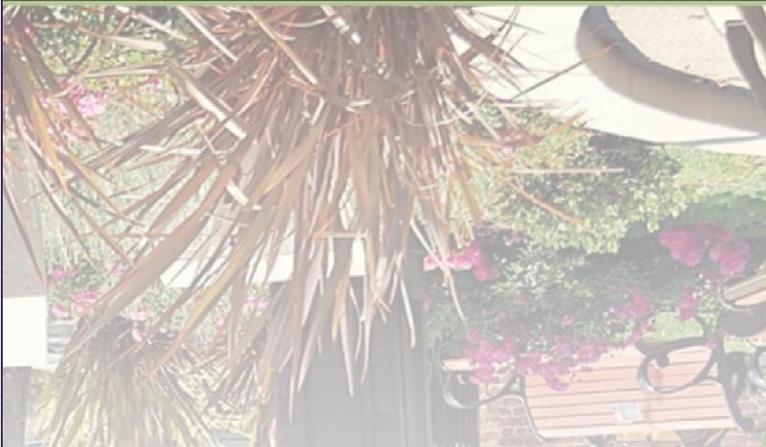
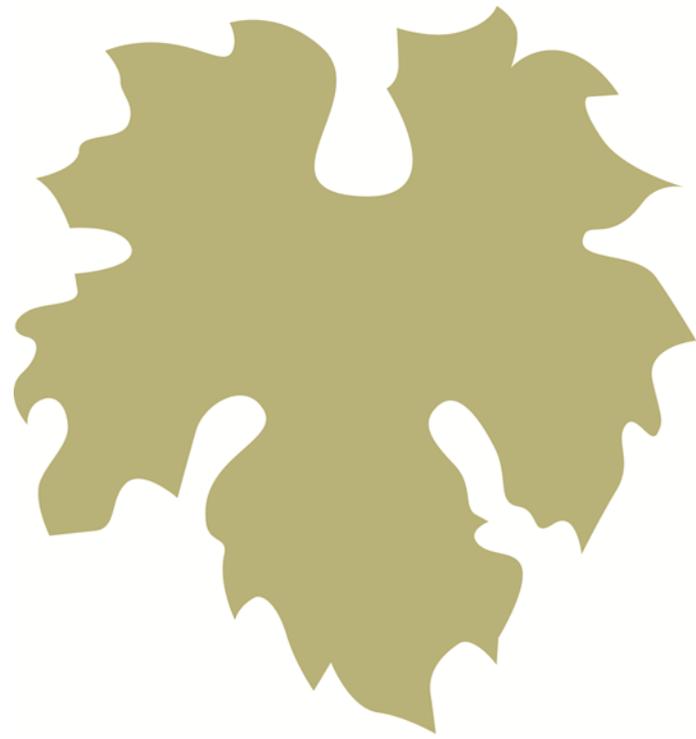


LIVERMORE
CALIFORNIA

Comprehensive Annual Financial Report for the Year Ended June 30, 2015







Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

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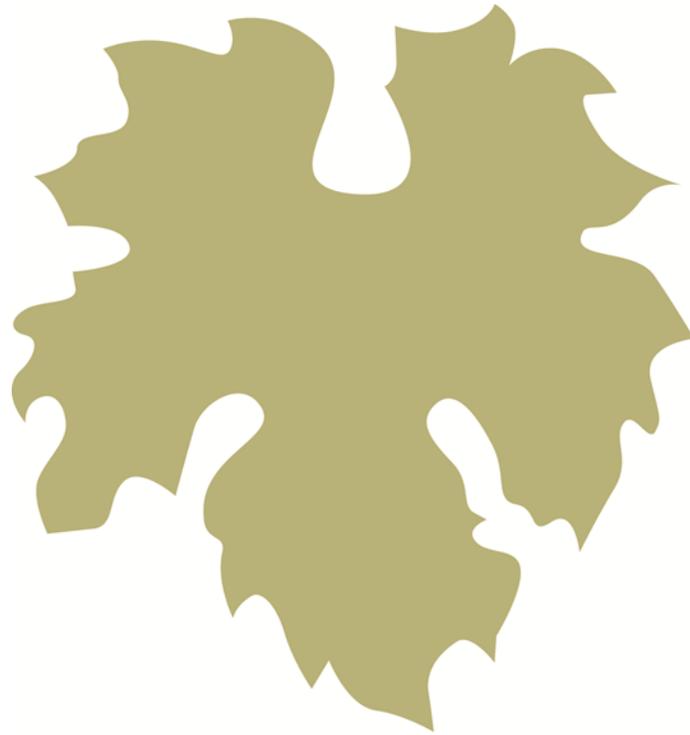


Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	1
Elected Officials and Administrative Personnel.....	7
City Organization Chart.....	8
GFOA Certificate of Achievement	9

FINANCIAL SECTION

Independent Auditor’s Report	11
Management’s Discussion and Analysis	15

Basic Financial Statements:

Government-Wide Financial Statements (Page 33)

Statement of Net Position.....	34
Statement of Activities	35

Fund Financial Statements (Page 37)

Major Governmental Funds (Page 37)

Balance Sheet-Governmental Funds.....	38
Reconciliation of Fund Balances to Net Position of Governmental Activities.....	39
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	40
Reconciliation of the Net Change in Fund Balances-Total Governmental Funds with the Statement of Activities	41
Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual General Fund.....	42

Major Proprietary Funds (Page 43)

Statement of Net Position-Proprietary Funds.....	44
Statement of Revenue, Expenses and Changes in Net Position- Proprietary Funds	46
Statement of Cash Flows-Proprietary Funds	48

Fiduciary Funds (Page 51)

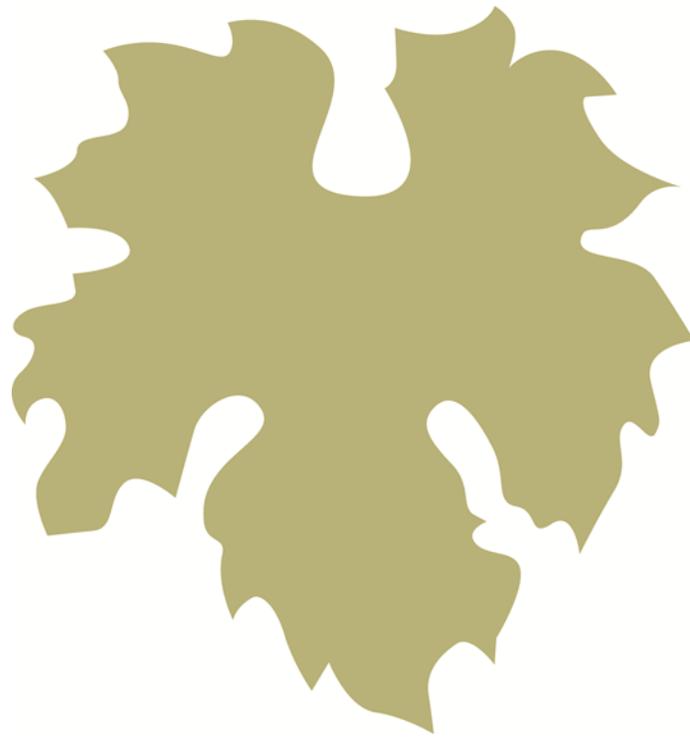
Statement of Net Position-Fiduciary Funds	52
Statement of Changes in Fiduciary Net Position-Fiduciary Funds.	53

Notes to Basic Financial Statements

Note 1-Significant Accounting Policies	55
A. Reporting Entity.....	55
B. Basis of Presentation	55
C. Major Funds	56
D. Basis of Accounting	58
E. Inventories and Prepaid Items.....	59
F. Deferred Outflows/Inflows of Resources.....	59
G. Pensions	59
H. Compensated Absences	60
I. Property Tax Levy, Collection and Maximum Rates	60
J. Revenue Recognition for Sewer and Operations	60
K. Land Held for Redevelopment.....	61
L. Use of Estimates	61
M. New Accounting Pronouncements	61
Note 2-Stewardship, Compliance, and Accountability	62
Note 3-Cash and Investments.....	63
Note 4-Interfund Transactions.....	68

Note 5-Notes Receivable	70
Note 6-Capital Assets	72
Note 7-Long Term Debt.....	76
Note 8-Special Assessment District Debt with No City Commitment	81
Note 9-Net Position and Fund Balances	82
Note 10-Pension Plans.....	87
Note 11-Other Post-Employment Benefits	95
Note 12-Deferred Compensation Plan.....	97
Note 13-Joint Ventures.....	98
Note 14- General Liability and Workers Compensation Coverage.....	101
Note 15- Commitments and Contingencies.....	103
Note 16- Successor Agency Activities	104
Required Supplementary Information (<i>Page 111</i>)	
Schedule of Changes in the Net Pension Liability and Related Ratios – Agent Multiple-Employer Defined Benefit Pension Plan.....	112
Schedule of Plan Contributions - Agent Multiple-Employer Defined Benefit Pension Plan	113
Schedule of the Plan’s Proportionate share of the Net Pension Liability – Cost Sharing Defined Benefit Pension Plan	114
Schedule of Plan Contributions - Cost Sharing Defined Benefit Pension Plan	116
Other Post-Employment Benefits – Schedule of Funding Progress.....	118
Supplementary Information (<i>Page 119</i>)	
<i>Non-major Governmental Funds (Page 121)</i>	
Combining Balance Sheets	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	130
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual	136
<i>Internal Service Funds (Page 147)</i>	
Combining Statement of Net Position	148
Combining Statements of Revenues, Expenses and Changes in Fund Net Position.....	150
Combining Statement of Cash Flows.....	152
<i>Agency Funds (Page 155)</i>	
Statement of Changes in Assets and Liabilities – Agency Funds.....	156
STATISTICAL SECTION (Unaudited)	157
<u>Financial Trends:</u>	
Net Position by Component.....	158
Changes in Net Position	159
Fund Balances of Governmental Funds	162
Changes in Fund Balances of Governmental Funds	163
<u>Revenue Capacity:</u>	
Taxable Sales by Category.....	165
Direct and Overlapping Sales Tax Rates.....	166
Principal Sales Tax Payers.....	167
Assessed Value and Estimated Actual Value of Taxable Property	168
Direct and Overlapping Governments Property Tax Rates.....	169
Principal Property Taxpayers	170
Property Tax Levies and Collections	171
<u>Debt Capacity:</u>	
Ratio of Outstanding Debt by Type-Last Ten Fiscal Years.....	172

Ratios of General Bonded Debt Outstanding-Last Ten Fiscal Years	173
Direct and Overlapping Governmental Activities Debt as of June 30, 2012	174
Legal Debt Margin Information-Last Ten Fiscal Years	175
<u>Demographic and Economic Information:</u>	
Demographic and Economic Information.....	176
Population Demographics	177
Principal Employers-Current Year and Nine Years Ago	178
<u>Operating Information:</u>	
Full-Time Equivalent City Government Employees by Function/Program-Last Ten Fiscal Years	179
Operating Indicators by Function/Program-Last Ten Fiscal Years	180
Capital Asset Statistics by Function/Program-Last Ten Fiscal Years.....	181
Schedule of Insurance	182





October 15, 2015

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, 2015. 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 and evaluate its financial condition.

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, 2015 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

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. Aside from for the municipal golf course facilities the City does not provide recreation and leisure services which are provided to citizens by the Livermore Area Recreation and Park District (LARPD), a special district governed by a separately elected board.

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 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34," 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.

Accounting and Budgetary Control

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 budget serves as the foundation for the City's financial planning and control. The City Council adopts a biennial operating budget on or before June 30 for each of the ensuing two fiscal years for all funds except for the Fiduciary Funds and the Developer Deposits Capital Projects Fund. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, which is the close of the City's fiscal year. The appropriated budget is prepared by fund and department. 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.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 42 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, with appropriated annual budgets, this comparison is presented in the other supplementary information of this report, which begins on page 136.

Economic Condition and Outlook

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 85,990 per the California Department of Finance as of January 1, 2015 and represents an increase of 1.39% 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 February 2014 and February 2015, the total number of jobs in the East Bay increased by 25,500 or 2.4% which lagged behind the job growth in the State (3.1%), San Jose (5.3%) and San Francisco (4.4%).

Some of the fastest growing sectors over the past year have been Administrative Support (7.5%), Construction (7.3%), and Educational Services (5.2%). On the other side of spectrum were the Financial Activities, and Natural Resources and Mining Sector in which jobs shrank by 2.1% and 12.7% over the past year respectively.

In June 2015 the unemployment rate in Livermore was 3.1%. This is better in comparison to an unadjusted unemployment rate of 4.6% for Alameda County and 6.3% for California. In comparison to the Alameda County, San Francisco County's unemployment rate was 3.5% in June 2015, lower than the June 2014 rate of 4.6%. The unemployment rate in Santa Clara County was 3.9% in June 2015, down from 5.4% in June 2014. Beacon Economists forecast East Bay employment will continue to grow in excess of 2% per year over the next five years.

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 2015 grew by 7.1% to \$700,000 from \$653,500 in June 2014. The number of home sales accelerated slightly too. The 1,180 homes sold in 2014-15 were up 4.6% percent from the 1,128 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.

The local economy continued expanding resulting in the City's major tax revenues sources finally surpassing their pre-recession highs. The City's three major revenue sources, property tax, sales tax, and development related fees, continued to grow with sales tax outpacing property tax. The economic growth has been driven largely by new retail, commercial and residential developments. Over 1.2 million square feet of new commercial/retail space is under construction. The Livermore

Premium Outlets, now renamed as San Francisco Premium Outlets in Livermore, continued to perform well. The Outlets completed a 200,000 square feet expansion in August 2015 which added space for fifty more stores. With this expansion, the outlets became the largest outlet mall in California. Over seven million shoppers visited the Outlets last year. Another retail Center, The Shoppes at Livermore is under currently construction. This development will add 124,000 square feet of shopping space and will include a variety of retail stores and restaurants. The Shoppes are expected to open in spring 2016. Gillig is moving its corporate headquarters and bus manufacturing facility from Hayward to Livermore in next fiscal year. In addition, the City continues to add residential development. Nearly 1,000 new units are under construction, including Morning Glory, Grove, Brighton, Brisa, Sage, and Portola developments.

In FY 2014-15, the City undertook several significant projects including: issuance of 2014 Certificates of Participation, the purchase of the Bankhead Theater, completion of the new Airport Administrative Building, and Construction of Livermore Fire Station No. 9.

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, 2015, the Committed Financial Stabilization Operating reserve of \$12,897,711 met the minimum level of 15% expenditures plus debt service transfers. The Assigned Economic Uncertainty reserve of \$ 8,598,474 also met the 10% target. The Unassigned fund balance of \$ 10,406,034 is 12.1% of the budgeted operating expenditures plus debt service transfers, exceeding the unassigned fund balance goal of 1.5%.

The City's goal is to adequately fund its long-term liabilities. Rising pension costs will continue to be a challenge for most public agencies. The City contributes to the California Public Employees' Retirement System (CalPERS) for its Miscellaneous and Safety Police retirement plans. In February, 2014 CalPERS changed its actuarial assumptions related to mortality rates as well as rate "smoothing assumptions", with the effect of further increasing employer contribution rates. CalPERS has implemented a 20-year rate amortization and a five year phase-in. The phase-in begins in FY 2016-17. The City continues to actively explore cost-saving options regarding CalPERS expenses. Additionally, the City's "second tier" pension plan (2% at 60) coupled with the Public Employee Pension Reform Act (PEPRA) will reduce future employee pension costs. Livermore CalPERS annual costs are expected to grow by \$3.3 million to \$16.5 million citywide during the fiscal years 2015-17. City staff will continue to monitor the CalPERS changes and suggest prudent strategies to handle this increase to the General Fund beginning in FY 2016-17.

Other Post-Employment Benefits (OPEB) is a continuing non-pension benefit that certain employees receive upon their retirement, such as retiree health care. In 2006, the City's funding policy was to set funding aside in an irrevocable trust and to ramp up funding to the full actuarial ARC over ten years. However, the economic downturn in FY 2008-09 hampered the City's ability to make its full ARC payment. To complicate matters, the City's actuarial report indicated that its unfunded liability had grown to over \$101 million. Until recently, the City has only been able to fund about \$2.5 million annually. In June 2013, the Council directed staff to develop a comprehensive solution to this complex problem. The solution required a dramatic increase in funding and cooperation of employee bargaining groups to modify its health care benefits. After almost a year of negotiating, the City was successful in stabilizing its benefit costs and subsequently implemented a strategy to fully fund its ARC. As a result, the City's unfunded liability dropped to roughly \$58.5 million with an ARC of \$5.3 million annually.

Another challenge the City faces is the maintenance of its infrastructure. The City is in process of developing a comprehensive infrastructure repair and maintenance plan so that adequate resources are available when needed.

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, 2014. This was the twenty fourth 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.

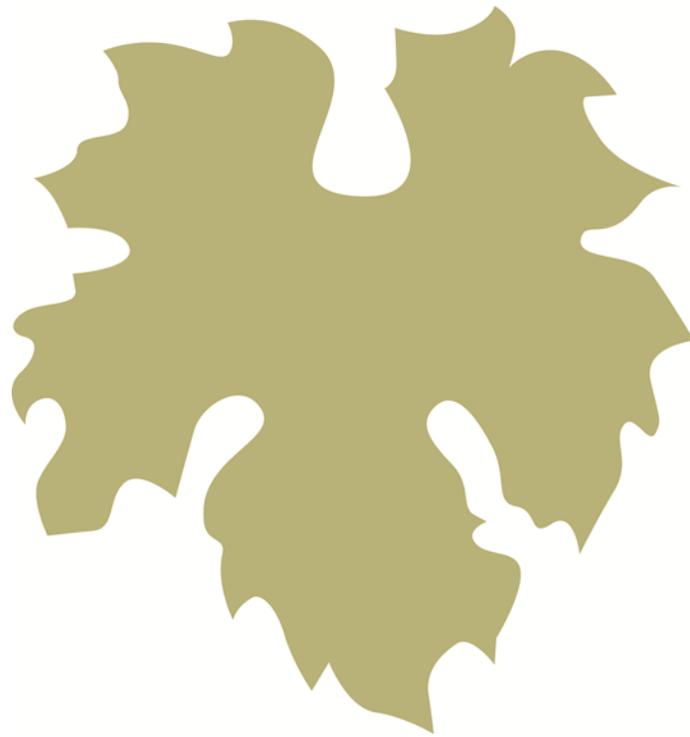
Acknowledgments

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.

Very truly yours,



Douglas Alessio
Administrative Services Director



Directory of City Officials

Elected Officials as of June 30, 2015



Mayor
John Marchand



Vice Mayor
Laureen Turner



Councilmember
Stewart Gary



Councilmember
Steven Spedowski



Councilmember
Bob Woerner

Executive Team as of June 30, 2015

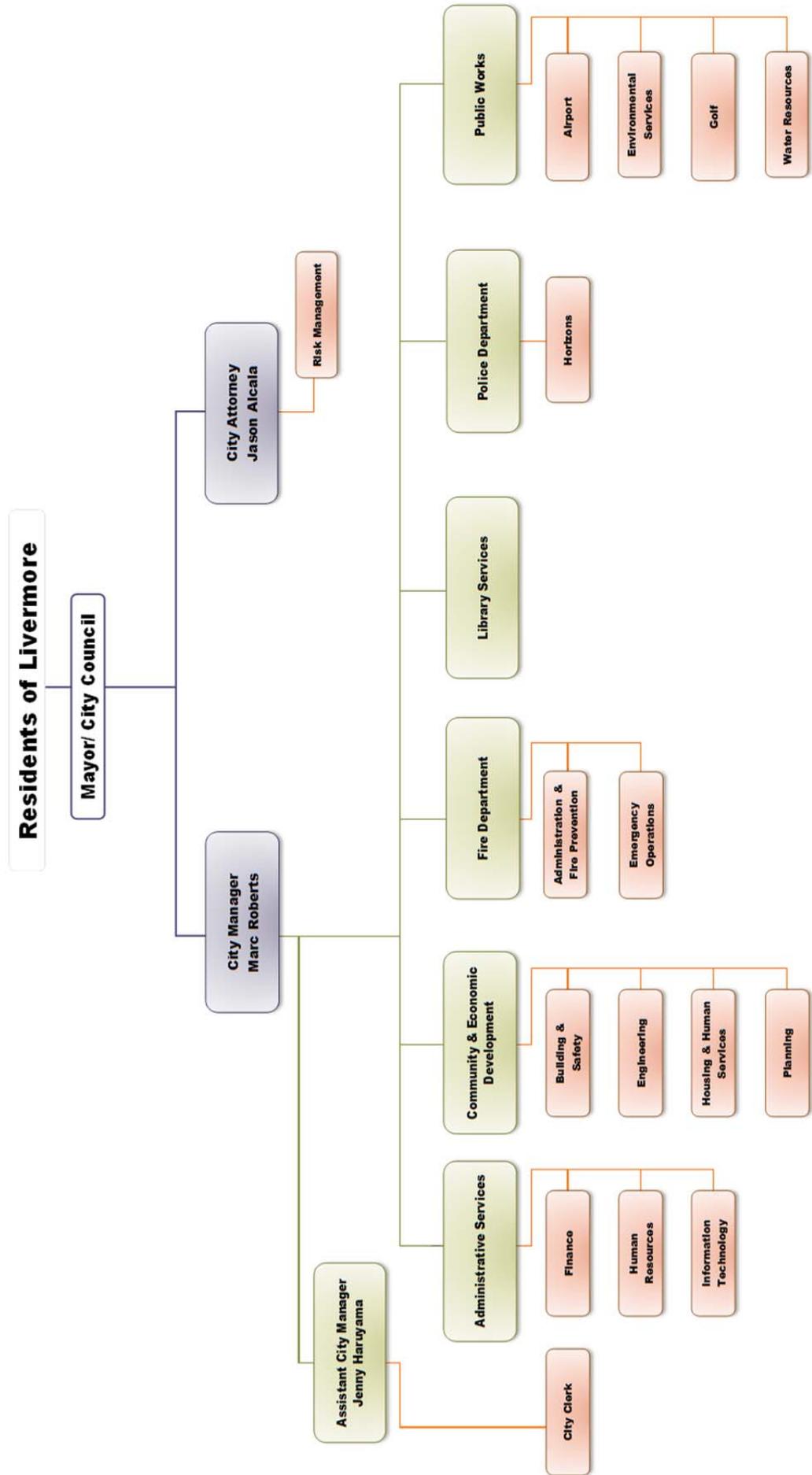
Marc Roberts
City Manager

Jason Alcala
City Attorney

Assistant City Manager
Director of Administrative Services
Director of Community & Economic Development
Director of Library Services
Director of Public Works
Fire Chief
Police Chief

Jenny Haruyama
Douglas Alessio
Stephan Kiefer
Tamera LeBeau
Darren Greenwood
Ruben Torres
Michael Harris

Organizational Chart





Government Finance Officers Association

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

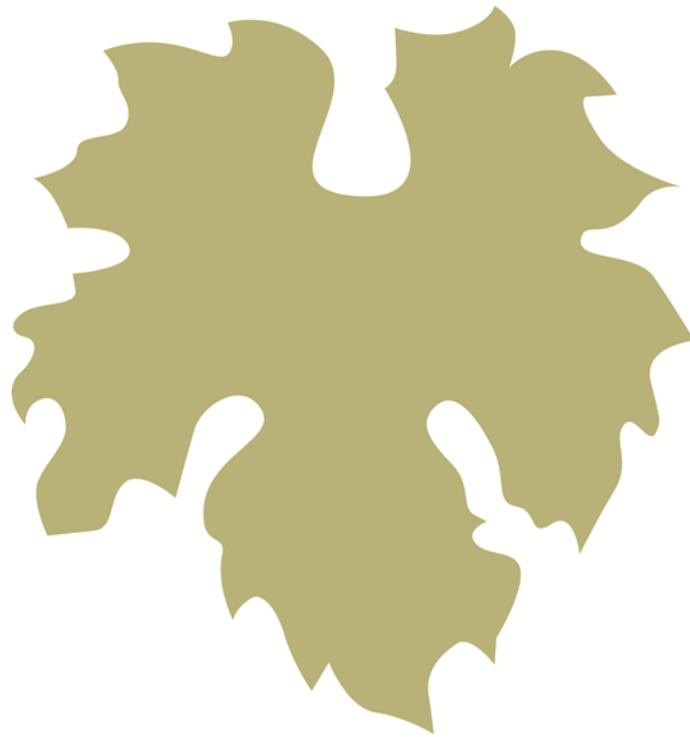
Presented to

**City of Livermore
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows and respective budgetary comparisons listed as part of the basic financial statements for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 that required a prior period adjustment to the financial statements, as discussed in Note 9D to the financial statements:

- Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.*
- Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – and amendment of GASB Statement No. 68.*

The emphasis of these matters does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

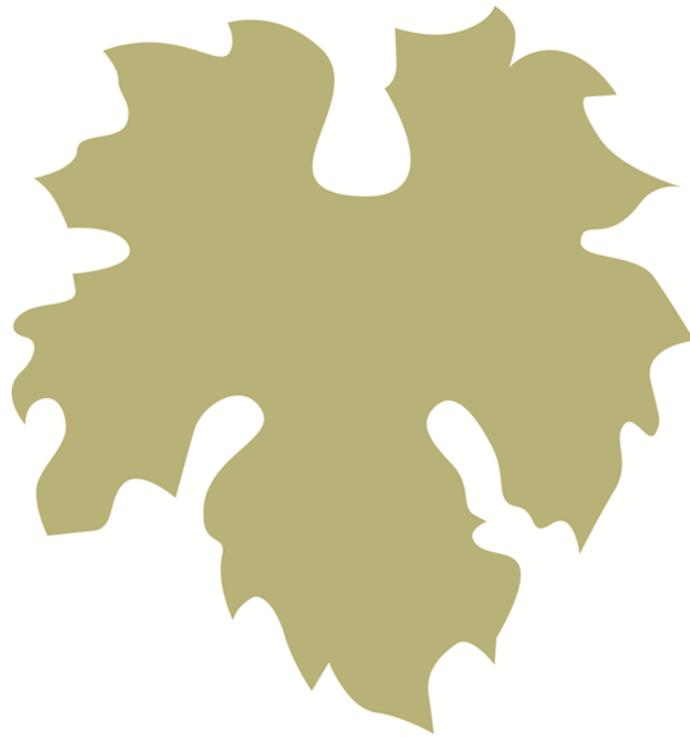
The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2015, 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 14, 2015



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, 2015. 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 1-5 of this report.

(A) Financial Highlights

- The City implemented provisions of GASB Statement No. 68 and 71 during the current year whose objective is to improve accounting and financial reporting by local governments for pension. As a result the City has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2014, by \$107.0 million for the governmental activities and \$13.7 million for the business type activities. Beginning net position for the proprietary funds is also restated by a reduction of \$13.7 million for the enterprise funds and \$76.6 million for the internal service funds. These reductions reflect the recording of net pension liabilities, deferred inflows of resources and deferred outflows of resources. Detailed information on the GASB 68 implementation and prior period adjustment can be found in the Notes to the Financial Statements on pages 61, 87-94, and 99-101 as well as in the Required Supplementary Information beginning on page 111.
- The assets and deferred outflows of resources of the City of Livermore exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2015 by \$518.4 million (net position). Of this amount, \$32.5 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net position increased 11.0% (or \$51.3 million) for the current fiscal year from a restated net position balance of \$467.0 million in the prior fiscal year of which \$43.0 million were generated by governmental activities and \$8.3 million were generated by business-type activities.
- The City's total outstanding debt increased by \$3.5 million during the current fiscal year. The key factor in this increase was the issuance of \$725,000 in notes payable to HUD for housing activities and \$59.1 million in 2014 certificates of participation out of which \$9.4 million were used for acquiring Bankhead Theater and \$49.7 million were used for refunding 2008 certificates of participation.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$119.6 million, an increase of \$31.1 million from the prior fiscal year's balance of \$88.5 million. Approximately 8.7% of this amount (\$10.4 million) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$31.9 million, or approximately 35.6% of total general fund expenditures and transfers out.
- The City maintained its AA bond rating.

(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.

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 33-35 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.

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. 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 proprietary 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 55-107.

Required Supplementary Information

The Schedule of Changes in the Net Pension Liability and Related Ratios, the Schedule of Contributions for the City's pension plans, and the Schedule of Funding Progress for the City's other post-employment benefits are found on pages 111-118.

Supplementary Information

The *combining statements for non-major governmental funds* are found on pages 124-146. Combining and individual fund statements and schedules for the internal service funds and fiduciary funds can be found on pages 148-156 of this report.

(C) Government-wide Financial Analysis

Prior year's financial statements are restated for purpose of providing comparative analyses of key elements of government wide statements, total governmental activities, total business-type activities, total governmental funds, and total enterprise funds.

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, total government-wide assets and deferred outflows or resources exceeded liabilities and deferred inflows of resources by \$518.4 million, at the close of the most recent fiscal year.

Table 1
City of Livermore Net Position
(in Millions)

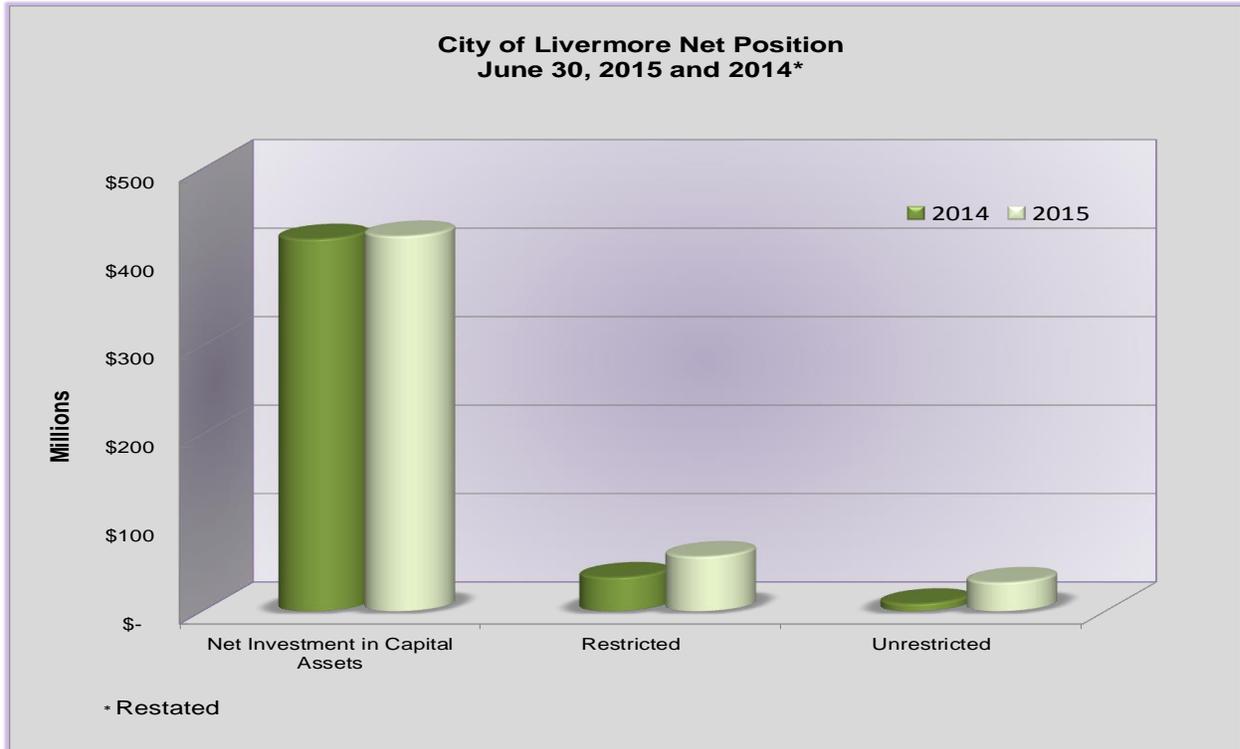
	Governmental activities		Business-type activities		Total	
	2015	2014*	2015	2014*	2015	2014*
Assets:						
Cash and investments	\$ 124.0	\$ 99.0	\$ 90.0	\$ 84.3	\$ 214.0	\$ 183.3
Other assets	35.5	25.7	18.3	20.4	53.8	46.1
Capital assets	360.8	350.4	157.0	152.8	517.8	503.2
Total assets	520.3	475.1	265.3	257.5	785.6	732.6
Total Deferred outflows	9.4	9.2	1.1	1.1	10.5	10.3
Liabilities:						
Long-term debt outstanding	79.7	75.8	16.1	16.4	95.8	92.2
Net Pension liability	95.2	116.2	11.9	14.8	107.1	131.0
Net OPEB obligations	30.4	30.5	-	-	30.4	30.5
Other liabilities	17.9	19.3	3.0	17.7	20.9	37.0
Total liabilities	223.2	241.8	31.0	48.9	254.2	290.7
Total Deferred inflows	20.9	-	2.6	-	23.5	-
Net position:						
Net investment in capital assets	282.9	279.9	141.1	140.6	424.0	420.5
Restricted	61.9	38.1	-	-	61.9	38.1
Unrestricted	(59.2)	(75.5)	91.7	83.9	32.5	8.4
Total net position	\$ 285.6	\$ 242.5	\$ 232.8	\$ 224.5	\$ 518.4	\$ 467.0

* Restated due to implementation of GASB 68 and 71

By far, the largest portion of the City's net position (81.8% or \$424.0 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 (11.9% or \$61.9 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 \$32.5 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 business-type activities. However, unrestricted category for the governmental activities ended with a negative balance at the end of the current fiscal year due to recognition of the net pension liabilities as required by GASB 68. The same situation held true for the prior fiscal year as restated.



Overall, the City's overall net position increased \$51.4 million in the current fiscal year compared to \$467.0 million for prior fiscal year as restated. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

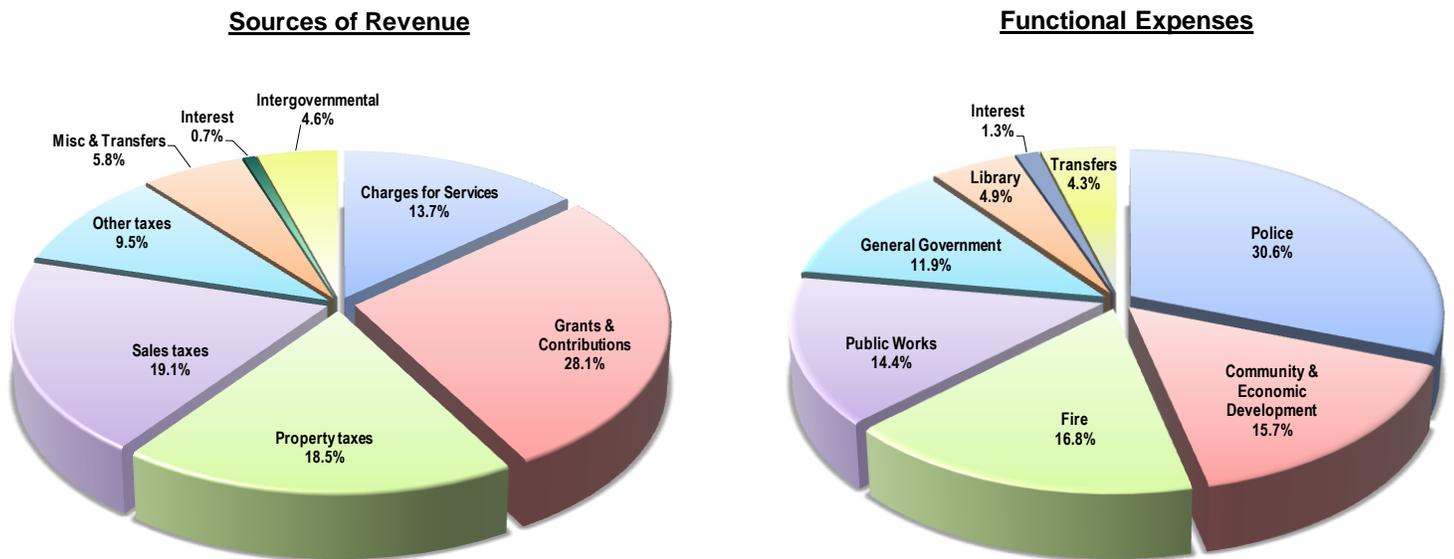
Tables 2 and 3 focus on the City's Governmental activities while Table 4 focuses on the City's business type-activities.

Governmental Activities

The City's governmental Net Position was \$285.6 million at June 30, 2015, an increase of \$43.0 million over 2014 restated balance of \$242.5 million. Primary reason for this increase in the overall net position of governmental activities is the result of current year's governmental revenues exceeding the expenses by \$43.0 million, which are discussed in more detail below.

As the Sources of Revenue Chart below shows 19.1% of the City's fiscal 2015 governmental activities revenue came from sales taxes, 18.5% from property tax, 9.5% from other taxes, 13.6% from charges for services, 28.0% from grants and contributions, and 6.0% from miscellaneous revenues & transfers. The remaining 5.2% came from intergovernmental and interest revenue.

The Functional Expenses Chart below includes fiscal year 2015 program expenses for governmental activities. As the chart shows, Police accounted for 30.5% of total governmental expenses, Community & Economic Development accounted for 20.3%, Fire accounted for 16.7%, Public Works accounted for 14.4% and other governmental programs and functions accounted for the remaining 18.1%.



Fiscal Year 2015 Citywide Governmental Activities

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 on next page.

As shown in Table 2, \$59.6 million, or 41.7%, of the City's Governmental revenue in the current year, came from program revenues (before extraordinary items and transfers) and \$83.2 million, or 58.3%, came from general revenues such as taxes and interest (before transfers). Program revenues increased \$27.0 million largely due to housing development throughout the City and commercial development in the Oaks Business Park during the year, while general revenues increased \$6.6 million in the current year primarily due to miscellaneous revenue which resulted from reversing the allowance for loan loss for the loans from the City to the Former Redevelopment Agency that was recorded during the RDA dissolution in fiscal 2013.

Sales tax revenue increased \$2.1 million from the prior year due to strong demand for new cars and trucks, increased restaurant patronage, continued success of sales at the Outlet Mall, and a rise in the countywide "use tax" allocation pools resulting from a shift to online shopping.

Overall, the property tax grew by approximately \$1.7 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.

Program revenues were composed of charges for services of \$19.5 million which include permit revenues, fees and charges used to fund expenses incurred in providing services; \$19.9 million of operating grants and contributions which include gas tax revenues and housing and police grants and capital grants and contributions of \$20.2 million which consist mainly of street project grants and developer impact fees restricted to capital outlay. Operating Grants and Contributions increased approximately by \$10.0 million. Capital Grants and Contributions were up \$12.0 million. This is largely attributed to revenues collected from developer impact fees due to a high level of housing development throughout the City as well as commercial development in Oaks Business Park. General revenues are used to pay for the net cost of governmental programs. Net transfers declined by \$4.6 million from \$0.3 million in the prior year to -\$4.3 million in the current year. During the current year, the City transferred capital assets of \$4.6 million from the governmental activities to the business type activities. See Notes 4B and 6 for more information.

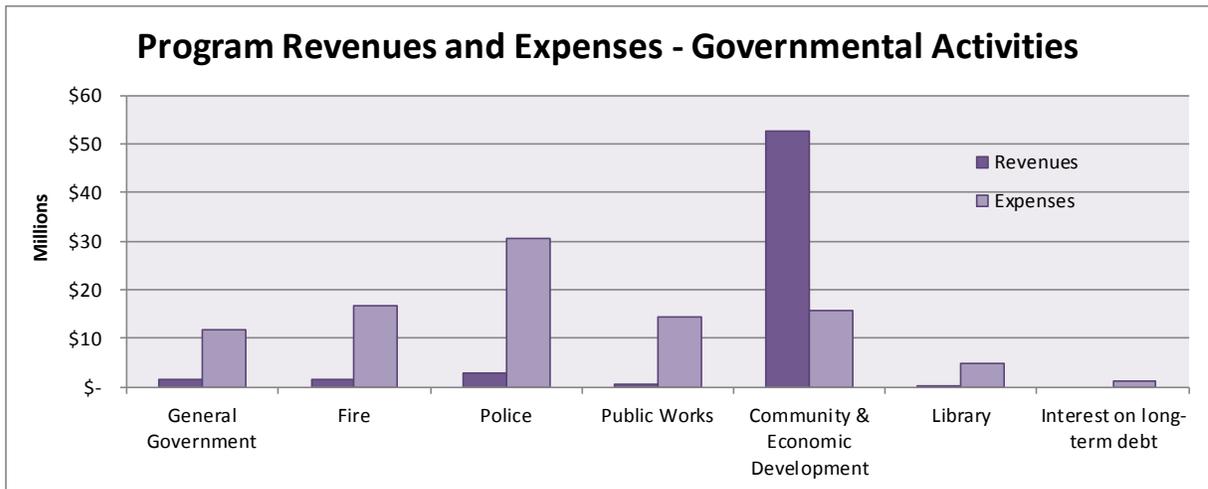
Table 2
Changes in Governmental Net Position
(in Millions)

	Governmental Activities	
	2015	2014
Expenses		
General Government	\$ 11.9	\$ 12.6
Fire	16.7	15.4
Police	30.5	31.1
Public Works	14.4	14.4
Community & Economic Development	15.7	23.5
Library	4.9	5.1
Interest on long term debt	1.3	1.1
Total expenses	<u>95.4</u>	<u>103.2</u>
Revenues		
Program revenues:		
Charges for services	19.5	14.5
Operating contributions and grants	19.9	9.7
Capital grants and contributions	20.2	8.4
Total program revenues	<u>59.6</u>	<u>32.6</u>
General revenues:		
Property taxes	26.4	24.7
Sales taxes	27.3	25.2
Other taxes	13.7	11.9
Intergovernmental	6.5	6.1
Interest	1.0	1.3
Miscellaneous	8.3	7.4
Total general revenues	<u>83.2</u>	<u>76.6</u>
Surplus before transfers	47.4	6.0
Transfers, net	(4.3)	0.3
Changes in net position	43.1	6.3
Net position - Beginning, as restated	<u>242.5</u>	<u>343.2</u>
Net position - Ending	<u>\$ 285.6</u>	<u>\$ 349.5</u>

Table 3 and the chart below show the functional net 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. 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 2015 while cost of other activities, such as Police, exceeded the revenue generated by those programs. This is to be expected as other general sources of revenues such as property taxes, sales taxes, other taxes, and transfers received from the business type activities are used to subsidize the gap between program expenditures and program revenues.

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

	2015	2014
General Government	(\$10.3)	(\$11.6)
Fire	(15.0)	(13.7)
Police	(27.7)	(28.9)
Public Works	(13.8)	(13.9)
Community & Economic Development	37.0	3.5
Library	(4.6)	(4.8)
Interest on long term debt	(1.3)	(1.1)
Totals	(\$35.7)	(\$70.5)



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.

The Net Position of business-type activities increased \$8.3 million to \$232.8 million in current year from the restated net position of \$224.5 million in fiscal year 2014.

Table 4
Changes in Business-Type Net Position
(in Millions)

	Business-type Activities	
	2015	2014*
Expenses		
Airport	\$ 5.6	\$ 8.1
Water	9.9	13.7
Sewer	23.0	31.2
Las Positas Golf Course	3.3	3.6
Total expenses	\$ 41.8	\$ 56.6
Revenues		
Program Revenues:		
Charges for Services	\$ 42.8	\$ 41.6
Capital Grants and Contributions	2.6	2.1
Total Program Revenues	45.4	43.7
General Revenues	0.4	-
Transfers, net	4.3	(0.3)
Changes in net position	8.3	(13.2)
Net position - Beginning, as restated	224.5	237.7
Net position - Ending	\$ 232.8	\$ 224.5

* Restated due to implementation of GASB 68 and 71

Total program revenues of Business-type Activities were \$45.4 million in the current fiscal year compared to \$43.7 million in the prior year. Overall business type program revenues increased by \$1.7 million compared to the prior year primarily due to higher development activities in the City.

Program expenses decreased \$14.8 million to a total of \$41.8 million in current year. Primary reason for the reduction in the expenses was GASB 68 restatement for prior year expenses of \$13.7 million. Also, expenses related to water purchase in the current year declined as the consumption of water is reduced because of the drought.

Net transfers for the current year increased by \$4.6 million from the prior year due to contributed assets to the Las Positas Golf Course Enterprise Fund.

The City's Fund Financial Statements

Table 5 below summarizes Governmental Activity and balances at the fund level:

Table 5
Financial Highlights at Fund Level at June 30
(in Millions)

	2015	2014
Governmental Funds		
Total assets	\$ 144.8	\$ 115.3
Total liabilities	13.2	16.1
Total deferred inflows	12.1	10.7
Total fund balances	119.6	88.5
Total revenues	142.6	108.2
Total expenditures	122.0	107.5
Total other financing sources (uses) and special items	10.5	0.2

At June 30, 2015, the City's governmental funds reported combined fund balances of \$119.6 million, an increase of \$31.1 million from the prior year ending fund balance of \$88.5 million. Approximately 8.7% of this amount (\$10.4 million) is available for spending at the government's discretion (unassigned fund balance). See Note 9 for detailed classifications of the City's governmental fund balances.

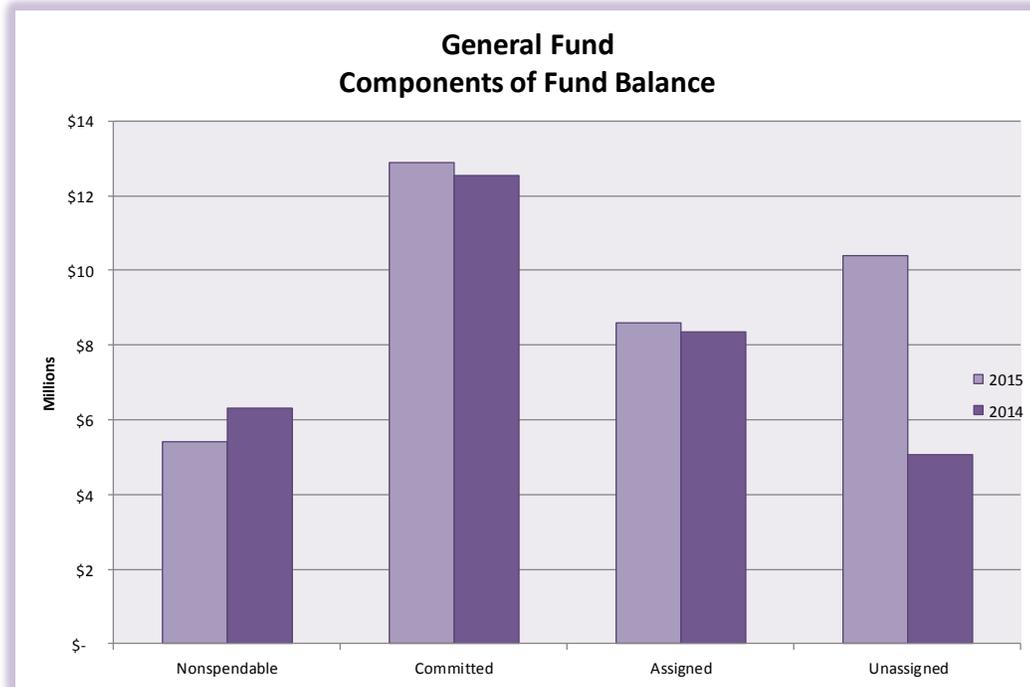
Both the expenses and revenues increased in the current fiscal year. Governmental fund revenues increased \$34.4 million to \$142.6 million in this fiscal year while expenditures grew \$14.6 million to a total of \$122.1 million. This fluctuation was primarily caused by increases in charges for services revenues as well as all other revenue category increases and a \$5.5 million miscellaneous revenue increase due to re-establishing loans from the City to the Former Redevelopment Agency for which an allowance for loan loss was recorded during the RDA dissolution in fiscal 2013.

Capital outlay were up \$13.3 million in the current fiscal year from the prior year as the resources obtained through the issuance of long-term debt and developers' contributions were spent on capital acquisition and construction in the current period. In particular, the City acquired Bankhead Theater for \$9.2 million during the current year using the proceeds of 2014 Certificates of Participation Series A.

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 \$10.4 million, while total fund balance increased to \$37.3 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 of \$10.4 million represents approximately 12.2% of total general fund expenditures, while total fund balance of \$37.3 million represents approximately 43.4% of the same amount. The Committed Fund Balance of \$12.9 million represents Financial Stabilization Operating Reserve which is to be used in a catastrophic event or in a major emergency or in periods of severe fiscal crisis. The Assigned General Fund Balance of \$8.6 million represents the Economic Uncertainty Reserve which can be used during times of severe economic distress such as protracted recessionary periods. Non-spendable fund balance of \$5.4 million represents balances set aside to indicate items do not represent available, spendable resources. See Note 9 for further information.



The general fund revenues were \$92.9 million in the fiscal year 2015, up \$8.4 million from the prior fiscal year. Increases came from Property tax, Sales tax, Other taxes, License and permits, Intergovernmental, Fines and forfeitures, Charges for current services, and Miscellaneous revenue categories while decreases came from Use of money and property and Contributions from outside sources revenue.

Sales tax revenue grew by \$2.1 million from \$25.2 million in fiscal year 2014 to \$27.3 million in fiscal year 2015. The City anticipated some of this increase due to the continued success of sales at the Outlet Mall as well as new auto dealerships. Improved consumer spending in all economic segments especially auto sales and leases, restaurants patronage, and luxury goods contributed to the overall increase.

Property tax revenues had a modest increase of \$1.7 million which is attributed to the strengthening of the housing market and recapture of reductions in property assessments. Other taxes, which include business license tax and Transient Occupancy Tax, also increased \$1.7 million from \$11.9 million in the prior fiscal year to \$13.6 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 \$2.9 million in the fiscal year 2015, an increase of \$0.9 million from the prior year, and Charges for services also increased in the current fiscal year by \$1.0 million due to. These changes were due to the increased development activity in the City.

Miscellaneous revenues saw an increase of \$0.6 million compared to the prior fiscal year. Use of money and property decreased by \$0.4 million as a result of the fair market value loss in current fiscal year compared to a fair market value gain in the prior fiscal year.

General Fund expenditures were \$85.3 million, an increase of \$5.6 million or 7.0% from the prior fiscal year primarily due to changes resulting from the most recent bargaining unit agreements. The largest increase in the current year expenditure was for Police which saw an increase of \$2.2 million compared to the prior year.

Expenditures for Fire, and Community & Economic Development grew by \$1.1 million and \$1.2 million respectively while the expenditures for Administrative Services, Public Works, and City Manager grew by \$0.6 million combined. Capital expenditures in current fiscal year increased by \$0.2 million compared to those in the prior fiscal year.

The following table shows the budgetary variances between the original budget approved in June 10, 2014 versus the final amended budget for fiscal year 2015 that was approved on June 23, 2015 and reflects the change in economic expectations between the two time periods.

**Table 6
General Fund Budgetary Variance Analysis**

	Original Budget Adopted June 10, 2014	Final Budget Adopted June 23, 2015	Variance Final Budget to Original Budget	
			(Negative)	%
Revenues:				
Property taxes	\$ 25,910,050	\$ 26,564,000	\$ 653,950	2.52%
Sales taxes	26,178,000	27,484,430	1,306,430	4.99%
Other taxes	11,746,000	12,027,526	281,526	2.40%
Licenses and permits	2,194,000	2,226,000	32,000	1.46%
Intergovernmental	7,348,850	7,887,165	538,315	7.33%
Contributions from outside sources	45,000	40,000	(5,000)	-11.11%
Fines and forfeitures	375,000	400,000	25,000	6.67%
Other in lieu taxes	7,900	7,800	(100)	-1.27%
Charges for current services	7,930,144	9,993,427	2,063,283	26.02%
Use of money and property	2,380,445	2,586,650	206,205	8.66%
Miscellaneous	1,340,000	527,650	(812,350)	-60.62%
Totals	<u>\$ 85,455,389</u>	<u>\$ 89,744,648</u>	<u>\$ 4,289,259</u>	<u>5.02%</u>
Expenditures:				
General Government:				
City Council	\$ 152,527	\$ 149,668	\$ 2,859	1.87%
City Manager	1,516,364	1,734,084	(217,720)	-14.36%
City Attorney	1,020,610	1,354,549	(333,939)	-32.72%
City Clerk	892,827	795,204	97,623	10.93%
Administrative Services	3,299,976	3,796,186	(496,210)	-15.04%
General Services	9,448,521	4,823,458	4,625,063	48.95%
Fire	15,597,422	16,380,310	(782,888)	-5.02%
Police	26,948,771	29,712,936	(2,764,165)	-10.26%
Public Works	5,992,611	6,265,121	(272,510)	-4.55%
Community & Economic Development	12,049,369	13,750,214	(1,700,845)	-14.12%
Library	3,733,812	4,416,087	(682,275)	-18.27%
Capital projects	2,235,000	2,110,609	124,391	5.57%
Totals	<u>\$ 82,887,810</u>	<u>\$ 85,288,426</u>	<u>\$ (2,400,616)</u>	<u>-2.90%</u>

The following table shows the final amended budget adopted on June 23, 2015 and the actual results as of June 30, 2015. The variances computed are between the final budget and actual results. Overall revenues had a net positive variance of \$3.2 million and expenditures had a net positive variance of \$0.02 million. The largest contributor to the variance was miscellaneous revenues which came better than the budgeted amount due the sale of surplus property and Doolan Canyon mitigation. Property taxes were \$0.4 million lower than the budgeted amount due to a large refund. As to expenditures, the largest positive variance of \$1.4 million was in Capital projects while the largest negative variance of \$1.2 million was in General Services expenditures. The main reason for this variance was due to larger contributions to the Facilities Rehabilitation Projects program than budgeted. Actual Police expenditures exceeded the budgeted amount by \$1.2 million due to increased contribution to the Employees Benefit Internal Service fund which paid off the interfund advance from Water and Sewer Funds which was obtained to pay for side fund obligations to CalPERS for Police Safety Retirement Plan.

Table 7
General Fund Budgetary and Actual Variance Analysis

	Final Budget Adopted June 23, 2015	Actual	Variance Final Budget to Actual Positive/ (Negative)	Variance Final Budget to Actual (%)
Revenues:				
Property taxes	\$ 26,564,000	\$ 26,168,872	\$ (395,128)	-1.49%
Sales taxes	27,484,430	27,278,151	(206,279)	-0.75%
Other taxes	12,027,526	13,579,141	1,551,615	12.90%
Licenses and permits	2,226,000	2,919,585	693,585	31.16%
Intergovernmental	7,887,165	8,209,667	322,502	4.09%
Contributions from outside sources	40,000	24,281	(15,719)	-39.30%
Fines and forfeitures	400,000	474,279	74,279	18.57%
Other in lieu taxes	7,800	7,924	124	1.59%
Charges for current services	9,993,427	10,463,545	470,118	4.70%
Use of money and property	2,586,650	2,504,350	(82,300)	-3.18%
Miscellaneous	527,650	1,311,859	784,209	148.62%
Totals	\$ 89,744,648	\$ 92,941,654	\$ 3,197,006	3.56%
Expenditures:				
General Government:				
City Council	\$ 149,668	\$ 147,149	\$ 2,519	1.7%
City Manager	1,734,084	1,695,372	38,712	2.2%
City Attorney	1,354,549	1,348,802	5,747	0.4%
City Clerk	795,204	795,433	(229)	0.0%
Administrative Services	3,796,186	3,776,370	19,816	0.5%
General Services	4,823,458	5,996,448	(1,172,990)	-24.3%
Fire	16,380,310	16,392,361	(12,051)	-0.1%
Police	29,712,936	30,839,062	(1,126,126)	-3.8%
Public Works	6,265,121	5,523,651	741,470	11.8%
Community & Economic Development	13,750,214	13,713,557	36,657	0.3%
Library	4,416,087	4,381,725	34,362	0.8%
Capital projects	2,110,609	657,902	1,452,707	68.8%
Totals	\$ 85,288,426	\$ 85,267,832	\$ 20,594	0.0%

Other Governmental Funds

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

Analysis of Major Business-type Activities – Enterprise Funds

Airport Fund

Airport Fund charges for services increased slightly by \$28 thousand to \$2.24 million in fiscal year 2015 compared to \$2.21 million in the prior fiscal year. This is caused by additional leases of City property. Sales revenues were \$3.1 million, a decrease of \$0.8 million, from the prior year level of \$3.9 million. This is primarily due to a substantial decrease in fuel sales due to the loss of a large flight school. Largest decline of \$0.9 million was in the operating expense categories of cost of sales, salaries and benefits and materials supplies and other.

Water Fund

Water Fund sales decreased by \$400 thousand to \$12.1 million compared to the previous year of \$12.5 million. Operating expenses decreased by \$1.2 million in the cost of sales category from the prior year. This decrease in expense is related to drought as the City water customers cut their water consumption by over 25% during the year. Water revenues did not drop as much as expected due to water rate increases due to the drought. On April 28, 2014, the City council approved an increase in water rates up to 30%.

Sewer Fund

Sewer Fund operating loss amounted to \$4.9 million in fiscal 2015, up from \$4.3 million in fiscal 2014. Operating revenues amounted to \$18.3 million in fiscal 2015, down from \$18.7 million in 2014. Operating expenses stayed relatively flat at \$23.2 million compared to prior year. Operating revenues are down because of the drought as commercial sewer customers are using less water and consequently sewer revenues are less.

Net Non-Operating revenues increased to \$2.4 million in fiscal 2015 from \$1.2 million in fiscal 2014. This is attributed primarily to the increase of connection fee revenue of \$0.9 million.

Las Positas Golf Course Fund

The Las Positas Golf Course Fund ended up with a net operating loss of \$0.2 million compared to a similar loss in fiscal 2014. Operating revenues overall were down by \$162 thousand and operating expenses increased by \$125 thousand from the previous fiscal year. A reduction in green fees was the primary factor in the lower amount of revenue. Expenses were higher than the previous fiscal year partially due to the beginning of payments on the maintenance equipment lease which started mid-fiscal year 2014.

(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, 2015, amounts to \$424.1 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 15.7%.

At the end of fiscal 2015 the cost of capital assets recorded on the City’s financial statements was as shown in Table 9 below:

**Table 8
Capital Assets at Year-end
(in Millions)**

	2015	2014
Governmental Activities		
Land	\$ 38.4	\$ 37.2
Construction in progress	49.0	46.9
Buildings	109.6	97.9
Equipment	17.8	17.7
Infrastructure	306.6	302.1
Internal service fund equipment and vehicles	26.9	25.2
Less accumulated depreciation	(187.5)	(176.7)
Totals	\$ 360.8	\$ 350.3
Business-type Activities		
Land	\$ 14.2	\$ 14.2
Construction in progress	4.9	6.4
Land Improvements	0.6	0.6
Buildings	28.0	22.1
Equipment and vehicles	3.5	3.5
Las Positas Golf Course Infrastructure	12.5	6.9
Springtown Golf Course Infrastructure	0.4	0.4
Sewer Infrastructure	226.6	224.9
Water Infrastructure	45.2	44.2
Airport Infrastructure	11.6	11.6
Less accumulated depreciation	(190.5)	(182.0)
Totals	\$ 157.0	\$ 152.8

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

- The City purchased the Bankhead Theater and added \$11.3 million to buildings and \$0.8 million to land.
- Various residential developers conveyed infrastructure improvements of \$4.0 million.
- \$1.0 million of Police vehicles were purchased for the fleet replacement program.
- The Airport Administration building was completed and added \$5.8 million of cost to buildings.
- Las Positas Golf Course improvements were conveyed from Governmental activities to Business-Type activities which added costs of \$5.5 million to golf infrastructure.

Additional information on capital assets may be found in Note 6 on pages 72-75 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, 2015 and 2014 the City's debt comprised the following:

**Table 9
Outstanding Debt
(in Millions)**

	2015	2014
<i>Governmental Activity Debt:</i>		
Certificates of Participation	\$ 64.0	\$ 58.4
Notes payable	3.9	4.8
Capital Leases	11.7	12.6
Totals	\$ 79.6	\$ 75.8
<i>Business-type Activity Debt:</i>		
Certificates of Participation	\$ 15.4	\$ 15.5
Airport Capital Lease	0.4	0.5
Golf Capital Lease	0.3	0.4
Totals	\$ 16.1	\$ 16.4

In fiscal 2015, Governmental activities debt increased \$4.1 million largely due to the addition a new HUD loan and the refinancing of the 2008 COP. Business type activity debt decreased \$0.3 million due to scheduled retirements.

(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, 2015, a total of \$48.4 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.

(G) Economic Factors and Outlook

The economic factors affecting the City are discussed in detail in the accompanying Transmittal Letter. The City Council adopted a conservative, balanced biennial budget for Fiscal Years 2015-17 which supports to the goals and priorities of the City Council as well as the community. FY 2015-17 budget includes increased funding for the Capital Improvement Plan (CIP), fleet replacement, facilities rehabilitation, Information Technology (IT), and other post-employment benefits (OPEB), all of which had been purposefully underfunded during the great recession. The City continues to hold the line on staffing levels, and the FY 2015-17 budgeted expenditures reflect the implementation of new labor contracts. While the contracts included cost of living adjustments, changes were also made to the City's health care benefit structure, stabilizing current and retiree health care costs. This accomplishment reduced the City's unfunded OPEB liability from \$101 million to roughly \$58.5 million, enabling the City to fully fund its Annual Required Contribution (ARC). The additional costs associated with the labor contracts, coupled with the City making full ARC payments result in a shortfall for FY 2015-16 of more than \$1.5 million. This budget deficit was anticipated and planned for with the understanding that there would be more than \$3.8 million in excess General Fund reserves available to close this one-time gap.

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 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.

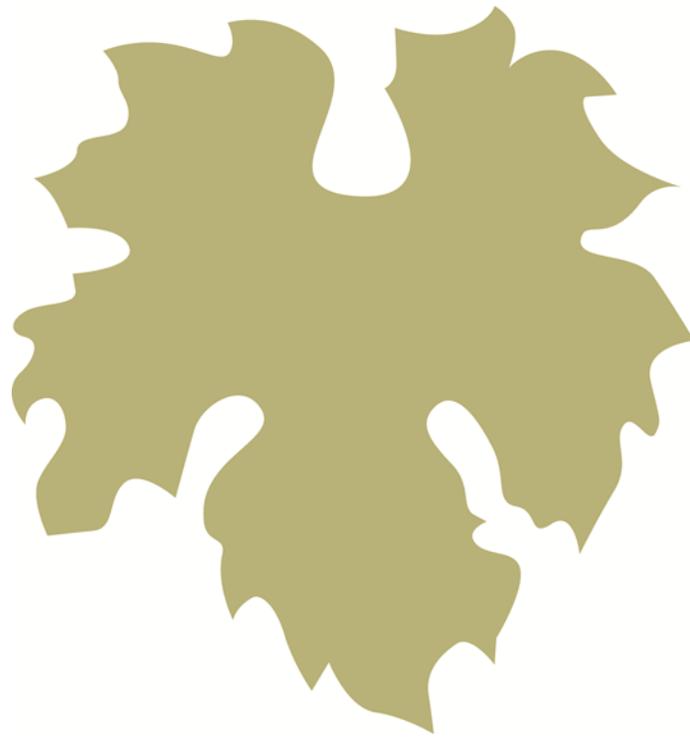
Long term financial plan is forecasted on the assumption that General Fund revenues will grow at an average annual rate of 2.4% over from FY 2017-18 through FY 2021-22 while General Fund expenditures will grow at an annual rate of 2.3% and will increase from \$89.6 million in FY 2017-18 to \$98.0 million in FY 2021-22. Major factors contributing to revenue growth include:

- Property tax will grow from \$26.6 million in FY 2014-15 to \$35.6 million in FY 2021-22. The City is using an average rate of change of 5.0% during the five year forecast period to more accurately reflect the present state of economy.
- Sales tax will grow from \$27.5 million in FY 2014-15 to \$32.2 million in FY 2021-22 at an average rate of 2% annually. Forecast model includes estimates of new revenue from the Outlet mall expansion as well as expansion of other retail and residential development.

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.*



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*.

STATEMENT OF NET POSITION
JUNE 30, 2015

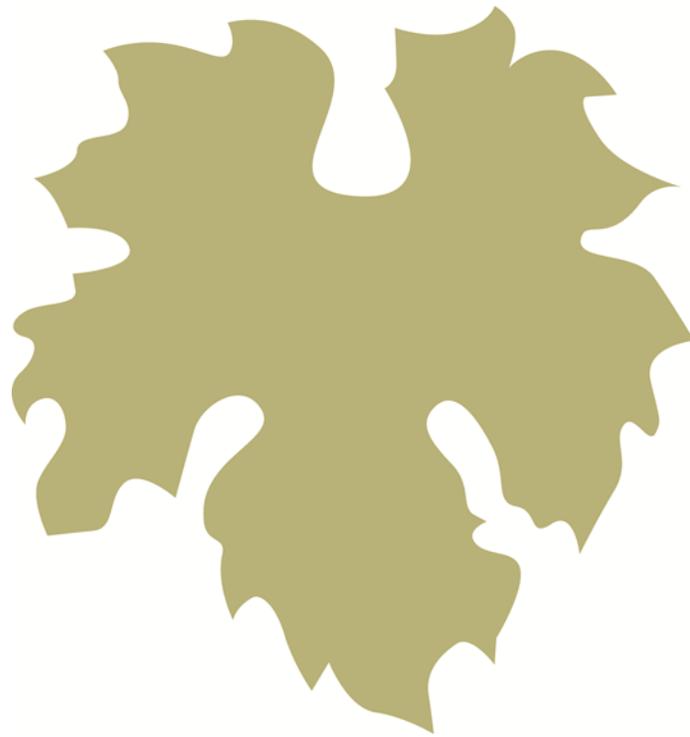
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury (Note 3)	\$ 122,116,049	\$ 89,685,713	\$ 211,801,762
Cash and investments with Trustees (Note 3)	1,837,424	289,365	2,126,789
Accounts receivables, net	9,831,467	2,071,282	11,902,749
Interest receivable	844,190	-	844,190
Inventory	289,375	139,572	428,947
Internal balances (Note 4D)	336,596	(336,596)	-
Prepays, deposits and supplies	499,999	-	499,999
Notes receivable (Note 5)	21,445,651	-	21,445,651
Investment in JPA - LAVWMA (Note 13A)	-	16,436,709	16,436,709
Land held for redevelopment (Note 1K)	2,292,006	-	2,292,006
Land and construction in progress (Note 6)	87,378,751	19,742,222	107,120,973
Capital assets, net of accumulated depreciation (Note 6)	\$273,387,003	137,220,648	410,607,651
Total Assets	520,258,511	265,248,915	785,507,426
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Notes 10 and 13E)	9,443,495	1,148,209	10,591,704
LIABILITIES			
Accounts payable and other accruals	3,985,440	1,592,814	5,578,254
Accrued payroll	1,878,332	334,767	2,213,099
Interest payable	790,021	90,786	880,807
Deposit payable and unearned revenue	\$3,096,647	542,876	3,639,523
Claims payable (Note 14B)			
Due within one year	1,090,000	-	1,090,000
Due in more than one year	4,503,865	-	4,503,865
Accrued compensated absences (Note 1H):			
Due within one year	1,019,344	179,928	1,199,272
Due in more than one year	1,611,859	284,577	1,896,436
Long-term debt (Note 7):			
Due within one year	7,037,269	1,280,956	8,318,225
Due in more than one year	72,633,501	14,807,634	87,441,135
Net pension liability (Note 10 and 13E)	95,182,612	11,875,968	107,058,580
Net OPEB obligation (Note 11)	30,366,329	-	30,366,329
Total Liabilities	223,195,219	30,990,306	254,185,525
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Notes 10 and 13E)	20,926,331	2,562,709	23,489,040
NET POSITION (Note 9)			
Net investment in capital assets	282,932,408	141,163,645	424,096,053
Restricted:			
Capital projects	17,187,499	-	17,187,499
Debt service	850,483	-	850,483
Special assessment administration	7,817,007	-	7,817,007
Special revenue programs	35,969,584	-	35,969,584
Unrestricted	(59,176,525)	91,680,464	32,503,939
Total Net Position	\$ 285,580,456	\$ 232,844,109	\$ 518,424,565

See accompanying notes to financial statements

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

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	\$ 11,880,499	\$ 1,083,813	\$ 499,114	\$ -	\$ (10,297,572)	\$ -	\$ (10,297,572)
Fire	16,665,396	1,634,534	4,683	-	(15,026,179)	-	(15,026,179)
Police	30,516,594	1,600,551	1,221,797	-	(27,694,246)	-	(27,694,246)
Public Works	14,363,304	205,163	328,023	-	(13,830,118)	-	(13,830,118)
Community & Economic Development	15,711,525	14,881,608	17,729,893	20,161,044	37,061,020	-	37,061,020
Library	4,863,723	121,244	98,973	-	(4,643,506)	-	(4,643,506)
Interest on long term debt	1,288,881	-	-	-	(1,288,881)	-	(1,288,881)
	<u>95,289,922</u>	<u>19,526,913</u>	<u>19,882,483</u>	<u>20,161,044</u>	<u>(35,719,482)</u>	<u>-</u>	<u>(35,719,482)</u>
Business-type Activities:							
Airport	5,637,480	6,166,771	-	-	-	529,291	529,291
Water	9,907,976	13,211,780	-	983,020	-	4,286,824	4,286,824
Sewer	23,005,606	20,401,801	-	1,708,844	-	(894,961)	(894,961)
Las Positas Golf Course	3,331,686	3,087,554	-	-	-	(244,132)	(244,132)
Springtown Golf Course	32,171	6,173	-	-	-	(25,998)	(25,998)
	<u>41,914,919</u>	<u>42,874,079</u>	<u>-</u>	<u>2,691,864</u>	<u>-</u>	<u>3,651,024</u>	<u>3,651,024</u>
Total	<u>\$ 137,204,841</u>	<u>\$ 62,400,992</u>	<u>\$ 19,882,483</u>	<u>\$ 22,852,908</u>	<u>(35,719,482)</u>	<u>3,651,024</u>	<u>(32,068,458)</u>
General revenues:							
Property taxes					26,379,108	-	26,379,108
Sales taxes					27,278,151	-	27,278,151
Business license taxes					4,519,289	-	4,519,289
Transient occupancy and franchise taxes					9,067,776	-	9,067,776
Intergovernmental, unrestricted					6,506,780	-	6,506,780
Interest					952,239	363,398	1,315,637
Miscellaneous					8,313,221	24,606	8,337,827
Change of value of investment in JPA - LAVWMA (Note 13A)					-	39,878	39,878
Transfers, net (Note 4B)					(4,258,088)	4,258,088	-
Total general revenues and transfers					<u>78,758,476</u>	<u>4,685,970</u>	<u>83,444,446</u>
Change in Net Position					43,038,994	8,336,994	51,375,988
Net Position-Beginning, as restated (Note 9D)					<u>242,541,462</u>	<u>224,507,115</u>	<u>467,048,577</u>
Net Position-Ending					<u>\$ 285,580,456</u>	<u>\$ 232,844,109</u>	<u>\$ 518,424,565</u>

See accompanying notes to financial statements



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.

For the fiscal year ending on June 30, 2015, only General Fund was determined to be a major governmental fund. 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.

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments in City Treasury (Note 3)	\$ 28,783,089	\$ 74,172,331	\$ 102,955,420
Cash and investments with Trustees (Note 3)	-	1,837,424	1,837,424
Accounts receivables (net of applicable allowable for uncollectibles)	6,122,130	3,336,098	9,458,228
Interest receivable	844,190	-	844,190
Due from other funds (Note 4A)	230,240	264,020	494,260
Advances to other funds (Note 4C)	5,316,480	-	5,316,480
Prepays and deposits	106,941	4,000	110,941
Notes receivable (Note 5)	475,000	20,970,651	21,445,651
Land held for redevelopment (Note 1J)	-	2,292,006	2,292,006
Total Assets	\$ 41,878,070	\$ 102,876,530	\$ 144,754,600
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 1,532,797	\$ 1,743,591	\$ 3,276,388
Accrued payroll and benefits	1,703,144	84,948	1,788,092
Interest payable	-	8,587	8,587
Deposit payable	11,731	589,006	600,737
Due to other funds (Note 4A)	-	397,802	397,802
Advance from other funds (Note 4C)	708,413	3,887,337	4,595,750
Unearned rents and revenue	51,345	2,434,041	2,485,386
Total Liabilities	4,007,430	9,145,312	13,152,742
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue- loan receivable	545,000	11,505,570	12,050,570
Total deferred inflows of resources	545,000	11,505,570	12,050,570
FUND BALANCES (Note 9)			
Nonspendable	\$ 5,423,421	\$ 4,000	\$ 5,427,421
Restricted	-	82,222,196	82,222,196
Committed	12,897,711	-	12,897,711
Assigned	8,598,474	-	8,598,474
Unassigned	10,406,034	(548)	10,405,486
Total fund balances	37,325,640	82,225,648	119,551,288
Total Liabilities, deferred inflows of resources, and fund balances	\$ 41,878,070	\$ 102,876,530	\$ 144,754,600

See accompanying notes to financial statements

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

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	\$ 119,551,288
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CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	\$360,765,754
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ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

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	19,160,629
Accounts receivable	373,239
Inventory	289,375
Internal balances	(\$480,592)
Prepays, deposits and supplies	389,058
Deferred pension outflows	7,003,318
Accounts payable and other accruals	(709,052)
Accrued payroll	(90,240)
Interest payable	(28,833)
Deposits payable	(10,525)
Claims payable	(5,593,865)
Net pension liability	(66,592,304)
Net OPEB obligation	(30,366,329)
Long term debt	(11,668,003)
Deferred inflow for resources related to pension	(16,404,351)

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.	12,050,570
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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	(2,631,202)
Long-term debt	(\$68,002,767)
Interest payable	(752,601)
Net pension liability	(28,590,308)
Deferred outflow of resources related to pension	2,440,177
Deferred inflow of resources related to pension	(4,521,980)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 285,580,456</u>
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See accompanying notes to financial statements

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes and special assessments	\$ 26,168,872	\$ 2,681,941	\$ 28,850,813
Sales Taxes	27,278,151	-	27,278,151
Other taxes	13,587,065	-	13,587,065
Licenses and permits	2,919,585	-	2,919,585
Intergovernmental	8,209,667	9,304,169	17,513,836
Contributions from outside sources	24,281	6,383,554	6,407,835
Fines and forfeitures	474,279	-	474,279
Charges for current services	10,463,545	23,787,308	34,250,853
Use of money and property	2,504,350	1,069,165	3,573,515
Miscellaneous	1,311,859	6,419,212	7,731,071
Total Revenues	<u>92,941,654</u>	<u>49,645,349</u>	<u>142,587,003</u>
EXPENDITURES			
Current:			
General Government:			
City Council	147,149	174,703	321,852
City Manager	1,695,372	47,251	1,742,623
City Attorney	1,348,802	-	1,348,802
City Clerk	795,433	-	795,433
Administrative Services	3,776,370	-	3,776,370
General Services	5,996,448	-	5,996,448
Fire	16,392,361	-	16,392,361
Police	30,839,062	1,275,408	32,114,470
Public Works	5,523,651	955,855	6,479,506
Community & Economic Development	13,713,557	9,463,600	23,177,157
Library	4,381,725	73,435	4,455,160
Capital Outlay:			
Capital projects	657,902	18,239,776	18,897,678
Debt service:			
Principal	-	4,703,788	4,703,788
Interest and fiscal charges	-	1,872,291	1,872,291
Total Expenditures	<u>85,267,832</u>	<u>36,806,107</u>	<u>122,073,939</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,673,822</u>	<u>12,839,242</u>	<u>20,513,064</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from debt (Note 7)	-	49,776,268	49,776,268
Payment to bond escrow (Note 7)	-	(39,411,268)	(39,411,268)
Transfers in (Note 4B)	1,646,984	56,764,069	58,411,053
Transfers (out) (Note 4B)	(4,278,722)	(53,950,970)	(58,229,692)
Total Other Financing Sources (Uses)	<u>(2,631,738)</u>	<u>13,178,099</u>	<u>10,546,361</u>
NET CHANGE IN FUND BALANCES	5,042,084	26,017,341	31,059,425
FUND BALANCES- BEGINNING	<u>32,283,556</u>	<u>56,208,307</u>	<u>88,491,863</u>
FUND BALANCES- ENDING	<u>\$ 37,325,640</u>	<u>\$ 82,225,648</u>	<u>\$ 119,551,288</u>

See accompanying notes to financial statements

**RECONCILIATION OF THE NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
WITH STATEMENT OF ACTIVITIES- FOR THE YEAR ENDED JUNE 30, 2015**

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 \$ 31,059,425

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 18,897,678

Capital assets transferred to the Las Positas Golf Course enterprise fund are deducted from fund balance (5,377,659)

Depreciation expense is deducted from the fund balance

(Depreciation expense is net of internal service fund depreciation of \$1,168,125 which has already been allocated to internal service funds.) (10,578,608)

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. 6,869,699

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 44,115,056

Long-term debt allocated to the Las-Posital Golf Course enterprise fund 797,541

Bond proceeds from long term debt issued (49,776,268)

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 (171,090)

Interest payable 369,762

Unavailable revenue from loan receivable offset 1,346,764

CONTRIBUTIONS TO PENSION PLAN

Governmental funds report city pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Deferred outflow of resources related to pension 2,440,177

Deferred inflow of resources related to pension (2,541,456)

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 5,938,819

Change in Net Position of Internal Service Funds reported with Business-Type Activities (383,091)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 43,038,994

See accompanying notes to financial statements

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 25,910,050	\$ 26,564,000	\$ 26,168,872	\$ (395,128)
Sales taxes	26,178,000	27,484,430	27,278,151	(206,279)
Other taxes	11,746,000	12,027,526	13,579,141	1,551,615
Licenses and permits	2,194,000	2,226,000	2,919,585	693,585
Intergovernmental	7,348,850	7,887,165	8,209,667	322,502
Contributions from outside sources	45,000	40,000	24,281	(15,719)
Fines and forfeitures	375,000	400,000	474,279	74,279
Other in lieu taxes	7,900	7,800	7,924	124
Charges for current services	7,930,144	9,993,427	10,463,545	470,118
Use of money and property	2,380,445	2,586,650	2,504,350	(82,300)
Miscellaneous	1,340,000	527,650	1,311,859	784,209
Total Revenues	85,455,389	89,744,648	92,941,654	3,197,006
EXPENDITURES				
Current:				
General Government:				
City Council	152,527	149,668	147,149	2,519
City Manager	1,516,364	1,734,084	1,695,372	38,712
City Attorney	1,020,610	1,354,549	1,348,802	5,747
City Clerk	892,827	795,204	795,433	(229)
Administrative Services	3,299,976	3,796,186	3,776,370	19,816
General Services	9,448,521	4,823,458	5,996,448	(1,172,990)
Fire	15,597,422	16,380,310	16,392,361	(12,051)
Police	26,948,771	29,712,936	30,839,062	(1,126,126)
Public Works	5,992,611	6,265,121	5,523,651	741,470
Community & Economic Development	12,049,369	13,750,214	13,713,557	36,657
Library	3,733,812	4,416,087	4,381,725	34,362
Capital Outlay:				
Capital projects	2,235,000	2,110,609	657,902	1,452,707
Total charges to appropriations	82,887,810	85,288,426	85,267,832	20,594
OTHER FINANCING SOURCES (USES)				
Transfers in	1,730,943	1,594,513	1,646,984	52,471
Transfers (out)	(4,295,241)	(4,502,936)	(4,278,722)	224,214
Total Other Financing Sources (Uses)	(2,564,298)	(2,908,423)	(2,631,738)	276,685
Net change in fund balance	3,281	1,547,799	5,042,084	\$ 3,494,285
Fund balance-beginning	32,283,556	32,283,556	32,283,556	
Fund balance-ending	\$ 32,286,837	\$ 33,831,355	\$ 37,325,640	

See accompanying notes to financial statements

Major 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 2014-15.

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.

LAS POSITAS GOLF COURSE FUND

Established to account for operations of the Las Positas golf course in Livermore.

NON-MAJOR ENTERPRISE FUNDS

The City has identified the following fund as a non-major proprietary fund in fiscal 2014-15.

SPRINGTOWN GOLF COURSE FUND

Established to account for operations of the Springtown golf course in Livermore.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Business-Type Activities-Enterprise Funds</u>			
	<u>Airport</u>	<u>Water</u>	<u>Sewer</u>	<u>Las Positas Golf Course</u>
ASSETS				
Current Assets:				
Cash and investments in City Treasury (Note 3)	\$ 2,776,276	\$ 25,828,300	\$ 60,971,188	\$ 109,949
Cash and investments with Trustees (Note 3)	287,777	837	-	751
Accounts receivables (net of allowable for uncollectibles)	303,443	1,417,003	316,235	17,204
Inventory	44,362	-	-	95,210
Prepays, deposits and supplies	-	-	-	-
Total current assets	<u>3,411,858</u>	<u>27,246,140</u>	<u>61,287,423</u>	<u>223,114</u>
Noncurrent Assets:				
Investment in JPA-LAVVMA (Note 13A)	-	-	16,436,709	-
Advances to other funds (Note 4C)	708,413	-	-	-
Land and construction in progress (Note 6)	14,371,950	128,049	4,428,094	760,404
Capital assets, net of accumulated depreciation (Note 6)	<u>9,187,389</u>	<u>28,444,237</u>	<u>90,204,771</u>	<u>9,231,028</u>
Total noncurrent assets	<u>24,267,752</u>	<u>28,572,286</u>	<u>111,069,574</u>	<u>9,991,432</u>
Total assets	<u>27,679,610</u>	<u>55,818,426</u>	<u>172,356,997</u>	<u>10,214,546</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension (Note 10)	<u>157,756</u>	<u>201,779</u>	<u>774,139</u>	<u>14,535</u>
Total deferred outflows of resources	<u>157,756</u>	<u>201,779</u>	<u>774,139</u>	<u>14,535</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and other accruals	220,297	622,524	548,748	195,026
Accrued payroll and benefits	45,441	61,621	222,595	5,110
Interest payable	83,489	5,919	-	1,378
Accrued compensated absences (Note 1H)	25,061	28,891	123,526	2,450
Claims payable (Note 14B)	-	-	-	-
Deposit payable	208,587	147,493	30,909	107,432
Unearned revenue	-	-	-	44,761
Due to other funds (Note 4A)	-	-	-	-
Long-term debt (Note 7):				
Due within one year	<u>182,709</u>	<u>774,482</u>	<u>-</u>	<u>323,765</u>
Total current liabilities	<u>765,584</u>	<u>1,640,930</u>	<u>925,778</u>	<u>679,922</u>
Noncurrent Liabilities:				
Accrued compensated absences (Note 1H)	46,482	31,061	203,076	3,958
Claims payable (Note 14B)	-	-	-	-
Advances from other funds (Note 4C)	-	-	-	1,429,143
Net pension liability (Note 10)	1,601,199	1,989,013	8,186,935	98,821
Net OPEB obligation (Note 11)	-	-	-	-
Long-term debt (Note 7):				
Due in more than one year	<u>5,740,832</u>	<u>4,907,042</u>	<u>-</u>	<u>4,159,760</u>
Total non-current liabilities	<u>7,388,513</u>	<u>6,927,116</u>	<u>8,390,011</u>	<u>5,691,682</u>
Total liabilities	<u>8,154,097</u>	<u>8,568,046</u>	<u>9,315,789</u>	<u>6,371,604</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pension (Note 10)	<u>345,522</u>	<u>429,208</u>	<u>1,766,654</u>	<u>21,325</u>
Total deferred inflows of resources	<u>345,522</u>	<u>429,208</u>	<u>1,766,654</u>	<u>21,325</u>
NET POSITION (Note 9)				
Net investment in capital assets	17,923,575	22,891,599	94,632,865	5,508,658
Unrestricted	<u>1,414,172</u>	<u>24,131,352</u>	<u>67,415,828</u>	<u>(1,672,506)</u>
Total net position	<u>\$ 19,337,747</u>	<u>\$ 47,022,951</u>	<u>\$ 162,048,693</u>	<u>\$ 3,836,152</u>

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

Net position business-type activities

See accompanying notes to financial statements

Springtown Golf Course Non-Major Fund	Totals	Governmental Activities- Internal Service Funds
\$ -	\$ 89,685,713	\$ 19,160,629
-	289,365	-
17,397	2,071,282	373,239
-	139,572	289,375
-	-	389,058
17,397	92,185,932	20,212,301
-	16,436,709	-
-	708,413	-
53,725	19,742,222	874,542
153,223	137,220,648	16,778,186
206,948	174,107,992	17,652,728
224,345	266,293,924	37,865,029
-	1,148,209	7,003,318
-	1,148,209	7,003,318
6,219	1,592,814	709,052
-	334,767	90,240
-	90,786	28,833
-	179,928	-
-	-	1,090,000
3,694	498,115	10,525
-	44,761	-
96,458	96,458	-
-	1,280,956	886,886
106,371	4,118,585	2,815,536
-	284,577	-
-	-	4,503,865
-	1,429,143	-
-	11,875,968	66,592,304
-	-	30,366,329
-	14,807,634	10,781,117
-	28,397,322	112,243,615
106,371	32,515,907	115,059,151
-	2,562,709	16,404,351
-	2,562,709	16,404,351
206,948	141,163,645	5,984,725
(88,974)	91,199,872	(92,579,880)
\$ 117,974	232,363,517	\$ (86,595,155)
	480,592	
	\$ 232,844,109	

PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities-Enterprise Funds			
	Airport	Water	Sewer	Las Positas Golf Course
OPERATING REVENUES				
Charges for services	\$ 2,246,780	\$ -	\$ 18,264,709	\$ 2,186,425
Sales	3,179,045	12,100,843	-	892,202
Miscellaneous	15,687	30,162	55,474	2,999
Total Operating Revenues	<u>5,441,512</u>	<u>12,131,005</u>	<u>18,320,183</u>	<u>3,081,626</u>
OPERATING EXPENSES				
Cost of sales, salaries and benefits	4,127,337	7,627,362	8,691,666	703,435
Contracted services	248,692	276,705	4,642,167	2,024,221
Insurance premiums	82,016	54,247	188,075	6,247
Materials, supplies and other	225,847	90,654	1,162,735	173,425
Utilities	154,168	163,822	818,491	1,239
Depreciation	227,385	1,383,056	6,301,386	353,955
Repairs and maintenance	367,027	337,046	1,469,341	37,533
Claims expense	-	-	-	-
Total Operating Expenses	<u>5,432,472</u>	<u>9,932,892</u>	<u>23,273,861</u>	<u>3,300,055</u>
Operating Income (Loss)	<u>9,040</u>	<u>2,198,113</u>	<u>(4,953,678)</u>	<u>(218,429)</u>
NONOPERATING REVENUES (EXPENSES)				
Connection fees	-	1,074,216	1,857,287	-
Investment income (loss)	22,406	131,668	306,248	5,874
Interest and fiscal charges (expense)	(218,368)	(41,566)	-	(66,625)
Change of value in investment in JPA - LAVWMA	-	-	39,878	-
Other nonoperating revenues (expenses)	696,697	24,606	156,372	54
Gain (loss) on disposal of surplus property	6,156	-	-	-
Net Nonoperating Revenues (Expenses)	<u>506,891</u>	<u>1,188,924</u>	<u>2,359,785</u>	<u>(60,697)</u>
Income (Loss) Before Contributed Assets and Transfers	515,931	3,387,037	(2,593,893)	(279,126)
Contributions	-	983,020	1,708,844	4,580,118
Transfers in (Note 4B)	-	-	-	34,920
Transfers out (Note 4B)	(160,450)	(69,500)	(127,000)	-
Change in net position	355,481	4,300,557	(1,012,049)	4,335,912
Total net position (deficit)-beginning, as restated (Note 9D)	<u>18,982,266</u>	<u>42,722,394</u>	<u>163,060,742</u>	<u>(499,760)</u>
Total net position(deficit)-ending	<u>\$ 19,337,747</u>	<u>\$ 47,022,951</u>	<u>\$ 162,048,693</u>	<u>\$ 3,836,152</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 service.

Net business-type activities reported on the Statement of Activities

See accompanying notes to financial statements

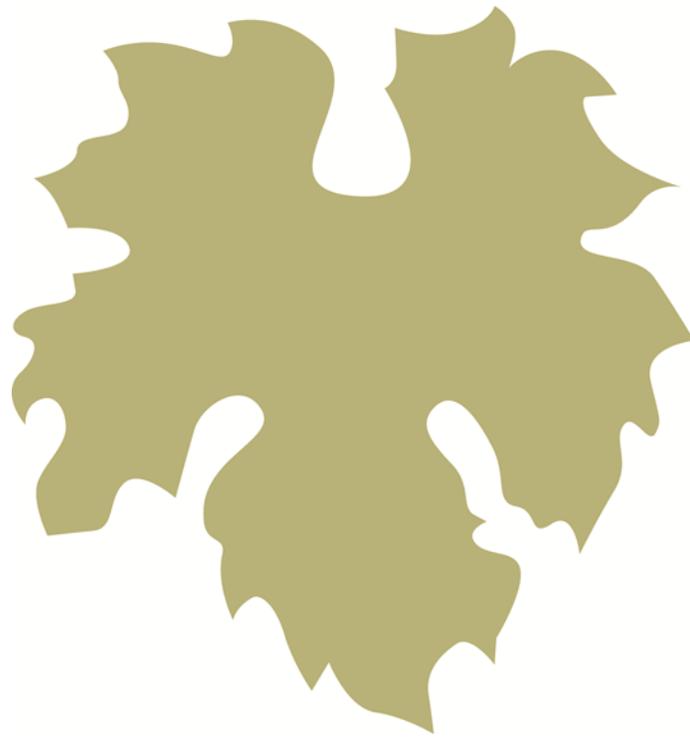
Springtown Golf Course Nonmajor Fund	Totals	Governmental Activities- Internal Service Funds
\$ 6,000	\$ 22,703,914	\$ 20,997,071
-	16,172,090	-
173	104,495	556,867
6,173	38,980,499	21,553,938
-	21,149,800	8,983,162
17,822	7,209,607	1,214,082
-	330,585	726,121
-	1,652,661	1,004,116
-	1,137,720	317,674
14,349	8,280,131	1,168,125
-	2,210,947	1,192,881
-	-	1,223,689
32,171	41,971,451	15,829,850
(25,998)	(2,990,952)	5,724,088
-	2,931,503	-
-	466,196	4
-	(326,559)	(354,784)
-	39,878	-
-	877,729	428,842
-	6,156	-
-	3,994,903	74,062
(25,998)	1,003,951	5,798,150
-	7,271,982	-
-	34,920	153,169
-	(356,950)	(12,500)
(25,998)	7,953,903	5,938,819
143,972		(92,533,974)
\$ 117,974		\$ (86,595,155)
	383,091	
	\$ 8,336,994	

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities-Enterprise Funds			
	Airport	Water	Sewer	Las Positas Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 5,553,325	\$ 12,622,808	\$ 18,620,575	\$ 3,121,679
Payments to suppliers	(4,208,371)	(6,961,848)	(10,541,314)	(2,807,217)
Payments to employees	(1,218,981)	(1,641,112)	(6,463,265)	(162,670)
Claims paid	-	-	-	-
Receipts from other sources	-	-	-	-
Net cash provided by (used for) operating activities	<u>125,973</u>	<u>4,019,848</u>	<u>1,615,996</u>	<u>151,792</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund receipts	114,011	1,164,503	1,235,639	-
Interfund payments	-	-	-	(902,553)
Transfers in	-	-	-	34,920
Transfers (out)	(160,450)	(69,500)	(127,000)	-
Net cash provided by (used for) noncapital financing activities	<u>(46,439)</u>	<u>1,095,003</u>	<u>1,108,639</u>	<u>(867,633)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	1,074,216	1,857,287	-
Capital asset additions	(2,986,850)	-	(1,361,561)	(34,920)
Proceeds from sale of capital assets	6,156	-	-	-
Long term debt:				
Additions	1,240,425	4,635,893	-	4,172,414
Repayment of principal	(170,558)	(713,856)	-	(260,993)
Payment to bond escrow	(1,240,425)	(4,635,893)	-	(4,172,414)
Interest paid	(219,270)	(44,086)	-	(65,875)
Net cash provided by (used for) capital and related financing activities	<u>(3,370,522)</u>	<u>316,274</u>	<u>495,726</u>	<u>(361,788)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	719,103	156,274	462,620	5,928
Net cash provided by (used for) investing activities	<u>719,103</u>	<u>156,274</u>	<u>462,620</u>	<u>5,928</u>
Net increase (decrease) in cash and cash equivalents	(2,571,885)	5,587,399	3,682,981	(1,071,701)
Cash and investments at beginning of period	5,635,938	20,241,738	57,288,207	1,182,401
Cash and investments at end of period	<u>\$ 3,064,053</u>	<u>\$ 25,829,137</u>	<u>\$ 60,971,188</u>	<u>\$ 110,700</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 9,040	\$ 2,198,113	\$ (4,953,678)	\$ (218,429)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	227,385	1,383,056	6,301,386	353,955
Other nonoperating revenue	-	-	-	-
Change in assets and liabilities:				
Accounts receivable	113,153	470,354	270,018	-
Inventories	49,921	-	-	29,237
Prepays, deposits and supplies	579	-	-	(7,185)
Deferred pension outflows	(7,115)	(14,651)	(3,912)	(5,238)
Net pension obligation	(281,184)	(485,258)	(2,149,123)	(17,686)
Net OPEB obligations				
Accounts payable and other accruals	(342,868)	953	336,401	(10,125)
Accrued payroll	1,694	4,721	1,995	1,909
Accrued compensated absences	11,186	11,903	15,881	1,091
Deposits payable	(1,340)	21,449	30,374	2,938
Claims Payable				
Deferred pension inflows	345,522	429,208	1,766,654	21,325
Net Cash provided by (Used for) operating activities	<u>\$ 125,973</u>	<u>\$ 4,019,848</u>	<u>\$ 1,615,996</u>	<u>\$ 151,792</u>
Non-cash transactions:				
Investment in LAVVMA JPA equity	\$ -	\$ -	\$ 39,878	\$ -
Capital Assets contributed	-	983,020	1,708,844	4,580,118
Capital Asset acquired through debt reallocation	-	-	-	797,541
	<u>\$ -</u>	<u>\$ 983,020</u>	<u>\$ 1,748,722</u>	<u>\$ 5,377,659</u>

See accompanying notes to financial statements

Springtown Golf Course Nonmajor Fund	Totals	Governmental Activities- Internal Service Funds
\$ 173	\$ 39,918,560	\$ 21,324,944
(11,603)	(24,530,353)	(3,787,383)
-	(9,486,028)	(9,665,616)
-	-	(255,354)
-	-	428,842
(11,430)	5,902,179	8,045,433
11,430	2,525,583	-
-	(902,553)	(2,400,142)
-	34,920	153,169
-	(356,950)	(12,500)
11,430	1,301,000	(2,259,473)
-	2,931,503	-
-	(4,383,331)	(1,772,502)
-	6,156	-
-	10,048,732	-
-	(1,145,407)	(986,271)
-	(10,048,732)	-
-	(329,231)	(337,205)
-	(2,920,310)	(3,095,978)
-	1,343,925	4
-	1,343,925	4
-	5,626,794	2,689,986
-	84,348,284	16,470,643
\$ -	\$ 89,975,078	19,160,629
\$ (25,998)	\$ (2,990,952)	5,724,088
14,349	8,280,131	1,168,125
-	-	428,842
(6,000)	847,525	(73,100)
-	79,158	-
-	(6,606)	238,118
-	(30,916)	(79,963)
-	(2,933,251)	(16,755,616)
-	-	(160,220)
6,219	(9,420)	182,473
-	10,319	-
-	40,061	-
-	53,421	-
-	-	968,335
-	2,562,709	16,404,351
\$ (11,430)	\$ 5,902,179	\$ 8,045,433
\$ -	\$ 39,878	\$ -
-	7,271,982	-
-	797,541	-
\$ -	\$ 8,109,401	\$ -



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.

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2015**

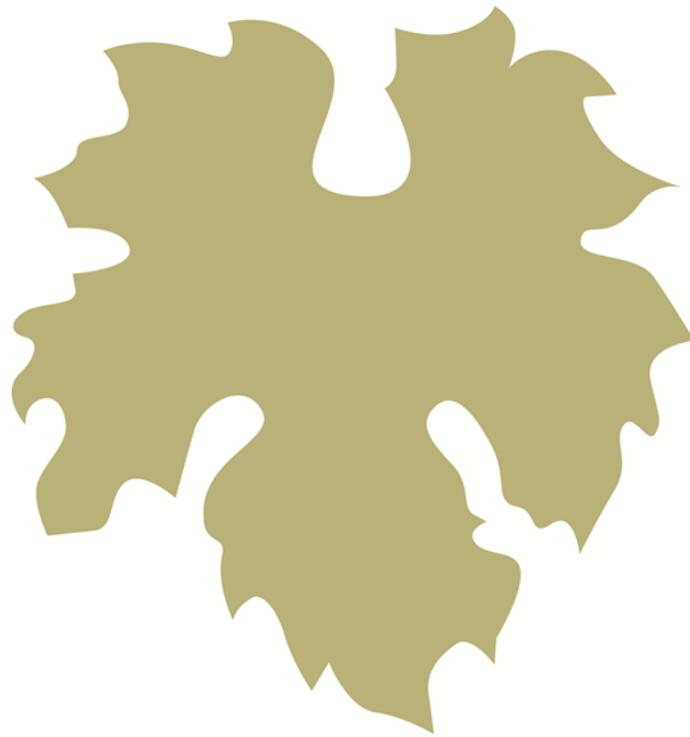
	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund	Agency Funds
ASSETS		
Cash and investments in City Treasury (Note 3B)	\$ 1,772,137	\$ 20,835,293
Cash and investments with Trustees (Note 3B)	4,048,786	4,482,922
Notes receivable	2,000,000	-
Land held for redevelopment (Note 1K)	10,907,632	-
Capital assets:		
Land and construction in progress	205,392	-
Total Assets	18,933,947	25,318,215
LIABILITIES		
Accrued liabilities	2,275,000	
Accrued interest	880,813	-
Loans payable to City of Livermore:		
Due in more than one year (Note 5 and 16C)	9,824,441	-
Long-term debt (Note 16B):		
Due within one year	995,000	-
Due in more than one year	27,310,000	-
Due to special assessment districts	-	25,318,215
Total Liabilities	41,285,254	25,318,215
NET POSITION		
Held in trust for other governments	\$ (22,351,307)	

See accompanying notes to financial statements

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED ON JUNE 30, 2015**

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund <hr/>
ADDITIONS	
Property taxes	\$ 3,902,678
Use of money and property	133,582
Total Additions	<hr/> 4,036,260
DEDUCTIONS	
Administrative Fee	250,000
Development services	11,288,115
Debt service:	
Interest and fiscal charges	1,777,553
Total Deductions	<hr/> 13,315,668
Net Change in Net Position	(9,279,408)
NET POSITION HELD IN TRUST FOR SUCCESSOR AGENCY AND OTHER GOVERNMENTS	
Beginning of year	<hr/> (13,071,899)
End of year	<hr/> <u>\$ (22,351,307)</u>

See accompanying notes to financial statements



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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

The City reported only one major governmental fund 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.

The City reported following 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.

Las Positas Golf Course Fund - Established to account for operations of the Las Positas golf course 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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 reports 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 government only has one item that qualifies for reporting in this category. It is the deferred charge related to the City's California Public Employees' Retirement System (CalPERS) pension plans reported in the government-wide statement of net position and in the proprietary statement of net position. See Note 10 for more detailed information.

In addition to liabilities, the statement of financial position reports 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 two types of items that qualify for reporting under this category, for balances related to the City's CalPERS pension plans and those that arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the government fund balance sheet. The governmental funds report unavailable revenues related to loan receivables and grants receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

G. Pensions

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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, 2015:

	Governmental Activities	Business Type Activities	Total
Beginning balance	\$ 2,460,112	\$ 424,444	\$ 2,884,556
Additions	2,798,304	517,835	3,316,139
Payments	<u>(2,627,214)</u>	<u>(477,774)</u>	<u>(3,104,988)</u>
Ending balance	<u>\$ 2,631,202</u>	<u>\$ 464,505</u>	<u>\$ 3,095,707</u>
Current portion	<u>\$ 1,019,344</u>	<u>\$ 179,928</u>	<u>\$ 1,199,272</u>

I. 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.

J. 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.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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, 2015 the balance of 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 land for redevelopment.

L. 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.

M. New Accounting Pronouncements

During the current fiscal year the City was required to implement the provisions of GASB Statement No. 68 and 71, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. In June 2012, GASB issued this Statement to improve accounting and financial reporting by state and local government for pensions. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. The City is 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. GASB Statement No. 71 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 implementation of this Statement is reflected in the City's financial statements in the Statement of Net Position, Proprietary Funds Statement of Net Position, and Internal Service Funds Combining Statement of Net Position and required a prior period adjustment as discussed in Note 9D.

In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The City has not yet determined what impact this pronouncement will have on the City's financial statements.

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.

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.

B. Expenditures in Excess of Appropriations

The funds below incurred expenditures 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
Other Special Revenue Funds	\$ 76,877
LCPFA 2012 COP Debt Service Fund	2
LCPFA 2014 COP Debt Service Fund	4,691
El Charro Specific Plan Capital Projects Fund	119,814

C. Fund Balance Deficits / Net Position Deficits

As of June 30, 2015 the following funds had fund balance/Net Position deficits, which are expected to be eliminated by future revenues:

Fund	Amount of Deficit
Employee Benefits Internal Service Fund	\$ 106,198,432
Horizon Special Revenue Fund	548

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	\$	211,801,762
Cash and investments with Trustees		2,126,789
Total City cash and investments		213,928,551
Cash and investments in Fiduciary Funds (Separate Statement)		
In City Treasury		22,607,430
With Trustees		8,531,708
Total cash and investments	\$	245,067,689

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.

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.

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:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % Allowed
U.S. Treasury Bills and Notes	No Limit	NA	No Limit
Federal and Local Agency Obligations	No Limit	NA	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)	NA	NA	NA
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

NOTES TO BASIC FINANCIAL STATEMENTS

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	\$ -	\$ 37,648,873	\$ 74,918,356	\$ -	\$ 112,567,229
Non-callable	5,097,550	315,375	1,743,614	-	7,156,539
California Local Agency Investment Fund	49,988,072	-	-	-	49,988,072
U.S. Government Money Market Funds	2,706,156	-	-	-	2,706,156
U.S. Government Money Market Funds- Sweep Account	7,123,099	-	-	-	7,123,099
Guaranteed Investment Contracts and Agreements	-	1,733,875	354,265	2,426,250	4,514,390
Negotiable Certificates of Deposit					-
Medium Term Corporate Notes	7,874,142	19,784,300	33,967,254	-	61,625,696
Total Investments	<u>\$ 72,789,019</u>	<u>\$ 59,482,423</u>	<u>\$ 110,983,489</u>	<u>\$ 2,426,250</u>	245,681,181
Cash deposits (overdrafts) with banks and on hand					(\$613,492)
Total Cash and Investments					<u>\$245,067,689</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, 2015 for each investment type as provided by Standard and Poor's investment rating service.

Investment Type	AAAm	AA	A	Not Required To Be Rated	Total
U.S. Government-Sponsored Enterprise Agencies	\$ -	\$ 119,723,768	\$ -	\$ -	\$ 119,723,768
U.S. Government Money Market Funds	2,706,156	-	-	-	2,706,156
U.S. Government Money Market Funds- Sweep Account	-	-	-	7,123,099	7,123,099
Guaranteed Investment Contracts and Agreements	-	4,160,125	354,265	-	4,514,390
Medium Term Corporate Notes	-	47,055,485	14,570,210	-	61,625,695
California Local Agency Investment Fund	-	-	-	49,988,072	49,988,072
Total Investments	<u>\$ 2,706,156</u>	<u>\$ 170,939,378</u>	<u>\$ 14,924,475</u>	<u>\$ 57,111,171</u>	245,681,180
Cash deposits (overdrafts) with banks and on hand					(613,492)
Total Cash and Investments					<u>\$245,067,689</u>

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, 2015, these investments matured in an average of 239 days.

Money Market funds and mutual funds were available for withdrawal on demand at June 30, 2015 with an average maturity of 37 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, 2015:

Issuer	Type of Investments	Amount
<i>Entity-wide:</i>		
Federal Farm Credit Bank	U.S. Agency Securities	\$ 36,056,036
Federal Home Loan Bank	U.S. Agency Securities	35,210,181
Federal Home Loan Mortgage Association	U.S. Agency Securities	24,315,561
Federal National Mortgage Association	U.S. Agency Securities	22,398,376
General Electric Credit Corporation	Medium Term Corporate Notes	17,763,660
Toyota Motor Credit Corporation	Medium Term Corporate Notes	13,994,852

NOTES TO BASIC FINANCIAL STATEMENTS

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, 2015 were as follows:

Due from Other Funds	Due To Other Funds	Amount
General Fund	Enterprise Fund Springtown Golf Course	\$ 96,458
	Special Revenue Fund Horizons	133,782
Capital Projects Fund El Charro Specific Plan	Capital Projects Fund LCPFA 2011 COP	264,020
	TOTAL	\$ 494,260

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, 2015 are summarized below.

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
General Fund	Airport Enterprise Fund Sewer Enterprise Fund Water Enterprise Fund Reprographics Internal Service Fund Non-Major Governmental Funds	\$ 151,781 90,000 50,000 12,500 1,342,703
Las Positas Golf Course Enterprise Fund	General Fund	34,920
Facilities Rehabilitation Projects Internal Service Fund	Airport Enterprise Fund	8,669
Information Technology Internal Service Fund	General Fund Sewer Enterprise Fund Water Enterprise Fund	88,000 37,000 19,500
Non-Major Governmental Funds	General Fund Non-Major Governmental Funds	4,155,802 52,608,267
Total Interfund Transfers		\$ 58,599,142

In the fiscal year ended June 30, 2015, the City made the following one-time transfers:

- Transfers between non-major governmental funds includes one-time transfer of \$48.6 million from the 2014 COP debt service fund to the LCPFA 2008 COP debt service fund and Host Community Impact Fee special revenue fund for payment to the bond escrow for 2008 COP defeasance and for acquisition of Bankhead theater respectively.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

B. Transfers between Funds (Continued)

- At the entity level, a transfer of \$4,580,118 from the governmental activities to the business type activities was recorded. During the current fiscal year, capital assets of \$4,580,118 were transferred from the governmental activities to the Las Positas Golf Course Enterprise Fund which was recorded as contributions revenue in the Las Positas Golf Course enterprise fund. At the entity level this contributions revenue was reclassified as a transfer-in under the business type activities.

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. No payment was made to the General Fund during fiscal year 2014-2015. The balance as of June 30, 2015 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% and advancing an additional \$441,110. A total payment of \$105,012 was made during fiscal year 2014-2015. The outstanding balance on this advance on June 30, 2015 is \$1,429,143. 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. During fiscal year 2014-15, the Las Positas Golf Course Enterprise Fund paid outstanding balance of \$797,541 in cash to the General Fund to pay off this capital loan in full.

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 2015-16. During the current year, the remaining balance of this advance was paid in full.

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 \$114,011 to the Airport Enterprise Fund. The outstanding balance as of June 30, 2015 is \$708,413.

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

As of June 30, 2015 Notes Receivables balances are as follows:

	General Fund	Housing Successor	Low Income Housing	Housing & Community Assistance	Traffic Impact Fee	Other Local, State & Federal Grants	Total
Deferred Second Mortgage Program	\$ -	\$ -	\$ 2,163,041	\$ 1,268,898	\$ -	\$ 1,924,829	\$ 5,356,768
Rehabilitation Loan Program	-	-	439,684	1,355,755	-	233,942	2,029,381
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	-	1,483,342	7,879,781	100,997	360,321	-	9,824,441
Eden Housing Project	-	1,540,882	-	-	-	-	1,540,882
Livermore Independent Living Associates Project	-	718,635	-	-	-	-	718,635
Affordable Housing Loans	-	190,544	-	-	-	-	190,544
Totals	<u>\$ 475,000</u>	<u>\$ 3,933,403</u>	<u>\$ 11,282,506</u>	<u>\$ 2,725,650</u>	<u>\$ 360,321</u>	<u>\$ 2,668,771</u>	<u>\$ 21,445,651</u>

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.

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, 2015, 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, 2015 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. Since the Livermore Successor Agency achieved its finding of completion in July 2013, the LSA requested a payment on the first ROPS for FY14-15. The payment was approved by the Department of Finance and made in the amount of \$400,009. Payments will resume when the LVPAC settlement is completed. As of June 30, 2015 the loans had an outstanding balance of \$1,483,342.

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, 2015, the loans had an outstanding balance of \$1,540,882. 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, 2015, 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, 2015 is \$190,544.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 - NOTES RECEIVABLE (Continued)

As of February 1, 2012, several advances totaling \$9,877,092 made to the former Redevelopment Agency were transferred to the Livermore Successor Agency (LSA). In fiscal year 2012-13, the City had recorded an allowance for the doubtful accounts of \$7,532,422 to offset these loans as the city was unable to determine whether these loans would be collectible from the Successor Agency. After receiving the Finding of Completion, the City decided to reinstate these loans that are encompassed within the allowance for doubtful accounts pursuant to Health and Safety code 34191.4(b). Consequently the allowance for the doubtful accounts of \$7,532,422 has been reversed in the current fiscal year. Pursuant to HSC 34191.4(b)(2), the interest associated with these loans must be recomputed to conform to the rate of return that was earned by funds deposited into the sponsoring government's LAIF account since the origination of the loan. After recalculating the accumulated interest on the reinstated loan the balance as of June 30, 2015 for the Loans from the LSA is \$9,824,441. Further information on these loans is provided in Note 16C.

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.

Buildings	25-50 years
Improvements	20-50 years
Equipment	3-20 years
Infrastructure	25-50 years

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital asset activity for the year ended June 30, 2015 comprises the following:

	Balance at June 30, 2014	Additions	Adjustments	Transfers/ Reclassification ¹	Balance at June 30, 2015
Governmental activities					
Governmental Fund Capital Assets					
Capital assets not being depreciated:					
Land	\$ 32,652,067	\$ 1,189,471	\$ -	\$ -	\$ 33,841,538
Intangible asset - easement	4,517,994	-	-	-	4,517,994
Construction in progress	45,450,883	6,540,047	-	(3,846,253)	48,144,677
Subtotal	82,620,944	7,729,518	-	(3,846,253)	86,504,209
Capital assets being depreciated, cost:					
Office equipment	8,253,083	18,931	-	-	8,272,014
Other equipment	7,414,208	59,220	-	-	7,473,428
Library books	2,062,340	-	-	-	2,062,340
Infrastructure	302,099,593	6,267,389	-	(1,748,318)	306,618,664
Buildings	97,929,194	11,692,319	-	-	109,621,513
Subtotal	417,758,418	18,037,859	-	(1,748,318)	434,047,959
Accumulated Depreciation:					
Office equipment	-	(148,304)	-	-	(7,737,006)
Other equipment	(7,588,702)	(456,664)	-	-	(4,980,240)
Library books	(4,523,576)	(19,747)	-	-	(2,062,340)
Infrastructure	(2,042,593)	(7,819,801)	-	216,912	(134,472,517)
Buildings	(126,869,628)	(2,134,092)	-	-	(28,187,039)
Subtotal	(167,077,446)	(10,578,608)	-	216,912	(177,439,142)
Net Governmental Funds capital assets being depreciated	250,680,972	7,459,251	-	(1,531,406)	256,608,817
Total Governmental Funds capital assets	<u>\$ 333,301,916</u>	<u>\$ 15,188,769</u>	<u>\$ -</u>	<u>\$ (5,377,659)</u>	<u>\$ 343,113,026</u>
	Balance at June 30, 2014	Additions	Retirements and Adjustments	Transfers/ Reclassification	Balance at June 30, 2015
Internal Service Fund Capital Assets					
Capital assets not being depreciated:					
Construction in progress	\$ 1,436,093	\$ 226,670	\$ -	\$ (788,221)	\$ 874,542
Subtotal	1,436,093	226,670	-	(788,221)	874,542
Capital assets being depreciated, cost:					
Office equipment	170,227	390,772	-	563,398	1,124,397
Other equipment	320,900	296,238	(5,994)	-	611,144
Infrastructure	12,426,395	-	(38,217)	-	12,388,178
Licensed vehicles	12,298,301	929,815	(702,193)	224,823	12,750,746
Subtotal	25,215,823	1,616,825	(746,404)	788,221	26,874,465
Accumulated Depreciation:					
Office equipment	(37,878)	(202,839)	-	-	(240,717)
Other equipment	(215,252)	(50,631)	5,994	-	(259,889)
Infrastructure	(94,149)	(430,342)	214	-	(524,277)
Licensed vehicles	(9,256,286)	(484,313)	669,203	-	(9,071,396)
Subtotal	(9,603,565)	(1,168,125)	675,411	-	(10,096,279)
Net Internal Service Fund capital assets being depreciated	15,612,258	448,700	(70,993)	788,221	16,778,186
Total Internal Service Funds	17,048,351	675,370	(70,993)	-	17,652,728
Governmental activity capital assets, net	<u>\$ 350,350,267</u>	<u>\$ 15,864,139</u>	<u>\$ (70,993)</u>	<u>\$ (5,377,659)</u>	<u>\$ 360,765,754</u>

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance at June 30, 2014	-	Retirements and Adjustments	Transfers/ Reclassification ¹	Balance at June 30, 2015
	Additions	-	-	-	-
<u>Business-type activities</u>					
Capital assets not being depreciated:					
Land	\$ 14,160,133	\$ -	\$ -	\$ -	\$ 14,160,133
Land improvements	634,433	-	-	-	634,433
Construction in progress	6,436,608	1,406,210	-	(2,895,162)	4,947,656
Subtotal	21,231,174	1,406,210	-	(2,895,162)	19,742,222
Capital assets being depreciated:					
Office equipment	395,797	-	-	-	395,797
Other equipment	2,484,115	19,144	-	-	2,503,259
Licensed Vehicles	618,320	-	-	-	618,320
Airport infrastructure	11,563,328	-	38,217	-	11,601,545
Water infrastructure	44,178,591	983,020	-	-	45,161,611
Sewer infrastructure	224,918,849	1,708,843	-	-	226,627,692
Las Positas GC infrastructure	6,867,131	-	-	5,594,571	12,461,702
Springtown GC infrastructure	399,228	-	-	-	399,228
Buildings	22,169,723	2,919,975	-	2,895,162	27,984,860
Subtotal	313,595,082	5,630,982	38,217	8,489,733	327,754,014
Accumulated Depreciation:					
Office equipment	(290,751)	(13,225)	-	-	(303,976)
Other equipment	(1,490,628)	(129,090)	-	-	(1,619,718)
Licensed Vehicles	(578,282)	(17,049)	-	-	(595,331)
Airport infrastructure	(10,511,087)	(71,941)	(214)	-	(10,583,242)
Water infrastructure	(17,112,789)	(1,317,655)	-	-	(18,430,444)
Sewer infrastructure	(135,675,563)	(6,055,150)	-	-	(141,730,713)
Las Positas GC infrastructure	(6,733,376)	(189,340)	-	(216,912)	(7,139,628)
Springtown GC infrastructure	(237,272)	(14,201)	-	-	(251,473)
Buildings	(9,406,361)	(472,480)	-	-	(9,878,841)
Subtotal	(182,036,109)	(8,280,131)	(214)	(216,912)	(190,533,366)
Net capital assets being depreciated	131,558,973	(2,649,149)	38,003	8,272,821	137,220,648
Business-type activity capital assets, net	<u>\$ 152,790,147</u>	<u>\$ (1,242,939)</u>	<u>\$ 38,003</u>	<u>\$ 5,377,659</u>	<u>\$ 156,962,870</u>

¹ In fiscal year 2014-15, previously capitalized costs which were accounted for in Governmental Activities were transferred to Business Type Activities because the assets are being maintained by the Las Positas Golf Course.

NOTES TO BASIC FINANCIAL STATEMENTS

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>	<u>Depreciation Expense</u>
Government Services	60,972
Fire	200,030
Police	157,858
Public Works	8,235,967
Community Development	1,294,760
Library	629,021
Internal Service Funds	<u>1,168,125</u>
Total Depreciation Expense - Government Activities	<u><u>\$ 11,746,733</u></u>

<u><i>Business-Type Activities</i></u>	<u>Depreciation Expense</u>
Airport	\$ 227,385
Water	1,383,056
Sewer	6,301,386
Las Positas	353,955
Springtown	<u>14,349</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 8,280,131</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM DEBT

The City's debt comprises bonds, loans, notes, certificates of participation (COP), and refunding certificates of participation. Certificates of participation 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, 2014	Additions	Reallocations ¹	Retirements	Balance at June 30, 2015	Current Portion
Governmental Activities						
Certificates of Participation:						
2008, varies, 2030	\$ 41,945,901	\$ -	\$ (797,541)	\$ 41,148,360	\$ -	\$ -
2011, 3.00 - 5.25%, 2042	12,800,152	-	-	253,912	12,546,240	261,380
2012, 2.0%, 2017	3,532,920	-	-	1,154,320	2,378,600	1,175,308
2014A, 0.06%, 2041	-	9,380,000	-	-	9,380,000	180,000
2014B, 0.06%, 2030	-	39,671,268	-	-	39,671,268	2,190,217
Unamortized Premium	88,671	-	-	32,245	56,426	32,245
Notes Payable, varies, 2011-2019	3,173,464	-	-	1,488,464	1,685,000	1,685,000
Housing & Urban Development Loan, varies, 2030	1,110,000	725,000	-	70,000	1,765,000	106,000
Altamont Landfill Open Space Committee Loan	520,233	-	-	-	520,233	520,233
Internal Service Funds:						
Capital Lease Obligations:						
Banc of America Equipment Lease/Purchase Loan	11,698,334	-	-	758,478	10,939,856	651,789
IT Lease Purchase	955,940	-	-	227,793	728,147	235,097
Total governmental activities debt	\$ 75,825,615	\$ 49,776,268	\$ (797,541)	\$ 45,133,572	\$ 79,670,770	\$ 7,037,269
Business-type Activities						
Airport						
Certificates of Participation:						
2008, varies, 2030	\$ 1,295,098	\$ -	\$ -	\$ 1,295,098	\$ -	\$ -
2011, 3.00 - 5.25%, 2042	4,339,848	-	-	86,088	4,253,760	88,620
2014B, 0.06%, 2030	-	1,240,425	-	-	1,240,425	68,483
Capital Lease Obligations:						
Banc of America Equipment Lease/Purchase Loan	459,153	-	-	29,797	429,356	25,606
Water						
Certificates of Participation:						
2008, varies, 2030	4,840,225	-	-	4,840,225	-	-
2012, 2.0%, 2017	1,517,080	-	-	495,679	1,021,401	504,692
2014B, 0.06%, 2030	-	4,635,893	-	-	4,635,893	255,944
Unamortized Premium	38,075	-	-	13,845	24,230	13,846
Las Positas Golf Course						
Certificates of Participation:						
2008, varies, 2030	3,558,776	-	797,541	4,356,317	-	-
2014B, 0.06%, 2030	-	4,172,414	-	-	4,172,414	230,356
Golf Equipment Lease	388,201	-	-	77,090	311,111	93,409
Total business-type activities debt	\$ 16,436,456	\$ 10,048,732	\$ 797,541	\$ 11,194,139	\$ 16,088,590	\$ 1,280,956

¹ Prior years capitalized costs incurred in Governmental Funds which were funded with 2008 COP proceeds are transferred to Business Type Activities because the assets are being maintained by the Las Positas Golf Course. The debt related to the capital assets was reallocated to Las Positas golf course which will assume the debt service.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM DEBT (Continued)

B. Governmental Activities

CERTIFICATES OF PARTICIPATION:

2008 Variable Rate Demand Certificates of Participation

On October 1, 2008, \$63,000,000 principal amount of **2008 Variable Rate Demand Certificates of Participation**, (2008 COP) 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 COP proceeds was placed in an irrevocable trust which was used to refund and retire the outstanding balance of the 2000 COP and 2002 COP of \$25,975,000 and \$29,480,000, respectively.

Interest rates on the City’s 2008 COP are reset weekly, using the “put” mechanism described below. The 2008 COP are periodically subject to repurchase at par, referred to as a "put". Once a put occurs, the remarketing agent resells the certificates 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 COP, and to ensure the City will not be required to repurchase the 2008 COP before they mature. The letter of credit related to the 2008 COP expires on September 11, 2016.

On November 7, 2014, the 2008 COP were refunded on a current basis with the proceeds of the 2014 Certificates of Participation Series B. Thus the refunded bonds were considered to be defeased and the liability for those obligations was removed along with the trust assets from the City’s financial statements. See 2014 Certificates of Participation disclosure on the next page for further details.

2011 Certificates of Participation

On June 1, 2011, \$17,470,000 principal amount of **2011 Certificates of Participation**, (2011 COP) 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.

2012 Certificates of Participation

On August 1, 2012, \$8,310,000 of **2012 Certificates of Participation**, (2012 COP) were issued to refund, on a current basis, the outstanding balance of \$5,729,624 of the 2007 COP. 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 Water Enterprise Fund and the General Fund.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM DEBT (Continued)

B. Governmental Activities (Continued)

2014 Variable Rate Demand Certificates of Participation

On November 7, 2014, \$9,380,000 principal amount of **2014 Variable Rate Demand Certificates of Participation Series A**, (2014 COP Series A) were issued to fund the acquisition of the site and facilities of the Bankhead Theater; and \$49,720,000 principal amount of **2014 Variable Rate Demand Certificates of Participation Series B**, (2014 COP Series B) were issued to refund the current outstanding balance of the 2008 COP and to fund the costs of executing and delivery of the Certificates. The aggregate difference in debt service of the refunding debt (2014 COP) was \$40,968 more than that of the refunded debt (2008 COP). The refunding resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$259,939.

Annual principal payments are due August 1, commencing on August 1, 2016 through 2042 and through 2031 for Series A and B, respectively. Interest rates on the City’s 2014 COP Series A and B are reset weekly, using the “put” mechanism described below. The 2014 COP are periodically subject to repurchase at par, referred to as a "put". Once a put occurs, the remarketing agent resells the certificates at par by setting new interest rates and repurchase dates. Each weekly interest rate is the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate that would enable the Certificates to be sold on the effective date. The calculation is based on the examination of comparable tax–exempt obligation, and in the judgment of the Remarketing Agent. The City has obtained an irrevocable, direct-pay letter of credit in the amount of \$9,672,965 and \$51,272,899 respectively to be used in the event the remarketing agent is unable to resell any 2014 COP series A and B, and to ensure the City will not be required to repurchase the 2014 COP before they mature. The letters of credit related to the 2014 COP expire on May 5, 2017.

HUD SECTION 108 LOANS:

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. As of June 30, 2015 the outstanding loan balance was \$1,040,000.

In fiscal 2015, the City received a Section 108 loan in the amount of \$725,000 from the Department of Housing and Urban Development to purchase the building located at 141-145 North Livermore Avenue and the adjacent commercial units at 147-149 North Livermore Avenue. The principal payments are due annually from August 1, 2015 through 2030. As of June 30, 2015 the outstanding loan balance was \$725,000.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM DEBT (Continued)

B. Governmental Activities (Continued)

CALIFORNIA HOUSING FINANCE AGENCY NOTES PAYABLE

The City has three loan agreements with California Housing Finance Agency (CHFA) as listed below:

1. In September 2004, the City secured a loan in the amount of \$1,500,000 to be used as a revolving fund for an existing acquisition, and a bridge and construction loan program that will allow for the development of homeownership and multifamily rental projects. During fiscal 2015, the amount drawn down was \$1,488,464 and was paid in full during the fiscal year.
2. In September 2005, the City secured a loan in the amount of \$1,500,000 to assist with the development of 55 units in a 130-unit senior rental complex. As of June 30, 2015, the outstanding balance drawn down from the loan was \$1,500,000.
3. In April 2006, the City secured a loan in the amount of \$750,000 to rehabilitate small multi-family rental housing complexes. As of June 30, 2015, the outstanding balance drawn down from the loan was \$185,000.

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 fiscal year 2015-16.

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 photovoltaic 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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM DEBT (Continued)

C. Business-type Activities

CERTIFICATES OF PARTICIPATION:

The City recorded a portion of the 2008, 2011, 2012, 2014 COP in the business-type and governmental type activities which are disclosed in detail under footnote 7B.

CAPITAL LEASE OBLIGATION

A portion of Capital Lease Obligation with Banc of America for photovoltaic equipment is recorded in the business-type which is disclosed in detail under footnote 7B.

On September 23, 2013, 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 a simple 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.

D. Defeasement Bond

On November 7, 2014, the 2008 COP were refunded on a current basis using the proceeds of the 2014 COP Series B. Therefore, the refunded 2008 COP was considered to be defeased and the liability for those obligations was removed along with the trust assets from the City's financial statements. As of June 30, 2015 there was no outstanding balance for defeased debt.

E. Debt Service Requirements

Debt service requirements are shown below for all long-term debt, including interest on variable rate 2014 COPs, based on a 0.06% rate.

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 7,005,024	\$ 1,483,337	\$ 1,267,110	\$ 239,141
2017	4,830,190	928,821	1,288,714	222,443
2018	3,733,984	872,746	786,819	208,596
2019	3,447,129	833,911	743,323	202,710
2020	3,484,785	805,491	716,776	198,501
2021-2025	19,325,477	3,517,782	3,817,224	919,384
2026-2030	20,861,304	2,445,094	4,190,843	757,291
2031-2035	7,593,835	1,648,804	1,581,165	553,080
2036-2040	6,284,462	885,665	1,130,538	296,932
2041-2045	3,048,154	86,396	541,848	28,846
Total	79,614,344	<u>\$ 13,508,047</u>	\$ 16,064,360	<u>\$ 3,626,924</u>
Premium, net of amortization	56,426		24,230	
	<u>\$ 79,670,770</u>		<u>\$ 16,088,590</u>	

NOTES TO BASIC FINANCIAL STATEMENTS

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, 2015 is as follows:

Consolidated Refunding Assessment Districts 1993-4	\$ 2,615,000
Consolidated Reassessment and Refunding District 2002	875,000
Community Facilities District No. 2006-1 (Shea Properties)	
Special Tax Bonds Series 2006	9,585,000
Community Facilities District No. 2009-1 (El Charro) from Livermore Premium Outlets, LLC, 2015 Loan	19,632,406
Community Facilities District No. 99-1 (Tri-Valley Technology Park) Special Tax Bonds Series 2015	<u>15,655,000</u>
Total	<u><u>\$ 48,362,406</u></u>

Consolidated Refunding Assessment District Bonds Series No. 1993-4

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 (\$2,615,000 as of June 30, 2015) 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.

Consolidated Reassessment and Refunding District Limited Obligation Refunding Improvement Bonds, Series 2002

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, 2015 is \$875,000.

Community Facilities District (CFD) No. 2009-1 (El Charro), 2012 Loan

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). The loan was paid off during the year by the 2015 loan.

NOTES TO BASIC FINANCIAL STATEMENTS

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

Community Facilities District (CFD) No. 2009-1 (El Charro), 2014 Loan

On February 1, 2014, the City on behalf of El Charro CFD No. 2009-1 entered into another special tax loan agreement with Livermore Premium Outlets, LLC in the amount of up to \$7,500,000. The loan was paid off during the year by the 2015 loan.

Community Facilities District (CFD) No. 2009-1 (El Charro), 2015 Loan

On June 1, 2015, the City on behalf of El Charro CFD No. 2009-1 entered into a special tax loan agreement with Livermore Premium Outlets, LLC. This loan was issued to refund the remaining principal amounts of the 2012 and 2014 loans. At June 30, 2015, the balance outstanding for the 2015 loan is \$19,632,406.

Community Facilities District No. 1 (Tri-valley Technology Park) Special Tax Bonds, Series 2015

On May 28, 2015, the City sponsored the issuance of the Community Facilities District No. 1 (Tri-valley Technology Park) Special Tax Bonds, Series 2015. The Bonds were issued to defease and refund remaining principal amount of Community Facilities District No. 99-1 (Tri-valley Technology Park) Special Tax Bonds, Series 2000. The balance outstanding for these Bonds as of June 30, 2015 is \$15,655,000.

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.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

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.

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.

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.

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.

There were no encumbrances outstanding as of June 30, 2015.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances (Continued)

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.

Detailed classifications of the City's Fund Balances, as of June 30, 2015, are given on next page.

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. In fiscal 2013, the City used one-time revenues to achieve the full funding of 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

General Liability and Workers Compensation Funds are recommended to keep 50% of operating expenditures as minimum unrestricted net position. The Fleet Services, Information Technology and Facilities Rehabilitation Funds are recommended to keep 12.5% of operating expenses as minimum unrestricted net position balance.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's fund balances as of June 30, 2015 are below:

Fund Balance Classifications	General Fund	Other Governmental Funds	Total
Nonspendable:			
Items not in spendable form:			
Prepays and deposits	\$ 106,941	\$ 4,000	\$ 110,941
Advances	5,316,480	-	5,316,480
Total Nonspendable Fund Balances	5,423,421	4,000	5,427,421
Restricted for:			
Alameda County Transportation programs	-	2,662,156	2,662,156
Debt service funds	-	850,483	850,483
Gas tax program	-	5,172,028	5,172,028
Host Community Impact program	-	263,994	263,994
Housing and human services programs	-	23,129,403	23,129,403
Landscape maintenance Program	-	6,323,881	6,323,881
Library programs	-	170,654	170,654
Open space program	-	7,550,526	7,550,526
Other Community & Economic Development programs	-	234,785	234,785
Other capital improvements programs	-	6,129,569	6,129,569
Other public works programs	-	67,172	67,172
Park program	-	7,037,115	7,037,115
Parking program	-	55,326	55,326
PEG program	-	775,607	775,607
Police programs	-	931,102	931,102
Public art program	-	499,327	499,327
Solid waste and recycling program	-	996,403	996,403
Storm drain program	-	5,178,921	5,178,921
Street capital program	-	3,792,703	3,792,703
Street sweeping program	-	259,738	259,738
Traffic impact program	-	10,141,303	10,141,303
Total Restricted Fund Balances	-	82,222,196	82,222,196
Committed for:			
Financial stabilization arrangement	12,897,711	-	12,897,711
Total Committed Fund Balance	12,897,711	-	12,897,711
Assigned to:			
Economic uncertainty reserve	8,598,474	-	8,598,474
Total Assigned Fund Balances	8,598,474	-	8,598,474
Unassigned:	10,406,034	(548)	10,405,486
Total Fund Balances	\$ 37,325,640	\$ 82,225,648	\$ 119,551,288

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

D. Restatement of Entity-Wide Statement of Net Position and Fund Level Statement of Net Position

The City made the following prior period adjustments in its entity wide financial statements as required by the implementation GASB Statement No. 68 and 71, Accounting and Financial Reporting for Pensions.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position, as previously stated	\$ 349,559,137	\$ 238,199,042
Prior period adjustment	<u>(107,017,675)</u>	<u>(13,691,927)</u>
Net position, as restated	<u>\$ 242,541,462</u>	<u>\$ 224,507,115</u>

The City made the following prior period adjustments are in its proprietary fund statements as required by the implementation GASB Statement No. 68 and 71, Accounting and Financial Reporting for Pensions.

	<u>Beginning Net Position, as previously reported</u>	<u>Prior Period Adjustment</u>	<u>Beginning Net Position, as restated</u>
Proprietary Funds:			
Major Enterprise Funds:			
Airport Enterprise Fund	\$ 20,714,008	\$ (1,731,742)	\$ 18,982,266
Water Enterprise Fund	45,009,537	(2,287,143)	42,722,394
Sewer Enterprise Fund	172,626,573	(9,565,831)	163,060,742
Las Positas Golf Course Enterprise Fund	(392,549)	(107,211)	(499,760)
Internal Service Funds:			
Employee Benefits Internal Service Fund	<u>(32,926,955)</u>	<u>(76,446,843)</u>	<u>(109,373,798)</u>
Total	<u>\$ 205,030,614</u>	<u>\$ (90,138,770)</u>	<u>\$ 114,891,844</u>

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – PENSION PLANS

A. Social Security/ Public Agency Retirement Systems (PARS)

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. The City's part-time, seasonal and temporary employees are not covered under Social Security. The City has an agreement with the Public Agency Retirement System (PARS) to provide an alternative retirement system for employees not eligible for the California Public Employees' Retirement System (CalPERS) Pension Plan, and adopted the PARS 457 Trust including the PARS Section 457 FICA Alternative Retirement Plan.

B. California Public Employees' Retirement System (CalPERS) Pension Plans

All public employees meeting CalPERS membership requirements must participate in pension plans offered by California Public Employees Retirement System (CalPERS).

1. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (Police) cost-sharing and Miscellaneous (all other) agent multiple-employer defined benefit plans (Plans), administered by the Cal. The Miscellaneous Plans are an agent multiple-employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

The City's Safety Plans became part of a cost-sharing multiple employer defined benefit pension plan administered by CalPERS, commonly referred to as a risk pool, as of the actuarial valuation date of June 30, 2003. Risk pools exist for employers with less than 100 active plan members. When 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 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 City has three retirement benefit tiers in the Plans. Membership in the first tier of the retirement system is closed to new employees hired on or after December 31, 2012. The second tier was adopted by the City in November 2012 for all employees hired December 31, 2012. The third tier was adopted by the City effective January 1, 2013 pursuant to State Assembly Bill 340.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – PENSION PLANS (Continued)

2. Benefits Provided and Actuarial Assumptions

CalPERS provides service and disability retirement benefits, cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total credited service are eligible to retire at age 50 with statutorily reduced benefits. Members may apply for a non-duty disability retirement benefit after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Minimum retirement age	50/52	50
Employees hired prior to December 30, 2012	Tier 1	Tier 1
Monthly benefits, as a % of annual salary	2.7% at 55	3% at 50
Required member contribution rates	8%	9%
% paid by employee	8%	5%
% paid by employer	0%	4%
Required employer contribution rates	22.412%	27.849%
Employees hired December 31, 2012	Tier 2	Tier 2
Monthly benefits, as a % of annual salary	2% at 60*	3% at 55**
Required member (employee) contribution rates	7%	9%
Required employer contribution rates	22.412%	21.367%
Employees hired after December 31, 2012	Tier 3	Tier 3
Monthly benefits, as a % of annual salary	2% at 62*	2.7% at 57**
Required member (employee) contribution rates:	6.25%	11.5%
Required employer contribution rates	22.412%	11.5%

* 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.

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms of the Miscellaneous Plans, however, information for the Safety Police Plans was not provided from CalPERS for cost-sharing multiple employer defined benefit pension plans.

	<u>Miscellaneous¹</u>
Inactive employees or beneficiaries currently receiving benefits	367
Inactive employees entitled to but not yet receiving benefits	272
Active employees	323
Total	<u>962</u>

¹ All Tiers of the Miscellaneous plans were reported together in the Census data report by CalPERS.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – PENSION PLANS (Continued)

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

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plans were as follows:

	Miscellaneous ¹	Safety Police		
		Tier 1	Tier 2	Tier 3
Contributions - employer	\$ 5,522,461	\$ 2,412,463	\$ 173,545	\$ 34,731
Contributions - employee (paid by employer)	-	157,118	-	-

¹ All Tiers of the Miscellaneous plan were combined together on GASB 68 report by CalPERS.

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2% ⁽¹⁾
Investment Rate of Return	7.5% ⁽²⁾
Mortality	33.5 to 36.1 ⁽³⁾

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) 2014 CalPERS Experience Study, Healthy Recipients @ 50
- (4) All of the City's plans for miscellaneous and safety police employed the same assumptions.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – PENSION PLANS (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – PENSION PLANS (Continued)

The table below reflects the long-term expected real rate of return by asset class for both the Plans. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ^(a)	Real Return Years 11 + ^(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100.0%</u>		

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

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

^(c) All of the City's plans for miscellaneous and safety police employed the same strategies.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – PENSION PLANS (Continued)

3. Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan (Miscellaneous)

The changes in the Net Pension Liability for the Miscellaneous Plan were as follows:

Miscellaneous Plan ¹ :	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 223,030,646	\$ 153,937,012	\$ 69,093,634
Changes in the year:			
Service cost	4,972,951	-	4,972,951
Interest on the total pension liability	16,548,323	-	16,548,323
Contribution - employer	-	5,315,795	(5,315,795)
Contribution - employee	-	2,148,997	(2,148,997)
Net investment income	-	26,647,212	(26,647,212)
Benefit payments, including refunds of employee contributions	(9,745,631)	(9,745,631)	-
Net changes	11,775,643	24,366,373	(12,590,730)
Balance at June 30, 2015	\$ 234,806,289	\$ 178,303,385	\$ 56,502,904

¹ All Tiers of the Miscellaneous plan were combined together on GASB 68 report by CalPERS.

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

	Miscellaneous ¹
1% Decrease Net Pension Liability	\$ 87,276,495
Current Discount rate Net Pension Liability	\$ 56,502,904
1% Increase Net Pension Liability	\$ 30,892,397

¹ All Tiers of the Miscellaneous plan were combined together into on GASB 68 report by CalPERS.

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – PENSION PLANS (Continued)

4. Safety Police Cost-Sharing Multiple-Employer Defined Benefit Plan (Police Safety)

As of June 30, 2015 the City reported net pension liabilities for its proportionate share of the net pension liability of the Police Safety Plan as follows:

	Proportionate Share of Net Pension Liability
Safety Police - Tier 1	\$ 21,963,035
Safety Police - Tier 2	2,196
Safety Police - Tier 3	137
Total Net Pension Liability	\$ 21,965,368

The City’s net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans are measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

	Safety Police		
	Tier 1	Tier 2	Tier 3
Proportion - June 30, 2013	0.60787%	0.00006%	0.00000%
Proportion - June 30, 2014	0.58553%	0.00006%	0.00000%
Change - Increase (Decrease)	-0.02234%	0.00000%	0.00000%

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

	Safety Police Plan		
	Tier 1	Tier 2	Tier 3
1% Decrease	6.5%	6.5%	6.5%
Net Pension Liability	\$ 37,795,539	\$ 3,778	\$ 237
Current Discount rate	7.5%	7.5%	7.5%
Net Pension Liability	\$ 21,963,035	\$ 2,196	\$ 137
1% Increase	8.5%	8.5%	8.5%
Net Pension Liability	\$ 8,917,735	\$ 892	\$ 55

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10 – PENSION PLANS (Continued)

5. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of \$4,917,795 for the Miscellaneous Plan and \$2,620,739 for the Police Safety Plan. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan¹:	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 5,522,461	\$ -
Net differences between projected and actual earning on plan investments	-	-
	-	12,192,730
Total	<u>\$ 5,522,461</u>	<u>\$ 12,192,730</u>

¹ All Tiers of the Miscellaneous plan were combined together on GASB 68 report by CalPERS.

Safety Police Plan:	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 2,620,739	\$ -
Adjustment due to difference in proportions	8,327	142,259
Net differences between projected and actual earning on plan investments	-	-
	-	6,632,071
Total	<u>\$ 2,629,066</u>	<u>\$ 6,774,330</u>

In the table above amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended		
June 30	Miscellaneous ¹	Safety Police
2016	\$ (3,048,183)	\$ (1,705,852)
2017	(3,048,183)	(1,705,852)
2018	(3,048,182)	(1,696,285)
2019	(3,048,182)	(1,658,014)

¹ All Tiers of the Miscellaneous plan were combined together on GASB 68 report by CalPERS.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

The City has two types of retirement health benefits as determined by Council resolution and through agreements with its labor units. One plan is a Defined Benefit Plan (Other Post Employment Benefit “OPEB”) which provides health care benefits for retired employees under third party insurance plans. The second plan is a Defined Contribution Plan in which the City contributes a fixed amount to a retirement health savings account on behalf of employees who are not eligible for OPEB.

A summary of eligibility and retiree contribution requirements are shown below by bargaining unit. As of June 30, 2015, 235 retirees were eligible to receive post-employment benefits. In addition, 283 current employees qualify to receive post-employment benefits if they retire from the City.

	Executive Mgmt	Mid-Mgmt & Confidential	ALE	LPOA	Police Management																											
■ Hired Before	• 8/1/2014	• 2/1/2006	• 4/1/2007	• 2/1/2007	• 11/1/2012																											
■ 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 																															
■ Benefit	<ul style="list-style-type: none"> City reimburses up to a percentage of the Kaiser Plan A 2-party active premium 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: 																															
	<table border="1"> <thead> <tr> <th>PERS Service</th> <th>Reimb %</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>75%</td> </tr> <tr> <td>15</td> <td>80%</td> </tr> <tr> <td>20</td> <td>90%</td> </tr> <tr> <td>25+</td> <td>100%</td> </tr> </tbody> </table>	PERS Service	Reimb %	10	75%	15	80%	20	90%	25+	100%	<table border="1"> <thead> <tr> <th>PERS Service</th> <th>Reimb %</th> </tr> </thead> <tbody> <tr> <td>10</td> <td>70%</td> </tr> <tr> <td>15</td> <td>80%</td> </tr> <tr> <td>20</td> <td>90%</td> </tr> <tr> <td>25+</td> <td>100%</td> </tr> </tbody> </table>	PERS Service	Reimb %	10	70%	15	80%	20	90%	25+	100%	<table border="1"> <thead> <tr> <th>PERS Service</th> <th>Reimb %</th> </tr> </thead> <tbody> <tr> <td>15</td> <td>75%</td> </tr> <tr> <td>20</td> <td>85%</td> </tr> <tr> <td>25+</td> <td>100%</td> </tr> </tbody> </table>	PERS Service	Reimb %	15	75%	20	85%	25+	100%	
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25+	100%																															
■ Cap	<ul style="list-style-type: none"> \$1,858 	<ul style="list-style-type: none"> \$1,950 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 DOR > 1/1/06: \$1,643 DOR > 1/1/17: \$1,950 DOH ≥ 4/1/07: No benefits, City contributes 4% of base pay to RHSA 	<ul style="list-style-type: none"> DOH < 2/1/07: \$1,808 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 9/1/04-11/1/12): \$1,858 Tier 3 Promoted EE's stay with RHSA if RHSA was prior benefit 																											

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

1. Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) to the OPEB plan was determined as part of a June 30, 2014 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) 6.5% investment rate of return, (b) 3.25% projected annual salary increase, and (c) 3% general inflation rate and (d) health inflation increases ranging from 5%-7.8%. 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 plan unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 26 year closed amortization period, with 22 years remaining on June 30, 2015.

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). At June 30, 2015 the City contributed \$4,101,600 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.

2. Funding Progress and Funded Status

Generally accepted accounting principles permits contributions to be treated as OPEB plan 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, 2015, the City made contributions toward the ARC amounting to \$6,429,220 to the Plan which represented 18.3% of the \$35.2 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 on the following page:

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Annual required contribution (ARC)	\$ 6,231,000
Interest on net OPEB obligation	1,984,000
Amortization of OPEB obligation	<u>(1,946,000)</u>
Annual OPEB cost	6,269,000
Contributions made:	
City portions of current year premiums paid	2,327,620
Contributions to PARS	<u>4,101,600</u>
Total contributions	<u>6,429,220</u>
Contributions less (more) than the ARC	(160,220)
Net OPEB obligation at June 30, 2014	<u>30,526,549</u>
Net OPEB obligation at June 30, 2015	<u><u>\$ 30,366,329</u></u>

The unfunded actuarial accrued liability (UAAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2014, amounted to \$59.6 million and was partially funded with contributions made to irrevocable trusts.

The annual OPEB plan's 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
6/30/2013	\$ 9,983,069	\$ 2,187,901	22%	\$ 28,063,988
6/30/2014	9,475,910	7,013,849	74%	30,526,549
6/30/2015	6,269,000	6,429,220	103%	30,366,329

NOTE 12 – 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.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 13 - 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 \$16,436,709 as of June 30, 2015.

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

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, Suite 100, Livermore, CA 94551.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 13 - JOINT VENTURES (Continued)

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, 2015, the City contributed \$14,848,293 to LPFD representing its share of costs.

The City has recorded its 50% share of LPFD's Pension related balances in the Entity Wide Financial Statements. Below are the GASB 68 disclosures for the Safety Fire Plan which represents the City's proportion.

The Fire Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Safety Fire	
	Prior to December 22, 2012	On or after December 22, 2012
Hire date		2.7% @ 57 or
Benefit formula	3% @ 50	3.0% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Minimum retirement age	50	50
Monthly benefits, as a % of eligible compensation	3%	2.7% or 3%
Required employee contribution rates	9%	9% or 10.5%
Required employer contribution rates	36.979%	36.979%

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 13 - JOINT VENTURES (Continued)

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

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms the Safety Fire Plan.

	Safety Fire
Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	133
Active employees	114
Total	273

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Safety Fire Plan was as follows:

	Safety Fire
Contributions - employer	\$ 2,440,177
Contributions - employee (paid by employer)	-

As of June 30, 2015, the City's proportionate share of the reported net pension liability for the Safety Fire Plan was \$28,590,308. The changes in the City's proportionate share of the Net Pension Liability for the Safety Fire Plan were as presented below:

	Safety Fire		
	Tier 1	Tier 2	Tier 3
Proportion - June 30, 2013	50.0%	50.0%	50.0%
Proportion - June 30, 2014	50.0%	50.0%	50.0%
Change - Increase (Decrease)	0.0%	0.0%	0.0%

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 13 - JOINT VENTURES (Continued)

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

For the year ended June 30, 2015, the City recognized pension expense of \$2,541,456 for the Safety Fire Plan. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,440,177	\$ -
Net differences between projected and actual earning on plan investments	-	4,521,980
Total	\$ 2,440,177	\$ 4,521,980

The table above shows \$2,440,177 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amortization of Deferred Inflows
2016	\$ (1,130,495)
2017	(1,130,495)
2018	(1,130,495)
2019	(1,130,495)

NOTE 14 - GENERAL LIABILITY AND WORKERS COMPENSATION COVERAGE

A. Risk Management

The City of Livermore is self-insured for general liability claims up to a self-insured retention (SIR) of \$500,000 per occurrence. It is a member of California Joint Powers Risk Management Authority (CJPRMA), an excess insurance pool that provides coverage for each occurrence that exceeds the SIR. CJPRMA provides coverage up to \$40,000,000 per occurrence. The first \$5,000,000 layer is retained by CJPRMA and the second \$35,000,000 layer is covered by reinsurance, purchased through their broker of record, Aon. The City of Livermore contributed \$150,532 to CJPRMA for liability coverage for the fiscal year ending June 30, 2015. The City of Livermore purchases a variety of insurance products from Aon, both through the CJPRMA pooled program and directly. The City paid \$108,497 directly to Aon and \$148,793 through CJPRMA to Aon for eight different insurance policies.

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, 2015, the City contributed \$191,064 for current year coverage.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 14 - GENERAL LIABILITY AND WORKERS COMPENSATION COVERAGE (Continued)

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 by contacting LAWCX at (800) 541-4591.

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, 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	881,511	3,744,019	4,625,530
Change in estimated claims liability	815,868	1,175,365	1,991,233
Claims paid	<u>(242,665)</u>	<u>(780,233)</u>	<u>(1,022,898)</u>
Balances of claims payable at June 30, 2015	<u>\$ 1,454,714</u>	<u>\$ 4,139,151</u>	<u>\$ 5,593,865</u>

The City estimates the current portion of the claims liability at June 30, 2015 was \$240,000 and \$850,000 for liability insurance and worker's compensation, respectively.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 15 - 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, 2015:

Pacific Mountain Contractors - Livermore Pleasanton Fire Station #9	\$ 1,917,419
JMB Construction - Brisa St. Sanitary Sewer Mainline Bottlenecks	301,667
Shea Homes	1,636,788
	<u>\$ 3,855,874</u>

There were no outstanding encumbrances related to these commitments on June 30, 2015.

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 \$326,500 for its share of debt service and operating costs. The City's portion of the project fluctuates based on actual usage and was 25.23% as of June 30, 2015.

C. Alameda County

Alameda County made a \$2.8 million contribution necessary to effect the redemption and retirement of the 2006 Bankhead Theater bond and prepayment of 2006 loan and issuance of 2014 COP Series A. The City is obliged to return \$2.8 million to Alameda County in the event the Bankhead Theater is sold.

D. Public Participation Jurisdiction Agreement

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 of Pleasanton plans to draw \$950,000 only since Alameda County paid its share of \$300,000 in cash. The City has committed to pay \$389,884 (or 41%) of the total loan amount of \$950,000. Annual payments will be \$19,650 in years 2016-2025 and \$19,338 in years 2026-2035. As of June 30, 2015, the City of Pleasanton has not received loan proceeds.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 16 – SUCCESSOR AGENCY ACTIVITIES

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

The City of Livermore opted to become the Livermore Successor Agency to the former Redevelopment Agency of Livermore as of January 9, 2012. Since February 1, 2012, the date of dissolution, 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 of the Oversight Board.

B. Long-Term Debt

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

	<u>Balance at June 30, 2014</u>	<u>Retirements</u>	<u>Balance at June 30, 2015</u>	<u>Amount due in one year</u>
Fiduciary Activities				
2001 Tax Allocation Bonds, 4.00%-5.00%, 2032	\$ 29,255,000	\$ 950,000	\$ 28,305,000	\$ 995,000
 Total debt	<u>\$ 29,255,000</u>	<u>\$ 950,000</u>	<u>\$ 28,305,000</u>	<u>\$ 995,000</u>

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 \$42.911 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, 2014 to June 30, 2015, RPTTF payments amounted to \$3,902,678 which represented coverage of 1.63 times the \$2,400,975 debt service for that same period.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 16 - SUCCESSOR AGENCY ACTIVITIES (Continued)

Annual debt service requirements are shown below:

For the Year Ending June 30	Principal	Interest	Total
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	1,225,000	1,168,875	2,393,875
2021-2025	7,100,000	4,838,250	11,938,250
2026-2030	9,065,000	2,827,125	11,892,125
2031-2033	6,600,000	506,000	7,106,000
Total	<u>\$ 28,305,000</u>	<u>\$ 14,606,157</u>	<u>\$ 42,911,157</u>

C. Commitments and Contingencies

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 receivable which are disclosed in Note 5.

Livermore Senior Housing Continuum of Care Project Phase 1

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 1) 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 Valley Care Senior Housing Project. As of June 2005 the former Agency sold the land for Phase 1 and construction was complete. In addition former agency funds transferred to the City s Housing Community Assistance Fund in Fiscal 2001-02 were used to finance the developer loan for \$800,000, which has been recorded in the Housing and Community Assistance Funds. 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 the interest rate with drop to five percent beginning in 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.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 16 - SUCCESSOR AGENCY ACTIVITIES (Continued)

C. Commitments and Contingencies (Continued)

Recognized Obligation Payment Schedule (ROPs)

The LSA presents to the Oversight Board and the State Department of Finance (DOF) a six month ROPs. The ROPs is used to establish a list the Enforceable Obligations of the former redevelopment agency. 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 is re-establishing certain loans between the former RDA and the City that were previously denied by the DOF prior to the Successor Agency receiving its Finding of Completion. A new item was added to the ROPs in FY2014-15. The settlement above between LVPAC, the City and the DOF is considered an enforceable obligation, and is expected to be repaid by the end of Fiscal year 2016/17.

Finding of Completion

The LSA received its Finding of Completion in July of 2013. This accomplishment entitles the City to add back its loans between the City and the Redevelopment Agency. It also allows Agency's to place its unspent bond proceeds back on the ROPS to be used for the purpose originally intended. The LSA expects to add the remaining proceeds from the 2001 Tax Allocation Bonds on the ROPS in FY2015-16.

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. The Successor Agency received its final determination letter from the State Controller on February 24, 2014. The State found that \$85,000 in transfers were unallowable and needed to be returned to the Successor Agency. The City objected to the ruling at that time and continues to do so. As of June 30, 2015 the City has not made the payment.

Loans between the LSA and the City

As of February 1, 2012, several advances totaling \$9,877,092 made to the former Redevelopment Agency were transferred to the Livermore Successor Agency (LSA). In fiscal year 2012-13, the LSA had recorded an allowance for the doubtful accounts of \$7,532,422 to offset loans payable to the City as it was unable to determine whether these loans would be collectible from the Successor Agency. After receiving the Finding of Completion, the LSA decided to reinstate these loans that are encompassed within the allowance for doubtful accounts pursuant to Health and Safety code 34191.4(b). Consequently the allowance for the doubtful accounts of \$7,532,422 has been reversed in the current fiscal year. Pursuant to HSC 34191.4(b)(2), the interest associated with these loans must be recomputed to conform to the rate of return that was earned by funds deposited into the sponsoring government's LAIF account since the origination of the loan. After recalculating the accumulated interest on the reinstated loan the balance as of June 30, 2015 for the Loans from the LSA is \$9,824,441. Further information on these loans is given in Note 5. The chart on the next page shows the breakdown of loans that the LSA owes the City once dissolution occurred.

NOTES TO BASIC FINANCIAL STATEMENTS

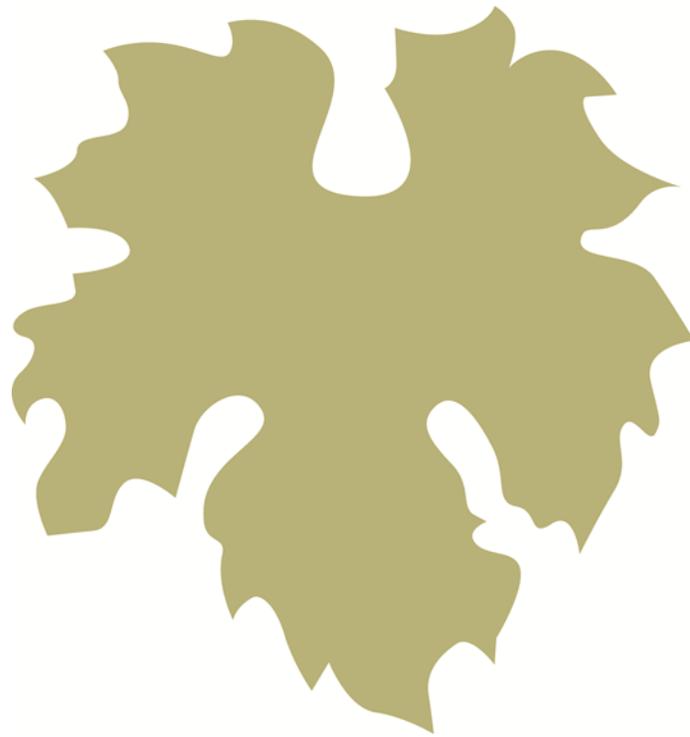
NOTE 16 - SUCCESSOR AGENCY ACTIVITIES (Continued)

C. Commitments and Contingencies (Continued)

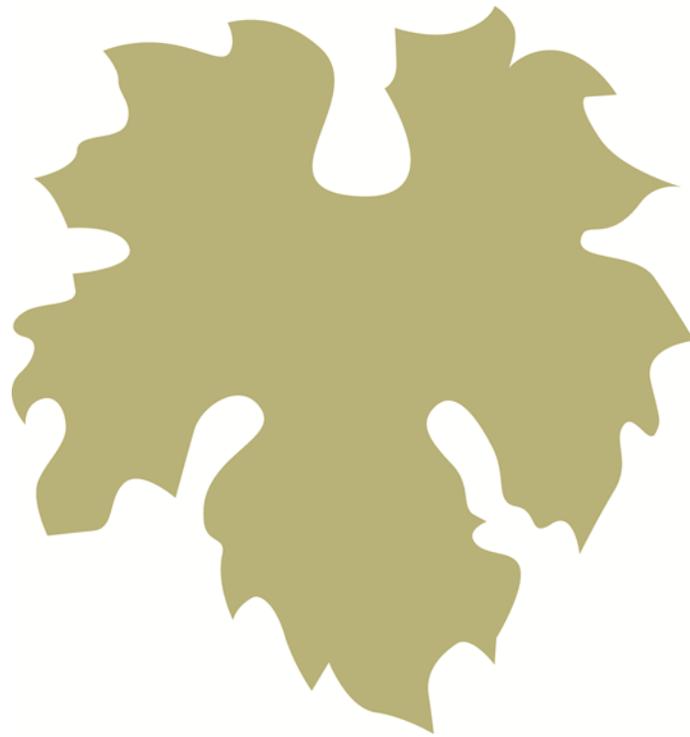
Valley Care Senior Housing	\$ 2,407,360
Shell Property	100,997
Lucky Property	5,472,421
Traffic Impact Fees	360,321
SERAF Loan	<u>1,483,342</u>
Total Loans to RDA	<u>\$ 9,824,441</u>

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 the 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 may dispose of its property as intended by the former Redevelopment Agency. The LRPMP was submitted to the DOF for their review on September 27, 2013. Since the original submittal of the LRPMP to the DOF, the LSA has presented to its Oversight Board and the DOF a number of amended LRPMP with the latest being as of June 17, 2015. As of June 30, 2015, the Department of Finance has not yet approved the Long Range Property Management Plan.



REQUIRED SUPPLEMENTARY INFORMATION



REQUIRED SUPPLEMENTARY INFORMATION

1. AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (Miscellaneous Plan):

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

This schedule reports the beginning and ending balances of the total pension liability, the plan assets available for pension benefits (called plan net position), and the net pension liability, as well as the change in those amounts during the year presented by cause (similar to the note disclosure). It also reports the total pension liability, plan net position, net pension liability, a ratio of plan net position divided by the total pension liability, the payroll amount for current employees in the plan (covered-employee payroll), and a ratio of the net pension liability divided by covered-employee payroll.

SCHEDULE OF CONTRIBUTIONS

This schedule reports the agent multiple-employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered-employee payroll.

2. COST-SHARING EMPLOYER DEFINED BENEFIT PENSION PLAN (Safety Plan):

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

This schedule reports the proportion (percentage) of the collective net pension liability, the proportionate share (amount) of the collective net pension liability, the employer's covered employee payroll, the proportionate share (amount of the collective net pension liability as a percentage of the employer's covered employee payroll and the pension plan's fiduciary net position as a percentage of the total pension liability. The Safety Police and LPFD (Safety Fire) plans are reported separately.

SCHEDULE OF CONTRIBUTIONS

This schedule reports the cost sharing employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered-employee payroll. The Safety Police and LPFD (Safety Fire) plans are reported separately.

3. OTHER POST EMPLOYMENT BENEFITS:

SCHEDULE OF FUNDING PROGRESS

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.

REQUIRED SUPPLEMENTARY INFORMATION

**Miscellaneous Plan
An Agent Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2015
Last 10 Years¹**

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	Miscellaneous ² FY 2013-14
Total Pension Liability	
Service Cost	\$ 4,972,951
Interest on total pension liability	16,548,323
Differences between expected and actual experience	-
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including refunds of employee contributions	(9,745,631)
Net change in total pension liability	11,775,643
Total pension liability - beginning	223,030,646
Total pension liability - ending (a)	\$ 234,806,289
Plan fiduciary net position	
Contributions - employer	\$ 5,315,795
Contributions - employee	2,148,997
Net investment income	26,647,212
Benefit payments	(9,745,631)
Net change in plan fiduciary net position	24,366,373
Total fiduciary net position - beginning	153,937,012
Total fiduciary net position - ending (b)	\$ 178,303,385
Net pension liability - ending (a) - (b)	\$ 56,502,904
Plan fiduciary net position as a percentage of the total pension liability	75.94%
Covered - employee payroll	\$ 25,934,554
Net pension liability as percentage of covered-employee payroll	217.87%

Notes to Schedule

Benefit changes: None

Changes in assumptions: None

¹ Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

² All Tiers of the Miscellaneous plan were combined into one GASB 68 report by CalPERS.

REQUIRED SUPPLEMENTARY INFORMATION

**Miscellaneous Plan
An Agent Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2015
Last 10 Years¹**

SCHEDULE OF PLAN CONTRIBUTIONS

	Miscellaneous ² FY 2015
Actuarially determined contribution	\$ 5,522,462
Contributions in relation to the actuarially determined contributions	(5,522,462)
Contribution deficiency (excess)	\$ -
Covered - employee payroll	\$ 24,640,649
Contributions as a percentage of covered-employee payroll	22.41%

Notes to Schedule

Valuation date: June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	18 years
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2%, depending on Age, Service and type of employment
Payroll growth	3.00%
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	55 years
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 10 years of mortality improvements using the Society of Actuaries

Benefit changes: None

Changes in assumptions: None

¹ Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

² All Tiers of the Miscellaneous plan were lumped into on GASB 68 report by CalPERS.

REQUIRED SUPPLEMENTARY INFORMATION

**Safety Police Plan
A Cost Sharing Defined Benefit Pension Plan
As of June 30, 2015
Last 10 Years¹**

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

	<u>Tier 1</u> <u>6/30/2014</u>	<u>Tier 2</u> <u>6/30/2014</u>	<u>Tier 3</u> <u>6/30/2014</u>
Plan's proportion of the Net Pension Liability (Asset)	0.35296%	0.00004%	0.00000%
Plan's proportion share of the Net Pension Liability (Asset)	\$ 21,963,035	\$ 2,196	\$137
Plan's Covered Employee Payroll	\$ 9,681,117	\$ 79,487	\$76,323
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	226.86%	2.76%	0.18%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.42%	81.41%	81.51%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 2,724,562	\$ 272	\$17

¹ Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

REQUIRED SUPPLEMENTARY INFORMATION

**Safety Fire Plan
A Cost Sharing Defined Benefit Pension Plan
As of June 30, 2015
Last 10 Years¹**

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

	Safety Fire ³
	6/30/2014
Plan's proportion of the Net Pension Liability (Asset)	50.00000% ²
Plan's proportion share of the Net Pension Liability (Asset)	\$ 28,590,308
Plan's Covered Employee Payroll	\$ 6,771,834
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	422.19%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	69.57%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 2,440,177

¹ Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

² 50% is the proportionate share agreed upon for LPFD.

³ All Tiers of the Safety Fire plan were combined into one GASB 68 report by CalPERS.

REQUIRED SUPPLEMENTARY INFORMATION

**Safety Police Plan
A Cost Sharing Defined Benefit Pension Plan
As of June 30, 2015
Last 10 Years¹**

SCHEDULE OF CONTRIBUTIONS

	Tier 1 <u>FY 2015</u>	Tier 2 <u>FY 2015</u>	Tier 3 <u>FY 2015</u>
Actuarially determined contribution	\$ 2,412,465	\$ 173,545	\$ 34,731
Contributions in relation to the actuarially determined contributions	<u>(2,412,465)</u>	<u>(173,545)</u>	<u>(34,731)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 8,662,660	 \$ 812,209	 \$ 302,008
 Contributions as a percentage of covered-employee payroll	 27.85%	 21.37%	 11.50%

Notes to Schedule

Valuation date: June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	19 years
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2%, depending on Age, Service and type of employment
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	50 years
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 10 years of mortality improvements using the Society of Actuaries Scale AA.
Benefit changes	None
Changes in assumptions	None

¹ Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

REQUIRED SUPPLEMENTARY INFORMATION

**Safety Fire Plan
A Cost Sharing Defined Benefit Pension Plan
As of June 30, 2015
Last 10 Years¹**

SCHEDULE OF CONTRIBUTIONS

	Tier 1 <u>FY 2015</u>	Tier 2 <u>FY 2015</u>	Tier 3 <u>FY 2015</u>
Actuarially determined contribution	\$ 2,197,820	\$ 102,626	\$ 139,730
Contributions in relation to the actuarially determined contributions	<u>(2,197,820)</u>	<u>(102,626)</u>	<u>(139,730)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 5,943,427	 \$ 277,526	 \$ 377,864
 Contributions as a percentage of covered-employee payroll	 36.98%	 36.98%	 36.98%

Notes to Schedule

Valuation date: June 30, 2012

Methods and assumptions used to determine contribution rates:

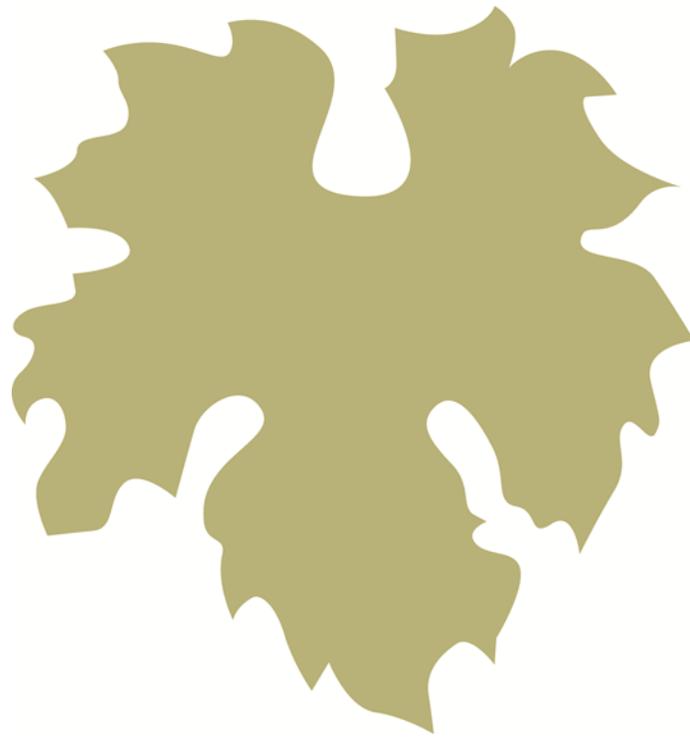
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	28 years
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary increases	3.3% to 14.2%, depending on Age, Service and type of employment
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Based on the 2010 CalPERS Experience Study for the period 1997-2007
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 10 years of mortality improvements using the Society of Actuaries Scale AA.
Benefit changes	None
Changes in assumptions	None

REQUIRED SUPPLEMENTARY INFORMATION

**OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS**

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]
6/30/2010	\$ 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%
6/30/2014	9,459,000	69,067,000	59,608,000	13.70%	35,221,000	169%

SUPPLEMENTARY INFORMATION



NON-MAJOR GOVERNMENTAL FUNDS

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, Altamount 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.

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.

HOST COMMUNITY IMPACT FEE

Established to account for the collection of Host Community Impact Fees from the Altamont and Vasco Road Landfills which are restricted for the use of promoting the arts in Livermore.

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 COP were issued to refinance and defease 2000 COP and 2002 COP and finance certain capital projects.

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

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

2014 COP

Series A were issued to provide financing for the acquisition of Bankhead Theater. **Series B** were issued to defease LCPFA 2008 COP.

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 COP 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.

LCPFA 2011 COP CONSTRUCTION

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

ISABEL AVENUE

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

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 COP 2008 and 2011 COP 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

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

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).

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015**

	SPECIAL REVENUE FUNDS			
	Housing Successor	Low Income Housing	Housing & Community Assistance	Horizons
ASSETS				
Cash and investments in City Treasury	\$ 762,836	\$ 5,847,923	\$ 2,068,928	\$ -
Cash and investments with Trustees	-	-	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	2,060	13,385	16,289	187,506
Prepays and supplies	-	3,000	-	-
Notes receivable	3,933,403	11,282,506	2,725,650	-
Land held for redevelopment	22,954	2,269,052	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 4,721,253	\$ 19,415,866	\$ 4,810,867	\$ 187,506
LIABILITIES				
Accounts payable and other accruals	\$ 7	\$ 58,370	\$ 203	\$ 29,510
Accrued payroll	-	-	-	24,762
Interest payable	-	-	-	-
Deposits payable	-	10,345	-	-
Due to other funds	-	-	-	133,782
Advances from other funds	-	-	-	-
Unearned rents and revenue	-	-	-	-
Total Liabilities	7	68,715	203	188,054
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue- loan receivable	2,450,061	3,402,724	2,624,653	-
Total deferred inflows of resources	2,450,061	3,402,724	2,624,653	-
FUND BALANCE				
Nonspendable	-	3,000	-	-
Restricted	2,271,185	15,941,427	2,186,011	-
Unassigned	-	-	-	(548)
Total Fund Balances (Deficits)	2,271,185	15,944,427	2,186,011	(548)
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 4,721,253	\$ 19,415,866	\$ 4,810,867	\$ 187,506

SPECIAL REVENUE FUNDS

Solid Waste Management	Maintenance District	City Street Sweeping	Park Fee	Other Special Revenue Funds	PEG	Alameda County Transportation Funds
\$ 966,239	\$ 6,437,346	\$ 270,786	\$ 7,528,433	\$ 5,651,729	\$ 704,587	\$ 1,713,345
-	-	-	-	-	-	-
57,809	29,428	174	-	-	71,020	1,032,484
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,024,048</u>	<u>\$ 6,466,774</u>	<u>\$ 270,960</u>	<u>\$ 7,528,433</u>	<u>\$ 5,651,729</u>	<u>\$ 775,607</u>	<u>\$ 2,745,829</u>
\$ 4,433	\$ 108,625	\$ 458	\$ 491,318	\$ -	\$ -	\$ 70,386
13,013	34,268	10,764	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	13,287
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,199	-	-	-	431,017	-	-
<u>27,645</u>	<u>142,893</u>	<u>11,222</u>	<u>491,318</u>	<u>431,017</u>	<u>-</u>	<u>83,673</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
996,403	6,323,881	259,738	7,037,115	5,220,712	775,607	2,662,156
-	-	-	-	-	-	-
<u>996,403</u>	<u>6,323,881</u>	<u>259,738</u>	<u>7,037,115</u>	<u>5,220,712</u>	<u>775,607</u>	<u>2,662,156</u>
<u>\$ 1,024,048</u>	<u>\$ 6,466,774</u>	<u>\$ 270,960</u>	<u>\$ 7,528,433</u>	<u>\$ 5,651,729</u>	<u>\$ 775,607</u>	<u>\$ 2,745,829</u>

(Continued)

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015**

SPECIAL REVENUE FUNDS

	<u>Gas Tax</u>	<u>Traffic Impact Fee</u>	<u>Host Community Impact Fee</u>	<u>Other Impact Fees</u>
ASSETS				
Cash and investments in City Treasury	\$ 5,186,578	\$ 10,124,758	\$ 137,531	\$ 6,268,847
Cash and investments with Trustees	-	-	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	-	-	126,463	-
Prepays and supplies	-	-	-	-
Notes receivable	-	360,321	-	-
Land held for redevelopment	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 5,186,578</u>	<u>\$ 10,485,079</u>	<u>\$ 263,994</u>	<u>\$ 6,268,847</u>
LIABILITIES				
Accounts payable and other accruals	\$ 11,187	\$ 613	\$ -	\$ 97,248
Accrued payroll	-	-	-	-
Interest payable	-	-	-	-
Deposits payable	3,363	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	3,887,337
Unearned rents and revenue	-	-	-	-
Total Liabilities	<u>14,550</u>	<u>613</u>	<u>-</u>	<u>3,984,585</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				
Nonspendable	-	-	-	-
Restricted	5,172,028	10,141,303	263,994	2,284,262
Unassigned	-	-	-	-
	<u>5,172,028</u>	<u>10,141,303</u>	<u>263,994</u>	<u>2,284,262</u>
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 5,186,578</u>	<u>\$ 10,485,079</u>	<u>\$ 263,994</u>	<u>\$ 6,268,847</u>

SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS			
TVTC 20% Fee	Other Local, State and Federal Grants	LCPFA 2008 COP	LCPFA 2011 COP	LCPFA 2012 COP	2014 COP
\$ 1,493,126	\$ 3,793,677	\$ -	\$ -	\$ -	\$ 58,036
-	-	-	848,125	4	11,390
-	388,950	-	-	-	-
-	1,000	-	-	-	-
-	2,668,771	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,493,126</u>	<u>\$ 6,852,398</u>	<u>\$ -</u>	<u>\$ 848,125</u>	<u>\$ 4</u>	<u>\$ 69,426</u>
\$ -	\$ 270,456	\$ -	\$ -	\$ -	\$ 58,485
-	2,141	-	-	-	-
-	-	-	-	-	8,587
-	380,244	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	74,060	-	-	-	-
-	726,901	-	-	-	67,072
-	2,684,969	-	-	-	-
-	2,684,969	-	-	-	-
-	1,000	-	-	-	-
1,493,126	3,439,528	-	848,125	4	2,354
-	-	-	-	-	-
<u>1,493,126</u>	<u>3,440,528</u>	<u>-</u>	<u>848,125</u>	<u>4</u>	<u>2,354</u>
<u>\$ 1,493,126</u>	<u>\$ 6,852,398</u>	<u>\$ -</u>	<u>\$ 848,125</u>	<u>\$ 4</u>	<u>\$ 69,426</u>

(Continued)

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2015**

	CAPITAL PROJECTS FUNDS			
	LCPFA 2008 COP Construction	LCPFA 2011 COP Construction	Isabel Avenue	EI Charro Specific Plan
ASSETS				
Cash and investments in City Treasury	\$ 1,791,670	\$ -	\$ 260,837	\$ 927,490
Cash and investments with Trustees	-	977,905	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	-	-	-	1,410,530
Prepays and supplies	-	-	-	-
Notes receivable	-	-	-	-
Land held for redevelopment	-	-	-	-
Due from other funds	-	-	-	264,020
Total Assets	\$ 1,791,670	\$ 977,905	\$ 260,837	\$ 2,602,040
LIABILITIES				
Accounts payable and other accruals	\$ 30,072	\$ -	\$ 166,186	\$ 5,993
Accrued payroll	-	-	-	-
Interest payable	-	-	-	-
Deposits payable	-	-	25,868	79,025
Due to other funds	-	264,020	-	-
Advances from other funds	-	-	-	-
Unearned rents and revenue	-	-	-	343,507
Total Liabilities	30,072	264,020	192,054	428,525
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue- loan receivable	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	1,761,598	713,885	68,783	2,173,515
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	1,761,598	713,885	68,783	2,173,515
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,791,670	\$ 977,905	\$ 260,837	\$ 2,602,040

CAPITAL PROJECTS FUNDS

<u>Developer Deposits</u>	<u>Other Capital Projects</u>	<u>Street Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,583,336	\$ 8,838,941	\$ 1,755,352	\$ 74,172,331
-	-	-	1,837,424
-	-	-	3,336,098
-	-	-	4,000
-	-	-	20,970,651
-	-	-	2,292,006
-	-	-	264,020
<u>\$ 1,583,336</u>	<u>\$ 8,838,941</u>	<u>\$ 1,755,352</u>	<u>\$ 102,876,530</u>
\$ 8,078	\$ 330,657	\$ 1,306	\$ 1,743,591
-	-	-	84,948
-	-	-	8,587
-	76,874	-	589,006
-	-	-	397,802
-	-	-	3,887,337
1,575,258	-	-	2,434,041
<u>1,583,336</u>	<u>407,531</u>	<u>1,306</u>	<u>9,145,312</u>
-	-	-	11,505,570
-	-	-	11,505,570
-	-	-	4,000
-	8,431,410	1,754,046	82,222,196
-	-	-	(548)
<u>-</u>	<u>8,431,410</u>	<u>1,754,046</u>	<u>82,225,648</u>
<u>\$ 1,583,336</u>	<u>\$ 8,838,941</u>	<u>\$ 1,755,352</u>	<u>\$ 102,876,530</u>

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

	SPECIAL REVENUE FUNDS			
	Housing Successor	Low Income Housing	Housing & Community Assistance	Horizons
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	371,876
Contributions from outside sources	-	-	43,500	87,252
Charges for services	-	4,133,277	-	1,845
Use of money and property	9,453	751,959	94,875	-
Miscellaneous	54,352	5,759,624	181,356	10,347
Total Revenues	63,805	10,644,860	319,731	471,320
EXPENDITURES				
Current:				
General Government				
City Council	-	-	-	-
City Manager	-	-	-	-
Police	-	-	-	817,140
Public Works	-	-	-	-
Community & Economic Development	20,810	872,806	122,738	-
Library	-	-	-	-
Capital Outlay				
Capital projects	-	685,776	-	-
Debt service				
Principal retirement	-	-	1,488,464	-
Interest and fiscal charges	-	-	422,146	-
Total Expenditures	20,810	1,558,582	2,033,348	817,140
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	42,995	9,086,278	(1,713,617)	(345,820)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt	-	-	-	-
Payment to bond escrow	-	-	-	-
Transfers in	-	116,838	1,055,807	345,820
Transfers (out)	-	(1,170,110)	-	-
Total Other Financing Sources (Uses)	-	(1,053,272)	1,055,807	345,820
Net change in fund balances	42,995	8,033,006	(657,810)	-
Fund balances (deficits)- beginning	2,228,190	7,911,421	2,843,821	(548)
Fund balances (deficits)- ending	\$ 2,271,185	\$ 15,944,427	\$ 2,186,011	\$ (548)

SPECIAL REVENUE FUNDS

Solid Waste Management	Maintenance District	City Street Sweeping	Park Fee	Other Special Revenue Funds	PEG	Alameda County Transportation Funds
\$ -	\$ 2,681,941	\$ -	\$ -	\$ -	\$ -	\$ -
231,791	-	-	-	-	-	4,054,020
60,000	-	-	-	-	-	-
198,513	-	486,532	4,444,394	312,864	-	-
2,711	30,687	-	20,485	1,062	-	10,041
-	-	-	-	-	274,035	-
<u>493,015</u>	<u>2,712,628</u>	<u>486,532</u>	<u>4,464,879</u>	<u>313,926</u>	<u>274,035</u>	<u>4,064,061</u>
-	-	-	-	-	-	-
-	-	-	-	-	47,251	-
-	-	-	-	-	-	-
425,173	-	494,875	-	-	-	4,212
-	2,097,704	-	567,848	102,697	-	1,345,820
-	-	-	-	-	-	-
-	-	-	-	-	-	568,907
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>425,173</u>	<u>2,097,704</u>	<u>494,875</u>	<u>567,848</u>	<u>102,697</u>	<u>47,251</u>	<u>1,918,939</u>
67,842	614,924	(8,343)	3,897,031	211,229	226,784	2,145,122
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	145,734	-	-	-	-	-
-	(160,282)	-	(4,428)	-	-	(2,143,530)
-	(14,548)	-	(4,428)	-	-	(2,143,530)
67,842	600,376	(8,343)	3,892,603	211,229	226,784	1,592
928,561	5,723,505	268,081	3,144,512	5,009,483	548,823	2,660,564
<u>\$ 996,403</u>	<u>\$ 6,323,881</u>	<u>\$ 259,738</u>	<u>\$ 7,037,115</u>	<u>\$ 5,220,712</u>	<u>\$ 775,607</u>	<u>\$ 2,662,156</u>

(Continued)

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED June 30, 2015**

SPECIAL REVENUE FUNDS

	<u>Gas Tax</u>	<u>Traffic Impact Fee</u>	<u>Host Community Impact Fee</u>	<u>Other Impact Fee</u>
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,407,102	-	-	-
Contributions from outside sources	-	120,327	324,411	80,753
Charges for services	-	5,980,449	-	2,270,046
Use of money and property	12,487	33,103	30	23,627
Miscellaneous	-	-	-	-
Total Revenues	2,419,589	6,133,879	324,441	2,374,426
EXPENDITURES				
Current:				
General Government:				
City Council	-	-	-	-
City Manager	-	-	-	-
Police	-	-	-	-
Public works	-	-	2,534	-
Community & Economic Development	1,017,612	148,578	-	1,321,956
Library	-	-	-	-
Capital Outlay				
Capital projects	168,558	929,041	9,200,000	32,599
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,186,170	1,077,619	9,202,534	1,354,555
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,233,419	5,056,260	(8,878,093)	1,019,871
OTHER FINANCING SOURCES (USES)				
Proceeds from debt	-	-	-	-
Payment to bond escrow	-	-	-	-
Transfers in	-	-	9,200,000	247,650
Transfers (out)	(403,292)	(265,476)	(57,913)	(212,767)
Total Other Financing Sources (Uses)	(403,292)	(265,476)	9,142,087	34,883
Net change in fund balances	830,127	4,790,784	263,994	1,054,754
Fund balances (deficits)- beginning	4,341,901	5,350,519	-	1,229,508
Fund balances (deficits)- ending	\$ 5,172,028	\$ 10,141,303	\$ 263,994	\$ 2,284,262

SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS			
TVTC 20% Fee	Other Local, State and Federal Grants	LCPFA 2008 COP	LCPFA 2011 COP	LCPFA 2012 COP	2014 COP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,239,380	-	-	-	-
-	442,596	-	691,755	-	-
945,893	20,693	-	-	-	-
6,682	56,480	-	7,023	7	-
-	139,498	-	-	-	-
<u>952,575</u>	<u>2,898,647</u>	<u>-</u>	<u>698,778</u>	<u>7</u>	<u>-</u>
-	174,703	-	-	-	-
-	-	-	-	-	-
-	458,268	-	-	-	-
-	29,061	-	-	-	-
38,229	1,758,143	-	-	-	-
-	73,435	-	-	-	-
-	158,188	-	-	-	-
-	70,000	1,737,092	253,912	1,154,320	-
-	41,700	91,719	590,708	66,307	659,711
<u>38,229</u>	<u>2,763,498</u>	<u>1,828,811</u>	<u>844,620</u>	<u>1,220,627</u>	<u>659,711</u>
<u>914,346</u>	<u>135,149</u>	<u>(1,828,811)</u>	<u>(145,842)</u>	<u>(1,220,620)</u>	<u>(659,711)</u>
-	725,000	-	-	-	49,051,268
-	-	(39,411,268)	-	-	-
-	72,966	41,239,449	145,090	1,220,621	222,168
(375,757)	(177,834)	-	-	-	(48,611,371)
<u>(375,757)</u>	<u>620,132</u>	<u>1,828,181</u>	<u>145,090</u>	<u>1,220,621</u>	<u>662,065</u>
538,589	755,281	(630)	(752)	1	2,354
954,537	2,685,247	630	848,877	3	-
<u>\$ 1,493,126</u>	<u>\$ 3,440,528</u>	<u>\$ -</u>	<u>\$ 848,125</u>	<u>\$ 4</u>	<u>\$ 2,354</u>

(Continued)

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

	CAPITAL PROJECTS FUNDS			
	LCPFA 2008 COP Construction	LCPFA 2011 COP Construction	Isabel Avenue	El Charro Specific Plan
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Contributions from outside sources	-	-	-	1,829,611
Charges for services	-	-	410,086	-
Use of money and property	8,178	186	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>8,178</u>	<u>186</u>	<u>410,086</u>	<u>1,829,611</u>
EXPENDITURES				
Current:				
General Government:				
City Council	-	-	-	-
City Manager	-	-	-	-
Police	-	-	-	-
Public works	-	-	-	-
Community & Economic development	-	-	-	-
Library	-	-	-	-
Capital Outlay				
Capital projects	38,008	-	1,490,419	3,145,814
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>38,008</u>	<u>-</u>	<u>1,490,419</u>	<u>3,145,814</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(29,830)</u>	<u>186</u>	<u>(1,080,333)</u>	<u>(1,316,203)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from debt	-	-	-	-
Payment to bond escrow	-	-	-	-
Transfers in	1	-	2,379,287	368,210
Transfers (out)	(104,190)	(264,020)	-	-
Total Other Financing Sources (Uses)	<u>(104,189)</u>	<u>(264,020)</u>	<u>2,379,287</u>	<u>368,210</u>
Net change in fund balances	(134,019)	(263,834)	1,298,954	(947,993)
Fund balances (deficits)- beginning	<u>1,895,617</u>	<u>977,719</u>	<u>(1,230,171)</u>	<u>3,121,508</u>
Fund balances (deficits)- ending	<u>\$ 1,761,598</u>	<u>\$ 713,885</u>	<u>\$ 68,783</u>	<u>\$ 2,173,515</u>

CAPITAL PROJECTS FUNDS

Developer Deposits	Other Capital Projects	Street Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 2,681,941
-	-	-	9,304,169
-	2,703,349	-	6,383,554
-	4,582,716	-	23,787,308
-	-	89	1,069,165
-	-	-	6,419,212
-	7,286,065	89	49,645,349
-	-	-	174,703
-	-	-	47,251
-	-	-	1,275,408
-	-	-	955,855
-	-	48,659	9,463,600
-	-	-	73,435
-	1,822,466	-	18,239,776
-	-	-	4,703,788
-	-	-	1,872,291
-	1,822,466	48,659	36,806,107
-	5,463,599	(48,570)	12,839,242
-	-	-	49,776,268
-	-	-	(39,411,268)
-	4,428	-	56,764,069
-	-	-	(53,950,970)
-	4,428	-	13,178,099
-	5,468,027	(48,570)	26,017,341
-	2,963,383	1,802,616	56,208,307
<u>\$ -</u>	<u>\$ 8,431,410</u>	<u>\$1,754,046</u>	<u>\$ 82,225,648</u>

**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	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	-	-	-	2,200,000	4,133,277	1,933,277
Use of money and property	55,128	9,453	(45,675)	333,000	751,959	418,959
Miscellaneous	2,500	54,352	51,852	202,075	5,759,624	5,557,549
Total Revenues	57,628	63,805	6,177	2,735,075	10,644,860	7,909,785
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community & Economic Development	44,660	20,810	23,850	1,680,968	872,806	808,162
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	-	-	-	-	685,776	(685,776)
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	44,660	20,810	23,850	1,680,968	1,558,582	122,386
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	12,968	42,995	30,027	1,054,107	9,086,278	8,032,171
OTHER FINANCING SOURCES (USES)						
Debt Proceeds	-	-	-	-	-	-
Transfers in	-	-	-	116,838	116,838	-
Transfers (out)	-	-	-	(1,191,117)	(1,170,110)	21,007
Total Other Financing Sources (Uses)	-	-	-	(1,074,279)	(1,053,272)	21,007
Net change in fund balance	\$ 12,968	42,995	\$ 30,027	\$ (20,172)	8,033,006	\$ 8,053,178
Fund balances (deficits)- beginning		2,228,190			7,911,421	
Fund balances (deficits)- ending		<u>\$ 2,271,185</u>			<u>\$ 15,944,427</u>	

HOUSING & COMMUNITY ASSISTANCE			HORIZONS			SOLID WASTE MANAGEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	369,200	371,876	2,676	228,000	231,791	3,791
43,500	43,500	-	87,000	87,252	252	60,000	60,000	-
-	-	-	3,000	1,845	(1,155)	198,513	198,513	-
80,352	94,875	14,523	-	-	-	3,000	2,711	(289)
130,500	181,356	50,856	10,000	10,347	347	-	-	-
<u>254,352</u>	<u>319,731</u>	<u>65,379</u>	<u>469,200</u>	<u>471,320</u>	<u>2,120</u>	<u>489,513</u>	<u>493,015</u>	<u>3,502</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	890,303	817,140	73,163	-	-	-
-	-	-	-	-	-	524,077	425,173	98,904
362,500	122,738	239,762	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,489,000	1,488,464	536	-	-	-	-	-	-
422,146	422,146	-	-	-	-	-	-	-
<u>2,273,646</u>	<u>2,033,348</u>	<u>240,298</u>	<u>890,303</u>	<u>817,140</u>	<u>73,163</u>	<u>524,077</u>	<u>425,173</u>	<u>98,904</u>
<u>(2,019,294)</u>	<u>(1,713,617)</u>	<u>305,677</u>	<u>(421,103)</u>	<u>(345,820)</u>	<u>75,283</u>	<u>(34,564)</u>	<u>67,842</u>	<u>102,406</u>
-	-	-	-	-	-	-	-	-
1,080,807	1,055,807	(25,000)	420,000	345,820	(74,180)	-	-	-
(25,000)	-	25,000	-	-	-	-	-	-
<u>1,055,807</u>	<u>1,055,807</u>	<u>-</u>	<u>420,000</u>	<u>345,820</u>	<u>(74,180)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (963,487)</u>	<u>(657,810)</u>	<u>\$ 305,677</u>	<u>\$ (1,103)</u>	<u>-</u>	<u>\$ 1,103</u>	<u>\$ (34,564)</u>	<u>67,842</u>	<u>\$ 102,406</u>
	<u>2,843,821</u>			<u>(548)</u>			<u>928,561</u>	
	<u>\$ 2,186,011</u>			<u>\$ (548)</u>			<u>\$ 996,403</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, 2015**

	MAINTENANCE DISTRICT			CITY STREET SWEEPING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ 2,657,000	\$ 2,681,941	\$ 24,941	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	486,358	486,532	174
Use of money and property	34,000	30,687	(3,313)	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	2,691,000	2,712,628	21,628	486,358	486,532	174
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	1,088,230	-	1,088,230	499,570	494,875	4,695
Community & Economic Development	1,481,025	2,097,704	(616,679)	-	-	-
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	2,569,255	2,097,704	471,551	499,570	494,875	4,695
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	121,745	614,924	493,179	(13,212)	(8,343)	4,869
OTHER FINANCING SOURCES (USES)						
Debt Proceeds	-	-	-	-	-	-
Transfers in	166,380	145,734	(20,646)	-	-	-
Transfers (out)	(164,000)	(160,282)	3,718	-	-	-
Total Other Financing Sources (Uses)	2,380	(14,548)	(16,928)	-	-	-
Net change in fund balance	\$ 124,125	600,376	\$ 476,251	\$ (13,212)	(8,343)	\$ 4,869
Fund balances (deficits)- beginning		5,723,505			268,081	
Fund balances (deficits)- ending		<u>\$ 6,323,881</u>			<u>\$ 259,738</u>	

PARK FEE			OTHER SPECIAL REVENUE FUNDS			PEG		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
3,783,000	4,444,394	661,394	311,596	312,864	1,268	-	-	-
19,000	20,485	1,485	-	1,062	1,062	-	-	-
-	-	-	-	-	-	255,000	274,035	19,035
<u>3,802,000</u>	<u>4,464,879</u>	<u>662,879</u>	<u>311,596</u>	<u>313,926</u>	<u>2,330</u>	<u>255,000</u>	<u>274,035</u>	<u>19,035</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	47,251	47,251	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,170,000	567,848	2,602,152	25,820	102,697	(76,877)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,170,000</u>	<u>567,848</u>	<u>2,602,152</u>	<u>25,820</u>	<u>102,697</u>	<u>(76,877)</u>	<u>47,251</u>	<u>47,251</u>	<u>-</u>
632,000	3,897,031	3,265,031	285,776	211,229	(74,547)	207,749	226,784	19,035
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(4,428)	(4,428)	-	-	-	-	-	-	-
(4,428)	(4,428)	-	-	-	-	-	-	-
<u>\$ 627,572</u>	3,892,603	<u>\$ 3,265,031</u>	<u>\$ 285,776</u>	211,229	<u>\$ (74,547)</u>	<u>\$ 207,749</u>	226,784	<u>\$ 19,035</u>
	<u>3,144,512</u>			<u>5,009,483</u>			<u>548,823</u>	
	<u>\$ 7,037,115</u>			<u>\$ 5,220,712</u>			<u>\$ 775,607</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, 2015**

	ALAMEDA COUNTY TRANSPORTATION FUNDS			GAS TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,820,893	4,054,020	(1,766,873)	2,241,583	2,407,102	165,519
Contributions from outside sources	-	-	-	-	-	-
Charges for services	47,500	-	(47,500)	2,500	-	(2,500)
Use of money and property	11,000	10,041	(959)	19,900	12,487	(7,413)
Miscellaneous	-	-	-	-	-	-
Total Revenues	5,879,393	4,064,061	(1,815,332)	2,263,983	2,419,589	155,606
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	4,212	(4,212)	-	-	-
Community & Economic Development	1,570,000	1,345,820	224,180	1,106,760	1,017,612	89,148
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	699,491	568,907	130,584	548,249	168,558	379,691
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	2,269,491	1,918,939	350,552	1,655,009	1,186,170	468,839
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	3,609,902	2,145,122	(1,464,780)	608,974	1,233,419	624,445
OTHER FINANCING SOURCES (USES)						
Transfers in	99,300	-	(99,300)	-	-	-
Transfers (out)	(4,400,766)	(2,143,530)	2,257,236	(361,866)	(403,292)	(41,426)
Total Other Financing Sources (Uses)	(4,301,466)	(2,143,530)	2,157,936	(361,866)	(403,292)	(41,426)
Net change in fund balance	\$ (691,564)	1,592	\$ 693,156	\$ 247,108	830,127	\$ 583,019
Fund balances (deficits)- beginning		2,660,564			4,341,901	
Fund balances (deficits)- ending		<u>\$2,662,156</u>			<u>\$ 5,172,028</u>	

TRAFFIC IMPACT FEE			HOST COMMUNITY IMPACT FEE			OTHER IMPACT FEE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
232,765	120,327	(112,438)	325,000	324,411	(589)	80,000	80,753	753
6,884,000	5,980,449	(903,551)	-	-	-	1,763,490	2,270,046	506,556
26,000	33,103	7,103	-	30	30	25,000	23,627	(1,373)
-	-	-	-	-	-	-	-	-
<u>7,142,765</u>	<u>6,133,879</u>	<u>(1,008,886)</u>	<u>325,000</u>	<u>324,441</u>	<u>(559)</u>	<u>1,868,490</u>	<u>2,374,426</u>	<u>505,936</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	4,210	2,534	1,676	-	-	-
716,274	148,578	567,696	-	-	-	1,463,442	1,321,956	141,486
-	-	-	-	-	-	-	-	-
1,140,000	929,041	210,959	9,200,000	9,200,000	-	50,000	32,599	17,401
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,856,274</u>	<u>1,077,619</u>	<u>778,655</u>	<u>9,204,210</u>	<u>9,202,534</u>	<u>1,676</u>	<u>1,513,442</u>	<u>1,354,555</u>	<u>158,887</u>
<u>5,286,491</u>	<u>5,056,260</u>	<u>(230,231)</u>	<u>(8,879,210)</u>	<u>(8,878,093)</u>	<u>1,117</u>	<u>355,048</u>	<u>1,019,871</u>	<u>664,823</u>
-	-	-	-	-	-	-	-	-
-	-	-	9,200,000	9,200,000	-	189,581	247,650	58,069
(367,416)	(265,476)	101,940	(55,070)	(57,913)	(2,843)	(212,567)	(212,767)	(200)
<u>(367,416)</u>	<u>(265,476)</u>	<u>101,940</u>	<u>9,144,930</u>	<u>9,142,087</u>	<u>(2,843)</u>	<u>(22,986)</u>	<u>34,883</u>	<u>57,869</u>
<u>\$ 4,919,075</u>	4,790,784	<u>\$ (128,291)</u>	<u>\$ 265,720</u>	263,994	<u>\$ (1,726)</u>	<u>\$ 332,062</u>	1,054,754	<u>\$ 722,692</u>
	<u>5,350,519</u>			-			<u>1,229,508</u>	
	<u>\$10,141,303</u>			<u>\$ 263,994</u>			<u>\$2,284,262</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, 2015**

	TVTC 20% FEE			OTHER LOCAL, STATE, AND FEDERAL GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	2,984,741	2,239,380	(745,361)
Contributions from outside sources	-	-	-	391,000	442,596	51,596
Charges for services	1,276,000	945,893	(330,107)	63,000	20,693	(42,307)
Use of money and property	4,000	6,682	2,682	37,205	56,480	19,275
Miscellaneous	-	-	-	354,085	139,498	(214,587)
Total Revenues	1,280,000	952,575	(327,425)	3,830,031	2,898,647	(931,384)
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	174,705	174,703	2
City Manager	-	-	-	-	-	-
Police	-	-	-	614,816	458,268	156,548
Public works	-	-	-	63,000	29,061	33,939
Community & Economic Development	120,000	38,229	81,771	2,495,865	1,758,143	737,722
Library	-	-	-	112,270	73,435	38,835
Capital Outlay						
Capital projects	-	-	-	403,470	158,188	245,282
Debt service						
Principal	-	-	-	70,000	70,000	-
Interest and fiscal charges	-	-	-	38,360	41,700	(3,340)
Total Expenditures	120,000	38,229	81,771	3,972,486	2,763,498	1,208,988
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,160,000	914,346	(245,654)	(142,455)	135,149	277,604
OTHER FINANCING SOURCES (USES)						
Debt Proceeds	-	-	-	-	725,000	725,000
Transfers in	-	-	-	72,966	72,966	-
Transfers (out)	(475,057)	(375,757)	99,300	(149,498)	(177,834)	(28,336)
Total Other Financing Sources (Uses)	(475,057)	(375,757)	99,300	(76,532)	620,132	696,664
Net change in fund balance	\$ 684,943	538,589	\$ (146,354)	\$ (218,987)	755,281	\$ 974,268
Fund balances (deficits)- beginning		954,537			2,685,247	
Fund balances (deficits)- ending		<u>\$ 1,493,126</u>			<u>\$ 3,440,528</u>	

**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	2014 COP DEBT SERVICE			LCPFA 2008 COP CONSTRUCTION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	-	-	-	-	8,178	8,178
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	-	-	-	8,178	8,178
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community & Economic Development	-	-	-	-	-	-
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	-	-	-	150,000	38,008	111,992
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	655,020	659,711	(4,691)	-	-	-
Total Expenditures	655,020	659,711	(4,691)	150,000	38,008	111,992
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(655,020)	(659,711)	(4,691)	(150,000)	(29,830)	120,170
OTHER FINANCING SOURCES (USES)						
Debt Proceeds	49,815,141	49,051,268	(763,873)	-	-	-
Transfers in	233,475	222,168	(11,307)	-	1	1
Transfers (out)	(49,375,142)	(48,611,371)	763,771	(95,000)	(104,190)	(9,190)
Total Other Financing Sources (Uses)	673,474	662,065	(11,409)	(95,000)	(104,189)	(9,189)
Net change in fund balance	\$ 18,454	2,354	\$ (16,100)	\$ (245,000)	(134,019)	\$ 110,981
Fund balances (deficits)- beginning		-			1,895,617	
Fund balances (deficits)- ending		<u>\$ 2,354</u>			<u>\$ 1,761,598</u>	

**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	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	-	2,703,349	2,703,349	-	-	-
Charges for services	5,000,000	4,582,716	(417,284)	-	-	-
Use of money and property	-	-	-	9,000	89	(8,911)
Miscellaneous	2,753,349	-	(2,753,349)	-	-	-
Total Revenues	7,753,349	7,286,065	(467,284)	9,000	89	(8,911)
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community & Economic Development	50,000	-	50,000	123,000	48,659	74,341
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	2,700,000	1,822,466	877,534	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	2,750,000	1,822,466	927,534	123,000	48,659	74,341
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	5,003,349	5,463,599	460,250	(114,000)	(48,570)	65,430
OTHER FINANCING SOURCES (USES)						
Debt Proceeds	-	-	-	-	-	-
Transfers in	4,428	4,428	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	4,428	4,428	-	-	-	-
Net change in fund balance	\$ 5,007,777	5,468,027	\$ 460,250	\$(114,000)	(48,570)	\$ 65,430
Fund balances (deficits)- beginning		2,963,383			1,802,616	
Fund balances (deficits)- ending		<u>\$ 8,431,410</u>			<u>\$1,754,046</u>	

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 RESERVE

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

WORKERS COMPENSATION

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.

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015**

	<u>Liability Insurance Reserve</u>	<u>Workers Compensation</u>	<u>Fleet and Equipment Services</u>
ASSETS			
Current Assets:			
Cash and investments in City Treasury	\$ 2,873,810	\$ 4,536,996	\$ 3,332,830
Accounts receivable (net of applicable allowance for uncollectibles)	-	93,830	90,199
Inventory	-	-	289,375
Prepays, deposits and supplies	-	-	-
Total current assets	<u>2,873,810</u>	<u>4,630,826</u>	<u>3,712,404</u>
Noncurrent Assets:			
Construction in progress	-	-	844,318
Depreciable capital assets (net of depreciation)	-	-	4,030,607
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>4,874,925</u>
Total Assets	<u>2,873,810</u>	<u>4,630,826</u>	<u>8,587,329</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and other accruals	17,941	72,303	314,524
Accrued payroll	6,385	6,091	37,960
Interest payable	-	-	-
Claims payable	240,000	850,000	-
Deposits payable	-	-	-
Long-term debt:			
Due within one year	-	-	-
Total current liabilities	<u>264,326</u>	<u>928,394</u>	<u>352,484</u>
Noncurrent Liabilities:			
Claims payable	1,214,714	3,289,151	-
Net Pension obligation	-	-	-
Net OPEB obligation	-	-	-
Long-term debt:			
Due in more than one year	-	-	-
Total noncurrent liabilities	<u>1,214,714</u>	<u>3,289,151</u>	<u>-</u>
Total liabilities	<u>1,479,040</u>	<u>4,217,545</u>	<u>352,484</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net Investment in Capital Assets	-	-	4,874,925
Unrestricted	1,394,770	413,281	3,359,920
Total Net Position (Deficit)	<u>\$ 1,394,770</u>	<u>\$ 413,281</u>	<u>\$ 8,234,845</u>

Information Technology	Facilities Rehabilitation Projects	Reprographics	Employee Benefits	Total
\$ 3,476,063	\$ 4,762,063	\$ 455	\$ 178,412	\$ 19,160,629
-	174,403	-	14,807	373,239
-	-	-	-	289,375
235,932	-	-	153,126	389,058
<u>3,711,995</u>	<u>4,936,466</u>	<u>455</u>	<u>346,345</u>	<u>20,212,301</u>
-	30,224	-	-	874,542
883,679	11,863,900	-	-	16,778,186
<u>883,679</u>	<u>11,894,124</u>	<u>-</u>	<u>-</u>	<u>17,652,728</u>
<u>4,595,674</u>	<u>16,830,590</u>	<u>455</u>	<u>346,345</u>	<u>37,865,029</u>
-	-	-	7,003,318	7,003,318
-	-	-	7,003,318	7,003,318
62,683	56,035	455	185,111	709,052
30,709	9,095	-	-	90,240
19,061	9,772	-	-	28,833
-	-	-	-	1,090,000
-	10,525	-	-	10,525
235,097	651,789	-	-	886,886
<u>347,550</u>	<u>737,216</u>	<u>455</u>	<u>185,111</u>	<u>2,815,536</u>
-	-	-	-	4,503,865
-	-	-	66,592,304	66,592,304
-	-	-	30,366,329	30,366,329
<u>493,050</u>	<u>10,288,067</u>	<u>-</u>	<u>-</u>	<u>10,781,117</u>
<u>493,050</u>	<u>10,288,067</u>	<u>-</u>	<u>96,958,633</u>	<u>112,243,615</u>
<u>840,600</u>	<u>11,025,283</u>	<u>455</u>	<u>97,143,744</u>	<u>115,059,151</u>
-	-	-	16,404,351	16,404,351
-	-	-	16,404,351	16,404,351
155,532	954,268	-	-	5,984,725
3,599,542	4,851,039	-	(106,198,432)	(92,579,880)
<u>\$ 3,755,074</u>	<u>\$ 5,805,307</u>	<u>\$ -</u>	<u>\$ (106,198,432)</u>	<u>\$ (86,595,155)</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2015**

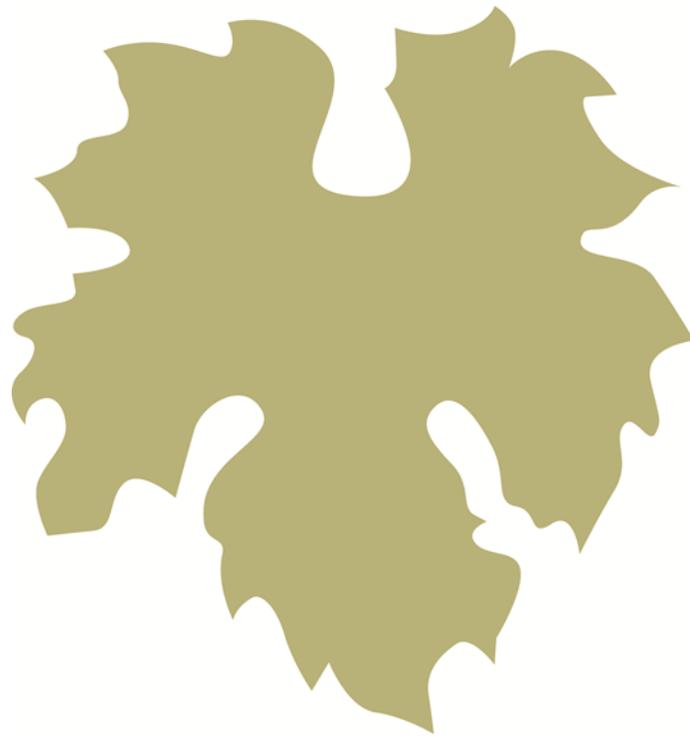
	<u>Liability Insurance Reserve</u>	<u>Workers Compensation</u>	<u>Fleet and Equipment Services</u>
OPERATING REVENUES			
Charges for services	\$ 1,500,000	\$ 2,170,910	\$ 2,303,826
Miscellaneous	456	4,840	396,053
Total Operating Revenues	<u>1,500,456</u>	<u>2,175,750</u>	<u>2,699,879</u>
OPERATING EXPENSES			
Salaries and benefits	201,893	953,780	1,050,192
Contracted services	403,186	111,493	14,577
Insurance premiums	407,974	257,102	45,212
Materials, supplies and others	47,155	46,095	671,660
Utilities	781	540	-
Depreciation	-	-	534,944
Repairs and maintenance	-	-	472,203
Claims expense	828,557	395,132	-
Total Operating Expenses	<u>1,889,546</u>	<u>1,764,142</u>	<u>2,788,788</u>
Operating Income (Loss)	<u>(389,090)</u>	<u>411,608</u>	<u>(88,909)</u>
NONOPERATING REVENUE (EXPENSES)			
Interest revenue	-	-	-
Interest and fiscal charges (expense)	-	-	-
Other Nonoperating Income	99,735	-	49,346
Net Nonoperating Revenues (Expenses)	<u>99,735</u>	<u>-</u>	<u>49,346</u>
Income (Loss) Before Transfers	(289,355)	411,608	(39,563)
Transfers in	-	-	-
Transfers (out)	-	-	-
Change in Net Assets	(289,355)	411,608	(39,563)
Net position-beginning (Deficit), as restated	<u>1,684,125</u>	<u>1,673</u>	<u>8,274,408</u>
Net position-ending (Deficit)	<u>\$ 1,394,770</u>	<u>\$ 413,281</u>	<u>\$ 8,234,845</u>

Information Technology	Facilities Rehabilitation Projects	Reprographics	Employee Benefits	Total
\$ 2,734,500	\$ 3,339,787	\$ 92,809	\$ 8,855,239	\$ 20,997,071
5,000	150,518	-	-	556,867
<u>2,739,500</u>	<u>3,490,305</u>	<u>92,809</u>	<u>8,855,239</u>	<u>21,553,938</u>
856,524	241,450	13,228	5,666,095	8,983,162
595,914	40,734	48,178	-	1,214,082
-	15,833	-	-	726,121
204,053	20,144	15,009	-	1,004,116
78,537	237,816	-	-	317,674
202,839	430,342	-	-	1,168,125
349,678	367,089	3,911	-	1,192,881
-	-	-	-	1,223,689
<u>2,287,545</u>	<u>1,353,408</u>	<u>80,326</u>	<u>5,666,095</u>	<u>15,829,850</u>
<u>451,955</u>	<u>2,136,897</u>	<u>12,483</u>	<u>3,189,144</u>	<u>5,724,088</u>
-	4	-	-	4
(43,507)	(297,499)	-	(13,778)	(354,784)
-	279,761	-	-	428,842
<u>(43,507)</u>	<u>(17,734)</u>	<u>-</u>	<u>(13,778)</u>	<u>74,062</u>
408,448	2,119,163	12,483	3,175,366	5,798,150
144,500	8,669	-	-	153,169
-	-	(12,500)	-	(12,500)
552,948	2,127,832	(17)	3,175,366	5,938,819
<u>3,202,126</u>	<u>3,677,475</u>	<u>17</u>	<u>(109,373,798)</u>	<u>(92,533,974)</u>
<u>\$ 3,755,074</u>	<u>\$ 5,805,307</u>	<u>\$ -</u>	<u>\$ (106,198,432)</u>	<u>\$ (86,595,155)</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	Liability Insurance Reserve	Workers Compensation	Fleet and Equipment Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,500,456	\$ 2,173,983	\$ 2,678,869
Payments to suppliers	(913,069)	(414,693)	(898,203)
Payments to or on behalf of employees	(201,313)	(953,220)	(1,051,844)
Claims paid	(255,354)	-	-
Receipts from other sources	99,735	-	49,346
Net cash provided (used) by operating activities	<u>230,455</u>	<u>806,070</u>	<u>778,168</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Interfund payments	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
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	-	-	(1,419,734)
Long term Debt			
Repayments	-	-	-
Interest paid	-	-	-
Cash Flows (used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(1,419,734)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	-	-	-
Cash Flow from (used by) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Flows	230,455	806,070	(641,566)
Cash and investments at beginning of period	<u>2,643,355</u>	<u>3,730,926</u>	<u>3,974,396</u>
Cash and Investment at end of period	<u>\$ 2,873,810</u>	<u>\$ 4,536,996</u>	<u>\$ 3,332,830</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income	\$ (389,090)	\$ 411,608	\$ (88,909)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	-	534,944
Other nonoperating revenues	99,735	-	49,346
Change in assets and liabilities:			
Accounts receivable	-	(1,767)	(21,010)
Prepays, deposits and supplies	-	-	-
Deferred outflows	-	-	-
Net pension obligation	-	-	22,278
Net OPEB obligation	-	-	-
Accounts payable and accrued liabilities	(53,393)	1,097	281,519
Claims payable	573,203	395,132	-
Deferred inflows	-	-	-
Net cash provided (used) by operating activities	<u>\$ 230,455</u>	<u>\$ 806,070</u>	<u>\$ 778,168</u>

Information Technology	Facilities Rehabilitation Projects	Reprographics	Employee Benefits	Total
\$ 2,739,500	\$ 3,438,035	\$ 92,809	\$ 8,701,292	\$ 21,324,944
(840,241)	(654,534)	(66,643)	-	(3,787,383)
(854,079)	(244,583)	(14,168)	(6,346,409)	(9,665,616)
-	-	-	-	(255,354)
-	279,761	-	-	428,842
<u>1,045,180</u>	<u>2,818,679</u>	<u>11,998</u>	<u>2,354,883</u>	<u>8,045,433</u>
-	-	-	(2,400,142)	(2,400,142)
144,500	8,669	-	-	153,169
-	-	(12,500)	-	(12,500)
<u>144,500</u>	<u>8,669</u>	<u>(12,500)</u>	<u>(2,400,142)</u>	<u>(2,259,473)</u>
(390,771)	38,003	-	-	(1,772,502)
(227,793)	(758,478)	-	-	(986,271)
(30,650)	(292,777)	-	(13,778)	(337,205)
<u>(649,214)</u>	<u>(1,013,252)</u>	<u>-</u>	<u>(13,778)</u>	<u>(3,095,978)</u>
-	4	-	-	4
-	4	-	-	4
540,466	1,814,100	(502)	(59,037)	2,689,986
<u>2,935,597</u>	<u>2,947,963</u>	<u>957</u>	<u>237,449</u>	<u>16,470,643</u>
<u>\$ 3,476,063</u>	<u>\$ 4,762,063</u>	<u>\$ 455</u>	<u>\$ 178,412</u>	<u>\$ 19,160,629</u>
\$ 451,955	\$ 2,136,897	\$ 12,483	\$ 3,189,144	\$ 5,724,088
202,839	430,342	-	-	1,168,125
-	279,761	-	-	428,842
-	(49,502)	-	(821)	(73,100)
394,012	(2,768)	-	(153,126)	238,118
-	-	-	(79,963)	(79,963)
-	-	-	(16,777,894)	(16,755,616)
(3,626)	23,949	(485)	(160,220)	(160,220)
-	-	-	(66,588)	182,473
-	-	-	-	968,335
-	-	-	16,404,351	16,404,351
<u>\$ 1,045,180</u>	<u>\$ 2,818,679</u>	<u>\$ 11,998</u>	<u>\$ 2,354,883</u>	<u>\$ 8,045,433</u>



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.

**AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Assessment Districts				
Cash and investments in City Treasury	\$ 13,134,176	\$ 116,356,389	\$ 108,655,272	\$ 20,835,293
Cash and investments with Trustees	4,928,368	27,827,445	28,272,891	4,482,922
Total Assets	\$ 18,062,544	\$ 144,183,834	\$ 136,928,163	\$ 25,318,215
Due to special assessment districts and other agencies	\$ 18,062,544	\$ 144,183,834	\$ 136,928,163	\$ 25,318,215
Total Liabilities	\$ 18,062,544	\$ 144,183,834	\$ 136,928,163	\$ 25,318,215

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.	158-164
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.	165-171
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.	172-175
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.	176-178
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.	179-183

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 187,297,724	\$ 197,075,931	\$ 228,275,975	\$ 221,333,459	\$ 247,622,010	\$ 256,841,094	\$ 259,362,430	\$ 278,093,595	\$ 278,670,042	\$ 282,932,408
Restricted	33,104,096	48,076,353	28,722,412	35,256,692	36,876,447	44,347,993	16,216,462	22,454,139	34,034,587	61,824,573
Unrestricted	84,494,489	85,650,778	89,816,560	78,885,822	59,380,258	45,313,990	62,557,722	42,670,999	33,575,365	(59,176,525)
Total governmental activities net position	\$ 304,896,309	\$ 330,803,062	\$ 346,814,947	\$ 335,475,973	\$ 343,878,715	\$ 346,503,077	\$ 338,136,614	\$ 343,218,733	\$ 346,279,994	\$ 285,580,456
Business-type activities										
Net investment in capital assets	\$ 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	\$ 141,163,645
Unrestricted	76,761,659	75,448,836	72,730,483	77,364,571	75,692,306	76,526,861	92,361,887	93,219,127	97,792,547	91,680,464
Total business-type activities net position	\$ 221,913,753	\$ 222,130,604	\$ 229,167,154	\$ 229,919,479	\$ 227,075,001	\$ 222,818,542	\$ 237,123,396	\$ 237,706,059	\$ 238,364,270	\$ 232,844,109
Primary government										
Net investment in capital assets	\$ 332,449,818	\$ 343,757,699	\$ 384,712,646	\$ 373,888,367	\$ 399,004,705	\$ 403,132,775	\$ 404,123,939	\$ 422,580,527	\$ 419,241,765	\$ 424,096,053
Restricted	33,104,096	48,076,353	28,722,412	35,256,692	36,876,447	44,347,993	16,216,462	22,454,139	34,034,587	61,824,573
Unrestricted	161,256,148	161,099,614	162,547,043	156,250,393	135,072,564	121,840,851	154,919,609	135,890,126	131,367,912	32,503,939
Total primary government net position	\$ 526,810,062	\$ 552,933,666	\$ 575,982,101	\$ 565,395,452	\$ 570,953,716	\$ 569,321,619	\$ 575,260,010	\$ 580,924,792	\$ 584,644,264	\$ 518,424,565

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
City Council	\$ 166,068	\$ 181,376	\$ 187,508	\$ 186,190	\$ 194,011	\$ 334,125	\$ 203,749	\$ 323,432	\$ 320,564	\$ 319,910
City Manager	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	1,681,436
City Attorney	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	1,267,491
City Clerk	955,941	743,797	994,675	791,772	782,255	642,275	984,762	552,708	649,652	753,436
Administrative Services	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	3,612,507
General Services	-	-	-	-	-	-	-	9,897,780	4,960,595	4,245,719
Fire	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	16,665,396
Police	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	30,516,594
Public Works	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	14,363,304
Community & Economic Development	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	15,711,525
Library	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	4,863,723
Redevelopment	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	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	1,288,881
Total governmental activities expenses	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	95,289,922
Business-type activities:										
Airport	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	5,637,480
Water	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	9,907,976
Sewer	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	23,005,606
Las Positas	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	3,331,686
Springtown	258,208	245,444	604,666	561,662	249,921	103,861	26,660	16,568	38,399	32,171
Total business-type activities expenses	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	41,914,919
Total primary government expenses	\$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	\$137,204,841

(Continued)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 55,331	\$ 114,420	\$ -	\$ -	\$ -	\$ 504	\$ -	\$ 125,000	\$ 774,339	\$ 1,083,813
Fire	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	1,634,534
Police	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	1,600,551
Public Works	191,365	288,150	64,340	72,820	71,680	-	128,206	311,393	178,263	205,163
Community & Economic Development	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	14,881,608
Library	160,910	292,554	124,630	144,181	144,754	143,899	139,104	150,179	147,543	121,244
Redevelopment	-	-	-	478,828	7,375	-	-	-	-	-
Operating grants and contributions	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	19,882,483
Capital grants and contributions	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	20,161,044
Total governmental activities program revenues	<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>	<u>59,570,440</u>
Business-type activities:										
Charges for services:										
Airport	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	6,166,771
Water	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	13,211,780
Sewer	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	20,401,801
Las Positas	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	3,087,554
Springtown	109,257	102,799	258,354	340,260	74,186	2,998	12,010	6,000	11,392	6,173
Operating grants and contributions	80,172	115,516	-	2,341,705	-	-	-	-	-	-
Capital grants and contributions	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	2,691,864
Total business-type activities program revenues	<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>	<u>45,565,943</u>
Total primary government program revenues	<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>	<u>\$ 105,136,383</u>
Net (Expense) Revenue										
Governmental activities	(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)	(35,719,482)
Business-type activities	8,084,195	511,047	7,690,052	1,465,086	(266,351)	(4,113,559)	(1,924,358)	605,665	772,456	3,651,024
Total primary government net expenses	<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>	<u>\$ (32,068,458)</u>

(Continued)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	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	26,379,108
Incremental property taxes	3,944,648	4,166,077	4,850,965	5,293,686	4,683,913	4,718,558	-	-	-	-
Sales taxes	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	27,278,151
Other taxes	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	13,587,065
Intergovernmental	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	6,506,780
Interest	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	952,239
Miscellaneous	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	8,313,221
Transfers (net)	1,225,710	294,196	653,502	712,761	176,477	142,900	230,147	175,216	328,427	(4,258,088)
Assets transferred to/liabilities assumed by										
Successor Agency	-	-	-	-	-	-	25,136,863	(1,704,483)	-	-
Gain on sale of land held for redevelopment	-	-	-	-	-	-	-	-	-	-
Loss on refunding of debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities	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	78,758,476
Business-type activities:										
Interest and other income	-	-	-	-	-	-	-	-	281,708	388,004
Transfers (net)	(1,225,710)	(294,196)	(653,502)	(712,761)	(2,578,127)	(142,900)	(230,147)	(175,216)	(328,427)	4,258,088
Change in value of Investment in JPA - LAVWMA	-	-	-	-	-	-	6,021,144	152,214	(232,754)	39,878
Total business-type activities	(1,225,710)	(294,196)	(653,502)	(712,761)	(2,578,127)	(142,900)	5,790,997	(23,002)	(279,473)	4,685,970
Total primary government activities	\$ 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	\$ 83,444,446
Change in Net Position										
Governmental activities	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	43,038,994
Business-type activities	6,858,485	216,851	7,036,550	752,325	(2,844,478)	(4,256,459)	3,866,639	582,663	492,983	8,336,994
Total primary government	\$ 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	\$ 51,375,988

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

	2006	2007 ⁽¹⁾	2008	2009 ⁽²⁾	2010	2011 ⁽³⁾	2012	2013	2014	2015
General Fund										
Reserved	\$ 9,329,690	\$ 9,078,026	\$ 8,826,957	\$ 10,181,138	\$ 9,938,622	\$ -	\$ -	\$ -	\$ -	
Unreserved	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	5,423,421
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	11,500,000	12,003,511	12,548,889	12,897,711
Assigned	-	-	-	-	-	-	5,349,482	8,002,341	8,365,926	8,598,474
Unassigned	-	-	-	-	-	16,347,474	1,134,242	3,229,530	5,050,960	10,406,034
Total general fund	<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>	<u>\$ 37,325,640</u>
All Other Governmental Funds										
Reserved	\$ 13,013,138	\$ 23,803,645	\$ 28,504,239	\$ 41,739,468	\$ 40,439,937	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	25,731,867	25,015,905	14,589,109	18,281,575	23,419,657	-	-	-	-	-
Capital projects funds	22,479,402	23,880,541	17,669,848	7,573,270	(4,754,936)	-	-	-	-	-
Nonspendable	-	-	-	-	-	17,711	-	-	57,439,026	4,000
Restricted	-	-	-	-	-	52,011,467	63,995,900	58,524,301	-	82,222,196
Committed	-	-	-	-	-	-	-	545,378	-	-
Assigned	-	-	-	-	-	10,214,639	-	363,585	-	-
Unassigned	-	-	-	-	-	(5,421,592)	(5,709,086)	(3,229,530)	(1,230,719)	(548)
Total all other governmental funds	<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>\$ 56,203,734</u>	<u>\$ 56,208,307</u>	<u>\$ 82,225,648</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.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes and special assessments	\$ 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	\$ 42,437,878
Sales taxes	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	27,278,151
Property tax increment	3,944,648	4,166,077	4,850,965	5,293,686	4,683,913	3,774,846	-	-	-	-
Licenses and permits	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	2,919,585
Intergovernmental	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	17,513,836
Contributions from outside sources	758,296	11,930,222	2,454,757	1,231,668	3,830,471	981,826	1,162,859	532,899	3,090,683	6,407,835
Fines and forfeitures	687,841	762,058	680,340	599,111	711,616	648,231	465,263	353,754	442,101	474,279
Charges for current services	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	34,250,853
Use of money and property	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	3,573,515
Miscellaneous	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	7,731,071
Total revenues	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	142,587,003
Expenditures										
General government	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	13,981,528
Fire	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	16,392,361
Police	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	32,114,470
Public Works	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	6,479,506
Community & Economic Development	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	23,177,157
Library	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	4,455,160
Redevelopment	1,968,118	1,810,001	2,292,100	4,362,314	5,447,063	2,272,062	996,524	-	-	-
Capital outlay	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	18,897,678
Debt service funds										
Principal	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	4,703,788
Interest and fiscal charges	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	1,872,291
Total Expenditures	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	122,073,939
Excess of Revenues over (under) expenditures	(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	20,513,064

(Continued)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Assets transferred to/liabilities assumed by Successor Agency	-	-	-	-	-	-	(6,520,981)	-	-	-
Proceeds from sale of property	-	678,828	-	-	-	-	-	-	-	-
Loss on sale of property	-	-	-	-	-	-	-	-	-	-
Proceeds from long term debt	1,715,479	15,393,200	-	58,575,000	-	13,046,596	-	5,964,051	-	49,776,268
Payment to refunded bond escrow agent	-	(12,026,398)	-	(46,030,256)	-	-	-	-	-	(39,411,268)
Premium received on TRANS	-	-	-	-	219,750	-	-	-	-	-
Transfers in	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	58,411,053
Transfers out	(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)	(58,229,692)
Total other financing sources (uses)	<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>	<u>10,546,361</u>
Net change in fund balances	<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>	<u>\$ 31,059,425</u>
Debt service as a percentage of noncapital expenditures	7.9%	7.8%	7.7%	8.5%	6.6%	8.8%	6.4%	9.7%	9.7%	6.4%

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

Business Type	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Apparel Stores	\$ 8,702	\$ 9,653	\$ 9,983	\$ 9,204	\$ 9,963	\$ 10,410	\$ 13,003	\$ 72,191	\$ 263,658	\$ 289,463
General Merchandise	188,317	197,915	202,357	200,227	182,710	188,082	198,732	218,246	232,732	239,829
Food Stores	43,949	45,081	50,398	47,087	45,931	45,719	45,647	46,950	48,632	49,103
Eating and Drinking Places	99,279	108,079	113,271	114,132	110,847	116,802	124,203	137,952	153,774	166,886
Building Materials	242,069	233,832	200,666	161,708	120,062	109,454	123,424	134,028	154,035	146,171
Auto Dealers and Supplies	208,808	200,767	189,717	165,208	148,699	181,476	209,005	230,726	287,623	389,402
Service Stations	131,499	153,745	165,740	177,167	125,756	141,751	182,691	204,157	199,654	192,243
Other Retail Stores	141,238	150,619	144,471	154,446	129,608	134,665	139,354	162,730	178,525	189,038
All Other Outlets	872,680	941,723	999,634	959,712	734,643	656,524	739,620	795,905	896,086	922,877
Total	\$ 1,936,541	\$ 2,041,414	\$ 2,076,237	\$ 1,988,891	\$ 1,608,219	\$ 1,584,883	\$ 1,775,679	\$ 2,002,885	\$ 2,414,719	\$ 2,585,012

Source: The HdL Companies

* The amounts reported are based on adjusted sales tax values and might fluctuate from what was reported the previous year.

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

	<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>	<u>2015</u>
City Direct Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
State General Fund	5.00%	5.00%	5.00%	6.00%	6.00%	6.00%	3.94%	4.19%	4.19%	4.19%
Public Safety (Prop 172)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Countywide Transportation Fund	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Realignment 1991	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%
County Realignment (Mental Health/ Welfare/ Public Safety)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.56%	1.56%	1.56%	1.56%
BART in Alameda County	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Alameda Count Transportation Commission (ACTC)- Measure B	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Alameda County Essential Healthcare Services Transactions and Use Tax (ACHC)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Alameda Count Transportation Commission (ACTC)- Measure BB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%
Total Rate	<u>8.75%</u>	<u>8.75%</u>	<u>8.75%</u>	<u>9.75%</u>	<u>9.75%</u>	<u>9.75%</u>	<u>8.75%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.50%</u>

- (a) April 1, 2009 the State increased the State Rate 1%
- (b) On July 1, 2011 the State Rate reduced by 2.06%
- (c) On January 1, 2013 the State Rate increased by 0.25%
- (d) On April 1, 2015 ACTC (Measure BB) was added at .5%

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

<u>2015</u>	<u>2006</u>
Costco	Alliant Food Services
Harris Rebar	Codioli Motor
Home Depot	Costco
JA Momaney Services	Flow Solutions
Jifco	Form Factor
Kaiser Pharmacy	Harris Rebar
Kate Spade	Herning Underground Supplies
Livermore Audi/Subaru/Honda	Home Depot
Livermore Ford Lincoln Mitsubishi	J A Momaney Services
Livermore Toyota & Scion	JC's RV's
Lowes	Jifco
Macpherson Western Tool Supply	Kaiser Pharmacy
Mobile Modular Management	Livermore Audi/Subaru/Honda
Nike	Livermore Ford Lincoln Mitsubishi
Porsche of Livermore	Livermore Harley Davidson
Prada	Lowes
Quick Stop Market	Mervyns
Safeway	Mobile Modular Management
Safeway Fuel	Orco Construction Supply
Solar Universe	Owens & Minor
Target	Safeway
Tommy Hillfiger	Safeway Fuel
US Foodservice	Target
Walmart	Walmart
Waxies	Waxies

Source: HdL Company

**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*
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%
2014-2015	14,441,874,348	15,920,292	618,857,248	15,076,651,888	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.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	0.0830	0.0692	0.0626	0.0616	0.0674	0.0635	0.0627	0.0607	0.0596	0.0497
Community College	0.0158	0.0159	0.0164	0.0183	0.0195	0.0211	0.0214	0.0219	0.0214	0.0217
Bay Area Rapid Transit	0.0048	0.0050	0.0076	0.0090	0.0057	0.0031	0.0041	0.0043	0.0075	0.0045
Zone 7 Flood Control	0.0130	0.0151	0.0150	0.0169	0.0203	0.0250	0.0307	0.0228	0.0257	0.0250
Total Direct and Overlapping Rate	<u>1.1166</u>	<u>1.1052</u>	<u>1.1016</u>	<u>1.1058</u>	<u>1.1129</u>	<u>1.1127</u>	<u>1.1189</u>	<u>1.1097</u>	<u>1.1142</u>	<u>1.1009</u>

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.

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

Taxpayer	2015			2006		
	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	\$ 150,683,826	1	1.02%	\$ -		
Kaiser Foundation Hospitals	100,267,641	2	0.68%	90,345,635	1	0.78%
Form Factor Inc.	55,534,300	3	0.38%	60,276,660	3	0.52%
Valley Care Senior Housing, Inc.	52,272,025	4	0.35%	\$34,245,218	8	0.30%
RT Tri Valley LLC	51,596,020	5	0.35%			
Sequoia Equities Mill Springs	46,762,821	6	0.32%			
Marathon Drive Buildings LLC	44,836,169	7	0.30%			
Sutter Health	41,531,247	8	0.28%			
BNP Paribas Leasing Corporation	39,283,763	9	0.27%			
USF Propco I LLC	37,334,632	10	0.25%			
KLA Tencor Corporation				81,510,248	2	0.70%
Patrician Associates Inc & Principal Mutual				50,895,336	4	0.44%
Hospital Comm For the Livermore Pleasanton				44,765,859	5	0.39%
Triad Campus LLC				37,125,931	6	0.32%
Shea Center Livermore LLC				35,266,914	7	0.30%
Arroyo Livermore Business Park Limited Partnership				29,641,341	9	0.26%
Vineyard Management Company				29,316,938	10	0.25%
	<u>\$ 620,102,444</u>		<u>4.20%</u>	<u>\$493,390,080</u>		<u>4.26%</u>

**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		Delinquent Tax Collections (Refund) ^(c)
		Amount	Percentage of Levy	
2006	\$ 19,582,977 (a)	\$ 19,363,234 (b)	98.88%	355,886 (c)
2007	23,043,842 (a)	22,770,600 (b)	98.81%	402,160 (c)
2008	24,537,036 (a)	23,750,381 (b)	96.79%	650,792 (c)
2009	24,322,847 (a)	24,038,235 (b)	98.83%	1,186,337 (c)
2010	22,700,528 (a)	22,349,795 (b)	98.45%	1,223,384 (c)
2011	22,010,309 (a)	22,002,899 (b)	99.97%	768,381 (c)
2012	22,301,891 (a)	22,056,236 (b)	98.90%	722,949 (c)
2013	23,453,707 (a)	23,241,857 (b)	99.10%	439,594 (c)
2014	24,137,249 (a)	23,526,725 (b)	97.47%	458,926 (c)
2015	26,171,312 (a)	26,034,522 (b)	99.48%	(7,631) (c)

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

- (a) Taxes Levied revised to include secured, unsecured, estimated unitary tax, estimated supplemental assessments, homeowners' exempt Tax levies are net of payments for
 - Educational Revenue Augmentation Fund.
 - Redevelopment agencies for the fiscal years 2005-06 through 2011-12
 - Redevelopment Property Tax Trust Fund (RPTTF) payments beginning from Fiscal year 2012-13.
- (b) Revised to include supplemental assessment and homeowner's exempt tax;
- (c) Alameda County does not provide delinquent tax collection data by levy year, so the amounts shown in the delinquent tax collections column include delinquency collections for all prior years that were remitted to the City in each fiscal year.

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			
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	- ⁽²⁾	10,167,572	13,470,406	16,566,456	-	813,753	481,818	102,981,388	0.05	1,236
2014	58,367,644	- ⁽²⁾	4,803,697	12,654,274	15,589,104	-	-	847,354	92,262,073	0.06	1,087
2015	64,032,534	- ⁽²⁾	3,970,233	11,668,003	15,348,123	-	-	740,467	95,759,358	0.06	1,114

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.

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

Fiscal Year	Net General Bonded Debt Outstanding		Percentage of Actual Taxable	Per Capita Income
	Redevelopment Bonds	Total	Value of Property	
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
2015	25,411,452 ⁽¹⁾	25,411,452	0.17%	296

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.

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2015**

City Assessed Valuation		\$ 14,728,894,369	
Redevelopment Agency Incremental Valuation*		-	
Total Assessed Valuation		<u>\$ 14,728,894,369</u>	
			Estimated share of Overlapping Debt
	Percentage Applicable ⁽¹⁾	Outstanding Debt 6/30/15	
<u>Governmental Unit</u>			
Overlapping Debt Repaid with Property Taxes:			
Bay Area Rapid Transit District	2.627%	\$ 630,795,000	\$ 16,570,985
Chabot-Las Positas Community College District	15.184%	426,226,042	64,718,162
Livermore Valley Joint Unified School District	92.491%	76,350,000	70,616,879
East Bay Regional Park District	0.071%	176,790,000	125,521
City of Livermore Community Facilities District No. 99-1	100.000%	15,655,000	15,655,000
City of Livermore Community Facilities District No. 2006-1	100.000%	9,585,000	9,585,000
City of Livermore Community Facilities District No 2009-1	100.000%	20,197,577	20,197,577
City of Livermore 1915 Act Bonds	100.000%	11,637,025	11,637,025
CA Statewide Communities Development Authority 1915 Act Bonds	100.000%	3,480,000	3,480,000
Total overlapping debt repaid with property taxes		<u>1,370,715,644</u>	<u>212,586,149</u>
Overlapping Other Debt:			
Alameda County Gen. Fund Obligations & Coliseum Authority	6.680%	869,204,500	58,062,861
Alameda County Pension Obligations	6.680%	67,164,225	4,486,570
Tax Increment Debt (Successor Agency)	100.000%	28,305,000	28,305,000
Total overlapping other debt		<u>964,673,725</u>	<u>90,854,431</u>
Total overlapping debt		<u>\$ 2,335,389,369</u>	303,440,580
City direct debt			79,670,768
Total direct and overlapping debt			<u>\$ 383,111,348</u>

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.

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

Legal Debt Margin Calculation for Fiscal Year 2015

Common Property Assessed Valuation-Secured Roll	\$ 14,441,874,348
Government Code Sec. 43605 Debt Limit 15% of Assessed Valuation	2,166,281,152
Amount of debt applicable to the limit	-
Legal debt margin	2,166,281,152
Percent of debt limit authorized and issued	0.00%

	<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>	<u>2015</u>
Debt limit	\$ 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	\$ 2,166,281,152
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 2,166,281,152</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

**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	
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%
2015	85,990	Est. 55,338	4,758,514,620	3.1%	54,399	74,596	104,726	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)

Population Demographics⁽¹⁾

<u>Age</u>	<u>Number</u>	<u>Percent of Population</u>
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	<u>1,075</u>	<u>1.3%</u>
Total Population	<u>80,968</u>	<u>100.0%</u>

Note:

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

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

Employer	2015			2006*		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lawrence Livermore National Laboratory	5800-6000	1	13.16%	N/A	N/A	N/A
Sandia National Laboratories	1100-1200	2	2.56%	N/A	N/A	N/A
Livermore Valley Joint Unified School District	1200-1300	3	2.79%	N/A	N/A	N/A
Kaiser Permanente	800-900	4	1.90%	N/A	N/A	N/A
Wente	700-800	5	1.67%	N/A	N/A	N/A
RGW Construction	400-500	6	1.00%	N/A	N/A	N/A
LARPD	400-500	7	1.00%	N/A	N/A	N/A
Las Positas College	400-500	8	1.00%	N/A	N/A	N/A
City of Livermore	400-500	9	1.00%	N/A	N/A	N/A
Valley Care Health System	400-500	10	1.00%	N/A	N/A	N/A
			27.08%			

* Not available

Source: City of Livermore Community and Economic Development
Bureau of Labor & Statistics

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

Function/Program	<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>	<u>2015</u>
General government										
Administrative Services ¹	-	-	-	-	28.28	24.50	25.75	27.00	27.25	27.25
City Council	-	-	-	-	-	-	-	-	-	-
City Manager ²	10.25	10.25	10.25	10.75	5.00	6.00	6.00	6.00	7.00	7.00
City Attorney	8.50	9.50	9.50	9.50	9.50	8.50	8.50	8.00	8.00	8.00
City Clerk	8.50	8.50	8.50	8.50	5.00	5.00	5.00	4.50	4.50	4.50
Finance	18.50	18.50	18.50	18.50	-	-	-	-	-	-
Human Resources	8.10	8.10	8.10	8.10	-	-	-	-	-	-
Fire	66.50	66.50	66.50	65.50	65.50	65.50	58.50	58.25	58.50	58.88
Police	152.25	152.75	154.75	154.75	148.75	143.25	143.25	140.25	140.75	141.75
Public Works	64.00	63.00	64.00	64.00	55.00	48.60	48.10	42.70	42.70	42.70
Community Development	93.60	93.10	93.10	93.00	78.50	71.50	69.50	64.50	63.50	63.50
Economic Development ⁴	1.30	1.30	1.30	0.80	4.00	5.00	5.00	3.00	-	-
Library	40.25	40.25	41.25	41.25	38.13	32.13	32.13	29.00	28.00	28.00
Redevelopment ³	3.20	3.20	3.20	3.20	-	-	-	-	-	-
Airport	8.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00
Water	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.00	15.00
Sewer	46.25	46.25	46.25	46.25	46.50	47.50	47.50	47.50	48.50	48.50
Las Positas Golf Course	14.70	13.70	13.70	0.70	1.00	1.50	1.00	0.80	0.80	0.80
Springtown Golf Course	0.30	0.30	0.30	0.30	-	-	-	-	-	-
Total	<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>	<u>453.88</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

**Operating Indicators by Function/Program
Last Ten Fiscal Years ⁽¹⁾**

<u>Function/Program</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>	<u>2015</u>
Police										
Physical arrests	3,189	3,292	3,181	2,564	2,781	2,640	2,391	2,537	2,613	2,323
Parking violations	2,762	3,821	4,805	3,216	2,504	1846	1433	1296	1056	1613
Traffic violations	12,279	9,774	10,324	10,398	14,099	10700	9264	8635	7114	6813
Fire										
Emergency responses	5,948	6,454	6,325	6,349	6,099	5,887	4,607	6,684	6,664	6,777
Fires extinguished	416	444	438	461	438	384	239	237	221	192
Inspections (1)	1,028	1,110	1,280	883	1040 ⁽²⁾	463	623	1106	453	505
Annual fire inspection program	50	407	326	453	734	573	470	540	529	594
Public Works										
Street resurfacing (centerline miles)	3.2	3.2	5.3	0.6	3.1	2.5	1.8	12.7	3.8	4.1
Potholes repaired	407	169	308	304	430	210	238	204	190	653
Maintenance of Landscaping (acres)	137	144	158	160	256	263	263	316	316.3	320
Library										
Volumes in collection	258,450	269,626	264,821	268,533	263,447	264,734	273,500	262,410	255,333 ⁽⁴⁾	261,818
Total volumes borrowed	954,499	951,082	956,872	1,073,829	1,106,790	1,014,644	941,873	868,861	849,145	777,970
Water										
New connections	276	93	34	41	106	23	59	79	32	52
Water mains breaks	2	3	0	1 ⁽³⁾	19	0	2	0	1	1
Other water breaks & leaks	20	26	134	117 ⁽³⁾	23	25	74	20	14	14
Average Daily Consumption (millions of gallons)	6.082	6.618	6.441	5.950	5.55	3.013	5.939	5.937	5.517	4.199
Peak daily consumption (millions of gallons)	10.088	10.674	10.021	9.472	8.996	9.053	9.108	9.508	9.321	9.083
Wastewater										
Average daily sewage treatment (millions of gallons)	7.4	7.2	7.1	7.3	7.03	6.9	6.811	6.7	6.64	6.14
Municipal Airport										
Number of tenant aircraft	640	644	551	577	551	530	516	506	517	508
Total landings & takeoffs	173,800	177,330	174,503	143,345	123,012	136,851	139,140	143,651	160,733	122,140
Gallons of fuel pumped	935,367	860,429	790,578	585,934	564,269	621,254	643,272	642,239	734,597	644,617
Las Positas Municipal Golf Course										
Rounds Played	85,284	91,222	89,294	84,466	77,749	71,766	66,667	62,733	77,408	69,387
Springtown Municipal Golf Course										
Rounds Played	28,306	24,276	27,596	25,311	22,033	22,927	24,366	19,583	19,583	N/A ⁽⁵⁾

(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.

(5) Numbers not available

Sources: Various city departments.

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

<u>Function/Program</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>	<u>2015</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	46	54	51	50	48	50	51	52	58	64
Fire stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (centerline miles)	278.9	283.2	294.02	294.02	294	302	303	306.2	306	306
Streetlights	6,807	6,867	7,004	7,015	7,089	7,120	7,301	7,301	7,382	7,382
Traffic Signals	90	95	107	96	101	98	137	103	111	104
Flashing Crosswalks	4	7	9	9	10	11	11	11	10	11
Water										
Water mains (miles)										
Potable water	113.9	113.9	149.6	149.6	156	146	146	147	147	148
Recycled water	14.9	14.9	20.5	20.5	23.1	21.5	21.5	22.5	22.5	21
Fire hydrants	3,449	3,479	1,326	1,326	1,360	1,385	1,385	1,493	1,560	1,487
Fire hydrants (recycled)	N/A*	N/A*	100	100	113	113	113	160	160	121
Average daily consumption										
Potable water	6.08	6.62	6.44	5.95	5.55	3.013	5.939	5.937	5.517	4.199
Recycled water (millions of gallons)	0.78	0.79	0.95	0.84	1.08	1.15	1.27	1.97	1.85	2.04
Wastewater										
Sanitary sewers (miles)	267	267	285.6	298.4	302.2	303	303	295	295	297
Storm sewers (miles)		171	201.9	206.6	206.6	207	207	210	210	214
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	5,253	5,253	5,253	5,253	5,253	5,253
Length of longest taxiway in feet	5,255	5,255	5,255	5,255	5,720	5,720	5,720	5,720	5,720	5,720
Total acreage	643	643	643	643	644	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	195	195	195
Length of 18-hole course in yards	6,725	6,725	6,725	6,725	6,725	6,677	6,723	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	1,133	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.

SCHEDULE OF INSURANCE AS OF JUNE 30, 2015

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.	7/1/14-6/30/15
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	7/1/14-6/30/15
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	\$35,000,000 per occurrence excess of \$5,000,000 per occurrence retention for Bodily Injury / Property Damage / Personal Injury / Public Officials E&O	7/1/14-6/30/15
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 \$392,796,522 in values	7/1/14-6/30/15
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	7/1/14-6/30/15
Boiler and Machinery	AON – CJPRMA / Hartford 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 \$21,250,000 Property Damage, \$5,000 per accident deductible. Various sub-limits apply	7/1/14-6/30/15
Public Employee Blanket Bond	AON –Great American Insurance Group	Faithful performance, any dishonest act, including forgery, alteration, & theft Covers all employees statutorily required to maintain bonding.	GVT0521778 01 00	Deductible is \$10,000 per loss Coverage is \$500,000 per loss	7/1/14-6/30/15

SCHEDULE OF INSURANCE AS OF JUNE 30, 2015

COVERAGE	BROKER	COVERAGE	POLICY NO	LIMITS	TERM
Airport Liability	AON/ACE A.M.Best Rating A: XV	Airport liability / Hangerkeeper's / Advertising / Vehicles / Non-owned aircraft / Fire Legal Liability / Products and Completed Operations / Premises	AAPN02205476004	\$50,000,000 per occurrence with \$0 deductible	7/1/14-6/30/15
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	7/1/14-6/30/15
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	7/1/14-6/30/15
Worker's Compensation and Employer Liability Reinsurance and Excess Coverage Second Layer	CSAC-EIA, Reinsurance from ACE American Insurance Co, 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.	EIA-PE 14 EWC-32 NUF: 91-0613	Statutory limits in excess of \$5 million per claim	7/1/14-6/30/15
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.	72AP200923	\$500,000 per claim with \$0 deductible	7/1/14-7/1/15
Pollution	AON - CJPRMA 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.	Not applicable	\$5,000,000 per occurrence \$10,000,000 aggregate with \$100,000 deductible	7/1/13 - 7/1/15

