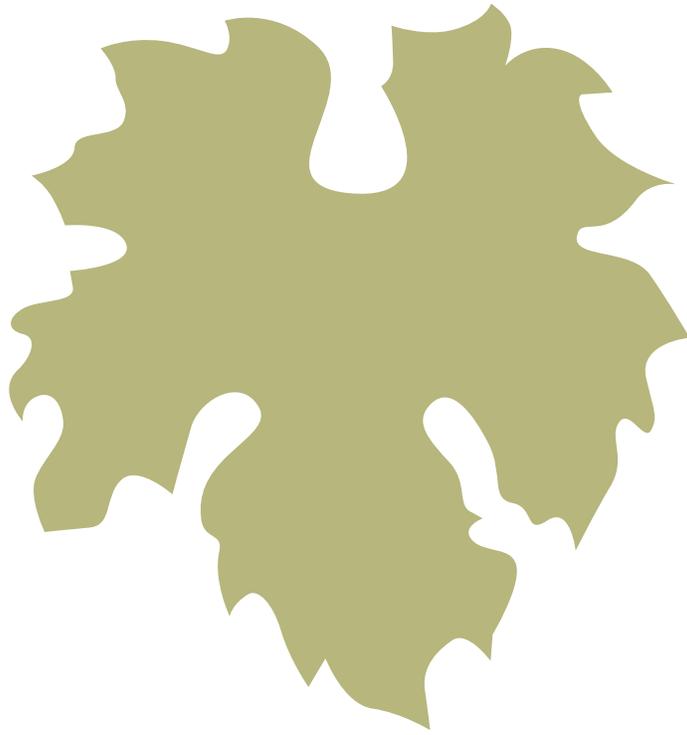
**Comprehensive Annual Financial Report
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**LCPFA 2011 COP CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Use of money and property	\$ -	\$ 134	\$ 134
Total Revenues	<u>-</u>	<u>134</u>	<u>134</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(499,400)</u>	<u>(300,000)</u>	<u>199,400</u>
Total Other Financing Sources (Uses)	<u>(499,400)</u>	<u>(300,000)</u>	<u>199,400</u>
Net change in budgetary fund balance	<u>\$ (499,400)</u>	<u>(299,866)</u>	<u>\$ 199,534</u>
Fund balance (deficit)- beginning		<u>1,277,585</u>	
Fund balance (deficit)- ending		<u>\$ 977,719</u>	



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SPECIAL REVENUE FUNDS are used to account for City revenues from sources that, by law or administrative action, are designated to finance particular functions or activities of government. The individual special revenue funds are as follows:

HOUSING SUCCESSOR AGENCY

Established to account for the assets and liabilities assumed by the City from the former Redevelopment Agency Low and Moderate Income Housing Fund.

LOW INCOME HOUSING

Established to account for the receipt and disbursement of in-lieu low-income housing impact fees collected from developers.

HOUSING AND COMMUNITY ASSISTANCE

Established to account for outside resources used for Housing and Human Service programs that can be used to create and expand affordable housing opportunities.

HORIZONS

Established to account for the receipt of grant funds from the Federal Department of Health and Human Services (passed through the Alameda County Probation Department and the Alameda County Health Care Services Agency) for the youth diversion program.

SOLID WASTE MANAGEMENT

Established to account for funds received from waste hauler franchise fees and Alameda County Waste Management Authority used to administer and participate in City/County planning programs to ensure compliance with the California Integrated Solid Waste Management Act, AB 939.

MAINTENANCE DISTRICT

Established to account for the receipt and disbursement of Landscape Maintenance District fees collected from developers and homeowners.

CITY STREET SWEEPING

Established to administer funds received through solid waste collection fees.

PARK FEE

Established to administer the AB1600 funds received from developers to construct new parks in the City.

OTHER SPECIAL REVENUE FUNDS

Established to account for City programs including the Public Art In-Lieu Fee Program, Altamont Open Space Program, and Brownfield Program.

PEG

Established to account for Public, Educational, and Government (PEG) Access funds received from local cable TV franchises used for capital related items for community cable programming.



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ALAMEDA COUNTY TRANSPORTATION FUNDS

Established to account for funds received from the Alameda County Transportation Commission including Measure B funds, Measure F funds (Vehicle Registration Fees), and project-specific grant funds which provide funding for street maintenance and improvement programs, pedestrian programs, and transportation-related capital projects.

GAS TAX

Established to account for revenue apportioned to the City from State Street & Highways Codes 2103, 2105, 2106, and 2107, and State Department of Transportation Proposition 1B funds which are expended for construction and maintenance of City streets.

TRAFFIC IMPACT FEE

Established to account traffic impact fees collected from developers for the purpose of constructing or providing circulation system improvements.

OTHER IMPACT FEE

Established to account for other City impact fees including the Downtown Revitalization Impact Fee, Human Services Facilities Impact Fees, Parking Space Impact Fees, Storm Drain Impact Fees, and Solid Waste and Recycling Impact Fees to be expended according to their respective City ordinances.

TRI-VALLEY TRANSPORTATION COUNCIL (TVTC) 20% FEE

Established to account for receipts of Tri-Valley Transportation Council fees for specific capital improvement projects.

OTHER LOCAL, STATE, AND FEDERAL GRANTS

Established to account for various grants from local agencies, the State of California, and the Federal Government to be expended for a specific program, activity or facility.

DEBT SERVICE FUNDS are used to account for the payment of principal and interest on city-wide governmental debt.

LIVERMORE CAPITAL PROJECTS FINANCING AUTHORITY (LCPFA) DEBT SERVICE FUNDS

LCPFA 2008 COPs were issued to refinance and defease 2000 COPs and 2002 COPs and finance certain capital projects.

LCPFA 2011 COPs were issued to provide financing for certain capital projects.

LCPFA 2012 COPs were issued to defease LCPFA 2007 COPs and to provide financing for new capital projects.



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CAPITAL PROJECTS FUNDS are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

LCPFA 2008 CONSTRUCTION

Established to account for the bond proceeds from the LCPFA 2008 COP bond issue expended on certain projects including the New Public Safety Communications System, East Jack London Boulevard Las Positas Golf Course Reconstruction, El Charro Specific Plan Infrastructure, New Council Chambers, and New Fire Station No. 9 capital projects.

OTHER CAPITAL PROJECTS

Established to account for various quality community improvements including Transferable Development Credits from developers, and to account for construction of public improvements on College Avenue Assessment District 87-2A and Shea Community Facilities District.

STREET FUND

Established to account for the construction and improvements of city streets including Vasco Road, Civic Center Bus Stop, and Route 84. Financing includes multiple source including City funds (Tri-Valley Transportation Council Funds, Traffic Impact Fees) and third parties (California Department of Transportation, LAVTA and Ageno Trust).



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**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014**

SPECIAL REVENUE FUNDS

	<u>Housing Successor</u>	<u>Low Income Housing</u>	<u>Housing & Community Assistance</u>	<u>Horizons</u>
ASSETS				
Cash and investments in City Treasury	\$ 321,212	\$ 3,562,541	\$ 2,738,461	\$ -
Cash and investments with Trustees	-	-	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	673	40,596	4,586	123,681
Prepays and supplies	-	3,000	-	-
Notes receivable	4,342,884	3,612,660	2,780,053	-
Land held for redevelopment	22,954	2,269,052	-	-
Total Assets	<u>\$ 4,687,723</u>	<u>\$ 9,487,849</u>	<u>\$ 5,523,100</u>	<u>\$ 123,681</u>
LIABILITIES				
Accounts payable and other accruals	\$ -	\$ 12,223	\$ 223	\$ 21,660
Accrued payroll	-	-	-	39,363
Interest payable	-	-	-	-
Deposits payable	-	11,545	-	-
Due to other funds	-	-	-	63,206
Advances from other funds	-	-	-	-
Unearned rents and revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>23,768</u>	<u>223</u>	<u>124,229</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue- loan receivable	2,459,533	1,552,660	2,679,056	-
Total deferred inflows of resources	<u>2,459,533</u>	<u>1,552,660</u>	<u>2,679,056</u>	<u>-</u>
FUND BALANCE				
Restricted	2,228,190	7,911,421	2,843,821	-
Unassigned	-	-	-	(548)
Total Fund Balances (Deficits)	<u>2,228,190</u>	<u>7,911,421</u>	<u>2,843,821</u>	<u>(548)</u>
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 4,687,723</u>	<u>\$ 9,487,849</u>	<u>\$ 5,523,100</u>	<u>\$ 123,681</u>



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SPECIAL REVENUE FUNDS

<u>Solid Waste Management</u>	<u>Maintenance District</u>	<u>City Street Sweeping</u>	<u>Park Fee</u>	<u>Other Special Revenue Funds</u>	<u>PEG</u>	<u>Alameda County Transportation Funds</u>
\$ 880,977	\$ 5,830,753	\$ 279,550	\$ 3,216,295	\$ 5,187,811	\$ 482,487	\$ 2,246,424
-	-	-	-	-	-	-
58,577	32,253	79	-	-	66,336	438,500
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 939,554</u>	<u>\$ 5,863,006</u>	<u>\$ 279,629</u>	<u>\$ 3,216,295</u>	<u>\$ 5,187,811</u>	<u>\$ 548,823</u>	<u>\$ 2,684,924</u>
\$ 4,724	\$ 110,371	\$ 308	\$ 71,783	\$ -	\$ -	\$ 8,880
6,269	29,130	11,240	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,718	-	15,480
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	176,610	-	-
<u>10,993</u>	<u>139,501</u>	<u>11,548</u>	<u>71,783</u>	<u>178,328</u>	<u>-</u>	<u>24,360</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
928,561	5,723,505	268,081	3,144,512	5,009,483	548,823	2,660,564
-	-	-	-	-	-	-
<u>928,561</u>	<u>5,723,505</u>	<u>268,081</u>	<u>3,144,512</u>	<u>5,009,483</u>	<u>548,823</u>	<u>2,660,564</u>
<u>\$ 939,554</u>	<u>\$ 5,863,006</u>	<u>\$ 279,629</u>	<u>\$ 3,216,295</u>	<u>\$ 5,187,811</u>	<u>\$ 548,823</u>	<u>\$ 2,684,924</u>

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**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014**

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>Gas Tax</u>	<u>Traffic Impact Fee</u>	<u>Other Impact Fees</u>	<u>TVTC 20% Fee</u>
ASSETS				
Cash and investments in City Treasury	\$ 4,597,522	\$ 5,234,123	\$ 5,137,611	\$ 954,537
Cash and investments with Trustees	-	-	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	-	99,326	-	-
Prepays and supplies	-	-	-	-
Notes receivable	-	360,321	-	-
Land held for redevelopment	-	-	-	-
Total Assets	<u>\$ 4,597,522</u>	<u>\$ 5,693,770</u>	<u>\$ 5,137,611</u>	<u>\$ 954,537</u>
LIABILITIES				
Accounts payable and other accruals	\$ 199,100	\$ 88	\$ 20,766	\$ -
Accrued payroll	-	-	-	-
Interest payable	-	-	-	-
Deposits payable	56,521	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	3,887,337	-
Unearned rents and revenue	-	-	-	-
Total Liabilities	<u>255,621</u>	<u>88</u>	<u>3,908,103</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue- loan receivable	-	343,163	-	-
Total deferred inflows of resources	<u>-</u>	<u>343,163</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted	4,341,901	5,350,519	1,229,508	954,537
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>4,341,901</u>	<u>5,350,519</u>	<u>1,229,508</u>	<u>954,537</u>
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 4,597,522</u>	<u>\$ 5,693,770</u>	<u>\$ 5,137,611</u>	<u>\$ 954,537</u>



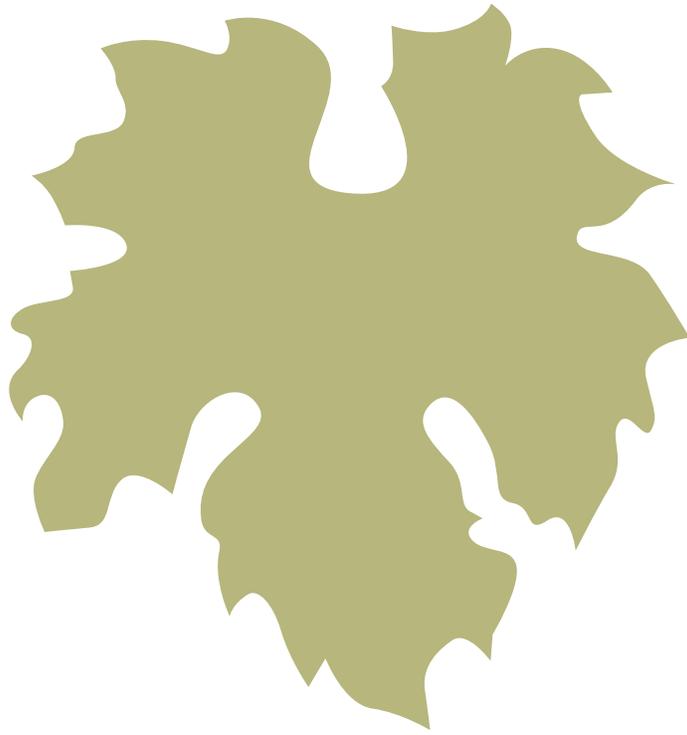
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Other Local, State and Federal Grants	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
	Capital Projects Financing Authority Certificates of Participation			LCPFA 2008 Construction	Other Capital Projects	Street Fund
	2008	2011	2012			
\$ 2,830,976	\$ 43,508	\$ -	\$ -	\$ -	\$ 2,963,383	\$ 1,820,250
-	9,741	848,877	3	2,060,845	-	-
469,525	-	-	-	-	-	-
-	-	-	-	-	-	-
2,643,901	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,944,402</u>	<u>\$ 53,249</u>	<u>\$ 848,877</u>	<u>\$ 3</u>	<u>\$ 2,060,845</u>	<u>\$ 2,963,383</u>	<u>\$ 1,820,250</u>
\$ 125,970	\$ 45,218	\$ -	\$ -	\$ -	\$ -	\$ 17,634
6,528	-	-	-	-	-	-
-	7,401	-	-	-	-	-
291,662	-	-	-	-	-	-
-	-	-	-	165,228	-	-
-	-	-	-	-	-	-
190,688	-	-	-	-	-	-
<u>614,848</u>	<u>52,619</u>	<u>-</u>	<u>-</u>	<u>165,228</u>	<u>-</u>	<u>17,634</u>
2,644,307	-	-	-	-	-	-
<u>2,644,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,685,247	630	848,877	3	1,895,617	2,963,383	1,802,616
-	-	-	-	-	-	-
<u>2,685,247</u>	<u>630</u>	<u>848,877</u>	<u>3</u>	<u>1,895,617</u>	<u>2,963,383</u>	<u>1,802,616</u>
<u>\$ 5,944,402</u>	<u>\$ 53,249</u>	<u>\$ 848,877</u>	<u>\$ 3</u>	<u>\$ 2,060,845</u>	<u>\$ 2,963,383</u>	<u>\$ 1,820,250</u>

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**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014**

	SPECIAL REVENUE FUNDS			
	Housing Successor	Low Income Housing	Housing & Community Assistance	Horizons
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	393,388
Contributions from outside sources	-	-	43,500	122,814
Charges for services	-	3,106,274	-	3,066
Use of money and property	8,802	245,900	42,846	-
Miscellaneous	25,210	278,056	170,255	12,356
Total Revenues	34,012	3,630,230	256,601	531,624
EXPENDITURES				
Current:				
General Government				
City Council	-	-	-	-
City Manager	-	-	-	-
Police	-	-	-	960,724
Public Works	-	-	-	-
Community & Economic Development	58,316	555,898	2,573	-
Library	-	-	-	-
Capital Outlay				
Capital projects	-	21,663	-	-
Debt service				
Principal retirement	-	4,875,000	418,875	-
Interest and fiscal charges	-	230,668	99,715	-
Total Expenditures	58,316	5,683,229	521,163	960,724
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(24,304)	(2,052,999)	(264,562)	(429,100)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,150,871	300,000	429,330
Transfers (out)	-	(438,613)	(2,060,019)	-
Total Other Financing Sources (Uses)	-	1,712,258	(1,760,019)	429,330
Net change in fund balances	(24,304)	(340,741)	(2,024,581)	230
Fund balances (deficits)- beginning	2,252,494	8,252,162	4,868,402	(778)
Fund balances (deficits)- ending	\$ 2,228,190	\$ 7,911,421	\$ 2,843,821	\$ (548)



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SPECIAL REVENUE FUNDS

Solid Waste Management	Maintenance District	City Street Sweeping	Park Fee	Other Special Revenue Funds	PEG	Alameda County Transportation Funds
\$ -	\$ 2,674,587	\$ -	\$ -	\$ -	\$ -	\$ -
228,495	-	-	-	-	-	1,761,689
30,000	-	-	-	-	-	-
178,263	-	436,997	1,114,404	417,286	-	15,589
4,746	52,636	-	21,819	-	-	22,665
-	-	-	-	-	257,784	-
<u>441,504</u>	<u>2,727,223</u>	<u>436,997</u>	<u>1,136,223</u>	<u>417,286</u>	<u>257,784</u>	<u>1,799,943</u>
-	-	-	-	-	-	-
-	-	-	-	-	77,612	-
-	-	-	-	-	-	-
382,978	-	453,172	-	-	-	6,060
-	2,213,618	-	205,178	12,800	-	1,236,338
-	-	-	-	-	-	-
-	-	-	-	22,124	-	87,297
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>382,978</u>	<u>2,213,618</u>	<u>453,172</u>	<u>205,178</u>	<u>34,924</u>	<u>77,612</u>	<u>1,329,695</u>
<u>58,526</u>	<u>513,605</u>	<u>(16,175)</u>	<u>931,045</u>	<u>382,362</u>	<u>180,172</u>	<u>470,248</u>
-	158,065	-	-	-	-	99,227
-	(169,218)	-	-	-	-	(361,980)
-	(11,153)	-	-	-	-	(262,753)
58,526	502,452	(16,175)	931,045	382,362	180,172	207,495
870,035	5,221,053	284,256	2,213,467	4,627,121	368,651	2,453,069
<u>\$ 928,561</u>	<u>\$ 5,723,505</u>	<u>\$ 268,081</u>	<u>\$ 3,144,512</u>	<u>\$ 5,009,483</u>	<u>\$ 548,823</u>	<u>\$ 2,660,564</u>

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FY 2013-2014**

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014**

	SPECIAL REVENUE FUNDS			
	Gas Tax	Traffic Impact Fee	Other Impact Fee	TVTC 20% Fee
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,422,289	-	-	-
Contributions from outside sources	-	35,800	-	-
Charges for services	12,935	1,927,179	1,316,957	68,368
Use of money and property	20,476	43,773	18,595	9,646
Miscellaneous	-	-	-	-
Total Revenues	2,455,700	2,006,752	1,335,552	78,014
EXPENDITURES				
Current:				
General Government:				
City Council	-	-	-	-
City Manager	-	-	-	-
Police	-	-	-	-
Public works	-	-	-	-
Community development	1,903,608	202,948	1,317,986	84,390
Library	-	-	-	-
Capital Outlay				
Capital projects	1,180,969	82,558	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	3,084,577	285,506	1,317,986	84,390
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(628,877)	1,721,246	17,566	(6,376)
OTHER FINANCING SOURCES (USES)				
Transfers in	17,771	300,000	2,303,030	-
Transfers (out)	(399,094)	(368,032)	(197,854)	(149,227)
Total Other Financing Sources (Uses)	(381,323)	(68,032)	2,105,176	(149,227)
Net change in fund balances	(1,010,200)	1,653,214	2,122,742	(155,603)
Fund balances (deficits)- beginning	5,352,101	3,697,305	(893,234)	1,110,140
Fund balances (deficits)- ending	\$ 4,341,901	\$ 5,350,519	\$ 1,229,508	\$ 954,537



**Comprehensive Annual Financial Report
FY 2013-2014**

Other Local, State and Federal Grants	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
	Capital Projects Financing Authority Certificates of Participation			LCPFA 2008 Construction	Other Capital Projects	Street Fund
	2008	2011	2012			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,379,260	-	-	-	-	-	-
35,583	-	844,933	-	-	-	-
89,895	-	-	-	-	522,141	7,198
14,025	3	6,655	5	308	1	129
120,532	-	-	-	-	-	-
<u>1,639,295</u>	<u>3</u>	<u>851,588</u>	<u>5</u>	<u>308</u>	<u>522,142</u>	<u>7,327</u>
170,617	-	-	-	-	-	-
-	-	-	-	-	-	-
386,239	-	-	-	-	-	-
26,470	-	-	-	-	-	-
719,625	-	-	-	3,628	131,848	82,012
75,144	-	-	-	-	-	-
109,839	-	-	-	3,177	420,000	-
70,000	1,701,717	246,444	1,133,333	-	-	-
39,455	357,489	598,340	89,216	-	-	-
<u>1,597,389</u>	<u>2,059,206</u>	<u>844,784</u>	<u>1,222,549</u>	<u>6,805</u>	<u>551,848</u>	<u>82,012</u>
41,906	(2,059,203)	6,804	(1,222,544)	(6,497)	(29,706)	(74,685)
239,315	2,158,841	-	1,212,305	3	-	-
(102,983)	(3)	-	(2)	(161,564)	-	-
<u>136,332</u>	<u>2,158,838</u>	<u>-</u>	<u>1,212,303</u>	<u>(161,561)</u>	<u>-</u>	<u>-</u>
178,238	99,635	6,804	(10,241)	(168,058)	(29,706)	(74,685)
2,507,009	(99,005)	842,073	10,244	2,063,675	2,993,089	1,877,301
<u>\$ 2,685,247</u>	<u>\$ 630</u>	<u>\$ 848,877</u>	<u>\$ 3</u>	<u>\$ 1,895,617</u>	<u>\$ 2,963,383</u>	<u>\$ 1,802,616</u>

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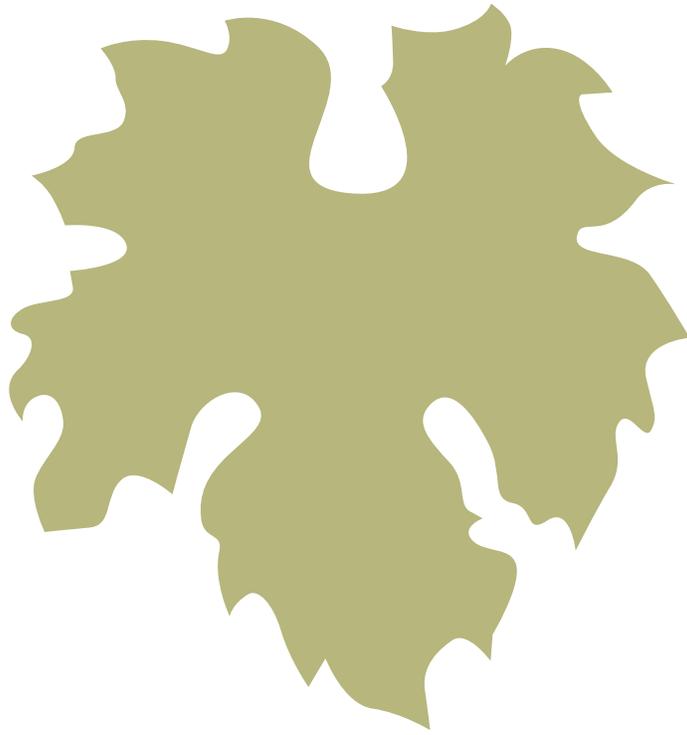
**Comprehensive Annual Financial Report
FY 2013-2014**

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014**

	Total Nonmajor Governmental Funds
REVENUES	
Taxes and special assessments	\$ 2,674,587
Intergovernmental	6,185,121
Contributions from outside sources	1,112,630
Charges for services	9,216,552
Use of money and property	513,030
Miscellaneous	864,193
	<hr/>
Total Revenues	20,566,113
EXPENDITURES	
Current:	
General Government:	
City Council	170,617
City Manager	77,612
Police	1,346,963
Public works	868,680
Community development	8,730,766
Library	75,144
Capital Outlay	
Capital projects	1,927,627
Debt service	
Principal retirement	8,445,369
Interest and fiscal charges	1,414,883
	<hr/>
Total Expenditures	23,057,661
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/> (2,491,548)
OTHER FINANCING SOURCES (USES)	
Transfers in	9,368,758
Transfers (out)	<hr/> (4,408,589)
Total Other Financing Sources (Uses)	<hr/> 4,960,169
Net change in fund balances	2,468,621
Fund balances (deficits)- beginning	<hr/> 50,870,630
Fund balances (deficits)- ending	<hr/> <hr/> \$ 53,339,251



**Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report FY 2013-2014

**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	HOUSING SUCCESSOR			LOW INCOME HOUSING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	2,969,915	3,106,274	136,359
Use of money and property	5,380	8,802	3,422	236,911	245,900	8,989
Miscellaneous	2,500	25,210	22,710	93,720	278,056	184,336
Total Revenues	7,880	34,012	26,132	3,300,546	3,630,230	329,684
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community development	38,150	58,316	(20,166)	6,302,330	555,898	5,746,432
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	-	-	-	21,900	21,663	237
Debt service						
Principal	-	-	-	-	4,875,000	(4,875,000)
Interest and fiscal charges	-	-	-	-	230,668	(230,668)
Total Expenditures	38,150	58,316	(20,166)	6,324,230	5,683,229	641,001
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(30,270)	(24,304)	5,966	(3,023,684)	(2,052,999)	970,685
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	91,794	2,150,871	2,059,077
Transfers (out)	-	-	-	(515,140)	(438,613)	76,527
Total Other Financing Sources (Uses)	-	-	-	(423,346)	1,712,258	2,135,604
Net change in fund balance	\$ (30,270)	(24,304)	\$ 5,966	\$ (3,447,030)	(340,741)	\$ 3,106,289
Fund balances (deficits)- beginning		2,252,494			8,252,162	
Fund balances (deficits)- ending		\$ 2,228,190			\$ 7,911,421	



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HOUSING & COMMUNITY ASSISTANCE			HORIZONS			SOLID WASTE MANAGEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	393,500	393,388	(112)	225,150	228,495	3,345
43,500	43,500	-	80,000	122,814	42,814	30,000	30,000	-
-	-	-	3,000	3,066	66	194,400	178,263	(16,137)
35,600	42,846	7,246	-	-	-	5,249	4,746	(503)
133,000	170,255	37,255	11,000	12,356	1,356	-	-	-
<u>212,100</u>	<u>256,601</u>	<u>44,501</u>	<u>487,500</u>	<u>531,624</u>	<u>44,124</u>	<u>454,799</u>	<u>441,504</u>	<u>(13,295)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	761,365	960,724	(199,359)	-	-	-
-	-	-	-	-	-	780,900	382,978	397,922
449,880	2,573	447,307	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	418,875	(418,875)	-	-	-	-	-	-
99,720	99,715	5	-	-	-	-	-	-
<u>549,600</u>	<u>521,163</u>	<u>28,437</u>	<u>761,365</u>	<u>960,724</u>	<u>(199,359)</u>	<u>780,900</u>	<u>382,978</u>	<u>397,922</u>
<u>(337,500)</u>	<u>(264,562)</u>	<u>72,938</u>	<u>(273,865)</u>	<u>(429,100)</u>	<u>(155,235)</u>	<u>(326,101)</u>	<u>58,526</u>	<u>384,627</u>
890,000	300,000	(590,000)	231,000	429,330	198,330	-	-	-
(590,000)	(2,060,019)	(1,470,019)	-	-	-	-	-	-
<u>300,000</u>	<u>(1,760,019)</u>	<u>(2,060,019)</u>	<u>231,000</u>	<u>429,330</u>	<u>198,330</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (37,500)</u>	<u>(2,024,581)</u>	<u>\$ (1,987,081)</u>	<u>\$ (42,865)</u>	<u>230</u>	<u>\$ 43,095</u>	<u>\$ (326,101)</u>	<u>58,526</u>	<u>\$ 384,627</u>
	<u>4,868,402</u>			<u>(778)</u>			<u>870,035</u>	
	<u>\$ 2,843,821</u>			<u>\$ (548)</u>			<u>\$ 928,561</u>	

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Comprehensive Annual Financial Report FY 2013-2014

**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	MAINTENANCE DISTRICT			CITY STREET SWEEPING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ 2,670,440	\$ 2,674,587	\$ 4,147	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	476,480	436,997	(39,483)
Use of money and property	55,699	52,636	(3,063)	-	-	-
Miscellaneous	1,000	-	(1,000)	-	-	-
Total Revenues	2,727,139	2,727,223	84	476,480	436,997	(39,483)
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	1,079,295	-	1,079,295	442,178	453,172	(10,994)
Community development	1,475,935	2,213,618	(737,683)	-	-	-
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	2,555,230	2,213,618	341,612	442,178	453,172	(10,994)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	171,909	513,605	341,696	34,302	(16,175)	(50,477)
OTHER FINANCING SOURCES (USES)						
Transfers in	176,380	158,065	(18,315)	-	-	-
Transfers (out)	(181,000)	(169,218)	11,782	-	-	-
Total Other Financing Sources (Uses)	(4,620)	(11,153)	(6,533)	-	-	-
Net change in fund balance	\$ 167,289	502,452	\$ 335,163	\$ 34,302	(16,175)	\$ (50,477)
Fund balances (deficits)- beginning	5,221,053					
Fund balances (deficits)- ending	\$ 5,723,505					
			284,256			
			\$ 268,081			



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FY 2013-2014**

PARK FEE			OTHER SPECIAL REVENUE FUNDS			PEG		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,293,500	1,114,404	(179,096)	412,000	417,286	5,286	-	-	-
23,372	21,819	(1,553)	-	-	-	-	-	-
-	-	-	-	-	-	240,000	257,784	17,784
<u>1,316,872</u>	<u>1,136,223</u>	<u>(180,649)</u>	<u>412,000</u>	<u>417,286</u>	<u>5,286</u>	<u>240,000</u>	<u>257,784</u>	<u>17,784</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	38,000	77,612	(39,612)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,293,500	205,178	1,088,322	108,395	12,800	95,595	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	156,320	22,124	134,196	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,293,500</u>	<u>205,178</u>	<u>1,088,322</u>	<u>264,715</u>	<u>34,924</u>	<u>229,791</u>	<u>38,000</u>	<u>77,612</u>	<u>(39,612)</u>
<u>23,372</u>	<u>931,045</u>	<u>907,673</u>	<u>147,285</u>	<u>382,362</u>	<u>235,077</u>	<u>202,000</u>	<u>180,172</u>	<u>(21,828)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 23,372</u>	<u>931,045</u>	<u>\$ 907,673</u>	<u>\$ 147,285</u>	<u>382,362</u>	<u>\$ 235,077</u>	<u>\$ 202,000</u>	<u>180,172</u>	<u>\$ (21,828)</u>
	<u>2,213,467</u>			<u>4,627,121</u>			<u>368,651</u>	
	<u>\$ 3,144,512</u>			<u>\$ 5,009,483</u>			<u>\$ 548,823</u>	

(Continued)



**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	ALAMEDA COUNTY TRANSPORTATION FUNDS			GAS TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,648,639	1,761,689	(2,886,950)	1,867,025	2,422,289	555,264
Contributions from outside sources	-	-	-	-	-	-
Charges for services	16,000	15,589	(411)	15,000	12,935	(2,065)
Use of money and property	26,512	22,665	(3,847)	49,222	20,476	(28,746)
Miscellaneous	-	-	-	-	-	-
Total Revenues	4,691,151	1,799,943	(2,891,208)	1,931,247	2,455,700	524,453
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	6,060	(6,060)	-	-	-
Community development	1,296,020	1,236,338	59,682	2,136,239	1,903,608	232,631
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	277,235	87,297	189,938	1,732,225	1,180,969	551,256
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	1,573,255	1,329,695	243,560	3,868,464	3,084,577	783,887
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	3,117,896	470,248	(2,647,648)	(1,937,217)	(628,877)	1,308,340
OTHER FINANCING SOURCES (USES)						
Transfers in	99,300	99,227	(73)	-	17,771	17,771
Transfers (out)	(3,604,070)	(361,980)	3,242,090	(396,500)	(399,094)	(2,594)
Total Other Financing Sources (Uses)	(3,504,770)	(262,753)	3,242,017	(396,500)	(381,323)	15,177
Net change in fund balance	\$ (386,874)	207,495	\$ 594,369	\$ (2,333,717)	(1,010,200)	\$ 1,323,517
Fund balances (deficits)- beginning		2,453,069			5,352,101	
Fund balances (deficits)- ending		<u>\$ 2,660,564</u>			<u>\$ 4,341,901</u>	

TRAFFIC IMPACT FEE			OTHER IMPACT FEE			TVTC 20% FEE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 32,833	\$ -	\$ (32,833)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
681,850	35,800	(646,050)	-	-	-	-	-	-
528,000	1,927,179	1,399,179	1,687,250	1,316,957	(370,293)	55,000	68,368	13,368
49,177	43,773	(5,404)	29,250	18,595	(10,655)	8,777	9,646	869
-	-	-	-	-	-	-	-	-
<u>1,291,860</u>	<u>2,006,752</u>	<u>714,892</u>	<u>1,716,500</u>	<u>1,335,552</u>	<u>(380,948)</u>	<u>63,777</u>	<u>78,014</u>	<u>14,237</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
375,000	202,948	172,052	1,724,000	1,317,986	406,014	50,700	84,390	(33,690)
-	-	-	-	-	-	-	-	-
1,369,651	82,558	1,287,093	100,000	-	100,000	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,744,651</u>	<u>285,506</u>	<u>1,459,145</u>	<u>1,824,000</u>	<u>1,317,986</u>	<u>506,014</u>	<u>50,700</u>	<u>84,390</u>	<u>(33,690)</u>
<u>(452,791)</u>	<u>1,721,246</u>	<u>2,174,037</u>	<u>(107,500)</u>	<u>17,566</u>	<u>125,066</u>	<u>13,077</u>	<u>(6,376)</u>	<u>(19,453)</u>
-	300,000	300,000	144,400	2,303,030	2,158,630	-	-	-
<u>(779,581)</u>	<u>(368,032)</u>	<u>411,549</u>	<u>(285,954)</u>	<u>(197,854)</u>	<u>88,100</u>	<u>(471,830)</u>	<u>(149,227)</u>	<u>322,603</u>
<u>(779,581)</u>	<u>(68,032)</u>	<u>711,549</u>	<u>(141,554)</u>	<u>2,105,176</u>	<u>2,246,730</u>	<u>(471,830)</u>	<u>(149,227)</u>	<u>322,603</u>
<u>\$ (1,232,372)</u>	<u>1,653,214</u>	<u>\$ 2,885,586</u>	<u>\$ (249,054)</u>	<u>2,122,742</u>	<u>\$ 2,371,796</u>	<u>\$ (458,753)</u>	<u>(155,603)</u>	<u>\$ 303,150</u>
	<u>3,697,305</u>			<u>(893,234)</u>			<u>1,110,140</u>	
	<u>\$ 5,350,519</u>			<u>\$ 1,229,508</u>			<u>\$ 954,537</u>	

(Continued)



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BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	OTHER LOCAL, STATE, AND FEDERAL GRANTS			FINANCING AUTHORITY COPS 2008		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,897,734	1,379,260	(518,474)	-	-	-
Contributions from outside sources	30,000	35,583	5,583	-	-	-
Charges for services	91,000	89,895	(1,105)	-	-	-
Use of money and property	21,137	14,025	(7,112)	-	3	3
Miscellaneous	148,370	120,532	(27,838)	-	-	-
Total Revenues	2,188,241	1,639,295	(548,946)	-	3	3
EXPENDITURES						
Current:						
General Government:						
City Council	174,000	170,617	3,383	-	-	-
City Manager	-	-	-	-	-	-
Police	442,292	386,239	56,053	-	-	-
Public works	93,000	26,470	66,530	-	-	-
Community development	1,255,962	719,625	536,337	-	-	-
Library	102,694	75,144	27,550	-	-	-
Capital Outlay						
Capital projects	252,365	109,839	142,526	-	-	-
Debt service						
Principal	70,000	70,000	-	1,701,720	1,701,717	3
Interest and fiscal charges	39,460	39,455	5	348,060	357,489	(9,429)
Total Expenditures	2,429,773	1,597,389	832,384	2,049,780	2,059,206	(9,426)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(241,532)	41,906	283,438	(2,049,780)	(2,059,203)	(9,423)
OTHER FINANCING SOURCES (USES)						
Transfers in	239,315	239,315	-	2,066,530	2,158,841	92,311
Transfers (out)	(28,485)	(102,983)	(74,498)	-	(3)	(3)
Total Other Financing Sources (Uses)	210,830	136,332	(74,498)	2,066,530	2,158,838	92,308
Net change in fund balance	\$ (30,702)	178,238	\$ 208,940	\$ 16,750	99,635	\$ 82,885
Fund balances (deficits)- beginning		2,507,009			(99,005)	
Fund balances (deficits)- ending		<u>\$ 2,685,247</u>			<u>\$ 630</u>	



**Comprehensive Annual Financial Report
FY 2013-2014**

FINANCING AUTHORITY COPS 2011			FINANCING AUTHORITY COPS 2012			LCPFA 2008 COP CONSTRUCTION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 844,780	\$ -	\$ (844,780)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	844,933	844,933	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	6,655	6,655	-	5	5	-	308	308
-	-	-	-	-	-	-	-	-
<u>844,780</u>	<u>851,588</u>	<u>6,808</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>	<u>308</u>	<u>308</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	60,000	3,628	56,372
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,436	3,177	259
246,440	246,444	(4)	1,133,330	1,133,333	(3)	-	-	-
596,580	598,340	(1,760)	87,700	89,216	(1,516)	-	-	-
<u>843,020</u>	<u>844,784</u>	<u>(1,764)</u>	<u>1,221,030</u>	<u>1,222,549</u>	<u>(1,519)</u>	<u>63,436</u>	<u>6,805</u>	<u>56,631</u>
<u>1,760</u>	<u>6,804</u>	<u>5,044</u>	<u>(1,221,030)</u>	<u>(1,222,544)</u>	<u>(1,514)</u>	<u>(63,436)</u>	<u>(6,497)</u>	<u>56,939</u>
-	-	-	1,222,550	1,212,305	(10,245)	-	3	3
-	-	-	-	(2)	(2)	(128,500)	(161,564)	(33,064)
-	-	-	1,222,550	1,212,303	(10,247)	(128,500)	(161,561)	(33,061)
<u>\$ 1,760</u>	<u>6,804</u>	<u>\$ 5,044</u>	<u>\$ 1,520</u>	<u>(10,241)</u>	<u>\$ (11,761)</u>	<u>\$ (191,936)</u>	<u>(168,058)</u>	<u>\$ 23,878</u>
	<u>842,073</u>			<u>10,244</u>			<u>2,063,675</u>	
	<u>\$ 848,877</u>			<u>\$ 3</u>			<u>\$ 1,895,617</u>	

(Continued)



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**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	OTHER CAPITAL PROJECTS			STREET FUND		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	531,015	522,141	(8,874)	7,200	7,198	(2)
Use of money and property	-	1	1	45	129	84
Miscellaneous	-	-	-	-	-	-
Total Revenues	531,015	522,142	(8,873)	7,245	7,327	82
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community development	-	131,848	(131,848)	106,000	82,012	23,988
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	-	420,000	(420,000)	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	-	551,848	(551,848)	106,000	82,012	23,988
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	531,015	(29,706)	(560,721)	(98,755)	(74,685)	24,070
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net change in fund balance	\$ 531,015	(29,706)	\$ (560,721)	\$ (98,755)	(74,685)	\$ 24,070
Fund balances (deficits)- beginning	2,993,089		1,877,301			
Fund balances (deficits)- ending	\$ 2,963,383		\$ 1,802,616			



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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of services and supplies provided by one city department to another on a cost reimbursement basis.

The concept of major funds introduced by GASB 34 does not extend to internal service funds because they do not do business with outside parties. GASB 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting against the operations of the other city departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below:

LIABILITY INSURANCE FUND

Established to account for the City's public liability self-insured program.

WORKERS COMPENSATION FUND

Established to account for the City's self-insured workers compensation program.

FLEET AND EQUIPMENT SERVICES

Established to account for the maintenance and acquisition of the City's fleet and small equipment.

INFORMATION TECHNOLOGY

Established to account for the maintenance and acquisition of the City's software and hardware.

FACILITIES REHABILITATION PROJECTS

Established to account for the repair and maintenance of city facilities.

REPROGRAPHICS

Established to account for city-wide reprographic costs.

EMPLOYEE BENEFITS

Established to account for the City's employees' benefits.



**Comprehensive Annual Financial Report
FY 2013-2014**

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014**

	<u>Liability Insurance Reserve</u>	<u>Workers Compensation</u>	<u>Fleet and Equipment Services</u>
ASSETS			
Current Assets:			
Cash and investments in City Treasury	\$ 2,643,355	\$ 3,730,926	\$ 3,974,396
Cash and investments with Trustees	-	-	-
Accounts receivable (net of applicable allowance for uncollectibles)	-	92,063	69,189
Inventory	-	-	311,653
Prepays, deposits and supplies	-	-	-
Total current assets	<u>2,643,355</u>	<u>3,822,989</u>	<u>4,355,238</u>
Noncurrent Assets:			
Construction in progress	-	-	842,471
Depreciable capital assets (net of depreciation)	-	-	3,147,664
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>3,990,135</u>
Total Assets	<u>2,643,355</u>	<u>3,822,989</u>	<u>8,345,373</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and other accruals	71,914	71,766	31,353
Accrued payroll	5,805	5,531	39,612
Interest payable	-	-	-
Claims payable	350,000	780,000	-
Deposits payable	-	-	-
Long-term debt:			
Due within one year	-	-	-
Total current liabilities	<u>427,719</u>	<u>857,297</u>	<u>70,965</u>
Noncurrent Liabilities:			
Claims payable	531,511	2,964,019	-
Advances from other funds	-	-	-
Net OPEB obligation	-	-	-
Long-term debt:			
Due in more than one year	-	-	-
Total noncurrent liabilities	<u>531,511</u>	<u>2,964,019</u>	<u>-</u>
Total liabilities	<u>959,230</u>	<u>3,821,316</u>	<u>70,965</u>
NET POSITION			
Net Investment in Capital Assets	-	-	3,990,135
Unrestricted	1,684,125	1,673	4,284,273
Total Net Position (Deficit)	<u>\$ 1,684,125</u>	<u>\$ 1,673</u>	<u>\$ 8,274,408</u>



**Comprehensive Annual Financial Report
FY 2013-2014**

Information Technology	Facilities Rehabilitation Projects	Reprographics	Employee Benefits	Total
\$ 2,935,597	\$ 2,351,983	\$ 957	\$ 237,449	\$ 15,874,663
-	595,980	-	-	595,980
-	124,901	-	13,986	300,139
-	-	-	-	311,653
629,944	-	-	-	629,944
<u>3,565,541</u>	<u>3,072,864</u>	<u>957</u>	<u>251,435</u>	<u>17,712,379</u>
563,398	30,224	-	-	1,436,093
132,349	12,332,245	-	-	15,612,258
695,747	12,362,469	-	-	17,048,351
<u>4,261,288</u>	<u>15,435,333</u>	<u>957</u>	<u>251,435</u>	<u>34,760,730</u>
68,754	28,953	-	251,699	524,439
28,264	12,228	940	-	92,380
6,204	5,050	-	-	11,254
-	-	-	-	1,130,000
-	13,293	-	-	13,293
227,794	758,478	-	-	986,272
<u>331,016</u>	<u>818,002</u>	<u>940</u>	<u>251,699</u>	<u>2,757,638</u>
-	-	-	-	3,495,530
-	-	-	2,400,142	2,400,142
-	-	-	30,526,549	30,526,549
728,146	10,939,856	-	-	11,668,002
728,146	10,939,856	-	32,926,691	48,090,223
1,059,162	11,757,858	940	33,178,390	50,847,861
369,751	1,260,115	-	-	5,620,001
2,832,375	2,417,360	17	(32,926,955)	(21,707,132)
<u>\$ 3,202,126</u>	<u>\$ 3,677,475</u>	<u>\$ 17</u>	<u>\$ (32,926,955)</u>	<u>\$ (16,087,131)</u>



**Comprehensive Annual Financial Report
FY 2013-2014**

**INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2014**

	<u>Liability Insurance Reserve</u>	<u>Workers Compensation</u>	<u>Fleet and Equipment Services</u>
OPERATING REVENUES			
Charges for services	\$ 2,030,000	\$ 2,138,615	\$ 2,960,260
Miscellaneous	997	28,771	499,175
Total Operating Revenues	<u>2,030,997</u>	<u>2,167,386</u>	<u>3,459,435</u>
OPERATING EXPENSES			
Salaries and benefits	197,160	1,483,267	1,011,462
Contracted services	230,715	177,282	13,299
Insurance premiums	419,544	-	37,391
Materials, supplies and others	40,563	17,694	766,165
Utilities	1,117	519	-
Depreciation	-	-	573,330
Repairs and maintenance	-	-	498,146
Claims expense	284,999	299,463	-
Total Operating Expenses	<u>1,174,098</u>	<u>1,978,225</u>	<u>2,899,793</u>
Operating Income (Loss)	<u>856,899</u>	<u>189,161</u>	<u>559,642</u>
NONOPERATING REVENUE (EXPENSES)			
Interest revenue	-	-	-
Interest and fiscal charges (expense)	-	-	-
Other Nonoperating Income	-	-	17,848
Net Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>17,848</u>
Income (Loss) Before Transfers	856,899	189,161	577,490
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	856,899	189,161	577,490
Net position-beginning (Deficit)	<u>827,226</u>	<u>(187,488)</u>	<u>7,696,918</u>
Net position-ending (Deficit)	<u>\$ 1,684,125</u>	<u>\$ 1,673</u>	<u>\$ 8,274,408</u>



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<u>Information Technology</u>	<u>Facilities Rehabilitation Projects</u>	<u>Reprographics</u>	<u>Employee Benefits</u>	<u>Total</u>
\$ 1,997,423	\$ 2,132,582	\$ 99,823	\$ 7,442,564	\$ 18,801,267
-	126,560	-	-	655,503
<u>1,997,423</u>	<u>2,259,142</u>	<u>99,823</u>	<u>7,442,564</u>	<u>19,456,770</u>
864,664	302,698	32,506	8,357,514	12,249,271
534,221	44,523	55,630	-	1,055,670
-	13,095	-	-	470,030
170,581	33,627	15,732	-	1,044,362
78,249	432,560	-	-	512,445
26,199	80,018	-	-	679,547
306,444	370,826	4,305	-	1,179,721
-	-	-	-	584,462
<u>1,980,358</u>	<u>1,277,347</u>	<u>108,173</u>	<u>8,357,514</u>	<u>17,775,508</u>
<u>17,065</u>	<u>981,795</u>	<u>(8,350)</u>	<u>(914,950)</u>	<u>1,681,262</u>
-	146	-	-	146
(16,905)	(314,705)	-	(25,170)	(356,780)
<u>2,347</u>	<u>542,596</u>	<u>-</u>	<u>-</u>	<u>562,791</u>
<u>(14,558)</u>	<u>228,037</u>	<u>-</u>	<u>(25,170)</u>	<u>206,157</u>
2,507	1,209,832	(8,350)	(940,120)	1,887,419
<u>144,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,500</u>
147,007	1,209,832	(8,350)	(940,120)	2,031,919
<u>3,055,119</u>	<u>2,467,643</u>	<u>8,367</u>	<u>(31,986,835)</u>	<u>(18,119,050)</u>
<u>\$ 3,202,126</u>	<u>\$ 3,677,475</u>	<u>\$ 17</u>	<u>\$ (32,926,955)</u>	<u>\$ (16,087,131)</u>



Comprehensive Annual Financial Report FY 2013-2014

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

	Liability Insurance Reserve	Workers Compensation	Fleet and Equipment Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,052,902	\$ 2,075,323	\$ 3,552,466
Payments to suppliers	(736,164)	(189,893)	(1,297,347)
Payments to or on behalf of employees	(197,486)	(1,483,663)	(1,007,594)
Claims paid	(284,999)	-	-
Net cash provided (used) by operating activities	<u>834,253</u>	<u>401,767</u>	<u>1,247,525</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Interfund Receipts	-	-	-
Interfund payments	-	-	-
Transfers in	-	-	-
Cash Flow from (used by) Non Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital asset additions, net	-	-	(391,923)
Long term Debt Repayments	-	-	-
Interest paid	-	-	-
Cash Flows (used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(391,923)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	-	-
Cash Flow from (used by) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Flows	834,253	401,767	855,602
Cash and investments at beginning of period	<u>1,809,102</u>	<u>3,329,159</u>	<u>3,118,794</u>
Cash and Investment at end of period	<u>\$ 2,643,355</u>	<u>\$ 3,730,926</u>	<u>\$ 3,974,396</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 856,899	\$ 189,161	\$ 559,642
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	-	573,330
Other nonoperating revenues	-	-	17,848
Change in assets and liabilities:			
Accounts receivable	21,905	(92,063)	91,893
Prepays, deposits and supplies	1,125	2,840	-
Net pension obligation	-	-	-
Accounts payable	(45,350)	2,762	944
Accrued liabilities	(326)	(396)	3,868
Accrued compensated absences	-	-	-
Claims payable	-	299,463	-
Net cash provided (used) by operating activities	<u>\$ 834,253</u>	<u>\$ 401,767</u>	<u>\$ 1,247,525</u>
Non-cash transactions:			
Equipment acquired through capital leases	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

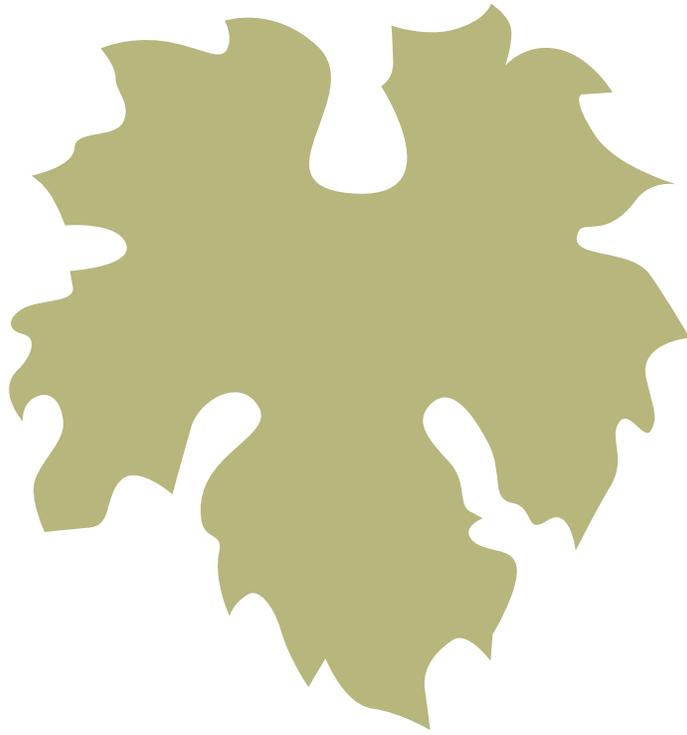


**Comprehensive Annual Financial Report
FY 2013-2014**

Information Technology	Facilities Rehabilitation Projects	Reprographics	Employee Benefits	Total
\$ 1,999,770	\$ 2,406,664	\$ 99,823	\$ 7,442,564	\$ 19,629,512
(602,534)	(5,336,131)	(76,580)	-	(8,238,649)
(868,031)	(302,753)	(31,569)	(5,674,046)	(9,565,142)
-	-	-	-	(284,999)
<u>529,205</u>	<u>(3,232,220)</u>	<u>(8,326)</u>	<u>1,768,518</u>	<u>1,540,722</u>
-	-	-	(1,464,282)	(1,464,282)
-	-	-	(41,617)	(41,617)
<u>144,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,500</u>
<u>144,500</u>	<u>-</u>	<u>-</u>	<u>(1,505,899)</u>	<u>(1,361,399)</u>
(471,899)	(1,755,838)	-	-	(2,619,660)
(239,178)	(683,271)	-	-	(922,449)
<u>(19,266)</u>	<u>(314,705)</u>	<u>-</u>	<u>(25,170)</u>	<u>(359,141)</u>
<u>(730,343)</u>	<u>(2,753,814)</u>	<u>-</u>	<u>(25,170)</u>	<u>(3,901,250)</u>
-	146	-	-	146
-	146	-	-	146
(56,638)	(5,985,888)	(8,326)	237,449	(3,721,781)
<u>2,992,235</u>	<u>8,933,851</u>	<u>9,283</u>	<u>-</u>	<u>20,192,424</u>
<u>\$ 2,935,597</u>	<u>\$ 2,947,963</u>	<u>\$ 957</u>	<u>\$ 237,449</u>	<u>\$ 16,470,643</u>
\$ 17,065	\$ 981,795	\$ (8,350)	\$ (914,950)	\$ 1,681,262
26,199	80,018	-	-	679,547
2,347	542,596	-	-	562,791
-	66,876	-	5,531	94,142
439,451	(461,950)	-	-	(18,534)
-	-	-	2,462,561	2,462,561
47,510	(4,441,500)	(913)	216,488	(4,220,059)
(3,367)	(55)	937	-	661
-	-	-	(1,112)	(1,112)
-	-	-	-	299,463
<u>\$ 529,205</u>	<u>\$ (3,232,220)</u>	<u>\$ (8,326)</u>	<u>\$ 1,768,518</u>	<u>\$ 1,540,722</u>
<u>\$ -</u>	<u>\$ 106,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,317</u>



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FY 2013-2014**





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AGENCY FUNDS

Agency funds are used to account for assets held by the City for other entities and individuals. Such funds are operated to carry out the specific actions of trust agreements, ordinances, and other governing regulations.

GASB 34 requires that Agency funds the City has be presented separately from the Government-wide and Fund financial statements.

Agency Funds are custodial in nature and do not involve measurement of results of operations.



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**AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<hr/>				
Assessment Districts				
Cash and investments in City Treasury	\$ 10,572,845	\$ 89,503,178	\$ 86,941,847	\$ 13,134,176
Cash and investments with Trustees	4,870,998	7,676,031	7,618,661	4,928,368
Total Assets	<u>\$ 15,443,843</u>	<u>\$ 97,179,209</u>	<u>\$ 94,560,508</u>	<u>\$ 18,062,544</u>
Due to special assessment districts and other agencies	<u>\$ 15,443,843</u>	<u>\$ 97,179,209</u>	<u>\$ 94,560,508</u>	<u>\$ 18,062,544</u>
Total Liabilities	<u>\$ 15,443,843</u>	<u>\$ 97,179,209</u>	<u>\$ 94,560,508</u>	<u>\$ 18,062,544</u>



**Comprehensive Annual Financial Report
FY 2012-2013**

STATISTICAL SECTION

This part of the City of Livermore’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents		Page
Financial Trends	These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	150-156
Revenue Capacity	These schedules contain information to help the reader assess the government’s two most significant local revenue sources- the sales tax and property tax.	157-163
Debt Capacity	These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in future.	164-168
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	169-171
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	172-176

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



Comprehensive Annual Financial Report FY 2013-2014

Net Position by Component, Last Ten Fiscal Years (accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 165,218,739	\$ 187,297,724	\$ 197,075,931	\$ 228,275,975	\$ 221,333,459	\$ 247,622,010	\$ 256,841,094	\$ 259,362,430	\$ 278,093,595	\$ 279,947,761
Restricted	37,940,468	33,104,096	48,076,353	28,722,412	35,256,692	36,876,447	44,347,993	16,216,462	22,454,139	38,133,814
Unrestricted	81,050,468	84,494,489	85,650,778	89,816,560	78,885,822	59,380,258	45,313,990	62,557,722	42,670,999	31,477,562
Total governmental activities net position	\$ 284,209,675	\$ 304,896,309	\$ 330,803,062	\$ 346,814,947	\$ 335,475,973	\$ 343,878,715	\$ 346,503,077	\$ 338,136,614	\$ 343,218,733	\$ 349,559,137
Business-type activities										
Net investment in capital assets	\$ 141,496,317	\$ 145,152,094	\$ 146,681,768	\$ 156,436,671	\$ 152,554,908	\$ 151,382,695	\$ 146,291,681	\$ 144,761,509	\$ 144,486,932	\$ 140,571,723
Unrestricted	73,558,951	76,761,659	75,448,836	72,730,483	77,364,571	75,692,306	76,526,861	92,361,887	93,219,127	97,627,319
Total business-type activities net position	\$ 215,055,268	\$ 221,913,753	\$ 222,130,604	\$ 229,167,154	\$ 229,919,479	\$ 227,075,001	\$ 222,818,542	\$ 237,123,396	\$ 237,706,059	\$ 238,199,042
Primary government										
Net investment in capital assets	\$ 306,715,056	\$ 332,449,818	\$ 343,757,699	\$ 384,712,646	\$ 373,888,367	\$ 399,004,705	\$ 403,132,775	\$ 404,123,939	\$ 422,580,527	\$ 420,519,484
Restricted	37,940,468	33,104,096	48,076,353	28,722,412	35,256,692	36,876,447	44,347,993	16,216,462	22,454,139	38,133,814
Unrestricted	154,609,419	161,256,148	161,099,614	162,547,043	156,250,393	135,072,564	121,840,851	154,919,609	135,890,126	129,104,881
Total primary government net position	\$ 499,264,943	\$ 526,810,062	\$ 552,933,666	\$ 575,982,101	\$ 565,395,452	\$ 570,953,716	\$ 569,321,619	\$ 575,260,010	\$ 580,924,792	\$ 587,758,179



Comprehensive Annual Financial Report FY 2013-2014

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
City Council	\$ 265,398	\$ 166,068	\$ 181,376	\$ 187,508	\$ 186,190	\$ 194,011	\$ 334,125	\$ 203,749	\$ 323,432	\$ 320,564
City Manager	911,600	1,139,339	1,118,005	1,300,794	1,405,895	1,388,553	1,073,768	1,481,798	1,239,792	1,725,290
City Attorney	898,971	1,088,292	1,158,163	1,297,039	1,427,623	1,407,435	1,335,953	1,395,340	1,450,572	1,240,671
City Clerk	942,167	955,941	743,797	994,675	791,772	782,255	642,275	984,762	552,708	649,652
Administrative Services	6,231,645	7,376,989	7,908,977	8,953,128	8,209,745	7,420,574	7,231,414	12,744,494	3,205,106	3,692,795
General Services	-	-	-	-	-	-	-	-	9,897,780	4,960,595
Fire	12,400,509	13,213,646	13,911,098	15,930,780	16,712,448	16,021,939	15,079,053	15,840,299	15,044,679	15,368,561
Police	21,951,225	23,709,222	24,107,372	26,817,052	28,474,207	27,618,963	26,196,950	27,883,362	31,441,958	31,092,970
Public Works	15,969,108	21,530,790	20,709,203	19,203,292	16,652,173	26,941,951	14,266,864	14,963,662	14,161,650	14,383,488
Community & Economic Development	16,902,527	15,659,504	21,208,791	23,925,948	23,522,870	17,571,503	25,826,186	24,172,190	26,867,068	23,528,766
Library	5,152,325	5,352,000	8,356,676	5,775,103	6,101,655	5,769,155	5,306,974	5,784,086	4,906,056	5,052,341
Redevelopment	3,234,590	2,328,327	1,998,205	3,518,910	5,369,824	6,521,339	2,996,523	1,422,996	-	-
Interest on long term debt	3,627,369	4,283,470	4,693,492	4,020,988	5,638,705	3,687,012	4,038,829	2,463,121	2,886,993	1,142,866
Total governmental activities expenses	88,487,434	96,803,588	106,095,155	111,925,217	114,493,107	115,324,690	104,328,914	109,339,859	111,977,794	103,158,559
Business-type activities:										
Airport	4,537,129	5,463,658	5,338,068	6,019,365	5,264,774	4,687,217	4,953,877	5,597,645	8,098,139	6,336,579
Water	7,091,055	8,101,428	8,572,763	8,438,485	11,140,495	10,334,594	10,549,515	11,514,203	11,860,758	11,408,389
Sewer	16,881,844	19,542,457	25,205,971	21,422,852	21,862,850	21,153,183	22,617,181	22,467,214	25,582,473	21,614,437
Las Positas	2,538,503	2,827,296	2,752,551	3,672,995	2,414,861	2,357,436	2,253,488	2,517,171	2,631,759	3,492,698
Springtown	217,610	258,208	245,444	604,666	561,662	249,921	103,861	26,660	16,568	38,399
Total business-type activities expenses	31,266,141	36,193,047	42,114,797	40,158,363	41,244,642	38,782,351	40,477,922	42,122,893	48,189,697	42,890,502
Total primary government expenses	\$119,753,575	\$132,996,635	\$148,209,952	\$152,083,580	\$155,737,749	\$154,107,041	\$144,806,836	\$151,462,752	\$160,167,491	\$146,049,061

(Continued)



Comprehensive Annual Financial Report FY 2013-2014

Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 269,638	\$ 55,331	\$ 114,420	\$ -	\$ -	\$ -	\$ 504	\$ -	\$ 125,000	\$ 774,339
Fire	5,312,882	6,307,500	1,505,773	1,544,589	2,161,428	1,321,707	1,123,373	1,189,918	1,254,438	1,714,973
Police	1,764,120	1,676,007	2,028,445	1,785,743	1,702,020	1,617,225	1,538,616	1,373,008	1,239,236	1,340,240
Public Works	373,659	191,365	288,150	64,340	72,820	71,680	-	128,206	311,393	178,263
Community & Economic Development	5,632,462	7,983,361	11,070,857	6,335,201	5,141,898	5,295,134	4,982,719	6,346,285	8,076,312	10,414,752
Library	130,748	160,910	292,554	124,630	144,181	144,754	143,899	139,104	150,179	147,543
Redevelopment	-	-	-	-	478,828	7,375	-	-	-	-
Operating grants and contributions	7,983,601	10,078,898	9,655,790	11,036,523	10,571,987	15,694,092	10,890,656	8,304,359	10,614,625	9,665,802
Capital grants and contributions	35,118,928	24,471,147	30,561,220	27,407,661	7,056,206	28,953,008	16,689,112	46,991,639	18,349,337	8,435,777
Total governmental activities program revenues	<u>56,586,038</u>	<u>50,924,519</u>	<u>55,517,209</u>	<u>48,298,687</u>	<u>27,329,368</u>	<u>53,104,975</u>	<u>35,368,879</u>	<u>64,472,519</u>	<u>40,120,520</u>	<u>32,671,689</u>
Business-type activities:										
Charges for services:										
Airport	4,679,460	5,290,321	6,306,538	6,102,039	5,112,238	4,774,584	5,170,897	6,976,531	7,609,923	6,925,128
Water	8,972,523	9,314,812	10,863,464	10,512,323	10,346,298	10,684,724	10,232,383	11,357,357	13,083,389	12,523,886
Sewer	17,253,743	17,809,001	20,239,739	19,968,157	20,387,403	19,465,218	18,749,866	18,553,327	18,474,750	18,822,193
Las Positas	2,108,799	2,093,000	2,259,064	2,649,027	2,243,182	2,087,472	2,004,170	1,932,811	2,957,505	3,259,879
Springtown	79,292	109,257	102,799	258,354	340,260	74,186	2,998	12,010	6,000	11,392
Operating grants and contributions	401,286	80,172	115,516	-	2,341,705	-	-	-	-	-
Capital grants and contributions	7,177,129	9,580,679	2,738,724	8,358,515	1,938,642	1,429,816	204,049	1,366,499	6,663,795	2,120,480
Total business-type activities program revenues	<u>40,672,232</u>	<u>44,277,242</u>	<u>42,625,844</u>	<u>47,848,415</u>	<u>42,709,728</u>	<u>38,516,000</u>	<u>36,364,363</u>	<u>40,198,535</u>	<u>48,795,362</u>	<u>43,662,958</u>
Total primary government program revenues	<u>\$ 97,258,270</u>	<u>\$ 95,201,761</u>	<u>\$ 98,143,053</u>	<u>\$ 96,147,102</u>	<u>\$ 70,039,096</u>	<u>\$ 91,620,975</u>	<u>\$ 71,733,242</u>	<u>\$ 104,671,054</u>	<u>\$ 88,915,882</u>	<u>\$ 76,334,647</u>
Net (Expense) Revenue										
Governmental activities	(31,901,396)	(45,879,069)	(50,577,946)	(63,626,530)	(87,163,739)	(62,219,715)	(68,960,035)	(44,867,340)	(71,857,274)	(70,486,870)
Business-type activities	9,406,091	8,084,195	511,047	7,690,052	1,465,086	(266,351)	(4,113,559)	(1,924,358)	605,665	772,456
Total primary government net expenses	<u>\$ (22,495,305)</u>	<u>\$ (37,794,874)</u>	<u>\$ (50,066,899)</u>	<u>\$ (55,936,478)</u>	<u>\$ (85,698,653)</u>	<u>\$ (62,486,066)</u>	<u>\$ (73,073,594)</u>	<u>\$ (46,791,698)</u>	<u>\$ (71,251,609)</u>	<u>\$ (69,714,414)</u>

(Continued)



Comprehensive Annual Financial Report FY 2013-2014

Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	18,073,340	20,461,292	23,474,636	24,743,463	25,636,315	23,836,857	22,994,297	25,228,218	24,340,228	24,721,318
Incremental property taxes	3,049,903	3,944,648	4,166,077	4,850,965	5,293,686	4,683,913	4,718,558	-	-	-
Sales taxes	19,353,516	19,256,966	20,304,090	19,338,334	15,692,177	13,789,658	16,734,417	20,761,599	23,711,235	25,159,952
Other taxes	10,464,875	10,244,389	10,452,485	10,350,594	9,054,267	9,532,433	9,086,835	9,811,089	11,466,048	11,859,580
Intergovernmental	645,230	1,813,305	6,024,353	6,292,738	6,418,802	6,017,347	6,055,422	5,633,766	5,893,271	6,055,370
Interest	4,110,883	5,094,898	6,129,238	6,514,855	4,752,609	4,380,108	2,658,756	2,399,333	1,458,335	1,336,195
Miscellaneous	5,449,705	3,984,495	5,639,624	6,893,964	8,264,148	8,205,664	8,163,851	8,070,519	7,723,668	7,366,432
Transfers (net)	8,754,015	1,225,710	294,196	653,502	712,761	176,477	142,900	230,147	175,216	328,427
Assets transferred to/liabilities assumed by Successor Agency	-	-	-	-	-	-	-	25,136,863	(1,704,483)	-
Gain on sale of land held for redevelopment	3,267,560	-	-	-	-	-	-	-	-	-
Loss on refunding of debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities	73,169,027	66,025,703	76,484,699	79,638,415	75,824,765	70,622,457	70,555,036	97,271,534	73,063,518	76,827,274
Business-type activities:										
Interest and other income	-	-	-	-	-	-	-	-	-	281,708
Transfers (net)	(8,754,015)	(1,225,710)	(294,196)	(653,502)	(712,761)	(2,578,127)	(142,900)	(230,147)	(175,216)	(328,427)
Change in value of Investment in JPA - LAVWMA	-	-	-	-	-	-	-	6,021,144	152,214	(232,754)
Total business-type activities	(8,754,015)	(1,225,710)	(294,196)	(653,502)	(712,761)	(2,578,127)	(142,900)	5,790,997	(23,002)	(279,473)
Total primary government activities	\$ 64,415,012	\$ 64,799,993	\$ 76,190,503	\$ 78,984,913	\$ 75,112,004	\$ 68,044,330	\$ 70,412,136	\$103,062,531	\$ 73,040,516	\$ 76,547,801
Change in Net Position										
Governmental activities	41,267,631	20,146,634	25,906,753	16,011,885	(11,338,974)	8,402,742	1,595,001	52,404,194	1,206,244	6,340,404
Business-type activities	652,076	6,858,485	216,851	7,036,550	752,325	(2,844,478)	(4,256,459)	3,866,639	582,663	492,983
Total primary government	41,919,707	27,005,119	26,123,604	23,048,435	(10,586,649)	5,558,264	(2,661,458)	56,270,833	1,788,907	6,833,387



Comprehensive Annual Financial Report FY 2013-2014

Fund Balances of Governmental Funds, Last Ten Fiscal Years (modified accrual basis of accounting)

	2005	2006	(1) 2007	2008	(2) 2009	2010	(3) 2011	2012	2013	2014
General Fund										
Reserved	\$ 9,575,127	\$ 9,329,690	\$ 9,078,026	\$ 8,826,957	\$ 10,181,138	\$ 9,938,622	\$ -	\$ -	\$ -	\$ -
Unreserved	23,849,128	25,587,347	28,926,629	28,350,723	21,488,374	17,556,081	-	-	-	-
Nonspendable	-	-	-	-	-	-	9,577,624	5,262,813	\$ 6,832,287	6,317,781
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	11,500,000	12,003,511	12,548,889
Assigned	-	-	-	-	-	-	-	5,349,482	8,002,341	8,365,926
Unassigned	-	-	-	-	-	-	16,347,474	1,134,242	3,229,530	5,050,960
Total general fund	<u>\$ 33,424,255</u>	<u>\$ 34,917,037</u>	<u>\$ 38,004,655</u>	<u>\$ 37,177,680</u>	<u>\$ 31,669,512</u>	<u>\$ 27,494,703</u>	<u>\$ 25,925,098</u>	<u>\$ 23,246,537</u>	<u>\$ 30,067,669</u>	<u>\$ 32,283,556</u>
All Other Governmental Funds										
Reserved	\$ 9,879,776	\$ 13,013,138	\$ 23,803,645	\$ 28,504,239	\$ 41,739,468	\$ 40,439,937	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	28,679,800	25,731,867	25,015,905	14,589,109	18,281,575	23,419,657	-	-	-	-
Capital projects funds	28,038,224	22,479,402	23,880,541	17,669,848	7,573,270	(4,754,936)	-	-	-	-
Nonspendable	-	-	-	-	-	-	17,711	-	-	-
Restricted	-	-	-	-	-	-	52,011,467	63,995,900	58,524,301	57,439,026
Committed	-	-	-	-	-	-	-	-	545,378	-
Assigned	-	-	-	-	-	-	10,214,639	-	363,585	-
Unassigned	-	-	-	-	-	-	(5,421,592)	(5,709,086)	590,711	(1,230,719)
Total all other governmental funds	<u>\$ 66,597,800</u>	<u>\$ 61,224,407</u>	<u>\$ 72,700,091</u>	<u>\$ 60,763,196</u>	<u>\$ 67,594,313</u>	<u>\$ 59,104,658</u>	<u>\$ 56,822,225</u>	<u>\$ 58,286,814</u>	<u>\$ 60,023,975</u>	<u>\$ 56,208,307</u>

Note:

- (1) A reserve was established in the Low Income Housing Fund in FY 06-07 for a \$8,000,000 loan.
- (2) A reserve for land held for redevelopment was established in the Redevelopment Agency in FY 08-09 for \$12.2 million.
- (3) GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," was implemented in FY 10-11.



Comprehensive Annual Financial Report FY 2013-2014

Changes In Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes and special assessments	\$ 28,647,685	\$ 30,805,535	\$ 34,017,461	\$ 35,838,595	\$ 35,992,202	\$ 34,915,370	\$ 32,812,183	\$ 37,723,715	\$ 38,391,028	\$ 39,047,027
Sales taxes	18,953,516	19,256,966	20,304,090	19,338,334	15,692,177	13,789,658	16,734,417	20,761,599	23,711,235	25,159,952
Property tax increment	3,049,903	3,944,648	4,166,077	4,850,965	5,293,686	4,683,913	3,774,846	-	-	-
Licenses and permits	2,566,277	2,215,956	2,256,120	2,324,087	1,690,189	1,794,011	1,608,187	2,006,311	2,782,819	2,020,956
Intergovernmental	21,598,361	27,074,245	25,012,771	22,621,648	21,911,247	38,302,229	27,296,610	53,725,198	20,525,065	14,523,429
Contributions from outside sources	1,178,717	758,296	11,930,222	2,454,757	1,231,668	3,830,471	981,826	1,162,859	532,899	3,090,683
Fines and forfeitures	733,561	687,841	762,058	680,340	599,111	711,616	648,231	465,263	353,754	442,101
Charges for current services	16,364,599	15,456,879	14,577,802	13,114,165	10,251,955	10,437,987	13,638,435	14,169,779	18,826,809	18,937,543
Use of money and property	5,339,709	6,204,142	7,595,527	7,936,130	5,516,745	6,079,077	3,275,127	2,754,238	1,634,027	3,444,283
Miscellaneous	2,201,231	1,300,634	3,520,167	2,912,666	6,300,744	2,105,144	3,428,938	3,122,175	7,422,435	1,568,992
Total revenues	100,633,559	107,705,142	124,142,295	112,071,687	104,479,724	116,649,476	104,198,800	135,891,137	114,180,071	108,234,966
Expenditures										
General government	9,195,213	10,492,010	11,043,972	12,473,775	11,459,143	10,673,814	10,268,916	16,311,189	12,528,286	13,440,473
Fire	12,091,532	12,927,457	13,669,323	14,976,861	15,457,071	14,841,732	13,970,849	14,214,342	14,505,466	15,293,516
Police	21,542,558	23,445,944	24,042,145	25,569,801	26,530,396	25,886,143	24,514,993	25,979,732	27,091,180	30,000,873
Public Works	7,152,912	6,874,574	7,175,563	7,175,388	7,729,713	7,029,100	6,030,850	6,282,113	5,766,027	6,259,095
Community & Economic Development	17,552,878	17,454,068	17,882,821	18,431,039	19,109,141	19,953,029	18,160,406	16,606,896	30,608,371	22,660,129
Library	4,422,218	4,626,688	7,700,291	4,895,811	5,114,806	4,805,004	4,393,096	4,735,732	4,232,678	4,369,666
Redevelopment	1,739,846	1,968,118	1,810,001	2,292,100	4,362,314	5,447,063	2,272,062	996,524	-	-
Capital outlay	19,662,412	29,276,212	22,466,475	32,239,052	17,371,920	35,032,838	26,369,541	41,750,672	13,800,868	5,641,979
Debt service funds										
Principal	3,010,000	3,165,000	3,300,000	3,755,000	3,480,163	3,435,934	4,377,745	3,663,583	8,583,683	8,445,369
Interest and fiscal charges	3,568,284	4,224,385	4,663,009	4,124,539	5,826,062	3,605,510	3,990,127	2,463,121	1,554,416	1,414,883
Total Expenditures	99,937,853	114,454,456	113,753,600	125,933,366	116,440,729	130,710,167	114,348,585	133,003,904	118,670,975	107,525,983
Excess of Revenues over (under) expenditures	695,706	(6,749,314)	10,388,695	(13,861,679)	(11,961,005)	(14,060,691)	(10,149,785)	2,887,233	(4,490,904)	708,983

(Continued)



Comprehensive Annual Financial Report FY 2013-2014

Changes In Fund Balances of Governmental Funds, Last Ten Fiscal Years *(modified accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Assets transferred to/liabilities assumed by Successor Agency	-	-	-	-	-	-	-	(6,520,981)	-	-
Proceeds from sale of property	3,267,560	-	678,828	-	-	-	-	-	-	-
Loss on sale of property	(958,789)	-	-	-	-	-	-	-	-	-
Proceeds from long term debt	-	1,715,479	15,393,200	-	58,575,000	-	13,046,596	-	5,964,051	-
Payment to refunded bond escrow agent	-	-	(12,026,398)	-	(46,030,256)	-	-	-	-	-
Premium received on TRANS	-	-	-	-	-	219,750	-	-	-	-
Transfers in	17,974,467	19,470,361	17,842,078	19,662,616	24,150,856	23,678,625	42,937,756	33,309,856	22,350,922	11,632,939
Transfers out	(17,735,207)	(18,317,137)	(17,713,101)	(18,564,807)	(23,411,646)	(22,502,148)	(49,686,605)	(33,079,709)	(22,154,575)	(11,449,012)
Total other financing sources (uses)	<u>2,548,031</u>	<u>2,868,703</u>	<u>4,174,607</u>	<u>1,097,809</u>	<u>13,283,954</u>	<u>1,396,227</u>	<u>6,297,747</u>	<u>(6,290,834)</u>	<u>6,160,398</u>	<u>183,927</u>
Net change in fund balances	<u>\$ 3,243,737</u>	<u>\$ (3,880,611)</u>	<u>\$ 14,563,302</u>	<u>\$ (12,763,870)</u>	<u>\$ 1,322,949</u>	<u>\$ (12,664,464)</u>	<u>\$ (3,852,038)</u>	<u>\$ (3,403,601)</u>	<u>\$ 1,669,494</u>	<u>\$ 892,910</u>
Debt service as a percentage of noncapital expenditures	7.9%	7.9%	7.8%	7.7%	8.5%	6.6%	8.8%	6.4%	9.7%	9.7%



**Comprehensive Annual Financial Report
FY 2013-2014**

**TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(In thousands)**

Business Type	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Apparel Stores	\$ 7,310	\$ 8,702	\$ 9,666	\$ 9,982	\$ 9,196	\$ 9,954	\$ 10,277	\$ 12,981	\$ 69,371	\$ 257,453
General Merchandise	180,866	188,317	197,902	202,357	200,227	182,710	187,971	198,591	220,387	236,912
Food Stores	44,237	43,596	44,677	49,916	46,503	45,322	44,991	45,052	46,110	47,847
Eating and Drinking Places	90,177	100,068	108,968	114,023	115,498	111,377	116,638	124,387	139,708	155,934
Building Materials	252,142	255,220	248,633	214,845	191,565	157,192	129,599	146,136	152,213	176,056
Auto Dealers and Supplies	205,634	208,598	200,681	189,892	165,253	149,016	182,100	208,738	230,972	287,785
Service Stations	111,804	131,354	153,616	165,645	177,162	125,752	141,767	181,509	203,688	199,073
Other Retail Stores	140,784	140,661	149,990	147,029	148,001	125,397	128,998	134,304	156,705	171,187
All Other Outlets	841,670	858,409	926,668	986,718	940,089	706,787	644,175	722,000	775,969	878,569
Total	\$1,874,624	\$1,934,925	\$2,040,802	\$2,080,407	\$1,993,494	\$1,613,506	\$1,586,516	\$1,773,697	\$1,995,124	\$2,410,814

Source: The HdL Companies



**Comprehensive Annual Financial Report
FY 2013-2014**

**Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
(In Percentage)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
City Direct Rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
State General Fund	5.0000	5.0000	5.0000	5.0000	6.0000 (a)	6.0000	6.0000	3.9375	4.1875 (b)	4.1875
Public Safety (Prop 172)	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Countywide Transportation Fund	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
Realignment 1991	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.0000	0.0000	0.0000
County Realignment (Mental Health/ Welfare/ Public Safety)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.5625	1.5625	1.5625
BART in Alameda County	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Alameda County Transportation Improvement Authority (ACTI)	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Alameda County Essential Healthcare Services Transactions and Use Tax (ACHC)	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Total Rate	<u>875%</u>	<u>875%</u>	<u>875%</u>	<u>875%</u>	<u>975%</u>	<u>975%</u>	<u>975%</u>	<u>875%</u>	<u>900%</u>	<u>900%</u>

(a) April 1, 2009 the State increased the State Rate 1%

(b) On January 1, 2013 the State Rate increased by 0.25%



**Comprehensive Annual Financial Report
FY 2013-2014**

**Principal Sales Tax Payers
Current Year and Nine Years Ago
In Alphabetical Order**

2014	2005
AMS Net	Alliant Food Services
Costco	Codioli Motor
Electronic Products	Costco
Harris Rebar	Flow Solutions
Home Depot	Harris Rebar
JA Momaney Services	Herning Underground Supplies
Jifco	Home Depot
Kaiser Pharmacy	Hoover Universal
Kate Spade	JA Momaney Services
Livermore Audi/Subaru/Honda	Jifco
Livermore Ford Lincoln Mitsubishi	Kaiser Pharmacy
Livermore Toyota & Scion	Livermore Audi/Subaru/Honda
Lowes	Livermore Harley Davidson
Mobile Modular Management	Lowes
Porsche of Livermore	Mervyns
Prada	Mobile Modular Management Corp
Quick Stop Market	Orco Construction Supply
Safeway	Owens & Minor
Safeway Fuel	Safeway
Solar Universe	Safeway Gas Sales
Target	Target
US Foodservice	Walmart
Vanstar Corp	Waxies
Walmart	Wente Bros
Waxies	White Cap Industries

Source: HdL Company



**Comprehensive Annual Financial Report
FY 2013-2014**

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

Fiscal Year	Common Property	Public Utility	Unsecured Valuation	Total Taxable Assessed Valuation	Total Direct Tax Rate*
2004-2005	\$ 9,766,713,534	\$ 21,615,982	\$ 457,302,038	\$ 10,245,631,554	1.00%
2005-2006	10,973,496,802	21,615,196	552,379,694	11,547,491,692	1.00%
2006-2007	12,145,332,159	20,308,948	553,745,577	12,719,386,684	1.00%
2007-2008	13,180,062,587	17,462,826	616,286,513	13,813,811,926	1.00%
2008-2009	13,667,492,888	17,107,843	632,906,079	14,317,506,810	1.00%
2009-2010	12,647,832,001	17,094,558	655,633,860	13,320,560,419	1.00%
2010-2011	12,644,996,632	16,763,636	597,043,398	13,258,803,666	1.00%
2011-2012	12,677,885,472	16,667,214	621,343,226	13,315,895,912	1.00%
2012-2013	12,785,579,465	16,652,307	712,651,650	13,514,883,422	1.00%
2013-2014	13,495,749,069	16,534,025	677,891,857	14,190,174,951	1.00%

Note:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

* Direct tax rate is per \$1,000 of assessed value.

Source: Alameda County Office of the Auditor-Controller.



**Comprehensive Annual Financial Report
FY 2013-2014**

**Property Tax Rates
Direct and Overlapping Governments
(Rates per \$1,000 of assessed value)
Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Direct Rates:										
City Direct Rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Overlapping Rates (1):										
School District	0.0793	0.0830	0.0692	0.0626	0.0616	0.0674	0.0635	0.0627	0.0607	0.0596
Community College	0.0186	0.0158	0.0159	0.0164	0.0183	0.0195	0.0211	0.0214	0.0219	0.0214
Bay Area Rapid Transit	-	0.0048	0.0050	0.0076	0.0090	0.0057	0.0031	0.0041	0.0043	0.0075
Zone 7 Flood Control	0.0114	0.0130	0.0151	0.0150	0.0169	0.0203	0.0250	0.0307	0.0228	0.0257
Total Direct and Overlapping Rate	1.1093	1.1166	1.1052	1.1016	1.1058	1.1129	1.1127	1.1189	1.1097	1.1142

Source: Alameda County Treasurer and Tax Collector.

Note:

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Livermore. Not all overlapping rates apply to all property owners. For an overlapping rate to apply, the property has to be located within that district's geographic boundary.



**Comprehensive Annual Financial Report
FY 2013-2014**

**Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2014			2005		
	Taxable Assessed Value Secured/Unsecured	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value Secured/Unsecured	Rank	Percentage of Total City Taxable Assessed Value
Paragon Outlet Livermore Valley LLC	\$ 150,002,837	1	1.09%	\$ -		
Kaiser Foundation Hospitals	108,499,522	2	0.79%	100,879,463	1	0.98%
Form Factor Inc.	67,234,348	3	0.49%	25,552,993	10	0.25%
RT Tri Valley LLC	51,363,270	4	0.37%			
Sequoia Equities Mill Springs	46,551,050	5	0.34%			
Marathon Drive Buildings LLC	44,633,685	6	0.32%			
Sutter Health	41,393,752	7	0.30%			
BNP Paribas Leasing Corp.	39,106,319	8	0.28%			
Valley Care Senior Housing, Inc.	37,872,130	9	0.28%			
Alere Home Monitoring Inc	37,151,271	10	0.27%			
KLA Tencor Corporation				78,458,234	2	0.76%
Patrician Assoc. Inc. & Principal Mutual				49,897,430	3	0.49%
Hospital Committee for Livermore Pleasanton				38,701,139	4	0.38%
Shea Center Livermore LLC				34,095,763	5	0.33%
Arroyo Livermore Business Park				29,060,244	6	0.28%
Vineyard Management Company				28,554,686	7	0.28%
Calwest Industrial Properties LLC				28,190,509	8	0.27%
Gould Livermore LLC				27,508,015	9	0.27%
	<u>\$ 623,808,184</u>		<u>4.53%</u>	<u>\$440,898,476</u>		<u>4.29%</u>



**Comprehensive Annual Financial Report
FY 2013-2014**

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 17,846,591	\$17,252,118	96.7%	\$ 498,290	\$ 17,750,408	99.5%
2006	19,774,020 (a)	19,641,123	99.3%	355,886 (b)	19,997,009	101.1% (c)
2007	22,760,383 (a)	22,655,213	99.5%	402,160 (b)	23,057,373	101.3% (c)
2008	24,259,233 (a)	23,617,163	97.4%	650,792 (b)	24,267,955	100.0% (c)
2009	23,987,973 (a)	24,075,652	100.4%	1,186,337 (b)	25,261,989	105.3% (c)
2010	22,428,741 (a)	22,087,799	98.5%	1,223,384 (b)	23,311,183	103.9% (c)
2011	21,716,391 (a)	21,933,923	101.0%	768,381 (b)	22,702,304	104.5% (c)
2012	21,684,156 (a)	22,305,535	102.9%	722,949 (b)	23,028,484	106.2% (c)
2013	22,760,932 (a)	23,272,577	102.2%	439,594 (b)	23,712,171	104.2% (c)
2014	23,301,592 (a)	23,338,653	100.2%	458,926	23,797,579	102.1% (c)

Source: Alameda County Office of the Auditor-Controller and City of Livermore Finance Division

- (a) The taxes levied are based on the January 1 lien date and have not been adjusted for roll corrections which can occur throughout the year. The County does not include supplemental tax roll in the estimate of the taxes levied since irregularity of the real estate market makes it difficult to provide valuable estimates for the supplemental tax roll;
- (b) Revised to exclude interest and penalties on delinquent taxes;
- (c) Total tax collection exceeds the taxes levied since the taxes levied are as of January 1 lien date and have not been adjusted for the roll correction. Another reason for the excess is that the supplemental taxes are excluded from the taxes levied, but are included in the taxes received.



**Comprehensive Annual Financial Report
FY 2013-2014**

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita
	Certificates of Participation	Redevelopment Bonds	Notes & Loans Payable	Capital Lease	Certificates of Participation	Revenue Loans	State Loan	Capital Lease			
2005	\$ 65,660,000	\$ 36,150,000	\$ 1,327,500	\$ -	\$ 11,880,000	\$ 55,556	\$ 6,599,038	\$ 401,733	\$ 122,073,827	0.03	\$ 1,512
2006	63,140,000	35,500,000	4,589,139	-	11,090,000	41,667	5,941,487	311,473	120,613,766	0.03	1,481
2007	63,580,000	34,820,000	4,897,339	-	10,275,000	27,778	5,266,182	221,409	119,087,708	0.04	1,437
2008	60,535,000	34,115,000	4,932,339	-	9,425,000	13,889	4,572,644	-	113,593,872	0.04	1,359
2009	62,203,630	33,385,000	9,932,339	-	11,591,370	-	3,860,381	-	120,972,720	0.04	1,433
2010	58,391,056	32,625,000	11,252,339	-	12,238,944	-	3,128,887	-	117,636,226	0.04	1,379
2011	66,660,156	31,835,000	9,912,339	-	18,154,844	-	2,377,641	-	128,939,980	0.04	1,578
2012	64,060,573	- (2)	9,717,339	-	17,349,427	-	1,606,113	-	92,733,452	0.05	1,125
2013	61,481,383	-	10,167,572	13,470,406	16,566,456	-	813,753	481,818	102,981,388	0.05	1,236
2014	58,367,644	-	4,803,697	12,654,274	15,589,104	-	-	847,354	92,262,073	0.06	1,087

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Personal income is income for Alameda County.

(2) In fiscal year 2012, Redevelopment Agencies were dissolved by law. The former redevelopment bonds are considered Fiduciary fund obligations and no longer Governmental fund obligations.



**Comprehensive Annual Financial Report
FY 2013-2014**

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	Net General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	Redevelopment Bonds	Total		
2005	\$ 33,654,073	\$ 33,654,073	0.33%	\$ 417
2006	33,003,074	33,003,074	0.29%	405
2007	32,321,722	32,321,722	0.25%	390
2008	31,617,786	31,617,786	0.23%	378
2009	30,753,338	30,753,338	0.21%	364
2010	30,130,110	30,130,110	0.23%	353
2011	29,340,138	29,340,138	0.22%	359
2012	28,516,839 (1)	28,516,839	0.21%	346
2013	27,661,162 (1)	27,661,162	0.20%	332
2014	26,761,903 (1)	26,761,903	0.19%	315

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) In fiscal year 2012, Redevelopment Agencies were dissolved by law. The former redevelopment bonds are considered Fiduciary fund obligations and no longer Governmental fund obligations.



Comprehensive Annual Financial Report FY 2013-2014

Direct and Overlapping Governmental Activities Debt As of June 30, 2014

City Assessed Valuation	\$ 13,698,440,482
Redevelopment Agency Incremental Valuation*	-
Total Assessed Valuation	\$ 13,698,440,482

Governmental Unit	Percentage Applicable ⁽¹⁾	Outstanding Debt 6/30/14	Estimated share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes:			
Bay Area Rapid Transit District	2.606%	\$ 648,275,000	\$ 16,894,047
Chabot-Las Positas Community College District	14.976%	432,337,431	64,746,854
Livermore Valley Joint Unified School District	92.179%	88,030,000	81,145,174
East Bay Regional Park District	0.073%	202,210,000	147,613
City of Livermore Community Facilities District No. 99-1	100.000%	16,730,000	16,730,000
City of Livermore Community Facilities District No. 2006-1	100.000%	9,690,000	9,690,000
City of Livermore Community Facilities District No 2009-1	100.000%	20,528,021	20,528,021
City of Livermore 1915 Act Bonds	100.000%	5,845,000	5,845,000
CA Statewide Communities Development Authority 1915 Act Bonds	100.000%	11,916,293	11,916,293
Total overlapping debt repaid with property taxes		1,435,561,745	227,643,002
Overlapping Other Debt:			
Alameda County Gen. Fund Obligations & Coliseum Authority	6.585%	893,799,500	58,856,697
Alameda County Pension Obligations	6.585%	87,787,424	5,780,802
Tax Increment Debt (Successor Agency)	100.000%	29,255,000	29,255,000
Total overlapping other debt		1,010,841,924	93,892,499
Total overlapping debt		\$ 1,010,841,924	\$ 321,535,501
City direct debt			75,825,615
Total direct and overlapping debt			\$ 397,361,116

Notes:

⁽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.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* Redevelopment Agency was dissolved effective January 31, 2012, in accordance with Assembly Bill 1X 26.



Comprehensive Annual Financial Report FY 2013-2014

Legal Debt Margin Information Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2014

Common Property Assessed Valuation-Secured Roll	\$ 13,495,749,069
Government Code Sec. 43605 Debt Limit 15% of Assessed Valuation	2,024,362,360
Amount of debt applicable to the limit	-
Legal debt margin	2,024,362,360
Percent of debt limit authorized and issued	0.00%

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$1,465,007,030	\$1,646,024,520	\$1,821,799,824	\$1,977,009,388	\$2,050,123,933	\$1,897,174,800	\$1,896,749,495	\$1,901,682,821	\$1,917,836,920	\$ 2,024,362,360
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$1,465,007,030</u>	<u>\$1,646,024,520</u>	<u>\$1,821,799,824</u>	<u>\$1,977,009,388</u>	<u>\$2,050,123,933</u>	<u>\$1,897,174,800</u>	<u>\$1,896,749,495</u>	<u>\$1,901,682,821</u>	<u>\$1,917,836,920</u>	<u>\$ 2,024,362,360</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Livermore Finance Division
Alameda County Office of the Auditor-Controller



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Pledged-Revenue Coverage Last Ten Fiscal Years

	Airport Revenue Bonds						Sewer Revenue Bonds					
	Airport Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Sewer Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2005	\$4,679,460	\$3,927,475	\$ 751,985	\$ 30,689	\$ 5,758	\$ 21	\$21,210,177	\$ 8,772,352	\$12,437,825	\$ 640,264	\$ 195,461	14.88
2006	5,290,321	4,918,896	371,425	16,800	3,741	18.08	20,341,117	11,171,252	9,169,865	657,551	178,174	10.97
2007	5,866,440	4,675,923	1,190,517	13,889	2,805	71.31	18,651,449	15,357,015	3,294,434	675,305	160,420	3.94
2008	6,073,929	5,042,460	1,031,469	13,889	1,870	65.45	18,355,797	12,839,881	5,515,916	693,538	142,187	6.60
2009	5,090,028	4,537,646	552,382	13,889	935	37.26 (1)	19,175,073	13,511,672	5,663,401	712,263	123,462	6.78
2010							18,644,438	13,104,149	5,540,289	731,494	104,230	6.63
2011							18,596,876	14,599,199	3,997,677	751,245	84,480	4.78
2012							19,321,490	15,712,912	3,608,578	771,528	64,196	4.32
2013							20,845,817	18,255,282	2,590,535	792,360	43,365	3.10
2014							19,533,848	16,576,417	2,957,431	813,753	21,971	3.54

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

(1) The Airport debt was paid off in fiscal year 2008-09.



Comprehensive Annual Financial Report FY 2013-2014

Demographic and Economic Statistics, Last Ten Calendar Years

Year	Population (1)	Per Capita Personal Income Alameda County (2)	Total Personal Income Alameda County (2)	Unemployment (3)	Median Income (4)			% of US
					US	Alameda County	Livermore	
2005	80,328	Est. \$ 41,493	\$3,333,049,704	3.3%				
2006	81,443	Est. 42,074	3,426,632,782	3.0%				
2007	82,845	Est. 42,956	3,558,689,820	2.8%				
2008	83,604	Est. 45,689	3,819,783,156	4.0%	\$ 51,412	\$ 69,823	\$ 94,006	182.8%
2009	84,409	Est. 48,679	4,108,945,711	7.5%	60,374	81,341	94,813	157.0%
2010	85,312	Est. 49,757	4,244,869,184	7.6%	60,374	81,341	94,813	157.0%
2011	81,687	Est. 48,004	3,921,302,748	6.1%	51,718	70,920	99,634	192.6%
2012	82,400	Est. 48,087	3,962,368,800	6.2%	52,168	71,536	100,488	192.6%
2013	83,325	Est. 49,617	4,134,336,525	4.8%	52,907	72,549	101,891	192.6%
2014	84,852	Est. 54,683	4,639,961,916	4.1%	53,675	73,604	103,351	192.5%

Note:

1. Data Source: State of California, Department of Finance
2. Data Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, Local Area Personal Income
3. Data Source: State of California , Employment Development Department, Labor Market Information - Unemployment Rates
4. Data Source: Muni Net Guide (2010 U.S. Census data, adjusted for inflation)



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Population Demographics⁽¹⁾

Age	Number	Percent of Population
Under 5 years	5,360	6.6%
5 to 9 years	5,666	7.0%
10 to 14 years	5,853	7.2%
15 to 19 years	5,722	7.1%
20 to 24 years	4,211	5.2%
25 to 34 years	9,972	12.3%
35 to 44 years	12,558	15.5%
45 to 54 years	14,347	17.7%
55 to 59 years	4,922	6.1%
60 to 64 years	4,015	5.0%
65 to 74 years	4,704	5.8%
75 to 84 years	2,563	3.2%
85 years and over	1,075	1.3%
Total Population	80,968	100.0%

Note:

(1) Data Source: U.S. Census Bureau Year 2010 Count



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**Principal Employers
Current Year and Nine Years Ago**

Employer	2014			2005*		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lawrence Livermore National Laboratory	5,723	1	16.63%	NA	NA	NA
Sandia National Laboratories	1,139	2	3.31%	NA	NA	NA
Livermore Valley Joint Unified School Distri	1,236	3	3.59%	NA	NA	NA
Form Factor	850	4	2.47%	NA	NA	NA
Kaiser Permanente	833	5	2.42%	NA	NA	NA
Comcast	500	6	1.45%	NA	NA	NA
Wente	736	7	2.14%	NA	NA	NA
Livermore Area Recreational & Park Distric	501	8	1.46%	NA	NA	NA
Las Positas College	463	9	1.35%	NA	NA	NA
Valley Care Health Systems	432	10	1.26%	NA	NA	NA
	<u>12,413</u>		<u>36.08%</u>			

* Not available

Source: City of Livermore Community and Economic Development
City of Livermore Business License



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**Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years**

Function/Program	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government										
Administrative Services ¹	-	-	-	-	-	28.28	24.50	25.75	27.00	27.25
City Council	1.00	-	-	-	-	-	-	-	-	-
City Manager ²	10.25	10.25	10.25	10.25	10.75	5.00	6.00	6.00	6.00	7.00
City Attorney	8.50	8.50	9.50	9.50	9.50	9.50	8.50	8.50	8.00	8.00
City Clerk	8.50	8.50	8.50	8.50	8.50	5.00	5.00	5.00	4.50	4.50
Finance	18.50	18.50	18.50	18.50	18.50	-	-	-	-	-
Human Resources	8.10	8.10	8.10	8.10	8.10	-	-	-	-	-
Fire	63.50	66.50	66.50	66.50	65.50	65.50	65.50	58.50	58.25	58.50
Police	151.25	152.25	152.75	154.75	154.75	148.75	143.25	143.25	140.25	140.75
Public Works	64.00	64.00	63.00	64.00	64.00	55.00	48.60	48.10	42.70	42.70
Community Development	94.85	93.60	93.10	93.10	93.00	78.50	71.50	69.50	64.50	63.50
Economic Development ⁴	1.30	1.30	1.30	1.30	0.80	4.00	5.00	5.00	3.00	-
Library	39.50	40.25	40.25	41.25	41.25	38.13	32.13	32.13	29.00	28.00
Redevelopment ³	3.20	3.20	3.20	3.20	3.20	-	-	-	-	-
Airport	7.00	8.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00	8.00
Water	15.00	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.00
Sewer	46.25	46.25	46.25	46.25	46.25	46.50	47.50	47.50	47.50	48.50
Las Positas Golf Course	14.70	14.70	13.70	13.70	0.70	1.00	1.50	1.00	0.80	0.80
Springtown Golf Course	0.30	0.30	0.30	0.30	0.30	-	-	-	-	-
Total	<u>555.70</u>	<u>559.45</u>	<u>559.45</u>	<u>563.45</u>	<u>549.35</u>	<u>508.40</u>	<u>482.23</u>	<u>473.48</u>	<u>454.75</u>	<u>452.50</u>

Note:

1. Administrative Services was created in fiscal year 2010 and includes Human Resources, Finance and Information Technology employees.
2. Prior to fiscal year 2010, City Manager included Information Technology employees.
3. In fiscal year 2011, Redevelopment employees are included in Community Development.
4. In fiscal year 2014, Economic Development employees are included in Community Development.

Source: City Budget



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Operating Indicators by Function/Program Last Ten Fiscal Years

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police										
Physical arrests	2,825	3,189	3,292	3,181	2,564	2,781	2,640	2,391	2,537	2,613
Parking violations	1,774	2,762	3,821	4,805	3,216	2,504	1846	1433	1296	1056
Traffic violations	13,274	12,279	9,774	10,324	10,398	14,099	10700	9264	8635	7114
Fire										
Emergency responses	5,672	5,948	6,454	6,325	6,349	6,099	5,887	4,607	6,684	6,664
Fires extinguished	397	416	444	438	461	438	384	239	237	221
Inspections (1)	1,326	1,028	1,110	1,280	883	1040 (2)	463 (2)	623 (2)	1106 (2)	453 (2)
Annual fire inspection program	1166	50	407	326	453	734	573	470	540	529
Public Works										
Street resurfacing (centerline miles)	3.3	3.2	3.2	5.3	0.6	3.1	2.5	1.8	12.7	3.8
Potholes repaired	340	407	169	308	304	430	210	238	204	190
Maintenance of Landscaping (acres)	120	137	144	158	160	256	263	263	316	316.3
Library										
Volumes in collection	258,618	258,450	269,626	264,821	268,533	263,447	264,734	273,500	262,410	255,333 (4)
Total volumes borrowed	979,660	954,499	951,082	956,872	1,073,829	1,106,790	1,014,644	941,873	868,861	849,145
Water										
New connections	261	276	93	34	41	106	23	59	79	32
Water mains breaks	3	2	3	0	1 (3)	19	0	2	0	1
Other water breaks & leaks	15	20	26	134	117 (3)	23	25	74	20	14
Average Daily Consumption (millions of gallons)	5.579	6.082	6.618	6.441	5.950	5.55	3.013	5.939	5.937	5.517
Peak daily consumption (millions of gallons)	9.562	10.088	10.674	10.021	9.472	8.996	9.053	9.108	9.508	9.321
Wastewater										
Average daily sewage treatment (millions of gallons)	6.6	7.4	7.2	7.1	7.3	7.03	6.9	6.811	6.7	6.64
Municipal Airport										
Number of tenant aircraft	592	640	644	551	577	551	530	516	506	517
Total landings & takeoffs	181,710	173,800	177,330	174,503	143,345	123,012	136,851	139,140	143,651	160,733
Gallons of fuel pumped	922,582	935,367	860,429	790,578	585,934	564,269	621,254	643,272	642,239	734,597
Las Positas Municipal Golf Course										
Rounds Played	78,299	85,284	91,222	89,294	84,466	77,749	71,766	66,667	62,733	77,408
Springtown Municipal Golf Course										
Rounds Played	32,674	28,306	24,276	27,596	25,311	22,033	22,927	24,366	19,583	19,583

(1) Data is reported on a fiscal year basis.

(2) Method of conducting business changed in FY 10-11.

(3) Data collection method changed in FY 09-10 per Department of Health Services.

(4) In FY 13/14, the City added 28,000 new volumes to the Library Collection, and removed items that were outdated or in poor condition, consequently the overall number decreased.

Sources: Various city departments.



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Capital Asset Statistics by Function/Program Last Ten Fiscal Years

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	48	46	54	51	50	48	50	51	52	58
Fire stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	278.4	278.9	283.2	294.02	294.02	294	302	303	306.2	306
Streetlights	6,670	6,807	6,867	7,004	7,015	7,089	7,120	7,301	7,301	7,382
Traffic Signals	89	90	95	107	96	101	98	137	103	111
Flashing Crosswalks	N/A*	4	7	9	9	10	11	11	11	10
Water										
Water mains (miles)										
Potable water	113.9	113.9	113.9	149.6	149.6	156	146	146	147	147
Recycled water	14.9	14.9	14.9	20.5	20.5	23.1	21.5	21.5	22.5	22.5
Fire hydrants	3,449	3,449	3,479	1,326	1,326	1,360	1,385	1,385	1,493	1,560
Fire hydrants (recycled)	N/A*	N/A*	N/A*	100	100	113	113	113	160	160
Average daily consumption										
Potable water	5.58	6.08	6.62	6.44	5.95	5.55	3.013	5.939	5.937	5.517
Recycled water (millions of gallons)	0.56	0.78	0.79	0.95	0.84	1.08	1.15	1.27	1.97	1.85
Wastewater										
Sanitary sewers (miles)	255	267	267	285.6	298.4	302.2	303	303	295	295
Storm sewers (miles)			171	201.9	206.6	206.6	207	207	210	210
Treatment capacity (millions of gallons)	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Municipal Airport										
Length of longest runway in feet	5,255	5,255	5,255	5,255	5,255	5,253	5,253	5,253	5,253	5,253
Length of longest taxiway in feet	5,255	5,255	5,255	5,255	5,255	5,720	5,720	5,720	5,720	5,720
Total acreage	643	643	643	643	643	644	644	644	644	644
Number of hangars	393	393	393	393	393	393	393	393	393	393
Las Positas Municipal Golf Course										
Total acreage	205	205	205	205	205	205	205	205	195	195
Length of 18-hole course in yards	6,725	6,725	6,725	6,725	6,725	6,725	6,677	6,723	6,723	6,723
Length of 9-hole executive course in yards	2,034	2,034	2,034	2,034	2,034	2,034	2,034	1,133	1,133	1,133
Springtown Municipal Golf Course										
Total acreage	90	90	90	90	90	90	90	90	90	90
Length of 9-hole course in yards	2,941	2,941	2,941	2,941	2,941	2,941	2,941	2,941	2,941	2,941

* No data available

Sources: Various city departments.

9/6/12: The 9-hole Executive Course was closed as of July 1, 2011 and re-opened as a 9-hole Par 3 Course on May 17, 2012.

1/24/12: measurement is in centerline miles.



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SCHEDULE OF INSURANCE AS OF JUNE 30, 2014

COVERAGE	BROKER	COVERAGE	POLICY NO	LIMITS	TERM
General Liability Primary Layer	City of Livermore - Self Insured Retention	Following CJPRMA Memorandum of Coverage	Not applicable	\$500,000 Self Insured Retention.	7/1/13-6/30/14
General Liability Excess Coverage First Layer	California Joint Powers Risk Management Authority (CJPRMA) /	Bodily Injury, Property Damage, Personal Injury, Public Officials Errors & Omissions, Employment Practices, Mold, Sexual Abuse at day care, terrorism, Pollution	Not applicable	\$500,000. CJPRMA jointly indemnifies members from SIR to \$5MM	7/1/13-6/30/14
General Liability Excess Coverage Second Layer	AON - Munich RE - A.M. Best Rating A++:XV & SCOR RE - A.M. Best Rating A+:XV	Following CJPRMA Memorandum of Coverage	1523763019263/2011	\$40,000,000 per occurrence excess of \$5,000,000 per occurrence retention for Bodily Injury / Property Damage / Personal Injury / Public Officials E&O	7/1/13-6/30/14
Primary Property	AON – CJPRMA /Munich RE - A.M. Best Rating A++:XV	Real and Personal Property / Business Interruption / Extra Expense / Rental Coverage, Excluding Earthquake and Flood Coverage is on a replacement cost basis. Automatic coverage for new or additional locations.	1523763019264	\$25,000 deductible with \$10,000,000 per occurrence \$305,929,132 in values	7/1/13-6/30/14
Excess Property Damage / Time Element	AON – CJPRMA /XL A.M. Best Rating A++:XV	All Risks, excluding Earthquake and Flood – follows primary coverage	US00012129PR11A	Coverage is for \$290,000,000 per occurrence excess of \$10,000,000 per occurrence primary coverage	7/1/13-6/30/14
Boiler and Machinery	AON – CJPRMA / Hartofrd Steam Boiler A.M. Best Rating A+:X	Comprehensive coverage, including production machinery and public utility equipment / 24hr Business Interrupt / Extra Expense	FBP4909988	Coverage is \$353,979,522 Property Damage, \$5,000 per accident deductible. Various sub-limits apply	7/1/13-6/30/14
Public Employee Blanket Bond	AON – CJPRMA / Hartford Fire Insurance A+:XV	Faithful performance, any dishonest act, including forgery, alteration, & theft Covers all employees statutorily required to maintain bonding.	00FA026443010	Deductible is \$5,000 per loss Coverage is \$500,000 per loss	7/1/13-6/30/14



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COVERAGE	BROKER	COVERAGE	POLICY NO	LIMITS	TERM
Airport Liability	AON – CJPRMA/ACE A.M.Best Rating A: XV	Airport liability / Hangerkeeper's / Advertising / Vehicles / Non-owned aircraft / Fire Legal Liability / Products and Completed Operations / Premises	AAPN02205476001	\$50,000,000 per occurrence with \$0 deductible	7/1/13-6/30/14
Workers' Compensation and Employer Liability Primary Layer	City of Livermore - Self Insured Retention	State Mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	Not applicable	Self Insured retention of \$500,000	7/1/13-6/30/14
Workers' Compensation and Employer Liability Excess Coverage First Layer	Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX)	State mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	Not applicable	\$5 million in excess of SIR of \$500,000 per claim	7/1/13-6/30/14
Worker's Compensation and Employer Liability Reinsurance and Excess Coverage Second Layer	CSAC-EIA, Reinsurance from Axis Specialty Limited, Lancashire Insurance Company Limited, Lloyds of London, Renaissance Reinsurance Limited, and Excess from National Union Fire Insurance of Pittsburg, PA	State mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	464-2158	Statutory limits in excess of \$5 million per claim	7/1/13-6/30/14
Non-Owned and Hired Automobile Liability Coverage	AON. - National Fire & Marine A.M. Best Rating A++:XV	Automobile liability for the use of an employee's personal vehicle and/or a rented vehicle in the performance of City business.	72AP200373	\$500,000 per claim with \$0 deductible	7/1/13-7/1/14
Pollution	AON - ACE Environmental	Coverage is for all City owned or controlled property and includes perils such as "midnight dumping" on vacant land, wastewater back ups or overflows, and mold and fungi.		\$5,000,000 per occurrence\$10,000,000 aggregate with \$50,000 deductible	7/1/13 - 7/1/15