

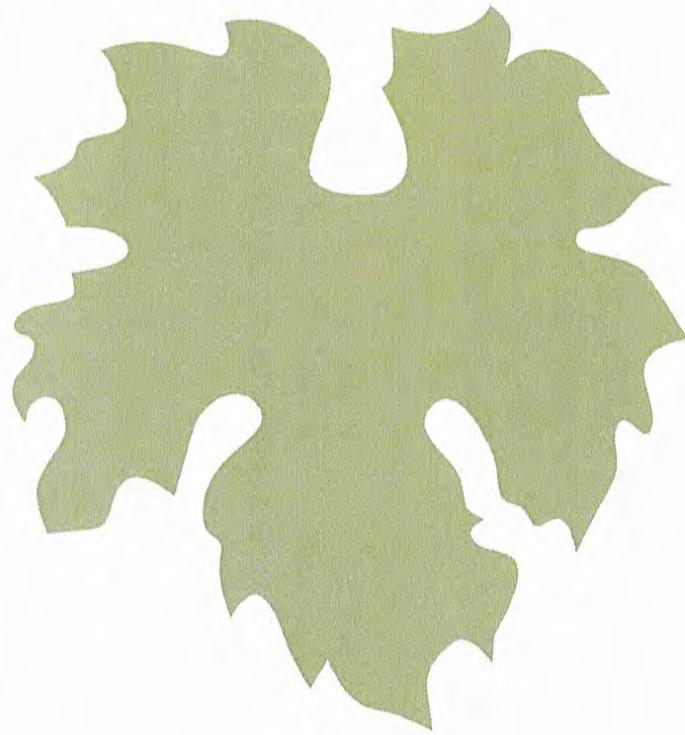


**Comprehensive Annual Financial Report  
For the Year Ended June 30, 2012**

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



**Comprehensive Annual Financial Report  
FY 2011-2012**



**City of Livermore, California  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2012**

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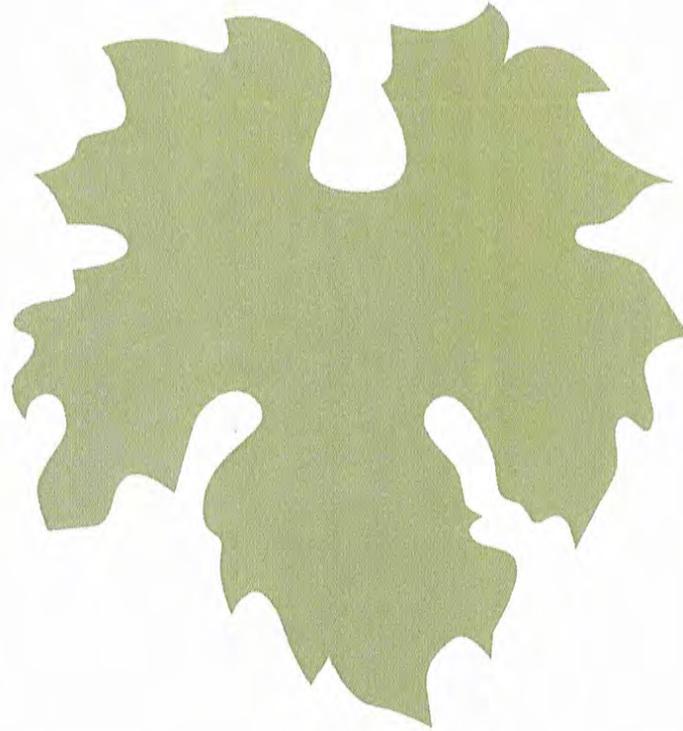
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**Comprehensive Annual Financial Report  
FY 2011-2012**





February 1, 2013

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, 2012. Responsibility for accuracy of the data and the fairness of presentation including all footnotes and disclosures rests with the City. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). The data in this report is presented in a manner that is designed to fairly set forth the financial position and results of operations of the City. It contains the disclosures necessary to promote in-depth understanding of the City's financial affairs.

The City's financial statements have been audited by Maze & Associates Accountancy Corporation located in Pleasant Hill, California. The independent auditors concluded, based on their audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Livermore's financial statements for the fiscal year ended June 30, 2012 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 Its Services

The financial statements presented in this report include the financial activity of the City of Livermore as well as two separate legal entities which are controlled by and are dependent upon the City. As of June 30, 2012 these entities are as follows:

- Livermore Capital Projects Financing Authority.
- Livermore Redevelopment Agency activity through January 31, 2012.

Financial information for these entities are included as blended component units in the City's financial statements in accordance with GASB Statement 14, "*The Financial Reporting Entity*," issued by the Governmental Accounting Standards Board.

The City Council serves as the governing board of the Livermore Capital Projects Financing Authority (LCPFA), and served as the governing board for the Livermore Redevelopment Agency prior to dissolution on January 31, 2012. The LCPFA is a joint powers authority established between the City of Livermore and the recently dissolved Livermore Redevelopment Agency. The City provides accounting services to these separate entities and performs all their administrative functions.

Activities of the Livermore Redevelopment Agency are shown as a capital projects fund within the major Governmental Funds schedules. Resources to be used for the repayment of long-term debt are reported as a debt service fund located within the non-major governmental funds schedules. The low-moderate income set-aside funds are reported as a special revenue fund also within the non-major governmental funds statements. The Livermore Redevelopment agency was dissolved on January 31, 2012 per ABx1 26. The activities of the Livermore Redevelopment Agency are reported in the financial statements through the dissolution date January 31, 2012.

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

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

The City provides full services to its citizens. Services include police safety; fire safety and building inspection; street and landscape maintenance; street lighting; planning and public improvements; public library; general administrative services; sewer and water services; as well as a municipal airport and two golf courses. Recreation and leisure services are not

provided by the City. Recreation and leisure services are provided to citizens by the Livermore Area Recreation and Park District (LARPD), a special district formed in 1947, governed by a separately elected board.

### **Basis of Accounting and Budgetary Control**

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

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

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

### **Financial Highlights of Fiscal Year 2011-2012**

The City began to see the effects of a stabilizing economy during fiscal year 2011-12. The City's General Fund revenues stopped deteriorating, and actually increased due in large part to an influx of one-time resources, most notably settlement of disputed sales taxes. The City was able to contain General Fund expenditures and for the first time in several years, General Fund Reserves were able to begin being replenished in accordance with the newly revised Reserve Policy which Council adopted in June of 2012.

One of the highlights of fiscal year 2011-12 was the progress made on the development of the El Charro Specific Plan. \$25 million of capital improvements were undertaken in support of the development area where the Paragon Outlet Mall opened in November of

2012. This massive project included roadway, utility, drainage and other infrastructure improvements and is considered vital to the future economic growth which is expected to occur in the area.

The other item that had considerable impact on the City of Livermore during fiscal year 2011-12 was the dissolution of Redevelopment Agencies mandated by the State of California. Without redevelopment agencies, the City has lost an important economic development tool which will have a negative impact on the community for years to come.

The Agency's dissolution resulted in loans and advances made by the City to the Agency in excess of \$13 million were expensed (written-off) as bad debt as a result of the State of California Department of Finance determination that these items were not "enforceable obligations" as defined by AB1X26. For more information about the dissolution, please refer to note 15 in the accompanying financial statements.

### **Cash Management**

The city pools cash from all operating sources in order to facilitate the control of cash and the investment of idle funds. The Administrative Services Director manages the portfolio in accordance with the Investment Policy of the City Council and Government Code §53601 and §56535. Permitted investments include U.S. Treasury bills and notes, U.S. Government Agency securities, Bankers Acceptances, Time Certificates of Deposit, Repurchase Agreements, Commercial Paper, Medium Term Notes, Mutual Funds and State of California Local Agency Investment Fund. Maturities may range from overnight to five years. The total amount of interest earned on all funds was \$2.4 million with an average yield of 0.56%. Other funds held by fiscal agents and trustees are invested according to the restrictions of the bond documents and the city's investment policy.

### **Risk Management**

In 1986 the City became self-insured and joined a risk sharing pool which covers general liability claims, now called the California Joint Powers Risk Management Authority (CJPRMA). The pool provides coverage up to \$40 million per occurrence above the self-insured retention of \$500,000. Claims are administered in the City Attorney's office by the Risk Manager with the assistance of a third-party claims adjustment firm. In FY 2011-2012, the pool made its twentieth distribution of excess assets. The amount distributed to the City of Livermore was \$97,023, or 30.8% of the amount of the deposit premium paid for FY 2011-2012.

In March 1992 the City joined a risk sharing pool called the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) for workers' compensation and employer liability and provides statutory unlimited coverage above the self-insured retention of \$350,000. Annually, the pool calculates a premium adjustment for the fiscal year's premium. The FY 2011-2012 premium adjustment has not been provided as of the date of this letter.

### **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 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 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.

As of June 30, 2012, the Committed Financial Stabilization Operating reserve of \$11,500,000 exceeds the minimum level of 15% expenditures. The Assigned Economic Uncertainty reserve of \$5,349,482 is 7% expenditures which fell short of the 10% target. The Unassigned fund balance of \$1,134,242 meets the fund balance goal of 1.5% expenditures. The City has until fiscal 2018 to meet the goals.

### **Economic Indicators**

The City of Livermore is located on the southeasterly boundary of Alameda County near the intersection of I-580 and I-680. The City is situated approximately 50 miles east of San Francisco in the growing Tri-Valley area which contains the cities of Pleasanton, Livermore, Dublin, and San Ramon. The estimated population of Livermore is 82,400 per the California Employment Development Department as of January 1, 2011 and represents an increase of 0.8% 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](http://www.eastbayeda.org) website, between June 2011 and June 2012, the total number of jobs in the East Bay increased by 24,600 or 1.3%.

Wholesale Trade and Education and Health increased jobs by 9,000, while Professional and Other Service Provider jobs increased by 6,000. Construction grew by 2,200 jobs, while government cut back 3,500 jobs. In July 2012 the unemployment rate in Livermore was 6.2%. This is better in comparison to an unadjusted unemployment rate of 9.5% for Alameda County and 10.9% for California. In comparison to the East Bay, San Francisco County's unemployment rate was 7.7% in July 2012, lower than the July 2011 rate of 9.0%. The unemployment rate in Santa Clara County was 8.7% in July 2012, down from 10.1% in July 2011.

As reported by the Bay East Association of Realtors the median sales price for a residence in Livermore June 2012 was \$480,000 and \$412,500 in June 2011.

The City of Livermore occupies approximately 27 square miles of the 413 square miles in the valley. There were no annexations in FY 2011-12. The current General Plan approved in February 2004 covers 55,000 acres and has the following use categories:

General Plan Use Categories	Planned Acres	At October 2012	
		Remaining to be Developed	Total Developed
Industrial Acreage	2,592	870	1,722
Commercial Acreage	845	81	764
Mixed Use	78	16	62
Residential Acreage	<u>8,742</u>	<u>390</u>	<u>8,352</u>
Totals	12,257	1,357	10,900

**Independent Audit**

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

**Achievement Award**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Livermore for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the twenty second 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 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 the staff at Maze & Associates Accountancy Corporation. I also wish to express my appreciation to the office of the City Manager and the City Council for their support of excellence in financial reporting to the public.

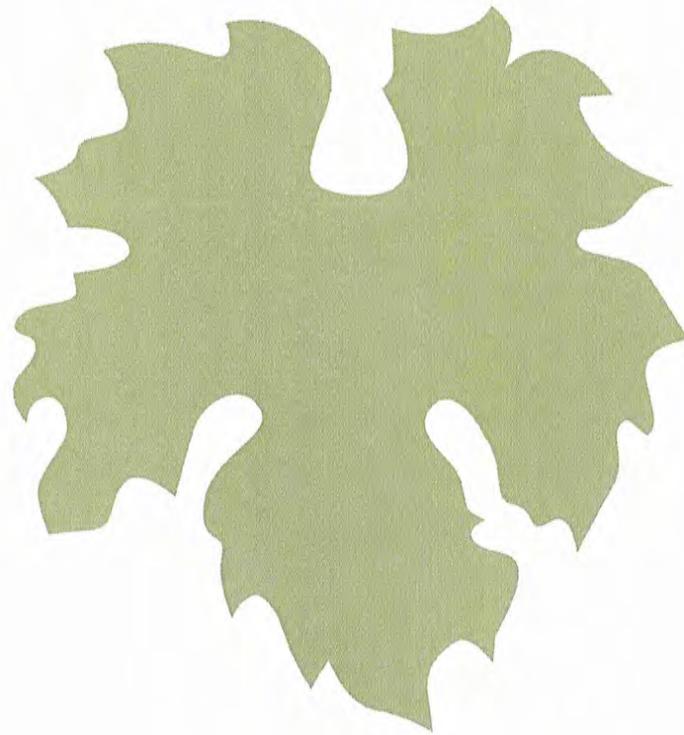
Very truly yours,

A handwritten signature in blue ink, appearing to read 'D. Alessio', with a stylized flourish extending to the right.

Douglas Alessio  
Administrative Services Director



**Comprehensive Annual Financial Report  
FY 2011-2012**





**Comprehensive Annual Financial Report  
FY 2011-2012**

City of Livermore  
ELECTED OFFICIALS

Elected Officials as of June 30, 2012

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

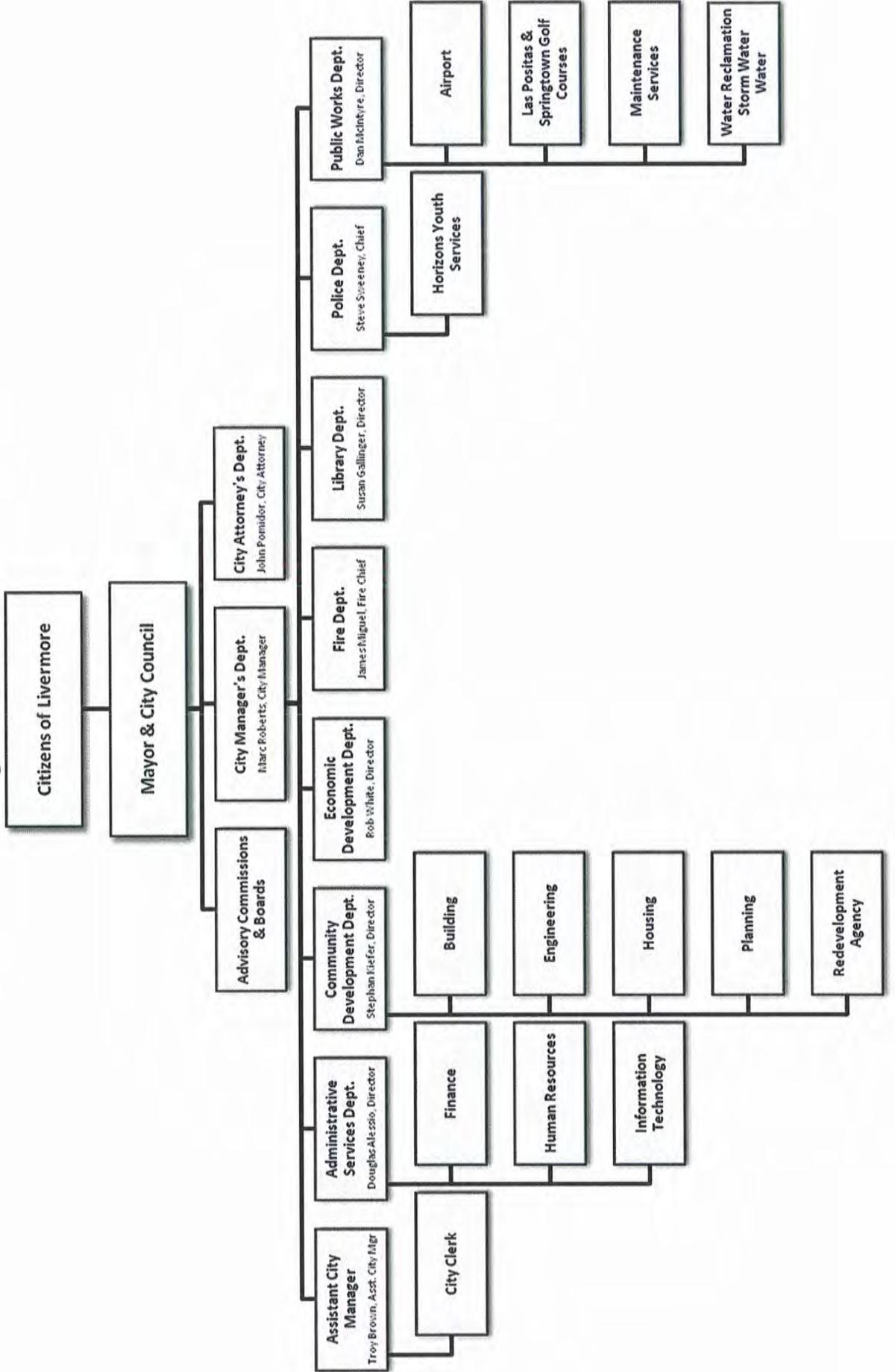
Department Heads as of June 30, 2012

Marc Roberts, City Manager  
Troy Brown, Assistant City Manager  
John Pomidor, City Attorney  
Stephan Kiefer, Director of Community Development  
Robert White, Director of Economic Development  
Susan Gallinger, Director of Library Services  
Douglas Alessio, Director of Administrative Services  
Dan McIntyre, Director of Public Services  
James Miguel, Fire Chief  
Steve Sweeney, Police Chief



# Comprehensive Annual Financial Report FY 2011-2012

## Organization Chart



# 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, 2011

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



*Christopher P. Moynell*

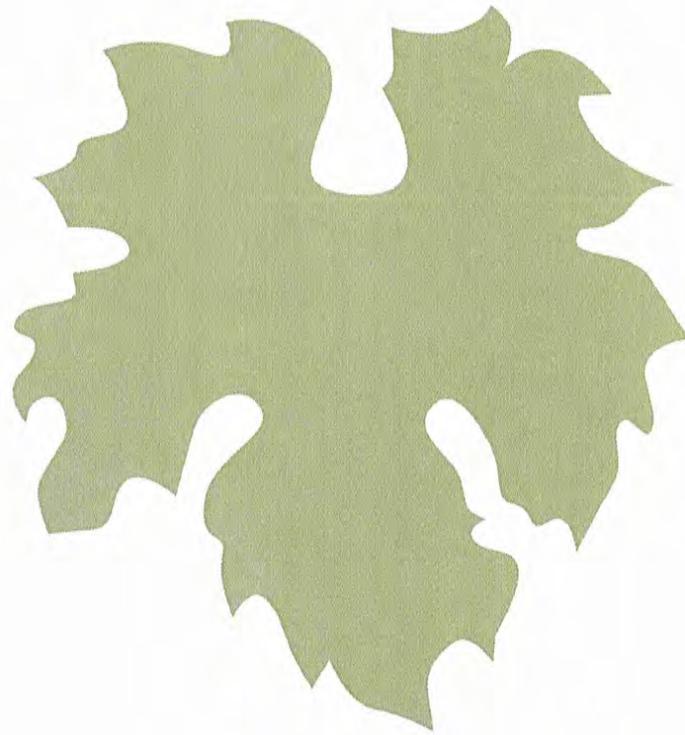
President

*Jeffrey R. Emer*

Executive Director



**Comprehensive Annual Financial Report  
FY 2011-2012**



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Livermore, California

We have audited the basic 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, as of and for the year ended June 30, 2012 as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for 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 as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the basic financial statements referred to above present fairly in all material respects the respective financial position of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Livermore at June 30, 2012 and the results of its operations and the cash flows of its proprietary funds and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

As disclosed in Note 15, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the Redevelopment Agency of the City of Livermore has been dissolved and its assets turned over to and liabilities assumed by Successor Agencies effective January 31, 2012. Certain transactions undertaken by the Redevelopment Agency of the City of Livermore prior to the date of dissolution may be subject to review by the State as discussed in Note 15, but the effect of that review can not be determined as of June 30, 2012.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012 on our consideration of the City of Livermore'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



December 20, 2012



## Comprehensive Annual Financial Report FY 2011-2012

### 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, 2012. 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 v-xi of this report.

#### **(A) Financial Highlights**

##### *Government-wide:*

- The City's total assets were \$726.6 million at June 30, 2012. Of this total, \$467.1 million were Governmental assets and \$259.6 million were Business-type assets.
- Total liabilities were \$151.4 million of which \$128.9 million were governmental liabilities and \$22.4 million were business-type liabilities.
- City-wide revenues (before extraordinary items) in fiscal 2012 were \$182.5 million, of which \$136.4 million was generated by governmental activities and \$46.2 million was generated by business-type activities.
- City-wide expenses were \$151.5 million, of which \$109.4 million was incurred by governmental activities and \$42.1 million was incurred by business-type activities.
- In fiscal 2012, the City had a \$25.1 million extraordinary gain due to the assets and liabilities assumed by the Successor Agency to the Redevelopment Agency Private Purpose Trust Fiduciary Fund.

##### *Fund Level:*

- Governmental Fund balances decreased to \$81.5 million in fiscal 2012 from \$82.7 million in fiscal 2011.
- Governmental Fund revenues increased to \$135.9 million in fiscal 2012, up \$31.7 million from the prior year's \$104.2 million.
- Governmental Fund expenditures increased to \$133.0 million in fiscal 2012, up \$18.7 million from fiscal 2011's level of \$114.3 million.
- Governmental funds experienced an extraordinary gain of \$3.0 million and an extraordinary loss of \$7.4 million due to dissolution of the Livermore Redevelopment Agency. Assets and liabilities of the dissolved Agency were transferred to the Housing Successor Agency governmental fund and Redevelopment Agency Private Purpose Trust Fiduciary Fund.
- Enterprise Fund total assets increased \$13.0 million to \$261.8 million in fiscal 2012. This increase was largely due to recognition of the City's investment in the LAVWMA JPA in accordance with Government Accounting Standards Board (GASB) Statement No. 14; the investment was recorded for the first time in fiscal 2012.
- Enterprise Fund total debt decreased \$1.6 million to \$23.8 million in fiscal 2012. This decrease was due to scheduled debt service payments.
- Enterprise Fund revenues increased to \$36.9 million in fiscal 2012, up \$1.6 million from the prior year's \$35.3 million. The increase is primarily due to the Airport Fund revenues from fuel sales, Water Fund revenues from water sale, and Springtown Golf Course revenues from forgiveness of loan from the general fund.
- Enterprise Fund expenses increased \$1.3 million to \$41.2 million in fiscal 2012 due increased cost of sales, salaries and benefits for the Airport, Water, and Sewer Funds.



## Comprehensive Annual Financial Report FY 2011-2012

### **(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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. 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 development, economic development, library, and redevelopment. 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 two legally separate component units: the Livermore Capital Projects Financing Authority (LCPFA) and City of Livermore Redevelopment Agency activities through its dissolution on January 31, 2012. Because the City Council acts as the governing board for each of these component units and because they function as part of the City government, their activities are blended with those of the primary government.

The government-wide financial statements can be found on pages 20-21 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.



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### **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 six of the City's enterprise funds, each of which is considered a major fund of the City. These funds are Airport, Water, Sewer, Las Positas Golf Course, and Springtown Golf Course. The City's eight 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 fiscal 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 Livermore Redevelopment Agency. The City's fiduciary activities are reported in the separate Statements of Fiduciary Net Assets 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 45-99.



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**Supplemental Information**

The *combining statements for non-major governmental funds* are found on pages 110-131. Combining and individual fund statements and schedules for the internal service funds and fiduciary funds can be found on pages 134-142 of this report.

**(C) Government-wide Financial Analysis**

This analysis focuses on the net assets and changes in net assets of the City as a whole. Tables 1, 2 and 3 focus on the City's Governmental Statement of Net Assets and Statement of Activities, while Tables 4 and 5 focus on the City's Business-type Statement of Net Assets and Statement of Activities that follow.

***Governmental Activities***

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

	2012	2011
Cash and investments	\$94.8	\$94.4
Other assets	38.1	40.8
Capital assets	334.2	365.5
<b>Total assets</b>	<b>467.1</b>	<b>500.7</b>
Long-term debt outstanding	73.8	108.4
Other liabilities	55.1	45.9
<b>Total liabilities</b>	<b>128.9</b>	<b>154.3</b>
Net assets:		
Invested in capital assets, net of debt	259.3	256.8
Restricted	16.2	44.3
Unrestricted	62.6	45.4
<b>Total net assets</b>	<b>\$338.1</b>	<b>\$346.5</b>

The City's governmental net assets amounted to \$338.1 million at June 30, 2012, a decrease of \$8.4 million over 2011. This decrease in the Change in Net Assets is reflected in the Governmental Activities column of the Statement of Activities shown in Table 2. The City's net assets at June 30, 2012 comprised the following:

- Cash and investments comprised \$16.7 million of unspent projects funds from debt issues, \$1.1 million of debt service reserves and \$77.0 million of pooled cash and investments available for operations. Substantially all of these amounts were held in short term investments in government securities, as detailed in Note 3 to the financial statements. Pooled cash and investments were down \$4.8 million from 2011.
- Accounts and interest receivable of \$11.5 million, all current, along with notes receivable of \$17.0 million that are due over longer periods of time, as explained in Note 5 to the financial statements.

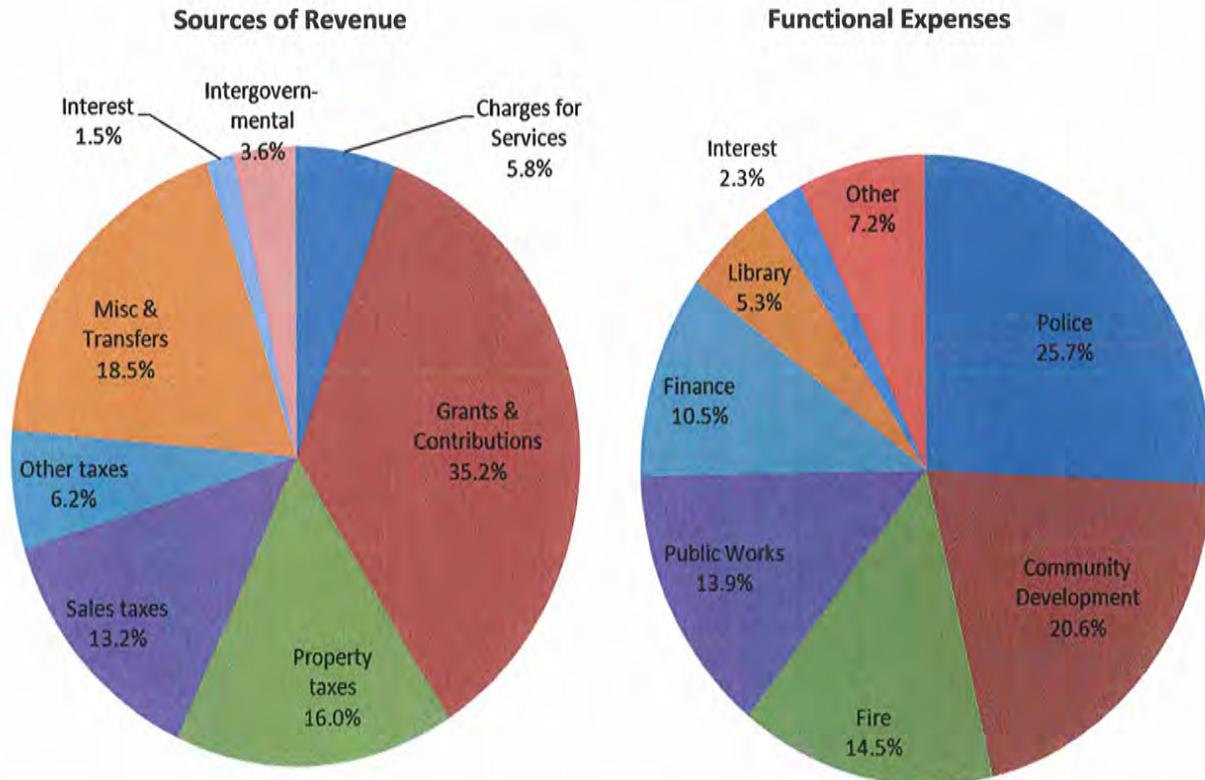


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- Land held for redevelopment purposes has decreased to \$2.2 million due to the conveyance of properties from the Agency to the City.
- Capital assets were \$244.0 million, net of depreciation charges, which includes the City's infrastructure as well as its other capital assets used in governmental activities. Land and construction in progress were \$90.1 million including the conveyances of Land held for redevelopment purposes. As discussed in Note 6 of the financial statements, the City restated Governmental Construction in Progress beginning balance from \$81.8 million to \$21.3 million by \$60.5 million.
- Current liabilities, including accounts payable, claims and other amounts due currently, totaling \$13.6 million. This is a decrease of \$1.7 million.
- Deposits payable and unearned revenue of \$17.8 million, primarily represent developer performance deposits, which are refundable if the developer performs City required improvements. This is a decrease of \$0.8 million from 2011.
- Long-term debt of \$73.7 million, of which \$70.9 million is due in future years and \$2.8 million is due currently. With the dissolution of the Livermore Redevelopment Agency, \$31.1 million of long-term debt related to 2001 Tax Allocation Bond is removed from the governmental activities to fiduciary activities. This debt is assumed by the Successor Agency, as detailed in Note 15 of the financial statements.
- Net assets invested in capital assets net of related debt of \$259.3 million represents the City's investment in infrastructure and other capital assets used in Governmental activities, net of amounts borrowed to finance that investment.
- Restricted net assets totaling \$16.2 million 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.
- Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. Citywide governmental activities had \$62.6 million of unrestricted net assets at June 30, 2012.

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### Fiscal Year 2012 Citywide Governmental Activities



As the Sources of Revenue Chart above shows 13.2% of the City's fiscal 2012 governmental activities revenue came from sales taxes, while 16.0% came from property tax, 6.2% came from other taxes, 5.8% came from charges for services, 35.2% came from grants and contributions, and 18.5% came from miscellaneous revenues, transfers, including an extraordinary gain. The remaining 5.1% came from intergovernmental and interest revenue.

The Functional Expenses Chart above includes only fiscal year 2012 expense; it does not include capital outlays, which are added to the City's capital assets. As the chart shows, Community Development accounted for 20.6% of total governmental expenses, Police accounted for 25.7%, Fire accounted for 14.5%, Public Works accounted for 13.9% and other governmental programs and functions accounted for the remaining 25.1%.



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

	Governmental Activities	
	2012	2011
<b>Table 2</b>		
<b>Changes in Governmental Net Assets</b>		
<b>(in Millions)</b>		
<b>Expenses</b>		
General Government	\$16.8	\$10.7
Fire	15.8	15.0
Police	27.9	26.2
Public Works	15.0	14.3
Community Development	22.8	24.8
Economic Development	1.4	1.0
Library	5.8	5.3
Redevelopment	1.4	3.0
Interest on long term debt	2.5	4.0
Total expenses	109.4	104.3
<b>Revenues</b>		
Program revenues:		
Charges for services	9.2	7.8
Operating contributions and grants	8.3	10.9
Capital grants and contributions	47.0	16.7
Total program revenues	64.5	35.4
General revenues:		
Property taxes	25.2	23.0
Incremental property taxes	0	4.7
Sales taxes	20.7	16.7
Other taxes	9.8	9.1
Intergovernmental	5.6	6.0
Interest	2.4	2.7
Miscellaneous	8.1	8.2
Total general revenues	71.8	70.4
Extraordinary item	25.1	0
Surplus before transfers	46.7	1.5
Transfers, net	0.2	0.1
<b>Changes in net assets</b>	<b>\$46.9</b>	<b>\$1.6</b>

As Table 2 above shows, \$64.5 million, or 47.8%, of the City's fiscal 2012 Governmental revenue, came from program revenues (before extraordinary items and transfers) and \$71.9 million, or 52.2%, came from general revenues such as taxes and interest. Program revenues increased \$29.1 million largely due to increases in capital grants and contributions, while general revenues increased \$1.5 million. The Extraordinary item in fiscal 2012 represents \$25.1 million extraordinary gain due to the assets and liabilities assumed by the Successor Agency to the Redevelopment Agency Private Purpose Trust Fiduciary Fund.



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Program revenues were composed of charges for services of \$9.2 million which include permit revenues, fees and charges used to fund expenses incurred in providing services; \$8.3 million of operating grants and contributions which include gas tax revenues and housing and police grants and capital grants and contributions of \$47.0 million which consist mainly of street project grants and developer impact fees restricted to capital outlay. Operating Grants and Contributions were down \$2.6 million. Capital Grants and Contributions were up \$30.3 million. This is largely attributed to the construction of Phase I of the El Charro Specific Infrastructure Project during fiscal 2012.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs.

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 generated by certain activities, such as Police, exceed the cost of that program. Revenues for Community Development activities exceeded expenses for 2012 due to an increase in capital grants and contributions related to the El Charro Specific Infrastructure Project.

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

	<u>2012</u>	<u>2011</u>
City Council	\$0.0	\$0.2
City Manager	(1.5)	(1.2)
City Attorney	(1.4)	(1.3)
City Clerk	(1.0)	(0.6)
Finance	(11.4)	(5.8)
Human Resources	(1.3)	(1.4)
Fire	(14.6)	(14.0)
Police	(25.2)	(22.9)
Public Works	(14.4)	(13.9)
Community Development	36.9	5.2
Economic Development	(1.4)	(1.0)
Library	(5.6)	(5.0)
Redevelopment	(1.4)	(3.0)
Interest on long term debt	<u>(2.5)</u>	<u>(4.0)</u>
<b>Totals</b>	<b><u>(\$44.9)</u></b>	<b><u>(\$68.9)</u></b>



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***Business-type Activities***

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

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

	Business-Type Activities	
	2012	2011
Cash and investments	\$80.9	\$80.6
Other assets	19.3	0.2
Capital assets	159.4	165.2
<b>Total assets</b>	<b>259.6</b>	<b>246.0</b>
Long-term debt outstanding	18.9	20.5
Other liabilities	3.5	2.7
<b>Total liabilities</b>	<b>22.4</b>	<b>23.2</b>
Net assets:		
Invested in capital assets, net of debt	144.7	146.3
Unrestricted	92.4	76.5
<b>Total net assets</b>	<b>\$237.1</b>	<b>\$222.8</b>

The net assets of business-type activities increased to \$237.1 million in fiscal 2012, a increase of \$14.3 million due to the newly recorded investment in LAVWMA JPA. A decrease in long-term debt outstanding was due to the amortization of principal.

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

	Business-type Activities	
	2012	2011
<b>Expenses</b>		
Airport	\$5.6	\$5.0
Water	11.5	10.5
Sewer	22.5	22.6
Las Positas Golf Course	2.5	2.3
Springtown Golf Course	0.0	0.1
<b>Total expenses</b>	<b>\$42.1</b>	<b>\$40.5</b>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$38.8	\$36.2
Capital Grants and Contributions	1.4	0.2
Total Program Revenues	40.2	36.4
Transfers, net	(0.2)	(0.1)
<b>Changes in net assets</b>	<b>(\$2.1)</b>	<b>(\$4.2)</b>



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Total program revenues of Business-type Activities were \$40.0 million in fiscal 2012, up from \$36.4 million in the prior year due primarily to Airport and Water charges for services. Program expenses increased \$1.6 million to a total of \$42.1 million.

Net transfers increased expenses by \$0.1 million.

**The City's Fund Financial Statements**

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

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

	2012	2011
<b>Governmental Funds</b>		
Total assets	\$140.4	\$147.1
Total liabilities	58.8	64.4
Total fund balances	81.5	82.7
Total revenues	135.9	104.2
Total expenditures	133.0	114.3
Total other financing sources (uses) and special items	0.2	6.3

At June 30, 2012, the City's governmental funds reported combined fund balances of \$81.5 million, which is a decrease of \$1.2 million from the prior year.

Governmental fund revenues showed an increase of \$31.7 million to \$135.9 million, while expenditures also increased \$18.7 million to a total of \$133.0 million. Expenditures included \$5.6 million in debt service and capital outlays of \$42.4 million. The increase in revenues was primarily due to an increase of \$29.2 million in intergovernmental revenues. The increase in expenditures was due primarily to an increase of \$15.9 million in capital outlay expenditures.

***Analyses of Major Governmental Funds***

**General Fund**

Revenues showed a increase of \$5.3 million to \$76.2 million in fiscal 2012 compared to the actual for fiscal 2011. Property tax revenue increased \$0.3 million, Sales tax revenue increased \$4.0 million in fiscal 2012.

Expenditures showed an increase of \$6.4 million to \$76.3 million for fiscal 2012 compared to the actual for fiscal 2011. \$4.2 million of the increase is reported under Finance expenditures due to the write-off of General Fund loans advanced to the Redevelopment Agency and Springtown Golf. Economic Development had a negative variance from budget by 5.7%.

The following table shows the budgetary variances between the original two-year budget approved in 2010 versus the final amended budget for fiscal 2012 that was approved on June 11, 2012 and reflects the change in economic expectations between the two time periods.



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**Table 7  
General Fund Budgetary Variance Analysis**

	Budget Approved June 14, 2010	Budget Approved June 11, 2012	Variance Final Budget	Variance Final Budget
	Original	Final	Positive/(Negative)	%
<b>Revenues:</b>				
Property taxes	\$23,734,900	\$23,115,000	(\$619,900)	-2.61%
Sales taxes	15,049,000	19,967,700	4,918,700	32.68%
Other taxes	9,641,000	9,559,000	(82,000)	-0.85%
Licenses and permits	2,085,000	2,026,000	(59,000)	-2.83%
Intergovernmental	7,542,000	6,856,850	(685,150)	-9.08%
Fines and forfeitures	752,000	655,000	(97,000)	-12.90%
Other in lieu taxes	517,000	7,800	(509,200)	-98.49%
Charges for current services	8,500,000	8,792,500	292,500	3.44%
Use of money and property	3,667,700	3,026,300	(641,400)	-17.49%
Miscellaneous	<u>1,314,000</u>	<u>1,080,860</u>	<u>(233,140)</u>	<u>-17.74%</u>
Totals	72,802,600	75,087,010	2,284,410	3.14%
<b>Expenditures:</b>				
City Council	147,790	179,010	31,220	21.12%
City Manager	1,073,180	1,180,390	107,210	9.99%
City Attorney	1,303,650	1,295,090	(8,560)	-0.66%
City Clerk	778,080	884,131	106,051	13.63%
Finance	5,677,680	7,270,997	1,593,317	28.06%
Human Resources	1,207,810	1,194,995	(12,815)	-1.06%
Fire	14,643,190	14,136,590	(506,600)	-3.46%
Police	23,990,840	24,694,670	703,830	2.93%
Public Works	6,094,160	5,109,628	(984,532)	-16.16%
Community Development	11,287,630	10,609,669	(677,961)	-6.01%
Economic Development	658,280	1,260,590	602,310	91.50%
Library	4,356,970	4,403,880	46,910	1.08%
Capital projects	<u>185,100</u>	<u>273,970</u>	<u>88,870</u>	<u>48.01%</u>
Totals	<u>71,404,360</u>	<u>72,493,610</u>	<u>1,089,250</u>	<u>1.53%</u>

The following table shows the original budget approved in 2010 and the final amended budget approved on June 11, 2012 and the actual results as of June 30, 2012. The variances computed are between the final budget and actual results. Revenues were greater than budgeted by \$1.1 million. The largest contributor to the variance was Sales Tax. As to expenditures, the largest negative variance was \$4.2 million Finance expenditures due to the write-off of General Fund interfund loans to the Redevelopment Agency and Springtown Golf. Overall revenues had a net positive variance and expenditures had a net negative variance.



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

	Budget Approved June 14, 2010 Original	Budget Approved June 11, 2012 Final	As of June 30, 2012 Actual Budgetary Basis	Variance Final Budget Positive/(Negative)	Variance Final Budget %
<b>Revenues:</b>					
Property taxes	\$23,734,900	\$23,115,000	\$23,109,908	(\$5,092)	-0.02%
Sales taxes	15,049,000	19,967,700	20,761,599	793,899	3.98%
Other taxes	9,641,000	9,559,000	9,803,173	244,173	2.55%
Licenses and permits	2,085,000	2,026,000	2,006,311	(19,689)	-0.97%
Intergovernmental	7,542,000	6,856,850	6,927,549	70,699	1.03%
Fines and forfeitures	752,000	655,000	465,263	(189,737)	-28.97%
Other in lieu taxes	517,000	7,800	7,916	116	1.49%
Charges for current services	8,500,000	8,792,500	8,996,291	203,791	2.32%
Use of money and property	3,667,700	3,026,300	2,289,560	(736,740)	-24.34%
Miscellaneous	<u>1,314,000</u>	<u>1,080,860</u>	<u>1,861,600</u>	<u>780,740</u>	<u>72.23%</u>
Totals	72,802,600	75,087,010	76,229,170	1,142,160	1.52%
<b>Expenditures:</b>					
City Council	147,790	179,010	168,171	10,839	6.1%
City Manager	1,073,180	1,180,390	1,202,081	(21,691)	-1.8%
City Attorney	1,303,650	1,295,090	1,280,372	14,718	1.1%
City Clerk	778,080	884,131	865,264	18,867	2.1%
Finance	5,677,680	7,270,997	11,508,912	(4,237,915)	-58.3%
Human Resources	1,207,810	1,194,995	1,138,949	56,046	4.7%
Fire	14,643,190	14,136,590	14,214,342	(77,752)	-0.6%
Police	23,990,840	24,694,670	24,672,983	21,687	0.1%
Public Works	6,094,160	5,109,628	4,788,501	321,127	6.3%
Community Development	11,287,630	10,609,669	10,537,064	72,605	0.7%
Economic Development	658,280	1,260,590	1,331,825	(71,235)	-5.7%
Library	4,356,970	4,403,880	4,421,301	(17,421)	-0.4%
Capital projects	185,100	273,970	174,111	99,859	36.4%
Debt service	0	0	0	0	0.0%
Totals	<u>71,404,360</u>	<u>72,493,610</u>	<u>76,303,876</u>	<u>(3,810,266)</u>	<u>-5.3%</u>

### Isabel Parkway

This fund is the capital project fund for the Isabel/I-580 Interchange project. This project will construct a new interchange on I-580 at the future Isabel Ave./Route 84 extension. During fiscal 2012, capital expenditures amounted to \$15.3 million.

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



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### **El Charro**

This fund is the capital project fund for the El Charro Specific Infrastructure Plan. This project will design and construct public infrastructure to serve the El Charro Specific Plan Area. During fiscal 2012 capital expenditures amounted to \$24.5 million.

Revenue sources for this fund include: the Water Fund, Storm Drain Fund, Traffic Impact Fee Fund, LCPFA 2008 and 2011 COP Construction Funds; financing from outside agencies including, Alameda County Surplus Property Authority, Alameda County Zone 7 Water Agency, Alameda County Transportation Commission grant funds, State grant funds, City of Pleasanton and private developers.

### **Developer Deposits**

This fund accounts for performance deposits from developers, which are held on their behalf. Funds are returned if developers perform required provisions under agreements with the City. Funds used by the City to complete required provisions are recorded as revenues in other funds to the extent used. As of June 30, 2012 the City held \$15.4 million in performance deposits on behalf of developers.

### **LCPFA 2011 COP Construction Fund**

This fund accounts for the bond proceeds from the LCPFA 2011 COP debt issue. The bond proceeds are expended for the construction of certain City capital projects. As of June 30, 2012 \$11.8 million of bond proceeds were held by the fiscal agent of which \$10.4 million was drawn down from bond proceeds after June 30<sup>th</sup>.

### **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 operating income amounted to \$0.6 million in fiscal year 2012, up from \$0.2 million in fiscal year 2011. This is due primarily to an 8% increase in airport traffic and a 20% increase in fuel sales.



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### **Water Fund**

Water Fund operating loss amounted to (\$0.04) million in fiscal year 2012, up from (\$0.3) million in fiscal year 2011.

Operating revenues increased by \$0.8 million in fiscal 2012. The increase is primarily due to an increase in water consumption and a single new water customer whose account was established and billed in the current fiscal year.

Operating expenses increased by \$1.0 million to \$11.3 million in fiscal 2012. The increase is mostly due to the larger cost to purchase water to satisfy consumer demand.

Net Non-Operating revenues increased to \$0.3 million in fiscal 2012 from \$0.0 million in fiscal 2011. This is attributed to growth in development in the City and an increase in water connection fees.

Transfers out increased from \$0.05 million in fiscal 2011 to \$0.3 million in fiscal 2012. The increase is due funding a portion of the El Charro Specific Infrastructure Plan.

### **Sewer Fund**

Sewer Fund operating loss amounted to (\$3.9) million in fiscal 2012, up from (\$4.4) million in fiscal 2011.

Operating revenues amounted to \$18.3 million in fiscal 2012, up from \$18.6 million in 2011.

Operating expenses increased \$1.3 million to \$22.2 million. The increase is mainly the result of a reporting change in which LAVWMA reporting fund in fiscal 2011 was combined with the Sewer reporting fund in the current fiscal year.

Net Non-Operating revenues increased to \$7.3 million in fiscal 2012 from \$0.4 million in fiscal 2011. This is attributed primarily to the new reporting item for the City's investment in the LAVWMA joint venture of \$6.0 million and the balance of the increase is due to growth in development in the City and an increase in sewer connection fees.

### **Las Positas Golf Course Fund**

The Las Positas Golf Course Fund generated a net loss of \$0.4 million which worsened slightly as compared to the loss of \$0.3 million from fiscal 2011. The net loss is primarily a result of the 9-hole course closure for eleven months of the fiscal year.

Operating revenues were down by \$0.1 million at \$1.9 million in fiscal 2012. Operating expenses had an increase of \$0.2 million in fiscal 2012.



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**Springtown Golf Course Fund**

The Springtown Golf Course Fund had a small operating loss for the year. In fiscal 2012, the interfund loan due to the General Fund was written off resulting in non-operating revenue of \$0.7 million. In fiscal 2010, the City hired a contractor to oversee the operations of the Springtown Golf Course. The contractor will pay the City \$6,000 per year in exchange of retaining golf and other fee revenues generated by the Golf Course.

**(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. As allowed by GASB 34, the City had until fiscal 2005-2006 to record the cost and accumulated depreciation of infrastructure acquired in prior years. An audit of these assets was done six years ago and City staff has implemented these adjustments.

At the end of fiscal 2012 the cost of capital assets recorded on the City's financial statements was as shown in Table 9 below (further detail may be found in Note 6 to the financial statements):

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

	<u>2012</u>	<u>2011 As Restated</u>
<i><b>Governmental Activities</b></i>		
Land	\$33.5	\$31.7
Construction in progress	55.6	21.1
Buildings	97.9	97.9
Equipment	17.4	17.2
Infrastructure	271.9	269.6
Internal service fund Construction In Progress equipment and vehicles	13.2	12.4
Less accumulated depreciation	<u>(155.4)</u>	<u>(145.2)</u>
<b>Totals</b>	<b><u>\$334.1</u></b>	<b><u>\$304.7</u></b>
<i><b>Business-type Activities</b></i>		
Land	\$13.9	\$13.9
Construction in progress	7.6	11.1
Land Improvements	0.6	0.6
Buildings	22.2	22.2
Equipment and vehicles	2.8	2.7
Golf Course Infrastructure	7.3	7.3
Sewer Infrastructure	217.1	211.7
Water Infrastructure	42.6	42.4
Airport Infrastructure	11.0	10.9
Less accumulated depreciation	<u>(165.7)</u>	<u>(157.6)</u>
<b>Totals</b>	<b><u>\$159.4</u></b>	<b><u>\$165.2</u></b>



## Comprehensive Annual Financial Report FY 2011-2012

The principal additions for governmental activities in fiscal 2012 were to construction in progress for the El Charro CIP project 200722. Business-type activity additions were primarily composed of Sewer Infrastructure.

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. Additional information on depreciable lives may be found in Note 6.

### (E) Debt Administration

Each of the City's debt issues is discussed in detail in Note 7 to the financial statements. At June 30, 2011 and 2012 the City's debt comprised:

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

	2012	2011
<b>Governmental Activity Debt:</b>		
Certificates of Participation	\$64.0	\$66.7
Tax Allocation Bonds	-	31.8
Notes and Loans payable	9.7	9.9
<b>Totals</b>	<b>\$73.7</b>	<b>\$108.4</b>
<b>Business-type Activity Debt:</b>		
Certificates of Participation	\$17.3	\$18.1
State Water Reclamation Loans	1.6	2.4
<b>Totals</b>	<b>\$18.9</b>	<b>\$20.5</b>

In fiscal 2012, Governmental activities debt decreased \$31.8 million due to the assumption of the Tax Allocation Bonds by the Successor Agency Private Purpose Trust Fund from the former Redevelopment Agency, and was reduced \$2.9 million for scheduled retirements. Business-type activity debt decreased \$1.6 million for 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, 2012, a total of \$41.1 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) Requests for Information

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



## **Comprehensive Annual Financial Report FY 2011-2012**

### **Government-Wide Financial Statements Statement of Net Assets and Activities**

The Statement of Net Assets 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 the City's assets and all its liabilities, 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 Assets reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Assets presents similar information in a way that focuses the reader on the composition of the City's net assets, by subtracting total liabilities from total assets.

The Statement of Net Assets summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the 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 assets. 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, 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 Assets is computed and reconciled with the Statement of Net Assets.

Both these Statements include the financial activities of the City, the Livermore Redevelopment Agency and the Livermore Capital Projects Financing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for their activities.

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



**Comprehensive Annual Financial Report  
FY 2011-2012**

**STATEMENT OF NET ASSETS  
JUNE 30, 2012**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments in City Treasury (Note 3)	\$76,997,543	\$76,657,390	\$153,654,933
Cash and investments with Trustees (Note 3)	17,779,446	4,286,023	22,065,469
Accounts receivables, net	11,106,283	2,493,718	13,600,001
Interest receivable	416,198		416,198
Investment in JPA - LAVVMA (Note 12A)		16,477,371	16,477,371
Internal balances (Note 4D)	2,268,755	(2,268,755)	
Prepays, deposits and supplies	349,847	2,476,650	2,826,497
Notes receivable (Note 5)	21,708,590		21,708,590
Land held for redevelopment (Note 1J)	2,292,006		2,292,006
Land and construction in progress (Note 6)	90,139,681	22,125,914	112,265,595
Capital assets, net of accumulated depreciation (Note 6)	244,015,535	137,305,112	381,320,647
<b>Total assets</b>	<u>467,073,884</u>	<u>259,553,423</u>	<u>726,627,307</u>
<b>LIABILITIES</b>			
Accounts payable and other accruals	6,469,195	2,192,564	8,661,759
Accrued payroll	1,751,648	338,025	2,089,673
Deposit payable and unearned revenue	20,386,201	496,507	20,882,708
Claims payable - due in more than one year (Note 13B)			
Due within one year	1,635,130		1,635,130
Due in more than one year	1,849,070		1,849,070
Accrued compensated absences (Note 1G):			
Due within one year	988,014	196,331	1,184,345
Due in more than one year	1,811,280	251,060	2,062,340
Net OPEB obligation (Note 10)	20,268,820		20,268,820
Long-term debt (Note 7):			
Due within one year	2,773,607	1,628,754	4,402,361
Due in more than one year	71,004,305	17,326,786	88,331,091
<b>Total liabilities</b>	<u>128,937,270</u>	<u>22,430,027</u>	<u>151,367,297</u>
<b>NET ASSETS (Note 9)</b>			
Invested in capital assets, net of related debt	259,362,430	144,761,509	404,123,939
Restricted:			
Capital projects	2,174,123		2,174,123
Debt service	725,222		725,222
Special assessment administration	5,830,522		5,830,522
Special revenue programs	7,486,595		7,486,595
Unrestricted	62,557,722	92,361,887	154,919,609
<b>Total net assets</b>	<u>\$338,136,614</u>	<u>\$237,123,396</u>	<u>\$575,260,010</u>

See accompanying notes to financial statements

## Comprehensive Annual Financial Report FY 2011-2012

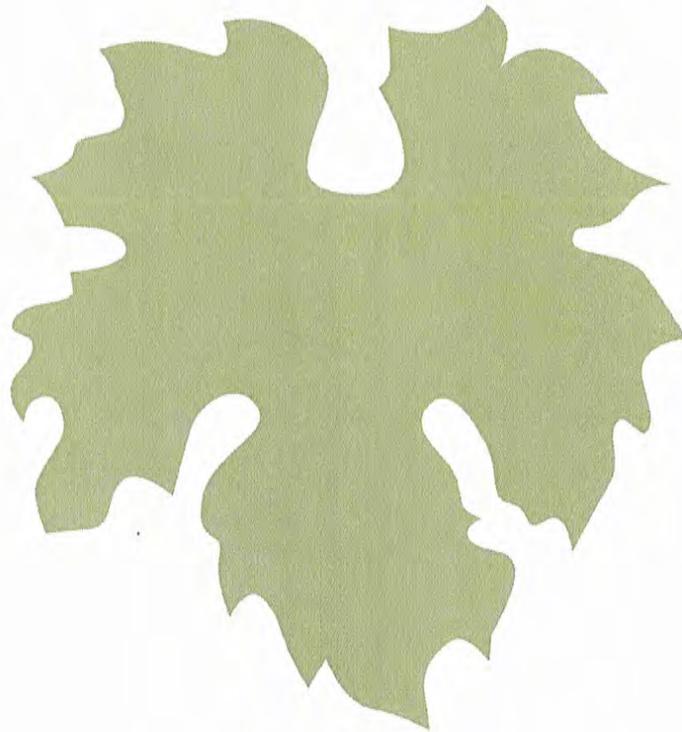
### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental Activities:</b>						
City Council	\$203,749		\$174,705		(\$29,044)	(\$29,044)
City Manager	1,481,798				(1,481,798)	(1,481,798)
City Attorney	1,395,340				(1,395,340)	(1,395,340)
City Clerk	984,762				(984,762)	(984,762)
Finance	11,458,974				(11,458,974)	(11,458,974)
Human Resources	1,285,520				(1,285,520)	(1,285,520)
Fire	15,840,299	\$1,189,918			(14,650,381)	(14,650,381)
Police	27,883,362	1,373,008	1,271,800		(25,238,554)	(25,238,554)
Public Works	14,963,662	128,206	395,400		(14,440,056)	(14,440,056)
Community Development	22,791,521	6,346,285	6,411,215	\$46,991,639	36,957,618	36,957,618
Economic Development	1,380,669				(1,380,669)	(1,380,669)
Library	5,784,086	139,104	51,239		(5,593,743)	(5,593,743)
Redevelopment	1,422,996				(1,422,996)	(1,422,996)
Interest on long term debt	2,463,121				(2,463,121)	(2,463,121)
<b>Total Governmental Activities</b>	<b>109,339,859</b>	<b>9,176,521</b>	<b>8,304,359</b>	<b>46,991,639</b>	<b>(44,867,340)</b>	<b>(44,867,340)</b>
<b>Business-type Activities:</b>						
Airport	5,597,645	6,976,531			\$1,378,886	1,378,886
Water	11,514,203	11,357,357		335,511	178,665	178,665
Sewer	22,467,214	18,553,327		294,617	(3,619,270)	(3,619,270)
Las Positas	2,517,171	1,932,811			(584,360)	(584,360)
Springtown	26,660	12,010		736,371	721,721	721,721
<b>Total Business-type Activities</b>	<b>42,122,893</b>	<b>38,832,036</b>		<b>1,366,499</b>	<b>(1,924,358)</b>	<b>(1,924,358)</b>
<b>Total</b>	<b>\$151,462,752</b>	<b>\$48,008,557</b>	<b>\$8,304,359</b>	<b>\$48,358,138</b>	<b>(44,867,340)</b>	<b>(1,924,358)</b>
<b>General revenues;</b>						
Property taxes					25,228,218	25,228,218
Sales taxes					20,761,599	20,761,599
Business license taxes					3,324,784	3,324,784
Transient occupancy and franchise taxes					6,486,305	6,486,305
Intergovernmental, unrestricted					5,633,766	5,633,766
Interest					2,399,333	2,399,333
Miscellaneous					8,070,519	8,070,519
Change of value of investment in JPA - LAVWMA						6,021,144
Transfers, net (Note 4D)					230,147	(230,147)
Changes in net assets before extraordinary item					27,267,331	3,866,639
<b>Extraordinary item (Note 15):</b>						
Assets transferred to/liabilities assumed by Successor Agency					25,136,863	25,136,863
<b>Total general revenues, transfers and extraordinary item</b>					<b>97,271,534</b>	<b>5,790,997</b>
<b>Change in Net Assets</b>					<b>52,404,194</b>	<b>3,866,639</b>
<b>Net Assets-Beginning, as restated (Notes 6A and 12A)</b>					<b>285,732,420</b>	<b>233,256,757</b>
<b>Net Assets-Ending</b>					<b>\$338,136,614</b>	<b>\$237,123,396</b>

See accompanying notes to financial statements



**Comprehensive Annual Financial Report  
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**Fund Financial Statements**

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

The funds described below were determined to be Major Funds by the City in fiscal 2012. Individual non-major funds may be found in the Supplemental Section.

**GENERAL FUND**

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

**ISABEL AVENUE CAPITAL PROJECTS**

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

**EL CHARRO SPECIFIC PLAN CAPITAL PROJECTS**

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

**DEVELOPER DEPOSITS CAPITAL PROJECTS**

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

**LCPFA 2011 COP CONSTRUCTION FUND**

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



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**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2012**

	<u>General</u>	<u>Isabel Avenue</u>	<u>El Charro Specific Plan</u>
<b>ASSETS</b>			
Cash and investments in City Treasury (Note 3)	\$12,522,953		\$4,010,745
Cash and investments with Trustees (Note 3)			
Accounts receivables	6,308,496		
Interest receivable	416,198		
Due from other funds (Note 4A)	1,625,285		12,073,666
Advances to other funds (Note 4C)	5,232,353		
Prepays and deposits	30,460		
Notes receivable (Note 5)			
Land held for redevelopment (Note 1J)			
<b>Total Assets</b>	<u>\$26,135,745</u>		<u>\$16,084,411</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	\$1,312,616	\$457,220	\$2,833,391
Accrued payroll and benefits	1,576,592		
Deposit payable		421	1,195,662
Due to other funds (Note 4A)		3,818,119	
Advance from other funds (Note 4C)			
Deferred rents and revenue			
<b>Total Liabilities</b>	<u>2,889,208</u>	<u>4,275,760</u>	<u>4,029,053</u>
<b>FUND BALANCES (Note 9)</b>			
Nonspendable	5,262,813		
Restricted			12,055,358
Committed	11,500,000		
Assigned	5,349,482		
Unassigned	1,134,242	(4,275,760)	
<b>Total Fund Balances</b>	<u>23,246,537</u>	<u>(4,275,760)</u>	<u>12,055,358</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$26,135,745</u>		<u>\$16,084,411</u>

See accompanying notes to financial statements





**Comprehensive Annual Financial Report  
FY 2011-2012**

**GOVERNMENTAL FUNDS  
BALANCE SHEET - Continued  
JUNE 30, 2012**

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

Amount reported in the Governmental Balance Sheet as Fund Balance	\$81,533,351
<b>CAPITAL ASSETS</b>	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	334,155,216
<b>ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS</b>	
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 net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Assets.	
Cash and investments	12,345,281
Accounts receivable	357,846
Internal balances	829,792
Prepays, deposits and supplies	316,387
Accounts payable and other accruals	(281,454)
Accrued payroll	(88,114)
Deposits payable	(11,188)
Net pension obligation	(20,268,820)
Claims payable	(3,484,200)
<b>ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES</b>	
Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	9,309,723
<b>LONG-TERM ASSETS AND LIABILITIES</b>	
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	(2,799,294)
Long-term debt	(73,777,912)
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$338,136,614</u></u>

See accompanying notes to financial statements



**Comprehensive Annual Financial Report  
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## Comprehensive Annual Financial Report FY 2011-2012

### GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2012

	General	Isabel Avenue	El Charro Specific Plan
<b>REVENUES</b>			
Taxes and special assessments	\$23,109,908		
Sales Taxes	20,761,599		
Other taxes	9,811,089		
Licenses and permits	2,006,311		
Intergovernmental	6,927,549		\$27,473,547
Contributions from outside sources			474,894
Fines and forfeitures	465,263		
Charges for current services	8,996,291		
Use of money and property	2,289,560		
Miscellaneous	1,861,600		
	<u>76,229,170</u>	<u></u>	<u>27,948,441</u>
<b>Total Revenues</b>			
<b>EXPENDITURES</b>			
Current:			
City Council	168,171		
City Manager	1,202,081		
City Attorney	1,280,372		
City Clerk	865,264		
Finance	11,508,912		
Human Resources	1,138,949		
Fire	14,214,342		
Police	24,672,983		
Public Works	4,788,501		
Community Development	10,537,064		
Economic Development	1,331,825		
Library	4,421,301		
Redevelopment			
Capital Outlay:			
Capital projects	174,111	\$10,736,274	24,494,913
Debt service:			
Principal			
Interest and fiscal charges			
	<u>76,303,876</u>	<u>10,736,274</u>	<u>24,494,913</u>
<b>Total Expenditures</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(74,706)</u>	<u>(10,736,274)</u>	<u>3,453,528</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (Note 4B)	1,313,499	11,669,002	13,823,258
Transfers (out) (Note 4B)	(3,917,354)		
	<u>(2,603,855)</u>	<u>11,669,002</u>	<u>13,823,258</u>
<b>Total Other Financing Sources (Uses)</b>			
<b>CHANGE IN FUND BALANCE BEFORE EXTRAORDINARY ITEMS</b>	<u>(2,678,561)</u>	<u>932,728</u>	<u>17,276,786</u>
<b>EXTRAORDINARY ITEMS (NOTE 15)</b>			
Assets transferred to Housing Successor			
Asset transferred to/liabilities assumed by Successor Agencies			
	<u>(2,678,561)</u>	<u>932,728</u>	<u>17,276,786</u>
<b>NET CHANGE IN FUND BALANCES</b>			
FUND BALANCES (DEFICITS) AT BEGINNING OF PERIOD	<u>25,925,098</u>	<u>(5,208,488)</u>	<u>(5,221,428)</u>
FUND BALANCES (DEFICITS) AT END OF PERIOD	<u>\$23,246,537</u>	<u>(\$4,275,760)</u>	<u>\$12,055,358</u>

See accompanying notes to financial statements

## Comprehensive Annual Financial Report FY 2011-2012

Developer Deposits	LCFPA 2011 COP Construction Fund	Other Governmental Funds	Total Governmental Funds
		\$4,681,232	\$27,791,140
		121,486	20,761,599
		19,346,151	9,932,575
		687,965	2,006,311
		5,173,488	53,747,247
	\$457	474,514	1,162,859
		1,260,575	465,263
			14,169,779
			2,764,531
			3,122,175
	457	31,745,411	135,923,479
			168,171
		147,440	1,349,521
			1,280,372
			865,264
			11,508,912
			1,138,949
			14,214,342
		814,411	25,487,394
		1,985,950	6,774,451
		4,782,007	15,319,071
			1,331,825
		314,431	4,735,732
		996,524	996,524
		6,345,374	41,750,672
		3,619,583	3,619,583
		2,463,121	2,463,121
		21,468,841	133,003,904
	457	10,276,570	2,919,575
		6,504,097	33,309,856
	(10,447,998)	(18,714,357)	(33,079,709)
	(10,447,998)	(12,210,260)	230,147
	(10,447,541)	(1,933,690)	3,149,722
		3,032,667	3,032,667
		(7,430,171)	(7,430,171)
	(10,447,541)	(6,331,194)	(1,247,782)
(\$8,402)	11,800,000	55,494,353	82,781,133
(\$8,402)	\$1,352,459	\$49,163,159	\$81,533,351

**Comprehensive Annual Financial Report  
FY 2011-2012**

**RECONCILIATION OF THE NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
WITH STATEMENT OF ACTIVITIES-FOR THE YEAR ENDED JUNE 30, 2012**

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 Assets 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 (\$1,247,782)

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 37,708,747

Retirements are deducted from fund balance (1,355,497)

Depreciation expense is deducted from the fund balance

(Depreciation expense is net of internal service fund depreciation of \$550,407 which has already been allocated to serviced funds.) (10,026,847)

Capital assets transferred to the Successor Agency (205,392)

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. 2,807,470

**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 Assets the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance 3,619,583

Long-term debt assumed by the Successor Agency 31,010,000

**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):

Bond issue costs (1,237,371)

Long-term compensated absences 318,104

Interest payable 667,534

Deferred revenue from loan receivable offset (2,579,952)

**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 Assets - All Internal Service Funds (7,481,724)

Change in Net Assets of Internal Service Funds reported with Business-Type Activities 407,321

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$52,404,194

See accompanying notes to financial statements

## Comprehensive Annual Financial Report FY 2011-2012

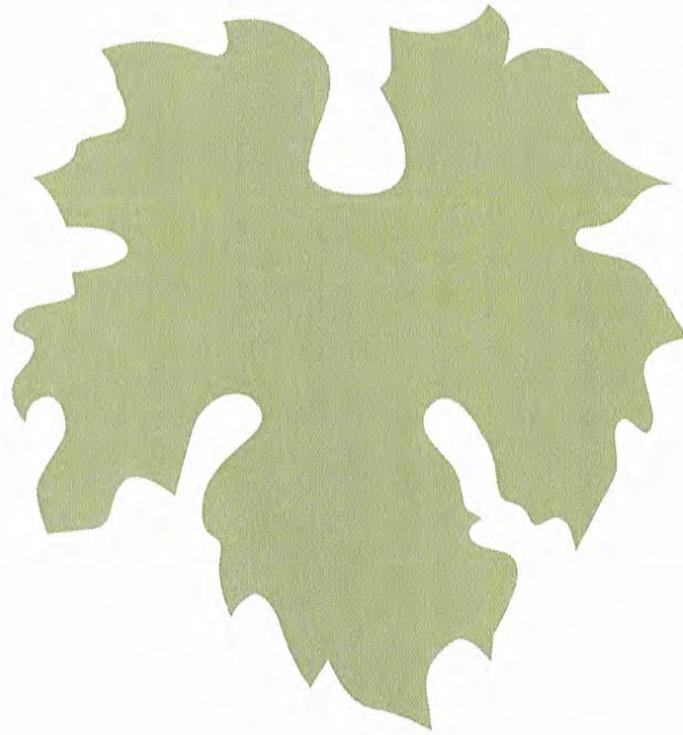
### GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL-FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
Property taxes	\$23,734,900	\$23,115,000	23,109,908	(5,092)
Sales taxes	15,049,000	19,967,700	20,761,599	793,899
Other taxes	9,641,000	9,559,000	9,803,173	244,173
Licenses and permits	2,085,000	2,026,000	2,006,311	(19,689)
Intergovernmental	7,542,000	7,016,850	6,927,549	(89,301)
Fines and forfeitures	752,000	655,000	465,263	(189,737)
Other in lieu taxes	517,000	7,800	7,916	116
Charges for current services	8,500,000	8,792,500	8,996,291	203,791
Use of money and property	3,667,700	3,026,300	2,289,560	(736,740)
Miscellaneous	1,314,000	920,860	1,861,600	940,740
	<u>72,802,600</u>	<u>75,087,010</u>	<u>76,229,170</u>	<u>1,142,160</u>
Amounts available for appropriation				
Charges to appropriations (outflows)				
Current:				
City Council	147,790	179,010	168,171	10,839
City Manager	1,073,180	1,180,390	1,202,081	(21,691)
City Attorney	1,303,650	1,295,090	1,280,372	14,718
City Clerk	778,080	884,131	865,264	18,867
Finance	6,021,305	7,270,997	11,508,912	(4,237,915)
Human Resources	864,185	1,194,995	1,138,949	56,046
Fire	14,643,190	14,136,590	14,214,342	(77,752)
Police	23,990,840	24,694,670	24,672,983	21,687
Public Works	6,094,160	5,109,628	4,788,501	321,127
Community Development	11,287,630	10,609,669	10,537,064	72,605
Economic Development	658,280	1,260,590	1,331,825	(71,235)
Library	4,356,970	4,403,880	4,421,301	(17,421)
Capital Outlay:				
Capital projects	185,100	273,970	174,111	99,859
	<u>71,404,360</u>	<u>72,493,610</u>	<u>76,303,876</u>	<u>(3,810,266)</u>
Total charges to appropriations				
OTHER FINANCING SOURCES (USES)				
Transfers in	2,214,760	1,389,500	1,313,499	(76,001)
Transfers (out)	(3,613,000)	(3,982,900)	(3,917,354)	65,546
	<u>(1,398,240)</u>	<u>(2,593,400)</u>	<u>(2,603,855)</u>	<u>(10,455)</u>
Total Other Financing Sources (Uses)				
Net change in budgetary fund balance			(2,678,561)	(2,678,561)
Budgetary fund balance, July 1	45,427,277	18,836,441	25,925,098	7,088,657
Budgetary fund balance, June 30	<u>\$45,427,277</u>	<u>\$18,836,441</u>	<u>\$23,246,537</u>	<u>\$4,410,096</u>

See accompanying notes to financial statements



**Comprehensive Annual Financial Report  
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**Proprietary Funds**

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

The City has identified the funds below as major proprietary funds in fiscal 2012.

**AIRPORT FUND**

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

**WATER FUND**

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

**SEWER FUND**

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

**GOLF COURSES (LAS POSITAS AND SPRINGTOWN)**

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

## Comprehensive Annual Financial Report FY 2011-2012

### PROPRIETARY FUNDS STATEMENT OF NET ASSETS JUNE 30, 2012

	Business-Type Activities-Enterprise Funds		
	Airport	Water	Sewer
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and investments in City Treasury (Note 3)	\$2,923,821	\$18,682,961	\$55,050,608
Cash and investments with Trustees (Note 3)	4,286,023		
Accounts receivables (net of allowable for uncollectibles)	282,372	1,750,884	409,550
Investment in JPA-LAVVMA (Note 12A)			16,477,371
Prepays, deposits and supplies	106,151		2,370,499
<b>Total current assets</b>	<b>7,598,367</b>	<b>20,433,845</b>	<b>74,308,028</b>
<b>Noncurrent Assets:</b>			
Capital assets, net of accumulated depreciation (Note 6)	3,352,063	29,946,932	99,604,989
Land and construction in progress (Note 6)	14,339,330	84,980	6,922,395
<b>Total noncurrent assets</b>	<b>17,691,393</b>	<b>30,031,912</b>	<b>106,527,384</b>
<b>Total assets</b>	<b>25,289,760</b>	<b>50,465,757</b>	<b>180,835,412</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable and other accruals	413,970	784,829	818,933
Accrued payroll and benefits	43,229	62,268	227,521
Accrued compensated absences (Note 1G)	23,533	30,482	138,944
Claims payable (Note 13B)			
Deposit payable	200,301	148,359	60,472
Due to other funds (Note 4A)			
Long-term debt (Note 7):			
Due within one year	50,535	646,995	792,360
<b>Total current liabilities</b>	<b>731,568</b>	<b>1,672,933</b>	<b>2,038,230</b>
<b>Noncurrent Liabilities:</b>			
Accrued compensated absences (Note 1G)	46,449	12,543	184,022
Claims payable (Note 13B)			
Advances from other funds (Note 4C)			
Net pension obligation (Note 10)			
Long-term debt (Note 7):			
Due in more than one year	5,771,043	7,038,837	813,753
<b>Total non-current liabilities</b>	<b>5,817,492</b>	<b>7,051,380</b>	<b>997,775</b>
<b>Total liabilities</b>	<b>6,549,060</b>	<b>8,724,313</b>	<b>3,036,005</b>
<b>NET ASSETS (Note 9)</b>			
Invested in Capital Assets, net of related debt	16,155,838	22,346,080	104,921,271
Unrestricted	2,584,862	19,395,364	72,878,136
<b>Total net assets</b>	<b>\$18,740,700</b>	<b>\$41,741,444</b>	<b>\$177,799,407</b>

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

Net assets business-type activities

See accompanying notes to financial statements



**Comprehensive Annual Financial Report  
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<u>Las Positas</u>	<u>Springtown</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
		\$76,657,390	\$12,345,281
		4,286,023	
\$43,985	\$6,927	2,493,718	357,846
		16,477,371	
		2,476,650	316,387
<u>43,985</u>	<u>6,927</u>	<u>102,391,152</u>	<u>13,019,514</u>
4,202,645	198,483	137,305,112	3,223,173
725,484	53,725	22,125,914	1,014,874
<u>4,928,129</u>	<u>252,208</u>	<u>159,431,026</u>	<u>4,238,047</u>
<u>4,972,114</u>	<u>259,135</u>	<u>261,822,178</u>	<u>17,257,561</u>
174,832		2,192,564	281,454
5,007		338,025	88,114
3,372		196,331	
			1,635,130
83,681	3,694	496,507	11,188
323	73,894	74,217	68,800
<u>138,864</u>		<u>1,628,754</u>	
<u>406,079</u>	<u>77,588</u>	<u>4,926,398</u>	<u>2,084,686</u>
8,046		251,060	
			1,849,070
1,295,946		1,295,946	
			20,268,820
<u>3,703,153</u>		<u>17,326,786</u>	
<u>5,007,145</u>		<u>18,873,792</u>	<u>22,117,890</u>
<u>5,413,224</u>	<u>77,588</u>	<u>23,800,190</u>	<u>24,202,576</u>
1,086,112	252,208	144,761,509	4,238,047
(1,527,222)	(70,661)	93,260,479	(11,183,062)
<u>(\$441,110)</u>	<u>\$181,547</u>	<u>238,021,988</u>	<u>(\$6,945,015)</u>
		(898,592)	
		<u>\$237,123,396</u>	

## Comprehensive Annual Financial Report FY 2011-2012

### PROPRIETARY FUNDS STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities-Enterprise Funds			
	Airport	Water	Sewer	Las Positas
<b>OPERATING REVENUES</b>				
Charges for services	\$3,559,366	\$50	\$18,091,094	\$1,928,352
Sales	2,327,547	10,768,099	91,061	
Miscellaneous	28,877	65,326	95,207	4,459
Total Operating Revenues	5,915,790	10,833,475	18,277,362	1,932,811
<b>OPERATING EXPENSES</b>				
Cost of sales, salaries and benefits	3,809,484	7,720,344	5,847,953	135,627
Contracted services	632,438	793,073	3,813,289	1,687,495
Insurance premiums				
Materials, supplies and other	430,066	971,473	2,579,028	228,213
Utilities	159,889	208,725	714,223	56,816
Depreciation	253,213	1,344,547	6,486,400	205,945
Repairs and maintenance	43,213	246,169	2,758,419	36,236
Claims expense				
Total Operating Expenses	5,328,303	11,284,331	22,199,312	2,350,332
Operating Income (Loss)	587,487	(450,856)	(3,921,950)	(417,521)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Connection fees		412,495	1,044,128	
Interest revenue	16,613	111,387	275,965	
Interest and fiscal charges (expense)	(227,565)	(168,600)	(46,837)	(93,729)
Change of value in investment in JPA - LAVWMA			6,021,144	
Loss on disposal and other				
Net Nonoperating Revenues (Expenses)	(210,952)	355,282	7,294,400	(93,729)
Income (Loss) Before Contributed Assets and Transfers	376,535	(95,574)	3,372,450	(511,250)
Contributions		335,511	294,617	
Gain on extinguishment of debt (Note 4C)				
Transfers in (Note 4B)	3,750			137,382
Transfers (out) (Note 4B)	(1,124)	(280,155)	(90,000)	
Change in net assets	379,161	(40,218)	3,577,067	(373,868)
Total net assets (deficit)-beginning, as restated (Note 12A)	18,361,539	41,781,662	174,222,340	(67,242)
Total net assets(deficit)-ending	\$18,740,700	\$41,741,444	\$177,799,407	(\$441,110)

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

Net business-type activities reported on the Statement of Activities

See accompanying notes to financial statements

## Comprehensive Annual Financial Report FY 2011-2012

<u>Springtown</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
\$10	\$23,578,872	\$11,149,917
	13,186,707	
<u>12,000</u>	<u>205,869</u>	<u>1,890</u>
<u>12,010</u>	<u>36,971,448</u>	<u>11,151,807</u>
	17,513,408	11,784,721
	6,926,295	1,404,165
	4,208,780	455,750
	1,139,653	1,421,249
16,563	8,306,668	550,407
	3,084,037	808,029
		<u>2,177,055</u>
<u>16,563</u>	<u>41,178,841</u>	<u>18,601,376</u>
<u>(4,553)</u>	<u>(4,207,393)</u>	<u>(7,449,569)</u>
	1,456,623	
	403,965	
	(536,731)	
	6,021,144	
		<u>(32,155)</u>
	<u>7,345,001</u>	<u>(32,155)</u>
(4,553)	3,137,608	(7,481,724)
	630,128	
736,371	736,371	
	141,132	
	(371,279)	
<u>731,818</u>	<u>4,273,960</u>	<u>(7,481,724)</u>
<u>(550,271)</u>		<u>536,709</u>
<u>\$181,547</u>		<u>(\$6,945,015)</u>
	<u>(407,321)</u>	
	<u>\$3,866,639</u>	

## Comprehensive Annual Financial Report FY 2011-2012

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Business-Type Activities-Enterprise Funds		
	Airport	Water	Sewer
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$6,042,031	\$10,653,790	\$18,400,744
Payments to suppliers	(1,085,591)	(2,082,538)	(11,918,287)
Payments to employees	(3,804,009)	(7,715,609)	(5,828,998)
Claims paid			
Cash Flows from Operating Activities	1,152,431	855,643	653,459
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund receipts		257,582	
Interfund payments			
Transfers in	3,750		
Transfers (out)	(1,124)	(280,155)	(90,000)
Cash Flows from Noncapital Financing Activities	2,626	(22,573)	(90,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital contributions		412,495	1,044,128
Capital asset additions	(467,462)	(42,894)	(1,368,001)
Long term debt:			
Repayments	(48,403)	(624,008)	(771,528)
Interest paid	(227,564)	(168,600)	(46,837)
Cash Flows from Capital and Related Financing Activities	(743,429)	(423,007)	(1,142,238)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	16,613	111,387	275,965
Cash Flows from Investing Activities	16,613	111,387	275,965
Net increase (decrease) in cash and cash equivalents	428,241	521,450	(302,814)
Cash and investments at beginning of period	6,781,603	18,161,511	55,353,422
Cash and investments at end of period	\$7,209,844	\$18,682,961	\$55,050,608
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$587,487	(\$450,856)	(\$3,921,950)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	253,213	1,344,547	6,486,400
Change in assets and liabilities:			
Accounts receivable	113,279	(184,131)	62,671
Prepays, deposits and supplies	20,617		(2,370,499)
Net pension obligation			
Accounts payable and other accruals	159,398	136,902	317,171
Accrued payroll	5,475	4,735	18,955
Accrued compensated absences			
Deposits payable	12,962	4,446	60,711
Cash Flows from Operating Activities	\$1,152,431	\$855,643	\$653,459
<b>Non-cash transactions:</b>			
Debt reallocation			
Capital Assets contributed		\$335,511	\$294,617

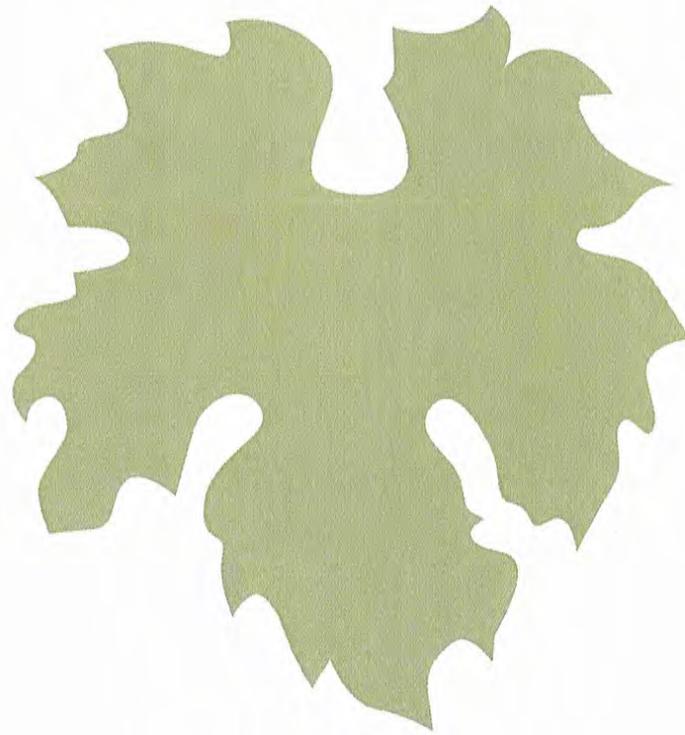
See accompanying notes to financial statements

## Comprehensive Annual Financial Report FY 2011-2012

Las Positas	Springtown	Totals	Governmental Activities- Internal Service Funds
\$1,919,737	\$11,995	\$37,028,297	\$11,170,232
(1,953,055)		(17,039,471)	(4,257,011)
(156,852)		(17,505,468)	(4,393,097)
<u>(190,170)</u>	<u>11,995</u>	<u>2,483,358</u>	<u>1,491,364</u>
85,888	(11,995)	331,475	(14,616)
(97,665)		(97,665)	
137,382		141,132	
<u>125,605</u>	<u>(11,995)</u>	<u>3,663</u>	<u>(14,616)</u>
		1,456,623	
		(1,878,357)	(1,110,866)
(133,006)		(1,576,945)	
(93,729)		(536,730)	
<u>(226,735)</u>		<u>(2,535,409)</u>	<u>(1,110,866)</u>
		403,965	
		403,965	
(291,300)		355,577	365,882
291,300		80,587,836	11,979,399
		<u>\$80,943,413</u>	<u>\$12,345,281</u>
(\$417,521)	(\$4,553)	(\$4,207,393)	(\$7,449,569)
205,945	16,563	8,306,668	550,407
(18,278)	(15)	(26,474)	1,136,062
		(2,349,882)	9,457
55,705		669,176	7,364,128
(21,225)		7,940	(65,879)
			(7,341)
5,204		83,323	(45,901)
<u>(190,170)</u>	<u>\$11,995</u>	<u>\$2,483,358</u>	<u>\$1,491,364</u>
(\$63,689)		(\$63,689)	
		630,128	



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**Fiduciary Funds**

Fiduciary funds account for assets held by the City acting as an agent for various functions. The City has the following fiduciary funds in fiscal 2012:

**SUCCESSOR AGENCY OF THE LIVERMORE REDEVELOPMENT AGENCY PRIVATE PURPOSE TRUST FUND**

Established to account for the activities of the Oversight Board acting on behalf of the Redevelopment Agency.

**AGENCY FUNDS**

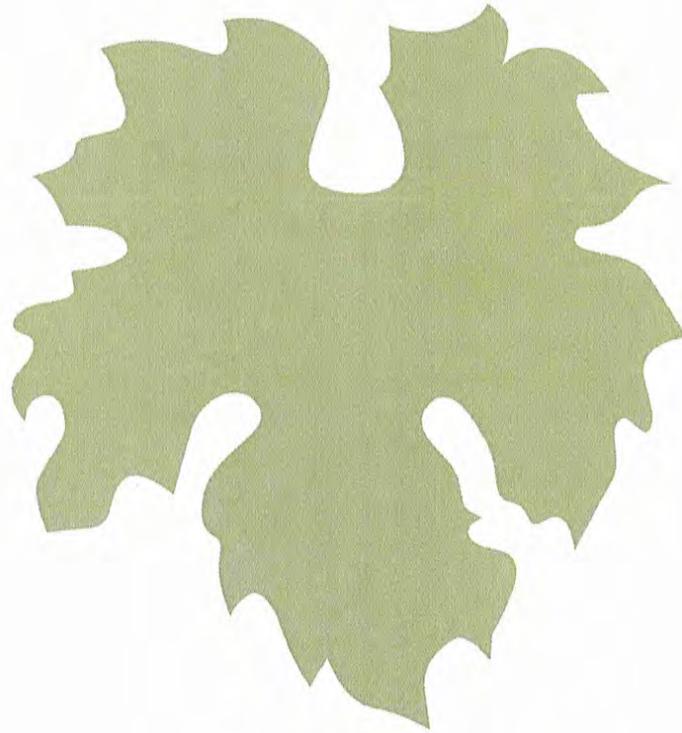
Established to account for assets held by the City in a fiduciary capacity for special assessment districts and agency pass through fees.







**Comprehensive Annual Financial Report  
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**Comprehensive Annual Financial Report  
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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, housing services and redevelopment, through the Livermore Redevelopment Agency.

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 units which are described below are all blended.

**COMPONENT UNITS INCLUDED IN THE REPORTING ENTITY:**

The **Livermore Redevelopment Agency** is a separate government entity whose purpose is to prepare and implement plans for improvement, rehabilitation, and development of certain areas within the City. The Agency is controlled by the City and has the same governing board as the City, which also performs all accounting and administrative functions for the Agency. The Agency was dissolved effective January 31, 2012. The financial activities of the Agency from July 1, 2011 through January 31, 2012 have been included in these financial statements in the Redevelopment Low and Moderate Income Housing Special Revenue Fund, Redevelopment Agency Capital Projects Fund, and Redevelopment Debt Service Fund. Refer to Note 15 for more detailed information on Redevelopment Agency Dissolution and Successor Agency Activities.

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, 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.



**Comprehensive Annual Financial Report  
FY 2011-2012  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Government-wide Statements:** The Statement of Net Assets 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 nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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. 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 nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

**C. New Accounting Pronouncements**

**GASB Statement No. 64 - Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53.** The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of this statement are effective for financial statements with periods beginning after June 15, 2011. This statement did not have an impact on the City's financial statements.

**D. 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.



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

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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

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

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

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

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

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

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

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

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

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

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

The City also reports the following fund types:

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



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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Successor Agency to the Redevelopment Agency Private Purpose Trust Fund** – Established to account for the accumulation of resources to be used for payments at appropriate amounts and items in the future.

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

**E. Basis of Accounting**

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *full accrual basis*. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

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.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual are property taxes, sales taxes, interest revenue and charges for services. Fines, license, and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability has matured. An exception to this general rule is principal and interest on governmental funds' long-term debt which is recognized when due. 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. Such amounts thus are not current liabilities of the debt service fund as their settlement will not require expenditure of existing fund assets.

The City follows Statements and Interpretations of the Financial Accounting Standards Board statements and its predecessors issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Governmental Accounting Standards Board pronouncements.



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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

**F. Supplies**

Supplies are valued at cost on an average cost basis. The cost is recorded as an expenditure in the general fund at the time individual supply items are consumed. Supplies in the enterprise funds consist principally of materials and supplies for utility operations and are expensed as consumed.

**G. Compensated Absences**

Compensated absences comprise unused vacation leave and certain compensated time off, which 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 Assets.

Sick pay does not vest and is not accrued.

The change in compensated absences was as follows at June 30, 2012:

	Governmental Activities	Business Type Activities	Total
Beginning balance	\$3,162,509	\$445,044	\$3,607,553
Additions	2,393,145	488,432	2,881,577
Payments	<u>(2,756,360)</u>	<u>(486,085)</u>	<u>(3,242,445)</u>
Ending balance	<u>\$2,799,294</u>	<u>\$447,391</u>	<u>\$3,246,685</u>
Current portion	<u>\$988,014</u>	<u>\$196,331</u>	<u>\$1,184,345</u>



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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Property Tax Levy, Collection and Maximum Rates**

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

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

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

**I. Revenue Recognition for Sewer and Operations**

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

**J. Land Held for Redevelopment**

The Redevelopment Agency has purchased parcels of land as part of its efforts to develop or redevelop blighted properties within the Redevelopment areas. Such land parcels 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.

At June 30, 2012 \$2,269,052 was recorded in Housing & Community Assistance special revenue fund, \$22,954 was recorded in the Housing Successor special revenue fund, and \$9,203,149 was recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund.



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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Use of Estimates**

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

**L. New, Closed and Restructured Funds**

The City created the following new funds during fiscal year 2011-2012:

- El Charro Specific Plan Capital Projects Fund
- LCPFA 2011 COP Construction Capital Projects Fund
- Housing Successor Special Revenue Fund
- Successor Agency of the Livermore Redevelopment Agency Private Purpose Trust Fund

The following funds were closed as of January 31, 2012 due to the dissolution of California Redevelopment Agencies during the fiscal year 2011-2012.

- Redevelopment Low and Moderate Income Housing Special Revenue Fund
- Redevelopment Agency Debt Service Fund
- Redevelopment Agency Capital Projects Fund

The City reviewed its fund structure and made the following changes during fiscal year 2011-2012.

- The fund previously reported as the AT&T Special Revenue Fund was renamed the PEG Special Revenue Fund.
- Certain programs were separated from prior year reporting funds to unique reporting funds as follows:
  - Alameda County Transportation Funds Special Revenue Fund was separated from the prior year reporting fund, Other Local, State and Federal Grants Special Revenue Fund.
  - Gas Tax Special Revenue fund was separated from the prior year reporting fund, Other Street Projects Capital Projects Fund.
  - Traffic Impact Fee Special Revenue Fund was separated from the prior year reporting fund, Street Improvements Capital Projects Fund.
  - Other Impact Fees Special Revenue Fund was separated from the prior year reporting funds, Street Projects Capital Fund, Storm Drain Capital Projects Fund, and Other Streets & Trails Capital Projects Fund.
  - Other Capital Projects Fund was separated from the prior year reporting funds, College Avenue Assessment District Capital Projects Fund, and Other Streets & Trails Capital Projects Fund.



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NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Street Capital Projects Fund was separated from the prior year reporting fund, Street Improvement Capital Projects Fund, and Street Projects Capital Projects Fund.
- The TVTC 20% Fee was previously classified as a Capital Projects Fund and is now classified as a Special Revenue Fund
- The LAVWMA Enterprise Fund was merged into the Sewer Enterprise Fund

**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING**

**A. Budgeting Procedures**

The City 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, the Housing Successor Special Revenue Fund 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 designations are treated as budgetary resources (uses). Budgetary fund balance includes only unreserved, undesignated fund balance. Organizational priorities which have been developed by City Council and City staff are implemented at the program level.



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**NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)**

**B. Expenditures in Excess of Appropriations**

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

<u>Fund</u>	<u>Excess of Expenditures Over Appropriations</u>
General Fund	\$3,810,266
Isabel Avenue Capital Projects	703,904
Housing and Community Assistance Special Revenue Fund	820,438
City Street Sweeping Special Revenue Fund	4,914
PEG Special Revenue Fund	2,440
Gas Tax Special Revenue Fund	325,012
LCPFA 2008 COP Capital Projects Fund	584,190
LCPFA 2011 COP Construction Capital Projects Fund	5,834,338
Street Fund Capital Projects Fund	96,909



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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 places the City 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	\$153,654,933
Cash and investments with Trustees	22,065,469
Total City cash and investments	<u>175,720,402</u>
Cash and investments in Fiduciary Funds (Separate Statement)	
In City Treasury	8,079,034
With Trustees	8,941,647
Total cash and investments	<u><u>\$192,741,083</u></u>

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



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**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, provided the credit ratings of the issuers are acceptable to the City; and 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	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	Top rating category	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.



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**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**D. Investments Authorized by Debt Agreements**

The City and the Successor Agency to the 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 the Successor Agency fail to meet their obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

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



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**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**E. Interest Rate Risk**

Interest rate risk is the risk that 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 - Non-callable	\$45,043,199	\$23,533,865	\$4,016,520		\$72,593,584
California Local Agency Investment Fund	46,903,142				46,903,142
U.S. Government Money Market Funds	24,849,951				24,849,951
U.S. Government Money Market Funds- Sweep Account	2,329,515				2,329,515
Guaranteed Investment Contracts and Agreements			1,733,875	\$4,423,281	6,157,156
Negotiable Certificates of Deposit		24,991,500			24,991,500
Medium Term Notes		15,986,741			15,986,741
<b>Total Investments</b>	<u>\$119,125,807</u>	<u>\$64,512,106</u>	<u>\$5,750,395</u>	<u>\$4,423,281</u>	193,811,589
Cash deposits (overdrafts) with banks and on hand					(1,070,506)
<b>Total Cash and Investments</b>					<u>\$192,741,083</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, 2012 for each investment type as provided by Standard and Poor's investment rating service.

Investment Type	AAA	AAAm	AA	A	A-	Total
<i>Rated:</i>						
U.S. Government-Sponsored Enterprise Agencies	\$22,723,095		\$49,870,489			\$72,593,584
U.S. Government Money Market Funds		\$24,849,951				24,849,951
U.S. Government Money Market Funds- Sweep Account	2,329,515					2,329,515
Guaranteed Investment Contracts and Agreements	3,376,641		2,426,250	\$354,265		6,157,156
Negotiable Certificates of Deposit			24,991,500			24,991,500
Medium Term Notes			8,807,751		\$7,178,990	15,986,741
<i>Not rated:</i>						
California Local Agency Investment Fund						46,903,142
<b>Total Investments</b>	<u>\$28,429,251</u>	<u>\$24,849,951</u>	<u>\$86,095,980</u>	<u>\$354,265</u>	<u>\$7,178,990</u>	193,811,589
Cash deposits (overdrafts) with banks and on hand						(1,070,506)
<b>Total Cash and Investments</b>						<u>\$192,741,083</u>



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NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**G. Local Agency Investment Fund**

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2012, these investments matured in an average of 270 days.

Money Market funds and mutual funds are available for withdrawal on demand and at June 30, 2012, matured in an average of 52 days.

**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, 2012:

Issuer	Type of Investments	Amount
<i>Entity-wide:</i>		
Federal Home Loan Bank	U.S. Agency Securities	\$18,155,085
Federal National Mortgage Association	U.S. Agency Securities	15,434,819
Federal Farm Credit Bank	U.S. Agency Securities	39,003,680
Credit Corporation (General Electric)	U.S. Corporate Securities	14,407,310



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**NOTE 4 - INTERFUND TRANSACTIONS**

**A. Current Interfund Balances**

Current interfund balances arise in the normal course of business and represent short-term borrowings occurring as a result of expenditures which are paid prior to the receipt of revenues. These balances are expected to be repaid shortly after the end of the fiscal year when revenues are received. Current amounts due from one fund to another at June 30, 2012 were as follows:

<u>Due from Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
<b>General Fund</b>	<b>Enterprise Fund</b>	
	Las Positas Golf Course	\$323
	Springtown Golf Course	73,894
	<b>Capital Projects Funds</b>	
	LCPFA 2008 COP	1,310,987
	<b>Special Revenue Fund</b>	
	Horizons	171,281
	<b>Internal Service Funds</b>	
	Employee Payroll	68,800
<b>Capital Projects Fund</b>	<b>Capital Projects Funds</b>	
El Charro Specific Plan	LCPFA 2008 COP	1,625,668
	LCPFA 2011 COP	10,447,998
<b>Special Revenue Fund</b>	<b>Capital Projects Funds</b>	
Traffic Impact Fee	Isabel Avenue	3,818,119
	<b>TOTAL</b>	<u><u>\$17,517,070</u></u>



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**NOTE 4 - INTERFUND TRANSACTIONS (Continued)**

**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, 2012 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
General Fund	Sewer Enterprise Fund	\$90,000
	Water Enterprise Fund	50,000
	Non-Major Governmental Funds	1,173,499
Isabel Avenue Capital Projects	Non-Major Governmental Funds	11,669,002
El Charro Specific Plan Capital Projects	LCPFA 2011 COP Construction Fund	10,447,998
	Water Enterprise Fund	230,155
	Non-Major Governmental Funds	3,145,105
Non-Major Governmental Funds	General Fund	3,779,972
	Airport Enterprise Fund	1,124
	Non-Major Governmental Funds	2,723,001
Airport Enterprise Fund	Non-Major Governmental Funds	3,750
Las Positas Golf Course Enterprise Fund	General Fund	137,382
Total Interfund Transfers		<u>\$33,450,988</u>



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NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 4 - INTERFUND TRANSACTIONS (Continued)**

**C. Long-Term Interfund Advances**

The City's General Fund made an advance of \$4,230,000 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. There were no payments made to the General Fund during fiscal year 2011-2012. The balance as of June 30, 2012 is \$3,936,407.

During fiscal year 2008-2009, the City restructured advances of \$1,393,934 to the Las Positas Golf Course Enterprise Fund. The term of the loan is 15 years and the interest rate is 3% compounded annually. Interest only payments to the City began on June 30, 2009 and are due for the next two years. A payment was made during fiscal year 2011-2012 in the amount of \$97,988. The balance as of June 30, 2012 is \$1,295,946.

During fiscal year 2008-2009, the City restructured advances of \$538,764 to the Springtown Golf Course Enterprise Fund. An additional \$123,817 was advanced in fiscal 2008-09, and an additional \$321,424 was advanced in 2009-2010. During fiscal year 2011-2012, the City forgave the outstanding balance of the advance of \$736,371 which is shown as a gain on extinguishment of debt on the business-type activities financial statements.

**D. Internal Balances**

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.



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**NOTE 5 - NOTES RECEIVABLE**

Notes Receivables balances as of June 30, 2012:

Deferred Second Mortgage Program	\$5,164,015
Rehabilitation Loan Program	1,522,757
Livermore Independent Living Associates Project (See Note 14A)	800,000
Livermore Housing Authority	510,000
Hallmark Community Services	1,037,480
Housing Successor	4,680,598
Loans to Successor Agency of the Redevelopment Agency (See Note 15E)	7,993,740
Total Notes Receivables	<u>\$21,708,590</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.

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 August 20, 2009, the City of Livermore was awarded a Neighborhood Stabilization Program (NSP) grant from the State of California Housing and Community Development Department. The purpose of the NSP is to address the housing crisis occurring within cities by providing funds to purchase, rehabilitate, and resell vacant and foreclosed properties. In November of 2009, the City entered into a master agreement with Hallmark Community Solutions to provide Acquisition and Rehabilitation Services for the NSP. The City enters into a separate loan agreement with Hallmark each time a property is identified for purchase and rehabilitation. Each loan is repaid by Hallmark once the homes are rehabilitated and resold. At June 30, 2012, there were four loans outstanding for a total note receivable of \$1,037,480.



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**NOTE 5 - NOTES RECEIVABLE (Continued)**

The 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 Redevelopment Agency as discussed in Note 15, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result, the Housing Successor Fund assumed the notes receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund. The balances of the notes receivable in the Housing Successor Fund at June 30, 2012 are set forth below:

Eden Housing Project	\$1,648,297
Livermore Independent Living Associates Project (See Note 14B):	
Property Tax Loan	700,404
Murrietta Investors Loan	249,514
Affordable Housing Loans	199,032
SERAF Loan to Successor Agency (See Note 15D)	<u>1,883,351</u>
	<u>\$4,680,598</u>

In fiscal 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, 2012, the loans had an outstanding balance of \$1,648,297. 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, 2012, the outstanding loan balance was \$700,404.

In 2009, the Agency loaned a developer \$400,000 to help finance the Livermore Independent Living Associates Project. The loan bears interest at 3% annually and is due in July 2013. As of June 30, 2012, the outstanding loan balance was \$249,514.

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. Monthly payments of \$673 begin July 1, 2011 through June 1, 2041.

In addition to the above, the City is due note receivables from the Successor Agency to the Redevelopment Agency. Details may be found in Note 15D.



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**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 two years.

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 assets 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



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**NOTE 6 – CAPITAL ASSETS (Continued)**

**A. Capital Asset Additions and Retirements**

Capital assets at June 30 comprise the following:

	Balance at June 30, 2011 (as restated)	Additions	Retirements and Transfers	Transfers to Successor Agency	Balance at June 30, 2012
<b>Governmental activities</b>					
Governmental Fund Capital Assets					
Capital assets not being depreciated:					
Land	\$31,748,862		(\$2,312)		\$31,746,550
Intangible asset - easement		\$1,747,994			1,747,994
Construction in progress (restated)	21,338,954	36,025,418	(1,528,716)	(\$205,392)	55,630,264
Subtotal	53,087,816	37,773,412	(1,531,028)	(205,392)	89,124,808
Capital assets being depreciated, cost:					
Office equipment	7,979,588		7,010		7,986,598
Other equipment	7,125,053	258,278			7,383,331
Library books	2,062,340				2,062,340
Infrastructure	269,600,407	1,059,476	1,275,640		271,935,523
Buildings	97,929,194				97,929,194
Subtotal	384,696,582	1,317,754	1,282,650		387,296,986
Accumulated Depreciation:					
Office equipment	(7,128,601)	(132,069)			(7,260,670)
Other equipment	(3,169,748)	(450,736)			(3,620,484)
Library books	(1,956,782)	(46,317)			(2,003,099)
Infrastructure	(104,228,860)	(7,415,518)	112,540		(111,531,838)
Buildings	(20,106,326)	(1,982,207)			(22,088,533)
Subtotal	(136,590,317)	(10,026,847)	112,540		(146,504,624)
Net Governmental activities capital assets being depreciated	248,106,265	(8,709,093)	1,395,190		240,792,362
Total Governmental activities capital assets	\$301,194,081	\$29,064,319	(\$135,838)	(\$205,392)	\$329,917,170



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**NOTE 6 – CAPITAL ASSETS (Continued)**

	Balance at June 30, 2011	Additions	Retirements and Adjustments	Balance at June 30, 2012
Internal Service Fund Capital Assets				
Capital assets not being depreciated:				
Construction in progress	\$254,309	\$849,601	(\$89,036)	\$1,014,874
Subtotal	254,309	849,601	(89,036)	1,014,874
Capital assets being depreciated, cost:				
Office equipment	9,000			9,000
Other equipment	314,509	6,391		320,900
Licensed vehicles	11,777,858	142,406	(88,164)	11,832,100
Subtotal	12,101,367	148,797	(88,164)	12,162,000
Accumulated Depreciation:				
Office equipment	(8,850)	(150)		(9,000)
Other equipment	(134,416)	(26,976)		(161,392)
Licensed vehicles	(8,502,667)	(523,281)	257,513	(8,768,435)
Subtotal	(8,645,933)	(550,407)	257,513	(8,938,827)
Net Internal Service Fund capital assets being depreciated	3,455,434	(401,610)	169,349	3,223,173
Governmental activity capital assets, net	\$304,698,431	\$29,512,310	\$113,876	\$334,119,225

With the dissolution of the Redevelopment Agency as discussed in Note 15, a Successor Agency assumed the capital assets of the Redevelopment Agency as of February 1, 2012, which has been reported as a transfer above and as an Extraordinary Item in the Statement of Activities.

The City reported a balance of \$81,838,028 in Governmental activities Construction in Progress at June 30, 2011, which included costs associated with the Isabel Interchange project. Upon review of the project contracts associated with the project, the City determined that it will not retain ownership of the capital improvements which represent \$60,599,075 in costs. As such, the City removed the project from its books and the beginning balance as of July 1, 2011 for Governmental Construction in Progress has been restated by this amount.



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**NOTE 6 – CAPITAL ASSETS (Continued)**

	Balance at June 30, 2011	Additions	Retirements and Transfers	Balance at June 30, 2012
<b><i>Business-type activities</i></b>				
Capital assets not being depreciated:				
Land	\$13,880,133			\$13,880,133
Land improvements	634,433			634,433
Construction in progress	11,132,580	\$2,083,347	(\$5,604,579)	7,611,348
Subtotal	<u>25,647,146</u>	<u>2,083,347</u>	<u>(5,604,579)</u>	<u>22,125,914</u>
Capital assets being depreciated:				
Office equipment	365,415			365,415
Other equipment	1,704,549	33,754	61,562	1,799,865
Licensed Vehicles	678,771		(15,387)	663,384
Airport infrastructure	10,862,777		97,749	10,960,526
Water infrastructure	42,406,746	335,511	(87,662)	42,654,595
Sewer infrastructure	211,754,715	294,617	5,045,240	217,094,572
Las Positas GC infrastructure	6,867,131			6,867,131
Springtown GC infrastructure	399,228			399,228
Buildings	22,169,723			22,169,723
Subtotal	<u>297,209,055</u>	<u>663,882</u>	<u>5,101,502</u>	<u>302,974,439</u>
Accumulated Depreciation:				
Office equipment	(255,920)	(11,649)		(267,569)
Other equipment	(1,274,566)	(59,701)		(1,334,267)
Licensed Vehicles	(505,744)	(60,923)	15,387	(551,280)
Airport infrastructure	(10,243,751)	(126,844)		(10,370,595)
Water infrastructure	(13,349,141)	(1,286,175)	87,662	(14,547,654)
Sewer infrastructure	(117,271,148)	(6,210,369)	161,284	(123,320,233)
Las Positas GC infrastructure	(6,460,332)	(91,188)		(6,551,520)
Springtown GC infrastructure	(190,241)	(16,415)		(206,656)
Buildings	(8,076,149)	(443,404)		(8,519,553)
Subtotal	<u>(157,626,992)</u>	<u>(8,306,668)</u>	<u>264,333</u>	<u>(165,669,327)</u>
Net capital assets being depreciated	<u>139,582,063</u>	<u>(7,642,786)</u>	<u>5,365,835</u>	<u>137,305,112</u>
Business-type activity capital assets, net	<u>\$165,229,209</u>	<u>(\$5,559,439)</u>	<u>(\$238,744)</u>	<u>\$159,431,026</u>



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**NOTE 6 – CAPITAL ASSETS (Continued)**

**B. Capital Asset Contributions**

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

**C. Depreciation Allocation**

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

<u><i>Governmental Activities</i></u>	<u>Depreciation Expense</u>	<u><i>Business-Type Activities</i></u>	<u>Depreciation Expense</u>
Governmental Fund Programs		Airport	\$253,213
City Council	\$2,147	Water	1,344,547
City Manager	9,918	Sewer	6,486,400
City Clerk	2,391	Las Positas	205,945
Human Resources	1,184	Springtown	<u>16,563</u>
Fire	197,046		
Police	131,966	TOTAL	<u>\$8,306,668</u>
Public Works	7,762,141		
Community Development	856,304		
Information Technology	17,019		
Library	659,859		
Redevelopment	386,872		
Internal Service Funds	<u>550,407</u>		
 TOTAL	 <u>\$10,577,254</u>		



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**NOTE 7 – LONG-TERM DEBT**

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

**A. Long-Term Debt Transactions and Balances:**

	Balance at June 30, 2011	Retirements	Transfer to Successor Agency	Balance at June 30, 2012	Current Portion
<b>Governmental Activities</b>					
Redevelopment Agency:					
2001 Tax Allocation Bonds, 4.00-5.00%, 2032	\$31,835,000	\$825,000	\$31,010,000		
Certificates of Participation:					
2007, 3.5-3.7%, 2017	6,761,516	1,031,892		\$5,729,624	\$1,066,872
2008, varies, 2030	46,852,044	1,567,691		45,284,353	1,636,735
2011, 3.00 - 5.25%, 2042	13,046,596			13,046,596	
Notes Payable, varies, 2011-2019	8,592,339	125,000		8,467,339	
Housing & Urban Development Loan, 0%, 2030	1,320,000	70,000		1,250,000	70,000
<b>Total governmental activities debt</b>	<b>\$108,407,495</b>	<b>\$3,619,583</b>	<b>\$31,010,000</b>	<b>\$73,777,912</b>	<b>\$2,773,607</b>
<b>Business-type Activities</b>					
Airport					
Certificates of Participation:					
2008, varies, 2030	\$1,446,577	\$48,403		\$1,398,174	\$50,535
2011, 3.00 - 5.25%, 2042	4,423,404			4,423,404	
Water					
Certificates of Participation:					
2007, 3.5-3.7%, 2017	2,903,484	443,108		2,460,376	458,129
2008, varies, 2030	5,406,356	180,900		5,225,456	188,866
Sewer					
1994 State Loan, 2.7%, 2014	2,377,641	771,528		1,606,113	792,360
Las Positas Golf Course					
Certificates of Participation:					
2008, varies, 2030	3,975,023	133,006		3,842,017	138,864
<b>Total business-type activities debt</b>	<b>\$20,532,485</b>	<b>\$1,576,945</b>		<b>\$18,955,540</b>	<b>\$1,628,754</b>



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**NOTE 7 – LONG-TERM DEBT (Continued)**

With the dissolution of the Redevelopment Agency as discussed in Note 15, a Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012, which has been reported as a transfer above and as an Extraordinary Item in the Statement of Activities. For a detailed discussion of the 2001 Tax Allocation Bonds which is now an obligation of the Successor Agency, see Note 15G.

**B. Governmental Activities**

**CERTIFICATES OF PARTICIPATION**

On April 1, 2007, \$15,085,000 principal amount of **2007 Certificates of Participation**, (2007 COPs) were issued to fund the construction of an elevated water storage tank, certain storm drain improvements, and to refund the 1997 COPs. Semiannual interest payments are due April 1 and October 1. Annual principal payments are due April 1.

A portion of the proceeds from the 2007 COPs was used to refund all outstanding 1997 COPs by purchasing U.S. government securities, which were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the COPs. As a result, the COPs were considered to be defeased and the liability for those obligations was removed along with the trust assets from the City's financial statements.

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

Interest rates on the City's 2008 COPs are reset weekly, using the "put" mechanism described below. The 2008 COPs are periodically subject to repurchase at par, referred to as a "put". Once a put occurs, a remarketing agent resells the 2008 COPs at par by setting new interest rates and repurchase dates. The City has obtained an irrevocable, direct-pay letter of credit in the amount of \$61,399,606 to be used in the event the remarketing agent is unable to resell any 2008 COPs, and to ensure the City will not be required to repurchase the 2008 COPs before they mature. The letter of credit related to the 2008 COPs expires September 22, 2013.



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**NOTE 7 – LONG-TERM DEBT (Continued)**

Interest rates on the City's 2008 COPs are calculated using a Weekly Interest Rate, calculated on the basis of a 365 or 366 day year. Each Weekly Interest Rate will be 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, to the Certificates and known by the remarketing Agent to have been priced or traded under then-prevailing market conditions.

On June 1, 2011, \$17,470,000 principal amount of **2011 Certificates of Participation**, (2011 COPs) were issued to fund the costs of design and development of a two mile extension of Jack London Boulevard, storm drainage facilities, including a 40 acre southern conveyance facility, and to construct a new 12,000 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.

**CALIFORNIA HOUSING FINANCE AGENCY NOTES PAYABLE**

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

- 1) \$450,000 is to be used for down-payment assistance directed to first-time homebuyers. As of June 30, 2012, the City drew down \$418,875 from this loan.
- 2) \$1,500,000 is to be used as a revolving fund for an existing acquisition, bridge and construction loan program that will allow for the development of homeownership and multifamily rental projects. As of June 30, 2012, the City drew down \$1,488,464 from this loan.
- 3) \$1,500,000 is to be used to assist with the development of 55 units in a 130-unit senior rental complex. As of June 30, 2012 the City drew down entire amount of this loan.
- 4) \$750,000, a loan entered into in fiscal year 2007, is to be used to rehabilitate small multi-family rental housing complexes. As of June 30, 2012, the City drew down \$185,000 from this loan, and
- 5) \$5,000,000, a loan entered into fiscal year 2009 is used to loan to the RDA for the purchase of the "Lucky Site." As of June 30, 2012 the City drew down \$5,000,000 and paid off \$125,000 from this loan and it is due to be paid off in June 2014. 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.

**HUD SECTION 108 LOAN**

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



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**NOTE 7 – LONG-TERM DEBT (Continued)**

**C. Business-type Activities**

**SEWER DEBT**

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

The pledge of future sewer revenues ends upon repayment of the \$1.671 million in remaining debt service on the loans which is scheduled to occur in 2014. For fiscal year 2012, sewer revenues including operating revenues and non-operating interest earnings amounted to \$19,597,455 million and operating costs include operating expenses, but not interest, depreciation or amortization and amounted to \$15,712,912 million. Net revenues available for debt service amounted to \$3,884,543 million which represented coverage of 5 times the \$836 thousand in debt service.

**D. Debt Service Requirements**

Debt service requirements are shown below for all long-term debt, including interest on variable rate 2008 COPs, based on a .15% rate.

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$2,773,607	\$871,365	\$1,628,754	\$350,312
2014	11,546,849	3,020,060	1,765,243	311,042
2015	3,238,499	778,926	986,501	269,299
2016	3,352,924	727,265	1,022,075	248,359
2017	3,483,592	673,451	1,061,407	226,539
2018-2022	12,604,152	2,961,665	2,990,847	979,757
2023-2027	15,234,430	2,573,787	3,630,571	858,081
2028-2032	14,942,955	2,016,338	3,647,046	680,490
2033-2037	2,852,776	1,355,633	967,224	459,623
2038-2042	3,704,128	506,553	1,255,872	171,746
<b>Total</b>	<b>\$73,733,912</b>	<b>\$15,485,043</b>	<b>\$18,955,540</b>	<b>\$4,555,248</b>



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**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, which is not included in the general debt of the City. The outstanding balance of each of these issues as of June 30, 2012 is as follows:

Consolidated Refunding Assessment Districts	
1993-4	\$8,365,000
Community Facilities District No. 1 (Tri-Valley Technology Park) Special Tax Bonds Series 2000	17,795,000
Consolidated Reassessment and Refunding District 2002	1,940,000
Community Facilities District No. 2006-1 (Shea Properties) Special Tax Bonds Series 2006	<u>9,845,000</u>
Total	<u>\$37,945,000</u>

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 (\$8,365,000 as of June 30, 2012) and collateral for the repayment of the Marks-Roos Bonds. District property owners pay assessments on their property under the 1993-4 Bond indenture to the Trustee as owner of the 1993-4 Bonds. The Trustee then uses these assessments to pay debt service on the Marks-Roos Bonds. Neither the faith and credit nor the general taxing power of the City of Livermore have been pledged to the payment of the bonds. Therefore, the bonds have not been included in the accompanying financial statements.

On July 18, 2000, the City sponsored the issuance of the Community Facilities District No. 1 (Tri-valley Technology Park) Special Tax Bonds, Series 2000. The Bonds were issued to refund a portion of the Consolidated Refunding Assessment District 1993-2 and all of the bonds outstanding for the Triad Series 90-1B and Triad Series 90-1C. The balance outstanding for these Bonds as of June 30, 2012 is \$17,795,000.

On May 29, 2002, the City sponsored the issuance of the Consolidated Reassessment and Refunding District Limited Obligation Refunding Improvement Bonds, Series 2002. The Bonds were issued to refund the remaining principal amount of the Limited Obligation Refunding Bonds for Consolidated Refunding District 1993-1 and 1993-2. The balance outstanding for these 2002 Bonds as of June 30, 2012 is \$1,940,000.

On September 1, 2006, the City sponsored the issuance of the Community Facilities District (CFD) No. 2006-1 (Shea Properties) Special Tax Bonds, Series 2006. The Bonds were issued to fund certain public infrastructure improvements within and adjacent to the CFD. The balance outstanding for these Bonds as of June 30, 2012 is \$9,845,000.

On September 2, 2011, the City paid the Consolidated Refunding Assessment Districts 1993-3T.



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**NOTE 9 – NET ASSETS AND FUND BALANCES**

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

**A. Net Assets**

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

*Invested in Capital Assets, net of related debt* describes the portion of Net Assets 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 Assets 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, debt service requirements and redevelopment funds restricted for low and moderate income purposes.

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

**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. Portions of a fund's balance may be reserved or designated for future expenditure.

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. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

*Nonspendables* 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 nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.



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**NOTE 9 – NET ASSETS AND FUND BALANCES (Continued)**

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

*Committed* fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed through Council resolution and/or budget document or its designee (City Manager) and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, 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.

Detailed classifications of the City's Fund Balances, as of June 30, 2012, are below:



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**NOTE 9 – NET ASSETS AND FUND BALANCES (Continued)**

Fund Balance Classifications	Capital Projects					Other Governmental Funds	Total
	General Fund	Isabel Avenue	El Charro Specific Plan	Developer Deposits	LCFPA 2011 COPS Construction Fund		
<b>Nonspendable:</b>							
Items not in spendable form:							
Prepays and deposits	\$30,460						\$30,460
Advances	5,232,353						5,232,353
<b>Total Nonspendable Fund Balances</b>	<b>5,262,813</b>						<b>5,262,813</b>
<b>Restricted for:</b>							
Affordable housing projects						\$18,857,550	18,857,550
Housing and human services programs						1,472,307	1,472,307
Library programs						353,738	353,738
Other projects/programs						139,756	139,756
Neighborhood preservation program						162,838	162,838
Solid waste and recycling						841,028	841,028
Landscaping maintenance program						4,990,712	4,990,712
Police programs						717,651	717,651
AB1600 fee program						1,648,785	1,648,785
Debt service funds						843,160	843,160
Capital improvement program			\$12,055,358		\$1,352,459	20,560,558	33,968,375
<b>Total Restricted Fund Balances</b>			<b>12,055,358</b>		<b>1,352,459</b>	<b>50,588,083</b>	<b>63,995,900</b>
<b>Committed for:</b>							
Financial stabilization arrangement	11,500,000						11,500,000
<b>Total Committed Fund Balance</b>	<b>11,500,000</b>						<b>11,500,000</b>
<b>Assigned to:</b>							
Economic uncertainty reserve	5,349,482						5,349,482
<b>Total Assigned Fund Balances</b>	<b>5,349,482</b>						<b>5,349,482</b>
<b>Unassigned:</b>							
General Fund	1,134,242						1,134,242
Fund balance deficit		(\$4,275,760)		(\$8,402)		(1,424,924)	(5,709,086)
<b>Total Unassigned Fund Balances</b>	<b>1,134,242</b>	<b>(4,275,760)</b>		<b>(8,402)</b>		<b>(1,424,924)</b>	<b>(4,574,844)</b>
<b>Total Fund Balances</b>	<b>\$23,246,537</b>	<b>(\$4,275,760)</b>	<b>\$12,055,358</b>	<b>(\$8,402)</b>	<b>\$1,352,459</b>	<b>\$49,163,159</b>	<b>\$81,533,351</b>



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**NOTE 9 – NET ASSETS AND FUND BALANCES (Continued)**

**C. Minimum Operating Reserve Policy**

On June 11, 2012 the City adopted resolution number 2012-065 to establish the City's Fund Balance Policy. The City may achieve the minimum funding levels set forth by the policy by June 2018. 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 funding level is 1.5% of operating expenditures plus outgoing debt service transfers.

Enterprise Funds

The Airport, Water and Golf Course Funds Unrestricted net assets 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 assets minimum fund balance is 50% of their operating budget plus debt service transfers.

Internal Service Funds

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



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**NOTE 9 – NET ASSETS AND FUND BALANCES (Continued)**

**D. Fund Deficits**

The following funds have a fund balance deficit as of June 30, 2012:

Fund	Amount of Deficit
Isabel Parkway Capital Projects	\$4,275,760
Developer Deposits Capital Projects	8,402
Other Special Revenue Funds	345,135
Other Impact Fees Special Revenue Fund	960,618
LCPFA 2008 COPs Debt Service Fund	117,938
Airport Construction Capital Projects Fund	1,233
Worker's Compensation Internal Service Fund	485,786
Employee Benefits Internal Service Fund	20,131,070

**NOTE 10 – RETIREMENT BENEFITS**

**A. CALPERS Safety and Miscellaneous Plans**

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

	<u>Safety</u>	<u>Miscellaneous</u>
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of annual salary	3%	2.0% - 2.7%
Required employee contribution rates	9%	8%
Required employer contribution rates	32.708%	18.048%



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**NOTE 10 – RETIREMENT BENEFITS (Continued)**

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the years ended June 30, 2012, 2011 and 2010 were as follows:

Fiscal Year Ended	Annual Pension Cost (APC)			% of APC Contributed	Net Pension Obligation
	Safety	Miscellaneous	Total		
2010	\$2,731,858	\$4,606,382	\$7,338,240	100%	Nil
2011	2,727,949	4,225,075	6,953,024	100%	Nil
2012	3,170,476	4,753,196	7,923,672	100%	Nil

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.0%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and amortized over a rolling thirty year period.

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

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2008	\$143,861,751	\$123,746,175	\$20,115,576	86.0%	\$31,941,148	63.0%
2009	165,909,645	133,367,394	32,542,251	80.4%	32,868,741	99.0%
2010	177,557,258	143,475,201	34,082,057	80.8%	30,170,999	113.0%

As required by State law, effective July 1, 2005, the City's Safety Plan was terminated, and the employees in the plan were required by CALPERS to join a new State-wide pool. One of the conditions of entry was that the City true-up any unfunded liabilities or overfunded assets in the former Plan, either by paying cash or by increasing or decreasing its future contribution rates through a Side Fund offered by CALPERS. The Safety Plan was over-funded at June 30, 2006; the amount of this over-funding is accounted for separately and is used by CALPERS to reduce future City contributions to the Plan over the next 5 years.



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**NOTE 10 – RETIREMENT BENEFITS (Continued)**

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

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2008	\$8,700,467,733	\$7,464,927,716	\$1,235,540,017	85.8%	\$914,840,596	135.1%
2009	9,721,675,347	8,027,158,724	1,694,516,623	82.6%	973,814,168	174.0%
2010	10,165,475,166	8,470,235,152	1,695,240,014	83.3%	955,980,815	177.3%

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

**B. Other Post Employment Benefits**

By Council resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans. A summary of eligibility and retiree contribution requirements are shown below by bargaining unit:



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**NOTE 10 – RETIREMENT BENEFITS (Continued)**

	<b>Executive Mgmt</b>	<b>Mid-Mgmt &amp; Confidential</b>	<b>MEAN</b>	<b>LPOA</b>	<b>Police Management</b>	
■ Hired Before	• N/A	• 2/1/2006	• 4/1/2007	• 2/1/2007	• N/A	
■ Eligibility	<ul style="list-style-type: none"> <li>Retire directly from the City with 10 years CalPERS service (15 years for Police safety) and a minimum of 5 years City service, or</li> <li>Industrial disability for Police safety</li> </ul>					
■ Benefit	<ul style="list-style-type: none"> <li>City reimburses up to a percentage of the Kaiser Plan A 2-party active premium (early retiree premium for Police Lieutenants hired before 5/29/06 and LPOA), subject to a cap that varies by bargaining group</li> <li>City will reimburse Medicare A &amp; B if required for Medical coverage</li> <li>Reimbursement percentage based on bargaining group and CalPERS service:</li> </ul>					
	<u>PERS Service</u> 10 15 20 25+	Reimb % 75% 80% 90% 100%	<u>PERS Service</u> 10 15 20 25+	Reimb % 70% 80% 90% 100%	<u>PERS Service</u> 15 20 25+	Reimb % 75% 85% 100%
■ Cap	<ul style="list-style-type: none"> <li>Original DOH &lt; 1/10/05: No</li> <li>Original DOH &gt; 1/10/05 Active medical cap</li> </ul>	<ul style="list-style-type: none"> <li>DOH &lt; 2/1/06: No cap</li> <li>DOH &gt; 2/1/06: No benefit, City contributes 4% base pay to</li> <li>EE promoted other units after after 2/1/06 eligible for the previous benefit</li> </ul>	<ul style="list-style-type: none"> <li>DOR &lt; \$200 benefit</li> <li>DOH &lt; 4/1/07 &amp; DOR ≥ 1/1/06: Active medical</li> <li>DOH ≥ 4/1/07: No benefits, City contributes 4% of base pay to RHSA.</li> </ul>	<ul style="list-style-type: none"> <li>DOH &lt; 2/1/07: Active medical cap</li> <li>DOH &gt; 2/1/07: No benefits, contributes 5% of base pay to RHSA, EE contributes 1% of base pay to RHSA</li> </ul>	<ul style="list-style-type: none"> <li>Tier 1 (PL/Cpt) (DOH &lt; 9/1/04) No cap</li> <li>Tier 2 (DOH: 9/1/04 - 5/29/06) Active medical cap</li> <li>Tier 3 (DOH &gt; 5/29/06) Active medical cap</li> <li>Tier 4 Promoted promoted EE's stay with RHSA if RHSA was prior benefit</li> </ul>	

As of June 30, 2012, approximately 217 participants were eligible to receive benefits.



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**NOTE 10 – RETIREMENT BENEFITS (Continued)**

**C. Funding Policy and Actuarial Assumptions**

The annual required contribution (ARC) was determined as part of a June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 5.90% investment rate of return, (b) 3.25% projected annual salary increase, and (c) 3% general inflation rate and (d) health inflation increases ranging from 9.5% - 10%. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 26 year closed amortization period.

In accordance with the City's budget, the annual required contribution (ARC) is to be funded throughout the year as a percentage of payroll. Concurrent with implementing Statement No. 45, the City Council passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is 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 CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

During fiscal year ended June 30, 2010, the City joined the Public Agencies Post-Retirement Health Care Plan, a multiple employer trust administered by Public Agency Retirement Services (PARS). The City contributed \$495,000 to an irrevocable trust administered by PARS, managed by an appointed board not under the control of City Council. On July 11, 2011, the Council authorized the closeout of the OPEB trust account through CalPERS and transferred all of the funds to PARS. This trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for PARS may be obtained from PARS at 4350 Von Karman Ave., Suite 200, Newport Beach, CA 92660.



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**NOTE 10 – RETIREMENT BENEFITS (Continued)**

**D. Funding Progress and Funded Status**

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2012, the City made contributions toward the ARC amounting to \$2,008,933 to the Plan which represented 6.1% of the \$33.2 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 below:

Annual required contribution (ARC)	\$9,365,000
Interest on net OPEB obligation	645,235
Amortization of OPEB obligation	(637,174)
Annual OPEB cost	9,373,061
Contributions made:	
City portions of current year premiums paid	1,608,933
Additional contributions to PARS	400,000
Total contributions	2,008,933
Contributions less than the ARC	7,364,128
Net OPEB obligation at June 30, 2011	12,904,692
<b>Net OPEB obligation at June 30, 2012</b>	<b>\$20,268,820</b>

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2010, amounted to \$92.4 million and was partially funded with contributions made to irrevocable trusts.

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

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
6/30/2010	\$5,094,291	\$1,545,812	30%	\$9,511,780
6/30/2011	5,140,000	1,747,088	34%	9,511,780
6/30/2012	9,373,061	2,008,933	21%	20,268,820



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**NOTE 10 – RETIREMENT BENEFITS (Continued)**

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

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded Actuarial Liability as Percentage of Covered Payroll [(B - A)/C]
6/30/2006	\$0	\$35,220,000	\$35,220,000	0.00%	\$35,041,000	101%
6/30/2008	1,185,000	43,501,000	42,316,000	2.72%	37,065,000	114%
6/30/2010	3,214,000	95,573,000	92,359,000	3.36%	33,196,000	278%

**E. Social Security**

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

During fiscal year ended June 30, 2010, the City entered into an agreement with the Public Agency Retirement System (PARS) to provide an alternative retirement system for employees not eligible for PERS, and adopted the PARS 457 Trust including the PARS Section 457 FICA Alternative Retirement Plan.

**NOTE 11 - DEFERRED COMPENSATION PLAN**

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

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



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**NOTE 12 - JOINT VENTURES**

The City participates in the joint venture activities described below through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these organizations exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board. Assets and liabilities of the separate entities are not those of the City. The City's sole financial responsibility is to fund annual contributions to each entity which are used along with other member contributions to finance each joint venture's annual operations.

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

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

During fiscal year 2011-2012, the City changed its method of accounting for its interest in LAVWMA. The change in accounting method required a restatement of beginning net assets within the Sewer Enterprise Fund for the City's equity interest. The change in methodology resulted in an increase in net assets at July 1, 2011 in the amount of \$10,456,227. 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 Fund Net Assets 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 Fund Net Assets 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 equity interest in LAVWMA was \$16,477,371 as of June 30, 2011.

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



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**NOTE 12 - JOINT VENTURES (Continued)**

**B. Livermore-Amador Valley Transit Authority (LAVTA)**

This Authority was formed in May 1985 by a joint exercise of powers agreement between the County of Alameda and the Cities of Livermore, Pleasanton and Dublin for the purpose of providing general public transportation under the business name "Wheels". Financial statements may be obtained from LAVTA, 1362 Rutan Court, Livermore, CA 94550.

**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 the Town of Danville, 510 La Gonda Way, Danville, CA 94526-1740.

**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. During the year ended June 30, 2012, the City contributed \$13,395,223 to LPFD representing its share of costs. The City of Pleasanton is Treasurer for LPFD. No separate financial statements are prepared.



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**NOTE 13 - HEALTH, GENERAL LIABILITY AND WORKERS COMPENSATION COVERAGE**

**A. Risk Management**

California Joint Powers Risk Management Authority (CJPRMA) covers general liability claims in an amount up to \$40,000,000. The City has a deductible or uninsured liability of up to \$500,000 per claim. Once the City's deductible is met, CJPRMA becomes responsible for payment of all claims up to the limit. During the fiscal year ended June 30, 2012 the City contributed \$197,552 for current year coverage.

The Local Agency Workers Compensation Excess Insurance Joint Powers Authority (LAWCX) covers workers compensation up to statutory limits. The City has a deductible or uninsured liability of up to \$350,000 per claim. During the fiscal year ended June 30, 2012, the City contributed \$254,037 for current year coverage.

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

Each risk pool is governed by a board consisting of representatives from member municipalities. The board controls the operations of each risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's contribution to each risk pool equals the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

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



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**NOTE 13 - HEALTH, GENERAL LIABILITY AND WORKERS COMPENSATION COVERAGE  
(Continued)**

**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
Balance of claims payable at June 30, 2010	\$1,780,423	\$997,740	\$2,778,163
Increase in estimated claims liability	(160,457)	441,954	281,497
Claims paid	<u>(463,604)</u>	<u>(260,151)</u>	<u>(723,755)</u>
Balance of claims payable at June 30, 2011	1,156,362	1,179,543	2,335,905
Change in estimated claims liability	(225,718)	1,682,927	1,457,209
Claims paid	<u>(54,877)</u>	<u>(254,037)</u>	<u>(308,914)</u>
Balance of claims payable at June 30, 2012	<u><u>\$875,767</u></u>	<u><u>\$2,608,433</u></u>	<u><u>\$3,484,200</u></u>

The City estimates the current portion of the claims liability at June 30, 2012 was \$277,626 and \$1,357,504 for liability insurance and worker's compensation, respectively.

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

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

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



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**NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)**

**A. Construction Commitments**

The City has the following outstanding construction commitments at June 30, 2012:

Rehab Runway 7L-25R	\$1,944,135
ECSP Infrastructure	6,039,556
WRP Holding Tank Improvements	<u>1,044,127</u>
Total	<u><u>\$9,027,818</u></u>

**B. Animal Shelter**

The Cities of Dublin, Pleasanton, and Livermore and the County of Alameda reached an agreement under which Alameda County constructed an animal shelter facility on County property. Under the agreement the entities share in the debt service and operating costs of the project based on their use of the animal shelter. The City of Livermore paid \$321,734 for its share of debt service and operating costs. The City's portion of the project fluctuates based on actual usage and was 22.75% as of June 30, 2012.

**C. Former Livermore Redevelopment Agency**

The City and 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 paragraphs 1 through 5 below. Additionally, the City and Agency have other agreements that entitle them to collect certain loans or notes receivables which are disclosed in Notes 5 and 15.



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**NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)**

**1. Livermore Senior Housing Continuum of Care Project Phase I**

The City and Agency have an agreement with a Developer and an Owner under which a 250 unit residential rental senior citizen housing Congregate Care/Assisted Living Facility (Phase I) was to be constructed on a site composed of formerly Agency-owned land subdivided into two parcels, one for Phase I and another for a related Phase II project that has since been deemed unfeasible and has been replaced with the Valley Care Senior Housing Project (see Note 14B). In a prior year, the Agency sold the Phase I parcel to the Owner. In addition, the Agency loaned the Developer \$800,000 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. Provided the project is in compliance with affordability covenants, the interest rate will drop to five percent beginning the seventeenth year of the note until maturity. If the project maintains compliance with affordability covenants through maturity, interest accrued at the five percent rate will be forgiven.

As required under the agreement, the 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 Agency is not obligated for repayment of the Bonds.

As of June 30, 2005, the Agency sold the land for Phase I and construction was complete. In addition Agency funds transferred to the City's Housing and Community Assistance Fund in fiscal 2001-2002 were used to finance the Developer Loan for \$800,000, which has been recorded in the Housing and Community Assistance Fund.

**2. Signature Properties Multi-Family Residential Project (Station Square)**

The Agency has signed a Disposition and Development Agreement under which the Developer, Signature Properties, Inc., has agreed to construct a project consisting of a 111 attached multi-family housing units along with certain infrastructure improvements. The project is to be located on an Agency owned site which was sold to the Developer for \$5 million in fiscal 2004-2005. As of June 30, 2012, 101 units have been completed construction while the remaining 10 units are still undergoing construction.

**3. Livermore Valley Performing Arts Center**

The Agency has an agreement under which the Developer, Livermore Valley Performing Arts Center, has agreed to construct a 2,000 seat regional performing arts theater along with certain infrastructure improvements. The Developer is to obtain financing for construction costs of building the theater and related improvements which is estimated to be \$69.2 million. Once the theater has been completed, the Agency will make a series of scheduled payments to the Developer to purchase the Operating Covenant. At June 30, 2012, the theater construction has not started.



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**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**

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

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 9, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-006.

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

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the Redevelopment Low & Moderate Income Housing Special Revenue, Redevelopment Agency Capital Project and Redevelopment Agency Debt Service governmental funds of the City.



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**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

After the date of dissolution, as of February 1, 2012, the housing-related assets and activities of the dissolved redevelopment agency are reported in the governmental Housing Successor Special Revenue Fund as the City has control of those assets which may be used in accordance with the low and moderate housing provisions of California Redevelopment Law. As of February 1, 2012, the non-housing related assets and activities of the dissolved redevelopment agency are reported in the fiduciary Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund whose activities are subject to review and approval by the oversight board.

The transfer of the non-housing related assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary gain in the governmental fund financial statements. The receipt of these assets and liabilities as of February 1, 2012 was reported in the Successor Agency to the Livermore Redevelopment Agency Private-purpose Trust fund as an extraordinary loss.

A summary of balances transferred from the former governmental redevelopment funds to the fiduciary (successor agency) and governmental (housing successor) funds are presented below.

	Assets and Liabilities (Prior to transfer)	Transfer to Successor Agency	Transfer to Housing Successor	Ending Balance February 1, 2012
<b>ASSETS</b>				
Cash and investments, held in City Treasury	\$2,610,735	\$1,817,677	\$793,058	
Cash and investments, held by fiscal agent	4,048,706	4,048,706		
Notes receivable	4,420,233	2,000,000	2,420,233	
Advance to other funds (SERAF loan)	1,883,351		1,883,351	
Land held for redevelopment	9,226,103	9,203,149	22,954	
Construction in Progress	205,392	205,392		
<b>Total Assets</b>	<b>22,394,520</b>	<b>17,274,924</b>	<b>5,119,596</b>	
<b>LIABILITIES</b>				
Deferred revenue	2,086,929		2,086,929	
Advance from other funds (SERAF loan)	1,883,351	1,883,351		
Loans payable to City of Livermore	11,068,865	11,068,865		
Interest payable	667,534	667,534		
Long Term Debt - due within one year	855,000	855,000		
Long Term Debt - due in more than one year	30,155,000	30,155,000		
<b>Total Liabilities</b>	<b>46,716,679</b>	<b>44,629,750</b>	<b>2,086,929</b>	
<b>NET ASSETS (DEFICIT)</b>	<b>(\$24,322,159)</b>	<b>(\$27,354,826)</b>	<b>\$3,032,667</b>	



**Comprehensive Annual Financial Report  
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<b>NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)</b>
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**B. Cash and Investments**

The City of Livermore maintains a cash and investment pool that is available for all City activities, including the Successor Agency Trust Fund. Cash and investments reported in the Statement of Fiduciary Net Position consisted of the following June 30, 2012:

Cash and investments pooled with the City Treasury	\$3,831,020
Cash and investments held by Trustees	<u>4,048,717</u>
 Total cash and investments	 <u><u>\$7,879,737</u></u>

The City manages the Successor Agency's cash and investments in a consistent manner as the rest of its cash and investment pool. Refer to Note 3 for additional information regarding the type of investments and risks.

**C. Notes Receivable**

Valley Care Senior Housing	<u>\$2,000,000</u>
Total Notes Receivable	<u><u>\$2,000,000</u></u>

The Agency and City have an agreement under which a Developer will construct and operate a 130 unit senior rental housing project on a site composed of a parcel conveyed by the Agency to the Developer and a parcel the City has agreed to sell to the Developer for \$1.1 million. Fifty-five units are to be made affordable for lower income seniors. The Developer will also construct Iron Horse Trail Easement Improvements. This agreement replaces the Livermore Senior Housing Continuum of Care Project, Phase II. To assist in financing the project, the Agency has agreed to loan \$2 million to the Developer. The loan bears interest of 3% per annum and is due in forty years. The balance due from the Developer is \$2,000,000 as disclosed in Note 5.

The loan is due in installments as follows: \$989,000 is due in two subordinated payments from available remaining Bond Proceeds, and annual payments ranging from \$33,000 to \$175,000 per year are payable each March 1 from cash flows available from the operations of the project.

In addition, the Agency agreed to a Property Tax Loan and an Additional Property Tax Deferral up to maximums specified in the agreement, which bear interest at 3% with annual repayments beginning in year eight from available cash flows of the project commencing after the project is complete. As of June 30, 2012, the Agency had disbursed \$700,404 under this loan agreement.



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**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

As required under the agreement, the Agency sponsored the issuance of \$19 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 Agency is not obligated for repayment of the Bonds. As of June 30, 2012, this project is complete.

Livermore Independent Senior Apartments, a 130-unit independent living senior apartment complex constructed in 2006, was funded using \$19,000,000 in Multifamily Housing Revenue Bonds, land dedication from the Redevelopment Agency and a \$2,000,000 Agency loan comprised of HELP and House Set-aside funds. The Owner of the project has requested \$400,000 of additional Agency Housing Set-aside funds in order to provide liquidity to complete the permanent financing for the project.

To assist the Agency in financing the Developer loan, the City signed a \$1,500,000 loan agreement with the California Housing Finance Agency. Proceeds from this City debt along with \$500,000 in other City funds were used to finance the loan during fiscal year 2006-2007. As of June 30, 2012, the Developer owed \$2,000,000 to the Agency which has been recorded as a note receivable in the Successor Agency Private Purpose Trust Fund.

**D. Supplemental Education Revenue Augmentation Fund (SERAF) Loan Receivable from the Housing Successor**

SERAF Loan Receivable	\$1,883,351
Total Loan Receivable	\$1,883,351

During the fiscal year ended June 30, 2010, the Agency approved an interfund advance of \$1,561,803 from the Low and Moderate Income Housing fund to the 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 Agency approved a second interfund advance in the amount of \$321,548 for a total of \$1,883,351.



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**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

The above loans had previously been reported as interfund advances within the Redevelopment Agency, but with the transfer of the Redevelopment Agency's liabilities to the Successor Agency, the advances are now reported as a long-term liability of the Successor Agency. These loans were originally required to be paid by June 30, 2015 and June 30, 2016 respectively, however, repayment is not contingent upon the Successor Agency receiving a Finding of Completion as defined in Health and Safety Code Section 34179.6. After the Successor Agency receives a Finding of Completion, and under the provisions of Health and Safety Code Section 34191.4(b)(2)(A), the loans can be repaid by the Successor Agency. However, the Successor Agency must apply for approval from the Oversight Board to obtain a finding that the loans were for legitimate redevelopment purposes. If the Oversight Board approves the enforceability of the obligation, the loans are to be repaid in accordance with a defined schedule over a reasonable term. Repayment cannot begin prior to fiscal year 2014 and the maximum annual repayment amount is limited based on the calculations in the Code Section.

The second loan was approved after the effective date of the suspension provisions of the Bill.

**E. Capital Assets**

The Successor Agency assumed capital assets of the Redevelopment agency as of February 1, 2012. Capital assets activities for the period February 1, 2012 through June 30, 2012 are as follows:

	<u>Balance at February 1, 2012</u>	<u>Decreases</u>	<u>Balance at June 30, 2012</u>
<i>Fiduciary activities</i>			
Capital assets not being depreciated:			
Construction in progress	\$2,342,024	(\$2,136,632)	\$205,392

**F. Loans Payable to City of Livermore**

The advances from City of Livermore are not expected to be repaid in the following fiscal year. As of February 1, 2012, several advances made to the former Redevelopment Agency were transferred to the Successor Agency. The total outstanding balances were \$9,877,091. As discussed in Note 15H below, management has recorded an allowance for items denied by the California State Department of Finance.



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**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

Under the Bill, the repayment of many loans made in good faith by a City to its now dissolved Redevelopment Agency became unenforceable as of February 1, 2012. Upon application by the Successor Agency and approval by the Oversight Board, loan agreements between the Sponsoring Community and the Dissolved Redevelopment Agency that were previously deemed unenforceable, can once again be deemed to be enforceable obligations if the Oversight Board finds that the loan was for legitimate purposes based on an amendment to the Bill (AB1484). This approval would be subject to the State Department of Finance’s further review and potential disapproval. The Bill amendment specified that the accumulated interest on the now enforceable obligations must be recalculated from loan inception date at the Local Agency Investment Fund (“LAIF”) interest rate and repayments cannot begin until fiscal year 2014 with the annual maximum being strictly limited by statutory formula.

The following schedule shows the balances of the Advances of the City loans at year end:

Valley Care Senior Housing	\$2,060,000
Shell Property	100,997
Lucky Property	5,472,422
Traffic Impact Fees	360,321
SERAF Loan	1,883,351
Allowance for items denied by DOF	<u>(7,472,423)</u>
	<u>\$2,404,668</u>

See Note 15C for details of the \$2,060,000 advance from the City’s Housing & Community Assistance Special Revenue Fund to the Agency to finance the loan to the Valley Care Senior Housing Project developer.

The City’s Housing & Community Assistance Special Revenue Fund advanced \$100,997 to the Agency to assist with the acquisition of the Shell site property.

The City’s Low Income Housing Special Revenue Fund advanced the Agency \$5,472,422 to assist with the acquisition of the Lucky site property.

The former Redevelopment Agency committed to pay Traffic Impact Fees to the City’s Traffic Impact Fee Special Revenue Fund on behalf of certain developers. The balance of the advances was \$360,321 at June 30, 2012.

See Note 15D above for discussion of SERAF loan from the City’s Housing Successor Special Revenue Fund.



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**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

**G. Long-Term Debt**

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

	Balance February 1, 2012	Retirements	Balance at June 30, 2012	Amount due in one year
<b>Fiduciary Activities</b>				
2001 Tax Allocation Bonds, 4.00%-5.00%, 2032	\$31,010,000		\$31,010,000	\$855,000
Total debt	\$31,010,000		\$31,010,000	\$855,000

On August 1, 2001, the Redevelopment Agency issued \$36,775,000 of **2001 Tax Allocation Bonds, Series A**. Proceeds were used to refund the above outstanding Livermore Redevelopment Project 1986 Tax Allocation Bonds Series A, and to provide funds to finance various redevelopment activities within the Project Area. Semiannual interest payments are due August 1 and February 1. Annual principal payments are due August 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 \$50.112 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 February 1, 2012 to June 30, 2012, RPTTF payments amounted to \$2,022,404 which represented coverage of .84 times the \$2,410,066 debt service for that same period.



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**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

Annual debt service requirements are shown below:

<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2013	\$855,000	\$1,545,606
2014	900,000	1,499,537
2015	950,000	1,450,975
2016	995,000	1,399,919
2017	1,050,000	1,346,238
2018-2022	6,130,000	5,835,000
2023-2027	7,830,000	4,092,250
2028-2032	9,990,000	1,875,000
2033	2,310,000	57,750
<b>Total</b>	<b>\$31,010,000</b>	<b>\$19,102,275</b>

**H. Commitments and Contingencies**

***State Department of Finance Approval of Enforceable Obligations***

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance (DOF). Although the State Department of Finance may not question items included on the ROPS in one period, they may question those same certain items on a future ROPS and disallow associated activities.

***Recognized Obligation Payment Schedule III***

The Successor Agency submitted the Recognized Obligation Payment Schedule for the period of January 1, 2013 to June 30, 2013 to the Department of Finance for review. The Department of Finance objected to certain items on the ROPS. Subsequently, the Successor Agency initiated the meet and confer process with the DOF and held a meeting on October 24, 2012. In a letter from the DOF dated December 18, 2012, the DOF continues to deny certain items.



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**NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY  
ACTIVITIES (Continued)**

Management believes that the disputed items are valid enforceable obligations payable by the Successor Agency Trust Fund under the requirement of the Dissolution Legislation. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue favorably or unfavorably to the City. While the ending result is undeterminable at this time, the City has recorded an allowance for unenforceable obligations in the amount of \$7,472,423 offsetting the "Loans payable to City of Livermore" in the Successor Agency's private purpose trust fund at June 30, 2012.

***State Asset Transfer Review***

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller's Office may be conducting a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011 and the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time.

**I. Subsequent Events**

***Demand for True-up Payment***

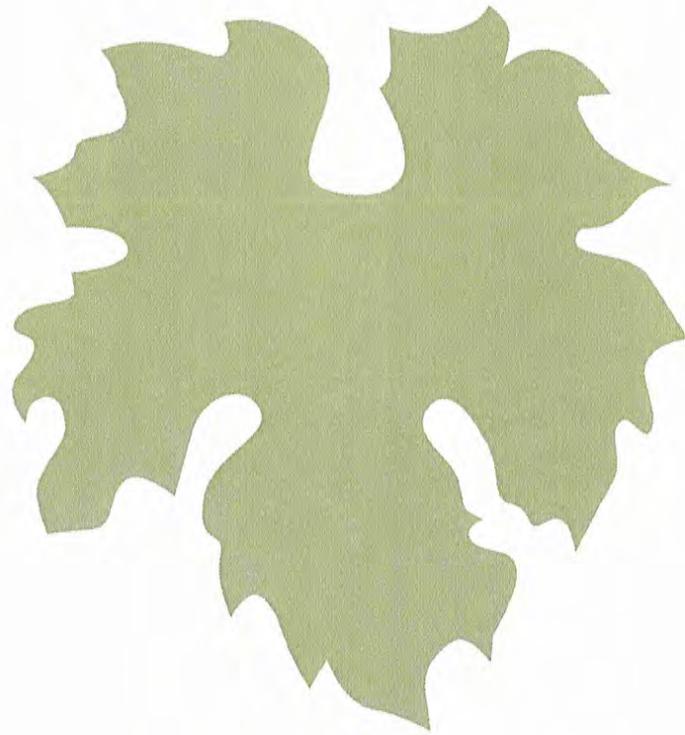
Pursuant to Health and Safety Code section 34183.5(b), Successor Agencies are required to remit a True-up Payment representing a calculation of tax increment collected in December 2011 by the former Redevelopment Agency in excess of enforceable obligations, as approved by the County Auditor/Controller. On July 9, 2012, the Successor Agency received a Demand from the County Auditor/Controller that had calculated a True-up Payment of \$1,348,034. The Successor Agency remitted this payment on July 12, 2012.

**Finding of Completion**

The Bill was amended by Assembly Bill 1484 which created new statutory authorizations that allow the Oversight Board to authorize the Successor Agency to enter into, or reenter, into agreements with the City for legitimate redevelopment purposes, and place those agreements on future recognized obligation payment schedules once the Department of Finance issues a finding of completion to the Successor Agency. As of the date of this report, the Successor Agency is awaiting to receive the finding of completion, at which time the Successor Agency may enter into agreements with the City that were previously disallowed by the California Department of Finance as discussed in Note 15F.



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**Comprehensive Annual Financial Report  
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**ISABEL AVENUE CAPITAL PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Expenditures			
Capital outlay			
Capital projects	<u>\$10,032,370</u>	<u>\$10,736,274</u>	<u>(\$703,904)</u>
Total Expenditures	<u>10,032,370</u>	<u>10,736,274</u>	<u>(703,904)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>15,240,860</u>	<u>11,669,002</u>	<u>(3,571,858)</u>
Total Other Financing Sources (Uses)	<u>15,240,860</u>	<u>11,669,002</u>	<u>(3,571,858)</u>
Net change in budgetary fund balance	<u>\$5,208,490</u>	932,728	<u>(\$4,275,762)</u>
Fund balance (deficit), July 1		<u>(5,208,488)</u>	
Fund balance (deficit), June 30		<u>(\$4,275,760)</u>	

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**EL CHARRO SPECIFIC PLAN CAPITAL PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$14,095,730	\$27,473,547	\$13,377,817
Contributions from outside sources		<u>474,894</u>	<u>474,894</u>
Total Revenues	<u>14,095,730</u>	<u>27,948,441</u>	<u>13,852,711</u>
Expenditures			
Capital outlay:			
Capital projects	<u>14,008,810</u>	<u>24,494,913</u>	<u>(10,486,103)</u>
Total Expenditures	<u>14,008,810</u>	<u>24,494,913</u>	<u>(10,486,103)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	19,228,770	13,823,258	(5,405,512)
Transfers (out)	<u>(15,020,480)</u>		<u>15,020,480</u>
Total Other Financing Sources (Uses)	<u>4,208,290</u>	<u>13,823,258</u>	<u>9,614,968</u>
Net change in budgetary fund balance	<u>\$4,295,210</u>	17,276,786	<u>\$12,981,576</u>
Fund balance (deficit), July 1		<u>(5,221,428)</u>	
Fund balance, June 30		<u>\$12,055,358</u>	

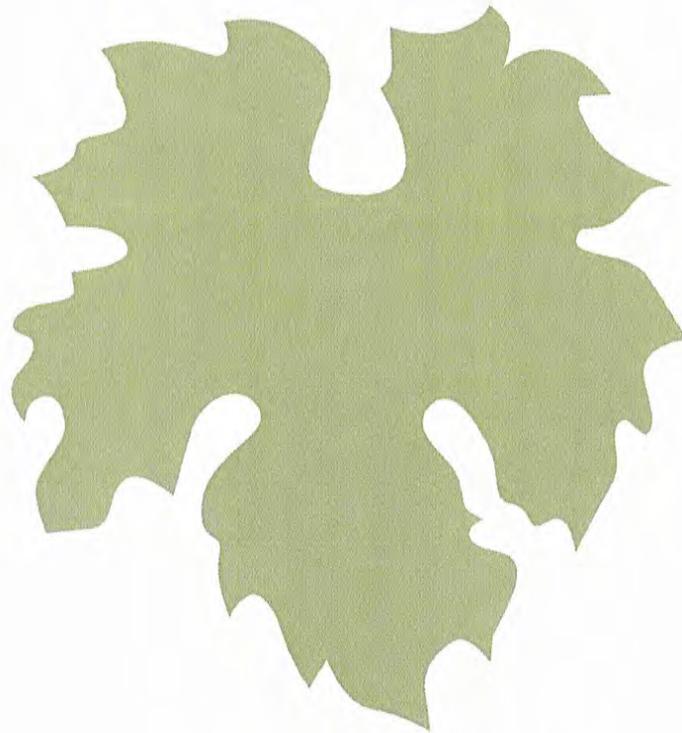
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**LCPFA 2011 COP CONSTRUCTION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Use of money and property	<u>\$375</u>	<u>\$457</u>	<u>\$82</u>
Total Revenues	<u>375</u>	<u>457</u>	<u>82</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(4,613,660)</u>	<u>(10,447,998)</u>	<u>(5,834,338)</u>
Total Other Financing Sources (Uses)	<u>(4,613,660)</u>	<u>(10,447,998)</u>	<u>(5,834,338)</u>
Net change in budgetary fund balance	<u>(\$4,613,285)</u>	<u>(10,447,541)</u>	<u>(\$5,834,256)</u>
Fund balance, July 1		<u>11,800,000</u>	
Fund balance, June 30		<u>\$1,352,459</u>	



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## **Comprehensive Annual Financial Report FY 2011-2012**

### **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:

#### **REDEVELOPMENT AGENCY LOW AND MODERATE INCOME HOUSING FUND**

Established to account for the twenty (20) percent of low and moderate set aside as required under California Redevelopment Law.

#### **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.

#### **PEG**

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

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**Non Major Governmental Funds (Continued)**

**CITY STREET SWEEPING**

Established to administer funds received through solid waste collection fees and Alameda County Clean Water Program for City street sweeping services.

**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 other City programs including the Public Art In-Lieu Fee Program, Altamont Open Space Program, and Brownfield Program.

**ALAMEDA COUNTY TRANSPORTATION FUNDS**

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

**GAS TAX**

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

**TRAFFIC IMPACT FEE**

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

**OTHER IMPACT FEE**

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

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**Non Major Governmental Funds (Continued)**

**TRI-VALLEY TRANSPORTATION COUNCIL (TVTC) 20%**

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.

**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.

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

**REDEVELOPMENT AGENCY DEBT SERVICE FUND**

Established to accumulate money for payment of Redevelopment Agency tax allocation bonds. Prior to the dissolution of Redevelopment Agencies on January 31, 2012, debt service was financed from incremental property tax revenues.

**LIVERMORE CAPITAL PROJECTS FINANCING AUTHORITY (LCPFA) DEBT SERVICE FUNDS**

Established as a joint powers authority between the City and the former Livermore Redevelopment Agency

- LCPFA 2007 COPs were issued to refinance and defease prior COPs and providing financing for new community capital projects. Funding comes from the General Fund and Livermore Area Park and Recreation District.
- LCPFA 2008 COPs were issued to refinance and defesase 2000 COPs and 2002 COPs and finance certain capital projects.
- LCPFA 2011 COPs were issued to provide financing for certain capital projects.

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**Non Major Governmental Funds (Continued)**

**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.

**REDEVELOPMENT AGENCY CAPITAL PROJECTS**

Established to account for redevelopment activities and acted as the 'general fund' for the Livermore Redevelopment Agency until the dissolution of redevelopment agencies on January 31, 2012.

**AIRPORT CONSTRUCTION**

Established to account for airport expansions for the protection zones, runways, and hanger.

**LCPFA 2008 CONSTRUCTION**

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

**OTHER CAPITAL PROJECTS**

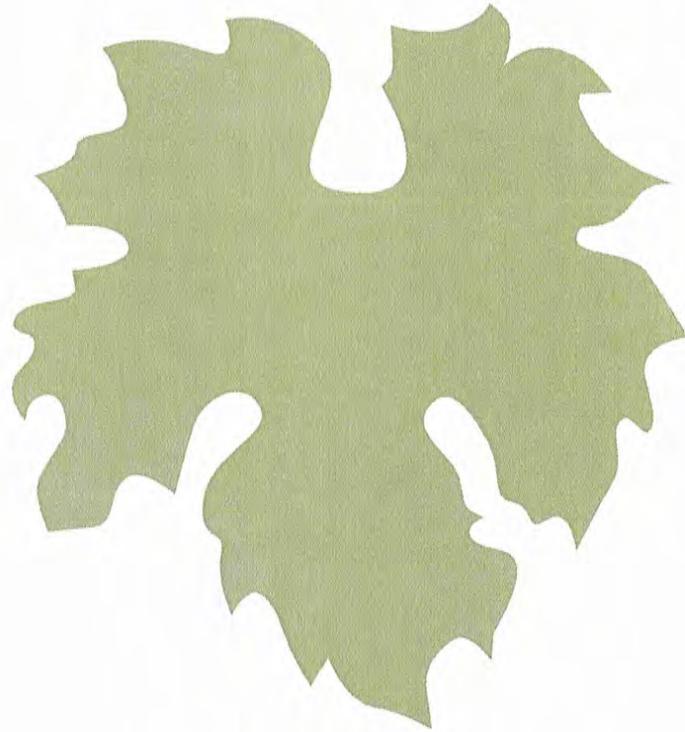
Established to account for various quality community improvements including Transferable Development Credits from developers, and to account for construction of public improvements on College Avenue Assessment District 87-2A and Shea Community Facilities District.

**STREET FUND**

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



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**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2012**

**SPECIAL REVENUE FUNDS**

	<u>Housing Successor</u>	<u>Redevelopment Low &amp; Moderate Income Housing</u>	<u>Low Income Housing</u>	<u>Housing &amp; Community Assistance</u>	<u>Horizons</u>
<b>ASSETS</b>					
Cash and investments in City Treasury			\$4,357,466	\$2,311,752	
Cash and investments with Trustees					
Accounts receivables (net of applicable allowable for uncollectibles)			223,548	49,359	\$212,783
Prepays and supplies			3,000		
Notes receivable	\$4,680,598		6,914,509	6,078,541	
Land held for redevelopment	22,954			2,269,052	
Due from other funds					
<b>Total Assets</b>	<b>\$4,703,552</b>		<b>\$11,498,523</b>	<b>\$10,708,704</b>	<b>\$212,783</b>
<b>LIABILITIES</b>					
Accounts payable and other accruals			\$15,053	\$116,598	\$12,219
Accrued payroll				2,066	28,013
Deposits payable			940	11,208	
Due to other funds					171,281
Advances from other funds					
Deferred rents and revenue	2,547,733		1,442,087	3,917,544	
<b>Total Liabilities</b>	<b>2,547,733</b>		<b>1,458,080</b>	<b>4,047,416</b>	<b>211,513</b>
<b>FUND BALANCE</b>					
Restricted	2,155,819		10,040,443	6,661,288	1,270
Assigned					
Unassigned					
<b>Total Fund Balances (Deficits)</b>	<b>2,155,819</b>		<b>10,040,443</b>	<b>6,661,288</b>	<b>1,270</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$4,703,552</b>		<b>\$11,498,523</b>	<b>\$10,708,704</b>	<b>\$212,783</b>

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**SPECIAL REVENUE FUNDS**

<u>Solid Waste Management</u>	<u>Maintenance District</u>	<u>City Street Sweeping</u>	<u>Park Fee</u>	<u>Other Special Revenue Funds</u>	<u>PEG</u>
\$603,260	\$4,890,515	\$214,213	\$1,648,785	\$175,798	\$114,954
148,547	36,613	38,536			60,573
<u>\$751,807</u>	<u>\$4,927,128</u>	<u>\$252,749</u>	<u>\$1,648,785</u>	<u>\$175,798</u>	<u>\$175,527</u>
\$5,431 10,942	\$146,631 32,516	\$245 9,773		\$520,933	\$642
<u>16,373</u>	<u>179,147</u>	<u>10,018</u>		<u>520,933</u>	<u>642</u>
735,434	4,747,981	242,731	\$1,648,785	(345,135)	174,885
<u>735,434</u>	<u>4,747,981</u>	<u>242,731</u>	<u>1,648,785</u>	<u>(345,135)</u>	<u>174,885</u>
<u>\$751,807</u>	<u>\$4,927,128</u>	<u>\$252,749</u>	<u>\$1,648,785</u>	<u>\$175,798</u>	<u>\$175,527</u>

(Continued)



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**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2012**

**SPECIAL REVENUE FUNDS**

	<u>Alameda County Transportation Funds</u>	<u>Gas Tax</u>	<u>Traffic Impact Fee</u>	<u>Other Impact Fees</u>	<u>TVTC 20% Fee</u>
<b>ASSETS</b>					
Cash and investments in City Treasury	\$2,076,838	\$6,097,548	\$222,558	\$2,904,460	\$1,086,838
Cash and investments with Trustees					
Accounts receivables (net of applicable allowable for uncollectibles)	1,627,197	247,797		84,839	
Prepays and supplies					
Notes receivable			360,321		
Land held for redevelopment					
Due from other funds			3,818,119		
<b>Total Assets</b>	<u>\$3,704,035</u>	<u>\$6,345,345</u>	<u>\$4,400,998</u>	<u>\$2,989,299</u>	<u>\$1,086,838</u>
<b>LIABILITIES</b>					
Accounts payable and other accruals	\$141,592	\$378,801	\$43,114	\$13,510	\$4,297
Accrued payroll					
Deposits payable	117,176	24,431	586,815		
Due to other funds					
Advances from other funds				3,936,407	
Deferred rents and revenue			343,163		
<b>Total Liabilities</b>	<u>258,768</u>	<u>403,232</u>	<u>973,092</u>	<u>3,949,917</u>	<u>4,297</u>
<b>FUND BALANCE</b>					
Restricted	3,445,267	5,942,113	3,427,906		1,082,541
Assigned					
Unassigned				(960,618)	
<b>Total Fund Balances (Deficits)</b>	<u>3,445,267</u>	<u>5,942,113</u>	<u>3,427,906</u>	<u>(960,618)</u>	<u>1,082,541</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$3,704,035</u>	<u>\$6,345,345</u>	<u>\$4,400,998</u>	<u>\$2,989,299</u>	<u>\$1,086,838</u>

## Comprehensive Annual Financial Report FY 2011-2012

SPECIAL REVENUE FUND	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS
Other Local, State and Federal Grants	Redevelopment Agency	Capital Projects Financing Authority Certificates of Participation		Redevelopment Agency Capital Projects
		2007	2008	2011
\$1,734,366		\$8		\$843,152
1,382,867				
3,674,621				
<u>\$6,791,854</u>		<u>\$8</u>		<u>\$843,152</u>
\$351,093			\$117,938	
3,632				
869				
<u>3,698,768</u>				
<u>4,054,362</u>			<u>117,938</u>	
2,737,492		\$8		\$843,152
			(117,938)	
<u>2,737,492</u>		<u>8</u>	<u>(117,938)</u>	<u>843,152</u>
<u>\$6,791,854</u>		<u>\$8</u>		<u>\$843,152</u>

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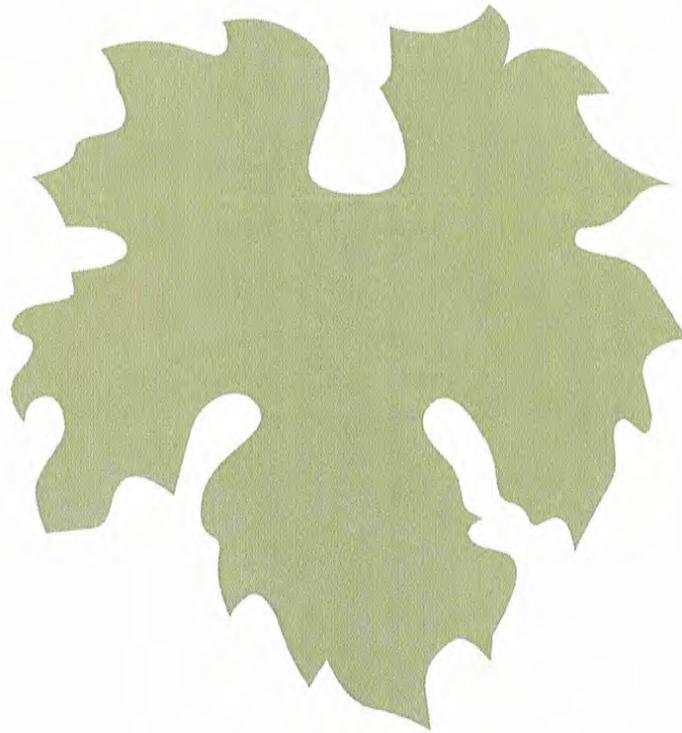
## Comprehensive Annual Financial Report FY 2011-2012

### NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEETS JUNE 30, 2012

	<u>Airport Construction</u>	<u>LCPFA 2008 Construction</u>	<u>Other Capital Projects</u>	<u>Street Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>					
Cash and investments in City Treasury	\$65,094		\$2,540,120	\$1,670,455	\$32,715,020
Cash and investments with Trustees		\$5,120,711	15,118		5,978,989
Accounts receivables (net of applicable allowable for uncollectibles)				299,919	4,412,578
Prepays and supplies					3,000
Notes receivable					21,708,590
Land held for redevelopment					2,292,006
Due from other funds					3,818,119
<b>Total Assets</b>	<u>\$65,094</u>	<u>\$5,120,711</u>	<u>\$2,555,238</u>	<u>\$1,970,374</u>	<u>\$70,928,302</u>
<b>LIABILITIES</b>					
Accounts payable and other accruals	\$6,700	\$8,700			\$1,362,564
Accrued payroll					86,942
Deposits payable					1,262,372
Due to other funds		2,936,655			3,107,936
Advances from other funds					3,936,407
Deferred rents and revenue	59,627				12,008,922
<b>Total Liabilities</b>	<u>66,327</u>	<u>2,945,355</u>			<u>21,765,143</u>
<b>FUND EQUITY</b>					
Restricted		2,175,356	\$2,555,238	\$1,970,374	50,588,083
Assigned					
Unassigned	(1,233)				(1,424,924)
<b>Total Fund Balances (Deficits)</b>	<u>(1,233)</u>	<u>2,175,356</u>	<u>2,555,238</u>	<u>1,970,374</u>	<u>49,163,159</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$65,094</u>	<u>\$5,120,711</u>	<u>\$2,555,238</u>	<u>\$1,970,374</u>	<u>\$70,928,302</u>



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**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012**

**SPECIAL REVENUE FUNDS**

	<u>Housing Successor</u>	<u>Redevelopment Low and Moderate Income Housing</u>	<u>Low Income Housing</u>	<u>Housing &amp; Community Assistance</u>	<u>Horizons</u>
<b>REVENUES</b>					
Taxes and special assessments					
Other taxes					
Interest and rentals					
Intergovernmental	\$22,049	\$30,111		\$49,530	\$365,677
Contributions from outside sources					
Charges for services			\$1,962,865		4,748
Use of money and property	10,293	2,966	256,730	24,098	
Miscellaneous			4,419	28,295	29,041
<b>Total Revenues</b>	<u>32,342</u>	<u>33,077</u>	<u>2,224,014</u>	<u>101,923</u>	<u>399,466</u>
<b>EXPENDITURES</b>					
Current:					
City Manager					
Police					804,127
Public works					
Community development			207,318	207,068	
Library					
Redevelopment		281,192			
Capital Outlay					
Capital projects			185,553		
Debt service					
Principal retirement			125,000		
Interest and fiscal charges			375,000		
<b>Total Expenditures</b>		<u>281,192</u>	<u>892,871</u>	<u>207,068</u>	<u>804,127</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>32,342</u>	<u>(248,115)</u>	<u>1,331,143</u>	<u>(105,145)</u>	<u>(404,661)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in			1,363,505	1,002,668	470,000
Transfers (out)		(2,052)	(1,080,973)	(840,900)	
<b>Total Other Financing Sources (Uses)</b>		<u>(2,052)</u>	<u>282,532</u>	<u>161,768</u>	<u>470,000</u>
Change in fund balances before extraordinary items	<u>32,342</u>	<u>(250,167)</u>	<u>1,613,675</u>	<u>56,623</u>	<u>65,339</u>
<b>EXTRAORDINARY ITEMS</b>					
Assets transferred to Housing Successor	3,032,667				
Asset transferred to/liabilities assumed by Successor Agencies	(909,190)	(2,729,067)			
<b>Net change in fund balances</b>	<u>2,155,819</u>	<u>(2,979,234)</u>	<u>1,613,675</u>	<u>56,623</u>	<u>65,339</u>
Fund balances (deficits) at the beginning of year		2,979,234	8,426,768	6,604,665	(64,069)
Fund balances (deficits) at end of year	<u>\$2,155,819</u>		<u>\$10,040,443</u>	<u>\$6,661,288</u>	<u>\$1,270</u>



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**SPECIAL REVENUE FUNDS**

<u>Solid Waste Management</u>	<u>Maintenance District</u>	<u>City Street Sweeping</u>	<u>Park Fee</u>	<u>Other Special Revenue Funds</u>	<u>PEG</u>
	\$2,775,585			\$121,486	
\$380,059			\$24,800		
207,581		\$488,158	623,590		
2,210	23,645		3,994		\$237,285
	7,626				
<u>589,850</u>	<u>2,806,856</u>	<u>488,158</u>	<u>652,384</u>	<u>121,486</u>	<u>237,285</u>
					147,440
492,338	1,068,258	425,354		5,889	
	1,179,616				
	2,410		570		
<u>492,338</u>	<u>2,250,284</u>	<u>425,354</u>	<u>570</u>	<u>5,889</u>	<u>147,440</u>
<u>97,512</u>	<u>556,572</u>	<u>62,804</u>	<u>651,814</u>	<u>115,597</u>	<u>89,845</u>
(2,736)	155,843				
	(178,221)				
(2,736)	(22,378)				
<u>94,776</u>	<u>534,194</u>	<u>62,804</u>	<u>651,814</u>	<u>115,597</u>	<u>89,845</u>
<u>94,776</u>	<u>534,194</u>	<u>62,804</u>	<u>651,814</u>	<u>115,597</u>	<u>89,845</u>
<u>640,658</u>	<u>4,213,787</u>	<u>179,927</u>	<u>996,971</u>	<u>(460,732)</u>	<u>85,040</u>
<u>\$735,434</u>	<u>\$4,747,981</u>	<u>\$242,731</u>	<u>\$1,648,785</u>	<u>(\$345,135)</u>	<u>\$174,885</u>

(Continued)

## Comprehensive Annual Financial Report FY 2011-2012

### NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2012

	SPECIAL REVENUE FUNDS				
	Alameda County Transportation Funds	Gas Tax	Traffic Impact Fee	Other Impact Fee	TVTC 20% Fee
<b>REVENUES</b>					
Taxes and special assessments					
Other taxes					
Interest and rentals					
Intergovernmental	\$5,725,436	\$2,388,082		\$12,900	
Contributions from outside sources					
Charges for services		38,019	\$548,157	1,167,518	\$85,847
Use of money and property	11,037	10,961	22,175	7,019	16,446
Miscellaneous				344,312	
Total Revenues	5,736,473	2,437,062	570,332	1,531,749	102,293
<b>EXPENDITURES</b>					
Current:					
City Manager					
Police					
Public works					
Community development					
Library					
Redevelopment					
Capital Outlay					
Capital projects	1,150,547	1,179,972	381,980	520,042	4,297
Debt service					
Principal retirement					
Interest and fiscal charges					
Total Expenditures	1,150,547	1,179,972	381,980	520,042	4,297
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	4,585,926	1,257,090	188,352	1,011,707	97,996
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,500			40,000	
Transfers (out)	(2,938,529)	(703,828)	(1,151,935)	(192,700)	(2,560,500)
Total Other Financing Sources (Uses)	(2,928,029)	(703,828)	(1,151,935)	(152,700)	(2,560,500)
Change in fund balances before extraordinary items	1,657,897	553,262	(963,583)	859,007	(2,462,504)
<b>EXTRAORDINARY ITEMS</b>					
Assets transferred to Housing Successor					
Asset transferred to/liabilities assumed by Successor Agencies					
Net change in fund balances	1,657,897	553,262	(963,583)	859,007	(2,462,504)
Fund balances (deficits) at the beginning of year	1,787,370	5,388,851	4,391,489	(1,819,625)	3,545,045
Fund balances (deficits) at year end	\$3,445,267	\$5,942,113	\$3,427,906	(\$960,618)	\$1,082,541



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SPECIAL REVENUE FUND		DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS
Other Local, State and Federal Grants	Redevelopment Agency	Capital Projects Financing Authority Certificates of Participation			Redevelopment Agency Capital Projects
		2007	2008	2011	
					\$1,905,647
					48
\$9,294,286		\$363,246			
47,005					
15,241	\$66,913	9		\$33	
563,648					34,482
9,920,180	66,913	363,255		33	1,940,177
10,284					
3,182,116					
314,431					715,332
1,216,434					5,805
70,000	825,000	1,031,892	\$1,567,691		
44,180	804,686	243,119	632,271	\$363,865	
4,837,445	1,629,686	1,275,011	2,199,962	363,865	721,137
5,082,735	(1,562,773)	(911,756)	(2,199,962)	(363,832)	1,219,040
436		911,764	2,201,929	347,452	
(6,709,510)					(553)
(6,709,074)		911,764	2,201,929	347,452	(553)
(1,626,339)	(1,562,773)	8	1,967	(16,380)	1,218,487
	(930,849)				(2,861,065)
(1,626,339)	(2,493,622)	8	1,967	(16,380)	(1,642,578)
4,363,831	2,493,622		(119,905)	859,532	1,642,578
\$2,737,492		\$8	(\$117,938)	\$843,152	

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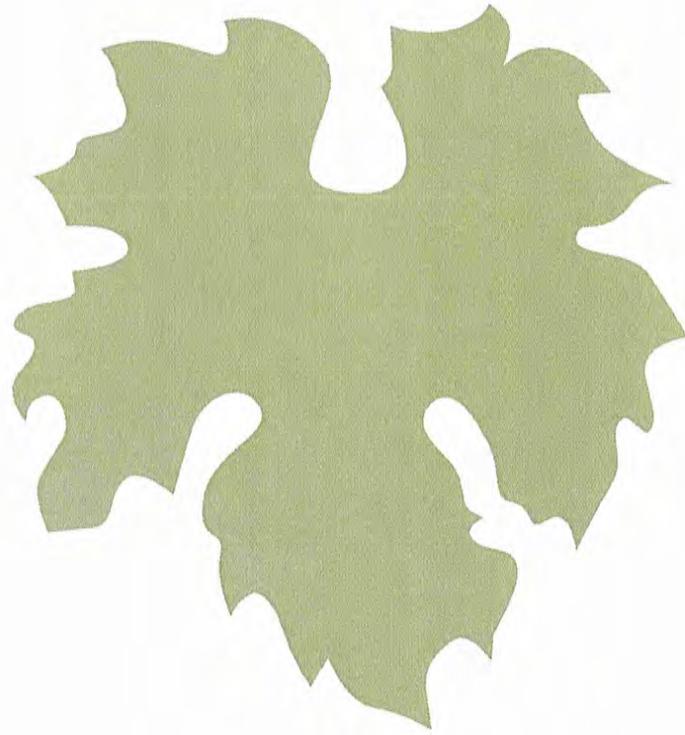
## Comprehensive Annual Financial Report FY 2011-2012

### NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2012

	CAPITAL PROJECTS FUNDS				
	Airport Construction	LCPFA 2008 Construction	Other Capital Projects	Street Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Taxes and special assessments					\$4,681,232
Other taxes					121,486
Interest and rentals					48
Intergovernmental	\$103,610		\$863,664	\$110,747	19,346,151
Contributions from outside sources				299,919	687,965
Charges for services					5,173,488
Use of money and property		\$518	6	172	474,466
Miscellaneous	5,453		6,014		1,260,575
<b>Total Revenues</b>	<b>109,063</b>	<b>518</b>	<b>869,684</b>	<b>410,838</b>	<b>31,745,411</b>
<b>EXPENDITURES</b>					
Current:					
City Manager					147,440
Police					814,411
Public works					1,985,950
Community development					4,782,007
Library					314,431
Redevelopment					996,524
Capital Outlay					
Capital projects	89,568	656,869	199,418	751,909	6,345,374
Debt service					
Principal retirement					3,619,583
Interest and fiscal charges					2,463,121
<b>Total Expenditures</b>	<b>89,568</b>	<b>656,869</b>	<b>199,418</b>	<b>751,909</b>	<b>21,468,841</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>19,495</b>	<b>(656,351)</b>	<b>670,266</b>	<b>(341,071)</b>	<b>10,276,570</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					6,504,097
Transfers (out)		(2,351,920)			(18,714,357)
<b>Total Other Financing Sources (Uses)</b>		<b>(2,351,920)</b>			<b>(12,210,260)</b>
<b>Change in fund balances before extraordinary items</b>	<b>19,495</b>	<b>(3,008,271)</b>	<b>670,266</b>	<b>(341,071)</b>	<b>(1,933,690)</b>
<b>EXTRAORDINARY ITEMS</b>					
Assets transferred to Housing Successor					3,032,667
Asset transferred to/liabilities assumed by Successor Agencies					(7,430,171)
<b>Net change in fund balances</b>	<b>19,495</b>	<b>(3,008,271)</b>	<b>670,266</b>	<b>(341,071)</b>	<b>(6,331,194)</b>
Fund balances (deficits) at the beginning of year	(20,728)	5,183,627	1,884,972	2,311,445	55,494,353
Fund balances (deficits) at end of year	<b>(\$1,233)</b>	<b>\$2,175,356</b>	<b>\$2,555,238</b>	<b>\$1,970,374</b>	<b>\$49,163,159</b>



**Comprehensive Annual Financial Report  
FY 2011-2012**



## Comprehensive Annual Financial Report FY 2011-2012

**BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	REDEVELOPMENT LOW & MODERATE INCOME HOUSING			LOW INCOME HOUSING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes and special assessments	\$943,000		(\$943,000)			
Other taxes						
Interest and rentals	18,000		(18,000)			
Intergovernmental		\$30,111	30,111			
Contributions from outside sources						
Charges for services				\$1,985,660	\$1,962,865	(\$22,795)
Use of money and property		2,966	2,966	240,900	256,730	15,830
Miscellaneous					4,419	4,419
<b>Total Revenues</b>	<b>961,000</b>	<b>33,077</b>	<b>(927,923)</b>	<b>2,226,560</b>	<b>2,224,014</b>	<b>(2,546)</b>
<b>EXPENDITURES</b>						
Current:						
City Manager						
Police						
Public works						
Community development				622,700	207,318	415,382
Library						
Redevelopment	717,864	281,192	436,672			
Capital Outlay						
Capital projects				225,000	185,553	39,447
Debt service						
Principal					125,000	(125,000)
Interest and fiscal charges					375,000	(375,000)
<b>Total Expenditures</b>	<b>717,864</b>	<b>281,192</b>	<b>436,672</b>	<b>847,700</b>	<b>892,871</b>	<b>(45,171)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>243,136</b>	<b>(248,115)</b>	<b>(491,251)</b>	<b>1,378,860</b>	<b>1,331,143</b>	<b>(47,717)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in					1,363,505	1,363,505
Transfers (out)		(2,052)	(2,052)	(1,253,999)	(1,080,973)	173,026
<b>Total Other Financing Sources (Uses)</b>		<b>(2,052)</b>	<b>(2,052)</b>	<b>(1,253,999)</b>	<b>282,532</b>	<b>1,536,531</b>
Change in fund balance before extraordinary items	<u>\$243,136</u>	<u>(250,167)</u>	<u>(\$493,303)</u>	<u>\$124,861</u>	<u>1,613,675</u>	<u>\$1,488,814</u>
<b>EXTRAORDINARY ITEMS</b>						
Asset transferred to/liabilities assumed by Successor Agency		<u>(2,729,067)</u>				
<b>Net change in fund balance</b>		<u>(2,979,234)</u>			<u>1,613,675</u>	
Fund balances (deficits) at beginning of year		<u>2,979,234</u>			<u>8,426,768</u>	
Fund balances (deficits) at end of year					<u>\$10,040,443</u>	

## Comprehensive Annual Financial Report FY 2011-2012

HOUSING & COMMUNITY ASSISTANCE			HORIZONS			SOLID WASTE MANAGEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$49,530	\$49,530		\$366,000	\$365,677	(\$323)	\$323,000	\$380,059	\$57,059
26,030	24,098	(\$1,932)		4,748	4,748	183,520	207,581	24,061
51,910	28,295	(23,615)	74,100	29,041	(45,059)	520	2,210	1,690
<u>127,470</u>	<u>101,923</u>	<u>(25,547)</u>	<u>440,100</u>	<u>399,466</u>	<u>(40,634)</u>	<u>507,040</u>	<u>589,850</u>	<u>82,810</u>
			963,130	804,127	159,003	583,730	492,338	91,392
227,530	207,068	20,462						
<u>227,530</u>	<u>207,068</u>	<u>20,462</u>	<u>963,130</u>	<u>804,127</u>	<u>159,003</u>	<u>583,730</u>	<u>492,338</u>	<u>91,392</u>
(100,060)	(105,145)	(5,085)	(523,030)	(404,661)	118,369	(76,690)	97,512	174,202
1,004,999	1,002,668	(2,331)	500,000	470,000	(30,000)	(10,000)	(2,736)	7,264
	(840,900)	(840,900)						
<u>1,004,999</u>	<u>161,768</u>	<u>(843,231)</u>	<u>500,000</u>	<u>470,000</u>	<u>(30,000)</u>	<u>(10,000)</u>	<u>(2,736)</u>	<u>7,264</u>
<u>\$904,939</u>	<u>56,623</u>	<u>(\$848,316)</u>	<u>(\$23,030)</u>	<u>65,339</u>	<u>\$88,369</u>	<u>(\$86,690)</u>	<u>94,776</u>	<u>\$181,466</u>
	<u>56,623</u>			<u>65,339</u>			<u>94,776</u>	
	<u>6,604,665</u>			<u>(64,069)</u>			<u>640,658</u>	
	<u>\$6,661,288</u>			<u>\$1,270</u>			<u>\$735,434</u>	

(Continued)

## Comprehensive Annual Financial Report FY 2011-2012

**BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	MAINTENANCE DISTRICT			CITY STREET SWEEPING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes and special assessments	\$2,732,900	\$2,775,585	\$42,685			
Other taxes						
Interest and rentals						
Intergovernmental						
Contributions from outside sources						
Charges for services				\$449,620	\$488,158	\$38,538
Use of money and property	5,400	23,645	18,245			
Miscellaneous	8,000	7,626	(374)			
<b>Total Revenues</b>	<b>2,746,300</b>	<b>2,806,856</b>	<b>60,556</b>	<b>449,620</b>	<b>488,158</b>	<b>38,538</b>
<b>EXPENDITURES</b>						
Current:						
City Manager						
Police						
Public works	1,032,860	1,068,258	(35,398)	420,440	425,354	(\$4,914)
Community development	1,511,200	1,179,616	331,584			
Library						
Redevelopment						
Capital Outlay						
Capital projects	28,000	2,410	25,590			
Debt service						
Principal						
Interest and fiscal charges						
<b>Total Expenditures</b>	<b>2,572,060</b>	<b>2,250,284</b>	<b>321,776</b>	<b>420,440</b>	<b>425,354</b>	<b>(4,914)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>174,240</b>	<b>556,572</b>	<b>382,332</b>	<b>29,180</b>	<b>62,804</b>	<b>33,624</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	270,000	155,843	(114,157)			
Transfers (out)	(220,000)	(178,221)	41,779			
<b>Total Other Financing Sources (Uses)</b>	<b>50,000</b>	<b>(22,378)</b>	<b>(72,378)</b>			
<b>Change in fund balance before extraordinary items</b>	<b>\$224,240</b>	<b>534,194</b>	<b>\$309,954</b>	<b>\$29,180</b>	<b>62,804</b>	<b>\$33,624</b>
<b>EXTRAORDINARY ITEMS</b>						
Asset transferred to/liabilities assumed by Successor Agency						
<b>Net change in fund balance</b>		<b>534,194</b>			<b>62,804</b>	
<b>Fund balances (deficits) at beginning of year</b>		<b>4,213,787</b>			<b>179,927</b>	
<b>Fund balances (deficits) at end of year</b>		<b>\$4,747,981</b>			<b>\$242,731</b>	





## Comprehensive Annual Financial Report FY 2011-2012

**BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	ALAMEDA COUNTY TRANSPORTATION FUNDS			GAS TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes and special assessments						
Other taxes						
Interest and rentals						
Intergovernmental	\$6,950,490	\$5,725,436	(\$1,225,054)	\$2,192,500	\$2,388,082	\$195,582
Contributions from outside sources						
Charges for services				38,000	38,019	19
Use of money and property		11,037	11,037		10,961	10,961
Miscellaneous						
<b>Total Revenues</b>	<u>6,950,490</u>	<u>5,736,473</u>	<u>(1,214,017)</u>	<u>2,230,500</u>	<u>2,437,062</u>	<u>206,562</u>
<b>EXPENDITURES</b>						
Current:						
City Manager						
Police						
Public works						
Community development						
Library						
Redevelopment						
Capital Outlay						
Capital projects	642,040	1,150,547	(508,507)	854,960	1,179,972	(325,012)
Debt service						
Principal						
Interest and fiscal charges						
<b>Total Expenditures</b>	<u>642,040</u>	<u>1,150,547</u>	<u>(508,507)</u>	<u>854,960</u>	<u>1,179,972</u>	<u>(325,012)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>6,308,450</u>	<u>4,585,926</u>	<u>(1,722,524)</u>	<u>1,375,540</u>	<u>1,257,090</u>	<u>(118,450)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	10,500	10,500				
Transfers (out)	(5,595,000)	(2,938,529)	2,656,471	(711,200)	(703,828)	7,372
<b>Total Other Financing Sources (Uses)</b>	<u>(5,584,500)</u>	<u>(2,928,029)</u>	<u>2,656,471</u>	<u>(711,200)</u>	<u>(703,828)</u>	<u>7,372</u>
Change in fund balance before extraordinary items	<u>\$723,950</u>	<u>1,657,897</u>	<u>\$933,947</u>	<u>\$664,340</u>	<u>553,262</u>	<u>(\$111,078)</u>
<b>EXTRAORDINARY ITEMS</b>						
Asset transferred to/liabilities assumed by Successor Agency						
<b>Net change in fund balance</b>		<u>1,657,897</u>			<u>553,262</u>	
<b>Fund balances (deficits) at beginning of year</b>		<u>1,787,370</u>			<u>5,388,851</u>	
<b>Fund balances (deficits) at end of year</b>		<u>\$3,445,267</u>			<u>\$5,942,113</u>	



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TRAFFIC IMPACT FEE			OTHER IMPACT FEE			TVTC 20% FEE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
				\$12,900	\$12,900			
\$445,800		(\$445,800)						
770,000	\$548,157	(221,843)	\$1,053,330	1,167,518	114,188	\$75,000	\$85,847	\$10,847
7,500	22,175	14,675	1,550	7,019	5,469	1,160	16,446	15,286
			325,000	344,312	19,312			
<u>1,223,300</u>	<u>570,332</u>	<u>(652,968)</u>	<u>1,379,880</u>	<u>1,531,749</u>	<u>151,869</u>	<u>76,160</u>	<u>102,293</u>	<u>26,133</u>
1,760,770	381,980	1,378,790	651,430	520,042	131,388		4,297	(4,297)
<u>1,760,770</u>	<u>381,980</u>	<u>1,378,790</u>	<u>651,430</u>	<u>520,042</u>	<u>131,388</u>		<u>4,297</u>	<u>(4,297)</u>
(537,470)	188,352	725,822	728,450	1,011,707	283,257	76,160	97,996	21,836
1,449,000		(1,449,000)	40,000	40,000				
(358,750)	(1,151,935)	(793,185)	(190,000)	(192,700)	(2,700)	(2,872,500)	(2,560,500)	312,000
1,090,250	(1,151,935)	(2,242,185)	(150,000)	(152,700)	(2,700)	(2,872,500)	(2,560,500)	312,000
<u>\$552,780</u>	<u>(963,583)</u>	<u>(\$1,516,363)</u>	<u>\$578,450</u>	<u>859,007</u>	<u>\$280,557</u>	<u>(\$2,796,340)</u>	<u>(2,462,504)</u>	<u>\$333,836</u>
	(963,583)			859,007			(2,462,504)	
	4,391,489			(1,819,625)			3,545,045	
	<u>\$3,427,906</u>			<u>(\$960,618)</u>			<u>\$1,082,541</u>	

(Continued)

## Comprehensive Annual Financial Report FY 2011-2012

**BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>OTHER LOCAL, STATE, AND FEDERAL GRANTS</u>			<u>REDEVELOPMENT AGENCY</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>						
Taxes and special assessments						
Other taxes						
Interest and rentals						
Intergovernmental	\$11,733,175	\$9,294,286	(\$2,438,889)			
Contributions from outside sources						
Charges for services	78,000	47,005	(30,995)			
Use of money and property	\$10,660	\$15,241	4,581	\$134,000	\$66,913	(\$67,087)
Miscellaneous	860,025	563,648	(296,377)			
<b>Total Revenues</b>	<u>12,681,860</u>	<u>9,920,180</u>	<u>(2,761,680)</u>	<u>134,000</u>	<u>66,913</u>	<u>(67,087)</u>
<b>EXPENDITURES</b>						
Current:						
City Manager						
Police	16,270	10,284	5,986			
Public works						
Community development	4,350,500	3,182,116	1,168,384			
Library	471,000	314,431	156,569			
Redevelopment						
Capital Outlay						
Capital projects	1,988,380	1,216,434	771,946			
Debt service						
Principal		70,000	(70,000)	825,000	825,000	
Interest and fiscal charges		44,180	(44,180)	1,592,000	804,686	787,314
<b>Total Expenditures</b>	<u>6,826,150</u>	<u>4,837,445</u>	<u>1,988,705</u>	<u>2,417,000</u>	<u>1,629,686</u>	<u>787,314</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>5,855,710</u>	<u>5,082,735</u>	<u>(772,975)</u>	<u>(2,283,000)</u>	<u>(1,562,773)</u>	<u>720,227</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in		436	436			
Transfers (out)	(7,226,360)	(6,709,510)	516,850			
<b>Total Other Financing Sources (Uses)</b>	<u>(7,226,360)</u>	<u>(6,709,074)</u>	<u>517,286</u>			
<b>Change in fund balance before extraordinary items</b>	<u>(\$1,370,650)</u>	<u>(1,626,339)</u>	<u>(\$255,689)</u>	<u>(\$2,283,000)</u>	<u>(1,562,773)</u>	<u>\$720,227</u>
<b>EXTRAORDINARY ITEMS</b>						
Asset transferred to/liabilities assumed by Successor Agency					(930,849)	
<b>Net change in fund balance</b>		<u>(1,626,339)</u>			<u>(2,493,622)</u>	
<b>Fund balances (deficits) at beginning of the year</b>		<u>4,363,831</u>			<u>2,493,622</u>	
<b>Fund balances (deficits) at end of year</b>		<u>\$2,737,492</u>				



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FINANCING AUTHORITY COPS 2007			FINANCING AUTHORITY COPS 2008			FINANCING AUTHORITY COPS 2011		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$363,250	\$363,246	(\$4)						
	9	9					\$33	\$33
<u>363,250</u>	<u>363,255</u>	<u>5</u>					<u>33</u>	<u>33</u>
1,031,890	1,031,892	(2)	\$1,567,690	\$1,567,691	(\$1)	\$1,870		1,870
243,550	243,119	431	642,620	632,271	10,349	363,870	363,865	5
<u>1,275,440</u>	<u>1,275,011</u>	<u>429</u>	<u>2,210,310</u>	<u>2,199,962</u>	<u>10,348</u>	<u>365,740</u>	<u>363,865</u>	<u>1,875</u>
(912,190)	(911,756)	434	(2,210,310)	(2,199,962)	10,348	(365,740)	(363,832)	1,908
912,200	911,764	(436)	2,210,300	2,201,929	(8,371)	353,700	347,452	(6,248)
<u>912,200</u>	<u>911,764</u>	<u>(436)</u>	<u>2,210,300</u>	<u>2,201,929</u>	<u>(8,371)</u>	<u>353,700</u>	<u>347,452</u>	<u>(6,248)</u>
<u>\$10</u>	<u>8</u>	<u>(\$2)</u>	<u>(\$10)</u>	<u>1,967</u>	<u>\$1,977</u>	<u>(\$12,040)</u>	<u>(16,380)</u>	<u>(\$4,340)</u>
	<u>8</u>			<u>1,967</u>			<u>(16,380)</u>	
				<u>(119,905)</u>			<u>859,532</u>	
	<u>\$8</u>			<u>(\$117,938)</u>			<u>\$843,152</u>	

(Continued)

## Comprehensive Annual Financial Report FY 2011-2012

**BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	REDEVELOPMENT AGENCY CAPITAL PROJECTS			AIRPORT CONSTRUCTION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes and special assessments	\$3,772,000	\$1,905,647	(\$1,866,353)			
Other taxes						
Interest and rentals	1,000	48	(952)			
Intergovernmental				\$199,450	\$103,610	(\$95,840)
Contributions from outside sources						
Charges for services						
Use of money and property	20,000		(20,000)			
Miscellaneous	3,000	34,482	31,482		5,453	5,453
<b>Total Revenues</b>	<b>3,796,000</b>	<b>1,940,177</b>	<b>(1,855,823)</b>	<b>199,450</b>	<b>109,063</b>	<b>(90,387)</b>
<b>EXPENDITURES</b>						
Current:						
City Manager						
Police						
Public works						
Community development						
Library						
Redevelopment	2,210,790	715,332	1,495,458			
Capital Outlay						
Capital projects		5,805	(5,805)	209,950	89,568	120,382
Debt service						
Principal						
Interest and fiscal charges						
<b>Total Expenditures</b>	<b>2,210,790</b>	<b>721,137</b>	<b>1,489,653</b>	<b>209,950</b>	<b>89,568</b>	<b>120,382</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>1,585,210</b>	<b>1,219,040</b>	<b>(366,170)</b>	<b>(10,500)</b>	<b>19,495</b>	<b>29,995</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in				10,500		(10,500)
Transfers (out)		(553)	(553)			
<b>Total Other Financing Sources (Uses)</b>		<b>(553)</b>	<b>(553)</b>	<b>10,500</b>		<b>(10,500)</b>
<b>Net change in fund balance before extraordinary items</b>	<b>\$1,585,210</b>	<b>1,218,487</b>	<b>(\$366,723)</b>		<b>19,495</b>	<b>\$19,495</b>
<b>EXTRAORDINARY ITEMS</b>						
Asset transferred to/liabilities assumed by Successor Agency		(2,861,065)				
<b>Net change in fund balance</b>		<b>(1,642,578)</b>			<b>19,495</b>	
<b>Fund balances (deficits) at beginning of year</b>		<b>1,642,578</b>			<b>(20,728)</b>	
<b>Fund balances (deficits) at end of year</b>					<b>(\$1,233)</b>	

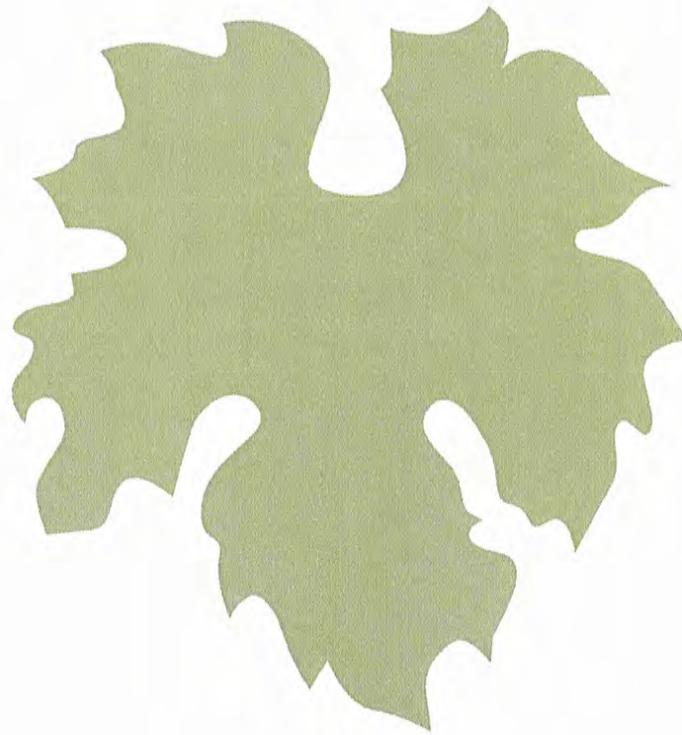


## Comprehensive Annual Financial Report FY 2011-2012

LCPFA 2008 COP CONSTRUCTION			OTHER CAPITAL PROJECTS			STREET FUND		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
				\$863,664	\$863,664 (3,800)		\$110,747	\$110,747
			\$3,800			\$299,900	299,919	19
\$500	\$518	\$18		6	6		172	172
				6,014	\$6,014			
500	518	18	3,800	869,684	865,884	299,900	410,838	110,938
575,000	656,869	(81,869)	203,800	199,418	4,382	655,000	751,909	(96,909)
575,000	656,869	(81,869)	203,800	199,418	4,382	655,000	751,909	(96,909)
(574,500)	(656,351)	(81,851)	(200,000)	670,266	870,266	(355,100)	(341,071)	14,029
(1,849,630)	(2,351,920)	(502,290)	1,500,000		(1,500,000)			
(1,849,630)	(2,351,920)	(502,290)	1,500,000		(1,500,000)			
(2,424,130)	(3,008,271)	(584,141)	1,300,000	670,266	(629,734)	(355,100)	(341,071)	14,029
	(3,008,271)			670,266			(341,071)	
	5,183,627			1,884,972			2,311,445	
	\$2,175,356			\$2,555,238			\$1,970,374	



**Comprehensive Annual Financial Report  
FY 2011-2012**





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**Internal Service Funds**

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

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

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

**LIABILITY INSURANCE FUND**

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

**WORKERS COMPENSATION FUND**

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

**FLEET AND EQUIPMENT SERVICES**

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

**INFORMATION TECHNOLOGY**

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

**FACILITIES REHABILITATION PROJECTS**

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

**REPROGRAPHICS**

Established to account for city-wide reprographic costs.

**COMMUNITY DEVELOPMENT**

Established to account for services provided to the Livermore Area Recreation and Park District (LARPD), a special district.

**EMPLOYEE PAYROLL**

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



**Comprehensive Annual Financial Report  
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**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2012**

	<u>Liability Insurance Reserve</u>	<u>Workers Compensation</u>	<u>Fleet and Equipment Services</u>
<b>ASSETS</b>			
Current Assets:			
Cash and investments in City Treasury	\$2,013,867	\$2,161,225	\$3,322,429
Accounts receivable (net of applicable allowance for uncollectibles)		51,000	79,327
Prepays, deposits and supplies			316,387
Total current assets	<u>2,013,867</u>	<u>2,212,225</u>	<u>3,718,143</u>
Noncurrent Assets:			
Construction in progress			902,406
Depreciable capital assets (net of depreciation)			3,223,173
Total noncurrent assets			<u>4,125,579</u>
<b>Total Assets</b>	<u>2,013,867</u>	<u>2,212,225</u>	<u>7,843,722</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable and other accruals	98,728	83,729	32,658
Accrued payroll	6,004	5,849	33,758
Claims payable	277,626	1,357,504	
Deposits payable			
Due to other funds			
Total current liabilities	<u>382,358</u>	<u>1,447,082</u>	<u>66,416</u>
Noncurrent Liabilities:			
Claims payable	598,141	1,250,929	
Net OPEB obligation			
Total noncurrent liabilities	<u>598,141</u>	<u>1,250,929</u>	
<b>Total liabilities</b>	<u>980,499</u>	<u>2,698,011</u>	<u>66,416</u>
<b>NET ASSETS</b>			
Invested in Capital Assets			3,223,173
Unrestricted	1,033,368	(485,786)	4,554,133
<b>Total Net Assets (Deficit)</b>	<u>\$1,033,368</u>	<u>(\$485,786)</u>	<u>\$7,777,306</u>

**Comprehensive Annual Financial Report  
FY 2011-2012**

<u>Information Technology</u>	<u>Facilities Rehabilitation Projects</u>	<u>Reprographics</u>	<u>Community Development</u>	<u>Employee Payroll</u>	<u>Total</u>
\$3,130,743	\$1,676,498	\$10,986	\$9,312	\$20,221	\$12,345,281
	213,673	2,026	11,820		357,846
					316,387
<u>3,130,743</u>	<u>1,890,171</u>	<u>13,012</u>	<u>21,132</u>	<u>20,221</u>	<u>13,019,514</u>
	112,468				1,014,874
					3,223,173
	112,468				4,238,047
<u>3,130,743</u>	<u>2,002,639</u>	<u>13,012</u>	<u>21,132</u>	<u>20,221</u>	<u>17,257,561</u>
24,001	33,468	138		8,732	281,454
29,959	11,643	901			88,114
	11,188				1,635,130
				68,800	11,188
					68,800
<u>53,960</u>	<u>56,299</u>	<u>1,039</u>		<u>77,532</u>	<u>2,084,686</u>
					1,849,070
				20,268,820	20,268,820
				20,268,820	22,117,890
<u>53,960</u>	<u>56,299</u>	<u>1,039</u>		<u>20,346,352</u>	<u>24,202,576</u>
					3,223,173
<u>3,076,783</u>	<u>1,946,340</u>	<u>11,973</u>	<u>21,132</u>	<u>(20,326,131)</u>	<u>(10,168,188)</u>
<u>\$3,076,783</u>	<u>\$1,946,340</u>	<u>\$11,973</u>	<u>\$21,132</u>	<u>(\$20,326,131)</u>	<u>(\$6,945,015)</u>

**Comprehensive Annual Financial Report  
FY 2011-2012**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
JUNE 30, 2012**

	<u>Liability Insurance Reserve</u>	<u>Workers Compensation</u>	<u>Fleet and Equipment Services</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$110,395	\$2,990,759	\$2,367,178
Miscellaneous			1,890
	<u>110,395</u>	<u>2,990,759</u>	<u>2,369,068</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	166,949	161,579	925,232
Contracted services	568,417	119,933	15,424
Insurance premiums	197,552	254,367	1,710
Materials, supplies and others	28,671	59,371	132,957
Depreciation			550,407
Repairs and maintenance			495,973
Claims expense	(225,718)	2,402,773	
	<u>735,871</u>	<u>2,998,023</u>	<u>2,121,703</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(625,476)</u>	<u>(7,264)</u>	<u>247,365</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>			
Loss on disposal			(32,155)
	<u>(625,476)</u>	<u>(7,264)</u>	<u>215,210</u>
Change in Net Assets			
Net assets-beginning (Deficit)	<u>1,658,844</u>	<u>(478,522)</u>	<u>7,562,096</u>
Net assets-ending (Deficit)	<u>\$1,033,368</u>	<u>(\$485,786)</u>	<u>\$7,777,306</u>

**Comprehensive Annual Financial Report  
FY 2011-2012**

<u>Information Technology</u>	<u>Facilities Rehabilitation Projects</u>	<u>Reprographics</u>	<u>Community Development</u>	<u>Employee Payroll</u>	<u>Total</u>
\$1,722,759	\$1,823,908	\$125,985		\$2,008,933	\$11,149,917 1,890
<u>1,722,759</u>	<u>1,823,908</u>	<u>125,985</u>		<u>2,008,933</u>	<u>11,151,807</u>
775,944	325,930	56,026		9,373,061	11,784,721
560,204	77,185	60,233	\$2,769		1,404,165
1,403	644	74			455,750
126,674	1,050,082	23,494			1,421,249
					550,407
258,597	53,459				808,029
					2,177,055
<u>1,722,822</u>	<u>1,507,300</u>	<u>139,827</u>	<u>2,769</u>	<u>9,373,061</u>	<u>18,601,376</u>
<u>(63)</u>	<u>316,608</u>	<u>(13,842)</u>	<u>(2,769)</u>	<u>(7,364,128)</u>	<u>(7,449,569)</u>
					(32,155)
<u>(63)</u>	<u>316,608</u>	<u>(13,842)</u>	<u>(2,769)</u>	<u>(7,364,128)</u>	<u>(7,481,724)</u>
<u>3,076,846</u>	<u>1,629,732</u>	<u>25,815</u>	<u>23,901</u>	<u>(12,962,003)</u>	<u>536,709</u>
<u>\$3,076,783</u>	<u>\$1,946,340</u>	<u>\$11,973</u>	<u>\$21,132</u>	<u>(\$20,326,131)</u>	<u>(\$6,945,015)</u>



**Comprehensive Annual Financial Report  
FY 2011-2012**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012**

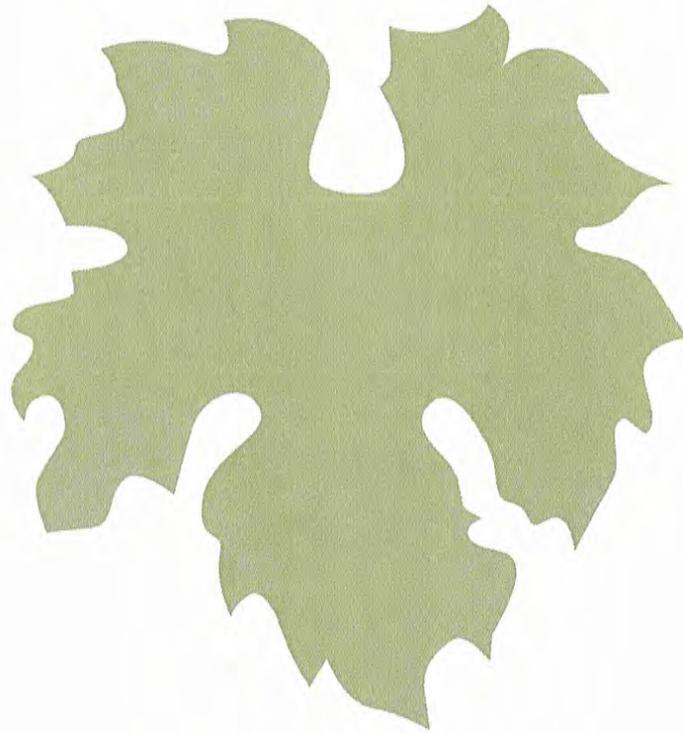
	<u>Liability Insurance Reserve</u>	<u>Workers Compensation</u>	<u>Fleet and Equipment Services</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$110,395	\$3,000,972	\$2,375,987
Payments to suppliers	(819,090)	(463,211)	(713,922)
Payments to or on behalf of employees	(166,871)	(161,560)	(926,724)
Claims paid	(54,877)	(973,883)	
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	(930,443)	1,402,318	735,341
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>			
Receipts from other funds			
	<hr/>	<hr/>	<hr/>
Cash Flow from (used by) Non Capital Financing Activities			
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital asset additions, net			(998,398)
	<hr/>	<hr/>	<hr/>
Cash Flows (used for) Capital and Related Financing Activities			(998,398)
	<hr/>	<hr/>	<hr/>
Net Cash Flows	(930,443)	1,402,318	(263,057)
Cash and investments at beginning of period	2,944,310	758,907	3,585,486
	<hr/>	<hr/>	<hr/>
Cash and Investment at end of period	\$2,013,867	\$2,161,225	\$3,322,429
	<hr/>	<hr/>	<hr/>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	(\$625,476)	(\$7,264)	\$247,365
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>			
Depreciation			550,407
<b>Change in assets and liabilities:</b>			
Accounts receivable		10,213	6,919
Prepays, deposits and supplies			(1,731)
Net pension obligation			
Accounts payable	(24,450)	(29,540)	(66,127)
Accrued liabilities	78	19	(1,492)
Accrued compensated absences			
Claims payable	(280,595)	1,428,890	
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	(\$930,443)	\$1,402,318	\$735,341
	<hr/>	<hr/>	<hr/>

**Comprehensive Annual Financial Report  
FY 2011-2012**

<u>Information Technology</u>	<u>Facilities Rehabilitation Projects</u>	<u>Reprographics</u>	<u>Community Development</u>	<u>Employee Payroll</u>	<u>Total</u>
\$1,722,759	\$1,820,020	\$123,959	\$7,207	\$2,008,933	\$11,170,232
(947,619)	(1,224,229)	(86,171)	(2,769)		(4,257,011)
(771,533)	(333,469)	(58,844)		(1,974,096)	(4,393,097)
					(1,028,760)
<u>3,607</u>	<u>262,322</u>	<u>(21,056)</u>	<u>4,438</u>	<u>34,837</u>	<u>1,491,364</u>
				(14,616)	(14,616)
				(14,616)	(14,616)
	(112,468)				(1,110,866)
	(112,468)				(1,110,866)
3,607	149,854	(21,056)	4,438	20,221	365,882
3,127,136	1,526,644	32,042	4,874		11,979,399
<u>\$3,130,743</u>	<u>\$1,676,498</u>	<u>\$10,986</u>	<u>\$9,312</u>	<u>\$20,221</u>	<u>\$12,345,281</u>
(\$63)	\$316,608	(\$13,842)	(\$2,769)	(\$7,364,128)	(\$7,449,569)
					550,407
	(3,888)	(2,026)	7,207	1,117,637	1,136,062
	11,188				9,457
				7,364,128	7,364,128
(741)	(54,047)	(2,370)		(1,036,899)	(1,214,174)
4,411	(7,539)	(2,818)			(7,341)
				(45,901)	(45,901)
					1,148,295
<u>\$3,607</u>	<u>\$262,322</u>	<u>(\$21,056)</u>	<u>\$4,438</u>	<u>\$34,837</u>	<u>\$1,491,364</u>



**Comprehensive Annual Financial Report  
FY 2011-2012**





**Comprehensive Annual Financial Report  
FY 2011-2012**

**Fiduciary Funds**

Fiduciary 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 fiduciary 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.

**Comprehensive Annual Financial Report  
FY 2011-2012**

**AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<hr/> <u>Assessment Districts</u> <hr/>				
Cash and investments in City Treasury	\$4,306,582	\$8,146,075	\$8,204,643	\$4,248,014
Cash and investments with Trustees	5,084,268		191,338	4,892,930
Total Assets	<u>\$9,390,850</u>	<u>\$8,146,075</u>	<u>\$8,395,981</u>	<u>\$9,140,944</u>
Due to special assessment districts and other agencies	<u>\$9,390,850</u>	<u>\$8,146,075</u>	<u>\$8,395,981</u>	<u>\$9,140,944</u>
Total Liabilities	<u>\$9,390,850</u>	<u>\$8,146,075</u>	<u>\$8,395,981</u>	<u>\$9,140,944</u>

**Comprehensive Annual Financial Report  
FY 2011-2012**

**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.

<b>Contents</b>		<b>Page</b>
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.	144-150
Revenue Capacity	These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	151-154
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 the future.	155-159
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.	160-161
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.	162-166
Continuing Disclosures	2011 Certificates of Participation (Capital Projects) 2007 Certificates of Participation (Refunding and Capital Projects) Special Tax Bonds Community Facilities District No. 2006-1 (Shea Properties), Series 2006 2001 Tax Allocation Bonds, Series A Special Tax Bonds Community Facilities District No. 99-1 (Tri-Valley Technology Park), Series 2000	167-171

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



## Comprehensive Annual Financial Report FY 2011-2012

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 39,654,874	\$ 72,943,727	\$ 165,218,739	\$ 187,237,724	\$ 197,075,931	\$ 228,275,975	\$ 221,333,459	\$ 247,622,010	\$ 256,841,094	\$ 257,162,807
Restricted	58,710,720	41,804,175	37,940,468	33,104,096	48,076,353	28,722,412	35,256,692	36,876,447	44,347,993	16,216,462
Unrestricted	64,399,755	89,248,986	81,050,468	84,484,469	85,650,778	89,816,560	78,885,822	59,380,258	45,313,990	62,557,722
<b>Total governmental activities net assets</b>	<b>\$ 162,765,349</b>	<b>\$ 183,996,888</b>	<b>\$ 284,209,675</b>	<b>\$ 304,896,309</b>	<b>\$ 330,803,062</b>	<b>\$ 346,814,947</b>	<b>\$ 335,475,973</b>	<b>\$ 343,878,715</b>	<b>\$ 346,503,077</b>	<b>\$ 335,936,991</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 70,315,521	\$ 73,044,827	\$ 141,496,317	\$ 145,152,084	\$ 146,681,788	\$ 156,436,671	\$ 152,554,808	\$ 151,382,695	\$ 146,281,681	\$ 144,761,509
Unrestricted	54,527,078	88,065,411	73,588,951	76,781,659	75,448,836	72,730,483	77,364,571	75,692,306	76,526,861	92,361,887
<b>Total business-type activities net assets</b>	<b>\$ 124,842,599</b>	<b>\$ 141,110,238</b>	<b>\$ 215,055,268</b>	<b>\$ 221,913,753</b>	<b>\$ 222,130,604</b>	<b>\$ 229,167,154</b>	<b>\$ 229,919,479</b>	<b>\$ 227,075,001</b>	<b>\$ 222,818,542</b>	<b>\$ 237,123,396</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 109,970,395	\$ 145,988,554	\$ 306,715,056	\$ 332,449,818	\$ 343,757,699	\$ 384,712,646	\$ 373,888,367	\$ 399,004,705	\$ 403,132,775	\$ 401,924,316
Restricted	58,710,720	41,804,175	37,940,468	33,104,096	48,076,353	28,722,412	35,256,692	36,876,447	44,347,993	16,216,462
Unrestricted	118,926,833	137,314,377	154,609,419	161,256,148	161,099,614	162,547,043	156,250,393	135,072,564	121,840,851	154,919,609
<b>Total primary government net assets</b>	<b>\$ 287,607,948</b>	<b>\$ 325,107,106</b>	<b>\$ 499,264,943</b>	<b>\$ 526,810,062</b>	<b>\$ 552,933,666</b>	<b>\$ 575,982,101</b>	<b>\$ 565,395,452</b>	<b>\$ 570,953,716</b>	<b>\$ 569,321,619</b>	<b>\$ 573,060,387</b>



# Comprehensive Annual Financial Report FY 2011-2012

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
City Clerk				55,331	114,420					504
Finance	997,449	1,403,025	5,312,882	6,307,500	1,505,773	1,544,589	2,161,428	1,321,707	1,123,373	1,189,918
Fire	1,743,272	1,521,930	1,764,120	1,676,007	2,028,445	1,785,743	1,702,020	1,617,225	1,538,616	1,373,008
Police	69,943	314,288	373,659	191,385	288,150	64,340	72,820	71,680		128,205
Public Works	7,350,998	5,701,919	5,632,462	7,993,361	11,070,857	6,335,201	5,141,988	5,295,194	4,982,719	6,346,286
Community Development	89,277	96,478	130,748	160,910	292,554	124,630	144,181	144,754	143,889	139,104
Library										
Redevelopment	0	0	0	0	0	0	478,828	7,375		
Operating grants and contributions	7,574,236	4,790,624	7,983,601	10,078,898	9,655,790	11,036,523	10,571,987	15,694,082	10,890,856	8,304,359
Capital grants and contributions	20,045,144	26,250,444	35,118,928	24,471,147	30,561,220	27,407,661	7,056,206	28,953,008	16,689,112	46,991,639
<b>Total governmental activities program revenues</b>	<b>37,870,309</b>	<b>40,080,708</b>	<b>56,586,038</b>	<b>50,924,519</b>	<b>55,517,209</b>	<b>48,298,897</b>	<b>27,329,368</b>	<b>53,104,975</b>	<b>35,368,879</b>	<b>64,472,519</b>
Business-type activities:										
Charges for services:										
Airport	3,939,735	4,317,745	4,679,460	5,280,321	6,306,538	6,102,089	5,112,238	4,774,584	5,170,897	6,976,531
Water	8,419,687	10,022,608	8,972,523	9,314,812	10,863,464	10,512,323	10,346,298	10,684,724	10,232,383	11,357,357
Sewer	15,546,265	16,838,341	17,253,743	17,809,001	20,239,739	19,968,157	20,387,403	18,465,218	18,749,866	18,553,327
Las Positas	2,478,392	2,397,258	2,108,759	2,083,000	2,259,054	2,649,027	2,243,182	2,087,472	2,004,170	1,932,811
Springtown	81,010	134,981	79,292	109,257	102,799	258,354	340,260	74,186	2,998	12,010
Operating grants and contributions	113,900		401,286	80,172	115,516		2,341,705			
Capital grants and contributions	6,803,715	9,707,655	7,177,129	9,580,679	2,738,724	8,358,515	1,938,642	1,429,816	204,049	1,366,489
<b>Total business-type activities program revenues</b>	<b>37,382,704</b>	<b>43,418,588</b>	<b>40,672,232</b>	<b>44,277,242</b>	<b>42,625,844</b>	<b>47,848,415</b>	<b>42,709,728</b>	<b>38,516,000</b>	<b>38,964,263</b>	<b>40,188,535</b>
<b>Total primary government program revenues</b>	<b>75,253,013</b>	<b>83,499,296</b>	<b>97,258,270</b>	<b>95,201,761</b>	<b>98,143,053</b>	<b>96,147,102</b>	<b>70,039,096</b>	<b>91,620,975</b>	<b>71,733,242</b>	<b>104,671,054</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	(35,143,096)	(40,952,144)	(31,801,396)	(45,879,069)	(50,577,946)	(63,626,530)	(87,163,739)	(62,219,715)	(68,960,035)	(44,930,331)
Business-type activities	10,694,541	16,800,557	9,406,091	8,084,195	511,047	7,690,052	1,465,086	(266,351)	(4,113,559)	(1,924,368)
<b>Total primary government net expenses</b>	<b>(24,448,555)</b>	<b>(24,351,587)</b>	<b>(22,495,305)</b>	<b>(37,794,874)</b>	<b>(50,066,899)</b>	<b>(55,936,478)</b>	<b>(85,698,653)</b>	<b>(62,486,066)</b>	<b>(73,073,594)</b>	<b>(46,854,699)</b>

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## Comprehensive Annual Financial Report FY 2011-2012

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental activities:</b>										
City Council	\$ 211,376	\$ 251,493	\$ 265,396	\$ 166,068	\$ 181,376	\$ 187,508	\$ 186,190	\$ 194,011	\$ 334,125	\$ 203,749
City Manager	724,539	782,010	911,600	1,139,339	1,118,005	1,300,794	1,405,895	1,388,553	1,073,768	1,481,798
City Attorney	793,474	887,074	868,971	1,088,292	1,158,163	1,297,039	1,427,623	1,407,435	1,335,953	1,395,340
City Clerk	873,170	1,157,543	942,167	955,941	743,797	984,675	781,772	782,255	642,275	984,762
Finance	7,397,074	6,057,822	5,032,359	6,099,619	6,678,870	7,608,617	6,775,114	6,015,776	5,880,275	11,458,974
Human Resources	1,051,365	1,186,762	1,199,286	1,277,370	1,230,107	1,344,311	1,434,631	1,351,139	1,351,139	1,265,520
Fire	11,162,224	11,291,282	12,400,509	13,213,646	13,911,098	15,930,780	16,712,448	16,021,939	15,079,053	15,840,299
Police	19,695,282	21,161,675	21,951,225	23,709,222	24,107,372	26,817,052	28,474,207	27,618,963	26,196,850	27,883,362
Public Works	5,962,720	8,876,916	15,969,108	21,530,790	20,709,203	19,503,292	16,652,173	26,941,951	14,266,864	14,963,662
Community Development	16,647,066	19,184,290	16,541,565	15,214,102	20,865,969	23,590,207	23,031,607	16,795,886	24,828,977	22,854,512
Economic Development	332,990	369,204	360,952	445,402	343,222	335,741	491,263	774,617	997,209	1,380,689
Library	3,337,384	3,976,185	5,152,325	5,352,000	8,356,676	5,775,103	6,101,655	5,769,155	5,306,974	5,784,086
Redevelopment	1,169,660	2,318,738	3,234,590	2,328,327	1,998,205	5,369,824	2,996,824	5,521,359	2,996,523	1,422,996
Interest on long term debt	3,745,081	3,531,668	3,627,369	4,283,470	4,693,492	4,020,988	5,638,705	3,697,012	4,038,829	2,463,121
<b>Total governmental activities expenses</b>	<b>\$ 75,013,405</b>	<b>\$ 81,032,852</b>	<b>\$ 88,487,434</b>	<b>\$ 96,803,588</b>	<b>\$ 106,095,155</b>	<b>\$ 111,925,217</b>	<b>\$ 114,493,107</b>	<b>\$ 115,324,650</b>	<b>\$ 104,328,914</b>	<b>\$ 109,402,650</b>
<b>Business-type activities:</b>										
Airport	3,579,227	3,848,789	4,537,129	5,463,658	5,338,068	6,019,365	5,264,774	4,687,217	4,953,877	5,597,645
Water	6,054,826	6,908,766	7,091,055	8,101,428	8,572,763	8,438,485	11,140,495	10,334,594	10,549,515	11,514,203
Sewer	14,740,704	13,370,053	16,881,844	19,542,457	25,205,971	21,422,852	21,862,850	21,153,183	22,617,181	22,467,214
Las Positas	2,193,908	2,565,865	2,558,503	2,827,266	2,752,651	3,672,995	2,414,861	2,357,436	2,253,488	2,517,171
Springtown	119,498	184,558	217,610	259,208	245,444	604,666	561,662	249,921	103,861	26,660
<b>Total business-type activities expenses</b>	<b>\$ 26,688,163</b>	<b>\$ 26,818,031</b>	<b>\$ 31,266,141</b>	<b>\$ 36,183,047</b>	<b>\$ 42,114,797</b>	<b>\$ 40,158,363</b>	<b>\$ 41,244,642</b>	<b>\$ 38,782,351</b>	<b>\$ 40,477,922</b>	<b>\$ 42,122,893</b>
<b>Total primary government expenses</b>	<b>\$ 99,701,568</b>	<b>\$ 107,850,883</b>	<b>\$ 119,753,575</b>	<b>\$ 132,986,635</b>	<b>\$ 148,209,952</b>	<b>\$ 152,083,580</b>	<b>\$ 155,737,749</b>	<b>\$ 154,107,041</b>	<b>\$ 144,806,836</b>	<b>\$ 151,525,743</b>

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## Comprehensive Annual Financial Report FY 2011-2012

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes	15,561,019	17,165,505	18,073,340	20,461,292	23,474,636	24,743,463	25,636,315	23,836,857	22,964,297	25,228,218
Incremental property taxes	2,172,705	2,333,472	3,049,903	3,944,648	4,166,077	4,850,565	5,293,686	4,683,913	4,718,558	-
Sales taxes	16,400,393	17,783,553	19,353,516	19,256,966	20,304,090	19,338,334	15,692,177	13,789,658	16,734,417	20,761,599
Other taxes	9,895,323	10,640,944	10,464,875	10,244,389	10,452,485	10,350,594	9,054,267	9,532,433	9,096,835	9,811,089
Intergovernmental	4,385,954	3,558,832	645,230	1,813,306	6,024,353	6,292,738	6,418,802	6,017,347	6,055,422	5,633,766
Interest	6,238,041	5,538,983	4,110,883	5,094,896	6,129,238	6,514,655	4,752,609	4,360,108	2,668,756	2,389,333
Miscellaneous	6,019,251	4,829,456	5,449,705	3,984,495	5,639,624	6,893,564	8,264,148	8,205,654	8,163,851	8,070,519
Transfers (net)	(6,323,485)	332,918	8,754,015	1,225,710	294,196	653,502	712,761	176,477	142,900	230,147
Assets transferred/liabilities assumed by	-	-	-	-	-	-	-	-	-	23,000,231
Successor Agency	-	-	3,267,560	-	-	-	-	-	-	-
Gain on sale of land held for redevelopment	-	-	-	-	-	-	-	-	-	-
Loss on refunding of debt	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>54,349,201</b>	<b>62,183,663</b>	<b>73,169,027</b>	<b>66,025,703</b>	<b>76,484,699</b>	<b>79,638,415</b>	<b>75,824,765</b>	<b>70,622,457</b>	<b>70,555,036</b>	<b>95,134,902</b>
Business-type activities:										
Transfers (net)	6,323,485	(332,918)	(8,754,015)	(1,225,710)	(294,196)	(653,502)	(712,761)	(2,578,127)	(142,900)	(230,147)
Change in value of investment in JPA - LAVVMA	-	-	-	-	-	-	-	-	-	6,021,144
Loss on refunding of debt	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>6,323,485</b>	<b>(332,918)</b>	<b>(8,754,015)</b>	<b>(1,225,710)</b>	<b>(294,196)</b>	<b>(653,502)</b>	<b>(712,761)</b>	<b>(2,578,127)</b>	<b>(142,900)</b>	<b>5,790,997</b>
<b>Total primary government activities</b>	<b>\$ 60,672,686</b>	<b>\$ 61,850,745</b>	<b>\$ 64,415,012</b>	<b>\$ 64,799,993</b>	<b>\$ 76,190,503</b>	<b>\$ 78,984,913</b>	<b>\$ 75,112,004</b>	<b>\$ 68,044,330</b>	<b>\$ 70,412,136</b>	<b>\$ 100,925,899</b>
<b>Change in Net Assets</b>										
Governmental activities	\$ 19,206,105	\$ 21,231,519	\$ 41,267,631	\$ 20,146,634	\$ 25,966,753	\$ 15,011,885	\$ (11,338,974)	\$ 8,402,742	\$ 1,595,001	\$ 50,204,571
Business-type activities	\$ 17,018,026	\$ 16,287,639	\$ 552,076	\$ 6,856,485	\$ 216,851	\$ 7,036,550	\$ 752,325	\$ (2,844,478)	\$ (4,256,459)	\$ 3,866,639
<b>Total primary government</b>	<b>\$ 36,224,131</b>	<b>\$ 37,469,158</b>	<b>\$ 41,919,707</b>	<b>\$ 27,005,119</b>	<b>\$ 26,123,604</b>	<b>\$ 23,048,435</b>	<b>\$ (10,586,649)</b>	<b>\$ 5,558,264</b>	<b>\$ (2,661,458)</b>	<b>\$ 54,071,210</b>



## Comprehensive Annual Financial Report FY 2011-2012

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

	(1) 2003	2004	2005	2006	(2) 2007	2008	(3) 2009	2010	(4) 2011	2012
<b>General Fund</b>										
Reserved	\$ 5,241,756	\$ 9,765,567	\$ 9,575,127	\$ 9,329,690	\$ 9,078,026	\$ 8,826,957	\$ 10,181,138	\$ 9,936,622		
Unreserved	28,203,553	24,260,697	23,849,128	25,587,347	28,926,629	28,350,723	21,486,374	17,556,081		
<b>Nonspendable</b>									\$ 9,577,624	\$ 5,262,813
Restricted										11,500,000
Committed										5,349,482
Assigned									16,347,474	1,134,242
Unassigned										
<b>Total general fund</b>	<u>\$ 33,445,309</u>	<u>\$ 34,026,264</u>	<u>\$ 33,424,255</u>	<u>\$ 34,917,037</u>	<u>\$ 38,004,655</u>	<u>\$ 37,177,680</u>	<u>\$ 31,669,512</u>	<u>\$ 27,494,703</u>	<u>\$ 25,925,098</u>	<u>\$ 23,246,537</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 24,269,211	\$ 13,848,036	\$ 9,879,776	\$ 13,013,138	\$ 23,803,645	\$ 28,504,239	\$ 41,739,468	\$ 40,439,937		
Unreserved, reported in:										
Special revenue funds	19,122,034	34,572,476	28,679,800	25,731,867	25,015,905	14,589,109	18,281,575	23,419,657		
Capital projects funds	37,251,427	14,331,542	28,038,224	22,479,402	23,890,541	17,669,848	7,573,270	(4,754,936)		
<b>Nonspendable</b>									\$ 11,856,833	\$ 63,965,900
Restricted									10,926,177	-
Committed									31,962,486	-
Assigned									(204,702)	(5,709,066)
Unassigned										
<b>Total all other governmental funds</b>	<u>\$ 80,642,672</u>	<u>\$ 62,752,054</u>	<u>\$ 66,597,800</u>	<u>\$ 61,224,407</u>	<u>\$ 72,700,091</u>	<u>\$ 60,763,196</u>	<u>\$ 67,594,313</u>	<u>\$ 59,104,658</u>	<u>\$ 54,570,794</u>	<u>\$ 58,286,814</u>

**Note:**  
 (1) All other governmental fund balances declined in FY 2004 due to street projects, water improvements and community capital projects.  
 (2) A reserve was established in the Low Income Housing Fund in FY 06-07 for a \$8,000,000 loan.  
 (3) A reserve for land held for redevelopment was established in the Redevelopment Agency in FY 08-09 for \$12.2 million.  
 (4) GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," was implemented in FY 10-11.



## Comprehensive Annual Financial Report FY 2011-2012

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes and special assessments	\$ 25,581,558	\$ 27,924,855	\$ 28,647,685	\$ 30,805,535	\$ 34,017,461	\$ 35,838,595	\$ 35,992,202	\$ 34,915,370	\$ 32,812,183	\$ 37,723,715
Sales taxes	16,400,383	17,783,553	18,953,516	19,256,966	20,304,090	19,338,334	15,692,177	13,788,656	16,734,417	20,761,589
Property tax increment	2,172,705	2,333,472	3,049,903	3,944,648	4,166,077	4,850,965	5,293,686	4,683,913	3,774,846	-
Licenses and permits	2,154,186	2,521,787	2,566,277	2,215,956	2,256,120	2,324,087	1,690,189	1,794,011	1,608,187	2,006,311
Intergovernmental	14,911,714	15,133,500	21,588,361	27,074,245	25,012,771	22,621,648	21,911,247	38,302,229	27,296,610	53,747,247
Contributions from outside sources	9,191,514	9,874,276	1,178,717	758,296	11,930,222	2,454,757	1,231,668	3,830,471	981,826	1,162,859
Fines and forfeitures	719,087	750,465	733,561	687,841	762,058	680,340	599,111	711,616	648,231	465,263
Charges for current services	15,918,993	17,707,785	16,354,599	15,456,879	14,577,802	13,114,165	10,251,955	10,437,987	13,638,435	14,169,779
Use of money and property	6,926,357	6,843,242	5,339,709	6,204,142	7,595,527	7,936,130	5,516,745	6,079,077	3,275,127	2,764,531
Miscellaneous	3,160,833	1,184,542	2,201,231	1,300,634	3,520,167	2,912,666	6,300,744	2,105,144	3,428,938	3,122,175
<b>Total revenues</b>	<b>97,137,340</b>	<b>102,037,478</b>	<b>100,633,559</b>	<b>107,705,142</b>	<b>124,142,295</b>	<b>112,071,687</b>	<b>104,479,724</b>	<b>116,649,476</b>	<b>104,198,800</b>	<b>135,923,479</b>
<b>Expenditures</b>										
General government	10,051,930	9,450,717	9,195,213	10,492,010	11,043,972	12,473,775	11,459,143	10,673,814	10,268,916	16,311,189
Fire	10,979,658	10,884,146	12,091,532	12,927,457	13,669,323	14,976,861	15,457,071	14,841,732	13,970,849	14,214,342
Police	19,881,687	20,687,904	21,542,558	23,445,944	24,042,145	25,569,801	26,530,396	25,886,143	24,514,993	25,487,394
Public Works	5,341,962	6,402,085	7,152,912	6,874,574	7,175,563	7,175,388	7,729,713	7,029,100	6,030,850	6,774,451
Community Development	16,439,126	19,178,561	17,165,785	17,003,465	17,522,080	18,115,203	18,652,719	19,209,812	17,198,963	15,319,071
Economic Development	341,505	359,692	367,093	450,603	360,741	315,836	455,422	743,217	961,443	1,331,825
Library	3,231,861	3,757,989	4,422,218	4,626,688	7,700,291	4,885,811	5,114,806	4,805,004	4,393,096	4,735,732
Redevelopment	1,134,050	2,484,801	1,739,846	1,988,118	1,810,001	2,292,100	4,362,314	5,447,063	2,272,062	996,524
Capital outlay	39,080,047	37,825,405	19,662,412	29,276,212	22,466,475	32,239,062	17,371,920	35,032,838	26,389,541	41,750,672
Debt service funds										
Principal	955,000	3,331,691	3,010,000	3,165,000	3,300,000	3,755,000	3,480,163	3,435,934	4,377,745	3,619,583
Interest and fiscal charges	3,685,996	3,472,783	3,568,284	4,224,385	4,663,009	4,124,539	5,825,062	3,605,510	3,990,127	2,463,121
<b>Total Expenditures</b>	<b>111,122,822</b>	<b>117,835,784</b>	<b>99,937,853</b>	<b>114,454,456</b>	<b>113,753,600</b>	<b>125,933,366</b>	<b>116,440,729</b>	<b>130,710,187</b>	<b>114,348,565</b>	<b>133,003,904</b>
Excess of Revenues over (under) expenditures	(13,985,482)	(15,798,306)	695,706	(6,749,314)	10,388,695	(13,861,679)	(11,961,005)	(14,060,691)	(10,149,765)	2,919,575

(Continued)



## Comprehensive Annual Financial Report FY 2011-2012

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other Financing Sources (Uses)</b>										
Assets transferred to Housing Successor	-	-	-	-	-	-	-	-	-	2,123,477
Assets transferred to/liabilities assumed by Successor Agency	-	-	-	-	678,828	-	-	-	-	(6,520,981)
Proceeds from sale of property	200,000	-	3,267,560 (958,789)	-	-	-	-	-	-	-
Loss on sale of property	-	-	-	-	15,393,200	-	58,575,000 (46,030,256)	-	13,046,596	-
Proceeds from long term debt	120,000	-	-	1,715,479	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(12,026,398)	-	-	-	-	-
Premium received on TRANS	-	-	-	-	-	-	-	219,750	-	-
Transfers in	11,865,956 (10,097,768)	16,528,573 (16,195,655)	17,974,467 (17,735,207)	19,470,361 (18,317,137)	17,842,078 (17,713,101)	19,662,616 (18,564,807)	24,150,856 (23,411,646)	23,678,625 (22,502,148)	42,937,756 (49,686,605)	33,309,856 (33,079,709)
Transfers from capital assets	-	1,868,075	-	-	-	-	-	-	-	-
Transfers to capital assets	-	(3,712,350)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,098,188</b>	<b>(1,511,357)</b>	<b>2,548,031</b>	<b>2,868,703</b>	<b>4,174,607</b>	<b>1,097,809</b>	<b>13,283,954</b>	<b>1,396,227</b>	<b>6,297,747</b>	<b>(4,167,357)</b>
<b>Net change in fund balances</b>	<b>\$ (11,897,294)</b>	<b>\$ (17,309,663)</b>	<b>\$ 3,243,737</b>	<b>\$ (3,980,611)</b>	<b>\$ 14,563,302</b>	<b>\$ (12,763,870)</b>	<b>\$ 1,322,949</b>	<b>\$ (12,664,464)</b>	<b>\$ (3,852,038)</b>	<b>\$ (1,247,782)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>5.5%</b>	<b>8.3%</b>	<b>7.9%</b>	<b>7.9%</b>	<b>7.8%</b>	<b>7.7%</b>	<b>8.0%</b>	<b>5.4%</b>	<b>7.3%</b>	<b>4.6%</b>



## Comprehensive Annual Financial Report FY 2011-2012

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

Fiscal Year	Common Property	Public Utility (1)	Unsecured Valuation	Total Taxable Assessed Valuation	Total Direct Tax Rate*
2002-2003	\$8,033,552,508	\$20,592,353	\$490,112,403	\$8,544,257,264	1.0000 %
2003-2004	8,910,812,867	20,127,230	478,349,928	9,409,290,145	1.0000 %
2004-2005	9,766,713,534	21,615,982	457,302,038	10,245,631,554	1.0000 %
2005-2006	10,973,496,802	21,615,196	552,379,694	11,547,491,692	1.0000 %
2006-2007	12,145,332,159	20,308,948	553,745,577	12,719,386,684	1.0000 %
2007-2008	13,180,062,587	17,462,826	616,286,513	13,813,811,926	1.0000 %
2008-2009	13,667,492,888	17,107,843	632,906,079	14,317,506,810	1.0000 %
2009-2010	12,647,832,001	17,094,558	655,633,860	13,320,560,419	1.0000 %
2010-2011	12,644,996,632	16,763,636	597,043,398	13,258,803,666	1.0000 %
2011-2012	12,677,885,472	16,667,214	621,343,226	13,315,895,912	1.0000 %

**Note:**

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

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

Source: Alameda County Office of the Auditor-Controller.



**Comprehensive Annual Financial Report  
FY 2011-2012**

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Direct Rates:</b>										
1% county tax	(2)	(2)	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000	\$ 10.0000
City Direct Rate	(2)	(2)	1.1093	1.1166	1.1052	1.1016	1.1058	1.1129	1.1127	1.1189
<b>Total Direct Rate</b>	(2)	(2)	11.109	11.117	11.105	11.102	11.106	11.113	11.113	11.119
<b>Overlapping Rates (1):</b>										
School District	(2)	(2)	(2)	0.0830	0.0692	0.0626	0.0616	0.0674	0.0635	0.0627
Community College	(2)	(2)	(2)	0.0156	0.0159	0.0164	0.0183	0.0195	0.0211	0.0214
Bay Area Rapid Transit	(2)	(2)	(2)	0.0048	0.0050	0.0076	0.0090	0.0057	0.0031	0.0041
Zone 7 Flood Control	(2)	(2)	(2)	0.0130	0.0151	0.0150	0.0169	0.0203	0.0250	0.0307
<b>Total Direct and Overlapping Rate</b>	(2)	(2)	\$ 11.2330	\$ 11.2104	\$ 11.2032	\$ 11.2116	\$ 11.2258	\$ 11.2254	\$ 11.2254	\$ 11.2378

**Source:** Alameda County Treasurer and Tax Collector.

**Note:**

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



# Comprehensive Annual Financial Report FY 2011-2012

## Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2012			2003		
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Rank
Kaiser Foundation Hospitals	\$105,445,200	0.82%	1	\$107,443,604	1.25%	1
Form Factor Inc.	64,374,999	0.50%	2	26,938,951	0.31%	10
Valley Care Senior Housing, Inc.	50,015,845	0.39%	3			
RT Tr Valley LLC	49,388,970	0.38%	4			
Shea Center Livermore LLC	43,546,578	0.34%	5	31,523,832	0.37%	6
Marathon Drive Buildings LLC	42,900,753	0.33%	6			
Sutter Health	39,738,708	0.31%	7			
BNP Paribas Leasing Corp.	37,588,113	0.29%	8			
Golden Bears II LLC and Ellis Street	33,606,480	0.26%	9			
Oak Charlotte 12 B LLC	33,520,895	0.26%	10			
KLA Tencor Corporation				76,954,269	0.90%	2
Joseph & Eda Pell Trust				50,661,254	0.59%	3
Patrician Assoc. Inc. & Principal Mutual				47,875,691	0.56%	4
Calwest Industrial Properties LLC				39,038,200	0.46%	5
Pulte Home Corporation				29,161,326	0.34%	7
Vineyard Management Company				27,526,690	0.32%	8
Tele Vue Systems Inc.				27,400,408	0.32%	9
	<u>\$500,106,541</u>	<u>3.88%</u>		<u>\$464,524,225</u>	<u>5.42%</u>	



## Comprehensive Annual Financial Report FY 2011-2012

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy (1)
2003	\$16,113,551	\$14,876,582	92.3%	\$349,932	\$15,226,514	94.5%
2004	16,933,716	16,422,725	97.0%	438,531	16,861,256	99.6%
2005	17,846,591	17,252,118	96.7%	242,222	17,494,340	98.0%
2006	19,774,020	19,641,123	99.3%	114,587	19,755,710	99.9%
2007	22,760,383	22,655,213	99.5%	220,448	22,875,661	100.5%
2008	24,259,233	23,617,163	97.4%	650,792	24,267,955	100.0%
2009	23,987,973	24,075,652	100.4%	1,186,337	25,261,989	105.3%
2010	22,428,741	22,087,799	98.5%	1,134,057	23,221,856	103.5%
2011	21,716,391	21,933,923	101.0%	766,381	22,702,304	104.5%
2012	21,684,156	22,305,535	102.9%	721,949	23,027,484	106.2%

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



# Comprehensive Annual Financial Report FY 2011-2012

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	Certificates of Participation	Revenue Loans	State Loan			
2003	\$79,891,446	\$36,775,000	\$1,370,000	\$5,013,554	\$135,237	\$7,862,728	\$131,047,965	0.03 %	\$1,680
2004	76,559,755	36,775,000	1,370,000	4,730,245	59,548	7,239,301	126,733,849	0.03 %	1,612
2005	65,660,000	36,150,000	1,327,500	11,880,000	55,556	6,599,038	122,073,827	0.03 %	1,512
2006	63,140,000	35,500,000	4,589,139	11,090,000	41,667	5,941,487	120,613,766	0.03 %	1,481
2007	63,580,000	34,820,000	4,897,339	10,275,000	27,778	5,266,162	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	0	3,860,381	120,972,720	0.04 %	1,433
2010	58,391,056	32,625,000	11,252,339	12,238,944	0	3,128,887	117,636,226	0.04 %	1,379
2011	66,660,156	31,835,000	9,912,339	18,154,844	0	2,377,641	128,939,980	0.04 %	1,578
2012	64,060,573	0 (2)	9,717,339	17,349,427	0	1,606,113	92,733,452	0.05 %	1,125

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. The last four years are estimates.

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



**Comprehensive Annual Financial Report  
FY 2011-2012**

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

Fiscal Year	Net General Bonded Debt Outstanding		Total	Percentage of Actual Taxable Value of Property	Per Capita
	Redevelopment Bonds				
2003	\$34,214,787.00		\$34,214,787.00	0.40%	\$439.00
2004	34,279,534		34,279,534	0.36%	436.00
2005	33,654,073		33,654,073	0.33%	417.00
2006	33,003,074		33,003,074	0.29%	405.00
2007	32,321,722		32,321,722	0.25%	390.00
2008	31,617,786		31,617,786	0.23%	378.00
2009	30,753,338		30,753,338	0.21%	364.00
2010	30,130,110		30,130,110	0.23%	353.00
2011	29,340,138		29,340,138	0.22%	359.00
2012	28,516,839 (1)		28,516,839	0.21%	346.00

**Note:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.  
**(1)** In fiscal year 2012, Redevelopment Agencies were dissolved by law. The former redevelopment bonds are considered Fiduciary fund obligations and no longer Governmental fund obligations.



## Comprehensive Annual Financial Report FY 2011-2012

Direct and Overlapping Governmental Activities Debt  
As of June 30, 2012

City Assessed Valuation	\$ 12,360,438,711
Redevelopment Agency Incremental Valuation	460,751,066
<b>Total Assessed Valuation</b>	<b>\$ 12,821,189,777</b>

Governmental Unit	Percentage Applicable <sup>1</sup>	Outstanding Debt 6/30/12	Estimated share of Overlapping Debt
<b>Overlapping Debt Repaid with Property Taxes:</b>			
Bay Area Rapid Transit District	2.834%	\$ 412,540,000	\$ 11,691,384
Chabot-Las Positas Community College District	16.006%	445,918,869	71,373,774
Livermore Valley Joint Unified School District	91.577%	97,990,000	89,736,302
East Bay Regional Park District	0.028%	129,525,000	36,267
City of Livermore 1915 Act Bonds	100.000%	10,305,000	10,305,000
City of Livermore Community Facilities District No. 99-1	100.000%	17,795,000	17,795,000
City of Livermore Community Facilities District No. 2006-1	100.000%	9,845,000	9,845,000
CA Statewide Communities Development Authority 1915 Act Bonds	100.000%	12,438,156	12,438,156
<b>Total overlapping debt repaid with property taxes</b>		<b>1,136,357,025</b>	<b>223,220,883</b>
<b>Overlapping Other Debt:</b>			
Alameda County Gen. Fund Obligations & Coliseum Authority	7.320%	669,510,500	49,008,169
Alameda County Pension Obligations	7.320%	131,540,555	9,628,769
Chabot-Las Positas Community College District COP	16.006%	4,320,000	691,459
<b>Total overlapping other debt</b>		<b>805,371,055</b>	<b>59,328,397</b>
<b>Total overlapping debt</b>		<b>\$ 805,371,055</b>	<b>\$ 282,549,280</b>
<b>City direct debt (Certificates of Participation)</b>			<b>81,410,000</b>
<b>Total direct and overlapping debt</b>			<b>\$ 363,959,280</b>

**Notes:**

<sup>1</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit'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.



# Comprehensive Annual Financial Report FY 2011-2012

Legal Debt Margin Information  
Last Ten Fiscal Years

**Legal Debt Margin Calculation for Fiscal Year 2011**  
 Common Property Assessed Valuation-Secured Roll \$ 12,677,895,472  
 Government Code Sec. 43605 Debt Limit 15% of Assessed Valuation \$ 1,901,682,821  
 Amount of debt applicable to the limit \$ 1,901,682,821

Legal debt margin  
 Percent of debt limit authorized and issued 0.00%

	2003	2004	2005	2006	2007	2008	2008	2010	2011	2012
Debt limit	\$ 1,205,032,876	\$ 1,336,621,930	\$ 1,465,007,030	\$ 1,646,024,520	\$ 1,821,799,824	\$ 1,977,009,388	\$ 2,050,123,933	\$ 1,897,174,800	\$ 1,896,749,495	\$ 1,901,682,821
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal debt margin	\$ 1,205,032,876	\$ 1,336,621,930	\$ 1,465,007,030	\$ 1,646,024,520	\$ 1,821,799,824	\$ 1,977,009,388	\$ 2,050,123,933	\$ 1,897,174,800	\$ 1,896,749,495	\$ 1,901,682,821

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



## Comprehensive Annual Financial Report FY 2011-2012

Pledged-Revenue Coverage  
Last Ten Fiscal Years

	Airport Revenue Bonds					Sewer Revenue Bonds						
	Airport Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest	Coverage	Sewer Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest	Coverage
2003	\$3,939,674	\$3,053,596	\$886,078	\$30,689	\$9,792	21.89	\$21,616,680	\$10,733,744	\$10,882,936	\$607,041	\$228,684	13.02
2004	4,317,745	3,244,026	1,073,719	75,689	10,635	12.44	24,719,179	9,083,834	15,635,345	623,431	212,294	18.71
2005	4,679,460	3,927,475	751,985	30,689	5,758	20.63	21,210,177	8,772,352	12,437,825	640,264	195,461	14.88
2006	5,290,321	4,918,896	371,425	16,800	3,741	18.08	20,341,117	11,171,252	9,169,865	657,551	178,174	10.97
2007	5,866,440	4,675,923	1,190,517	13,889	2,805	71.31	18,651,449	15,357,015	3,294,434	675,305	160,420	3.94
2008	6,073,929	5,042,460	1,031,469	13,889	1,870	65.45	18,355,797	12,839,881	5,515,916	693,538	142,187	6.60
2009	5,090,028	4,537,646	552,382	13,889	935	37.26 (1)	19,175,073	13,511,672	5,663,401	712,263	123,462	6.78
2010							18,644,438	13,104,149	5,540,289	731,494	104,230	6.63
2011							18,596,876	14,599,199	3,997,677	751,245	84,480	4.78
2012									0	771,528	64,196	0.00

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

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



**Comprehensive Annual Financial Report  
FY 2011-2012**

**Population Demographics  
Year 2010**

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

**Note:**

1. Data Source: U.S. Census Bureau.



**Comprehensive Annual Financial Report  
FY 2011-2012**

Principal Employers  
Last Four Fiscal Years

Employer	Type of Business	2012			2009 (1)		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Kaiser Foundation Hospitals	Medical/Surgical Hospital	750	1	3.30%			
U.S. Foodservice, Inc.	Wholesale	631	2	2.80%			
Form Factor, Inc.	Manufacturer	570	3	2.50%	1088	1	5.50%
Comcast of CA/Co/Tx/Wa, Inc.	Cable TV	546	4	2.40%	863	2	4.30%
Hospital Committee for Livermore/Pleas	Medical/Surgical Hospital	479	5	2.10%			
Lam Research Corporation	Special Industry Machinery	435	6	1.90%			
Alere Home Monitoring	Surgical, Medical and Dental	394	7	1.70%			
Costco Wholesale #146	Retail	253	8	1.10%	251	7	1.30%
Topcon Positioning Systems, Inc.	GPS Software Development	250	9	1.10%	350	5	1.80%
Wal Mart Inc. 1972	Retail	247	10	1.10%	220	8	1.10%
Activant Solutions, Inc.	Manufacturer				396	3	2.00%
Target Stores T-828	Retail				206	10	1.00%
Safeway, Inc 1257	Grocery				210	9	1.10%
Sunrise Medical HHG, Inc.	Medical Supplier				371	4	1.90%
Johnson Controls Inc.	Manufacturer				344	6	1.70%

**Source:** City of Livermore Finance Division  
(1) Data for the current fiscal year and the year nine years prior is required for presentation. Fiscal year 2003 data is unavailable so the oldest information available for fiscal year 2009 is presented.



## Comprehensive Annual Financial Report FY 2011-2012

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

Function/Program	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General government										
Administrative Services <sup>1</sup>										
City Council	1.00	1.00	1.00	-	-	-	-	28.28	24.50	25.75
City Manager <sup>2</sup>	10.25	10.25	10.25	10.25	10.25	10.25	10.75	5.00	6.00	6.00
City Attorney	8.00	8.00	8.50	8.50	9.50	9.50	9.50	9.50	8.50	8.50
City Clerk	8.50	8.50	8.50	8.50	8.50	8.50	8.50	5.00	5.00	5.00
Finance	17.00	17.50	18.50	18.50	18.50	18.50	18.50	-	-	-
Human Resources	7.50	8.50	8.10	8.10	8.10	8.10	8.10	-	-	-
Fire	63.50	63.50	63.50	66.50	66.50	66.50	65.50	65.50	65.50	58.50
Police	147.75	152.25	151.25	152.25	152.75	154.75	154.75	148.75	143.25	143.25
Public Works	63.00	64.00	64.00	64.00	63.00	64.00	64.00	55.00	48.60	48.10
Community Development	93.35	94.85	94.85	93.60	93.10	93.10	93.00	78.50	71.50	69.50
Economic Development	4.50	4.50	1.30	1.30	1.30	1.30	0.80	4.00	5.00	5.00
Library	33.50	39.50	39.50	40.25	40.25	41.25	41.25	38.13	32.13	32.13
Redevelopment <sup>3 &amp; 4</sup>	-	-	3.20	3.20	3.20	3.20	3.20	-	-	-
Airport	7.00	7.00	7.00	8.00	9.00	9.00	9.00	8.00	8.00	8.00
Water	14.75	15.00	15.00	15.25	15.25	15.25	15.25	15.25	15.25	15.25
Sewer	45.25	45.25	46.25	46.25	46.25	46.25	46.25	46.50	47.50	47.50
LAVVMA										
Las Positas Golf Course	14.00	14.00	14.70	14.70	13.70	13.70	0.70	1.00	1.50	1.00
Springtown Golf Course	-	-	0.30	0.30	0.30	0.30	0.30	-	-	-
<b>Total</b>	<b>538.85</b>	<b>553.60</b>	<b>555.70</b>	<b>559.45</b>	<b>559.45</b>	<b>563.45</b>	<b>549.35</b>	<b>508.40</b>	<b>482.23</b>	<b>473.48</b>

**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 - Prior to fiscal year 2005 Redevelopment employees were included with Economic Development.

4 - In fiscal year 2011, Redevelopment employees are included in Community Development.

**Source:** City Budget



## Comprehensive Annual Financial Report FY 2011-2012

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Police</b>										
Physical arrests	2,830	2,912	2,825	3,189	3,292	3,181	2,564	2,781	2,640	2,391
Parking violations	1,497	1,681	1,774	2,762	3,821	4,805	3,216	2,504	1,846	1,433
Traffic violations	13,418	14,721	13,274	12,279	9,774	10,324	10,398	14,099	10,700	9,264
<b>Fire</b>										
Emergency responses	5,142	5,375	5,672	5,948	6,454	6,325	6,349	6,099	5,887	4,607
Fires extinguished	360	376	397	416	444	438	461	438	384	239
Inspections (1)	1,031	1,230	1,326	1,028	1,110	1,280	883	1,040 (2)	463 (2)	523 (2)
Annual fire inspection program	226	295	1,166	50	407	326	453	734	573	470
<b>Public Works</b>										
Street resurfacing (lane miles)	n/a	5.8	7.6	6.6	8.3	14.5	0	8.5	6.3	7.8
Potholes repaired	135	337	340	407	169	308	304	430	210	238
Maintenance of Landscaping (acres)	105	110	120	137	144	158	160	256	263	263
<b>Library</b>										
Volumes in collection	231,610	238,652	258,618	258,450	269,626	264,821	268,533	263,447	264,734	273,500
Total volumes borrowed	788,846	815,150	979,660	954,499	951,082	956,872	1,073,829	1,106,790	1,014,644	941,873
<b>Water</b>										
New connections	209	423	261	276	93	34	41	106	23	59
Water mains breaks	1	1	3	2	3	0	1 (3)	19	0	2
Other water breaks & leaks	12	15	15	20	26	134	117 (3)	23	25	74
Average Daily Consumption (millions of gallons)	5,821	5,961	5,579	6,082	6,618	6,441	5,950	5,550	3,013	5,939
Peak daily consumption (millions of gallons)	10,180	9,908	9,552	10,088	10,674	10,021	9,472	8,996	9,053	9,108
<b>Wastewater</b>										
Average daily sewage treatment (millions of gallons)	6.3	6.5	6.6	7.4	7.2	7.1	7.3	7.0	6.9	6.8
<b>Municipal Airport</b>										
Number of tenant aircraft	591	604	592	640	644	551	577	551	530	516
Total landings & takeoffs	208,130	196,654	181,710	173,800	177,330	174,503	143,345	123,012	136,851	139,140
Gallons of fuel pumped	868,830	879,112	922,582	935,367	860,429	790,578	585,934	564,269	621,254	643,272
<b>Las Positas Municipal Golf Course</b>										
Roundts Played	95,706	94,152	78,299	85,284	91,222	89,294	84,466	77,749	71,766	66,667
<b>Springtown Municipal Golf Course</b>										
Roundts Played	40,945	36,126	32,674	28,306	24,276	27,596	25,311	22,033	22,927	24,366

(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

Sources: Various city departments.



## Comprehensive Annual Financial Report FY 2011-2012

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	36	35	48	46	54	51	50	48	50	51
Fire stations	5	5	5	5	5	5	5	5	5	5
<b>Public Works</b>										
Streets (miles)	273.5	273.9	278.4	278.9	283.2	294.0	294.0	294.0	302.0	303.0
Streetlights	N/A*	6,613	6,670	6,807	6,867	7,004	7,015	7,089	7,120	7,301
Traffic Signals	N/A*	86	89	90	95	107	96	101	98	137
Flashing Crosswalks	N/A*	N/A*	N/A*	4	7	9	9	10	11	11
<b>Water</b>										
Water mains (miles)	113.9	113.9	113.9	113.9	113.9	149.6	149.6	156.0	146.0	146.0
Potable water	14.9	14.9	14.9	14.9	14.9	20.5	20.5	23.1	21.5	21.5
Recycled water	3,373	3,449	3,449	3,449	3,479	1,326	1,326	1,360	1,385	1,385
Fire hydrants	N/A*	N/A*	N/A*	N/A*	N/A*	100	100	113	113	113
Fire hydrants (recycled)										
Average daily consumption	5.82	5.96	5.58	6.08	6.62	6.44	5.95	5.55	3.01	5.94
Potable water	0.47	0.73	0.56	0.78	0.79	0.95	0.84	1.08	1.15	1.27
Recycled water										
(millions of gallons)										
<b>Wastewater</b>										
Sanitary sewers (miles)	255	255	255	267	267	285	298	302	303	303
Storm sewers (miles)					171.0	201.9	206.6	206.6	207.0	207.0
Treatment capacity	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
(millions of gallons)										
<b>Municipal Airport</b>										
Length of longest runway in feet	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,253	5,253	5,253
Length of longest taxiway in feet	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,720	5,720	5,720
Total acreage	643	643	643	643	643	643	643	644	644	644
Number of hangars	393	393	393	393	393	393	393	393	393	393
<b>Las Positas Municipal Golf Course</b>										
Total acreage	205	205	205	205	205	205	205	205	205	205
Length of 18-hole course in yards	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,677	6,723
Length of 9-hole executive course in yards	2,034	2,034	2,034	2,034	2,034	2,034	2,034	2,034	2,034	1,133
<b>Springtown Municipal Golf Course</b>										
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.



**Comprehensive Annual Financial Report  
FY 2011-2012**

AS OF JUNE 30, 2012

**SCHEDULE OF INSURANCE**

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.	7/1/11-6/30/12
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	7/1/11-6/30/12
General Liability Excess Coverage Second Layer	AON - Munich RE - A.M. Best Rating A++:XV & SCOR RE - A.M. Best Rating A-.XV	Following CJPRMA Memorandum of Coverage	1523763019263/2011	\$40,000,000 per occurrence excess of \$5,000,000 per occurrence retention for Bodily Injury / Property Damage / Personal Injury / Public Officials E&O	7/1/11-6/30/12
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.	1.52376E+12	\$25,000 deductible with \$10,000,000 per occurrence  \$331,289,565 in values	7/1/11-6/30/12
Excess Property Damage / Time Element	AON - CJPRMA XL A.M. Best Rating A++:XV	All Risks, excluding Earthquake and Flood - follows primary coverage	US000012129PR11A	Coverage is for \$290,000,000 per occurrence excess of \$10,000,000 per occurrence primary coverage	7/1/11-6/30/12
Boiler and Machinery	AON - CJPRMA / Hartford Steam Boiler A.M. Best Rating A++:XV	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	7/1/11-6/30/12



**Comprehensive Annual Financial Report  
FY 2011-2012**

COVERAGE	BROKER	COVERAGE	POLICY NO	LIMITS	TERM
Public Employee Blanket Bond	AON – CJPRMA / Insurance A++:XV	Faithful performance, any dishonest act, including forgery, alteration, & theft	00FA026443010	Deductible is \$5,000 per loss	7/1/10-6/30/13
Airport Liability	AON – CJPRMA/ACE A.M.Best Rating A: XV	Covers all employees statutorily required to maintain bonding. Airport liability / Hangerkeepers / Advertising / Vehicles / Non-owned aircraft / Fire Legal Liability / Products and Completed Operations / Premises	AAPN02205476001	Coverage is \$500,000 per loss \$50,000,000 per occurrence with \$0 deductible	7/1/11-6/30/12
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 \$350,000	7/1/11-6/30/12
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 \$350,000 per claim	7/1/11-6/30/12
Worker's Compensation and Employer Liability Reinsurance and Excess Coverage Second Layer	CSAC-EIA, Reinsurance from Axis Specialty Limited, Lancashire Insurance Company Limited, Lloyds of London, Renaissance Reinsurance Limited, and Excess from National Union Fire Insurance of Pittsburg, PA	State mandated workers' compensation coverage for miscellaneous and safety member employees, including volunteers. Also covers employer liability not covered under statutory workers' compensation coverage.	464-2158	Statutory limits in excess of \$5 million per claim	7/1/11-6/30/12
Non-Owned and Hired Automobile Liability Coverage	AON. - National Fire & Marine A.M. Best Rating A++:XV	Automobile liability for the use of an employee's personal vehicle and/or a rented vehicle in the performance of City business.	72AP200373	\$500,000 per claim with \$0 deductible	7/1/11-7/1/12



**Comprehensive Annual Financial Report  
FY 2011-2012**

**ANNUAL REPORT OF CONTINUING DISCLOSURE  
2011 CERTIFICATES OF PARTICIPATION (CAPITAL PROJECTS)  
AS OF JUNE 30, 2012**

This Continuing Disclosure Annual Report is provided by the City of Livermore through Union Bank of California, N.A. as dissemination agent pursuant to a Continuing Disclosure Agreement dated June 30, 2011 executed and delivered by the City and the Dissemination Agent in connection with the issuance of \$17,470,000 2011 Certificates of Participation (Capital Projects) (the "Certificates"). The Certificates were issued pursuant to an Indenture dated as of June 1, 2011 from the City. The proceeds of the Certificates are to fund costs of constructing certain City capital projects and to fund the costs related to executing and delivering the Certificates.

The Annual Report is made pursuant to the requirements of Section 3(a) of the Disclosure Agreement with respect to the fiscal year, which ended on June 30, 2012.

The City hereby reports the following:

1. The audited financial statements of the City for the fiscal year ended June 30, 2012 comprise the book in which this report is included.
2. During the time period beginning on June 30, 2011 and ending on the date of this Annual Report, the Agency has not given or caused to be given notice of the occurrence of any of the following events, if material with respect to the Certificates:
  1. Principal and interest payment delinquencies;
  2. Non-payment related defaults;
  3. Unscheduled draws on debt service reserves reflecting financial difficulties;
  4. Unscheduled draws on credit enhancements reflecting financial difficulties;
  5. Substitution of credit or liquidity providers, or their failure to perform;
  6. Adverse tax opinions or events affecting the tax-exempt status of the security;
  7. Modifications to rights of security holders;
  8. Contingent or unscheduled Bond calls;
  9. Defeasances;
  10. Release, substitution, or sale of property securing repayment of the securities; or
  11. Rating changes.

The Agency hereby confirms the appointment of the Dissemination Agent and requests the City to provide each Repository this Annual Report not later than 270 days after June 30, 2012 in accordance with the terms of the Disclosure Agreement.

**Source:** City of Livermore Finance Department.



**Comprehensive Annual Financial Report  
FY 2011-2012**

**ANNUAL REPORT OF CONTINUING DISCLOSURE  
2007 CERTIFICATES OF PARTICIPATION (REFUNDING AND CAPITAL PROJECTS)  
AS OF JUNE 30, 2012**

This Continuing Disclosure Annual Report is provided by the City of Livermore through Union Bank of California, N.A. as dissemination agent pursuant to a Continuing Disclosure Agreement dated April 3, 2007 executed and delivered by the City and the Dissemination Agent in connection with the issuance of \$15,085,000 2007 Certificates of Participation (Refunding and Capital Projects) (the "Certificates"). The Certificates were issued pursuant to an indenture of trust agreement dated as of April 1, 2007 from the City. The proceeds of the Certificates are to (a) refund and defease the 1997 Certificates of Participation; (b) fund a portion of the costs of constructing certain City capital projects; and (c) fund the costs related to executing and delivering the Certificates.

The Annual Report is made pursuant to the requirements of Section 3(a) of the Disclosure Agreement with respect to the fiscal year, which ended on June 30, 2012.

The City hereby reports the following:

1. The audited financial statements of the City for the fiscal year ended June 30, 2012 comprise the book in which this report is included.
2. During the time period beginning on April 3, 2007 and ending on the date of this Annual Report, the Agency has not given or caused to be given notice of the occurrence of any of the following events, if material with respect to the Certificates:
  1. Principal and interest payment delinquencies;
  2. Non-payment related defaults;
  3. Unscheduled draws on debt service reserves reflecting financial difficulties;
  4. Unscheduled draws on credit enhancements reflecting financial difficulties;
  5. Substitution of credit or liquidity providers, or their failure to perform;
  6. Adverse tax opinions or events affecting the tax-exempt status of the security;
  7. Modifications to rights of security holders;
  8. Contingent or unscheduled Bond calls;
  9. Defeasances;
  10. Release, substitution, or sale of property securing repayment of the securities; or
  11. Rating changes.

The Agency hereby confirms the appointment of the Dissemination Agent and requests the City to provide each Repository this Annual Report not later than 270 days after June 30, 2012 in accordance with the terms of the Disclosure Agreement.

**Source:** City of Livermore Finance Department.



**Comprehensive Annual Financial Report  
FY 2011-2012**

**ANNUAL REPORT OF CONTINUING DISCLOSURE  
SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO. 2006-1  
(SHEA PROPERTIES), SERIES 2006  
AS OF JUNE 30, 2012**

This Continuing Disclosure Annual Report is provided by the City of Livermore through Union Bank of California, N.A. as dissemination agent pursuant to a Continuing Disclosure Agreement dated July 26, 2006 executed and delivered by the City and the Dissemination Agent in connection with the issuance of \$10,000,000 Special Tax Bonds, Community Facilities District No. 2006-1, Series 2006 Bonds ("the Bonds"). The Bonds were issued pursuant to an Indenture dated as of August 1, 2006 from the City. The proceeds of the Bonds are to finance the acquisition of certain public improvements, fund a debt service reserve fund and pay costs related to the issuance of the Bonds.

The Annual Report is made pursuant to the requirements of Section 3(a) of the Disclosure Agreement with respect to the fiscal year, which ended on June 30, 2012.

The City hereby reports the following:

1. The audited financial statements of the City for the fiscal year ended June 30, 2012 comprise the book in which this report is included.
2. During the time period beginning on July 26, 2006 and ending on the date of this Annual Report, the Agency has not given or caused to be given notice of the occurrence of any of the following events, if material with respect to the Certificates:
  1. Principal and interest payment delinquencies;
  2. Non-payment related defaults;
  3. Unscheduled draws on debt service reserves reflecting financial difficulties;
  4. Unscheduled draws on credit enhancements reflecting financial difficulties;
  5. Substitution of credit or liquidity providers, or their failure to perform;
  6. Adverse tax opinions or events affecting the tax-exempt status of the security;
  7. Modifications to rights of security holders;
  8. Contingent or unscheduled Bond calls;
  9. Defeasances;
  10. Release, substitution, or sale of property securing repayment of the securities; or
  11. Rating changes.

The Agency hereby confirms the appointment of the Dissemination Agent and requests the City to provide each Repository this Annual Report not later than 270 days after June 30, 2012 in accordance with the terms of the Disclosure Agreement.

**Source:** City of Livermore Finance Department.



**Comprehensive Annual Financial Report  
FY 2011-2012**

**ANNUAL REPORT OF CONTINUING DISCLOSURE  
2001 TAX ALLOCATION BONDS, SERIES A  
AS OF JUNE 30, 2012**

This Continuing Disclosure Annual Report is provided by the Redevelopment Agency of the City of Livermore through Union Bank of California, N.A. as dissemination agent pursuant to a Continuing Disclosure Agreement dated August 16, 2001 executed and delivered by the Agency and the Dissemination Agent in connection with the issuance of \$36,775,000 2001 Tax Allocation Bonds. The bonds were issued pursuant to an indenture of trust dated as of August 1, 2001. The proceeds of the bonds are for the use of the Agency's downtown redevelopment activities and refunding of the 1986 Tax Allocation Bonds, Series A.

The Annual Report is made pursuant to the requirements of Section 3(a) of the Disclosure Agreement with respect to the fiscal year of the Agency, which ended on June 30, 2012.

The Agency hereby reports the following:

1. The audited financial statements of the Agency for the fiscal year ended June 30, 2012 comprise the book in which this report is included.
2. During the time period beginning on August 16, 2001 and ending on the date of this Annual Report, the Agency has not given or caused to be given notice of the occurrence of any of the following events, if material with respect to the Certificates:
  1. Principal and interest payment delinquencies;
  2. Non-payment related defaults;
  3. Unscheduled draws on debt service reserves reflecting financial difficulties;
  4. Unscheduled draws on credit enhancements reflecting financial difficulties;
  5. Substitution of credit or liquidity providers, or their failure to perform;
  6. Adverse tax opinions or events affecting the tax-exempt status of the security;
  7. Modifications to rights of security holders;
  8. Contingent or unscheduled Bond calls;
  9. Defeasances;
  10. Release, substitution, or sale of property securing repayment of the securities; or
  11. Rating changes.

The Agency hereby confirms the appointment of the Dissemination Agent and requests the Agent to provide each Repository this Annual Report not later than 270 days after June 30, 2012 in accordance with the terms of the Disclosure Agreement.

**Source:** City of Livermore Finance Department.



**Comprehensive Annual Financial Report  
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**ANNUAL REPORT OF CONTINUING DISCLOSURE  
SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO. 99-1  
(TRI-VALLEY TECHNOLOGY PARK), SERIES 2000  
AS OF JUNE 30, 2012**

This Continuing Disclosure Annual Report is provided by the City of Livermore through Union Bank of California, N.A. as dissemination agent pursuant to a Continuing Disclosure Agreement dated July 27, 2000 executed and delivered by the City and the Dissemination Agent in connection with the issuance of \$24,030,000 Special Tax Bonds, Community Facilities District No. 99-1, Series 2000 Bonds ("the Bonds"). The Bonds were issued pursuant to an Indenture dated as of July 1, 2000 from the City. The proceeds of the Bonds are to refund the Special Tax Bonds, Triad Center Community Facilities District No. 90-1, Series 90-1B and Special Tax Bonds, Triad Center Community Facilities District No. 90-1 Series 90-1C and to fund certain public improvements.

The Annual Report is made pursuant to the requirements of Section 3(a) of the Disclosure Agreement with respect to the fiscal year of the City which ended on June 30, 2012.

The City hereby reports the following:

1. The audited financial statements of the City for the fiscal year ended June 30, 2012 comprise the book in which this report is included.
2. During the time period beginning on July 27, 2000 and ending on the date of this Annual Report, the City has not given or caused to be given notice of the occurrence of any of the following events, if material with respect to the Bonds:
  1. Principal and interest payment delinquencies;
  2. Non-payment related defaults;
  3. Unscheduled draws on debt service reserves reflecting financial difficulties;
  4. Unscheduled draws on credit enhancements reflecting financial difficulties;
  5. Substitution of credit or liquidity providers, or their failure to perform;
  6. Adverse tax opinions or events affecting the tax-exempt status of the security;
  7. Modifications to rights of security holders;
  8. Contingent or unscheduled Certificate calls;
  9. Defeasances;
  10. Release, substitution, or sale of property securing repayment of the securities; or
  11. Rating changes.

The City hereby confirms the appointment of the Dissemination Agent and requests the Agent to provide each Repository this Annual Report not later than 270 days after June 30, 2012 in accordance with the terms of the Disclosure Agreement.

**Source:** City of Livermore Finance Department.



**Comprehensive Annual Financial Report  
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