

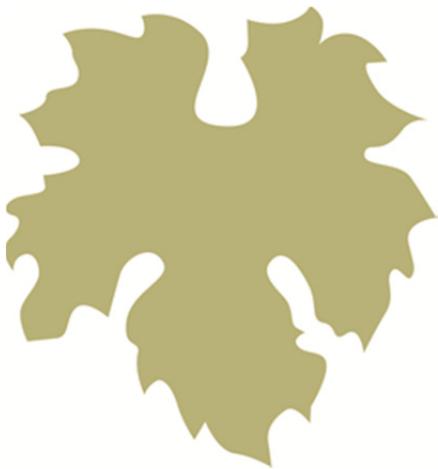


Comprehensive Annual Financial Report For the Year Ended June 30, 2013



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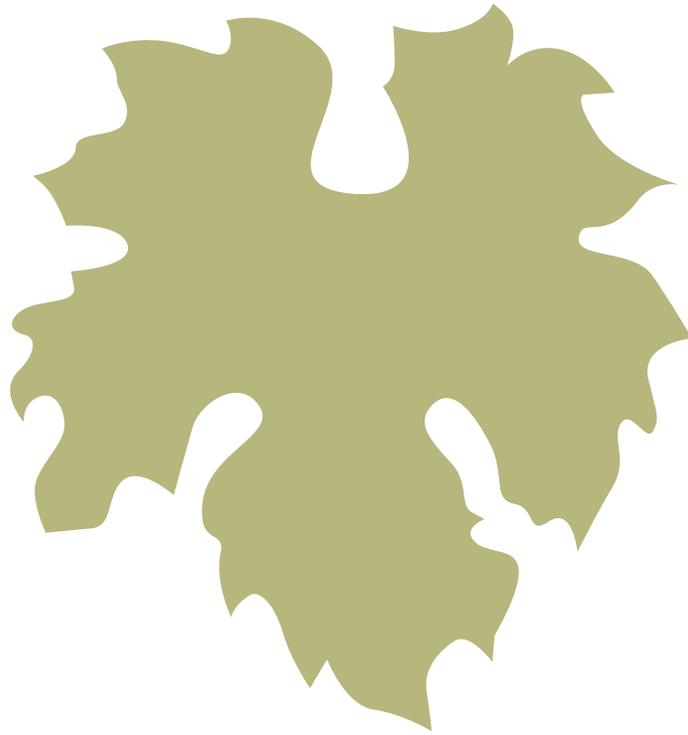


**Comprehensive Annual Financial Report
For the Year Ended June 30, 2013**

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



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



**City of Livermore, California
Comprehensive Annual Financial Report
For the Year Ended June 30, 2013**

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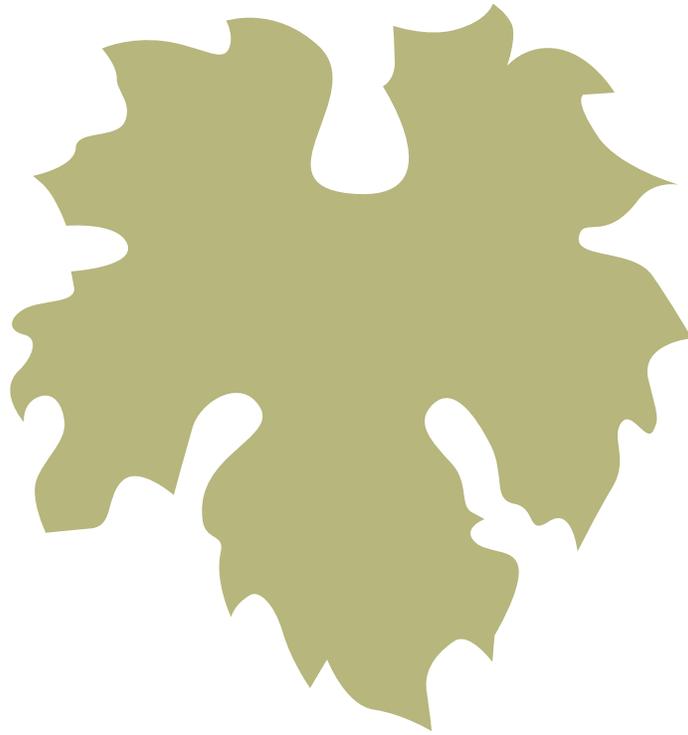
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**Comprehensive Annual Financial Report
FY 2012-2013**





December 2, 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, 2013. 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, 2013 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 financial activity of the Livermore Capital Projects Financing Authority (LCPFA), which is a separate legal entity controlled by and is dependent upon the City.

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

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

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

The City provides full services to its citizens. Services include police safety; fire safety and building inspection; street and landscape maintenance; street lighting; planning and public improvements; public library; general administrative services; sewer and water services; as well as a municipal airport and two golf courses. 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. 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 2012-2013

The local economy continued its recovery from the global recession. This recovery has been driven largely by the stabilization of the real estate market as well as new development. The opening of the Livermore Premium Outlets in November 2012 resulted in a significant rebound of property tax, sales tax, and transient occupancy tax from the prior year. Increase in the sales tax is also attributed to a one-time settlement of a six year old sales tax dispute with Owen & Minor. The economic recovery is also evident from the latest unemployment data for the City of Livermore. Since June 2012, the City's unemployment rate has dropped from 6.1 percent to 4.8 percent in June 2013.

One of the highlights of fiscal year 2012-13 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 Livermore Premium Outlets 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 of significant financial impact is that during the fiscal year 2012-13, the City began a large energy saving project with capital lease/purchase financing of \$12.5 million from the Banc of America. The project included replacement of the existing high pressure Sodium Street lights with light emitting diode (LEDs) lights throughout the City and installment of photo voltaic panels at various City locations. The City expects that the solar panels will generate approximately 2.1 million kilowatt per hour (KWH) annually and energy conservation measures will reduce electrical use by 2.8 million KWH per year resulting in an annual energy savings of 4.9 million KWH. The new lamps provide better lighting as well as save energy and reduce energy costs. The new LED lamps are also expected to have a longer life than the existing High Pressure Sodium lamps, thereby reducing lamp replacement costs as well. By the end of the current fiscal year, the project to replace over 6,000 of existing street lights with LEDs was completed while the project to install photo voltaic cells is expected to be completed by December 2013. The City estimates cost savings will be sufficient to make scheduled lease payments.

During the current fiscal year the City recorded an allowance of over \$7 million to reduce the advances made by the City to the former Livermore Redevelopment Agency since the State of California Department of Finance continues to deny these items as “enforceable obligations” as defined by AB1X26. For more information about the allowance for doubtful loans, please refer to Notes 5 and 15 in the accompanying financial statements.

The City of Livermore contracts with the California Public Employees Retirement System (CalPERS) to provide pension benefits for its employees. The City had a side fund liability of \$4,122,461 for the CalPERS Police Public Safety Retirement Plan. During the current fiscal year, the City opted to prepay this liability to achieve a savings of approximately \$818,000 over next five years by avoiding the 7.50% interest cost charged by CalPERS. The lump-sum payoff resulted in a reduced employer contribution rate by eliminating the side fund amortization. The prepayment was supported with an inter-fund loan of \$2,122,461 from the Sewer Enterprise Fund and \$2,000,000 from the Water Enterprise Fund to the Employee Benefit Internal Service Fund at an interest rate of 0.75% to be paid back in five annual installments.

With the improvement of the local economy and cost cutting measures, General Fund Reserves were fully replenished in accordance with the newly revised Reserve Policy which Council adopted in June of 2012.

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 \$1.1 million with an average yield of 0.58%. However, the City had an unrealized loss of \$1.6 million in order to record all investments at the fair market value at the year-end. 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 2012-2013, the pool made its distribution of excess assets. The amount distributed to the City of Livermore was \$89,000, or 28.9% of the amount of the deposit premium paid for FY 2012-2013.

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 2012-2013 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 budgeted operating expenditures plus debt service transfers to be used in a catastrophic event or in a major emergency or in periods of severe fiscal crisis. The General Fund Economic Uncertainty Reserve is set at 10% of budgeted operating expenditures plus debt service transfers to be used during times of severe economic distress such as protracted recessionary periods, State raids on local resources, or other impactful unforeseen events which greatly diminish the financial ability of the City to deliver core services.

As of June 30, 2013, the Committed Financial Stabilization Operating reserve of \$12,002,511 met the minimum level of 15% expenditures plus debt service transfers. The Assigned Economic Uncertainty reserve of \$8,002,341 also met the 10% target. The Unassigned fund balance of \$3,229,530 is 4.0% of the budgeted operating expenditures plus debt service transfers and it exceeds the fund balance goal of 1.5% expenditures.

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 83,325 per the California Department of Finance as of January 1, 2013 and represents an increase of 1.3% compared to the prior year.

The East Bay region of Alameda County that includes Livermore is reflecting the effects of the current economy. According to information supplied by the East Bay Economic Development Alliance that can be found at its www.eastbayeda.org website, between March 2012 and March 2013, the total number of jobs in the East Bay increased by 18,300 or 1.9%.

Professional jobs grew by 5,700 while Construction grew by 5,000 jobs. Leisure and Hospitality gained 4,000 new jobs. Education, Administrative Support, Health, and Wholesale Trade increased jobs by 5,500, while manufacturing and government cut back 2,300 jobs. In June 2013 the unemployment rate in Livermore was 4.8%. This is better in comparison to an unadjusted unemployment rate of 7.4% for Alameda County and 8.9% for California. In comparison to the East Bay, San Francisco County's unemployment rate was

5.2% in June 2013, lower than the July 2012 rate of 7.7%. The unemployment rate in Santa Clara County was 6.5% in June 2013, down from 8.7% in July 2012.

The East Bay housing market continues to rebound at a rapid pace. As reported by the Bay East Association of Realtors the median sales price for a single family residence in Livermore in June 2013 grew by 13.5% to \$545,000 from \$480,000 in June 2012. The number of home sales is starting to accelerate as well. The 2,246 homes sold in 2013 were up 1.4 percent from the 920 of the year before. If these trends in sales price and homes sold increase, it will have a positive impact not only on the City's property tax base, but also its Documentary Transfer Tax revenues.

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

Despite an accelerated recovery for several major revenue sources, the City, like most local agencies, faces considerable fiscal challenges ahead. Several factors including unfunded pension and post-employment benefits (OPEB) liabilities, and escalating healthcare costs continue to cause concern about the sustainability of its fiscal health. These are complex and difficult issues that cannot be solved unilaterally. The City is in process of developing a comprehensive strategy to address these challenges.

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, 2012. 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.

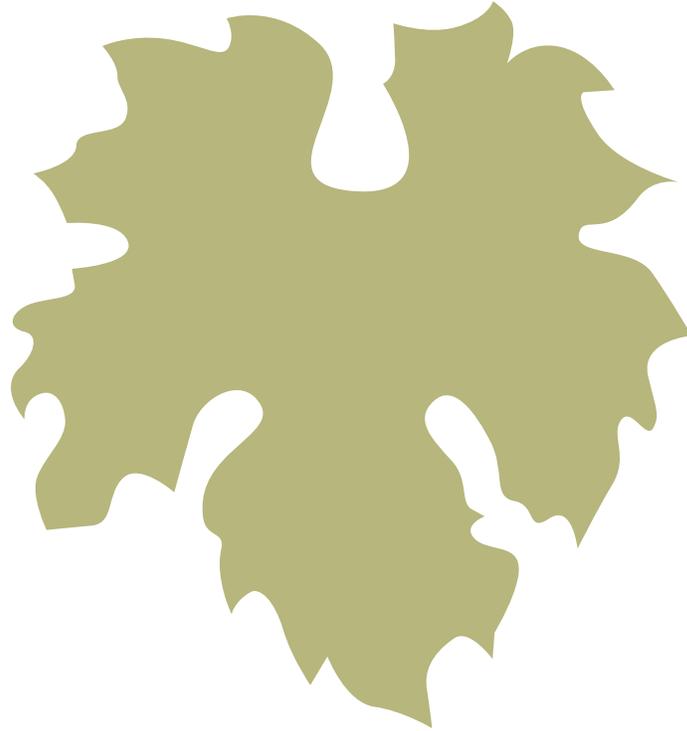
Very truly yours,

A handwritten signature in blue ink, appearing to read "D. Alessio", is placed on a light blue rectangular background.

Douglas Alessio
Administrative Services Director



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





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

**City of Livermore
ELECTED OFFICIALS**

Elected Officials as of June 30, 2013

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

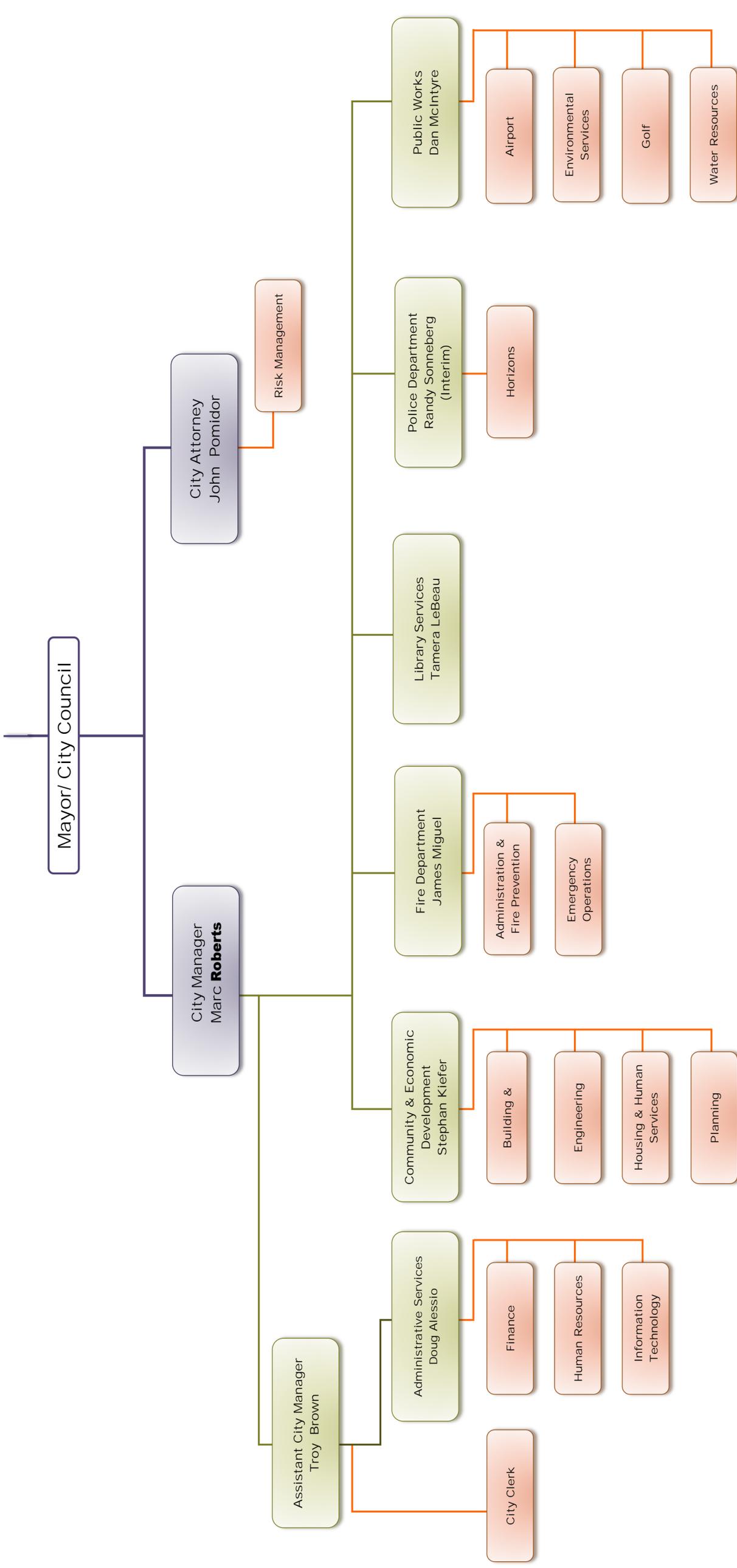
Department Heads as of June 30, 2013

Marc Roberts, City Manager
Troy Brown, Assistant City Manager
John Pomidor, City Attorney
Stephan Kiefer, Director of Community and Economic Development
Tamera LeBeau, Director of Library Services
Douglas Alessio, Director of Administrative Services
Dan McIntyre, Director of Public Services
James Miguel, Fire Chief
Randy Sonnenberg, Interim Police Chief

Organizational Chart

FY 2012-2013

Residents of Livermore





Government Finance Officers Association

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

Presented to

**City of Livermore
California**

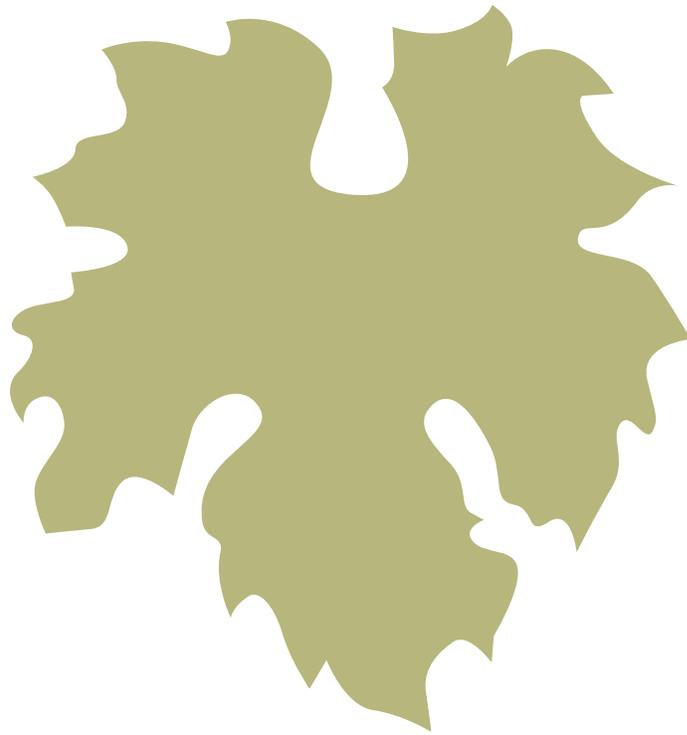
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



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



INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Livermore, California (City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows and respective budgetary comparisons listed as part of the basic financial statements thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As disclosed in footnote 15, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the City's Redevelopment Agency was dissolved and its assets turned over to and liabilities assumed by a Housing Successor and a Successor Agency effective January 31, 2012. In April 2013 the State Controller's office of California sent an auditor to the City to verify that the transfers of assets between the former RDA and the City during the time period of January 1, 2011 and January 31, 2012 were allowable. As of June 30, 2013 the Livermore Successor Agency (LSA) had not received the response from the State Controller.

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2013 and required a format change in the Statement of Net Position and certain nomenclature revisions in the footnotes accompanying the financial statements:

- GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. See Note 1L and Note 1F to the financial statements for relevant disclosures.
- GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. The City elected to early implement this pronouncement. See Note 1L to the financial statements for relevant disclosures.

The City restated the Beginning Net Position as of July 1, 2012 for the Government-Wide Statements:

- A prior period adjustment of \$4,313,520 was made to increase the governmental activities beginning net position. The City determined that the impact fees received from the developers in the prior years should have been recorded as revenue not a deposit liability under Other Special Revenues Fund.
- A prior period adjustment of \$437,645 was made to decrease the governmental activities beginning net position. The City determined that the contribution revenue recognized in the prior year should have been recorded as unearned revenues in the El Charro Specific Plan special revenue fund.

The City restated the Beginning Fund Balances as of July 1, 2012 for the following funds:

- The contribution revenue received in the prior year should have been recorded as unearned revenue in the El Charro Specific Plan Fund special revenue fund. As a result, beginning fund balance of the Fund was decreased by \$437,645.

- The impact fee received from the developers in the prior years should have been recorded as revenue not a deposit liability in the Other Special Revenues Fund. Therefore, beginning fund balance of the Fund was increased by \$4,313,520.
- A long-term loan liability of \$520,233 was reported in the Other Special Revenues Fund. The loan proceeds should have been recorded as other financing sources. Consequently, beginning fund balance of the Fund was increased by \$520,233.

The emphasis of these matters does not constitute modifications to our opinion.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
November 25, 2013



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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, 2013. The reader is encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal, which can be found on pages 1-7 of this report.

(A) Financial Highlights

The City implemented new Governmental Accounting Standards Board (GASB) Statement No. 63 in the current fiscal year that significantly changed the current year's presentation. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for two new financial statement elements – deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are defined as a consumption of net assets that is applicable to a future reporting period. Deferred inflows or resources are defined as an acquisition of net assets that is applicable to a future reporting period. This Statement also incorporates deferred outflows of resources and deferred inflows of resources into the residual measure as net position, rather than net assets.

Government-wide:

- The City restated and increase beginning governmental net position by \$3.8 million to correct prior years' errors in revenue recognition.
- The City's total assets were \$738.1 million at June 30, 2013. Of this total, \$479.0 million were Governmental assets and \$259.1 million were Business-type assets.
- Total liabilities were \$157.2 million of which \$135.8 million were governmental liabilities and \$21.4 million were business-type liabilities.
- City-wide revenues (before extraordinary items) in fiscal 2013 were \$163.7 million, of which \$114.7 million was generated by governmental activities and \$49.0 million was generated by business-type activities.
- City-wide expenses were \$160.2 million, of which \$112.0 million was incurred by governmental activities and \$48.2 million was incurred by business-type activities.
- In fiscal year 2013, the City had a \$1.7 million extraordinary loss due to the transfer of two land parcels to the *Successor Agency to the Redevelopment Agency Private Purpose Trust Fiduciary Fund*.
- As noted in Footnote 7, the City issued new debt including two new capital leases and 2012 Certificates of Participations (COP) that refunded, on a current basis, outstanding balance of \$8.2 million for 2007 COP during current fiscal year.

Fund Level:

- Beginning fund balance of the El Charro Specific Plan and Other Special Revenues Fund was restated by a decrease \$0.4 million and an increase of \$4.8 million respectively due to the errors in revenue recognition.
- Governmental Fund balances increased to \$87.6 million in fiscal 2013 from \$85.9 million of restated fiscal year 2012 fund balance.
- Governmental Fund revenues decreased to \$114.2 million in fiscal 2013, down \$21.6 million from the prior year's \$135.8 million.
- Governmental Fund expenditures decreased to \$118.7 million in fiscal 2013, down \$14.3 million from fiscal 2012's level of \$133.0 million.



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- Governmental Fund other financing sources (uses) and special items were \$6.2 million in fiscal 2013 that included new debt proceeds of \$6.0 million.
- Enterprise Fund total assets increased to \$263.6 million from \$261.8 million in fiscal 2012, an increase of \$1.8 million.
- Enterprise Fund total debt decreased \$1.1 million from \$19.0 million in prior year to \$17.9 million in the current year. This net decrease was due to scheduled debt service payments.
- Enterprise Fund revenues increased to \$42.8 million in fiscal 2013, up \$5.8 million from the prior year's \$37.0 million. The increase is primarily due to \$3.2 million in Airport Fund revenues from capital grants, fuel sales and land release payments, as well as Water Fund revenues from water sale.
- Enterprise Fund expenses increased \$5.4 million from \$41.2 million in fiscal 2012 to \$46.6 million due to a \$2.1 million runway overlay projects at the airport and other capital improvement projects as well as increased cost of services and supplies.

(B) Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

The *Statement of Activities* presents information showing how the City's Net Position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. This is known as the full accrual basis of accounting.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include city council, city manager, city attorney, city clerk, finance, human resources, fire, police, public services, community development, and library. The business-type activities of the City include airport, water, sewer, and golf courses.

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

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



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Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may be useful in evaluating the City's near-term financial requirements. The basis of accounting in governmental funds is known as the modified accrual basis.

The focus of fund financial statements is narrower than that of government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By so doing, the reader may better understand the long-term impact of the City's near-term financing decisions.

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

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its airport, water, sewer, and golf course activities. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions including public liability, workers compensation, fleet and equipment services, information technology, and facilities rehabilitation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all 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 propriety fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the *Supplemental Information* section of this report.

Fiduciary Statements

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



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Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data reported in the government-wide and fund financial statements. The notes to the basic financial Statements are found on pages 61-113.

Supplemental Information

The *combining statements for non-major governmental funds* are found on pages 122-139. Combining and individual fund statements and schedules for the internal service funds and fiduciary funds can be found on pages 141-150 of this report.

(C) Government-wide Financial Analysis

As noted earlier, the City’s net position may serve over time as a useful indicator of whether the City’s financial position is improving or deteriorating. Other factors, such as market conditions, should be considered in measuring the City’s overall financial position. Reclassifications are made to the prior year’s financial statements to conform to the current year’s presentation.

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

Governmental Activities

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

	2013	2012
Cash and investments	\$95.7	\$94.8
Other assets	31.0	38.1
Capital assets	352.2	334.2
Total assets	478.9	467.1
Long-term debt outstanding	85.1	73.8
Other liabilities	50.7	51.3
Total liabilities	135.8	129.0
Net Position:		
Net investment in capital assets	278.1	259.4
Restricted	22.5	16.2
Unrestricted	42.7	66.4
Total net position	\$343.3	\$342.0

The City’s governmental Net Position amounted to \$343.3 million at June 30, 2013, an increase of \$1.3 million over 2012. This increase in the Change in Net Position is reflected in the Governmental Activities column of the Statement of Activities shown in Table 2.



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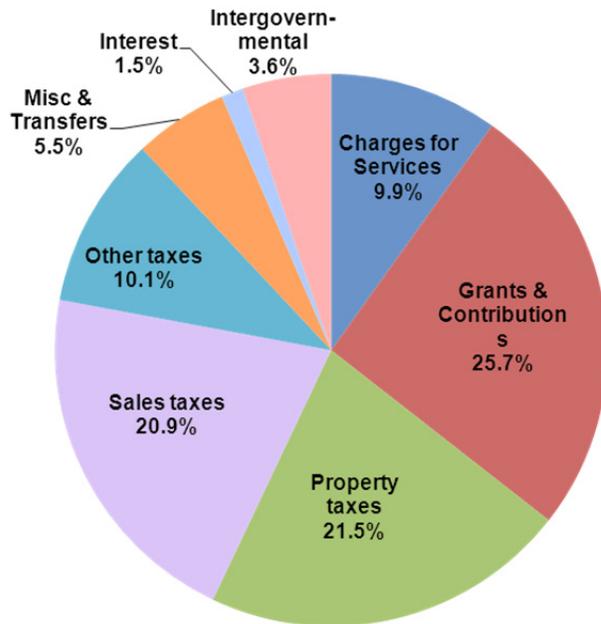
The City's Net Position at June 30, 2013 comprised the following:

- Cash and investments comprised \$11.0 million of cash with trustee related to debt issues and \$85 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 up \$0.9 million from 2012.
- Accounts and interest receivable of \$13.6 million, all current, along with notes receivable of \$14.0 million that are due over longer periods of time, as explained in Note 5 to the financial statements.
- Land held for redevelopment purposes remained at \$2.3 million as in prior year
- Capital assets were \$261.0 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 is \$91.3 million including the conveyances of infrastructure property from developers.
- Current liabilities, including accounts payable, claims and other amounts due currently, totaling \$21.7 million. This is an increase of \$8.1 million.
- Deposits payable and unearned revenue of \$4.8 million, primarily represent developer performance deposits, which are refundable if the developers performs City required improvements. This is a decrease of \$11.8 million from 2012 restated balance of \$16.6 million which is due to reclassification of certain liabilities to the agency fund. Also, as described in Note 9 to the financial statements, a correction of error in revenue recognition resulted in \$4.3 million of decrease in liabilities with corresponding increase in revenues and beginning net position.
- Long-term debt of \$85.1 million, of which \$75.7 million is due in future years and \$9.4 million, is due currently. Long-term debt has increased \$19.4 million compared to the last year primarily due to two capital leases to upgrade the City's permit system and energy conservation respectively.
- Net investment in capital assets of \$278.1 million or 81.0% represents the City's investment in infrastructure and other capital assets used in Governmental activities, net of amounts borrowed to finance that investment as shown on table 10 on page 33. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for these liabilities.
- Restricted Net Position totaling \$22.5 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 Position, the part of Net Position 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 \$42.7 million of Unrestricted Net Position at June 30, 2013.

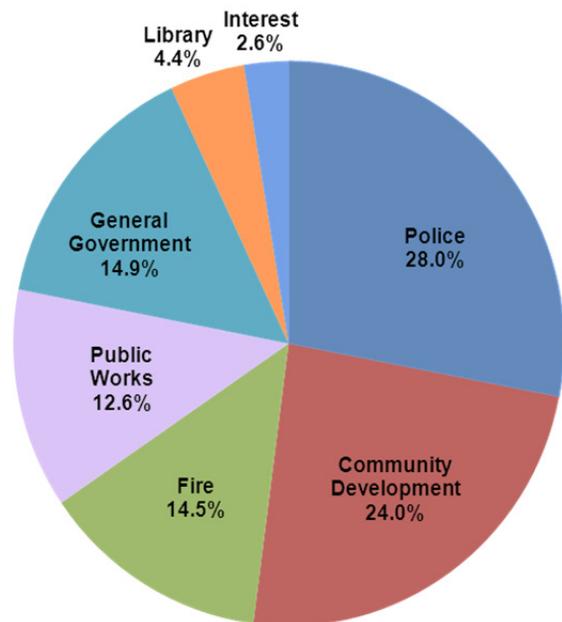
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Fiscal Year 2013 Citywide Governmental Activities

Sources of Revenue



Functional Expenses



As the Sources of Revenue Chart above shows 21.5% of the City's fiscal 2013 governmental activities revenue came from property taxes, while 20.9% came from sales tax, 10.1% came from other taxes, 9.9% came from charges for services, 25.7% came from grants and contributions, and 5.5% came from miscellaneous revenues, transfers, including an extraordinary loss. The remaining 5.1% came from intergovernmental and interest revenue.

The Functional Expenses Chart above includes only fiscal year 2013 expense; it does not include capital outlays, which are added to the City's capital assets. As the chart shows, Police accounted for 28.0% of total governmental expenses, Community Development accounted for 24.0%, Fire accounted for 14.5%, Public Works accounted for 12.6% and other governmental programs and functions accounted for the remaining 21.9%.



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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 Position summarized below.

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

	Governmental Activities	
	2013	2012
Expenses		
General Government	\$16.7	\$18.1
Fire	15.0	15.8
Police	31.4	27.9
Public Works	14.2	15.0
Community Development	26.9	22.8
Library	4.9	5.8
Redevelopment		1.4
Interest on long term debt	2.9	2.5
Total expenses	<u>112.0</u>	<u>109.3</u>
Revenues		
Program revenues:		
Charges for services	11.2	9.2
Operating contributions and grants	10.6	8.3
Capital grants and contributions	18.3	46.8
Total program revenues	<u>40.1</u>	<u>64.3</u>
General revenues:		
Property taxes	24.3	25.2
Sales taxes	23.7	20.8
Other taxes	11.5	9.8
Intergovernmental	5.9	5.6
Interest	1.5	2.4
Miscellaneous	7.7	8.1
Total general revenues	<u>74.6</u>	<u>71.9</u>
Extraordinary item	-1.7	25.1
Surplus before transfers	1.0	52.0
Transfers, net	0.2	0.2
Changes in net position	<u><u>\$1.2</u></u>	<u><u>\$52.2</u></u>

As Table 2 above shows, \$40.1 million, or 35.0%, of the City's fiscal 2013 Governmental revenue, came from program revenues (before extraordinary items and transfers) and \$74.6 million, or 65.0%, came from general revenues such as taxes and interest. Program revenues decreased \$24.2 million largely due to more capital grants and contributions in prior year related to the construction of Livermore Premium Outlets, while general revenues increased \$2.7 million in the current year primarily due to the opening of the Livermore Premium Outlets which resulted in significant growth of revenues generated by sales tax, property tax, business license tax, and transient occupancy tax. Another reason for the sales tax revenue was a six year old sales tax dispute finally being resolved with the City receiving a one-time settlement of approximately \$1.5 million.



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Overall, the property tax grew by approximately \$1.0 million including a large recapture of assessed valuation of properties by the County Assessor’s Office. The Extraordinary item in fiscal 2013 represents \$1.7 million extraordinary loss due to the transfer of two parcels of the land to the Successor Agency to the Redevelopment Agency Private Purpose Trust Fiduciary Fund.

Program revenues were composed of charges for services of \$11.2 million which include permit revenues, fees and charges used to fund expenses incurred in providing services; \$10.6 million of operating grants and contributions which include gas tax revenues and housing and police grants and capital grants and contributions of \$18.3 million which consist mainly of street project grants and developer impact fees restricted to capital outlay. Operating Grants and Contributions increased by \$2.3 million. Capital Grants and Contributions were down \$28.5 million. This is largely attributed to the completion of Phase I of the El Charro Specific Infrastructure Project in the beginning of fiscal year 2013.

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 2013.

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

	<u>2013</u>	<u>2012</u>
General Government	(\$16.4)	(\$16.6)
Fire	(13.7)	(14.6)
Police	(29.3)	(25.2)
Public Works	(13.2)	(14.4)
Community Development	8.4	36.8
Economic Development	0.0	(1.4)
Library	(4.7)	(5.6)
Redevelopment	0.0	(1.4)
Interest on long term debt	<u>(2.9)</u>	<u>(2.5)</u>
Totals	<u>(\$71.8)</u>	<u>(\$44.9)</u>



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Business-type Activities

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

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

	Business-Type Activities	
	2013	2012
Cash and investments	\$81.5	\$80.9
Other assets	27.4	19.3
Capital assets	157.6	159.4
Total assets	266.5	259.6
Long-term debt outstanding	17.9	18.9
Other liabilities	3.5	3.5
Total liabilities	21.4	22.4
Net position:		
Net investment in capital assets	144.5	144.7
Unrestricted	93.2	92.4
Total net position	\$237.7	\$237.1

The Net Position of business-type activities increased to \$237.7 million in current year from \$237.1 million in fiscal year 2012, a slight increase of \$0.6 million. A net decrease of \$1.0 million in long-term debt outstanding on June 30, 2013 was due to the scheduled amortization of principal offset by the addition of new long-term debt. See Note 7 to the financial statements for more information.

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

	Business-type Activities	
	2013	2012
Expenses		
Airport	\$8.1	\$5.6
Water	11.9	11.5
Sewer	25.6	22.5
Las Positas Golf Course	2.6	2.5
Springtown Golf Course	0.0	0.0
Total expenses	\$48.2	\$42.1
Revenues		
Program Revenues:		
Charges for Services	\$42.1	\$38.8
Capital Grants and Contributions	6.7	1.4
Total Program Revenues	48.8	40.2
General Revenues	0.2	6.0
Transfers, net	(0.2)	(0.2)
Changes in net position	\$0.60	\$3.90



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Total program revenues of Business-type Activities were \$48.8 million in the current fiscal year, up from \$40.2 million in the prior year due primarily to \$2.1 million in Airport capital grant, \$1.8 million in contributed assets to Sewer, \$2.3 million for Sewer connection fees, and 1.7 million in water service charges. General revenues, comprising of the City’s investment in LAVWMA joint venture, declined to \$0.2 million from \$6.0 million in prior year. This was attributed primarily to the initial reporting of the equity in the prior fiscal year. Program expenses increased \$6.1 million to a total of \$48.2 million primarily due to major repair and maintenance projects at the airport, various water and sewer capital improvement projects, as well as minor increase in overall services and supplies costs.

Net transfers increased expenses by \$0.2 million.

The City’s Fund Financial Statements

Certain amounts included in the liabilities in the prior year’s financial statements are reclassified to the deferred inflows to conform to the current year’s presentation. Table 6 below summarizes Governmental Activity and balances at the fund level:

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

	<u>2013</u>	<u>2012</u>
Governmental Funds		
Total assets	\$111.9	\$140.4
Total liabilities	14.2	45.2
Total deferred inflows	10.1	9.3
Total fund balances	87.6	85.9
Total revenues	114.2	135.8
Total expenditures	118.7	133.0
Total other financing sources (uses) and special items	6.2	(4.2)

As described in Note 9 to the financial statements, the City restated the July 1, 2012 beginning fund balances of El Charro Specific Plan Fund and Other Special Revenues Fund for the correction of errors to properly state deposit liabilities, unearned revenue, and revenues. This resulted in a decrease of \$0.4 million in beginning fund balance of the El Charro Specific Plan Fund and an increase of \$4.5 million in the beginning fund balance of the Other Special Revenues Fund.

At June 30, 2013, the City’s governmental funds reported combined fund balances of \$87.6 million, which is an increase of \$1.7 million from the prior year restated fund balance of \$85.9 million. During the current fiscal year the City recorded an allowance of \$7.5 million to reduce loan receivables from the Successor Agency to the Redevelopment Agency as described in the Footnote 5.



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Governmental fund revenues showed a decrease of \$21.6 million to \$114.2 million, while expenditures decreased \$14.3 million to a total of \$118.7 million. Expenditures included capital outlays of \$13.8 million, \$10.1 million in debt service, and \$5.5 million to record an allowance for doubtful loan receivable from the Livermore Successor Agency (See Notes 5 and 15 to the financial statement). The decrease in revenues was primarily due to a decrease of \$26.4 million in intergovernmental revenues for El Charro Specific Plan fund as the Phase I of the Livermore Premium Outlets got completed in the beginning of the current fiscal year. The decrease in the intergovernmental revenue was slightly compensated by the increase in property tax, sales tax, and miscellaneous revenue as discussed below. The decrease in expenditures was due to completion of Phase I of El Charro Specific Plan also known as Livermore Premium Outlets. Other financing sources (uses) and special items increased to \$6.2 million in fiscal 2013 from a -\$4.2 million in fiscal 2012 largely due to new debt proceeds of \$6.0 million in the current year and net extraordinary loss of \$3.4 million related to the dissolution of former redevelopment agency in the prior year.

Analyses of Major Governmental Funds

General Fund

Revenues showed an increase of \$11.2 million to \$87.4 million in the fiscal year 2013 compared to \$76.2 million for the fiscal year 2012. During the current fiscal year property tax and sales tax revenues increased \$1.0 million and \$2.9 million respectively. The main factors for increase in the property tax were the recapture of assessed valuation by the county as well as increase in property tax due to the opening of the Livermore Premium Outlets. As mentioned earlier the sales tax growth is due to final settlement of a 6 year old sales tax dispute as well as opening of the Livermore Premium Outlets. Also, miscellaneous revenues saw a large increase of \$4.6 million compared to the prior fiscal year which was primarily due to the credits of \$3.3 million given by the Airport Enterprise Fund for the land and easement swaps as well as a sales tax claim settlement with a California City.

Expenditures showed an increase of \$1.5 million to \$77.8 million for the current fiscal year compared to the actual expenditure of 76.3 million for the prior fiscal year. \$4.3 million of the increase is reported under capital expenditures due to the land and easement swaps with the Airport Enterprise Fund. General Services' expenditures increased by \$4.9 million largely due to the contributions towards OPEB health costs, Facility Maintenance, and General Liability. The expenditures grew by \$1.1 million for Police primarily due to increased workers compensation costs.



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The table below shows the budgetary variances between the original two-year budget approved in 2012 versus the final amended budget for fiscal 2013 that was approved on June 10, 2013 and reflects the change in economic expectations between the two time periods. The largest variance in the revenues was due to the sales tax budgeted in anticipation of final settlement of 6 year old sales tax dispute with Owens & Minor and the opening of the Livermore Premium Outlets. As to expenditures, the largest negative variance of \$1.2 million was in Police expenditures due to anticipated open unfilled positions. Other significant variance was \$1.0 million for General Service expenditures due to the County property tax administration fee and HDL renegotiated fee being lower than expected. Overall revenues had a net positive variance of \$5.8 million and expenditures had a net negative variance of \$3.5 million.

**Table 7
General Fund Budgetary Variance Analysis**

	Approved June	Approved June	Variance Final Budget to Original	
	14, 2010	10, 2013	Final Budget	Budget
	Original	Final	Positive/ (Negative)	%
Revenues:				
Property taxes	\$ 23,115,000	\$ 23,791,000	\$ 676,000	2.92%
Sales taxes	19,987,220	24,654,850	4,667,630	23.35%
Other taxes	10,203,000	10,898,000	695,000	6.81%
Licenses and permits	2,168,000	2,398,000	230,000	10.61%
Intergovernmental	6,848,850	7,198,850	350,000	5.11%
Fines and forfeitures	665,000	310,000	(355,000)	-53.38%
Other in lieu taxes	7,800	7,800	-	0.00%
Charges for current service	8,877,500	9,517,050	639,550	7.20%
Use of money and property	2,733,000	2,081,850	(651,150)	-23.83%
Miscellaneous	1,196,050	708,550	(487,500)	-40.76%
Totals	75,801,420	81,565,950	5,764,530	7.60%
Expenditures:				
General Government:				
City Council	\$ 182,910	\$ 153,770	\$ 29,140	15.93%
City Manager	1,108,660	1,267,060	(158,400)	-14.29%
City Attorney	1,209,385	1,262,815	(53,430)	-4.42%
City Clerk	572,110	550,340	21,770	3.81%
Administrative Services	3,025,910	3,092,369	(66,459)	-2.20%
General Services	5,430,573	6,431,945	(1,001,372)	-18.44%
Fire	13,948,659	14,323,369	(374,710)	-2.69%
Police	25,390,200	26,610,608	(1,220,408)	-4.81%
Public Works	4,878,378	5,179,798	(301,420)	-6.18%
Community Development	12,735,323	12,932,215	(196,892)	-1.55%
Library	4,127,305	4,228,379	(101,074)	-2.45%
Capital projects	314,327	354,827	(40,500)	-12.88%
Totals	72,923,740	76,387,495	(3,463,755)	-4.75%



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The following table shows the final amended budget approved on June 10, 2013 and the actual results as of June 30, 2013. The variances computed are between the final budget and actual results. The largest contributor to the variance was in miscellaneous revenues that included credits of \$3.3 million given by the Airport enterprise fund for the land and easement swap with the general fund as well as a claim settlement. Largest negative variance of \$4.1 million was for capital projects that included expenditures of approximately \$4.0 million related to the land and easement swap with the Airport fund mentioned above. Other significant variance was \$1.1 million for Community Development expenditures due to the vacant positions those were budgeted but not filled. Overall revenues had a net positive variance of \$5.9 million and expenditures had a net negative variance of \$1.4 million.

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

	Budget Approved June 10, 2013	As of June 30, 2013	Variance Final Budget to Actual Positive/ (Negative)	Variance Final Budget to Actual %
	Final	Actual		%
Revenues:				
Property taxes	\$ 23,791,000	\$ 24,125,251	\$ 334,251	1.40%
Sales taxes	24,654,850	23,711,235	(943,615)	-3.83%
Other taxes	10,898,000	11,458,125	560,125	5.14%
Licenses and permits	2,398,000	2,782,819	384,819	16.05%
Intergovernmental	7,198,850	7,180,163	(18,687)	-0.26%
Fines and forfeitures	310,000	353,754	43,754	14.11%
Other in lieu taxes	7,800	7,924	124	1.59%
Charges for current services	9,517,050	9,831,184	314,134	3.30%
Use of money and property	2,081,850	1,428,549	(653,301)	-31.38%
Miscellaneous	708,550	6,536,591	5,828,041	822.53%
Totals	<u>81,565,950</u>	<u>87,415,595</u>	<u>5,849,645</u>	<u>7.17%</u>
Expenditures:				
General Government:				
City Council	153,770	142,040	11,730	7.6%
City Manager	1,267,060	1,152,488	114,572	9.0%
City Attorney	1,262,815	1,325,258	(62,443)	-4.9%
City Clerk	550,340	537,363	12,977	2.4%
Finance	3,092,369	2,985,729	106,640	3.4%
General Services	6,431,945	6,156,989	274,956	4.3%
Fire	14,323,369	14,505,466	(182,097)	-1.3%
Police	26,610,608	25,828,605	782,003	2.9%
Public Works	5,179,798	4,884,221	295,577	5.7%
Community Development	12,932,215	11,810,808	1,121,407	8.7%
Library	4,228,379	4,063,735	164,644	3.9%
Capital projects	354,827	4,438,163	(4,083,336)	-1150.8%
Totals	<u>76,387,495</u>	<u>77,830,865</u>	<u>(1,443,370)</u>	<u>-1.9%</u>



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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 2013, capital expenditures amounted to \$2.8 million.

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

El Charro

This fund is the capital project fund for the El Charro Specific Infrastructure Plan. This project will design and construct public infrastructure to serve the El Charro Specific Plan Area. During fiscal 2013 capital expenditures amounted to \$6.5 million. As mentioned earlier, the City restated beginning fund balance of this fund to correct the error in recording of the unearned revenues that resulted in a decrease of \$0.4 million in beginning fund balance.

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, 2013 the City held \$3.1 million in unearned revenues and performance deposits on behalf of developers.

LCPFA 2011 COP Construction Fund

This fund accounts for the bond proceeds from the LCPFA 2011 COP debt issue. The bond proceeds are expended for the construction of certain City capital projects. As of June 30, 2013 \$1.3 million of bond proceeds were held by the fiscal agent.

Other Governmental Funds

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



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Analysis of Major Business-type Activities – Enterprise Funds

Airport Fund

Airport Fund operating income increased by \$3.2 million to \$9.1 million in fiscal year 2013 compared to \$5.9 million in the prior fiscal year. This is due primarily to the capital grants from FAA as well as an increase of approximately \$1 million in a land and easement swap with the general fund. Other increases are due to increase in fuel sales.

Water Fund

Water Fund had an operating gain of \$0.7 million compared to a loss of a \$0.4 million in fiscal year 2012 due to water rate increase in July 2012 as well as an increase in the amount of connection fee revenue from a larger number of new development projects.

Operating revenues increased by \$1.3 million in the current fiscal year. The increase is primarily due to an increase in water rates as well as an increase in water consumption.

Net Non-Operating revenues increased to \$0.5 million in fiscal 2013 from \$0.4 million in fiscal 2012. This is attributed to growth in development in the City and an increase in water connection fees revenues.

Sewer Fund

Sewer Fund operating loss amounted to \$6.2 million in fiscal 2013, up from \$3.9 million in fiscal 2012.

Operating revenues amounted to \$18.5 million in fiscal 2013, up from \$18.3 million in 2012 while operating expenses increased \$2.5 million to \$24.7 million in fiscal 2013 from \$22.2 million in the prior year. The increase is mainly the result of increased cost of sales and services including costs related to LAVWMA and capital improvement projects completed during the current year.

Net Non-Operating revenues decreased \$5.0 million to \$2.3 million in fiscal 2013 from \$7.3 million in fiscal 2012. This was attributed primarily to the initial reporting in the prior fiscal year for the City's investment in the LAVWMA joint venture of \$6.0 million.

Las Positas Golf Course Fund

The Las Positas Golf Course Fund generated a net operating gain of \$0.3 million for the current year compared to a loss of \$0.4 million in the prior fiscal year. The change is primarily a result of lower than normal revenues in the prior fiscal year due to the 9-hole executive course closure for eleven months for the renovations while the current year generated more than normal revenues because of re-opening of newly upgraded golf course.

Successful remodel of the golf course, where all 27 holes were once again open and favorably received by the public, generated additional green fees. Secondly, the golf operator contracts were restructured to provide the Enterprise with a 100% share of facility revenue, primarily golf cart rentals, driving range fees, and merchandise sales, as well as higher restaurant rent. As a result, operating revenues were up by \$1.1 million at \$3.0 million in the current year compared to \$1.9 million in the prior year. Operating expenses had a slight increase of \$0.4 million in fiscal 2013 which was also due to the golf operator contract restructuring.

Springtown Golf Course Fund

Fund had a small operating loss for the year. In fiscal 2010, the City leased the Springtown Golf Course, to be operated independently of City oversight. The lessee will pay the City \$6,000 per year of rent, and is responsible for all revenues and expenditures.



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(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 eight years ago and City staff has implemented these adjustments.

At the end of fiscal 2013 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)**

	2013	2012
Governmental Activities		
Land	\$ 36.1	\$ 33.5
Construction in progress	55.2	55.6
Buildings	97.9	97.9
Equipment	17.5	17.4
Infrastructure	298.4	271.9
Internal service fund equipment and vehicles	12.8	12.2
Less accumulated depreciation	(165.7)	(155.4)
Totals	\$ 352.2	\$ 333.1
Business-type Activities		
Land	\$ 14.2	\$ 13.9
Construction in progress	4.3	7.6
Land Improvements	0.6	0.6
Buildings	22.2	22.2
Equipment and vehicles	2.9	2.8
Golf Course Infrastructure	7.3	7.3
Sewer Infrastructure	224.7	217.1
Water Infrastructure	44.2	42.6
Airport Infrastructure	11.1	11.0
Less accumulated depreciation	(173.8)	(165.7)
Totals	\$ 157.7	\$ 159.4

The principal additions for governmental activities in fiscal 2013 were for construction in progress for the infrastructure CIP projects as well as \$5.2 million in conveyed property from the Developers. 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.



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(E) Debt Administration

Each of the City’s debt issues is discussed in detail in Note 7 to the financial statements. At June 30, 2013 and 2012 the City’s debt comprised:

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

	<u>2013</u>	<u>2012</u>
Governmental Activity Debt:		
Certificates of Participation	\$61.5	\$64.1
Capital Lease Obligation	13.5	-
Loans and Note Payable	<u>10.2</u>	<u>10.2</u>
Totals	<u><u>\$85.2</u></u>	<u><u>\$74.3</u></u>
 Business Type Activity Debt:		
Certificates of Participation	\$16.6	\$17.3
State Water Reclamation Loans	0.8	1.6
Capital Lease Obligation	<u>0.5</u>	<u>-</u>
Totals	<u><u>\$17.9</u></u>	<u><u>\$18.9</u></u>

In fiscal 2013, governmental activities added new debt of \$19.4 million and retired \$8.6 million of debt while business-type activity added new debt of \$3.0 million and retired \$4.1 million of debt. New debt was largely related to the new capital lease purchase agreement with Chevron to install solar panels and LED street lights throughout the City as well as issuance of 2012 COP that refunded 2007 COP on a current basis.

(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, 2013, a total of \$48.7 million in special assessment district debt was outstanding, issued by four special assessment districts. This debt is secured only by special assessments on the real property in the district issuing the debt, and is not the City’s responsibility. The City does act as these Districts’ agent in the collection and remittance of assessments, and in the management of facilities construction. Further detail on these districts may be found in Note 8 to the financial statements.

(G) Economic Factors and Outlook

The recovery of economy continues to have a positive impact on the City’s fiscal outlook and although development and tax revenues have increased, the City plans to remain fiscally conservative in regards to future forecasts in case the economic growth stalls or falters. Several factors including unfunded pension, other post-employment benefits (OPEB) liabilities, and escalating healthcare costs continue to cause concern about the sustainability of its fiscal health. During the Economic downturn, the City purposefully underfunded several long-term liabilities, most notably OPEB and as a result of deferring these costs, the unfunded liability has ballooned to over \$100 million. OPEB is a complex and difficult issue that cannot be solved unilaterally. As such the City is in process of developing a comprehensive strategy to address this situation.



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(H) Requests for Information

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



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Government-Wide Financial Statements Statement of Net Position and Activities

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

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

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

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

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

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

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

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



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STATEMENT OF NET POSITION JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments in City Treasury (Note 3)	\$ 84,767,107	\$ 76,788,508	\$ 161,555,615
Cash and investments with Trustees (Note 3)	10,981,511	4,759,408	15,740,919
Accounts receivables, net	13,216,560	2,839,442	16,056,002
Interest receivable	360,228		360,228
Inventory	328,363	186,181	514,544
Investment in JPA - LAVWMA (Note 12A)	-	16,629,585	16,629,585
Internal balances (Note 4D)	(297,082)	297,082	-
Prepays, deposits and supplies	1,150,269	423	1,150,692
Notes receivable (Note 5)	13,960,396	-	13,960,396
Land held for redevelopment (Note 1J)	2,292,006	-	2,292,006
Land and construction in progress (Note 6)	91,289,694	19,106,765	110,396,459
Capital assets, net of accumulated depreciation (Note 6)	260,941,751	138,482,786	399,424,537
Total Assets	478,990,803	259,090,180	738,080,983
LIABILITIES			
Accounts payable and other accruals	7,730,784	2,093,892	9,824,676
Accrued payroll	1,825,697	343,697	2,169,394
Interest payable	1,391,557	116,153	1,507,710
Deposit payable and unearned revenue	4,772,418	529,924	5,302,342
Claims payable (Note 13B)			
Due within one year	391,524	-	391,524
Due in more than one year	3,934,543	-	3,934,543
Accrued compensated absences (Note 1G):			
Due within one year	972,185	194,396	1,166,581
Due in more than one year	1,570,013	244,032	1,814,045
Net OPEB obligation (Note 10)	28,063,988	-	28,063,988
Long-term debt (Note 7):			
Due within one year	9,367,818	1,804,101	11,171,919
Due in more than one year	75,751,543	16,057,926	91,809,469
Total Liabilities	135,772,070	21,384,121	157,156,191
NET POSITION (Note 9)			
Net investment in capital assets	278,093,595	144,486,932	422,580,527
Restricted:			
Capital projects	2,063,675	-	2,063,675
Debt service	753,312	-	753,312
Special assessment administration	6,331,193	-	6,331,193
Special revenue programs			
Solid waste	870,035	-	870,035
City street sweeping	284,256	-	284,256
Park fee	2,213,467	-	2,213,467
Impact fee	2,804,071	-	2,804,071
Grants	2,507,009	-	2,507,009
Other Special revenues	4,627,121	-	4,627,121
Unrestricted	42,670,999	93,219,127	135,890,126
Total Net Position	\$ 343,218,733	\$ 237,706,059	\$ 580,924,792

See accompanying notes to financial statements



Comprehensive Annual Financial Report FY 2012-2013

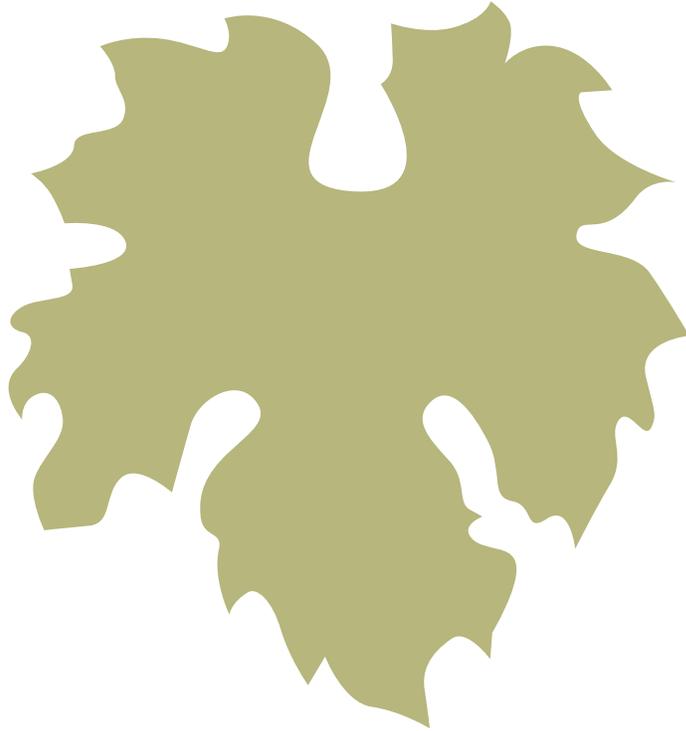
STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General Government	\$ 16,669,390	\$ 125,000	\$ 174,705	\$ -	\$ (16,369,685)	\$ -	\$ (16,369,685)
Fire	15,044,679	1,254,438	-	-	(13,790,241)	-	(13,790,241)
Police	31,441,958	1,239,236	882,286	-	(29,320,436)	-	(29,320,436)
Public Works	14,161,650	311,393	642,501	-	(13,207,756)	-	(13,207,756)
Community Development	26,867,068	8,076,312	8,830,834	18,349,337	8,389,415	-	8,389,415
Library	4,906,056	150,179	84,299	-	(4,671,578)	-	(4,671,578)
Interest on long term debt	2,886,993	-	-	-	(2,886,993)	-	(2,886,993)
	<u>111,977,794</u>	<u>11,156,558</u>	<u>10,614,625</u>	<u>18,349,337</u>	<u>(71,857,274)</u>	<u>-</u>	<u>(71,857,274)</u>
Business-type Activities:							
Airport	8,098,139	7,609,923	-	2,077,919	-	1,589,703	1,589,703
Water	11,860,758	13,083,389	-	574,086	-	1,796,717	1,796,717
Sewer	25,582,473	18,474,750	-	4,011,790	-	(3,095,933)	(3,095,933)
Las Positas	2,631,759	2,957,505	-	-	-	325,746	325,746
Springtown	16,568	6,000	-	-	-	(10,568)	(10,568)
	<u>48,189,697</u>	<u>42,131,567</u>	<u>-</u>	<u>6,663,795</u>	<u>-</u>	<u>605,665</u>	<u>605,665</u>
Total	<u>\$ 160,167,491</u>	<u>\$ 53,288,125</u>	<u>\$ 10,614,625</u>	<u>\$ 25,013,132</u>	<u>(71,857,274)</u>	<u>605,665</u>	<u>(71,251,609)</u>
General revenues:							
Property taxes					24,340,228	-	24,340,228
Sales taxes					23,711,235	-	23,711,235
Business license taxes					4,031,849	-	4,031,849
Transient occupancy and franchise taxes					7,434,199	-	7,434,199
Intergovernmental, unrestricted					5,893,271	-	5,893,271
Interest					1,458,335	-	1,458,335
Miscellaneous					7,723,668	-	7,723,668
Change of value of investment in JPA - LAVWMA					-	152,214	152,214
Extraordinary item (Note 15A)							-
Assets transferred to Successor Agency					(1,704,483)	-	(1,704,483)
Transfers, net (Note 4B)					175,216	(175,216)	-
Total general revenues, transfers and extraordinary item					<u>73,063,518</u>	<u>(23,002)</u>	<u>73,040,516</u>
Change in Net Position					<u>1,206,244</u>	<u>582,663</u>	<u>1,788,907</u>
Net Position-Beginning, as restated (Notes 9D)					<u>342,012,489</u>	<u>237,123,396</u>	<u>579,135,885</u>
Net Position-Ending					<u>\$ 343,218,733</u>	<u>\$ 237,706,059</u>	<u>\$ 580,924,792</u>

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 for the fiscal year ending on June 30, 2013. 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. Financing is provided by the Water Enterprise Fund, Storm Drain Fund, Traffic Impact Fee Fund, LCPFA 2008 and 2011 COPs Construction Funds, Alameda County Zone 7 Water Agency, Alameda County Transportation Commission Grant Funds, State grants, City of Pleasanton, and development impact fees collected.

DEVELOPER DEPOSITS CAPITAL PROJECTS

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

LCPFA 2011 COP CONSTRUCTION FUND

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



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**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013**

	<u>General</u>	<u>Isabel Avenue</u>	<u>El Charro Specific Plan</u>
ASSETS			
Cash and investments in City Treasury (Note 3)	\$ 17,796,011	\$ 167,187	\$ 4,747,622
Cash and investments with Trustees (Note 3)	-	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	9,541,911	103,846	438,358
Interest receivable	360,228	-	-
Due from other funds (Note 4A)	302,795	-	79,338
Advances to other funds (Note 4C)	6,409,814	-	-
Prepays and deposits	72,473	-	-
Notes receivable (Note 5)	350,000	-	-
Land held for redevelopment (Note 1J)	-	-	-
Total Assets	<u><u>\$ 34,833,232</u></u>	<u><u>\$ 271,033</u></u>	<u><u>\$ 5,265,318</u></u>
LIABILITIES			
Accounts payable and other accrued liabilities	1,617,121	143,288	6,895
Accrued payroll and benefits	1,653,302	-	-
Interest payable	-	-	-
Deposit payable	-	2,722	377
Due to other funds (Note 4A)	-	-	-
Advance from other funds (Note 4C)	930,663	-	-
Unearned rents and revenue	4,477	-	-
Total Liabilities	<u><u>4,205,563</u></u>	<u><u>146,010</u></u>	<u><u>7,272</u></u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	560,000	-	-
Total deferred inflows of resources	<u><u>560,000</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND BALANCES (Note 9)			
Nonspendable	\$ 6,832,287	\$ -	\$ -
Restricted	-	125,023	5,258,046
Committed	12,003,511	-	-
Assigned	8,002,341	-	-
Unassigned	3,229,530	-	-
Total fund balances (deficits)	<u><u>30,067,669</u></u>	<u><u>125,023</u></u>	<u><u>5,258,046</u></u>
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	<u><u>\$ 34,833,232</u></u>	<u><u>\$ 271,033</u></u>	<u><u>\$ 5,265,318</u></u>

See accompanying notes to financial statements



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<u>Developer Deposits</u>	<u>LCFPA 2011 COP Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,094,208	\$ -	\$ 45,473,270	\$ 71,278,298
-	1,277,585	3,000,311	4,277,896
27,363	-	2,727,511	12,838,989
-	-	-	360,228
-	-	-	382,133
-	-	-	6,409,814
-	-	4,436	76,909
-	-	13,610,396	13,960,396
-	-	2,292,006	2,292,006
<u>\$ 3,121,571</u>	<u>\$ 1,277,585</u>	<u>\$ 67,107,930</u>	<u>\$ 111,876,669</u>
-	-	1,220,141	2,987,445
-	-	79,766	1,733,068
-	-	14,446	14,446
36,952	-	953,218	993,269
-	-	269,622	269,622
-	-	3,936,407	4,867,070
<u>3,084,619</u>	<u>-</u>	<u>214,810</u>	<u>3,303,906</u>
<u>3,121,571</u>	<u>-</u>	<u>6,688,410</u>	<u>14,168,826</u>
-	-	9,548,890	10,108,890
-	-	9,548,890	10,108,890
\$ -	\$ -	\$ -	\$ 6,832,287
-	1,277,585	51,863,647	58,524,301
-	-	-	12,003,511
-	-	-	8,002,341
-	-	(993,017)	2,236,513
-	1,277,585	50,870,630	87,598,953
<u>\$ 3,121,571</u>	<u>\$ 1,277,585</u>	<u>\$ 67,107,930</u>	<u>\$ 111,876,669</u>



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

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

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

Amount reported in the Governmental Balance Sheet as Fund Balance \$ 87,598,953

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 352,231,445

ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The assets and liabilities of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	13,488,809
Cash and investment with trustee	6,703,615
Accounts receivable	377,571
Inventory	328,363
Internal balances	(1,952,337)
Prepays, deposits and supplies	1,073,360
Accounts payable and other accruals	(4,743,339)
Accrued payroll	(92,629)
Interest payable	(14,976)
Deposits payable	(475,243)
Net pension obligation	(28,063,988)
Claims payable	(4,326,067)
Long term debt	(13,470,406)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 10,108,890

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

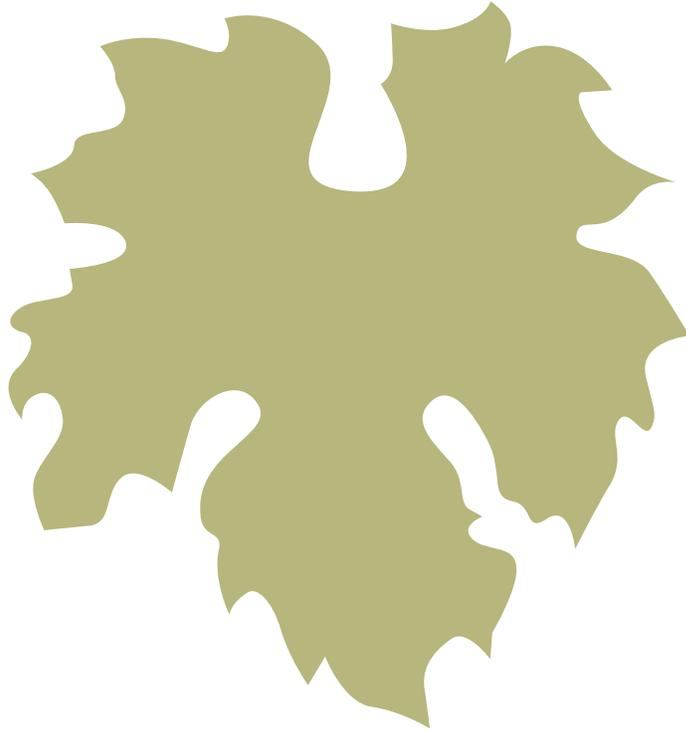
Non-current portion of compensated absences	(2,542,198)
Long-term debt	(71,648,955)
Interest payable	(1,362,135)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 343,218,733

See accompanying notes to financial statements



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**Comprehensive Annual Financial Report
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**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>General</u>	<u>Isabel Avenue</u>	<u>El Charro Specific Plan</u>
REVENUES			
Taxes and special assessments	\$ 24,125,251	\$ -	\$ -
Sales Taxes	23,711,235	-	-
Other taxes	11,466,049	-	-
Licenses and permits	2,782,819	-	-
Intergovernmental	7,180,163	227,327	628,540
Contributions from outside sources	42,164	-	324,916
Fines and forfeitures	353,754	-	-
Charges for current services	9,831,184	165,985	-
Use of money and property	1,428,549	-	-
Miscellaneous	6,494,427	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	87,415,595	393,312	953,456
EXPENDITURES			
Current:			
General Government:			
City Council	142,040	-	-
City Manager	1,152,488	-	-
City Attorney	1,325,258	-	-
City Clerk	537,363	-	-
Administrative Services	2,985,730	-	-
General Services	6,156,989	-	-
Fire	14,505,466	-	-
Police	25,828,605	-	-
Public Works	4,884,221	-	-
Community Development	11,810,808	2,598,098	-
Library	4,063,735	-	-
Capital Outlay:			
Capital projects	4,438,163	155,371	6,462,994
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	77,830,866	2,753,469	6,462,994
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	9,584,729	(2,360,157)	(5,509,538)
OTHER FINANCING SOURCES (USES)			
Proceeds from debt (Note 7)	-	-	-
Transfers in (Note 4B)	1,613,034	6,760,940	100,525
Transfers (out) (Note 4B)	(4,376,631)	-	(950,654)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(2,763,597)	6,760,940	(850,129)
NET CHANGE IN FUND BALANCES	<hr/>	<hr/>	<hr/>
	6,821,132	4,400,783	(6,359,667)
FUND BALANCES (DEFICITS)- BEGINNING, AS RESTATED (NOTE 9E)	<hr/>	<hr/>	<hr/>
	23,246,537	(4,275,760)	11,617,713
FUND BALANCES (DEFICITS)- ENDING	<hr/>	<hr/>	<hr/>
	\$ 30,067,669	\$ 125,023	\$ 5,258,046

See accompanying notes to financial statements



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

<u>Developer Deposits</u>	<u>LCFPA 2011 COP Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 2,799,728	\$ 26,924,979
-	-	-	23,711,235
-	-	-	11,466,049
-	-	-	2,782,819
-	-	12,489,035	20,525,065
-	-	165,819	532,899
-	-	-	353,754
-	-	8,829,640	18,826,809
-	326	205,152	1,634,027
<u>8,402</u>	<u>-</u>	<u>919,606</u>	<u>7,422,435</u>
<u>8,402</u>	<u>326</u>	<u>25,408,980</u>	<u>114,180,071</u>
-	-	174,705	316,745
-	-	53,713	1,206,201
-	-	-	1,325,258
-	-	-	537,363
-	-	-	2,985,730
-	-	-	6,156,989
-	-	-	14,505,466
-	-	1,262,575	27,091,180
-	-	881,806	5,766,027
-	-	16,199,465	30,608,371
-	-	168,943	4,232,678
-	-	2,744,340	13,800,868
-	-	8,583,683	8,583,683
-	-	1,554,416	1,554,416
<u>-</u>	<u>-</u>	<u>31,623,646</u>	<u>118,670,975</u>
<u>8,402</u>	<u>326</u>	<u>(6,214,666)</u>	<u>(4,490,904)</u>
-	-	5,964,051	5,964,051
-	-	13,876,423	22,350,922
-	(75,200)	(16,752,090)	(22,154,575)
<u>-</u>	<u>(75,200)</u>	<u>3,088,384</u>	<u>6,160,398</u>
8,402	(74,874)	(3,126,282)	1,669,494
<u>(8,402)</u>	<u>1,352,459</u>	<u>53,996,912</u>	<u>85,929,459</u>
<u>\$ -</u>	<u>\$ 1,277,585</u>	<u>\$ 50,870,630</u>	<u>\$ 87,598,953</u>



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

**RECONCILIATION OF THE NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
WITH STATEMENT OF ACTIVITIES- FOR THE YEAR ENDED JUNE 30, 2013**

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,669,494

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	13,800,868
Retirements are deducted from fund balance	(41,375)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$518,280 which has already been allocated to internal service funds.)	(10,131,526)
Capital assets transferred to the Successor Agency	(1,704,483)

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.	5,352,135
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LONG TERM DEBT PROCEEDS AND PAYMENTS

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

Repayment of debt principal is added back to fund balance	8,583,683
Long-term debt issued	(5,964,051)

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):

Amortization of premium on long-term debt	29,558
Long-term compensated absences	257,096
Interest payable	(1,362,135)
Deferred revenue from loan receivable offset	835,903

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

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

Change in Net Position - All Internal Service Funds	(11,174,035)
Change in Net Position of Internal Service Funds reported with Business-Type Activities	1,055,112

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,206,244

See accompanying notes to financial statements



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

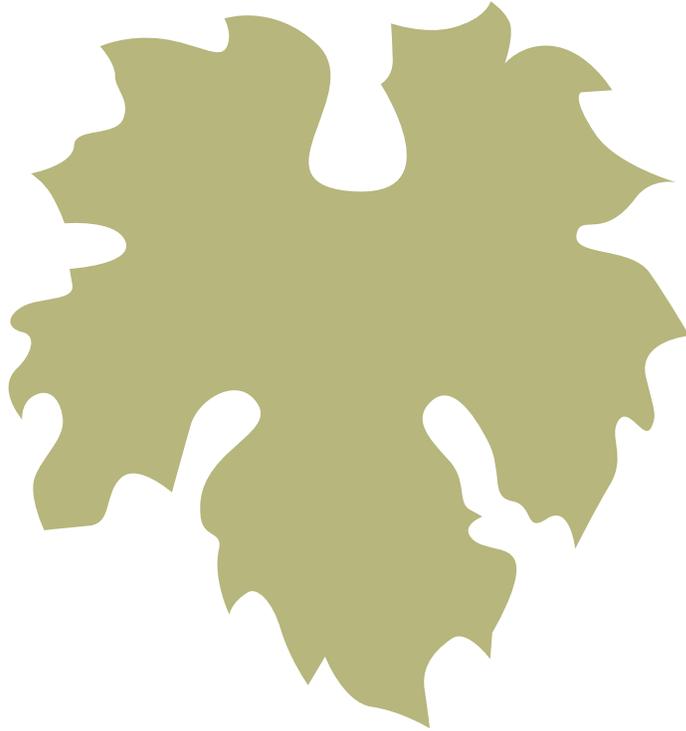
**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 23,115,000	\$ 23,791,000	\$ 24,125,251	\$ 334,251
Sales taxes	19,987,220	24,654,850	23,711,235	(943,615)
Other taxes	10,203,000	10,898,000	11,458,125	560,125
Licenses and permits	2,168,000	2,398,000	2,782,819	384,819
Intergovernmental	6,848,850	7,198,850	7,180,163	(18,687)
Contributions from outside sources	325,000	291,000	42,164	(248,836)
Fines and forfeitures	665,000	310,000	353,754	43,754
Other in lieu taxes	7,800	7,800	7,924	124
Charges for current services	8,877,500	9,517,050	9,831,184	314,134
Use of money and property	2,733,000	2,081,850	1,428,549	(653,301)
Miscellaneous	871,050	417,550	6,494,427	6,076,877
	<u>75,801,420</u>	<u>81,565,950</u>	<u>87,415,595</u>	<u>5,849,645</u>
EXPENDITURES				
Current:				
General Government:				
City Council	182,910	153,770	142,040	11,730
City Manager	1,108,660	1,267,060	1,152,488	114,572
City Attorney	1,209,385	1,262,815	1,325,258	(62,443)
City Clerk	572,110	550,340	537,363	12,977
Administrative Services	3,025,910	3,092,369	2,985,729	106,640
General Services	5,430,573	6,431,945	6,156,989	274,956
Fire	13,948,659	14,323,369	14,505,466	(182,097)
Police	25,390,200	26,610,608	25,828,605	782,003
Public Works	4,878,378	5,179,798	4,884,221	295,577
Community Development	12,691,863	12,932,215	11,810,808	1,121,407
Economic Development	43,460	-	-	-
Library	4,127,305	4,228,379	4,063,735	164,644
Capital Outlay:				
Capital projects	314,327	354,827	4,438,163	(4,083,336)
	<u>72,923,740</u>	<u>76,387,495</u>	<u>77,830,865</u>	<u>(1,443,370)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,522,000	1,641,301	1,613,033	(28,268)
Transfers (out)	(4,399,680)	(4,509,235)	(4,376,631)	132,604
	<u>(2,877,680)</u>	<u>(2,867,934)</u>	<u>(2,763,598)</u>	<u>104,336</u>
Net change in fund balance	-	2,310,521	6,821,132	7,397,351
Fund balance-beginning	<u>23,246,537</u>	<u>23,246,537</u>	<u>23,246,537</u>	<u>4,410,096</u>
Fund balance-ending	<u>\$ 23,246,537</u>	<u>\$ 25,557,058</u>	<u>\$ 30,067,669</u>	<u>\$ 11,807,447</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 2013.

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 2012-2013

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2013

	Business-Type Activities-Enterprise Funds			
	Airport	Water	Sewer	Las Positas Golf Course
ASSETS				
Current Assets:				
Cash and investments in City Treasury (Note 3)	\$ 2,783,645	\$ 17,885,169	\$ 54,625,029	\$ 1,494,665
Cash and investments with Trustees (Note 3)	4,759,408	-	-	-
Accounts receivables (net of allowable for uncollectibles)	346,169	1,879,327	488,374	115,650
Inventory	107,115	-	-	79,066
Investment in JPA-LAVWMA (Note 12A)	-	-	16,629,585	-
Prepays, deposits and supplies	363	60	-	-
Total current assets	7,996,700	19,764,556	71,742,988	1,689,381
Noncurrent Assets:				
Advances to other funds	930,663	1,874,826	1,989,598	-
Land and construction in progress (Note 6)	15,430,488	183,188	2,713,880	725,484
Capital assets, net of accumulated depreciation (Note 6)	3,310,889	30,140,263	100,850,751	3,998,963
Total noncurrent assets	19,672,040	32,198,277	105,554,229	4,724,447
Total assets	27,668,740	51,962,833	177,297,217	6,413,828
LIABILITIES				
Current Liabilities:				
Accounts payable and other accruals	697,432	896,799	281,721	217,940
Accrued payroll and benefits	43,914	63,157	232,206	4,420
Interest payable	84,932	11,686	18,309	1,226
Accrued compensated absences (Note 1G)	23,757	27,732	141,274	1,633
Claims payable (Note 13B)	-	-	-	-
Deposit payable	213,769	167,657	535	91,213
Unearned revenue	-	-	-	53,056
Due to other funds (Note 4A)	-	-	-	-
Long-term debt (Note 7):				
Due within one year	162,939	683,032	813,753	144,377
Total current liabilities	1,226,743	1,850,063	1,487,798	513,865
Noncurrent Liabilities:				
Accrued compensated absences (Note 1G)	37,077	13,072	189,235	4,648
Claims payable (Note 13B)	-	-	-	-
Advances from other funds (Note 4C)	-	-	-	2,473,407
Net pension obligation (Note 10D)	-	-	-	-
Long-term debt (Note 7):				
Due in more than one year	6,089,922	6,409,228	-	3,558,776
Total non-current liabilities	6,126,999	6,422,300	189,235	6,036,831
Total liabilities	7,353,742	8,272,363	1,677,033	6,550,696
NET POSITION (Note 9)				
Net investment in capital assets	17,247,924	23,231,191	102,750,878	1,021,294
Unrestricted	3,067,074	20,459,279	72,869,306	(1,158,162)
Total net position	\$ 20,314,998	\$ 43,690,470	\$ 175,620,184	\$ (136,868)

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

Net position business-type activities

See accompanying notes to financial statements



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

<u>Springtown Golf Course</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
\$ -	\$ 76,788,508	\$ 13,488,809
-	4,759,408	6,703,615
9,922	2,839,442	377,571
-	186,181	328,363
-	16,629,585	-
-	423	1,073,360
<u>9,922</u>	<u>101,203,547</u>	<u>21,971,718</u>
-	4,795,087	-
53,725	19,106,765	11,325,265
<u>181,920</u>	<u>138,482,786</u>	<u>3,676,656</u>
<u>235,645</u>	<u>162,384,638</u>	<u>15,001,921</u>
<u>245,567</u>	<u>263,588,185</u>	<u>36,973,639</u>
-	2,093,892	4,743,339
-	343,697	92,629
-	116,153	14,976
-	194,396	-
-	-	391,524
3,694	476,868	475,243
-	53,056	-
70,894	70,894	41,617
-	1,804,101	922,449
<u>74,588</u>	<u>5,153,057</u>	<u>6,681,777</u>
-	244,032	-
-	-	3,934,543
-	2,473,407	3,864,424
-	-	28,063,988
-	16,057,926	12,547,957
-	18,775,365	48,410,912
<u>74,588</u>	<u>23,928,422</u>	<u>55,092,689</u>
235,645	144,486,932	8,235,130
(64,666)	95,172,831	(26,354,180)
<u>\$ 170,979</u>	<u>239,659,763</u>	<u>(18,119,050)</u>
	<u>(1,953,704)</u>	
	<u>\$ 237,706,059</u>	



Comprehensive Annual Financial Report FY 2012-2013

PROPRIETARY FUNDS STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities-Enterprise Funds			
	Airport	Water	Sewer	Las Positas Golf Course
OPERATING REVENUES				
Charges for services	\$ 2,155,014	\$ -	\$ 18,411,889	\$ 2,273,553
Sales	3,472,887	12,157,466	-	682,114
Miscellaneous	3,474,375	19,835	110,248	711
Total Operating Revenues	9,102,276	12,177,301	18,522,137	2,956,378
OPERATING EXPENSES				
Cost of sales, salaries and benefits	4,428,195	9,225,904	8,356,647	514,780
Contracted services	238,181	192,680	3,292,663	1,699,216
Insurance premiums	79,070	42,317	145,882	3,186
Materials, supplies and other	341,854	100,975	2,906,871	176,862
Utilities	164,985	209,458	716,730	39,808
Depreciation	208,620	1,344,926	6,447,160	203,682
Repairs and maintenance	2,277,105	353,553	2,836,489	39,768
Claims expense	-	-	-	-
Total Operating Expenses	7,738,010	11,469,813	24,702,442	2,677,302
Operating Income (Loss)	1,364,266	707,488	(6,180,305)	279,076
NONOPERATING REVENUES (EXPENSES)				
Connection fees	-	633,993	2,323,680	-
Investment income (loss)	11,044	(59,905)	(176,366)	(3,890)
Interest and fiscal charges (expense)	(221,764)	(172,787)	(25,537)	(110,362)
Change of value in investment in JPA - LAVWMA	-	-	152,214	-
Loss on disposal and other	574,520	55,975	2,048	5,018
Net Nonoperating Revenues (Expenses)	363,800	457,276	2,276,039	(109,234)
Income (Loss) Before Contributed Assets and Transfers	1,728,066	1,164,764	(3,904,266)	169,842
Contributions	-	850,110	1,815,043	-
Transfers in (Note 4B)	-	2	-	134,400
Transfers (out) (Note 4B)	(153,768)	(65,850)	(90,000)	-
Change in net position	1,574,298	1,949,026	(2,179,223)	304,242
Total net position (deficit)-beginning	18,740,700	41,741,444	177,799,407	(441,110)
Total net position(deficit)-ending	\$ 20,314,998	\$ 43,690,470	\$ 175,620,184	\$ (136,868)

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 2012-2013**

Springtown Golf Course	Totals	Governmental Activities- Internal Service Funds
\$ -	\$ 22,840,456	\$ 11,797,260
-	16,312,467	-
6,000	3,611,169	280,436
<u>6,000</u>	<u>42,764,092</u>	<u>12,077,696</u>
5	22,525,531	16,963,077
-	5,422,740	1,768,534
-	270,455	536,935
-	3,526,562	677,843
-	1,130,981	831,296
16,563	8,220,951	518,280
-	5,506,915	953,589
-	-	1,045,248
<u>16,568</u>	<u>46,604,135</u>	<u>23,294,802</u>
<u>(10,568)</u>	<u>(3,840,043)</u>	<u>(11,217,106)</u>
-	2,957,673	-
-	(229,117)	1,692
-	(530,450)	(9,677)
-	152,214	-
-	637,561	72,188
<u>-</u>	<u>2,987,881</u>	<u>64,203</u>
(10,568)	(852,162)	(11,152,903)
-	2,665,153	-
-	134,402	-
-	(309,618)	(21,132)
(10,568)	1,637,775	(11,174,035)
<u>181,547</u>		<u>(6,945,015)</u>
<u>\$ 170,979</u>		<u>\$ (18,119,050)</u>
	<u>(1,055,112)</u>	
	<u>\$ 582,663</u>	

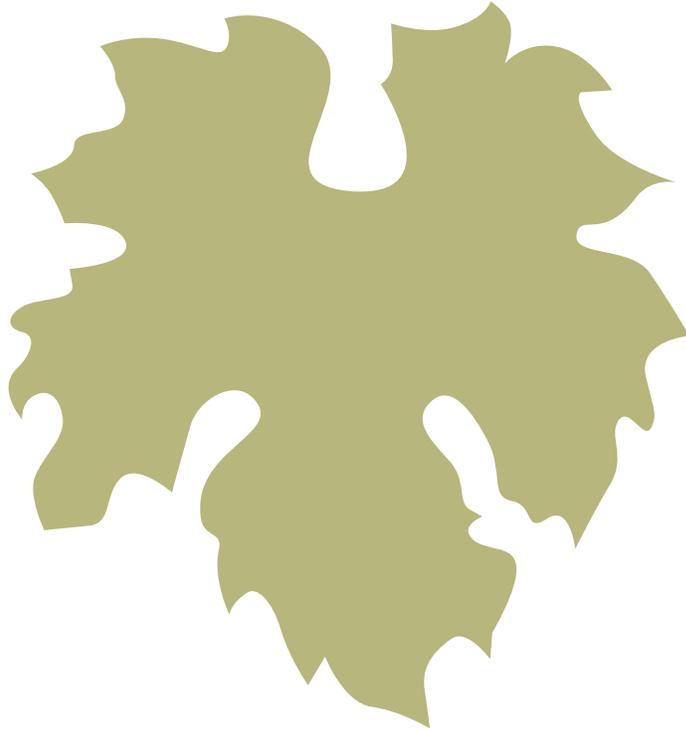


**Comprehensive Annual Financial Report
FY 2012-2013**

<u>Springtown Golf Course</u>	<u>Totals</u>	<u>Governmental Activities- Internal Service Funds</u>
\$ 3,000	\$ 42,347,208	\$ 12,541,543
-	(13,526,625)	(1,411,918)
-	(22,528,817)	(9,156,230)
-	-	(203,381)
<u>3,000</u>	<u>6,291,766</u>	<u>1,770,014</u>
-	1,098,072	3,864,424
(3,000)	(4,798,087)	(27,183)
-	134,402	-
-	(309,618)	(21,132)
<u>(3,000)</u>	<u>(3,875,231)</u>	<u>3,816,109</u>
-	2,962,691	-
-	(3,081,781)	(11,209,966)
-	481,818	13,470,406
-	(1,575,331)	-
-	(414,297)	(1,112)
-	<u>(1,626,900)</u>	<u>2,259,328</u>
-	<u>(229,117)</u>	<u>1,692</u>
-	<u>(229,117)</u>	<u>1,692</u>
-	560,518	7,847,143
-	-	-
-	<u>80,987,398</u>	<u>12,345,281</u>
<u>\$ -</u>	<u>\$ 81,547,916</u>	<u>20,192,424</u>
\$ (10,568)	\$ (3,840,043)	(11,217,106)
16,563	8,220,951	518,280
(2,995)	(389,708)	(348,088)
-	(107,115)	-
-	2,476,227	(292,918)
-	-	7,795,168
-	(98,672)	4,468,094
-	5,672	3,605
-	(8,963)	1,112
-	33,417	841,867
<u>\$ 3,000</u>	<u>\$ 6,291,766</u>	<u>\$ 1,770,014</u>
	<u>\$2,665,153</u>	



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Fiduciary Funds

Fiduciary funds account for assets held by the City acting as an agent for various functions. The City has the following fiduciary funds in fiscal 2013:

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

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

AGENCY FUNDS

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



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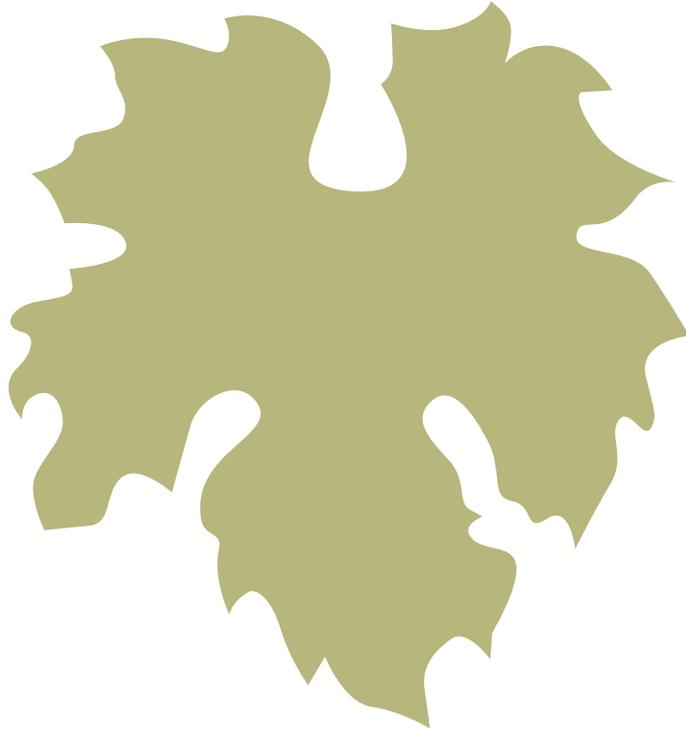
**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED ON JUNE 30, 2013**

	Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund
ADDITIONS	
Property taxes	\$ 3,177,261
Use of money and property	134,518
Miscellaneous	61,386
	<hr/>
Total Additions	3,373,165
	<hr/>
DEDUCTIONS	
Administrative Fee	125,000
Debt service:	
Interest and fiscal charges	1,526,903
	<hr/>
Total Deductions	1,651,903
	<hr/>
Net Change in Net Position before Extraordinary Item	1,721,262
	<hr/>
EXTRAORDINARY ITEM	
Assets transferred to	
Successor Agency (Note 15A)	1,704,483
Payment to the County for	
Disallowed transfer (Note 15D)	(909,190)
	<hr/>
Net Change in Net Position	2,516,555
	<hr/>
NET POSITION HELD IN TRUST FOR SUCCESSOR AGENCY AND OTHER GOVERNMENTS	
Beginning of year	(16,427,704)
	<hr/>
End of year	\$ (13,911,149)
	<hr/> <hr/>

See accompanying notes to financial statements



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**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

COMPONENT UNITS INCLUDED IN THE REPORTING ENTITY:

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

B. Basis of Presentation

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

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

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



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

C. Major Funds

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

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



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

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

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

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

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

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

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

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

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

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

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

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

The City also reports the following fund types:

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



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

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

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

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

D. Basis of Accounting

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

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

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

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



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

E. Inventories and Prepaid items

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

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

F. Deferred outflows/inflows of resources

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

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



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Compensated Absences

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

The change in compensated absences was as follows at June 30, 2013:

	Governmental Activities	Business Type Activities	Total
Beginning balance	\$ 2,799,294	\$ 447,391	\$ 3,246,685
Additions	2,345,272	496,807	2,842,079
Payments	<u>(2,602,368)</u>	<u>(505,770)</u>	<u>(3,108,138)</u>
Ending balance	<u>\$ 2,542,198</u>	<u>\$ 438,428</u>	<u>\$ 2,980,626</u>
Current portion	<u>\$ 972,185</u>	<u>\$ 194,396</u>	<u>\$ 1,166,581</u>

H. Property Tax Levy, Collection and Maximum Rates

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

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

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



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Revenue Recognition for Sewer and Operations

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

J. Land Held for Redevelopment

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

At June 30, 2013 \$2,269,052 was recorded in Low Income Housing special revenue fund, \$22,954 was recorded in the Housing Successor Agency special revenue fund, and \$10,907,632 was recorded in the Successor Agency to the former Redevelopment Agency Private-Purpose Trust Fund. In February 2013, the City transferred back to the Livermore Successor Agency two parcels in the amount of \$1,704,483 that make up the proposed hotel site. See Note 15A.

K. Use of Estimates

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

L. New Accounting Pronouncements

In the fiscal year 2013, the City adopted following five new accounting standards as follows:

GASB Statement No. 60 – Accounting and Financial Reporting for Service Concession Arrangements. In November 2010, the GASB issued Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2013. This statement did not have an impact on the City's financial statements.



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. New Accounting Pronouncements (Continued)

GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus*- an Amendment of GASB Statements No. 14 and No. 34. In November 2010, the GASB issued Statement No. 61, The Financial Reporting Entity: Omnibus- an Amendment of GASB Statements No. 14 and No. 34. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2013. This statement did not have an impact on the City's financial statements.

GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement*. In December 2010, the GASB issued Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2013. This statement did not have any impact on the City's financial statements.

GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The financial reporting impact resulting from the implementation of GASB 63 in the City's statements was the renaming of "Net Assets" to "Net Position", including changing the name of the financial statement from "Statement of Net Assets" to "Statement of Net Position". Other impact on the City's financial statements was to report deferred inflows of resources separately from liabilities in the governmental fund statements.

GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities*. In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2014. Effective July 1, 2012, the City has implemented provisions of this Statement. This Statement did not have any significant impact on the City's financial statement.



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. New Accounting Pronouncements (Continued)

The City is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB Statements:

In March 2012, the GASB issued Statement No. 66, Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62. The objective of this Statement is to resolve conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2014.

In June, 2012, GASB issued Statement No. 67, Financial Reporting for Pension Plans – amendment of GASB Statement No. 25. The objective of this Statement is to improve financial reporting by state and local government pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regards to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of Statement 67 are effective for financial statements for periods beginning after June 15, 2013, with earlier application encouraged. The City does not believe there will be a significant financial statement effect related to this Statement.

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



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

NOTE 2- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 2- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Expenditures in Excess of Appropriations

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

Fund	Excess of Expenditures Over Appropriations
General Fund	\$ 1,443,370
Housing Successor Special Revenue Fund	568
Horizons Special Revenue Fund	6,150
LCPFA 2011 COP Debt Service Fund	4

C. Fund Balance Deficits / Net Position Deficits

As of June 30, 2013 the following funds had fund balance/Net Position deficits, which are expected to be eliminated by future revenues:

Fund	Amount of Deficit
Las Positas Golf Course Enterprise Fund	\$ 136,868
Worker's Compensation Internal Service Fund	187,488
Employee Benefits Internal Service Fund	31,986,835
Horizon Special Revenue Fund	778
Other Impact Fee Special Revenue Fund	893,234
LCPFA 2008 COP Debt Service Fund	99,005



Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS

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

A. Policies

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

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

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

B. Classification

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

Table with 2 columns: Description and Amount. Rows include Cash and investments in City Treasury (\$161,555,615), Cash and investments with Trustees (15,740,919), Total City cash and investments (177,296,534), Cash and investments in Fiduciary Funds (Separate Statement), In City Treasury (12,930,620), With Trustees (8,920,476), and Total cash and investments (\$199,147,630).

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.



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
City of Livermore or other California Local Agency Bonds	5 years		None	None
U.S. Treasury Bills and Notes	5 years		None	None
Obligations issued by United States Government Agencies	5 years		None	None
Bankers Acceptances	180 days		40%	30%
Commercial Paper	270 days	A1/P1	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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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum % Allowed</u>
U.S. Treasury Bills and Notes	No Limit		No Limit
Federal and Local Agency Obligations	No Limit		No Limit
Federal funds, unsecured certificates of deposit, time deposits & bankers acceptances	Not more than 360 days	A-1 or A-1+ by S&P and P-1 by Moody	
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 represents how changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	More than 60 Months	Total
U.S. Government-Sponsored Enterprise Agencies - Non-callable	\$ 291,876	\$ 7,897,090	\$ 82,641,315	\$ -	\$ 90,830,281
California Local Agency Investment Fund	49,448,374	-	-	-	49,448,374
U.S. Government Money Market Funds	13,326,974	-	-	-	13,326,974
U.S. Government Money Market Funds- Sweep Account	14,699,000	-	-	-	14,699,000
Guaranteed Investment Contracts and Agreements	-	-	2,088,140	4,069,016	6,157,156
Negotiable Certificates of Deposit	9,980,087	-	-	-	9,980,087
Medium Term Notes	4,100,860	-	22,592,357	-	26,693,217
Total Investments	<u>\$ 91,847,171</u>	<u>\$ 7,897,090</u>	<u>\$ 107,321,812</u>	<u>\$ 4,069,016</u>	211,135,089
Cash deposits (overdrafts) with banks and on hand					(11,987,458)
Total Cash and Investments					<u>\$ 199,147,630</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	Not Required To Be Rated	Total
U.S. Government-Sponsored Enterprise Agencies	\$ -	\$ -	\$ 88,836,541	\$ -	\$ 1,993,740	\$ 90,830,281
U.S. Government Money Market Funds	-	10,348,535	-	-	2,978,439	13,326,974
U.S. Government Money Market Funds- Sweep Account	14,699,000	-	-	-	-	14,699,000
Guaranteed Investment Contracts and Agreements	-	-	5,802,891	354,265	-	6,157,156
Medium Term Notes	-	-	26,693,217	-	-	26,693,217
Negotiable Certificates of Deposit	-	-	-	-	9,980,087	9,980,087
California Local Agency Investment Fund	-	-	-	-	49,448,374	49,448,374
Total Investments	<u>\$ 14,699,000</u>	<u>\$ 10,348,535</u>	<u>\$ 121,332,649</u>	<u>\$ 354,265</u>	<u>\$ 64,400,640</u>	211,135,089
Cash deposits (overdrafts) with banks and on hand						(11,987,458)
Total Cash and Investments						<u>\$ 199,147,630</u>



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

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. Local Agency Investment Fund

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF’s investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2013, these investments matured in an average of 278 days.

Money Market funds and mutual funds are available for withdrawal on demand and at June 30, 2013, matured in an average of 54 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, 2013:

Issuer	Type of Investments	Amount
<i>Entity-wide:</i>		
Federal Farm Credit Bank	U.S. Agency Securities	\$ 44,093,849
Federal Home Loan Bank	U.S. Agency Securities	20,359,498
Federal National Mortgage Association	U.S. Agency Securities	15,168,510
Toyota Motor Credit Corporation	U.S. Corporate Securities	13,971,597



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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, 2013 were as follows:

Due from Other Funds	Due To Other Funds	Amount
General Fund	Enterprise Fund	
	Springtown Golf Course	\$ 70,894
	Special Revenue Fund	
	Horizons	190,284
	Internal Service Funds	
	Employee Payroll	41,617
Capital Projects Fund	Capital Projects Funds	
El Charro Specific Plan	LCPFA 2008 COP	79,338
	TOTAL	\$ 382,133

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, 2013 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
General Fund	Airport Enterprise Fund	\$ 152,535
	Sewer Enterprise Fund	90,000
	Water Enterprise Fund	50,000
	Internal Service Fund	21,132
	Non-Major Governmental Funds	1,299,368
Isabel Avenue Capital Projects	Non-Major Governmental Funds	6,760,940
El Charro Specific Plan Capital Projects	LCPFA 2011 COP Construction Fund	75,200
	Water Enterprise Fund	15,850
	Non-Major Governmental Funds	9,475
Water Enterprise Fund	Non-Major Governmental Funds	2
Las Positas Golf Course Enterprise Fund	General Fund	134,400
Non-Major Governmental Funds	General Fund	4,242,231
	El Charro Specific Plan Capital Projects	950,654
	Airport Enterprise Fund	1,233
	Non-Major Governmental Funds	8,682,305
Total Interfund Transfers		\$ 22,485,325



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

C. Long-Term Interfund Advances

The City's General Fund made an advance of \$4,720,000 to the Other Impact Fees Special Revenue Fund for downtown revitalization and the loan will be repaid to the General Fund as the fees are collected. There were no payments made to the General Fund during fiscal year 2012-2013. The balance as of June 30, 2013 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 from the General Fund. The term of the loan was 15 years and the interest rate was 3% compounded annually. A payment of \$97,988 was made during fiscal year 2011-12. The City restructured outstanding balance of the advance during fiscal year 2012-13 again by lowering interest rate to 2% from 3% and by advancing an additional \$441,110. The General Fund also extended another capital loan in the amount of \$875,000 to the Las Positas Golf Course Enterprise Fund. The term of this loan is 18 years and the interest rate is 2.755% compounded annually. A total payment of \$138,649 was made during fiscal year 2012-2013. The balance of these two advances on June 30, 2013 is \$1,636,610 and \$836,797 respectively.

During the fiscal year 2012-13, the Water Enterprise Fund and the Sewer Enterprise Fund advanced \$2,000,000 and \$2,122,461 respectively to the Employee Benefits Internal Service Fund at an annual interest rate of 0.75%. The funds were used to pay off the City's portion of the unfunded liability resulting from the pooling of safety (police) retirement plan with fewer than 100 active plan members effective July 1, 2005 to the California Public Employees Retirement System (CALPERS). Since the prior side fund obligation was being paid to CALPERS through the contribution rate structure, it was not reflected formally as a long-term liability. The City will realize savings by paying the interfund loan at a lower interest rate compared to the interest rate of 7.5% charged by CALPERS to the existing obligation. Repayments will be made starting in fiscal year 2012-13 and concluding in fiscal year 2016-17. For the current year, the Employee Benefits Internal Service Fund paid off a total of \$258,037 of the advance to the Water and Sewer enterprise funds. As of June 30, 2013 the amount owed by the Employee Benefit Internal Service Fund was \$3,864,424.

During the fiscal year 2011-12 the General Fund purchased a parcel of land and certain easements related to the El-Charro Specific Development from the Airport enterprise fund in exchange for another parcel of land and certain credits allowed by the Airport Enterprise Fund. As a result of this transaction the general fund recognized revenues of \$3,002,444, expenditures of \$4,030,000, and an interfund loan of \$1,027,556. The General Fund will pay this interfund loan over a period of ten years to the Airport enterprise fund with final payment due on June 30, 2021. Annual interest is equal to the Treasury Department's Annual Current Value of Funds Rate and is accrued on the unpaid balance. The General Fund will use revenue from development impact fees related to the El Charro Specific Plan Project to make the debt service payments to the Airport enterprise fund. During the current fiscal year the General Fund paid \$96,893 to the Airport fund. The balance as of June 30, 2013 is \$930,663.



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

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

D. Internal Balances

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

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

NOTE 5 - NOTES RECEIVABLE

Notes Receivables balances as of June 30, 2013:

	General Fund	Housing Successor	Low Income Housing	Housing & Community Assistance	Traffic Impact Fee	Other Local, State & Federal Grants	Total
Deferred Second Mortgage Program	\$ -	\$ -	\$ 2,426,941	\$ 1,513,085	\$ -	\$ 1,954,478	\$ 5,894,504
Rehabilitation Loan Program	-	-	439,683	955,755	-	226,105	1,621,543
Livermore Independent Living Associates Project	-	-	-	800,000	-	-	800,000
Livermore Housing Authority	-	-	-	-	-	510,000	510,000
Livermore Valley Performing Arts Center	350,000	-	-	-	-	-	350,000
Loans to Successor Agency of the former Redevelopment Agency	-	1,883,351	-	100,997	360,321	-	2,344,669
Eden Housing Project	-	1,524,662	-	-	-	-	1,524,662
Livermore Independent Living Associates Project	-	718,635	-	-	-	-	718,635
Affordable Housing Loans	-	196,383	-	-	-	-	196,383
Totals	\$ 350,000	\$ 4,323,031	\$ 2,866,624	\$ 3,369,837	\$ 360,321	\$ 2,690,583	\$ 13,960,396

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

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



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 5 - NOTES RECEIVABLE (Continued)

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

On March 18, 2013, the City of Livermore agreed to loan Livermore Valley Performing Arts Center (LVPAC) up to \$475,000 to assist them in their continued operation of the Bankhead Theater. Interest will be calculated based on the current LAIF rate and will commence on March 1, 2014. The principal and interest is due and payable on December 31, 2015. As of June 30, 2013, LVPAC drew down a total of \$350,000.

The former Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the Agency's terms. With the dissolution of the former Redevelopment Agency the City became the Successor to the former Redevelopment Agency's housing activities and as a result, the Housing Successor Fund assumed the notes receivable of the former Redevelopment Agency's Low and Moderate Income Housing Fund. The balances of the notes receivable in the Housing Successor Fund at June 30, 2013 are set forth below:

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

During fiscal year 1992, the Agency loaned a developer \$1,520,605 as part of the Eden Housing Project agreement, the proceeds of which were used for land acquisition and development of low and moderate income housing. As of June 30, 2013, the loans had an outstanding balance of \$1,524,662. 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, 2013, the outstanding loan balance was \$718,635.

In April 2011, the Agency loaned an individual \$199,032 from low and moderate income housing funds to be used for the purchase of an affordable housing unit. An additional loan of \$61,000 was granted to the Housing Consortium of the East Bay to assist with the acquisition of a below market rate unit. The balance of the two loans as of June 30, 2013 is \$196,383.



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NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5 - NOTES RECEIVABLE (Continued)

As of February 1, 2012, several advances made to the former Redevelopment Agency were transferred to the Successor Agency. The total outstanding balances were \$9,877,092. As discussed in Note 15C, the Department of Financed continues to deny certain items on the Recognized Obligation Payment Schedule including these loans, therefore the City is unable to determine whether it is collectible from the Successor Agency and has been offset with an allowance for doubtful accounts of \$7,532,423 in the Statement of Fiduciary Net Assets. The balance of these advances net of allowance in the Statement of Fiduciary Net Assets as of June 30, 2013 is \$2,344,669. The City has also recorded an allowance of \$7,532,423 to offset loan receivables of \$9,877,092 from the Livermore Successor Agency (LSA). When the LSA receives its Finding of Completion, it is the intent of the City and LSA to reinstate these loans that are encompassed within the allowance for doubtful accounts back on the Recognized Obligation Payment Schedule for Oversight Board Approval and future payment.

NOTE 6 - CAPITAL ASSETS

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

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

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

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

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

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



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital assets at June 30 comprise the following:

	Balance at June 30, 2012	Additions	Retirements and Transfers	Transfers to Successor Agency	Balance at June 30, 2013
Governmental activities					
Governmental Fund Capital Assets					
Capital assets not being depreciated:					
Land	\$ 31,746,550	\$ 1,540,000	\$ -	\$ (1,704,483) *	\$ 31,582,067
Intangible asset - easement	1,747,994	2,770,000	-	-	4,517,994
Construction in progress	55,630,264	9,459,725	(21,225,621)	-	43,864,368
Subtotal	89,124,808	13,769,725	(21,225,621)	(1,704,483)	79,964,429
Capital assets being depreciated, cost:					
Office equipment	7,986,598	-	-	-	7,986,598
Other equipment	7,383,331	28,826	-	-	7,412,157
Library books	2,062,340	-	-	-	2,062,340
Infrastructure	271,935,523	5,354,452	21,184,246	-	298,474,221
Buildings	97,929,194	-	-	-	97,929,194
Subtotal	387,296,986	5,383,278	21,184,246	-	413,864,510
Accumulated Depreciation:					
Office equipment	(7,260,670)	(117,446)	-	-	(7,378,116)
Other equipment	(3,620,484)	(460,238)	-	-	(4,080,722)
Library books	(2,003,099)	(19,747)	-	-	(2,022,846)
Infrastructure	(111,531,838)	(7,551,888)	36,736	-	(119,046,990)
Buildings	(22,088,533)	(1,982,207)	-	-	(24,070,740)
Subtotal	(146,504,624)	(10,131,526)	36,736	-	(156,599,414)
Net Governmental Funds					
capital assets being depreciated	240,792,362	(4,748,248)	21,220,982	-	257,265,096
Total Governmental Funds					
capital assets	\$ 329,917,170	\$ 9,021,477	\$ (4,639)	\$ (1,704,483)	\$ 337,229,525

* The Livermore Successor Agency (LSA), former the Redevelopment Agency (RDA), transferred land for a Hotel Site to the City prior to its dissolution in 2012. In February 2013, the property transfer to the City was rescinded and conveyed back to the LSA. See Note 15A.



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance at June 30, 2012	Additions	Retirements and Adjustments	Balance at June 30, 2013
Internal Service Fund Capital Assets				
Capital assets not being depreciated:				
Construction in progress	\$ 1,014,874	\$ 10,663,879	\$ (353,488)	\$ 11,325,265
Subtotal	<u>1,014,874</u>	<u>10,663,879</u>	<u>(353,488)</u>	<u>11,325,265</u>
Capital assets being depreciated, cost:				
Office equipment	9,000	128,246	-	137,246
Other equipment	320,900	-	-	320,900
Infrastructure	-	-	112,468	112,468
Licensed vehicles	11,832,100	543,908	(190,317)	12,185,691
Subtotal	<u>12,162,000</u>	<u>672,154</u>	<u>(77,849)</u>	<u>12,756,305</u>
Accumulated Depreciation:				
Office equipment	(9,000)	(2,679)	-	(11,679)
Other equipment	(161,392)	(26,930)	-	(188,322)
Infrastructure	-	(14,131)	-	(14,131)
Licensed vehicles	(8,768,435)	(474,540)	377,457	(8,865,518)
Subtotal	<u>(8,938,827)</u>	<u>(518,280)</u>	<u>377,457</u>	<u>(9,079,650)</u>
Net Internal Service Fund capital assets being depreciated	<u>3,223,173</u>	<u>153,874</u>	<u>299,608</u>	<u>3,676,655</u>
Governmental activity capital assets, net	<u>\$ 334,155,217</u>	<u>\$ 19,839,230</u>	<u>\$ (58,519)</u>	<u>\$ 352,231,445</u>



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance at June 30, 2012	Additions	Retirements and Transfers	Balance at June 30, 2013
<i>Business-type activities</i>				
Capital assets not being depreciated:				
Land	\$ 13,880,133	\$ 280,000	\$ -	\$ 14,160,133
Land improvements	634,433	-	-	634,433
Construction in progress	7,611,348	3,380,951	(6,680,100)	4,312,199
Subtotal	<u>22,125,914</u>	<u>3,660,951</u>	<u>(6,680,100)</u>	<u>19,106,765</u>
Capital assets being depreciated:				
Office equipment	365,415	-	-	365,415
Other equipment	1,799,865	52,364	36,666	1,888,895
Licensed Vehicles	663,384	-	(31,185)	632,199
Airport infrastructure	10,960,526	1,009	166,438	11,127,973
Water infrastructure	42,654,595	850,110	656,704	44,161,409
Sewer infrastructure	217,094,572	1,815,042	5,788,851	224,698,465
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>302,974,439</u>	<u>2,718,525</u>	<u>6,617,474</u>	<u>312,310,438</u>
Accumulated Depreciation:				
Office equipment	(267,569)	(9,429)	-	(276,998)
Other equipment	(1,334,267)	(58,535)	-	(1,392,802)
Licensed Vehicles	(551,280)	(45,829)	31,185	(565,924)
Airport infrastructure	(10,370,595)	(82,251)	-	(10,452,846)
Water infrastructure	(14,547,654)	(1,287,354)	31,441	(15,803,567)
Sewer infrastructure	(123,320,233)	(6,186,754)	-	(129,506,987)
Las Positas GC infrastructure	(6,551,520)	(90,980)	-	(6,642,500)
Springtown GC infrastructure	(206,656)	(16,415)	-	(223,071)
Buildings	(8,519,553)	(443,404)	-	(8,962,957)
Subtotal	<u>(165,669,327)</u>	<u>(8,220,951)</u>	<u>62,626</u>	<u>(173,827,652)</u>
Net capital assets being depreciated	137,305,112	(5,502,426)	6,680,100	138,482,786
Business-type activity capital assets, net	<u>\$ 159,431,026</u>	<u>\$ (1,841,475)</u>	<u>\$ -</u>	<u>\$ 157,589,551</u>



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 6 – CAPITAL ASSETS (Continued)

B. Capital Asset Contributions

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

C. Depreciation Allocation

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

<u>Governmental Activities</u>	<u>Depreciation Expense</u>	<u>Business-Type Activities</u>	<u>Depreciation Expense</u>
Governmental Fund Programs		Airport	\$ 208,620
City Council	\$ 2,147	Water	1,344,926
City Manager	7,798	Sewer	6,447,160
City Clerk	2,284	Las Positas	203,682
Administrative Services	16,196	Springtown	<u>16,563</u>
Fire	197,023		
Police	157,044	TOTAL	<u>\$ 8,220,951</u>
Public Works	7,876,316		
Community Development	1,240,101		
Library	632,617		
Internal Service Funds	<u>518,280</u>		
TOTAL	<u>\$ 10,649,806</u>		



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NOTE 7 – LONG-TERM DEBT

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

A. Long-Term Debt Transactions and Balances:

	Adjusted Balance at June 30, 2012	Additions	Retirements	Balance at June 30, 2013	Current Portion
Governmental Activities					
Certificates of Participation:					
2007, 3.5-3.7%, 2017	\$ 5,729,624	\$ -	\$ 5,729,624	\$ -	\$ -
2008, varies, 2030	45,284,353	-	1,636,735	43,647,618	1,701,717
2011, 3.00 - 5.25%, 2042	13,046,596	-	-	13,046,596	246,444
2012, 2.0%, 2017	-	5,813,577	1,147,324	4,666,253	1,133,333
Unamortized Premium	-	150,474	29,558	120,916	-
Notes Payable, varies, 2011-2019	8,467,339	-	-	8,467,339	5,293,875
Housing & Urban Development Loan, 0%, 2030	1,250,000	-	70,000	1,180,000	70,000
Altamont Landfill Open Space Committee Loan	520,233	-	-	520,233	-
Internal Service Funds:					
Capital Lease Obligations:					
Banc of America Equipment Lease/Purchase Loan	-	12,275,288	-	12,275,288	683,271
IT Lease Purchase	-	1,195,118	-	1,195,118	239,178
Total governmental activities debt	\$ 74,298,145	\$ 19,434,457	\$ 8,613,241	\$ 85,119,361	\$ 9,367,818
Business-type Activities					
Airport					
Certificates of Participation:					
2008, varies, 2030	\$ 1,398,174	\$ -	\$ 50,535	\$ 1,347,639	\$ 52,541
2011, 3.00 - 5.25%, 2042	4,423,404	-	-	4,423,404	83,556
Capital Lease Obligations:					
Banc of America Equipment Lease/Purchase Loan	-	481,818	-	481,818	26,842
Water					
Certificates of Participation:					
2007, 3.5-3.7%, 2017	2,460,376	-	2,460,376	-	-
2008, varies, 2030	5,225,456	-	188,866	5,036,590	196,365
2012, 2.0%, 2017	-	2,496,423	492,676	2,003,747	486,667
Unamortized Premium	-	64,615	12,692	51,923	-
Sewer					
1994 State Loan, 2.7%, 2014	1,606,113	-	792,360	813,753	813,753
Las Positas Golf Course					
Certificates of Participation:					
2008, varies, 2030	3,842,017	-	138,864	3,703,153	144,377
Total business-type activities debt	\$ 18,955,540	\$ 3,042,856	\$ 4,136,369	\$ 17,862,027	\$ 1,804,101



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NOTE 7 – LONG-TERM DEBT (Continued)

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. As of August 2012, entire remaining outstanding balance of \$5,729,624 of these COPs was refunded, on a current basis, with the proceeds of the 2012 Refunding COPs. As of June 30, 2013, the outstanding balance of 2007 COPs was zero.

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. Subsequent to the fiscal year-end the City entered into an amended and restated agreement with U.S. Bank under which the bank has extended the letter of credit with a new expiration date of September 11, 2016.

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

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



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NOTE 7 – LONG-TERM DEBT (Continued)

HUD SECTION 108 LOAN

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

CALIFORNIA HOUSING FINANCE AGENCY NOTES PAYABLE

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

1. \$450,000 is to be used for down-payment assistance directed to first-time homebuyers. As of June 30, 2013, 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, 2013, 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, 2013 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, 2013, the City drew down \$185,000 from this loan.
5. A loan of \$5,000,000 was obtained in fiscal year 2009 to loan to the former redevelopment agency for the purchase of the "Lucky Site." The loan is due to be paid off in June 2014. Outstanding balance of this loan was \$4,875,000 at June 30, 2013. The City paid off this loan in July 2013.

ALTAMONT LANDFILL OPEN SPACE COMMITTEE LOAN

In July 2009 the City received an interest-free loan of \$520,233 from the Altamont Landfill Settlement Agreement Open Space Account for a property acquisition and related legal, property title, and escrow costs. The City is obligated to pay back this loan in August 2014. As described in Note 9E, this loan was reported in the fund statements in the prior years. Therefore, during the current fiscal year, the City restated beginning long-term debt balance to include this loan in the beginning balance.

CAPITAL LEASE OBLIGATIONS

On October 24, 2012 the City entered into an equipment lease/purchase agreement with Banc of America Public Capital Corp to install photo voltaic panels and street lights throughout the City. The lease was executed in the amount of \$12,538,957. Rental payments are due in 180 uneven monthly payments ranging from \$69,892 to \$115,868 and include interest at the rate of 2.59%. Monthly lease payments will begin on November 24, 2013 and end on October 24, 2028. During the current year \$218,149 of interest was accrued and added back to the principal. Lease payments are being made by the Facilities Rehabilitation Internal Service Fund and the Airport Enterprise Fund. The City also executed an acquisition fund agreement with Deutsche Bank National Trust Company for distribution of funds.



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

NOTE 7 – LONG-TERM DEBT (Continued)

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

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 \$835,725 in remaining debt service on the loans which is scheduled to occur in 2014. For fiscal year 2013, sewer revenues including operating revenues and non-operating interest earnings amounted to \$20,669,451 and operating costs include operating expenses, but not interest, depreciation or amortization and amounted to \$18,229,745. Net revenues available for debt service amounted to \$2,439,706 which represented coverage of 3 times the \$835,725 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 0.05% rate.

For the Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 9,367,818	\$ 1,486,087	\$ 1,804,101	\$ 279,312
2015	6,243,961	1,454,662	1,020,804	243,950
2016	5,914,317	1,473,993	1,043,175	230,496
2017	4,401,049	919,982	1,078,362	216,748
2018	3,336,030	864,335	583,042	205,254
2019-2023	16,462,177	3,826,879	3,239,547	964,808
2024-2028	20,804,119	2,869,198	3,974,160	827,064
2029-2033	12,427,362	1,892,536	3,018,525	638,041
2034-2038	3,002,136	1,205,359	1,017,864	408,673
2039-2043	3,039,476	329,535	1,030,524	111,728
Total	84,998,445	\$ 16,322,566	17,810,104	\$ 4,126,074
Premium, net of amortization	120,916		51,923	
	<u>\$ 85,119,361</u>		<u>\$ 17,862,027</u>	



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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. This debt is not included in the general debt of the City. The outstanding balance of each of these issues as of June 30, 2013 is as follows:

Consolidated Refunding Assessment Districts 1993-4	\$ 6,675,000
Community Facilities District No. 1 (Tri-Valley Technology Park) Special Tax Bonds Series 2000	17,275,000
Consolidated Reassessment and Refunding District 2002	1,510,000
Community Facilities District No. 2006-1 (Shea Properties) Special Tax Bonds Series 2006	9,775,000
Community Facilities District No. 2009-1 (El Charro) from Paragon Outlets Livermore Valley LLC	<u>13,415,000</u>
Total	<u>\$ 48,650,000</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 (\$6,675,000 as of June 30, 2013) 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, 2013 is \$17,275,000.

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, 2013 is \$1,510,000.

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, 2013 is \$9,775,000.



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

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

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

NOTE 9 – NET POSITION AND FUND BALANCES

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

A. Net Position

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

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

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

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

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

B. Fund Balances

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



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NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances (Continued)

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

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

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

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

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

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

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



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2013, are below:

Fund Balance Classifications	Capital Projects					LCFPA 2011 COPS Construction Fund	Other Governmental Funds	Total
	General Fund	Isabel Avenue	El Charro Specific Plan	Developer Deposits				
Nonspendable:								
Items not in spendable form:								
Prepays and deposits	\$ 72,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,473
Advances	6,409,814	-	-	-	-	-	-	6,409,814
Notes receivables	350,000	-	-	-	-	-	-	350,000
Total Nonspendable Fund Balances	6,832,287	-	-	-	-	-	-	6,832,287
Restricted for:								
Affordable housing projects	-	-	-	-	-	-	15,373,058	15,373,058
Housing and human services programs	-	-	-	-	-	-	1,732,407	1,732,407
Library programs	-	-	-	-	-	-	202,514	202,514
Other projects/programs	-	-	-	-	-	-	368,651	368,651
Neighborhood preservation program	-	-	-	-	-	-	177,627	177,627
Solid waste and recycling	-	-	-	-	-	-	964,610	964,610
Landscaping maintenance program	-	-	-	-	-	-	5,505,309	5,505,309
Police programs	-	-	-	-	-	-	706,364	706,364
AB1600 fee program	-	-	-	-	-	-	2,213,467	2,213,467
Debt service funds	-	-	-	-	-	-	852,317	852,317
Capital improvement program	-	125,023	5,258,046	-	1,277,585	-	23,767,323	30,427,977
Total Restricted Fund Balances	-	125,023	5,258,046	-	1,277,585	-	51,863,647	58,524,301
Committed for:								
Financial stabilization arrangement	12,003,511	-	-	-	-	-	-	12,003,511
Total Committed Fund Balance	12,003,511	-	-	-	-	-	-	12,003,511
Assigned to:								
Economic uncertainty reserve	8,002,341	-	-	-	-	-	-	8,002,341
Total Assigned Fund Balances	8,002,341	-	-	-	-	-	-	8,002,341
Unassigned:								
General Fund	3,229,530	-	-	-	-	-	-	3,229,530
Fund balance deficit	-	-	-	-	-	-	(993,017)	(993,017)
Total Unassigned Fund Balances	3,229,530	-	-	-	-	-	(993,017)	2,236,513
Total Fund Balances	\$ 30,067,669	\$ 125,023	\$ 5,258,046	\$ -	\$ 1,277,585	\$ -	\$ 50,870,630	\$ 87,598,953



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NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

C. Minimum Operating Reserve Policy

On June 11, 2012 the City adopted a resolution to establish the City's Fund Balance Policy. The City will try to 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 Position minimum fund balance is 12.5% (or 45 days' worth of working capital) of operating expenditures plus debt service transfers.

The Sewer and Storm Water Funds Unrestricted Net Position minimum fund balance is 50% of their operating budget plus debt service transfers.

Internal Service Funds

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

D. Restatement of Beginning Net Position in Government-Wide Statements

The City made following prior periods' adjustments to the governmental activities beginning net position.

1. A prior period adjustment of \$4,313,520 was made to increase the governmental activities beginning net position. The City determined that the impact fees received from the developers in the prior years should have been recorded as revenue not a deposit liability under Other Special Revenues Fund, a governmental non-major fund.



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

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

D. Restatement of Beginning Net Position in Government-Wide Statements (continued)

- A prior period adjustment of \$437,645 was made to decrease the governmental activities beginning net position. The City determined that the contribution revenue recognized in the prior year should have been recorded as unearned revenues in the El Charro Specific Plan, a governmental major fund.

The restatement of beginning net position of the governmental activities is summarized as follows:

Net position, as previously stated	\$ 338,136,614
El Charro Specific Plan Fund revenues prior period adjustment	(437,645)
Other Special Revenues Fund revenues prior period adjustment	4,313,520
Net position, as restated	<u>\$ 342,012,489</u>

E. Restatement of Beginning Fund Balances

During the current fiscal year, the City determined the following:

- The contribution revenue received in the prior year should have been recorded as unearned revenue in the El Charro Specific Plan Fund, a governmental major fund. As a result, beginning fund balance of the El Charro Specific Plan Fund was decreased by \$437,645.
- The \$4.3 million deposits liability which, in prior year, was recorded in the Developer Deposits Fund, was transferred and recorded in Other Special Revenue Fund, during the current fiscal year. The impact fee received from the developers in the prior years should have been recorded as revenue not a deposit liability. Therefore, beginning fund balance of the Other Special Revenues Fund was increased by \$4,313,520.
- A deposit payable liability of \$520,233 reported in the Other Special Revenues Fund, a governmental non-major fund, should have been recognized as other financing sources. Consequently, beginning fund balance in the Other Special Revenues Fund was increased by \$520,233

Restatements to fund balance on the fund financial statements for the current fiscal year are summarized as follows:

	Major Governmental Fund <u>El Charro Specific Plan</u>	Non-Major Governmental Fund <u>Other Special Revenues</u>
Beginning Fund balance, as previously reported	\$ 12,055,358	\$ (345,135)
El Charro Specific Plan Fund revenues prior period adjustment	(437,645)	
Other Special Revenues Fund revenues prior period adjustment		4,313,520
Other Special Revenues Fund revenues prior period adjustment		520,233
Beginning fund balance as restated	<u>\$ 11,617,713</u>	<u>\$ 4,488,618</u>



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NOTE 10 – RETIREMENT BENEFITS

A. CALPERS Safety and Miscellaneous Plans

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

The Plans’ provisions and benefits in effect at June 30, 2013, are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Minimum retirement age	50	50/52
Employees hired prior to December 30, 2012	Tier 1	Tier 1
Monthly benefits, as a % of annual salary	3% at 50	2.7% at 55
Required member contribution rates	9%	8%
% paid by employee	5%	8%
% paid by employer	4%	0%
Required employer contribution rates	24.706% - 34.203%	19.192%
Employees hired December 31, 2012	Tier 2	Tier 2
Monthly benefits, as a % of annual salary	3% at 55*	2% at 60*
Required member (employee) contribution rates	9%	7%
Required employer contribution rates	20.057%	19.192%
Employees hired after December 31, 2012	Tier 3	Tier 3
Monthly benefits, as a % of annual salary	2.7% at 57*	2% at 62*
Required member (employee) contribution rates:	11.5%	6.25%
Required employer contribution rates	11.5%	19.192%

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



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT BENEFITS (Continued)

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City’s total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee’s projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City uses the actuarially determined percentages of payroll to calculate and pay contributions to CALPERS. This results in no net pension obligations or unpaid contributions. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the years ended June 30, 2013, 2012 and 2011 were as follows:

Fiscal Year Ended	Annual Pension Cost (APC)			% of APC Contributed	Net Pension Obligation
	Safety	Miscellaneous	Total		
2011	\$ 2,727,949	\$ 4,225,075	\$ 6,953,024	100%	Nil
2012	3,170,476	4,753,196	7,923,672	100%	Nil
2013	2,924,507	4,891,596	7,816,103	100%	Nil

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

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

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
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%
2011	191,383,518	153,976,782	37,406,736	80.5%	27,057,650	138.2%



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT BENEFITS (Continued)

As of the actuarial valuation date of June 30, 2003, the City’s safety plan became part of a CalPERS Risk Pool for employers with less than 100 active plan members. When these risk pools were established, PERS assigned each entity in the pool a share of the unfunded liability, and assessed a rate of 7.75% annually. Contributions toward the payoff of the unfunded liability were included in the City’s annual rate adjustment. On February 22, 2013 the City prepaid its outstanding side fund balance of \$4,122,461 to CalPERS which decreased employer’s contribution from 34.203% to 24.706% for the current fiscal year. The side fund prepayment reduces the future employer’s contribution rate for safety employees through the original side fund amortization period ending on June 30, 2017.

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

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
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%
2011	96,247,094	80,370,926	15,876,168	83.5%	9,647,798	164.6%

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



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT BENEFITS (Continued)

B. Other Post Employment Benefits

By Council resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees () under third-party insurance plans. A summary of eligibility and retiree contribution requirements are shown below by bargaining unit:

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

As of June 30, 2013, approximately 230 participants were eligible to receive benefits.



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 10 – RETIREMENT BENEFITS (Continued)

C. Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2012 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 5.90% investment rate of return, (b) 3.25% projected annual salary increase, and (c) 3% general inflation rate and (d) health inflation increases ranging from 9.5% - 10%. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 25 year closed amortization period.

In accordance with the City's budget, the annual required contribution (ARC) is to be funded throughout the year as a percentage of payroll. During fiscal year ended June 30, 2010, the City joined the Public Agencies Post-Retirement Health Care Plan, a multiple employer trust administered by Public Agency Retirement Services (PARS). The City contributed \$ 350,000 to an irrevocable trust administered by PARS, managed by an appointed board not under the control of City Council. This trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for PARS may be obtained from PARS at 4350 Von Karman Ave., Suite 200, Newport Beach, CA 92660.



**Comprehensive Annual Financial Report
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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, 2013, the City made contributions toward the ARC amounting to \$2,187,901 to the Plan which represented 6.6% of the \$33.0 million of covered payroll. As a result, the City has recorded the Net OPEB Obligation, representing the difference between the ARC, the interest and amortization of the Net OPEB Obligation and actual contributions, as presented below:

Annual required contribution (ARC)	\$	10,004,000
Interest on net OPEB obligation		1,013,441
Amortization of OPEB obligation		(1,034,372)
Annual OPEB cost		9,983,069
Contributions made:		
City portions of current year premiums paid		1,837,901
Additional contributions to PARS		350,000
Total contributions		2,187,901
Contributions less than the ARC		7,795,168
Net OPEB obligation at June 30, 2012		20,268,820
Net OPEB obligation at June 30, 2013	\$	28,063,988

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

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

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
6/30/2011	\$ 5,140,000	\$ 1,747,088	34%	\$ 9,511,780
6/30/2012	9,373,061	2,008,933	21%	20,268,820
6/30/2013	9,983,069	2,187,901	22%	28,063,988



**Comprehensive Annual Financial Report
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NOTE 10 – RETIREMENT BENEFITS (Continued)

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

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

E. Social Security

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

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

NOTE 11 - DEFERRED COMPENSATION PLAN

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

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



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NOTE 12 - JOINT VENTURES

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

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

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

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

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

The City's equity interest in LAVWMA was \$16,629,585 as of June 30, 2013.

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 94551.

C. Tri-Valley Transportation Council (TVTC)

The Tri-Valley Transportation Council was formed in 1991 by a joint exercise of powers agreement between the cities of Dublin, Livermore, Pleasanton, and San Ramon, the Town of Danville and the Counties of Alameda and Contra Costa for the purposes of preparing a transportation plan and providing transportation facilities within the Tri-Valley area. Financial statements may be obtained from Franklin Management Systems, Inc., Attn: Mr. Jack Harrington, 3037 Hopyard Road, Suite M, Pleasanton, CA 94588.

D. Alameda County Congestion Management Program

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

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

On December 3, 1996, the cities of Livermore and Pleasanton signed a joint powers agreement to form a joint Fire Department covering both cities. The LPFD may not own physical assets nor enter into contracts without approval of the governing board. The LPFD prepares its budget including contributions required from each City to fund operating and capital needs for the year. During the year ended June 30, 2013, the City contributed \$13,110,122 to LPFD representing its share of costs. Beginning January 2013, the City of Livermore is functioning as Treasurer for LPFD. The City accounts for LPFD in an Agency Fund. 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, 2013 the City contributed \$ \$366,958 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, 2013, the City contributed \$147,627 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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NOTES TO BASIC FINANCIAL STATEMENTS**

**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
Balances of claims payable at June 30, 2011	\$ 1,156,362	\$ 1,179,543	\$ 2,335,905
Increase 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>
Balances of claims payable at June 30, 2012	875,767	2,608,433	3,484,200
Change in estimated claims liability	209,125	1,390,557	1,599,682
Claims paid	<u>(203,381)</u>	<u>(554,434)</u>	<u>(757,815)</u>
Balances of claims payable at June 30, 2013	<u>\$ 881,511</u>	<u>\$ 3,444,556</u>	<u>\$ 4,326,067</u>

The City estimates the current portion of the claims liability at June 30, 2013 was \$59,154 and \$332,370 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.

A. Construction Commitments

The City has the following outstanding construction commitments at June 30, 2013:

Chevron - City of Livermore Energy Reduction Project	<u>\$ 2,817,692</u>
	<u>\$ 2,817,692</u>



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

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 \$383,858 for its share of debt service and operating costs. The City's portion of the project fluctuates based on actual usage and was 24.22% as of June 30, 2013.

C. Successor Agency to the former Redevelopment Agency

The City and former Agency have entered into a variety of development agreements with third parties to provide needed improvements and projects. Activities under agreements for which there are continuing commitments are disclosed in paragraphs 1 through 3 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.

1. Livermore Senior Housing Continuum of Care Project Phase I

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

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



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NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

C. Successor Agency to the former Redevelopment Agency (Continued)

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

The former 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 a former Agency owned site which was sold to the Developer for \$5 million in fiscal 2004-2005. This agreement was to complete a multi-family residential project between the former redevelopment agency and the developer. This project enhances the City's downtown appeal as it cleaned up a once dilapidated set of parcels located just one street north of Livermore's Vibrant First Street Downtown. As of June 30, 2013, 101 units have been completed while the remaining 10 units are still undergoing construction.

3. Livermore Valley Performing Arts Center

The former 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 former Agency will make a series of scheduled payments to the Developer to purchase the Operating Covenant. At June 30, 2013, the theater construction has not started.



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NOTE 15 – SUCCESSOR AGENCY ACTIVITIES

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

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. 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. Certain activities of the Successor Agency are subject to review and approval of the oversight board. The City provides administrative services to the Successor Agency to wind down affairs of the former Livermore Redevelopment Agency.

After the date of dissolution, as of February 1, 2012, the housing-related assets and activities of the dissolved redevelopment agency are reported in the governmental Housing Successor Special Revenue Fund 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.

In March 2011, former Redevelopment Agency of the City of Livermore (RDA) transferred property for the proposed Hotel Site consisting of property at 2205 Railroad Avenue and 30 South Livermore Avenue to the City of Livermore. After the enactment of the Redevelopment dissolution law, AB1484, the City decided to rescind the original transfer of property and returned the property back to the Livermore Successor Agency in February 2013. With the passing of AB1484, redevelopment property can be disposed of using a Long Range Property Management Plan. This transfer of \$1,704,483 was reported as an extraordinary loss in the Statement of Activities and as an extraordinary gain in the Successor Agency to the Livermore Redevelopment Agency Private-purpose Trust Fund.



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NOTE 15 – SUCCESSOR AGENCY ACTIVITIES (Continued)

B. Long-Term Debt

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

	Balance at June 30, 2012	Retirements	Balance at June 30, 2013	Amount due in one year
Fiduciary Activities				
2001 Tax Allocation Bonds, 4.00%-5.00%, 2032	\$ 31,010,000	\$ 855,000	\$ 30,155,000	\$ 900,000
Total debt	<u>\$ 31,010,000</u>	<u>\$ 855,000</u>	<u>\$ 30,155,000</u>	<u>\$ 900,000</u>

On August 1, 2001, the Redevelopment Agency issued \$36,775,000 of **2001 Tax Allocation Bonds, Series A**. Proceeds were used to refund the above outstanding Livermore Redevelopment Project 1986 Tax Allocation Bonds Series A, and to provide funds to finance various redevelopment activities within the Project Area. Semiannual 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 \$47.712 million in remaining debt service on the Agency’s long term debt which is scheduled to occur in 2032. As disclosed in the originating offering documents, pledged future tax increment revenues were expected to provide coverage of 1.75 times debt service over the life of the debt. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. For the period July 1, 2012 to June 30, 2013, RPTTF payments amounted to \$3,177,261 which represented coverage of 1.32 times the \$2,400,606 debt service for that same period.

Annual debt service requirements are shown below:

For the Year Ending June 30	Principal	Interest	Total
2014	\$ 900,000	\$ 1,499,538	\$ 2,399,538
2015	950,000	1,450,975	2,400,975
2016	995,000	1,399,919	2,394,919
2017	1,050,000	1,346,238	2,396,238
2018	1,105,000	1,289,669	2,394,669
2019-2023	6,440,000	5,516,456	11,956,456
2024-2028	8,225,000	3,690,875	11,915,875
2029-2033	10,490,000	1,363,000	11,853,000
Total	<u>\$ 30,155,000</u>	<u>\$ 17,556,670</u>	<u>\$ 47,711,670</u>



**Comprehensive Annual Financial Report
FY 2012-2013
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 15 – SUCCESSOR AGENCY ACTIVITIES (Continued)

C. 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. The Livermore Successor Agency (LSA) is progressing towards its Finding of Completion. When the LSA receives its Finding of Completion, the LSA plans to re-establish certain loans between the former RDA and City that were denied in the past.

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, during the months of April and May 2013 the State Controller's Office conducted a review of the propriety of asset transfers that occurred on or after January 1, 2011 and before or on January 31, 2012 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. The Livermore Successor agency has not received its final letter from the State Controller at this time.

Long Range Property Management Plan

Following the LSA receiving its Finding of Completion, the LSA must complete a Long Range Property Management Plan (LRPMP). The LRPMP must address the disposition and use of the real properties of the former redevelopment agency. This must be completed within 6 months of the LSA receiving a Finding of Completion. Once remitted and approved by both the Oversight Board and the State Department of Finance, the LSA can dispose of its property as intended when owned by the former Redevelopment Agency. As of June 30, 2013, the LSA has not yet received a finding of completion.



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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 15 – SUCCESSOR AGENCY ACTIVITIES (Continued)

D. Finding of Completion

To remain in compliance with State Law, the Livermore Successor Agency (LSA) is required to complete a number of tasks to receive its “Finding of Completion”. The list below shows a timeline and description of the tasks completed.

1. True Up Payment – The LSA has accrued \$1,348,034.01 on June 30, 2012 as required for the “true up payment” of residual property tax revenue owed to the affected taxing entities from the January 2012 through June 2012 Recognized Obligation Payment Schedule. This payment was made on July 12, 2012.
2. Housing Asset Transfer Form – The LSA was required to submit a “Housing Asset Transfer form” to the California Department of Finance (DOF). This form was used to ensure that housing assets were transferred properly to the City acting as the Housing Successor Agency which it agreed to do in January 2012. On August 31, 2012 the DOF responded with their written response. At that time it deemed the transfers were allowed except for an unencumbered cash balance, which was paid under the Low and Moderate Housing Fund Due Diligence Review.
3. Low and Moderate Housing Fund Due Diligence Review (LMDDR) – The LSA submitted the required due diligence review, performed by an independent auditor, to the Department of Finance on December 14, 2012. The DOF responded on January 9th with a letter disallowing a transfer of \$909,190 to the City. As a result, the LSA paid this amount to the County on January 15, 2013 to be distributed to the affected tax entities.
4. Other Funds and Accounts Due Diligence Review (OFADDR) – The LSA was required to submit a due diligence review of the other funds of the former RDA performed by an independent auditor to the DOF. This review was to ensure that the assets of the former RDA were transferred properly to the Successor Agency of the former redevelopment agency. The LSA submitted the OFADDR to the DOF on March 12, 2013. The DOF responded with a letter on June 28, 2013 with no amount due the Affected Taxing Entities.
5. State Controller Asset Transfer Audit – In April 2013 the State Controller’s office of California sent an auditor to the City to verify that the transfers of assets between the former RDA and the City during the time period of January 1, 2011 and January 31, 2012 were allowable. As of June 30, 2013 the LSA has not received the response of the State Controller.

The dissolution 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. Since completing the three required tasks, (1) paying the true up payment, (2) completing the Low and Moderate DDR and (3) completing the All Other Funds DDR, the LSA has requested to be granted its Finding of Completion. As of June 30, 2013, the LSA has not yet received its Finding of Completion.



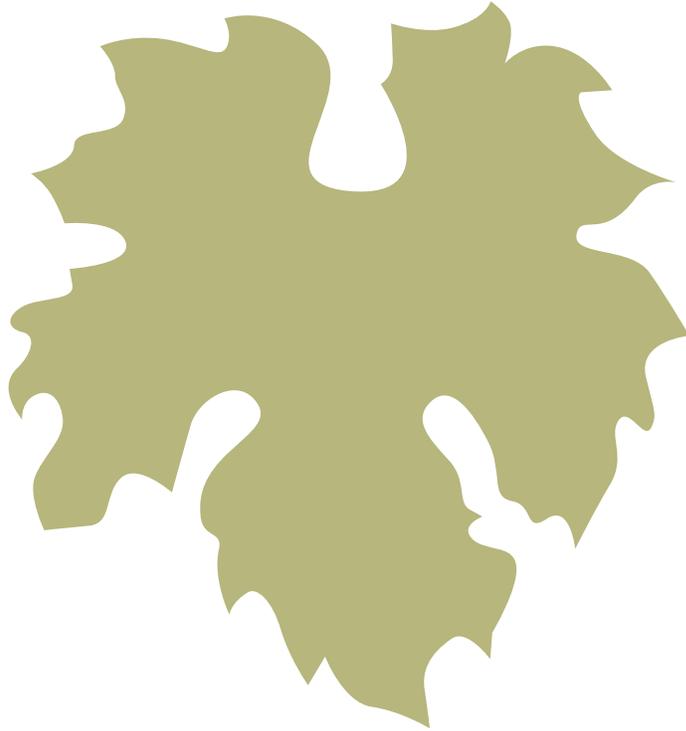
**Comprehensive Annual Financial Report
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NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 16 – SUBSEQUENT EVENTS

In September 2013, the Las Positas Golf Course entered into an equipment lease with Umpqua Bank. The lease was for new mowers and other grounds keeping equipment used at the golf course. The total amount of the lease is \$463,848 which includes interest in the amount of \$27,315. The term is for 5 years with an interest rate of 2.5%. Payments will begin once all the equipment has been received and all the disbursements have been made.



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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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ 227,327	\$ 227,327
Charges for current services	-	165,985	165,985
Total Revenues	<u>-</u>	<u>393,312</u>	<u>393,312</u>
Expenditures			
Current:			
Community Development	-	2,598,098	(2,598,098)
Capital outlay			-
Capital projects	<u>4,000,000</u>	<u>155,371</u>	<u>3,844,629</u>
Total Expenditures	<u>4,000,000</u>	<u>2,753,469</u>	<u>1,246,531</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>4,606,900</u>	<u>6,760,940</u>	<u>2,154,040</u>
Total Other Financing Sources (Uses)	<u>4,606,900</u>	<u>6,760,940</u>	<u>2,154,040</u>
Net change in budgetary fund balance	<u>\$ 606,900</u>	4,400,783	<u>\$ 3,793,883</u>
Fund balance (deficit)- beginning		<u>(4,275,760)</u>	
Fund balance (deficit)- ending		<u>\$ 125,023</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 580,000	\$ 628,540	\$ 48,540
Contributions from outside sources	<u>312,000</u>	<u>324,916</u>	<u>12,916</u>
Total Revenues	<u>892,000</u>	<u>953,456</u>	<u>61,456</u>
Expenditures			
Capital outlay:			
Capital projects	<u>18,762,340</u>	<u>6,462,994</u>	<u>12,299,346</u>
Total Expenditures	<u>18,762,340</u>	<u>6,462,994</u>	<u>12,299,346</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	12,399,871	100,525	(12,299,346)
Transfers (out)	<u>(5,968,131)</u>	<u>(950,654)</u>	<u>5,017,477</u>
Total Other Financing Sources (Uses)	<u>6,431,740</u>	<u>(850,129)</u>	<u>(7,281,869)</u>
Net change in budgetary fund balance	<u>\$ (11,438,600)</u>	(6,359,667)	<u>\$ (19,519,759)</u>
Fund balance (deficit)-beginning as restated		<u>11,617,713</u>	
Fund balance-ending		<u>\$ 5,258,046</u>	



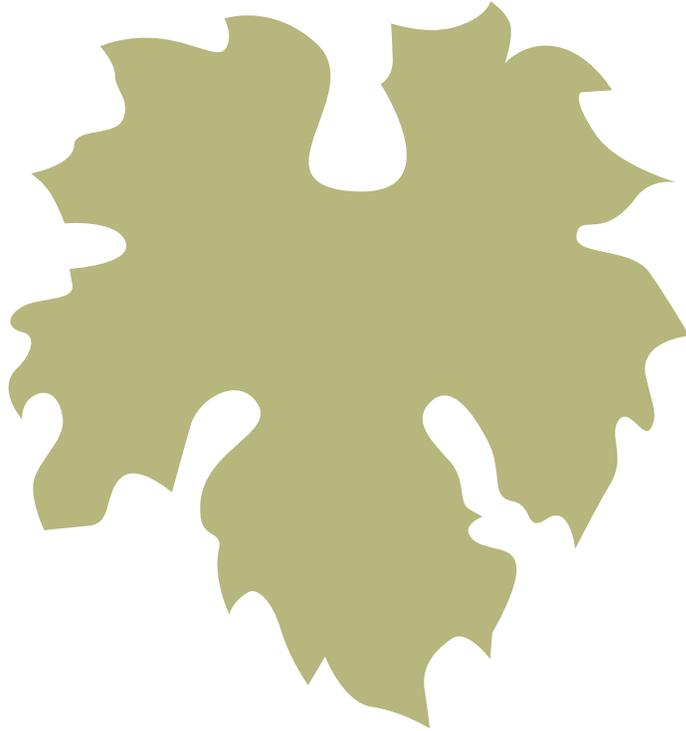
**Comprehensive Annual Financial Report
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**LCPFA 2011 COP CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Use of money and property	<u>\$ 75</u>	<u>\$ 326</u>	<u>\$ 251</u>
Total Revenues	<u>75</u>	<u>326</u>	<u>251</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(6,040,740)</u>	<u>(75,200)</u>	<u>5,965,540</u>
Total Other Financing Sources (Uses)	<u>(6,040,740)</u>	<u>(75,200)</u>	<u>(5,834,338)</u>
Net change in budgetary fund balance	<u>\$ (6,040,665)</u>	<u>(74,874)</u>	<u>\$ (5,834,087)</u>
Fund balance (deficit)- beginning		<u>1,352,459</u>	
Fund balance (deficit)- ending		<u>\$ 1,277,585</u>	



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

HOUSING SUCCESSOR AGENCY

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

LOW INCOME HOUSING

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

HOUSING AND COMMUNITY ASSISTANCE

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

HORIZONS

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

SOLID WASTE MANAGEMENT

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

MAINTENANCE DISTRICT

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

CITY STREET SWEEPING

Established to administer funds received through solid waste collection fees 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 City programs including the Public Art In-Lieu Fee Program, Altamont Open Space Program, and Brownfield Program.

PEG

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



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ALAMEDA COUNTY TRANSPORTATION FUNDS

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

GAS TAX

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

TRAFFIC IMPACT FEE

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

OTHER IMPACT FEE

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

TRI-VALLEY TRANSPORTATION COUNCIL (TVTC) 20% FEE

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

OTHER LOCAL, STATE, AND FEDERAL GRANTS

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

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

LIVERMORE CAPITAL PROJECTS FINANCING AUTHORITY (LCPFA) DEBT SERVICE FUNDS

LCPFA 2007 COPs were issued to refinance and defease prior COPs and provide 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 defease 2000 COPs and 2002 COPs and finance certain capital projects.

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

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



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

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).



**Comprehensive Annual Financial Report
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**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2013**

SPECIAL REVENUE FUNDS

	<u>Housing Successor</u>	<u>Low Income Housing</u>	<u>Housing & Community Assistance</u>	<u>Horizons</u>	<u>Solid Waste Management</u>
ASSETS					
Cash and investments in City Treasury	\$ 345,517	\$ 5,996,818	\$ 2,701,169	\$ -	\$ 802,569
Cash and investments with Trustees	-	-	-	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	672	13,410	6,236	235,455	74,906
Prepays and supplies	-	3,000	-	-	-
Notes receivable	4,323,031	2,866,624	3,369,837	-	-
Land held for redevelopment	22,954	2,269,052	-	-	-
Total Assets	<u>\$ 4,692,174</u>	<u>\$ 11,148,904</u>	<u>\$ 6,077,242</u>	<u>\$ 235,455</u>	<u>\$ 877,475</u>
LIABILITIES					
Accounts payable and other accruals	\$ -	\$ 19,373	\$ -	\$ 15,266	\$ 1,216
Accrued payroll	-	-	-	30,683	6,224
Interest payable	-	-	-	-	-
Deposits payable	-	10,745	-	-	-
Due to other funds	-	-	-	190,284	-
Advances from other funds	-	-	-	-	-
Deferred rents and revenue	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>30,118</u>	<u>-</u>	<u>236,233</u>	<u>7,440</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue- loan receivable	2,439,680	2,866,624	1,208,840	-	-
Total deferred inflows of resources	<u>2,439,680</u>	<u>2,866,624</u>	<u>1,208,840</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Restricted	2,252,494	8,252,162	4,868,402	-	870,035
Unassigned	-	-	-	(778)	-
Total Fund Balances (Deficits)	<u>2,252,494</u>	<u>8,252,162</u>	<u>4,868,402</u>	<u>(778)</u>	<u>870,035</u>
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 4,692,174</u>	<u>\$ 11,148,904</u>	<u>\$ 6,077,242</u>	<u>\$ 235,455</u>	<u>\$ 877,475</u>



**Comprehensive Annual Financial Report
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SPECIAL REVENUE FUNDS

<u>Maintenance District</u>	<u>City Street Sweeping</u>	<u>Park Fee</u>	<u>Other Special Revenue Funds</u>	<u>PEG</u>	<u>Alameda County Transportation Funds</u>	<u>Gas Tax</u>	<u>Traffic Impact Fee</u>
\$ 5,304,166	\$ 254,669	\$ 2,929,561	\$ 4,805,281	\$ 306,416	\$ 1,936,319	\$ 5,202,446	\$ 4,272,687
-	-	-	-	-	-	-	-
30,629	39,704	-	-	62,235	576,901	166,054	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	360,321
-	-	-	-	-	-	-	-
<u>\$ 5,334,795</u>	<u>\$ 294,373</u>	<u>\$ 2,929,561</u>	<u>\$ 4,805,281</u>	<u>\$ 368,651</u>	<u>\$ 2,513,220</u>	<u>\$ 5,368,500</u>	<u>\$ 4,633,008</u>
\$ 84,444	\$ 228	\$ 716,094	\$ -	\$ -	\$ 56,341	\$ 9,362	\$ 5,725
29,298	9,889	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,550	-	3,810	7,037	586,815
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	176,610	-	-	-	-
<u>113,742</u>	<u>10,117</u>	<u>716,094</u>	<u>178,160</u>	<u>-</u>	<u>60,151</u>	<u>16,399</u>	<u>592,540</u>
-	-	-	-	-	-	-	343,163
-	-	-	-	-	-	-	343,163
5,221,053	284,256	2,213,467	4,627,121	368,651	2,453,069	5,352,101	3,697,305
-	-	-	-	-	-	-	-
<u>5,221,053</u>	<u>284,256</u>	<u>2,213,467</u>	<u>4,627,121</u>	<u>368,651</u>	<u>2,453,069</u>	<u>5,352,101</u>	<u>3,697,305</u>
<u>\$ 5,334,795</u>	<u>\$ 294,373</u>	<u>\$ 2,929,561</u>	<u>\$ 4,805,281</u>	<u>\$ 368,651</u>	<u>\$ 2,513,220</u>	<u>\$ 5,368,500</u>	<u>\$ 4,633,008</u>

(Continued)



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**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2013**

				DEBT SERVICE FUNDS	
	Other Impact Fees	TVTC 20% Fee	Other Local, State and Federal Grants	Capital Projects Financing Authority Certificates of Participation	
				2007	2008
ASSETS					
Cash and investments in City Treasury	\$ 2,970,281	\$ 1,110,140	\$ 1,960,936	\$ -	\$ 8,706
Cash and investments with Trustees	-	-	-	-	-
Accounts receivables (net of applicable allowable for uncollectibles)	87,220	-	1,134,170	-	-
Prepays and supplies	-	-	1,436	-	-
Notes receivable	-	-	2,690,583	-	-
Land held for redevelopment	-	-	-	-	-
Total Assets	<u>\$ 3,057,501</u>	<u>\$ 1,110,140</u>	<u>\$ 5,787,125</u>	<u>\$ -</u>	<u>\$ 8,706</u>
LIABILITIES					
Accounts payable and other accruals	\$ 14,328	\$ -	\$ 204,400	\$ -	\$ 93,265
Accrued payroll	-	-	3,672	-	-
Interest payable	-	-	-	-	14,446
Deposits payable	-	-	343,261	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	3,936,407	-	-	-	-
Deferred rents and revenue	-	-	38,200	-	-
Total Liabilities	<u>3,950,735</u>	<u>-</u>	<u>589,533</u>	<u>-</u>	<u>107,711</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue- loan receivable	-	-	2,690,583	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,690,583</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Restricted	-	1,110,140	2,507,009	-	-
Unassigned	(893,234)	-	-	-	(99,005)
Total Fund Balances (Deficits)	<u>(893,234)</u>	<u>1,110,140</u>	<u>2,507,009</u>	<u>-</u>	<u>(99,005)</u>
Total Liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 3,057,501</u>	<u>\$ 1,110,140</u>	<u>\$ 5,787,125</u>	<u>\$ -</u>	<u>\$ 8,706</u>



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DEBT SERVICE FUNDS		CAPITAL PROJECTS FUNDS					Total Nonmajor Governmental Funds
Capital Projects Financing Authority Certificates of Participation		Airport Construction	LCPFA 2008 Construction	Other Capital Projects	Street Fund		
2011	2012						
\$ -	\$ 10,236	\$ -	\$ -	\$ 2,977,971	\$ 1,577,382	\$ 45,473,270	
842,073	8	-	2,143,112	15,118	-	3,000,311	
-	-	-	-	-	299,919	2,727,511	
-	-	-	-	-	-	4,436	
-	-	-	-	-	-	13,610,396	
-	-	-	-	-	-	2,292,006	
<u>\$ 842,073</u>	<u>\$ 10,244</u>	<u>\$ -</u>	<u>\$ 2,143,112</u>	<u>\$ 2,993,089</u>	<u>\$ 1,877,301</u>	<u>\$ 67,107,930</u>	
\$ -	\$ -	\$ -	\$ 99	\$ -	\$ -	\$ 1,220,141	
-	-	-	-	-	-	79,766	
-	-	-	-	-	-	14,446	
-	-	-	-	-	-	953,218	
-	-	-	79,338	-	-	269,622	
-	-	-	-	-	-	3,936,407	
-	-	-	-	-	-	214,810	
-	-	-	79,437	-	-	6,688,410	
-	-	-	-	-	-	9,548,890	
-	-	-	-	-	-	9,548,890	
842,073	10,244	-	2,063,675	2,993,089	1,877,301	51,863,647	
-	-	-	-	-	-	(993,017)	
<u>842,073</u>	<u>10,244</u>	<u>-</u>	<u>2,063,675</u>	<u>2,993,089</u>	<u>1,877,301</u>	<u>50,870,630</u>	
<u>\$ 842,073</u>	<u>\$ 10,244</u>	<u>\$ -</u>	<u>\$ 2,143,112</u>	<u>\$ 2,993,089</u>	<u>\$ 1,877,301</u>	<u>\$ 67,107,930</u>	

**Comprehensive Annual Financial Report
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**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013**

SPECIAL REVENUE FUNDS

	Housing Successor	Low Income Housing	Housing & Community Assistance	Horizons	Solid Waste Management
REVENUES					
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	346,134	236,395
Contributions from outside sources	-	-	43,500	45,160	-
Charges for services	-	2,399,219	-	2,268	280,893
Use of money and property	7,901	217,909	44,499	-	(1,249)
Miscellaneous	131,552	2,975	345,604	29,560	30,500
Total Revenues	139,453	2,620,103	433,603	423,122	546,539
EXPENDITURES					
Current:					
General Government					
City Council	-	-	-	-	-
City Manager	-	-	-	-	-
Police	-	-	-	844,001	-
Public works	-	-	-	-	411,938
Community development	42,778	6,402,319	33,681	-	-
Library	-	-	-	-	-
Capital Outlay					
Capital projects	-	8,235	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	42,778	6,410,554	33,681	844,001	411,938
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	96,675	(3,790,451)	399,922	(420,879)	134,601
OTHER FINANCING SOURCES (USES)					
Debt proceeds	-	-	-	-	-
Transfers in	-	2,492,808	300,000	418,831	-
Transfers (out)	-	(490,638)	(2,492,808)	-	-
Total Other Financing Sources (Uses)	-	2,002,170	(2,192,808)	418,831	-
Net change in fund balances	96,675	(1,788,281)	(1,792,886)	(2,048)	134,601
Fund balances (deficits)- beginning as restated	2,155,819	10,040,443	6,661,288	1,270	735,434
Fund balances (deficits)- ending	\$ 2,252,494	\$ 8,252,162	\$ 4,868,402	\$ (778)	\$ 870,035



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SPECIAL REVENUE FUNDS

Maintenance District	City Street Sweeping	Park Fee	Other Special Revenue Funds	PEG	Alameda County Transportation Funds	Gas Tax	Traffic Impact Fee
\$ 2,799,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	6,330,963	1,935,856	-
-	-	-	-	-	48,092	-	-
-	463,699	1,649,974	384,259	-	17,480	70,234	1,490,431
(15,490)	-	(5,952)	(7,916)	-	(6,023)	(6,072)	(15,051)
1,922	-	-	-	247,479	3,641	-	-
<u>2,786,160</u>	<u>463,699</u>	<u>1,644,022</u>	<u>376,343</u>	<u>247,479</u>	<u>6,394,153</u>	<u>2,000,018</u>	<u>1,475,380</u>
-	-	-	-	-	-	-	-
-	-	-	-	53,713	-	-	-
-	-	-	-	-	-	-	-
-	422,174	-	-	-	4,940	-	-
2,299,002	-	1,079,340	58,055	-	1,123,691	2,495,250	207,358
-	-	-	-	-	-	-	-
-	-	-	156,319	-	118,321	83,415	688,357
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,299,002</u>	<u>422,174</u>	<u>1,079,340</u>	<u>214,374</u>	<u>53,713</u>	<u>1,246,952</u>	<u>2,578,665</u>	<u>895,715</u>
<u>487,158</u>	<u>41,525</u>	<u>564,682</u>	<u>161,969</u>	<u>193,766</u>	<u>5,147,201</u>	<u>(578,647)</u>	<u>579,665</u>
-	-	-	-	-	-	-	-
167,156	-	-	-	-	19,677	346,328	-
(181,242)	-	-	(23,466)	-	(6,159,076)	(357,693)	(310,266)
(14,086)	-	-	(23,466)	-	(6,139,399)	(11,365)	(310,266)
473,072	41,525	564,682	138,503	193,766	(992,198)	(590,012)	269,399
4,747,981	242,731	1,648,785	4,488,618	174,885	3,445,267	5,942,113	3,427,906
<u>\$ 5,221,053</u>	<u>\$ 284,256</u>	<u>\$ 2,213,467</u>	<u>\$ 4,627,121</u>	<u>\$ 368,651</u>	<u>\$ 2,453,069</u>	<u>\$ 5,352,101</u>	<u>\$ 3,697,305</u>

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**Comprehensive Annual Financial Report
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**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013**

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS	
	Other Impact Fee	TVTC 20% Fee	Other Local, State and Federal Grants	Capital Projects Financing Authority Certificates of Participation	
				2007	2008
REVENUES					
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	3,639,687	-	-
Contributions from outside sources	6,837	-	13,105	-	-
Charges for services	1,313,299	101,052	218,985	-	-
Use of money and property	(5,016)	(3,776)	1,988	-	-
Miscellaneous	-	-	126,369	-	-
Total Revenues	1,315,120	97,276	4,000,134	-	-
EXPENDITURES					
Current:					
General Government:					
City Council	-	-	174,705	-	-
City Manager	-	-	-	-	-
Police	-	-	418,574	-	-
Public works	-	-	42,754	-	-
Community development	1,179,213	-	1,096,240	-	-
Library	-	-	168,943	-	-
Capital Outlay					
Capital projects	9,074	-	1,658,315	-	-
Debt service					
Principal retirement	-	-	70,000	5,729,624	1,636,735
Interest and fiscal charges	-	-	40,225	77,401	611,379
Total Expenditures	1,188,287	-	3,669,756	5,807,025	2,248,114
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	126,833	97,276	330,378	(5,807,025)	(2,248,114)
OTHER FINANCING SOURCES (USES)					
Debt proceeds	-	-	-	-	-
Transfers in	138,565	-	92,135	5,807,025	2,267,047
Transfers (out)	(198,014)	(69,677)	(652,996)	(8)	-
Total Other Financing Sources (Uses)	(59,449)	(69,677)	(560,861)	5,807,017	2,267,047
Net change in fund balances	67,384	27,599	(230,483)	(8)	18,933
Fund balances (deficits)- beginning as restated	(960,618)	1,082,541	2,737,492	8	(117,938)
Fund balances (deficits)- ending	\$ (893,234)	\$ 1,110,140	\$ 2,507,009	\$ -	\$ (99,005)



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DEBT SERVICE FUNDS		CAPITAL PROJECTS FUNDS					
Capital Projects Financing Authority Certificates of Participation			LCPFA 2008 Construction	Other Capital Projects	Street Fund	Total Nonmajor Governmental Funds	
2011	2012	Airport Construction					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,799,728	
-	-	-	-	-	-	12,489,035	
-	-	-	-	-	9,125	165,819	
-	-	-	-	437,847	-	8,829,640	
(1,044)	6	-	331	-	107	205,152	
-	-	-	-	4	-	919,606	
<u>(1,044)</u>	<u>6</u>	<u>-</u>	<u>331</u>	<u>437,851</u>	<u>9,232</u>	<u>25,408,980</u>	
-	-	-	-	-	-	174,705	
-	-	-	-	-	-	53,713	
-	-	-	-	-	-	1,262,575	
-	-	-	-	-	-	881,806	
-	-	-	80,233	-	102,305	16,199,465	
-	-	-	-	-	-	168,943	
-	-	-	22,304	-	-	2,744,340	
-	1,147,324	-	-	-	-	8,583,683	
604,361	221,050	-	-	-	-	1,554,416	
<u>604,361</u>	<u>1,368,374</u>	<u>-</u>	<u>102,537</u>	<u>-</u>	<u>102,305</u>	<u>31,623,646</u>	
<u>(605,405)</u>	<u>(1,368,368)</u>	<u>-</u>	<u>(102,206)</u>	<u>437,851</u>	<u>(93,073)</u>	<u>(6,214,666)</u>	
-	5,964,051	-	-	-	-	5,964,051	
604,326	1,221,292	1,233	-	-	-	13,876,423	
-	(5,806,731)	-	(9,475)	-	-	(16,752,090)	
<u>604,326</u>	<u>1,378,612</u>	<u>1,233</u>	<u>(9,475)</u>	<u>-</u>	<u>-</u>	<u>3,088,384</u>	
<u>(1,079)</u>	<u>10,244</u>	<u>1,233</u>	<u>(111,681)</u>	<u>437,851</u>	<u>(93,073)</u>	<u>(3,126,282)</u>	
<u>843,152</u>	<u>-</u>	<u>(1,233)</u>	<u>2,175,356</u>	<u>2,555,238</u>	<u>1,970,374</u>	<u>53,996,912</u>	
<u>\$ 842,073</u>	<u>\$ 10,244</u>	<u>\$ -</u>	<u>\$ 2,063,675</u>	<u>\$ 2,993,089</u>	<u>\$ 1,877,301</u>	<u>\$ 50,870,630</u>	



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**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	HOUSING SUCCESSOR			LOW INCOME HOUSING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	2,149,289	2,399,219	249,930
Use of money and property	8,610	7,901	(709)	238,571	217,909	(20,662)
Miscellaneous	2,580	131,552	128,972	4,000	2,975	(1,025)
Total Revenues	11,190	139,453	128,263	2,391,860	2,620,103	228,243
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community development	42,210	42,778	(568)	1,028,887	6,402,320	(5,373,433)
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	-	-	-	100,000	8,235	91,765
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	42,210	42,778	(568)	1,128,887	6,410,555	(5,281,668)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(31,020)	96,675	128,831	1,262,973	(3,790,452)	5,509,911
OTHER FINANCING SOURCES (USES)						
Debt Proceeds	-	-	-	-	-	-
Transfers in	-	-	-	223,827	2,492,808	2,268,981
Transfers (out)	-	-	-	(541,650)	(490,638)	51,012
Total Other Financing Sources (Uses)	-	-	-	(317,823)	2,002,170	2,319,993
Net change in fund balance		96,675			(1,788,282)	
Fund balances (deficits)- beginning as restated		2,155,819			10,040,443	
Fund balances (deficits)- ending		\$ 2,252,494			\$ 8,252,161	



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HOUSING & COMMUNITY ASSISTANCE			HORIZONS			SOLID WASTE MANAGEMENT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	356,800	346,134	(10,666)	235,000	236,395	1,395
43,500	43,500	-	40,000	45,160	5,160	15,000	-	(15,000)
-	-	-	3,000	2,268	(732)	188,740	280,893	92,153
22,000	44,499	22,499	-	-	-	525	(1,249)	(1,774)
172,560	345,604	173,044	30,000	29,560	(440)	30,500	30,500	-
238,060	433,603	195,543	429,800	423,122	(6,678)	469,765	546,539	76,774
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	837,850	844,001	(6,151)	-	-	-
90,000	33,681	56,319	-	-	-	836,405	411,938	424,467
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
90,000	33,681	56,319	837,850	844,001	(6,151)	836,405	411,938	424,467
148,060	399,922	139,224	(408,050)	(420,879)	(527)	(366,640)	134,601	(347,693)
-	-	-	-	-	-	-	-	-
300,000	300,000	-	350,000	418,831	68,831	-	-	-
(223,827)	(2,492,808)	(2,268,981)	-	-	-	-	-	-
76,173	(2,192,808)	(2,268,981)	350,000	418,831	68,831	-	-	-
	(1,792,886)			(2,048)			134,601	
	6,661,228			1,270			735,434	
	<u>\$ 4,868,342</u>			<u>\$ (778)</u>			<u>\$ 870,035</u>	

(Continued)



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**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	MAINTENANCE DISTRICT			CITY STREET SWEEPING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ 2,705,330	\$ 2,799,728	\$ 94,398	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	462,410	463,699	1,289
Use of money and property	5,400	(15,490)	(20,890)	-	-	-
Miscellaneous	6,000	1,922	(4,078)	-	-	-
Total Revenues	<u>2,716,730</u>	<u>2,786,160</u>	<u>69,430</u>	<u>462,410</u>	<u>463,699</u>	<u>1,289</u>
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	1,060,820	-	1,060,820	423,240	422,174	1,066
Community development	1,592,740	2,299,002	(706,262)	-	-	-
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>2,653,560</u>	<u>2,299,002</u>	<u>354,558</u>	<u>423,240</u>	<u>422,174</u>	<u>1,066</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>63,170</u>	<u>487,158</u>	<u>(285,128)</u>	<u>39,170</u>	<u>41,525</u>	<u>223</u>
OTHER FINANCING SOURCES (USES)						
Debt Proceeds	-	-	-	-	-	-
Transfers in	255,000	167,156	(87,844)	-	-	-
Transfers (out)	(183,500)	(181,242)	2,258	-	-	-
Total Other Financing Sources (Uses)	<u>71,500</u>	<u>(14,086)</u>	<u>(85,586)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance		473,072			41,525	
Fund balances (deficits)- beginning as restated		<u>4,747,981</u>			<u>242,731</u>	
Fund balances (deficits)- ending		<u>\$ 5,221,053</u>			<u>\$ 284,256</u>	



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PARK FEE			OTHER SPECIAL REVENUE FUNDS			PEG		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,187,000	1,649,974	462,974	284,540	384,259	99,719	-	-	-
590	(5,952)	(6,542)	-	(7,916)	(7,916)	-	-	-
-	-	-	-	-	-	240,000	247,479	7,479
<u>1,187,590</u>	<u>1,644,022</u>	<u>456,432</u>	<u>284,540</u>	<u>376,343</u>	<u>91,803</u>	<u>240,000</u>	<u>247,479</u>	<u>7,479</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	53,713	53,713	-
-	-	-	-	-	-	-	-	-
1,418,000	1,079,340	338,660	60,668	58,055	2,613	-	-	-
-	-	-	-	-	-	-	-	-
125,000	-	125,000	189,000	156,319	32,681	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,543,000</u>	<u>1,079,340</u>	<u>463,660</u>	<u>249,668</u>	<u>214,374</u>	<u>35,294</u>	<u>53,713</u>	<u>53,713</u>	<u>-</u>
<u>(355,410)</u>	<u>564,682</u>	<u>(7,228)</u>	<u>34,872</u>	<u>161,969</u>	<u>56,509</u>	<u>186,287</u>	<u>193,766</u>	<u>7,479</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	(23,466)	(23,466)	-	-	-
-	-	-	-	(23,466)	(23,466)	-	-	-
	564,682			138,503			193,766	
	<u>1,648,785</u>			<u>4,488,618</u>			<u>174,885</u>	
	<u>\$ 2,213,467</u>			<u>\$ 4,627,121</u>			<u>\$ 368,651</u>	

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BUDGETED NON-MAJOR FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	ALAMEDA COUNTY TRANSPORTATION FUNDS			GAS TAX		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,200,000	6,330,963	1,130,963	2,267,500	1,935,856	(331,644)
Contributions from outside sources	52,500	48,092	(4,408)	-	-	-
Charges for services	-	17,480	17,480	-	70,234	70,234
Use of money and property	-	(6,023)	(6,023)	-	(6,072)	(6,072)
Miscellaneous	-	3,641	3,641	-	-	-
Total Revenues	5,252,500	6,394,153	1,141,653	2,267,500	2,000,018	(267,482)
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	4,940	(4,940)	-	-	-
Community development	1,932,500	1,123,691	808,809	4,179,000	2,495,250	1,683,750
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	325,000	118,321	206,679	1,600,600	83,415	1,517,185
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	2,257,500	1,246,952	1,010,548	5,779,600	2,578,665	3,200,935
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,995,000	5,147,201	131,105	(3,512,100)	(578,647)	(3,468,417)
OTHER FINANCING SOURCES (USES)						
Transfers in	22,961	19,677	(3,284)	-	346,328	346,328
Transfers (out)	(3,985,461)	(6,159,076)	(2,173,615)	(960,760)	(357,693)	603,067
Total Other Financing Sources (Uses)	(3,962,500)	(6,139,399)	(2,176,899)	(960,760)	(11,365)	949,395
Net change in fund balance		(992,198)			(590,012)	
Fund balances (deficits)- beginning as restated		3,445,267			5,942,113	
Fund balances (deficits)- ending		<u>\$ 2,453,069</u>			<u>\$ 5,352,101</u>	



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

TRAFFIC IMPACT FEE			OTHER IMPACT FEE			TVTC 20% FEE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
853,460	-	(853,460)	-	6,837	6,837	-	-	-
1,471,300	1,490,431	19,131	1,225,350	1,313,299	87,949	76,000	101,052	25,052
7,600	(15,051)	(22,651)	1,650	(5,016)	(6,666)	1,310	(3,776)	(5,086)
-	-	-	-	-	-	-	-	-
<u>2,332,360</u>	<u>1,475,380</u>	<u>(856,980)</u>	<u>1,227,000</u>	<u>1,315,120</u>	<u>88,120</u>	<u>77,310</u>	<u>97,276</u>	<u>19,966</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
725,000	207,358	517,642	1,670,000	1,179,213	490,787	-	-	-
-	-	-	-	-	-	-	-	-
1,955,070	688,357	1,266,713	39,000	9,074	29,926	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>2,680,070</u>	<u>895,715</u>	<u>1,784,355</u>	<u>1,709,000</u>	<u>1,188,287</u>	<u>520,713</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(347,710)</u>	<u>579,665</u>	<u>(2,641,335)</u>	<u>(482,000)</u>	<u>126,833</u>	<u>(432,593)</u>	<u>77,310</u>	<u>97,276</u>	<u>19,966</u>
-	-	-	-	-	-	-	-	-
-	-	-	112,825	138,565	25,740	-	-	-
<u>(326,090)</u>	<u>(310,266)</u>	<u>15,824</u>	<u>(190,000)</u>	<u>(198,014)</u>	<u>(8,014)</u>	<u>(72,500)</u>	<u>(69,677)</u>	<u>2,823</u>
<u>(326,090)</u>	<u>(310,266)</u>	<u>15,824</u>	<u>(77,175)</u>	<u>(59,449)</u>	<u>17,726</u>	<u>(72,500)</u>	<u>(69,677)</u>	<u>2,823</u>
	<u>269,399</u>			<u>67,384</u>			<u>27,599</u>	
	<u>3,427,906</u>			<u>(960,618)</u>			<u>1,082,541</u>	
	<u>\$ 3,697,305</u>			<u>\$ (893,234)</u>			<u>\$ 1,110,140</u>	

(Continued)



Comprehensive Annual Financial Report FY 2012-2013

**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	OTHER LOCAL, STATE, AND FEDERAL GRANTS			FINANCING AUTHORITY COPS 2007		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,768,176	3,639,687	(4,128,489)	-	-	-
Contributions from outside sources	17,000	13,105	(3,895)	-	-	-
Charges for services	216,000	218,985	2,985	-	-	-
Use of money and property	1,363	1,988	625	-	-	-
Miscellaneous	99,326	126,369	27,043	-	-	-
Total Revenues	8,101,865	4,000,134	(4,101,731)	-	-	-
EXPENDITURES						
Current:						
General Government:						
City Council	174,000	174,705	(705)	-	-	-
City Manager	-	-	-	-	-	-
Police	460,768	418,574	42,194	-	-	-
Public works	75,160	42,754	32,406	-	-	-
Community development	2,209,252	1,096,240	1,113,012	-	-	-
Library	165,000	168,943	(3,943)	-	-	-
Capital Outlay						
Capital projects	5,491,200	1,658,315	3,832,885	-	-	-
Debt service						
Principal	-	70,000	(70,000)	5,729,624	5,729,624	-
Interest and fiscal charges	(312,111)	40,225	(352,336)	77,107	77,401	(294)
Total Expenditures	8,263,269	3,669,756	4,593,513	5,806,731	5,807,025	(294)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(161,404)	330,378	(8,695,244)	(5,806,731)	(5,807,025)	294
OTHER FINANCING SOURCES (USES)						
Debt Proceeds						
Transfers in	61,100	92,135	31,035	5,807,000	5,807,025	25
Transfers (out)	(639,420)	(652,996)	(13,576)	-	(8)	(8)
Total Other Financing Sources (Uses)	(578,320)	(560,861)	17,459	5,807,000	5,807,017	17
Net change in fund balance		(230,483)			(8)	
Fund balances (deficits)- beginning as restated		2,737,492			8	
Fund balances (deficits)- ending		<u>\$ 2,507,009</u>			<u>\$ -</u>	



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

FINANCING AUTHORITY COPS 2008			FINANCING AUTHORITY COPS 2011			FINANCING AUTHORITY COPS 2012		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	(1,044)	(1,044)	-	6	6
-	-	-	-	-	-	-	-	-
-	-	-	-	(1,044)	(1,044)	-	6	6
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,636,740	1,636,735	5	-	-	-	1,147,323	1,147,324	(1)
626,730	611,379	15,351	600,270	604,361	(4,091)	219,759	221,050	(1,291)
2,263,470	2,248,114	15,356	600,270	604,361	(4,091)	1,367,082	1,368,374	(1,292)
(2,263,470)	(2,248,114)	(15,356)	(600,270)	(605,405)	3,047	(1,367,082)	(1,368,368)	1,298
-	-	-	-	-	-	5,964,051	5,964,051	-
2,267,530	2,267,047	(483)	603,260	604,326	1,066	1,368,380	1,221,292	(147,088)
-	-	-	-	-	-	(5,807,000)	(5,806,731)	269
2,267,530	2,267,047	(483)	603,260	604,326	1,066	1,525,431	1,378,612	(146,819)
	18,933			(1,079)			10,244	
	(117,938)			843,152			-	
	\$ (99,005)			\$ 842,073			\$ 10,244	

(Continued)



Comprehensive Annual Financial Report FY 2012-2013

**BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	AIRPORT CONSTRUCTION			LCPFA 2008 COP CONSTRUCTION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Contributions from outside sources	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Use of money and property	-	-	-	-	331	331
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	-	-	-	331	331
EXPENDITURES						
Current:						
General Government:						
City Council	-	-	-	-	-	-
City Manager	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community development	-	-	-	282,490	80,233	202,257
Library	-	-	-	-	-	-
Capital Outlay						
Capital projects	-	-	-	1,930,000	22,304	1,907,696
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	-	-	-	2,212,490	102,537	2,109,953
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	-	(2,212,490)	(102,206)	(2,109,622)
OTHER FINANCING SOURCES (USES)						
Debt Proceeds	-	-	-	-	-	-
Transfers in	-	1,233	1,233	-	-	-
Transfers (out)	-	-	-	(175,000)	(9,475)	165,525
Total Other Financing Sources (Uses)	-	1,233	1,233	(175,000)	(9,475)	165,525
Net change in fund balance		1,233			(111,681)	
Fund balances (deficits)- beginning as restated		(1,233)			2,175,356	
Fund balances (deficits)- ending		<u>\$ -</u>			<u>\$ 2,063,675</u>	

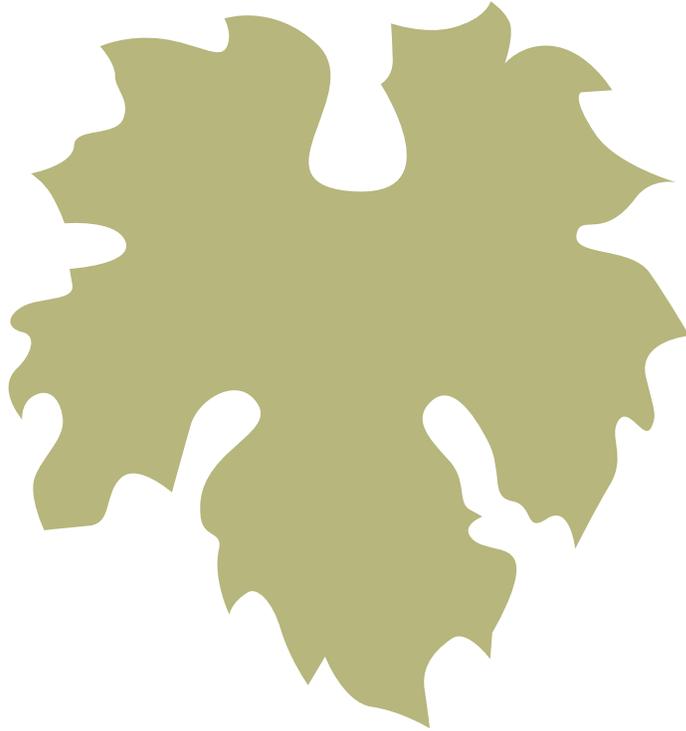


**Comprehensive Annual Financial Report
FY 2012-2013**

LCPFA OTHER CAPITAL PROJECTS			STREET FUND		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
50,000	-	(50,000)	299,900	9,125	(290,775)
-	437,847	437,847	-	-	-
-	-	-	-	107	107
-	4	4	-	-	-
<u>50,000</u>	<u>437,851</u>	<u>387,851</u>	<u>299,900</u>	<u>9,232</u>	<u>(290,668)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50,000	-	50,000	364,570	102,305	262,265
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>364,570</u>	<u>102,305</u>	<u>262,265</u>
-	437,851	337,851	(64,670)	(93,073)	(552,933)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
	437,851			(93,073)	
	<u>2,555,238</u>			<u>1,970,374</u>	
	<u>\$ 2,993,089</u>			<u>\$ 1,877,301</u>	



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





**Comprehensive Annual Financial Report
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INTERNAL SERVICE FUNDS

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

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

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

LIABILITY INSURANCE FUND

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

WORKERS COMPENSATION FUND

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

FLEET AND EQUIPMENT SERVICES

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

INFORMATION TECHNOLOGY

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

FACILITIES REHABILITATION PROJECTS

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

REPROGRAPHICS

Established to account for city-wide reprographic costs.

COMMUNITY DEVELOPMENT

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

EMPLOYEE BENEFITS

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



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

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013**

	<u>Liability Insurance Reserve</u>	<u>Workers Compensation</u>	<u>Fleet and Equipment Services</u>
ASSETS			
Current Assets:			
Cash and investments in City Treasury	\$ 1,809,102	\$ 3,329,159	\$ 3,118,794
Cash and investments with Trustees	-	-	-
Accounts receivable (net of applicable allowance for uncollectibles)	21,905	-	144,372
Inventory	-	-	328,363
Prepays, deposits and supplies	1,125	2,840	-
Total current assets	<u>1,832,132</u>	<u>3,331,999</u>	<u>3,591,529</u>
Noncurrent Assets:			
Construction in progress	-	-	718,790
Depreciable capital assets (net of depreciation)	-	-	3,452,752
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>4,171,542</u>
Total Assets	<u>1,832,132</u>	<u>3,331,999</u>	<u>7,763,071</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and other accruals	117,264	69,004	30,409
Accrued payroll	6,131	5,927	35,744
Interest payable	-	-	-
Claims payable	59,154	332,370	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Long-term debt:			
Due within one year	-	-	-
Total current liabilities	<u>182,549</u>	<u>407,301</u>	<u>66,153</u>
Noncurrent Liabilities:			
Claims payable	822,357	3,112,186	-
Advances from other funds	-	-	-
Net OPEB obligation	-	-	-
Long-term debt:			
Due in more than one year	-	-	-
Total noncurrent liabilities	<u>822,357</u>	<u>3,112,186</u>	<u>-</u>
Total liabilities	<u>1,004,906</u>	<u>3,519,487</u>	<u>66,153</u>
NET POSITION			
Net Investment in Capital Assets	-	-	4,171,542
Unrestricted	827,226	(187,488)	3,525,376
Total Net Position (Deficit)	<u>\$ 827,226</u>	<u>\$ (187,488)</u>	<u>\$ 7,696,918</u>



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

Information Technology	Facilities Rehabilitation Projects	Reprographics	Community Development	Employee Benefits	Total
\$ 2,992,235	\$ 2,230,236	\$ 9,283	\$ -	\$ -	\$ 13,488,809
-	6,703,615	-	-	-	6,703,615
-	191,777	-	-	19,517	377,571
-	-	-	-	-	328,363
1,069,395	-	-	-	-	1,073,360
<u>4,061,630</u>	<u>9,125,628</u>	<u>9,283</u>	<u>-</u>	<u>19,517</u>	<u>21,971,718</u>
124,480	10,481,995	-	-	-	11,325,265
125,567	98,337	-	-	-	3,676,656
<u>250,047</u>	<u>10,580,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,001,921</u>
<u>4,311,677</u>	<u>19,705,960</u>	<u>9,283</u>	<u>-</u>	<u>19,517</u>	<u>36,973,639</u>
21,244	4,470,204	3	-	35,211	4,743,339
31,631	12,283	913	-	-	92,629
8,565	5,299	-	-	1,112	14,976
-	-	-	-	-	391,524
-	475,243	-	-	-	475,243
-	-	-	-	41,617	41,617
<u>239,178</u>	<u>683,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>922,449</u>
<u>300,618</u>	<u>5,646,300</u>	<u>916</u>	<u>-</u>	<u>77,940</u>	<u>6,681,777</u>
-	-	-	-	-	3,934,543
-	-	-	-	3,864,424	3,864,424
-	-	-	-	28,063,988	28,063,988
<u>955,940</u>	<u>11,592,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,547,957</u>
<u>955,940</u>	<u>11,592,017</u>	<u>-</u>	<u>-</u>	<u>31,928,412</u>	<u>48,410,912</u>
<u>1,256,558</u>	<u>17,238,317</u>	<u>916</u>	<u>-</u>	<u>32,006,352</u>	<u>55,092,689</u>
(945,071)	5,008,659	-	-	-	8,235,130
4,000,190	(2,541,016)	8,367	-	(31,986,835)	(26,354,180)
<u>\$ 3,055,119</u>	<u>\$ 2,467,643</u>	<u>\$ 8,367</u>	<u>\$ -</u>	<u>\$ (31,986,835)</u>	<u>\$ (18,119,050)</u>

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

**INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2013**

	<u>Liability Insurance Reserve</u>	<u>Workers Compensation</u>	<u>Fleet and Equipment Services</u>
OPERATING REVENUES			
Charges for services	\$ 1,650,276	\$ 2,203,610	\$ 2,268,085
Miscellaneous	202	51,041	5,770
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	1,650,478	2,254,651	2,273,855
OPERATING EXPENSES			
Salaries and benefits	168,077	864,634	912,925
Contracted services	953,009	187,628	19,244
Insurance premiums	489,856	-	34,868
Materials, supplies and others	35,367	67,428	356,460
Utilities	1,186	540	-
Depreciation	-	-	501,470
Repairs and maintenance	-	-	581,692
Claims expense	209,125	836,123	-
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	1,856,620	1,956,353	2,406,659
Operating Income (Loss)	<hr/>	<hr/>	<hr/>
	(206,142)	298,298	(132,804)
NONOPERATING REVENUE (EXPENSES)			
Interest revenue	-	-	-
Interest and fiscal charges (expense)	-	-	-
Loss on disposal	-	-	52,416
	<hr/>	<hr/>	<hr/>
Net Nonoperating Revenues (Expenses)	-	-	52,416
Income (Loss) Before Transfers	<hr/>	<hr/>	<hr/>
	(206,142)	298,298	(80,388)
Transfers (out)	<hr/>	<hr/>	<hr/>
	-	-	-
Change in Net Assets	<hr/>	<hr/>	<hr/>
	(206,142)	298,298	(80,388)
Net position-beginning (Deficit)	<hr/>	<hr/>	<hr/>
	1,033,368	(485,786)	7,777,306
Net position-ending (Deficit)	<hr/>	<hr/>	<hr/>
	\$ 827,226	\$ (187,488)	\$ 7,696,918

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

<u>Information Technology</u>	<u>Facilities Rehabilitation Projects</u>	<u>Reprographics</u>	<u>Community Development</u>	<u>Employee Benefits</u>	<u>Total</u>
\$ 1,637,790	\$ 1,733,370	\$ 116,228	\$ -	\$ 2,187,901	\$ 11,797,260
173	223,250	-	-	-	280,436
<u>1,637,963</u>	<u>1,956,620</u>	<u>116,228</u>	<u>-</u>	<u>2,187,901</u>	<u>12,077,696</u>
844,640	286,898	38,410	-	13,847,493	16,963,077
521,110	31,437	56,106	-	-	1,768,534
-	12,211	-	-	-	536,935
175,397	21,686	21,505	-	-	677,843
73,322	756,248	-	-	-	831,296
2,679	14,131	-	-	-	518,280
33,914	334,170	3,813	-	-	953,589
-	-	-	-	-	1,045,248
<u>1,651,062</u>	<u>1,456,781</u>	<u>119,834</u>	<u>-</u>	<u>13,847,493</u>	<u>23,294,802</u>
<u>(13,099)</u>	<u>499,839</u>	<u>(3,606)</u>	<u>-</u>	<u>(11,659,592)</u>	<u>(11,217,106)</u>
-	1,692	-	-	-	1,692
(8,565)	-	-	-	(1,112)	(9,677)
-	19,772	-	-	-	72,188
<u>(8,565)</u>	<u>21,464</u>	<u>-</u>	<u>-</u>	<u>(1,112)</u>	<u>64,203</u>
(21,664)	521,303	(3,606)	-	(11,660,704)	(11,152,903)
-	-	-	(21,132)	-	(21,132)
(21,664)	521,303	(3,606)	(21,132)	(11,660,704)	(11,174,035)
<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>
<u>\$ 3,055,119</u>	<u>\$ 2,467,643</u>	<u>\$ 8,367</u>	<u>\$ -</u>	<u>\$ (31,986,835)</u>	<u>\$ (18,119,050)</u>



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

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Liability Insurance Reserve</u>	<u>Workers Compensation</u>	<u>Fleet and Equipment Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,628,573	\$ 2,305,651	\$ 2,208,810
Payments to suppliers	(1,462,007)	(273,161)	(1,006,489)
Payments to or on behalf of employees	(167,950)	(864,556)	(910,939)
Claims paid	(203,381)	-	-
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	(204,765)	1,167,934	291,382
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Interfund Receipts	-	-	-
Interfund payments	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Cash Flow from (used by) Non Capital Financing Activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital asset additions, net	-	-	(495,017)
Long term Debt Additions	-	-	-
Interest paid	-	-	-
	<hr/>	<hr/>	<hr/>
Cash Flows (used for) Capital and Related Financing Activities	-	-	(495,017)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	-	-
	<hr/>	<hr/>	<hr/>
Cash Flow from (used by) Investing Activities	-	-	-
	<hr/>	<hr/>	<hr/>
Net Cash Flows	(204,765)	1,167,934	(203,635)
Cash and investments at beginning of period	2,013,867	2,161,225	3,322,429
Cash and Investment at end of period	<u>\$ 1,809,102</u>	<u>\$ 3,329,159</u>	<u>\$ 3,118,794</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ (206,142)	\$ 298,298	\$ (132,804)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	-	501,470
Change in assets and liabilities:			
Accounts receivable	(21,905)	51,000	(393,408)
Prepays, deposits and supplies	(1,125)	(2,840)	316,387
Net pension obligation	-	-	-
Accounts payable	18,536	(14,725)	(2,249)
Accrued liabilities	127	78	1,986
Accrued compensated absences	-	-	-
Claims payable	5,744	836,123	-
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	<u>\$ (204,765)</u>	<u>\$ 1,167,934</u>	<u>\$ 291,382</u>

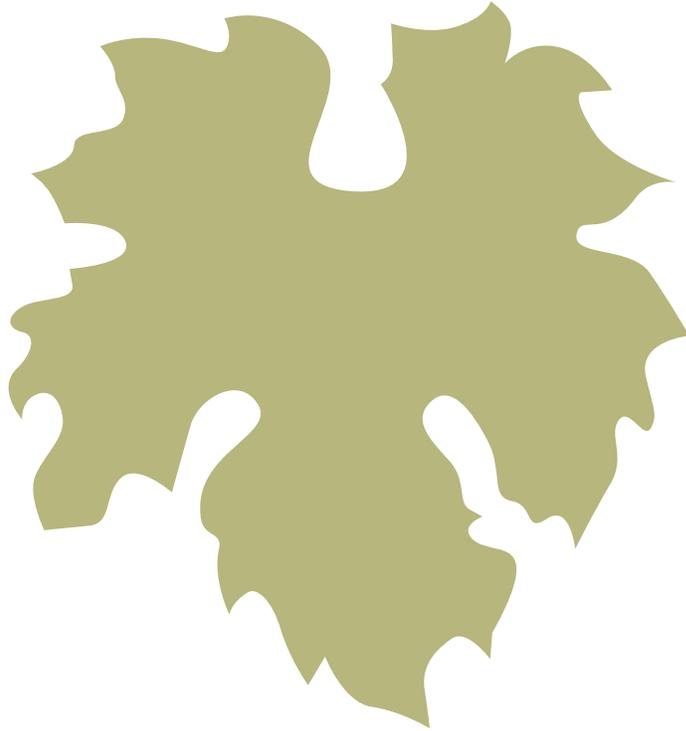


**Comprehensive Annual Financial Report
FY 2012-2013**

<u>Information Technology</u>	<u>Facilities Rehabilitation Projects</u>	<u>Reprographics</u>	<u>Community Development</u>	<u>Employee Benefits</u>	<u>Total</u>
\$ 1,637,963	\$ 2,442,571	\$ 118,254	\$ 11,820	\$ 2,187,901	\$ 12,541,543
(1,875,895)	3,286,283	(80,649)	-	-	(1,411,918)
(842,968)	(286,258)	(39,308)	-	(6,044,251)	(9,156,230)
-	-	-	-	-	(203,381)
<u>(1,080,900)</u>	<u>5,442,596</u>	<u>(1,703)</u>	<u>11,820</u>	<u>(3,856,350)</u>	<u>1,770,014</u>
-	-	-	-	3,864,424	3,864,424
-	-	-	-	(27,183)	(27,183)
-	-	-	(21,132)	-	(21,132)
-	-	-	(21,132)	3,837,241	3,816,109
(252,726)	(10,462,223)	-	-	-	(11,209,966)
1,195,118	12,275,288	-	-	-	13,470,406
-	-	-	-	(1,112)	(1,112)
<u>942,392</u>	<u>1,813,065</u>	<u>-</u>	<u>-</u>	<u>(1,112)</u>	<u>2,259,328</u>
-	1,692	-	-	-	1,692
-	1,692	-	-	-	1,692
(138,508)	7,257,353	(1,703)	(9,312)	(20,221)	7,847,143
3,130,743	1,676,498	10,986	9,312	20,221	12,345,281
<u>\$ 2,992,235</u>	<u>\$ 8,933,851</u>	<u>\$ 9,283</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,192,424</u>
\$ (13,099)	\$ 499,839	\$ (3,606)	\$ -	\$ (11,659,592)	\$ (11,217,106)
2,679	14,131	-	-	-	518,280
-	21,896	2,026	11,820	(19,517)	(348,088)
(1,069,395)	464,055	-	-	-	(292,918)
-	-	-	-	7,795,168	7,795,168
(2,757)	4,442,035	775	-	26,479	4,468,094
1,672	640	(898)	-	-	3,605
-	-	-	-	1,112	1,112
-	-	-	-	-	841,867
<u>\$ (1,080,900)</u>	<u>\$ 5,442,596</u>	<u>\$ (1,703)</u>	<u>\$ 11,820</u>	<u>\$ (3,856,350)</u>	<u>\$ 1,770,014</u>



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





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

AGENCY FUNDS

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

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

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



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

**AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
<hr/>				
Assessment Districts				
Cash and investments in City Treasury	\$ 4,248,014	\$ 50,559,488	\$ 44,234,657	\$ 10,572,845
Cash and investments with Trustees	4,892,930	7,401,692	7,423,624	4,870,998
Total Assets	<u>\$ 9,140,944</u>	<u>\$ 57,961,180</u>	<u>\$ 51,658,281</u>	<u>\$ 15,443,843</u>
Due to special assessment districts and other agencies	<u>\$ 9,140,944</u>	<u>\$ 57,961,180</u>	<u>\$ 51,658,281</u>	<u>\$ 15,443,843</u>
Total Liabilities	<u>\$ 9,140,944</u>	<u>\$ 57,961,180</u>	<u>\$ 51,658,281</u>	<u>\$ 15,443,843</u>



Comprehensive Annual Financial Report
FY 2012-2013

STATISTICAL SECTION

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

Table with 3 columns: Contents, Description, Page. Rows include Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, Operating Information, and Continuing Disclosures.

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 2012-2013

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 72,943,727	\$ 165,218,739	\$ 187,297,724	\$ 197,075,931	\$ 228,275,975	\$ 221,333,459	\$ 247,622,010	\$ 256,841,094	\$ 259,362,430	\$ 278,093,595
Restricted	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	22,454,139
Unrestricted	69,248,966	81,050,468	84,494,489	85,650,778	89,816,560	78,885,822	59,380,258	45,313,990	62,557,722	42,670,999,00
Total governmental activities net position	\$ 183,996,868	\$ 284,209,675	\$ 304,896,309	\$ 330,803,062	\$ 346,814,947	\$ 335,475,973	\$ 343,878,715	\$ 346,503,077	\$ 338,136,614	\$ 343,218,733
Business-type activities										
Net investment in capital assets	\$ 73,044,827	\$ 141,496,317	\$ 145,152,094	\$ 146,681,768	\$ 156,436,671	\$ 152,554,908	\$ 151,382,695	\$ 146,291,681	\$ 144,761,509	\$ 144,486,932
Unrestricted	68,065,411	73,558,951	76,761,659	75,448,836	72,730,483	77,364,571	75,692,306	76,526,861	92,361,887	93,219,127
Total business-type activities net position	\$ 141,110,238	\$ 215,055,268	\$ 221,913,753	\$ 222,130,604	\$ 229,167,154	\$ 229,919,479	\$ 227,075,001	\$ 222,818,542	\$ 237,123,396	\$ 237,706,059
Primary government										
Net investment in capital assets	\$ 145,988,554	\$ 306,715,056	\$ 332,449,818	\$ 343,757,699	\$ 384,712,646	\$ 373,888,367	\$ 399,004,705	\$ 403,132,775	\$ 404,123,939	\$ 422,580,527
Restricted	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	22,454,139
Unrestricted	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	135,890,126
Total primary government net position	\$ 325,107,106	\$ 499,264,943	\$ 526,810,062	\$ 562,933,666	\$ 575,982,101	\$ 565,395,452	\$ 570,953,716	\$ 569,321,619	\$ 575,260,010	\$ 580,924,792



Comprehensive Annual Financial Report FY 2012-2013

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
City Council	\$ 251,493	\$ 265,398	\$ 166,068	\$ 181,376	\$ 187,508	\$ 186,190	\$ 194,011	\$ 334,125	\$ 203,749	\$ 323,432
City Manager	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	1,239,792
City Attorney	887,074	898,971	1,088,292	1,158,163	1,297,039	1,427,823	1,407,435	1,335,953	1,395,340	1,450,572
City Clerk	1,157,543	942,167	955,941	743,797	994,675	791,772	782,255	642,275	984,762	552,708
Administrative Services	7,244,584	6,231,645	7,376,989	7,908,977	8,953,128	8,209,745	7,420,574	7,231,414	12,744,494	3,205,106
General Services	-	-	-	-	-	-	-	-	-	9,897,780
Fire	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	15,044,679
Police	21,161,675	21,951,225	23,709,222	24,107,372	26,817,052	28,474,207	27,618,963	26,196,950	27,883,362	31,441,958
Public Works	8,876,916	15,969,108	21,530,790	20,709,203	19,203,282	16,652,173	26,941,951	14,266,864	14,963,662	14,161,650
Community Development	19,184,280	16,541,565	15,214,102	20,865,569	23,590,207	23,031,607	16,796,886	24,828,977	22,791,521	26,867,068
Economic Development	369,204	360,962	446,402	343,222	335,741	491,263	774,617	997,209	1,380,669	-
Library	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	4,906,056
Redevelopment	2,318,738	3,234,590	2,328,327	1,998,205	3,518,910	5,369,824	6,521,339	2,986,523	1,422,996	-
Interest on long term debt	3,531,868	3,627,369	4,283,470	4,693,492	4,020,988	5,638,705	3,687,012	4,038,829	2,463,121	2,886,993
Total governmental activities expenses	81,032,852	88,487,434	96,803,588	106,095,155	111,925,217	114,493,107	115,324,690	104,328,914	109,339,859	111,977,794
Business-type activities:										
Airport	3,848,769	4,537,129	5,463,658	5,338,068	6,019,365	5,264,774	4,687,217	4,953,877	5,597,645	8,098,139
Water	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	11,860,758
Sewer	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	25,582,473
Las Positas	2,505,865	2,538,503	2,827,296	2,752,551	3,672,995	2,414,861	2,357,436	2,253,488	2,517,171	2,631,759
Springtown	184,558	217,610	258,208	245,444	604,666	561,662	249,921	103,861	26,660	16,568
Total business-type activities expenses	26,818,031	31,266,141	36,193,047	42,114,797	40,158,363	41,244,642	38,782,351	40,477,922	42,122,893	48,189,697
Total primary government expenses	\$ 107,850,883	\$ 119,753,575	\$ 132,996,635	\$ 148,209,952	\$ 152,083,580	\$ 155,737,749	\$ 154,107,041	\$ 144,806,836	\$ 151,462,752	\$ 160,167,491

(Continued)



Comprehensive Annual Financial Report FY 2012-2013

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Program Revenues										
Governmental activities:										
Charges for services:										
City Clerk	-	\$ 269,638	\$ 55,331	\$ 114,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Services	-	-	6,307,500	1,505,773	1,544,589	2,161,428	1,321,707	1,123,373	1,189,918	125,000
Fire	1,403,025	5,312,882	1,764,120	1,676,007	1,785,743	1,702,020	1,617,225	1,538,616	1,373,008	1,259,236
Police	1,521,930	373,659	191,365	288,150	64,340	72,820	71,680	-	128,206	311,393
Public Works	314,288	5,632,462	7,983,361	11,070,857	6,335,201	5,141,898	5,295,134	4,982,719	6,346,285	8,076,312
Community Development	5,701,919	130,748	160,910	292,554	124,630	144,181	144,764	143,899	139,104	150,179
Library	98,478	-	-	-	-	478,828	7,375	-	-	-
Redevelopment	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	4,790,624	7,983,601	10,078,898	9,655,790	11,036,523	10,571,987	15,694,082	10,890,656	8,304,359	10,614,625
Capital grants and contributions	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	18,349,337
Total governmental activities program revenues	40,080,708	56,586,038	50,924,519	55,517,209	48,298,687	27,329,368	53,104,975	35,368,879	64,472,519	40,120,520
Business-type activities:										
Charges for services:										
Airport	4,317,745	4,679,460	5,290,321	6,306,538	6,102,039	5,112,238	4,774,584	5,170,897	6,976,531	7,609,923
Water	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	13,083,389
Sewer	16,838,341	17,253,743	17,809,001	20,239,739	19,968,157	20,387,403	19,465,218	18,749,866	18,553,327	18,474,750
Las Positas	2,397,258	2,108,799	2,093,000	2,259,064	2,649,027	2,243,182	2,081,472	2,004,170	1,932,811	2,957,505
Springtown	134,981	79,292	109,257	102,799	258,354	340,260	74,186	2,998	12,010	6,000
Operating grants and contributions	-	401,286	80,172	115,516	-	2,341,705	-	-	-	-
Capital grants and contributions	9,707,655	7,177,129	9,580,679	2,738,724	8,358,515	1,938,642	1,429,816	204,049	1,366,499	6,663,795
Total business-type activities program revenues	43,418,588	40,672,232	44,277,242	42,625,844	47,848,415	42,709,728	38,516,000	36,364,363	40,198,535	48,795,362
Total primary government program revenues	\$ 83,499,296	\$ 97,258,270	\$ 95,201,761	\$ 98,143,053	\$ 96,147,102	\$ 70,039,096	\$ 91,620,975	\$ 71,733,242	\$ 104,671,054	\$ 88,915,882
Net (Expense) Revenue										
Governmental activities	\$ (40,952,144)	(31,901,396)	(45,879,069)	(50,577,946)	(63,626,530)	(87,163,739)	(62,219,715)	(68,960,035)	(44,867,340)	(71,857,274)
Business-type activities	16,600,557	9,406,091	8,084,195	511,047	7,690,052	1,465,086	(266,351)	(4,113,559)	(1,924,358)	605,665
Total primary government net expenses	\$ (24,351,587)	\$ (22,495,305)	\$ (37,794,874)	\$ (50,066,899)	\$ (55,936,478)	\$ (85,698,653)	\$ (62,486,066)	\$ (73,073,594)	\$ (46,791,698)	\$ (71,251,609)

(Continued)



Comprehensive Annual Financial Report FY 2012-2013

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	17,165,505	18,073,340	20,461,292	23,474,636	24,743,463	25,636,315	23,836,857	22,994,297	25,228,218	24,340,228
Incremental property taxes	2,333,472	3,049,903	3,944,648	4,166,077	4,850,965	5,293,686	4,683,913	4,718,558	-	-
Sales taxes	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	23,711,235
Other taxes	10,640,944	10,464,875	10,244,389	10,452,485	10,350,594	9,054,267	9,532,433	9,086,835	9,811,089	11,466,048
Intergovernmental	3,558,832	645,230	1,813,305	6,024,353	6,292,738	6,418,802	6,017,347	6,055,422	5,633,766	5,893,271
Interest	5,538,983	4,110,883	5,094,898	6,129,238	6,514,855	4,752,609	4,380,108	2,658,756	2,399,333	1,458,335
Miscellaneous	4,829,456	5,449,705	3,984,495	5,639,624	6,893,964	8,264,148	8,205,664	8,163,851	8,070,519	7,723,668
Transfers (net)	332,918	8,754,015	1,225,710	294,196	653,502	712,761	176,477	142,900	230,147	175,216
Assets transferred to/liabilities assumed by Successor Agency	-	-	-	-	-	-	-	-	25,136,863	(1,704,483)
Gain on sale of land held for redevelopment	-	3,267,560	-	-	-	-	-	-	-	-
Loss on refunding of debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities	62,183,663	73,169,027	66,025,703	76,484,699	79,638,415	75,824,765	70,622,457	70,555,036	97,271,534	73,063,518
Business-type activities:										
Transfers (net)	(332,918)	(8,754,015)	(1,225,710)	(294,196)	(653,502)	(712,761)	(2,578,127)	(142,900)	(230,147)	(175,216)
Change in value of investment in JPA - LAVWMA	-	-	-	-	-	-	-	-	6,021,144	152,214
Loss on refunding of debt	-	-	-	-	-	-	-	-	-	-
Total business-type activities	(332,918)	(8,754,015)	(1,225,710)	(294,196)	(653,502)	(712,761)	(2,578,127)	(142,900)	5,790,997	(23,002)
Total primary government activities	\$ 61,850,745	\$ 64,415,012	\$ 64,799,993	\$ 76,190,503	\$ 78,984,913	\$ 75,112,004	\$ 68,044,330	\$ 70,412,136	\$ 103,062,531	\$ 73,040,516
Change in Net Position										
Governmental activities	21,231,519	41,267,631	20,146,634	25,906,753	16,011,885	(11,338,974)	8,402,742	1,595,001	52,404,194	1,206,244
Business-type activities	16,267,639	652,076	6,856,485	216,851	7,036,550	752,325	(2,844,478)	(4,256,459)	3,865,639	582,663
Total primary government	37,499,158	41,919,707	27,003,119	26,123,604	23,048,435	(10,586,649)	5,558,264	(2,661,458)	56,270,833	1,788,907



Comprehensive Annual Financial Report FY 2012-2013

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

	(1) 2004	2005	2006	(2) 2007	2008	(3) 2009	2010	(4) 2011	2012	2013
General Fund										
Reserved	\$ 9,765,567	\$ 9,575,127	\$ 9,329,690	\$ 9,078,026	\$ 8,826,957	\$ 10,181,138	\$ 9,938,622	\$ -	\$ -	\$ -
Unreserved	24,260,697	23,849,128	25,587,347	28,926,629	28,350,723	21,488,374	17,556,081	9,577,624	5,262,813	6,832,287
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	11,500,000	12,003,511
Assigned	-	-	-	-	-	-	-	-	5,349,482	8,002,341
Unassigned	-	-	-	-	-	-	-	16,347,474	1,134,242	3,229,530
Total general fund	\$ 34,026,264	\$ 33,424,255	\$ 34,917,037	\$ 38,004,655	\$ 37,177,680	\$ 31,669,512	\$ 27,494,703	\$ 25,925,098	\$ 23,246,537	\$ 30,067,669
All Other Governmental Funds										
Reserved	\$ 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	34,572,476	28,679,800	25,731,867	25,015,905	14,589,109	18,281,575	23,419,657	-	-	-
Capital projects funds	14,331,542	28,038,224	22,479,402	23,880,541	17,669,848	7,573,270	(4,754,936)	-	-	-
Nonspendable	-	-	-	-	-	-	-	17,711	0	-
Restricted	-	-	-	-	-	-	-	52,011,467	63,995,900	58,524,301
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	10,214,639	-	-
Unassigned	-	-	-	-	-	-	-	(5,421,592)	(5,709,086)	(993,017)
Total all other governmental funds	\$ 62,752,054	\$ 66,597,800	\$ 61,224,407	\$ 72,700,091	\$ 60,763,196	\$ 67,594,313	\$ 59,104,658	\$ 56,822,225	\$ 58,286,814	\$ 57,531,284

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 2012-2013

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes and special assessments	\$ 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	\$ 38,391,028
Sales taxes	17,783,553	18,953,516	19,256,966	20,304,090	19,338,334	15,692,177	13,789,658	16,734,417	20,761,599	23,711,235
Property tax increment	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	2,521,787	2,566,277	2,215,956	2,256,120	2,324,087	1,690,189	1,794,011	1,608,187	2,006,311	2,782,819
Intergovernmental	15,133,500	21,598,361	27,074,245	25,012,771	22,621,648	21,911,247	38,302,229	27,296,610	53,725,198	20,525,065
Contributions from outside sources	9,874,276	1,178,717	758,296	1,193,222	2,454,757	1,231,668	3,830,471	981,826	1,162,859	532,899
Fines and forfeitures	750,465	733,561	687,841	762,058	680,340	599,111	711,616	648,231	465,263	353,754
Charges for current services	17,707,786	16,364,599	15,456,879	14,577,802	13,114,165	10,251,955	10,437,987	13,638,435	14,169,779	18,826,809
Use of money and property	6,843,242	5,339,709	6,204,142	7,595,527	7,936,130	5,516,745	6,079,077	3,275,127	2,754,238	1,634,027
Miscellaneous	1,164,542	2,201,231	1,300,634	3,520,167	2,912,666	6,300,744	2,105,144	3,428,938	3,122,175	7,422,435
Total revenues	102,037,478	100,633,559	107,705,142	124,142,295	112,071,687	104,479,724	116,649,476	104,198,800	135,891,137	114,180,071
Expenditures										
General government	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	12,528,286
Fire	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	14,505,466
Police	20,687,904	21,542,558	23,445,944	24,042,145	25,569,801	26,530,396	25,886,143	24,514,993	25,979,732	27,091,180
Public Works	6,402,095	7,152,912	6,874,574	7,175,563	7,175,388	7,729,713	7,029,100	6,030,850	6,282,113	5,766,027
Community Development	19,178,561	17,185,785	17,003,465	17,522,080	18,115,203	18,652,719	19,209,812	17,198,963	15,275,071	30,608,371
Economic Development	359,692	367,093	450,603	360,741	315,836	456,422	743,217	961,443	1,331,825	-
Library	3,757,989	4,422,218	4,626,688	7,700,291	4,895,811	5,114,806	4,805,004	4,393,096	4,735,732	4,232,678
Redevelopment	2,484,801	1,739,846	1,968,118	1,810,001	2,292,100	4,362,314	5,447,063	2,272,062	996,524	-
Capital outlay	37,825,405	19,662,412	29,276,212	22,466,475	32,239,052	17,371,920	35,032,838	26,369,541	41,750,672	13,800,868
Debt service funds										
Principal	3,331,691	3,010,000	3,165,000	3,300,000	3,755,000	3,480,163	3,435,934	4,377,745	3,663,583	8,583,683
Interest and fiscal charges	3,472,783	3,568,284	4,224,385	4,663,009	4,124,539	5,826,062	3,605,510	3,990,127	2,463,121	1,554,416
Total Expenditures	117,835,784	99,937,853	114,454,456	113,753,600	125,933,366	116,440,729	130,710,167	114,348,585	133,003,904	118,670,975
Excess of Revenues over (under) expenditures	(15,798,306)	695,706	(6,749,314)	10,388,695	(13,861,679)	(11,961,005)	(14,060,691)	(10,149,785)	2,887,233	(4,490,904)

(Continued)



Comprehensive Annual Financial Report FY 2012-2013

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses)										
Assets transferred to/liabilities assumed by Successor Agency	-	-	-	-	-	-	-	-	(6,520,981)	-
Proceeds from sale of property	-	3,267,560	-	678,828	-	-	-	-	-	-
Loss on sale of property	-	(958,789)	-	-	-	-	-	-	-	-
Proceeds from long term debt	-	-	1,715,479	15,393,200	-	58,575,000	-	13,046,596	-	5,964,051
Payment to refunded bond escrow	-	-	-	(12,026,398)	-	(46,030,256)	-	-	-	-
Premium received on TRANS	-	-	-	-	-	-	219,750	-	-	-
Transfers in	16,528,573	17,974,467	19,470,361	17,842,078	19,662,616	24,150,856	23,678,625	42,937,756	33,309,856	22,350,922
Transfers out	(16,195,655)	(17,735,207)	(18,317,137)	(17,713,101)	(18,564,807)	(23,411,646)	(22,502,148)	(49,686,605)	(33,079,709)	(22,154,575)
Total other financing sources (uses)	(1,511,357)	2,548,031	2,868,703	4,174,607	1,097,809	13,283,954	1,396,227	6,297,747	(6,290,834)	6,160,398
Net change in fund balances	\$ (17,309,663)	\$ 3,243,737	\$ (3,880,611)	\$ 14,563,302	\$ (12,763,870)	\$ 1,322,949	\$ (12,664,464)	\$ (3,852,038)	\$ (3,403,601)	\$ 1,669,494
Debt service as a percentage of noncapital expenditures	8.3%	7.9%	7.9%	7.8%	7.7%	8.5% *	6.6% *	8.8% *	6.4% *	9.7%

* Recalculated using capital outlay addition per Reconciliation of Net Change in Fund Balance- Total Governmental Funds with the Statement of Activities.



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

**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*
2003-2004	8,910,812,867	20,127,230	478,349,928	9,409,290,145	1.00%
2004-2005	9,766,713,534	21,615,982	457,302,038	10,245,631,554	1.00%
2005-2006	10,973,496,802	21,615,196	552,379,694	11,547,491,692	1.00%
2006-2007	12,145,332,159	20,308,948	553,745,577	12,719,386,684	1.00%
2007-2008	13,180,062,587	17,462,826	616,286,513	13,813,811,926	1.00%
2008-2009	13,667,492,888	17,107,843	632,906,079	14,317,506,810	1.00%
2009-2010	12,647,832,001	17,094,558	655,633,860	13,320,560,419	1.00%
2010-2011	12,644,996,632	16,763,636	597,043,398	13,258,803,666	1.00%
2011-2012	12,677,885,472	16,667,214	621,343,226	13,315,895,912	1.00%
2012-2013	12,785,579,465	16,652,307	712,651,650	13,514,883,422	1.00%

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 2012-2013**

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Direct Rates:										
City Direct Rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Overlapping Rates (1):										
School District	0.0793	0.0793	0.0830	0.0692	0.0626	0.0616	0.0674	0.0635	0.0627	0.0607
Community College	NA	0.0186	0.0158	0.0159	0.0164	0.0183	0.0195	0.0211	0.0214	0.0219
Bay Area Rapid Transit	-	-	0.0048	0.0050	0.0076	0.0090	0.0057	0.0031	0.0041	0.0043
Zone 7 Flood Control	0.0145	0.0114	0.0130	0.0151	0.0150	0.0169	0.0203	0.0250	0.0307	0.0228
Total Direct and Overlapping Rate	\$ 0.0938	\$ 1.1093	\$ 1.1166	\$ 1.1052	\$ 1.1016	\$ 1.1058	\$ 1.1129	\$ 1.1127	\$ 1.1189	\$ 1.1097

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 2012-2013**

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

Taxpayer	2013			2004		
	Taxable Assessed Value Secured/Unsecured	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value Secured/Unsecured	Rank	Percentage of Total City Taxable Assessed Value
Kaiser Foundation Hospitals	\$ 119,526,864	1	0.91%	\$ 90,760,977	1	0.96%
Form Factor Inc.	81,485,673	2	0.62%			
RT Tri Valley LLC	50,356,320	3	0.39%			
Marathon Drive Buildings LLC	43,758,614	4	0.33%			
Sutter Health	40,587,212	5	0.31%			
Alere Home Monitoring Inc	40,054,133	6	0.31%			
BNP Paribas Leasing Corp.	38,339,700	7	0.29%			
Valley Care Senior Housing, Inc.	37,238,122	8	0.28%			
Bridgelux Inc	36,538,625	9	0.28%			
Golden Bears II LLC and Ellis Street	34,278,392	10	0.26%			
KLA Tencor Corporation				79,814,811	2	0.85%
Patrician Assoc. Inc. & Principal Mutual				48,983,161	3	0.52%
Shea Center Livermore LLC				40,248,665	4	0.43%
Pell Development Company				29,549,054	5	0.31%
Tri Valley Technology Park LLC				27,710,730	6	0.29%
Vineyard Management Company				27,681,805	7	0.29%
Calwest Industrial Properties LLC				27,673,896	8	0.29%
Livermore National Industrial Park				27,475,555	9	0.29%
Opus West Corporation				27,243,129	10	0.29%
	<u>\$ 522,163,655</u>		<u>3.98%</u>	<u>\$ 427,141,783</u>		<u>4.52%</u>

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year	Amount	Percentage of Levy	Years	Amount	Percentage of Levy
2004	\$ 16,933,716	\$ 16,422,725	97.0%	\$ 599,985 *	\$ 17,022,710	100.5%
2005	17,846,591	17,252,118	96.7%	698,878 *	17,950,996	100.6%
2006	19,774,020	19,641,123	99.3%	597,185 *	20,238,308	102.3%
2007	22,760,383	22,655,213	99.5%	583,872 *	23,239,085	102.1%
2008	24,259,233	23,617,163	97.4%	894,811 *	24,511,974	101.0%
2009	23,987,973	24,075,652	100.4%	1,333,951 *	25,409,603	105.9%
2010	22,428,741	22,087,799	98.5%	1,314,843 *	23,402,642	104.3%
2011	21,716,391	21,933,923	101.0%	847,993 *	22,781,916	104.9%
2012	21,684,156	22,305,535	102.9%	804,372 *	23,109,907	106.6%
2013	22,760,932	23,272,577	102.2%	512,362	23,784,939	104.5%

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

* Restated to match with the general ledger

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

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

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

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 2012-2013**

**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				
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
2013	27,661,162 (1)		27,661,162	0.20%	332.00

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 2012-2013

Direct and Overlapping Governmental Activities Debt As of June 30, 2013

City Assessed Valuation	\$ 13,312,698,328
Redevelopment Agency Incremental Valuation*	-
Total Assessed Valuation	\$ 13,312,698,328

<u>Governmental Unit</u>	Percentage Applicable ⁽¹⁾	Outstanding Debt 6/30/13	Estimated share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes:			
Bay Area Rapid Transit District	2.649%	\$ 410,690,000	\$ 10,879,178
Chabot-Las Positas Community College District	15.470%	438,355,959	67,813,667
Livermore Valley Joint Unified School District	92.191%	93,010,000	85,746,849
City of Livermore 1915 Act Bonds	100.000%	135,565,000	36,603
City of Livermore Community Facilities District No. 99-1	100.000%	17,275,000	17,275,000
City of Livermore Community Facilities District No. 2006-1	100.000%	9,775,000	9,775,000
East Bay Regional Park District	0.027%	12,184,707	12,184,707
CA Statewide Communities Development Authority 1915 Act Bonds	100.000%	8,185,000	8,185,000
Total overlapping debt repaid with property taxes		1,125,040,666	211,896,004
Overlapping Other Debt:			
Alameda County Gen. Fund Obligations & Coliseum Authority	6.734%	638,960,000	43,027,566
Alameda County Pension Obligations	6.734%	109,277,602	7,358,754
Tax Increment Debt (Successor Agency)	100.000%	30,155,000	30,155,000
Total overlapping other debt		778,392,602	80,541,320
Total overlapping debt		\$ 778,392,602	\$ 292,437,324
City direct debt			85,119,361
Total direct and overlapping debt ⁽²⁾			\$ 377,556,685

Notes:

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations
- * Redevelopment Agency was dissolved effective January 31, 2012, in accordance with Assembly Bill 1X 26.



Comprehensive Annual Financial Report FY 2012-2013

Legal Debt Margin Information Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 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	\$ 1,917,836,920
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 1,917,836,920
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%

Legal Debt Margin Calculation for Fiscal Year 2013
 Common Property Assessed Valuation-Secured Roll \$ 12,785,579,465
 Government Code Sec. 43805 Debt Limit 15% of Assessed Valuation \$ 1,917,836,920
 Amount of debt applicable to the limit \$ -
 Legal debt margin \$ 1,917,836,920
 Percent of debt limit authorized and issued 0.00%

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



Comprehensive Annual Financial Report FY 2012-2013

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	Coverage	Sewer Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Coverage
2004	\$ 4,317,745	\$ 3,244,026	\$ 1,073,719	\$ 75,689	\$ 12	\$ 24,719,179	\$ 9,083,834	\$ 15,635,345	\$ 623,431	18.71
2005	4,679,460	3,927,475	751,985	30,689	20.63	21,210,177	8,772,352	12,437,825	640,264	14.88
2006	5,290,321	4,918,896	371,425	16,800	18.08	20,341,117	11,171,252	9,169,865	657,551	10.97
2007	5,866,440	4,675,923	1,190,517	13,889	71.31	18,651,449	15,357,015	3,294,434	675,305	3.94
2008	6,073,929	5,042,460	1,031,469	13,889	65.45	18,355,797	12,839,881	5,515,916	693,538	6.60
2009	5,090,028	4,537,646	552,382	13,889	37.26 (1)	19,175,073	13,511,672	5,663,401	712,263	6.78
2010						18,644,438	13,104,149	5,540,289	731,494	6.63
2011						18,596,876	14,599,199	3,997,677	751,245	4.78
2012						19,321,490 *	15,712,912 *	3,608,578 *	771,528	4.32 *
2013						20,845,817	18,255,282	2,590,535	792,360	3.10

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.

* Recalculated to match with the general ledger.



Comprehensive Annual Financial Report FY 2012-2013

Demographic and Economic Statistics,
Last Ten Calendar Years

Year	Population (1)	Per Capita Personal Income (2)		Total Personal Income (2) Alameda County	Unemployment Rate (3)	Median Income (4)		% of US
		Alameda County	US			Alameda County	Livermore	
2004	78,600	\$ 40,920	\$	3,216,312,000	3.9%			
2005	80,328	Est. 41,493		3,333,049,704	3.3%			
2006	81,443	Est. 42,074		3,426,632,782	3.0%			
2007	82,845	Est. 42,956		3,558,689,820	2.8%			
2008	83,604	Est. 45,689		3,819,783,156	4.0%	\$ 51,412	\$ 94,006	182.8%
2009	84,409	Est. 48,679		4,108,945,711	7.5%	60,374	81,341	157.0%
2010	85,312	Est. 49,757		4,244,869,184	7.6%	60,374	81,341	157.0%
2011	81,687	Est. 48,004		3,921,302,748	6.1%	51,718	70,920	192.6%
2012	82,400	Est. 48,087		3,962,368,800	6.2%	52,168	71,536	192.6%
2013	83,325	Est. 49,617		4,134,336,525	4.8%	52,907	72,549	192.6%

Note:

1. Data Source: State of California, Department of Finance, E-1 City/County Population Estimates - City of Livermore
2. Data Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, Local Area Personal Income, CA1-3 - Per capita personal income2/
3. Data Source: State of California, Employment Development Department, Labor Market Information - Unemployment Rates - City of Livermore
4. Data Source: Muni Net Guide (2010 U.S. Census data, adjusted for inflation)



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

Population Demographics⁽¹⁾

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

Note:

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



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

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

Employer	2013			2004*		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lawrence Livermore National Laboratory	5,870	1	17.40%	NA	NA	NA
Sandia National Laboratories	1,100	2	3.30%	NA	NA	NA
Livermore Valley Joint Unified School District	1,077	3	3.20%	NA	NA	NA
Form Factor	850	4	2.50%	NA	NA	NA
Kaiser Permanente	750	5	2.20%	NA	NA	NA
Comcast	710	6	2.10%	NA	NA	NA
Wente	676	7	2.00%	NA	NA	NA
Livermore Area Recreational & Park District	540	8	1.60%	NA	NA	NA
Las Positas College	515	9	1.50%	NA	NA	NA
Valley Care Health Systems	432	10	1.30%	NA	NA	NA
	<u>12,520</u>		<u>37.10%</u>			

* Not available

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



Comprehensive Annual Financial Report FY 2012-2013

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	-	-	-	-	-	-	28.28	24.50	25.75	27.00
Administrative Services ¹	1.00	1.00	-	-	-	-	-	-	-	-
City Council	10.25	10.25	10.25	10.25	10.25	10.75	5.00	6.00	6.00	6.00
City Manager ²	8.00	8.50	8.50	9.50	9.50	9.50	9.50	8.50	8.50	8.00
City Attorney	8.50	8.50	8.50	8.50	8.50	8.50	5.00	5.00	5.00	4.50
City Clerk	17.50	18.50	18.50	18.50	18.50	18.50	-	-	-	-
Finance	8.50	8.10	8.10	8.10	8.10	8.10	-	-	-	-
Human Resources	63.50	63.50	66.50	66.50	66.50	65.50	65.50	65.50	58.50	58.25
Fire	152.25	151.25	152.25	152.75	154.75	154.75	148.75	143.25	143.25	140.25
Police	64.00	64.00	64.00	63.00	64.00	64.00	55.00	48.60	48.10	42.70
Public Works	94.85	94.85	93.60	93.10	93.10	93.00	78.50	71.50	69.50	64.50
Community Development	4.50	1.30	1.30	1.30	1.30	0.80	4.00	5.00	5.00	3.00
Economic Development	39.50	39.50	40.25	40.25	41.25	41.25	38.13	32.13	32.13	29.00
Library	-	3.20	3.20	3.20	3.20	3.20	-	-	-	-
Redevelopment ^{3 & 4}	7.00	7.00	8.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00
Airport	15.00	15.00	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25
Water	45.25	46.25	46.25	46.25	46.25	46.25	46.50	47.50	47.50	47.50
Sewer	14.00	14.70	14.70	13.70	13.70	0.70	1.00	1.50	1.00	0.80
Las Positas Golf Course	-	0.30	0.30	0.30	0.30	0.30	-	-	-	-
Springtown Golf Course	-	-	-	-	-	-	-	-	-	-
Total	553.60	555.70	559.45	559.45	563.45	549.35	508.40	482.23	473.48	454.75

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 2012-2013

Operating Indicators by Function/Program Last Ten Fiscal Years

<u>Function/Program</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>	<u>2013</u>
Police										
Physical arrests	2,912	2,825	3,189	3,292	3,181	2,564	2,781	2,640	2,391	2,537
Parking violations	1,681	1,774	2,762	3,821	4,805	3,216	2,504	1,846	1,433	1,296
Traffic violations	14,721	13,274	12,279	9,774	10,324	10,398	14,099	10,700	9,264	8,635
Fire										
Emergency responses	5,375	5,672	5,948	6,454	6,325	6,349	6,099	5,887	4,607	6,684
Fires extinguished	376	397	416	444	438	461	438	384	239	237
Inspections (1)	1,230	1,326	1,028	1,110	1,280	883	1,040 (2)	463 (2)	623 (2)	1,106 (2)
Annual fire inspection program	295	1,166	50	407	326	453	734	573	470	540
Public Works										
Street resurfacing (centerline miles)	3.8	3.3	3.2	3.2	5.3	0.6	3.1	2.5	1.8	12.7
Potholes repaired	337	340	407	169	308	304	430	210	238	204
Maintenance of Landscaping (acres)	110	120	137	144	158	160	256	263	263	316
Library										
Volumes in collection	238,652	258,618	258,450	269,626	264,821	268,533	263,447	264,734	273,500	262,410
Total volumes borrowed	815,150	979,660	954,499	951,082	956,872	1,073,829	1,106,790	1,014,644	941,873	868,861
Water										
New connections	423	261	276	93	34	41	106	23	59	79
Water mains breaks	1	3	2	3	0	1 (3)	19	0	2	0
Other water breaks & leaks	12	15	20	26	134	117 (3)	23	25	74	20
Average Daily Consumption (millions of gallons)	5,961	5,579	6,082	6,618	6,441	5,950	5.55	3,013	5,939	5,937
Peak daily consumption (millions of gallons)	9,908	9,562	10,088	10,674	10,021	9,472	8,996	9,053	9,108	9,508
Wastewater										
Average daily sewage treatment (millions of gallons)	6.5	6.6	7.4	7.2	7.1	7.3	7.03	6.9	6.811	6.7
Municipal Airport										
Number of tenant aircraft	604	592	640	644	551	577	551	530	516	506
Total landings & takeoffs	196,654	181,710	173,800	177,330	174,503	143,345	123,012	136,851	139,140	143,651
Gallons of fuel pumped	879,112	922,582	935,367	860,429	790,578	585,934	564,269	621,254	643,272	642,239
Las Positas Municipal Golf Course										
Rounds Played	94,152	78,299	85,284	91,222	89,294	84,466	77,749	71,766	66,667	62,733
Springtown Municipal Golf Course										
Rounds Played	36,126	32,674	28,306	24,276	27,596	25,311	22,033	22,927	24,366	19,583

(1) Data is reported on a fiscal year basis

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

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

Sources: Various city departments.



Comprehensive Annual Financial Report FY 2012-2013

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

<u>Function/Program</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>	<u>2013</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	35	48	46	54	51	50	48	50	51	52
Fire stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	273.9	278.4	278.9	283.2	294.02	294.02	294	302	303	306.2
Streetlights	6,613	6,670	6,807	6,867	7,004	7,015	7,089	7,120	7,301	7,301
Traffic Signals	86	89	90	95	107	96	101	98	137	103
Flashing Crosswalks	N/A*	N/A*	4	7	9	9	10	11	11	11
Water										
Water mains (miles)										
Potable water	113.9	113.9	113.9	113.9	149.6	149.6	156	146	146	147
Recycled water	14.9	14.9	14.9	14.9	20.5	20.5	23.1	21.5	21.5	22.5
Fire hydrants	3,449	3,449	3,449	3,479	1,326	1,326	1,360	1,385	1,385	1,493
Fire hydrants (recycled)	N/A*	N/A*	N/A*	N/A*	100	100	113	113	113	160
Average daily consumption										
Potable water	5.96	5.58	6.08	6.62	6.44	5.95	5.55	3.013	5.939	5.937
Recycled water	0.73	0.56	0.78	0.79	0.95	0.84	1.08	1.15	1.27	1.97
(millions of gallons)										
Wastewater										
Sanitary sewers (miles)	255	255	267	267	285.6	298.4	302.2	303	303	295
Storm sewers (miles)				171	201.9	206.6	206.6	207	207	210
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)										
Municipal Airport										
Length of longest runway in feet	5,255	5,255	5,255	5,255	5,255	5,255	5,253	5,253	5,253	5,253
Length of longest taxiway in feet	5,255	5,255	5,255	5,255	5,255	5,255	5,720	5,720	5,720	5,720
Total acreage	643	643	643	643	643	643	644	644	644	644
Number of hangars	393	393	393	393	393	393	393	393	393	393
Las Positas Municipal Golf Course										
Total acreage	205	205	205	205	205	205	205	205	205	195
Length of 18-hole course in yards	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,677	6,723	6,723
Length of 9-hole executive course in yards	2,034	2,034	2,034	2,034	2,034	2,034	2,034	2,034	1,133	1,133
Springtown Municipal Golf Course										
Total acreage	90	90	90	90	90	90	90	90	90	90
Length of 9-hole course in yards	2,941	2,941	2,941	2,941	2,941	2,941	2,941	2,941	2,941	2,941

* No data available

Sources: Various city departments.

9/6/12: The 9-hole Executive Course was closed as of July 1, 2011 and re-opened as a 9-hole Par 3 Course on May 17, 2012.
1/24/12: measurement is in centerline miles, per Jim Vingo/Engineering



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

SCHEDULE OF INSURANCE AS OF JUNE 30, 2013

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.	7/1/12-6/30/13
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	7/1/12-6/30/13
General Liability Excess Coverage Second Layer	AON - Munich RE - A.M. Best Rating A++:XV & SCOR RE - A.M. Best Rating A:XV		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	7/1/12-6/30/13
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.	1523763019263/2012	\$25,000 deductible with \$10,000,000 per occurrence \$331,289,565 in values	7/1/12-6/30/13
Excess Property Damage / Time Element	AON - CJPRMA / XL A.M. Best Rating A++:XV	All Risks, excluding Earthquake and Flood - follows primary coverage	US00012129PR11A	Coverage is for \$290,000,000 per occurrence excess of \$10,000,000 per occurrence primary coverage	7/1/12-6/30/13
Boiler and Machinery	AON - CJPRMA / Hartford Steam Boiler A.M. Best Rating A+:X	Comprehensive coverage, including production machinery and public utility equipment / 24hr Business Interrupt / Extra Expense	FBP4909988	Coverage is \$21,250,000 Property Damage, \$5,000 per accident deductible. Various sub-limits apply	7/1/12-6/30/13



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

SCHEDULE OF INSURANCE AS OF JUNE 30, 2013

COVERAGE	BROKER	COVERAGE	POLICY NO	LIMITS	TERM
Public Employee Blanket Bond	AON – CJPRMA / Hartford Fire Insurance A++:XV	Faithful performance, any dishonest act, including forgery, alteration, & theft. Covers all employees statutorily required to maintain bonding.	00FA026443010	Deductible is \$5,000 per loss Coverage is \$500,000 per loss	7/1/10-6/30/13
Airport Liability	AON – CJPRMA/ACE A.M.Best Rating A: XV	Airport liability / Hangerkeeper's / Advertising / Vehicles / Non-owned aircraft / Fire Legal Liability / Products and Completed Operations / Premises	AAPND0205476001	\$50,000,000 per occurrence with \$0 deductible	7/1/12-6/30/13
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	7/1/12-6/30/13
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	7/1/12-6/30/13
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 Pittsburgh, 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	7/1/12-6/30/13
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	7/1/12-7/1/13
Pollution	AON - ACE Environmental	Coverage is for all City owned or controlled property and includes perils such as "midnight dumping" on vacant land, wastewater back ups or overflows, and mold and fungi.		\$5,000,000 per occurrence/\$10,000,000 aggregate with \$50,000 deductible	1/01/12 - 1/01/14



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

**ANNUAL REPORT OF CONTINUING DISCLOSURE
2011 CERTIFICATES OF PARTICIPATION (CAPITAL PROJECTS)
AS OF JUNE 30, 2013**

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, 2013.

The City hereby reports the following:

1. The audited financial statements of the City for the fiscal year ended June 30, 2013 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, 2013 in accordance with the terms of the Disclosure Agreement.

Source: City of Livermore Finance Department.



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

**ANNUAL REPORT OF CONTINUING DISCLOSURE
2007 CERTIFICATES OF PARTICIPATION (REFUNDING AND CAPITAL PROJECTS)
AS OF JUNE 30, 2013**

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, 2013 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:
 12. Principal and interest payment delinquencies;
 13. Non-payment related defaults;
 14. Unscheduled draws on debt service reserves reflecting financial difficulties;
 1. Unscheduled draws on credit enhancements reflecting financial difficulties;
 2. Substitution of credit or liquidity providers, or their failure to perform;
 3. Adverse tax opinions or events affecting the tax-exempt status of the security;
 4. Modifications to rights of security holders;
 5. Contingent or unscheduled Bond calls;
 6. Defeasances;
 7. Release, substitution, or sale of property securing repayment of the securities; or
 8. 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, 2013 in accordance with the terms of the Disclosure Agreement.

Source: City of Livermore Finance Department.



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

**ANNUAL REPORT OF CONTINUING DISCLOSURE
2012 CERTIFICATES OF PARTICIPATION (REFUNDING)
AS OF JUNE 30, 2013**

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 August 16, 2012 executed and delivered by the City and the Dissemination Agent in connection with the issuance of \$8,310,000 2012 Certificates of Participation (Refunding) (the "Certificates"). The Certificates were issued pursuant to an indenture of trust agreement dated as of August 1, 2012 from the City. The proceeds of the Certificates are to (a) refund and defease the 2007 Certificates of Participation; and (b) 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, 2013.

The City hereby reports the following:

3. The audited financial statements of the City for the fiscal year ended June 30, 2013 comprise the book in which this report is included.
4. During the time period beginning on March 31, 2013 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, 2013 in accordance with the terms of the Disclosure Agreement.

Source: City of Livermore Finance Department.



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

**ANNUAL REPORT OF CONTINUING DISCLOSURE
SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO. 2006-1
(SHEA PROPERTIES), SERIES 2006
AS OF JUNE 30, 2013**

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, 2013.

The City hereby reports the following:

1. The audited financial statements of the City for the fiscal year ended June 30, 2013 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 2012-2013**

**ANNUAL REPORT OF CONTINUING DISCLOSURE
2001 TAX ALLOCATION BONDS, SERIES A
AS OF JUNE 30, 2013**

This Continuing Disclosure Annual Report is provided by the former 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, 2013.

The Agency hereby reports the following:

1. The audited financial statements of the Agency for the fiscal year ended June 30, 2013 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, 2013 in accordance with the terms of the Disclosure Agreement.

Source: City of Livermore Finance Department.



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

**ANNUAL REPORT OF CONTINUING DISCLOSURE
SPECIAL TAX BONDS COMMUNITY FACILITIES DISTRICT NO. 99-1
(TRI-VALLEY TECHNOLOGY PARK), SERIES 2000
AS OF JUNE 30, 2013**

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, 2013.

The City hereby reports the following:

1. The audited financial statements of the City for the fiscal year ended June 30, 2013 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, 2013 in accordance with the terms of the Disclosure Agreement.

Source: City of Livermore Finance Department.



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

