CITY OF PACIFICA

CALIFORNIA

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2014

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For Fiscal Year Ended June 30, 2014

CITY OF PACIFICA

CALIFORNIA

PREPARED BY

THE FINANCE DEPARTMENT

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CITY OF PACIFICA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

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Scenic Pacifica
Incorporated Nov. 22, 1957

CITY OF PACIFICA

170 Santa Maria Avenue • Pacifica, California 94044-2506
www.cityofpacifica.org

MAYOR
Karen Ervin

MAYOR PRO TEM
Sue Digre

COUNCIL
Mary Ann Nihart
Mike O'Neill
John Keener

May 19, 2015

Honorable Mayor, Members of the City Council,
City Manager and Citizens of the City of Pacifica, California

We are pleased to submit the City of Pacifica's Comprehensive Annual financial Report (CAFR) for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in the CAFR. To provide a reasonable basis for making these representations, management has established a comprehensive framework of internal control that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). As 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 City's independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The City's independent auditor, Moss, Levy & Hartzheim, LLP, has issued an unmodified ("clean") opinion on the City of Pacifica's financial statements for the fiscal year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

In addition to meeting the requirements set forth by State law, the audit is also designed to meet the requirements of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133. The standards governing Single Audit engagements require the auditor to report on the City's internal controls and compliance with certain legal requirements with special emphasis on the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP and the Governmental Accounting Standards Board require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

City of Pacifica Profile

The City of Pacifica is a full service city located on the Pacific Coast in San Mateo County directly south of San Francisco. Located within the Bay Area Peninsula, it is framed by the ridges of the Coast Range on the east, Montara Mountains on the south, and the Pacific Ocean on the west. The City of Pacifica encompasses roughly 12.6 square miles (of which approximately one third is publicly owned open space), is largely built out, and serves a population of approximately 39,000. A combination of residential, office and commercial retail businesses, and natural open space, comprise the makeup of the City. The City of Pacifica, while located in the midst of a major metropolitan region, is a unique family-oriented coastal community that prides itself on fostering a "small town" feel. The City's geographic setting, its proximity to San Francisco and the San Francisco International Airport, along with its natural open space and coastal beauty, make it a desirable place to live and work.

The City of Pacifica is a General Law City incorporated in 1957 and operates under the Council-Manager form of government. Legislative authority is vested in a five-member City Council elected at large for four-year overlapping terms. The Mayor is selected each year by a majority vote of the other Council members. The City performed certain infrastructure construction and economic development activities through a separate Redevelopment Agency until its dissolution on February 1, 2012. The City of Pacifica accepted the role of Successor Agency to the Redevelopment Agency per Council action on January 23, 2012. The Council appoints the City Manager and the City Attorney. Key advisory commissions include Planning and Parks, Beaches and Recreation.

The City provides the following services to its residents: public safety (police and fire), highways and streets, sanitation, parks, beaches, and recreation, social services, planning and zoning, and leadership through general administrative services.

The City is part of a countywide paramedic program that became fully operational during Fiscal Year 1998-99. Water, garbage, gas and electric utilities are provided directly through private agencies not under City operations.

Economic and Financial Outlook

The economy shows signs of improvement; consumer spending, new home construction, and other consumer dependent industries have improved. Based on unemployment rates, the Bay Area continues to fare better than both the State of California and the United States. Per the Bureau of Labor Statistics, in February of 2014, the United States unemployment rate was 6.7 percent, the State of California was 8.0 percent, and San Mateo County was 3.5 percent.

Pacifica's coastal location on the Bay Area Peninsula with its natural open space and coastal beauty, along with its proximity to the San Francisco International Airport and its visitor-serving resources, continues to be an asset for development in the City.

While residential development has reached near build out conditions, commercial development potential is high in Pacifica as several commercially zoned sites are in various phases of the permit process and other commercial sites remain undeveloped or underdeveloped. The City and the Pacifica Chamber of Commerce are active in encouraging resident and visitor-serving business startups.

The City of Pacifica has continued to be fiscally conservative in financial investments per the City's Investment Policy, as well as with the development of a Five Year Financial Plan.

The current Five Year Financial Plan was approved by the City Council in February of 2015. The City remains vigilant in its efforts to continue to provide essential City services with dwindling revenues, reserves and resources while maintaining sufficient levels of fiscal control and accountability.

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund, special revenue funds, enterprise funds, debt service fund, and internal service funds are included in the annual appropriated budget. The Capital Projects budget reflects existing projects that do not lapse at year-end, but are carried forward until completion of the project.

The City Council conducts public hearings before adopting the budget, thus giving the public an opportunity to be heard. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the department level by tracking expenditures and budget authority. Unexpended budget appropriations lapse at the end of the fiscal year with the exception of capital improvement projects.

The City Manager is responsible for the preparation of the budget, and along with the Assistant City Manager, is responsible for monitoring the budget for legal compliance.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Report to the City of Pacifica for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and effectively organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Our goal is to publish financial information that is helpful to policy leaders and the City Manager. Preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the City of Pacifica Finance Department, including: Sandra McClellan, Assistant Finance Director; Ed Vandehey, Information Technology Manager; Carol Luebben, Account Technician III, Vivian Penaredondo, Accountant, and Manuel Ferrer, Systems Specialist. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the members of the Pacifica City Council and the City Management for their interest and support in planning and conducting the financial operations of the City in a responsible and conservative manner in the best interests of the Citizens of Pacifica.

Respectfully submitted,

Lorie Tinfow
City Manager

Lorenzo Hines
Assistant City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pacifica

California

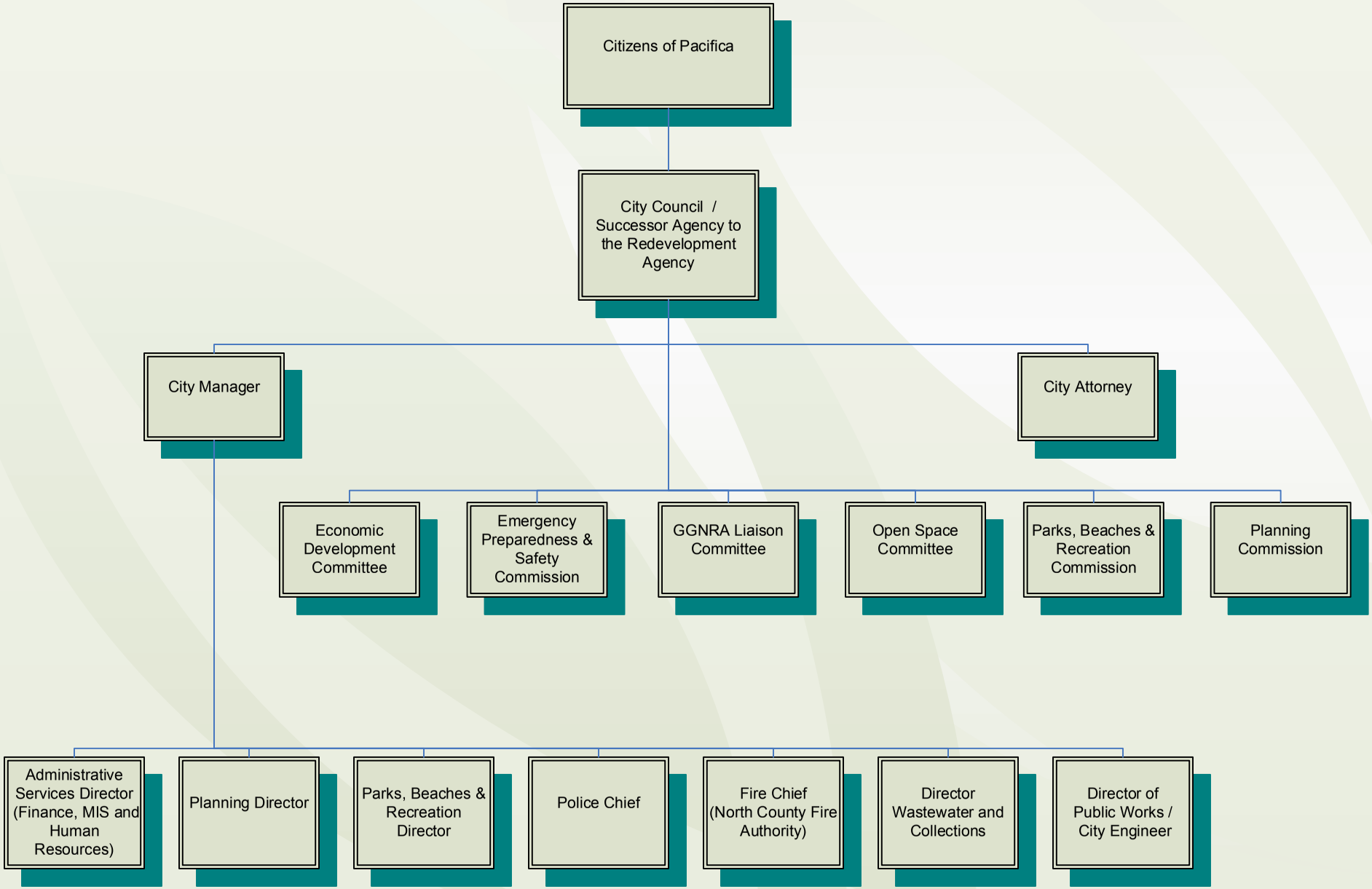
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

City of Pacifica, California

◄ Fiscal Year 2013-2014 ►



CITY OF PACIFICA, CALIFORNIA

HONORABLE MARY ANN NIHART
Mayor

KAREN ERVIN
Mayor Pro Tem

SUE DIGRE LEN STONE
MICHAEL O'NEILL
Members of City Council

* * * * *

LORIE TINFOW
City Manager

* * * * *

OTHER ADMINISTRATIVE OFFICERS

STEVEN CARMICHAEL	Interim Administrative Services Director
JAMES TASA	Police Chief
RON MYERS	Fire Chief
GEORGE WHITE	Director of Planning & Building
VAN OCAMPO	Director of Public Works/City Engineer
MICHAEL PEREZ	Director of Parks, Beaches & Recreation
DAVE GROMM	Director of Wastewater Collection and Plant Operation

* * * * *

OFFICIAL BOARDS AND COMMISSIONS

ECONOMIC DEVELOPMENT COMMITTEE

GOLDEN GATE NATIONAL RECREATION AREA (GGNRA) LIASON COMMITTEE

EMERGENCY PREPAREDNESS & SAFETY COMMISSION

OPEN SPACE COMMITTEE

PARKS, BEACHES AND RECREATION COMMISSION

PLANNING COMMISSION

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council of the City of Pacifica
Pacifica, California

Report on the 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 Pacifica (City), California, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 entity'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 entity'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.

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MEMBER AMERICAN INSTITUTE OF C.P.A.'S · CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS · CALIFORNIA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pacifica, California, as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principles

As discussed in Note 1 to the basic financial statements effective July 1, 2013, the City of Pacifica adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities,* Statement No. 66, *Technical Corrections 2012,* Statement No. 67, *Financial Reporting for Pension Plans,* and Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees.* Our opinion is not modified with respect to this matter.

Please see Note 19, referring to the City's financial condition as of June 30, 2014.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Other Postemployment Benefits – Schedule of Funding Progress, General Fund budgetary comparison schedule, Gas Tax special revenue fund budgetary comparison schedule, and Davies Trust special revenue fund budgetary comparison schedule on pages 4 through 20 and pages 74 through78 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pacifica's basic financial statements. The Introductory Section, General Capital Improvement capital projects fund budgetary comparison schedule, Debt Service fund budgetary comparison schedule, combining and individual nonmajor governmental fund financial statements and schedules, internal service fund financial statements, Private-Purpose Trust fund statements, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The General Capital Improvement capital projects fund budgetary comparison schedule, Debt Service fund budgetary comparison schedule, combining and individual nonmjaor governmental fund financial statements and schedules, the internal service fund financial statements, and the Private-Purpose Trust fund statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures

applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim LLP
Culver City, CA
May 19, 2015

The management staff of the City of Pacifica (City), offers readers of the City's financial statements this narrative overview and analysis of City financial activities for the fiscal year ended June 30, 2014. It has been designed in accordance with standards established by the Governmental Accounting Standards Board. Please read this overview in conjunction with the accompanying financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components:

- **Government-Wide Financial Statements** – These statements provide information about the activities of the City as a whole and about the overall financial condition of the City. The *Statement of Net Position* and *Statement of Activities* include *all* assets and liabilities of the City using the *accrual basis of accounting,* which is similar to the accounting used by most private-sector companies.

- **Fund Financial Statements** – These statements provide additional information about the City's major funds, how services were financed in the short term and fund balances available for financing future projects.

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

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information, including budgetary comparison information on the City's General Fund, which is intended to furnish additional detail to support the basic financial statements themselves.

FINANCIAL HIGHLIGHTS

Financial highlights of the fiscal year ended June 30, 2014 include the following:

Government-wide:

- The City's total net position was $75.3 million at June 30, 2014, of which $51.9 million was in Governmental Activities and $23.4 million was in Business-type Activities. Of the total net position, $75.0 million relates to the City's net investment in capital assets and is not available for future appropriation (see tables 1 and 4 for additional information).
- Total City revenues were $48.8 million, of which $13.6 million was derived from Governmental Activities, $13.3 million was derived from Business-type Activities and $21.9 million from General Revenues (see tables 2 and 5 for additional information).
- Total City expenses were $40.5 million, of which Governmental Activities incurred $29.7 million and Business-type Activities incurred $10.8 million (see tables 2 and 5 for additional information).

FINANCIAL HIGHLIGHTS, Continued

Fund Level:
Governmental fund balances totaled $13.5 million, the Enterprise funds had a $23.3 million net position surplus, and there was a cumulative net position surplus of $4.0 million in the Internal Service Funds, of which $2.3 million relates to the City's Internal Service Funds net investment in capital assets.

- Proprietary Fund operating revenues were $13.3 million in the Enterprise Funds and $1.8 million in the Internal Service Funds.
- Proprietary Fund operating expenses were $9.8 million in the Enterprise funds and $2.5 million in the Internal Service Funds.
- Net non-operating expenses were approximately $1.1 million in the Enterprise Funds and net non-operating revenues were $36,600 in the Internal Service Funds.

General Fund:
- General Fund revenues were $28.2 million and expenditures were $23.7 million.
- Net transfers out of the General Fund were $3.3 million.
- The fund balance of the General Fund was $4.9 million at June 30, 2014, all of which has been classified in accordance with Governmental Accounting Standards Board No. 54.

General Capital Improvement Fund:
- Fund revenues were $496,000 and expenditures were $526,000.
- Net transfers out of the Fund were $148,600.
- The fund balance of the Fund was approximately $41,000 at June 30, 2014; the total amount is classified as restricted for capital projects.

Gas Tax Fund:
- Fund revenues were $2.4 million and expenditures were $1.0 million.
- Net transfers into the Fund were $697,000.
- The fund balance of the Fund was $3.3 million at June 30, 2014; the total amount is classified as restricted for allowable street expenditures under the California Street and Highway Code.

Davies Trust Fund:
- Fund revenues were $2,200 and expenditures were $300.
- There were no transfers into or out of the Fund.
- The fund balance of the Fund was $3.4 million at June 30, 2014; the total amount is classified as restricted for use to help acquire, build, remodel, improve, support and maintain the equipment, building, grounds, yard, gardens and landscaped areas of the various parks, beaches, and recreational areas located in Pacifica.

Debt Service Fund:
- Fund revenues were $1,000 and expenditures were $3.7 million.
- Net transfers into the Fund were $3.8 million.
- The fund balance of the Fund was $970,000 at June 30, 2014; the total amount is classified as restricted for debt service.

GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

These government-wide financial statements include all assets and liabilities of the City using the accrual basis of accounting. All current year revenues and expenses are accounted for regardless of when the cash is paid or received.

These statements report the City's net position and how it has changed. Net position, the difference between assets, liabilities and deferred inflows/outflows of resources, is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are among indicators used to assess whether the financial condition of the City is improving or deteriorating. It is also important to consider other non-financial factors, such as changes in the City's property tax values and sales tax outlets, and the condition of the City's infrastructure (i.e. parks and streets), to accurately assess the overall health of the City.

The Government-wide statements present information about the City's activities. These include services provided by police, fire, community development, public works and parks, beaches, and recreations. These services are funded from monies received from property, sales and other taxes, direct charges for services provided, grants, contributions from other agencies and impact fees collected from new development. The following analysis focuses on net position and how it has changed, within the City's Governmental Activities (Tables 1, 2 and 3) and Business-Type Activities (Tables 4 and 5) as presented in the Government-wide *Statement of Net Position* and *Statement of Activities and Changes in Net Position*.

Governmental Activities

Net position, representing the difference between total assets and total liabilities, of the City's governmental activities was $51.9 million at June 30, 2014, an increase of $900,000 (1.7%) from the total at June 30, 2013. The table below summarizes the City's net position.

Table 1
Governmental Statement of Net Position (In Millions) at June 30,

	2014	2013
Cash and investments	$ 14.5	$ 12.1
Other assets	5.4	9.7
Capital assets	72.3	70.7
Total assets	**92.2**	**92.5**
Deferred loss on refunding	1.0	-
Total deferred outflows of resources	**1.0**	**-**
Current liabilities	3.4	3.1
Non-current liabilities	37.9	38.4
Total liabilities	**41.3**	**41.5**
Net Position		
Net investment in capital assets	57.0	56.5
Restricted	9.0	7.9
Unrestricted	(14.1)	(13.4)
Total net position	**$ 51.9**	**$ 51.0**

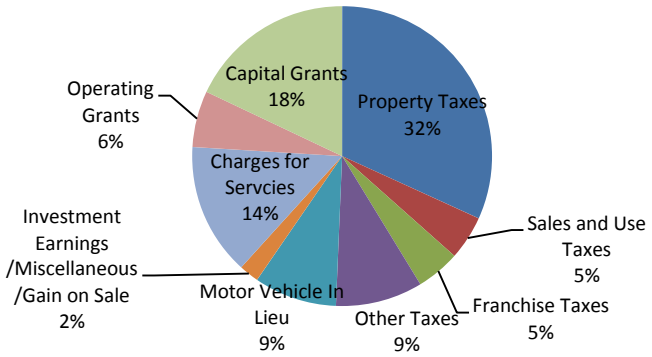
GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS, Continued

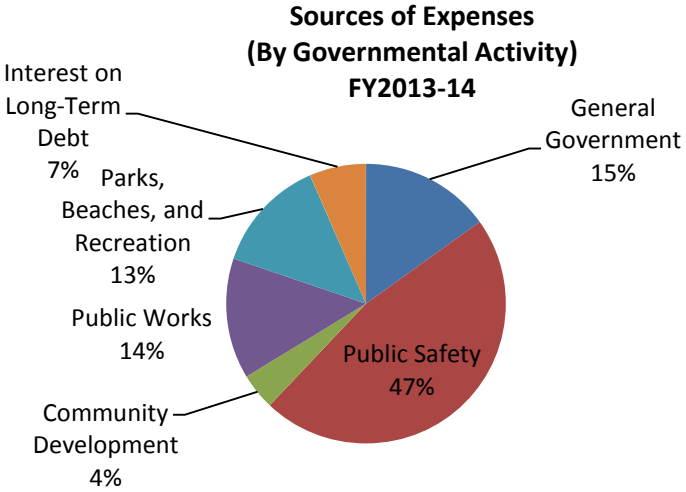
Governmental Activities, Continued

Of the City's total net position, $57 million reflects its net investment in capital assets (e.g. land, infrastructure, buildings, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The City's total liabilities of $41.3 million represent outstanding obligations for operations, capital projects, deposits held for development projects and long-term debt.

A portion (17.3%) of the City's net position represents resources that are subject to restrictions on how they may be used. The negative unrestricted net position is due to the City incurring long-term liabilities, such as pension obligation bonds, compensated absences, and other postemployment benefits payable, which are expensed when incurred, and paying expenses in advance of receiving revenues.

The charts below summarize general City revenues available for funding all City programs and major expenditure program categories, as well as program revenues used to fund specific expenditure programs. For fiscal year 2013-14, total revenues from all sources relating to governmental activities were $35.4 million and total expenses for all City programs relating to governmental activities were $29.6 million.





GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS, Continued

Governmental Activities, Continued

Table 2
Change in Net Position - Governmental Activities for fiscal year ended June 30,
(In Millions)

Revenues	**2014**	**2013**
Program revenues		
Charges for service	$ 5.0	$ 4.3
Operating contributions and grants	2.1	1.8
Capital grants	6.4	2.3
Total program revenues	13.5	8.4
General revenues		
Taxes:		
Property	11.3	10.7
Sales and use	1.7	1.6
Franchise	1.7	1.6
Other taxes	3.3	3.1
Other	3.7	3.2
Investment income	0.2	0.2
Total general revenues	21.9	20.4
Total revenues	35.4	28.8
Expenses		
Public safety	13.9	13.5
Public works	4.1	4.0
Community development	1.3	1.4
Parks, beaches and recreation	3.9	3.9
General government	4.5	4.3
Interest on long-term debt	1.9	2.0
Total expenses	29.6	29.1
Excess (deficiency)	5.8	(0.3)
Transfers	-	0.4
Prior period adjustment	(4.8)	(16.5)
Change in net position - Governmental Activities	$ 1.0	$ (16.4)

GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS, Continued

Governmental Activities, Continued

Table 2, presented on the previous page, shows that governmental expenses, which totaled $29.6 million, were offset in part by program revenues for governmental activities of $13.5 million. These program revenues included $5.0 million in charges for services, $2.1 million in operating grants and contributions, and $6.4 million in capital grants and contributions. Charges for services include traffic safety fines, plan check fees, building inspection fees, other charges related to new construction, and fees charged for parks, beaches, and recreational events. Operating grants and contributions include amounts contributed by developers that can only go toward operations-related expenses, while capital grants and contributions are required to go toward capital investments. General revenues, as shown in Table 2 on the previous page, are available to pay for expenses not fully covered by program generated revenues.

Table 3 presents the program revenues and net expense of each of the City's largest programs. Net expense is defined as total program cost less the revenues generated or contributions received by those specific activities.

Table 3
Governmental Activities
Program Revenues and Net (Expense) Revenue From Services for fiscal year ended June 30,
(In Millions)

	Program Revenues		Net (Expense) Revenue	
	2014	2013	2014	2013
Public safety	$ 1.4	$ 1.2	$ (12.6)	$ (12.4)
Public works	7.2	3.2	3.1	(0.9)
Community development	1.5	0.8	0.2	(0.6)
Parks, beaches, and recreation	3.4	3.2	(0.5)	(0.7)
General government	-	-	(4.4)	(4.2)
Debt Service	-	-	(1.9)	(2.0)
Totals	**$ 13.5**	**$ 8.4**	**$ (16.1)**	**$ (20.8)**

Business-type Activities

The net position of the City's business-type activities was $23.3 million at June 30, 2014. Assets included a total of $12.4 million in cash and investments, $44.2 million in capital assets, and $260,000 in other assets. Deferred outflows of resources of $310,000 was the deferred loss on refunding of debt. Liabilities include $32.9 million in long-term debt and $959,000 in current liabilities. Total revenues for business-type activities totaled $13.4 million for fiscal year 2013-14 while expenses totaled $10.9 million.

GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS, Continued

Business-type Activities, Continued

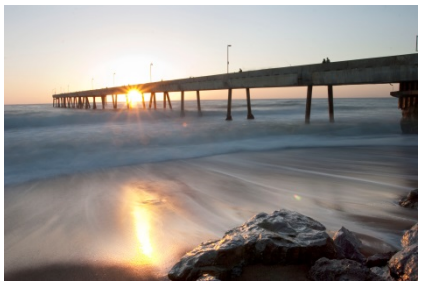
Table 4
Business -Type Activities Statement of Net Position at June 30,
(In Millions)

	2014	2013
Cash and investments	$ 12.4	$ 12.0
Other assets	0.2	0.6
Capital assets	44.2	44.1
Total assets	**56.8**	**56.7**
Deferred loss on refunding	0.3	-
Total Deferred Outflows of Resources	**0.3**	**-**
Long-term debt outstanding	32.9	34.7
Other liabilities	0.9	0.9
Total liabilities	**33.8**	**35.5**
Net Position		
Net investment in capital assets	18.0	16.3
Unrestricted	5.3	4.9
Total net position	**$ 23.3**	**$ 21.2**

Table 5
Change in Net Position - Business-type Activities for fiscal year ended June 30,
(In Millions)

Revenues	2014	2013
Program revenues		
Charges for service	$ 13.4	$ 12.5
Total program revenues	13.4	12.5
General revenues		
Investment income and other	-	0.1
Total revenues	13.4	12.6
Expenses		
Sewer Operations	10.9	10.2
Total expenses	10.9	10.2
Excess (deficiency) before transfers	2.5	2.4
Transfers	-	(0.4)
Prior Period Adjustments	(0.4)	(2.1)
Change in net position - Business-Type Activities	**$ 2.1**	**$ (0.1)**

FUND FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS



These statements provide more detailed information about the City's major funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated 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. Such information may be useful in evaluating a City's or government agency's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City has eighteen governmental funds, of which five are considered major funds for presentation purposes. Each major fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. The City's five major funds are - the General Fund, the Gas Tax Fund, the General Capital Improvement Fund, the Davies Trust Fund and the Debt Service Fund. The City has classified these funds as major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for its General Fund. Budgetary comparison schedule have been provided in the Required Supplementary Information and Other Supplementary Information sections for these funds that demonstrates compliance with their budgets.

Proprietary funds

The City maintains two types of proprietary funds, Enterprise Funds and Internal Service 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 operation of the Sewer Utility which account for the operation and maintenance of the City's wastewater collection system, which is classified as major funds in the City's Statement of Net Position. Internal service funds are used to accumulate and allocate costs internally among the City's various functions and to build up reserves for future replacement of capital assets. The City uses internal service funds to account for its fleet of vehicles and equipment.

FUND FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS, Continued

Proprietary funds, Continued

Because these services solely benefit the governmental function, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the Supplemental Information section of this report.

Fiduciary Funds

The City is the agent for certain agencies and assessment districts, holding amounts collected which await payment as directed. The City's fiduciary activities are reported in the separate Statement of Fiduciary Net Position and the Agency Funds Statement of Assets and Liabilities. These activities are excluded from the City's other financial statements because the City is acting as a trustee for these funds and cannot use these assets to finance its own operations. The City's fiduciary funds include a private-purpose trust fund to account for the activities of the City of Pacifica Successor Agency.

Summary Analysis of Governmental Funds

At June 30, 2014, the City's governmental fund balances were $13.5 million, which is an increase of $2.4 million, or 21%, from the balance in the prior fiscal year. The following describe the specifics related to this variance:

- An increase of $1.3 million in the General Fund, primarily due to the combination of increased revenues including property tax ($410,000), sales tax ($88,000), other taxes ($235,000), intergovernmental ($248,000) and departmental revenues ($317,000) netted against increases in expenditures and a prior period adjustment of $102,000;
- A decrease of $179,000 in the Capital Investment Program Fund is attributed to the Pier Rehabilitation project netted against funds received from the State for the Rehabilitation;
- An increase of $649,000 in the Gas Tax Fund is attributed to the receipt of additional Highway Users Tax due to the State's calculation of the fuel excise swap and the reduction of street projects for the fiscal year;
- An increase of $2,000 in the Davies Trust Fund is attributed to the interest income exceeding expenditures;
- An increase of $98,000 in the Debt Service Fund is attributed to transfers in exceeding the actual debt service paid;
- An increase of $516,000 in the City's non-major governmental funds is partly attributable to the new Housing In Lieu and Parking In Lieu Funds recognition of in lieu fees.

FUND FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS, Continued

Summary Analysis of Governmental Funds, Continued

Table 6
Change in Fund Balance- Governmental Funds for the fiscal year ended June 30,
(In Millions)

Revenues	**2014**	**2013**
Taxes	$ 18.1	$ 17.2
Licenses and permits	0.5	0.4
Fines and forfeitures	0.3	0.2
Use of money and property	0.2	0.2
Intergovernmental	10.6	7.2
Charges for current services	2.0	1.7
Recreation programs	0.8	0.8
Other revenue	2.3	1.5
Proceeds from the issuance of long-term debt	-	1.2
Total revenues	$ 34.8	$ 30.4
Expenditures		
General government	$ 3.9	$ 3.7
Public safety	12.9	12.5
Community development	1.2	1.3
Public works	3.3	3.4
Parks, beaches, and recreation	3.6	3.6
Capital outlay	3.5	2.7
Debt service	3.7	3.6
Transfers (net)	0.4	0.4
Total expenditures	$ 32.5	$ 31.0

FUND FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS, Continued

Detailed Analysis of Major Governmental Funds by Fund

General Fund

The General Fund is the chief operating fund of the City. For the fiscal year ending June 30, 2014, the total fund balance was $4.9 million, $3.6 million of which is non-spendable or has been committed or assigned to cover contingencies, claims, advances to other funds and other City projects.

Revenues were $2.0 million more in fiscal year 2013-14 compared to last fiscal year, a change of 8%. Expenditures increased $877,000 in fiscal year 2013-14 compared to last fiscal year, a change of 4%. Significant changes in revenues and expenditures that affected the General Fund balances are discussed below:

General Fund Revenues

Property Tax increased by $574,000 (5%) compared to the prior fiscal year resulting from increases in property tax from the distribution of residual payments from former redevelopment agencies, real property transfer tax revenues generated from the sale of property within the City, and higher assessed property valuations.

Sales and All Other Taxes increased $326,000 (5%) from the prior fiscal year primarily due to increases in transient occupancy tax, sales tax, franchise tax and business license tax from the improvement in the local economy and tourism, netted against a decline in utility users tax.

Intergovernmental revenues increased $248,000 (6%) from fiscal year 2013-14 due to the increase in the amounts received for state motor vehicle in-lieu revenues and supplemental tax netted against reductions in state and county grants for childcare, seniors, and police.

Investment and rental income revenues increased $9,800 (6%) more than prior fiscal year due to increases in rentals of the community centers.

Charges for Services increased $119,000 (31%) from fiscal year 2012-13 mainly due to the increase in volume of development and renovation projects for planning, engineering, and building review and processing.

Licenses, permits and fee revenues increased $306,000 (12%) compared to the prior fiscal year due to the increase of the volume of permits including building, plumbing and electrical permit fees.

Fines, forfeitures, and penalties and other revenue increased $422,000 (25%) from the prior fiscal year, the majority of this increase is due to the implementation of the beach parking program.

FUND FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS, Continued

Detailed Analysis of Major Governmental Funds by Fund, Continued

General Fund Expenditures

Public safety expenditures consisting of the Police and Fire departments increased $532,000 (4%) from the prior fiscal year due to increased salary and benefits costs to meet authorized staffing levels for the police department and increased overtime salaries for the fire department.

Public works expenditures increased $203,000 (10%) compared to the prior fiscal year primarily due the implementation of the beach parking program in fiscal year 2013-14 and for playground equipment and tree maintenance work within City parks.

Community development expenditures decreased $25,000 (2%) from fiscal year 2012-13. This decrease is attributable to departmental vacancies.

Parks, beaches, and recreation expenditures were $63,000 (2%) more than the prior fiscal year primarily due to the increases in salary and benefits required to run various programs including elementary age programs and senior programs.

General government expenditures increased $167,000 (5%) due to the increase of contractual services of the City Attorney department netted against the salary and benefit savings for staffing model change.

General Capital Improvement Fund

The Capital Investment Program Fund accounts for funds used for capital improvements and significant maintenance projects. As of June 30, 2014, its fund balance was $41,000. This fund balance is typically restricted or assigned for use on current projects. The fund balance decreased by $179,000 in fiscal year 2013-14 due to the Pier rehabilitation project. Some of the significant capital and maintenance projects that were completed during fiscal year 2013-14 are listed below:

- Pacifica State Beach Parking Lots Slurry Seal and Striping
- 2010 CalEMA 500 Esplanade Storm Drain Outfall
- Pacifica Fishing Pier Repair Project

Gas Tax Special Revenue Fund

The Gas Tax Special Revenue Fund was established to receive and expend the City's allocation of the State Gasoline Taxes. Expenditures are restricted for street related purposes, including construction or purchasing of right-of-ways on minor streets and street engineering. As of June 30, 2014, its fund balance of $3.3 million is restricted for street related purposes.

FUND FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS, Continued

Detailed Analysis of Major Governmental Funds by Fund, Continued

Davies Trust Fund

The Davies Trust Fund accounts for a donation by a private individual which is restricted for specific purposes. The funds are to be used to help acquire, build remodel, improve, support, and maintain the equipment, buildings, grounds, yard, gardens, and landscaped areas of the various parks, beaches, and recreational area located in Pacifica and to conduct related educational and recreational programs for the benefit of the general public. As of June 30, 2014, its fund balance was approximately $3.5 million.

Debt Service Fund

The Debt Service Fund accounts for the accumulation and disbursement of funds from the financing of various long-term debt liabilities. As of June 30, 2014, its fund balance was approximately $970,000. This fund balance is typically restricted or assigned for the payment of debt service.

Summary Analysis of Proprietary Funds

As of June 30, 2014, the Enterprise Fund had a net position balance of $23.3 million, representing a $2.1 million (10%) increase, which is primarily related to the increase of sewer service charges and a prior period adjustment for an overstatement of a deferred charge of $357,000 for bond issuance costs. The majority of the net position (77%) is held for the net investment in capital assets.

The net position balance of the Internal Service Funds is $4.0 million, a decrease of approximately $359,000 (8%) from the previous fiscal year, mainly due to the increase in insurance premium costs and reduction in revenues received for liability adjustments and recoveries.

Table 7
Change in Fund Net Position - Proprietary Funds for the fiscal year ended June 30,
(In Millions)

	Total Enterprise Funds		Total Internal Service Funds	
	2014	**2013**	**2014**	**2013**
Operating revenues	$ 13.3	$ 12.5	$ 1.7	$ 1.6
Operating expenses	9.8	9.1	2.5	2.6
Operating income (loss)	3.5	3.4	(0.8)	(1.0)
Non-operating revenues (expenses)	(1.0)	(1.1)	0.1	0.8
Net income (loss) before contributions and operating transfers	2.5	2.3	(0.7)	(0.2)
Transfers in (out)	-	(0.4)	0.4	1.1
Change in net position	$ 2.5	$ 1.9	$ (0.3)	$ 0.9

FUND FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS, Continued

Summary Analysis of Proprietary Funds, Continued

Sewer Utility Enterprise Funds

This fund accounts for the operation and maintenance of the City's wastewater collection system, including the operating costs of the wastewater collection system and water recycling plant. Of the total net position, $18.0 million was the net investment in capital assets.

BUDGETARY HIGHLIGHTS OF THE CITY'S GENERAL FUND

Over the course of the fiscal year, the City Council revised the City's budget with adjustments for various revenue and expenditure changes. After taking into account these adjustments, General Fund actual revenues were more than the final budget by $348,000 (1%), which is primarily attributable to higher revenues from charges for services and sales tax revenue than anticipated. General Fund actual expenditures were approximately $294,000 (1%) under the final budget, with savings in Public Works, Parks, Beaches, and Recreation, Community Development and General Government netted against Public Safety's overage. The savings in all of these departments are related to reduced salary and benefit costs.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets

GASB 34 requires the City to record all of its capital assets, including infrastructure in the Statement of Net Position. Infrastructure includes roads, bridges, signals and similar assets used by the entire population. The City has recorded its capital assets at historical cost or estimated historical cost if actual historical cost was not available. In addition, donated fixed assets have been valued at their estimated fair market value on the date donated.

CAPITAL ASSETS AND LONG TERM DEBT, Continued

Capital Assets, continued

At June 30, 2014 the cost of infrastructure and other capital assets recorded on the City's financial statements is shown in Table 8 below:

Table 8
Capital Assets at June 30,
(In Millions)

	2014	2013
Governmental activities		
Land	$ 38.4	$ 38.4
Construction in progress	1.5	1.6
Building and improvements	15.9	15.9
Machinery and equipment	2.0	1.8
Vehicles	6.4	6.2
Infrastructure	28.8	25.4
Less accumulated depreciation	(20.7)	(18.6)
Totals	**$ 72.3**	**$ 70.7**
Business-type activities		
Land	$ 4.0	$ 4.0
Buildings	76.6	76.5
Collection Systems	10.4	8.0
Machinery and equipment	1.4	1.4
Less accumulated depreciation	(48.3)	(45.8)
Totals	**$ 44.1**	**$ 44.1**

At June 30, 2014, the City had $72.3 million, net of depreciation, invested in a broad range of capital assets used in governmental activities and $44.1 million, also net of depreciation, invested in Business-type activities assets, as shown in Table 8 above.

The City depreciates all its capital assets on a straight-line basis over their estimated useful lives. 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 capital assets may be found in Notes 1 and 5.

CAPITAL ASSETS AND LONG TERM DEBT, Continued

Long Term Debt

At June 30, 2014 the City's Governmental Activities had bonded debt outstanding in the amount of approximately $31.1 million, all backed by the full faith and credit of the government. More information on long-term debt activity may be found in Note 6 of the Notes to the Basic Financial Statements.

Table 9
Outstanding Bonded Debt at June 30,
(In Millions)

	2014	2013
Governmental activities		
2008 Certificate of Participatiom	$ 17.3	$ 17.8
2010 Pension Obligation Bond	13.8	15.1
Total Bonded Debt Outstanding	**$ 31.1**	**$ 32.9**

The City has made all required debt service payments on the issues listed above. The City maintains an "A" rating from Standard and Poor's on the General Obligation debt.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

As the City looks ahead to fiscal year 2014-2015, management is encouraged by indicators that a recovery is underway as evidenced by relatively strong growth in our regional economy.

The City has a promising future buoyed by vision, innovation and partnerships. To assist in the development of the 2014-2015 Budget and to improve the City's fiscal health, the City Council has adopted a Long Term Financial Plan in both 2014 and 2015.

While revenues are recovering from the impact of the Great Recession, expenditure pressures to maintain existing services are substantial. Increases in employee benefit costs are expected to rise for the existing retirement and health care systems provided as part of overall compensation strategies to attract and retain high performing individuals top serve our community.

The City is able to achieve a balanced budget for fiscal year 2014-15 and maintain adequate reserves for the General Fund through a combination of measures, including the following:

- Cost Recovery. With the recent completion of the Cost Allocation Plan and Fee Study, the City began to have a better understanding of the true cost of delivering services and has moved toward recovering those costs in appropriate ways.

- Budget annual expenses at or below annual revenues to ensure the City is living within its means.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES (continued)

- Align one-time money to cover one-time expenses rather than ongoing operations. This is a direction that the City has been moving toward for some time.

- Increase financial transparency. In recent budget communications, staff has been focused on sharing financial information is such a way as to engender trust in how the City manages the public's money. Sharing the assumptions in the City's financial projections is a key example of this emphasis on transparency, as is translating numbers and spreadsheets into a meaningful, easy to read, document at the conclusion of the budget process.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to the following address: City of Pacifica, Finance Division, 170 Santa Maria Avenue, Pacifica, California 94044.

A copy of this financial report is also located at the City's website at http://www.cityofpacifica.org, by selecting "Depts/CAFR" and then selecting the "year".

CITY OF PACIFICA
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	$ 12,551,864	$ 8,272,148	$ 20,824,012
Cash and investments with fiscal agents	1,995,626	1,377,187	3,372,813
Restricted cash and investments		2,801,868	2,801,868
Taxes receivable	1,358,949		1,358,949
Accounts receivable, net of allowance	366,313	811	367,124
Interest receivable	9,657		9,657
Grants receivable	810,291		810,291
Prepaid items	19,312		19,312
Inventories	42,250	259,458	301,708
Receivable from successor agency private-purpose trust funds	2,773,559		2,773,559
Capital assets, not being depreciated	39,877,703	4,014,412	43,892,115
Capital assets, being depreciated, net of accumulated depreciation	32,438,356	40,142,384	72,580,740
Total Assets	92,243,880	56,868,268	149,112,148
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	1,000,897	310,130	1,311,027
Total Deferred Outflows of Resources	1,000,897	310,130	1,311,027
LIABILITIES			
Accounts payable	1,475,462	341,207	1,816,669
Accrued liabilities	596,211	131,219	727,430
Interest payable	607,956	486,843	1,094,799
Unearned revenue	32,743		32,743
Refundable deposits	716,143		716,143
Noncurrent liabilities:			
Due within one year	4,408,403	2,380,556	6,788,959
Due in more than one year	33,468,340	30,495,214	63,963,554
Total Liabilities	41,305,258	33,835,039	75,140,297
NET POSITION			
Net investment in capital assets	56,995,945	17,989,636	74,985,581
Restricted for:			
Restricted for construction of capital assets	879,428		879,428
Restricted for streets, highways, and other related purposes	4,270,950		4,270,950
Restricted for parks, beaches, and recreation	3,455,596		3,455,596
Restricted for stormwater operations	165,263		165,263
Restricted for public safety	277,778		277,778
Unrestricted	(14,105,441)	5,353,723	(8,751,718)
Total Net Position	$ 51,939,519	$ 23,343,359	$ 75,282,878

The accompanying notes are an integral part of these basic financial statements.

CITY OF PACIFICA
Statement of Activities
For the Fiscal Year Ended June 30, 2014

		Program Revenues		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental Activities:				
General government	$ 4,473,909	$ 18,796	$ 49,417	$ -
Public safety	13,935,234	999,209	376,818	
Community development	1,250,419	989,356	497,545	
Public works	4,138,762	791,041	177,499	6,279,593
Parks, beaches, and recreation	3,921,499	2,248,642	1,052,066	85,188
Interest on long-term debt	1,945,156			
Total Governmental Activities	29,664,979	5,047,044	2,153,345	6,364,781
Business-type Activities:				
Sewer	10,853,371	13,331,596		
Total Business-type Activities	10,853,371	13,331,596		
Total Government	$ 40,518,350	$ 18,378,640	$ 2,153,345	$ 6,364,781

General Revenues:
Taxes:
Property taxes
Sales and use taxes
Franchise taxes
Other taxes
Motor vehicle in lieu, unrestricted
Investment earnings
Miscellaneous
Gain on sale of capital assets

Total General Revenues

Change in Net Position

Net Position, July 1, 2013

Prior Period Adjustments

Net Position, July 1, 2013, Restated

Net Position, June 30, 2014

The accompanying notes are an integral part of these basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Totals
$ (4,405,696)	$ -	$ (4,405,696)
(12,559,207)		(12,559,207)
236,482		236,482
3,109,371		3,109,371
(535,603)		(535,603)
(1,945,156)		(1,945,156)
(16,099,809)		(16,099,809)
	2,478,225	2,478,225
	2,478,225	2,478,225
(16,099,809)	2,478,225	(13,621,584)
11,275,518		11,275,518
1,686,593		1,686,593
1,668,382		1,668,382
3,329,647		3,329,647
3,164,873		3,164,873
184,700	19,808	204,508
537,867		537,867
15,715		15,715
21,863,295	19,808	21,883,103
5,763,486	2,498,033	8,261,519
50,984,172	21,202,608	72,186,780
(4,808,139)	(357,282)	(5,165,421)
46,176,033	20,845,326	67,021,359
$ 51,939,519	$ 23,343,359	$ 75,282,878

CITY OF PACIFICA
Balance Sheet
Governmental Funds
June 30, 2014

		Capital Projects Fund	Special Revenue Fund
	General	**General Capital Improvement**	**Gas Tax**
Assets:			
Cash and investments	$ 1,414,405	$ 1,609,449	$ -
Cash and investments with fiscal agents		113,415	1,400,000
Receivables:			
Taxes	950,531	6,250	402,168
Accounts	364,790		
Interest	9,657		
Grants	120,692	179,005	
Due from other funds	1,383,366	663,920	2,218,700
Prepaid items	19,312		
Inventories	4,903		
Receivable due from RDA successor agency	2,773,559		
Total Assets	$ 7,041,215	$ 2,572,039	$ 4,020,868
Liabilities:			
Accounts payable	$ 531,279	$ 131,375	$ 39,451
Accrued liabilities	546,309	2,287	25,343
Refundable deposits	716,143		
Due to other funds		2,218,700	663,920
Unearned revenue	32,743		
Total Liabilities	1,826,474	2,352,362	728,714
Deferred Inflows of Resources:			
Deferred revenue - interest	257,184		
Deferred revenue - grants		179,005	
Total Deferred Inflows of Resources	257,184	179,005	
Fund Balances:			
Nonspendable	2,540,590		
Restricted		40,672	3,292,154
Committed	907,519		
Assigned	168,197		
Unassigned	1,341,251		
Total Fund Balances	4,957,557	40,672	3,292,154
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 7,041,215	$ 2,572,039	$ 4,020,868

The accompanying notes are an integral part of these basic financial statements.

Special Revenue Fund	Debt Service Fund		
Davies Trust	Debt Service	Other Governmental Funds	Totals
$ 3,455,596	$ 487,316	$ 2,705,456	$ 9,672,222
	482,211		1,995,626
			1,358,949
			364,790
			9,657
		510,594	810,291
			4,265,986
			19,312
			4,903
			2,773,559
$ 3,455,596	$ 969,527	$ 3,216,050	$ 21,275,295
$ -	$ -	$ 726,975	$ 1,429,080
		4,636	578,575
			716,143
		1,383,366	4,265,986
			32,743
		2,114,977	7,022,527
			257,184
		360,115	539,120
		360,115	796,304
			2,540,590
3,455,596	969,527	2,397,652	10,155,601
			907,519
			168,197
		(1,656,694)	(315,443)
3,455,596	969,527	740,958	13,456,464
$ 3,455,596	$ 969,527	$ 3,216,050	$ 21,275,295

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CITY OF PACIFICA
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2014

Fund Balances - Governmental Funds		$ 13,456,464
Amounts reported for Governmental Activities in the Statement of Net Position is different from those reported in the governmental funds because of the following:		
Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the governmental funds.		
Capital assets	$ 85,710,512	
Less: accumulated depreciation	(15,724,317)	
		69,986,195
Interest accrued on advances are not available to pay for current expenditures and, therefore are offset by deferred inflows of resources in the governmental funds.		257,184
Certain accounts receivable are not available to pay for current period expenditures and, therefore are offset by deferred inflows of resources in the governmental funds.		
Grants receivable		539,120
Deferred loss on refunding, net of accumulated amortization has not been reported in the governmental funds. This was capitalized and amortized over the life of the new debt or old debt whichever is shorter in the Statement of Net Position.		1,000,897
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds.		(606,646)
The liabilities below are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences	(1,371,310)	
2001 CHFA Loan	(875,378)	
2008 Certificates of Participation	(17,295,000)	
2010 Pension Obligation Bonds	(13,567,480)	
Capital Lease Payable	(1,021,637)	
Other Postemployment Benefits	(2,537,737)	
		(36,668,542)
Internal service funds are used by management to charge costs of certain activities, such as insurance and central garage, to individual funds. The assets and liabilities of the internal service funds are included in Governmental Activities in the Statement of Net Position.		3,974,847
Net Position of Governmental Activities		$ 51,939,519

The accompanying notes are an integral part of these basic financial statements.

CITY OF PACIFICA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

		Capital Projects Fund	Special Revenue Fund
	General	**General Capital Improvement**	**Gas Tax**
Revenues			
Taxes	$17,960,140	$ -	$ -
Licenses and permits	501,473	13,381	
Fines and forfeitures	300,611		
Use of money and property	163,303	5,653	952
Intergovernmental	4,685,178	476,605	2,374,095
Charges for current services	1,996,318		
Recreation programs	813,428		
Other	1,814,062		337
Total Revenues	28,234,513	495,639	2,375,384
Expenditures			
Current:			
General government	3,866,418		
Public safety	12,932,962		
Community development	1,164,171	29,181	
Public works	2,139,747		1,029,075
Parks, beaches, and recreation	3,584,954		
Capital outlay	69,185	496,750	
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	23,757,437	525,931	1,029,075
Excess (Deficit) of Revenues over Expenditures	4,477,076	(30,292)	1,346,309
Other Financing Sources (Uses)			
Transfers in			
Transfers out	(3,289,057)	(148,652)	(697,147)
Total Other Financing Sources (Uses)	(3,289,057)	(148,652)	(697,147)
Net Changes in Fund Balances	1,188,019	(178,944)	649,162
Fund Balances, July 1, 2013	3,667,101	219,616	2,642,992
Prior Period Adjustments	102,437		
Fund Balances, July 1, 2013, restated	3,769,538	219,616	2,642,992
Fund Balances, June 30, 2014	$ 4,957,557	$ 40,672	$ 3,292,154

The accompanying notes are an integral part of these basic financial statements.

Special Revenue Fund	Debt Service Fund		
Davies Trust	Debt Service	Other Governmental Funds	Totals
$ -	$ -	$ 177,499	$18,137,639
			514,854
			300,611
2,160	1,026	4,516	177,610
		3,078,621	10,614,499
			1,996,318
			813,428
		471,463	2,285,862
2,160	1,026	3,732,099	34,840,821
			3,866,418
		7,403	12,940,365
		57,067	1,250,419
		177,727	3,346,549
261			3,585,215
		2,962,546	3,528,481
	1,791,341		1,791,341
	1,877,514		1,877,514
261	3,668,855	3,204,743	32,186,302
1,899	(3,667,829)	527,356	2,654,519
	3,766,047		3,766,047
		(11,191)	(4,146,047)
	3,766,047	(11,191)	(380,000)
1,899	98,218	516,165	2,274,519
3,453,697	871,309	224,793	11,079,508
			102,437
3,453,697	871,309	224,793	11,181,945
$ 3,455,596	$ 969,527	$ 740,958	$13,456,464

CITY OF PACIFICA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2014

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure 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		$ 2,274,519
Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:		
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 lives and reported as depreciation expense.		
Capital outlay expenditures are therefore added back to fund balances	$ 3,447,730	
Depreciation expense not reported in governmental funds	(1,651,273)	
		1,796,457
Certain receivables are offset by deferred revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which current year deferred revenue exceeded prior year.		539,120
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. 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		1,791,341
The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds:		
Deferred loss on refunding amortized during the period	(44,484)	
Interest payable (net change)	(11,254)	
Compensated absences (net change)	(12,285)	
		(68,023)
Other postemployment benefits payable is a long-term debt that increases or decreases each fiscal year, depending on the annual required contribution amount and actual amount funded/paid by the City. This is the amount of the change in the payable in the current period.		(218,806)
The internal service funds are used by management to charge costs of certain activities such as insurance and central garage, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.		(351,122)
Change in net position of governmental activities		$ 5,763,486

The accompanying notes are an integral part of these basic financial statements.

CITY OF PACIFICA
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
	Sewer Utility	
Assets		
Current Assets:		
Cash and investments	$ 8,272,148	$ 2,879,642
Cash and investments with fiscal agents	1,377,187	
Restricted cash and investments	2,801,868	
Accounts receivable	811	1,523
Inventories	259,458	37,347
Total Current Assets	12,711,472	2,918,512
Noncurrent Assets:		
Capital assets, not being depreciated	4,014,412	284,437
Capital assets, being depreciated, net of accumulated depreciation	40,142,384	2,045,427
Total Noncurrent Assets	44,156,796	2,329,864
Total Assets	56,868,268	5,248,376
Deferred Outflows of Resources		
Deferred loss on refunding	310,130	
Total Deferred Outflows of Resources	310,130	
Liabilities		
Current Liabilities:		
Accounts payable	341,207	46,382
Accrued liabilities	131,219	17,636
Interest payable	486,843	1,310
Claims payable		810,240
Compensated absences	177,110	21,843
Settlement payable	7,000	
Loans payable	2,021,519	
Bonds payable	174,927	26,404
Total Current Liabilities	3,339,825	923,815
Noncurrent Liabilities:		
Claims payable		78,323
Compensated absences	112,388	8,202
Loans payable	19,384,826	
Bonds payable	10,998,000	263,189
Total Noncurrent Liabilities	30,495,214	349,714
Total Liabilities	33,835,039	1,273,529
Net Position		
Net investment in capital assets	17,989,636	2,329,864
Unrestricted	5,353,723	1,644,983
Total Net Position	$ 23,343,359	$ 3,974,847

The accompanying notes are an integral part of these basic financial statements.

CITY OF PACIFICA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
	Sewer Utility	
Operating Revenues:		
Charges for services	$ 13,227,448	$ 1,352,921
Other operating income	104,148	429,864
Total Operating Revenues	13,331,596	1,782,785
Operating Expenses:		
Personnel services	3,220,277	413,749
Administration	971,849	1,541
Supplies and materials	1,034,704	429,692
Insurance	319,300	951,025
Outside contractors	73,671	47,696
Maintenance	299,819	44,073
Utilities	1,360,048	
Insurance claims	892	193,127
Depreciation	2,491,582	469,624
Total Operating Expenses	9,772,142	2,550,527
Operating Income (Loss)	3,559,454	(767,742)
Non-Operating Revenues (Expenses):		
Investment earnings	19,808	7,090
Intergovernmental revenues		25,719
Gain on sale of capital assets		15,715
Interest and fiscal charges	(1,053,662)	(11,904)
Amortization	(27,567)	
Total Non-Operating Revenues (Expenses)	(1,061,421)	36,620
Income (Loss) Before Transfers	2,498,033	(731,122)
Transfers:		
Transfers in		380,000
Changes in Net Position	2,498,033	(351,122)
Net Position, July 1, 2013	21,202,608	4,334,133
Prior Period Adjustments	(357,282)	(8,164)
Net Position, July 1, 2013, Restated	20,845,326	4,325,969
Net Position, June 30, 2014	$ 23,343,359	$ 3,974,847

The accompanying notes are an integral part of these basic financial statements.

CITY OF PACIFICA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
	Sewer Utility	
Cash Flows from Operating Activities:		
Receipts from customers	$ 13,336,572	$ 1,873,202
Payments to suppliers and users	(3,923,544)	(1,467,123)
Payments for claims	(892)	(163,898)
Payments to employees	(3,211,920)	(412,538)
Net Cash Provided (Used) by Operating Activities	6,200,216	(170,357)
Cash Flows from Noncapital and Related Financing Activities:		
Settlement expense	(7,000)	
Intergovernmental revenues		25,719
Transfers in		380,000
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(7,000)	405,719
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(2,548,191)	(326,603)
Proceeds from sale of capital assets		15,715
Principal payments on bonds and notes	(2,118,746)	(15,408)
Interest paid	(1,088,165)	(12,037)
Net Cash (Used) by Capital and Related Financing Activities	(5,755,102)	(338,333)
Cash Flows from Investing Activities:		
Interest received	19,808	7,090
Net Cash Provided by Investing Activities	19,808	7,090
Net Increase (Decrease) in Cash and Cash Equivalents	457,922	(95,881)
Cash and Cash Equivalents at the Beginning of the Fiscal Year	11,993,281	2,975,523
Cash and Cash Equivalents at the End of the Fiscal Year	$ 12,451,203	$ 2,879,642
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:		
Cash and investments	$ 8,272,148	$ 2,879,642
Cash and investments with fiscal agents	1,377,187	
Restricted cash and investments	2,801,868	
Total Cash and Cash Equivalents	$ 12,451,203	$ 2,879,642

(Continued)

The accompanying notes are an integral part of these basic financial statements.

CITY OF PACIFICA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014
(Continued)

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
	Sewer Utility	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	$ 3,559,454	$ (767,742)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,491,582	469,624
(Increase) Decrease in Operating Assets:		
Accounts receivable	4,976	90,417
Inventories	26,219	1,524
Increase (Decrease) in Operating Liabilities:		
Accounts payable	109,628	5,047
Accrued liabilities	6,256	507
Claims payable		29,229
Compensated absences	2,101	1,037
Net Cash Provided (Used) by Operating Activities	$ 6,200,216	$ (170,357)

The accompanying notes are an integral part of these basic financial statements.

CITY OF PACIFICA
Fiduciary Funds
Statement of Net Position
June 30, 2014

	Private-Purpose Trust Funds
Assets	
Cash and investments	$ 153,308
Cash and investments with fiscal agents	129,852
Interest receivable	240,312
Notes receivable	600,000
Capital assets, not being depreciated	835,275
Total assets	1,958,747
Liabilities	
Accounts payable	5,451
Interest payable	39,348
Long-term debt, due within one year	50,000
Long-term debt, due in more than one year	4,133,559
Total liabilities	4,228,358
Net Position	
Restricted for debt service	90,504
Unrestricted	(2,360,115)
Total net position (deficit)	$ (2,269,611)

The accompanying notes are an integral part of these basic financial statements.

CITY OF PACIFICA
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2014

	Private-Purpose Trust Funds
Additions:	
Investment revenue	$ 18,304
Taxes and assessments	273,738
Total additions	292,042
Deductions:	
Administration	41,571
Intergovernmental expense	895
Interest expense	79,140
Total deductions	121,606
Change in net position	170,436
Net Position (Deficit) - July 1, 2013	(5,927,543)
Prior Period Adjustment	3,487,496
Net Position (Deficit) - July 1, 2013, Restated	(2,440,047)
Net Position (Deficit) - June 30, 2014	$ (2,269,611)

The accompanying notes are an integral part of these basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The basic financial statements of the City of Pacifica (City) have been prepared in conformity with accounting principles generally accepted in the United States of America ("USGAAP") as applied to governmental agencies. The Governmental Accounting Standards Boards ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles are described below.

A. Reporting Entity

The City of Pacifica was incorporated November 22, 1957 under the general laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. The City operates under a Council-Manager form of government. There are five Council Members who serve overlapping terms of four years, and the Council, in turn, elects one of the Council Members to serve as Mayor for one year. This legislative body selects a City Manager to administer the affairs of the City. The City provides the following services: public safety (police, fire, and civil defense), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the accompanying financial statements include the financial activities of the City.

The City participates in the ABAG Plan Corporation, a public entity risk pool, whose financial activities are not included in the basic financial statements as it is administered by a board, separate from and independent, of the City (See Note 9).

There are no entities which meet the *Governmental Accounting Standards Board Statement No. 14* as amended by GASB Statements No. 39 and No. 61, criteria for blended or discrete disclosure within these financial statements.

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 Governmental Accounting Standards Board (GASB) is the acknowledged standard-setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The City's government-wide financial statements include a Statement of Net Position, and a Statement of Activities. These statements present summaries of governmental activities and business-type activities for the City, accompanied by a total column. These financial 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. Governmental activities are financed generally through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities (Sewer Utility Enterprise Fund) are financed generally through user fees.

NOTE 1 - Summary of Significant Accounting Policies (Continued):

C. Government–wide Financial Statements

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include three categories: (1) charges for services, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Interfund services provided and used are not eliminated in the process of consolidation on the Statement of Activities.

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* ("GASB No. 34") in regards to interfund activities, payables and receivables.

D. Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements.

The governmental fund financial statements provide information about the City's funds. Separate statements for each fund category–*governmental, proprietary, and fiduciary*–are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for all proprietary funds. The internal service funds are also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

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

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Fiduciary Fund Financial Statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary funds represent private-purpose trust funds, which the City serves as a trustee for the Successor Agency. Trust funds are accounted for on an *economic resources* measurement focus and full accrual basis of accounting. The City has two private-purpose trust funds, the RDA Low/Mod Successor Agency fund and RDA Successor Agency fund.

NOTE 1 - Summary of Significant Accounting Policies (Continued):

E. Major Funds

GASB 34 defines major funds and requires that the City's major governmental funds be identified and presented separately in the Fund financial statements. All other governmental funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. Major funds are defined as funds which have either assets, liabilities, revenues or expenditures/expenses equal to or greater than ten percent of their fund-type total and five percent of the grand total of all fund types, excluding fiduciary. The general fund is always a major fund. For the fiscal year ended June 30, 2014 the City selected the Gas Tax Special Revenue Fund and Davies Trust Special Revenue Fund to be presented as major funds, even though they did not qualify as major funds. The major funds of the City are:

- **General Fund** – The General Fund is used to account for the resources to carry out basic governmental activities of the City such as general government, public safety, public works, community development, and parks, beaches, and recreation, which are not required to be accounted for in another fund.

- **General Capital Improvement Capital Projects Fund** – This fund is used to account for revenues derived from fees and apportionments from General Fund to be used for the acquisition, construction, and improvement of major capital facilities of the City.

- **Gas Tax Special Revenue Fund** – This fund was established to receive and expend the City's allocation of the State Gasoline Taxes. Each City is allocated funds on a population basis in accordance with Section 2103, 2105, 2106, 2107 and 2107.5 of the California Street and Highway Code. Population is determined by the latest Federal Census or survey requested and certified by the Cities and conducted by the State Department of Finance. Expenditures may be made for construction or purchasing of right-of-way on minor streets. Expenditures of money apportioned under Section 2107 may be made for any street purpose. Under Section 2107.5 a flat allocation of $6,000 per year is granted the City for street engineering.

- **Davies Trust Special Revenue Fund** – This fund was established to account for a donation by a private individual which is restricted for specific purposes. The funds are to be used to help acquire, build, remodel, improve, support, and maintain the equipment, buildings, grounds, yard, gardens, and landscaped areas of the various parks, beaches, and recreational area located in Pacifica, to conduct related educational and recreational programs for the benefit of the general public.

- **Debt Service Fund** – This fund is used to account for the accumulated and the disbursement of account for expenditures and financing of various long-term debt liabilities.

The City reports the following major proprietary fund:

- **The Sewer Utility Enterprise Fund** – This fund accounts for the operation and maintenance of the City's wastewater collection system including operating costs of the wastewater collection system and water recycling plant.

NOTE 1 - Summary of Significant Accounting Policies (Continued):

E. Major Funds (Continued)

Additionally, the City reports the following fund types:

- **The Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis. The City has two internal service funds, the Motor Pool Fund and the Self Insurance Fund. The Motor Pool Fund accounts for the City's central garage, and the Self Insurance Fund accounts for the employee dental, workers' compensation, general liability, property, and automobile liability insurance.

- **The RDA Successor Agency Private-Purpose Trust Funds** account for the former Redevelopment Agency activities.

F. Basis of Accounting

The Government-wide, Proprietary funds, and Fiduciary funds financial statements required by GASB 34 are reported using the *economic resources* measurement focus and the *accrual basis* of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred regardless of when the related cash flows take place.

In accordance with GASB Statement No. 62, the City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements; Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure.

The Governmental funds financial statements are reported using the *current financial resources* measurement focus, and the *modified accrual basis* of accounting. Accordingly, only current assets and liabilities (except for long-term advances from the City) are included in the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

The City considers all revenues reported in the governmental funds to be available if the revenue are collected within ninety days after fiscal year end. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, intergovernmental revenues, other taxes and investment earnings. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term debt and compensated absences, which are recognized as expenditures to the extent that they have matured. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE 1 - Summary of Significant Accounting Policies (Continued):

F. Basis of Accounting (Continued)

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

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

G. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the City considered cash and cash equivalents (investments with maturities of three months or less at the time of purchase) as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling the cash of all funds, including the City's Enterprise and Internal Service Funds.

H. Investments

Investments are reported at fair value, except for investments that are not transferable and have terms that are not affected by change in market rates are reported at cost.

Changes in fair value that occur during a fiscal year are recognized as revenues from use of money reported for that fiscal year. Revenues from use of money include interest earnings, change in fair value, gains or losses realized upon the liquidation, maturity, or sale of investment and rental income. Changes in the fair value of investments during this fiscal year were calculated and booked.

I. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

All accounts, grants, tax, and note receivables are shown net of an allowance for uncollectible accounts if applicable, and estimated refunds due.

J. Inventories and Prepaid Items

General fund inventories are recorded as expenditures when consumed, rather than when purchased. These inventories are stated at cost, using the first-in, first-out (FIFO) method. Inventories in the proprietary funds are stated at the lower of cost or market, and consist of expendable materials and supplies.

NOTE 1 - Summary of Significant Accounting Policies (Continued):

J. Inventories and Prepaid Items (Continued)

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.

Inventories and prepaid items, as reported in the fund financial statements, are offset by nonspendable fund balance for noncurrent assets in governmental funds, to indicate that they do not constitute resources available for appropriation.

K. Deferred Loss on Refunding

The City had incurred a loss on the refunding of its debt. The deferred loss is being amortized on the straight line method over the lesser of the remaining period of the old debt or the remaining period of the new debt on the government-wide statements and proprietary fund financial statements.

L. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost on the government-wide Statement of Net Position and the proprietary fund financial statements. City policy has set the capitalization threshold for reporting capital assets at $5,000. Gifts or contributions of capital assets are recorded at fair value on the date donated. Depreciation of capital assets is charged as an expense each year, and the total amount of accumulated depreciation taken over the years, is reported on the respective statements as a reduction in the book value of capital assets.

M. Deferred Revenue and Unearned Revenue

Deferred revenue in governmental funds arises when potential revenue does not meet the "available" criteria for recognition in the current period. Unearned revenue arises when resources are received by the City before it has a legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures).

N. Compensated Absences

City employees accrue vacation, sick, holiday, and compensatory time off benefits. An employee may accumulate vacation time equal to an amount that can be earned in a two and a half year period. No cash compensation is payable for accrued vacation until the employee terminates employment. Sick leave is compensated in cash only upon an employee's retirement. Maximum limit per employee is $3,000 or one quarter of employee's sick leave credit, whichever is lower. Two employee groups have elected to participate in a retirement health savings program and have directed vacation and limited sick leave cash out to separation of this program. It is the City's policy to allow employees to accumulate compensatory time instead of drawing overtime. This accumulation may subsequently be exchanged into cash or time taken.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only when they have matured (such as vacation time, estimated to be paid upon retirement by the end of the fiscal year with expendable available financial resources). Each fiscal year, an adjustment to the liability is made based on pay rate changes and adjustments for the current portion. The General Fund is primarily responsible for the repayment of the governmental portion of compensated absences.

NOTE 1 - Summary of Significant Accounting Policies (Continued):

O. Property Tax Revenues

California Constitution Article XIII A limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs. The County of San Mateo collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to adjustments for voter-approved debt. The City receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan," whereby the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City recognizes property tax revenues (including tax increment revenues) to the extent of each year's tax allocation received or to be received within 60 days after the end of each fiscal year.

Incremental property tax revenues represent property taxes in a project area arising from increased assessed valuations over base valuations established at the inception of a project. Incremental property taxes from a project area accrue to the Agency until all liabilities of the project have been repaid (including cumulative funds provided by the City of Pacifica). After all such indebtedness has been repaid, all property taxes from a project area accrue to the various taxing authorities.

The County assesses properties, bills for, collects, and distributes property taxes per the following schedule:

	Secured	Unsecured
Valuation dates	January 1	January 1
Lien/Levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 April 10	August 31

The term "Unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on property being taxed.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Q. New Accounting Pronouncements

The City has implemented the requirements of Governmental Accounting Standards Board (GASB) Statements No. 65, 66, 67, and 70 during the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 65

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement is effective for periods beginning after December 15, 2012. 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. Implementation of GASB Statement No. 65 had an impact on the City's financial statements for the fiscal year ended June 30, 2014 by requiring the removal of unamortized debt issuance costs from the Statement of Net Position and adding deferred inflows and outflows of resources (see Note 7 and Note 8).

NOTE 1 - Summary of Significant Accounting Policies (Continued):

Q. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 66

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 66, "Technical Correction - 2012." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," and GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement No. 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement No. 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. Implementation of the GASB Statement No. 66 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 67

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 50 "Pension Disclosures" as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of the GASB Statement No. 67 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 70

For the fiscal year ended June 30, 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. Implementation of the GASB Statement No. 70 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2014.

NOTE 2 - Stewardship, Compliance, and Accountability:

Budgetary information

The City operates under the general law of the State of California, and annually adopts a budget to be effective July 1 for the ensuing fiscal year. The City Manager submits a Preliminary Budget to the City Council on or about May 15 each year. This Preliminary Budget is the fiscal plan for the ensuing twelve months starting July 1, and includes proposals for expenditures for operations and capital improvement, and the resources to meet them. City Council conducts public hearings at Council Chambers before adopting the budget. The Council approves total appropriations at the department level in the General Fund, and at the fund level in other funds. The Budget is adopted by City resolution prior to June 30.

NOTE 2 - Stewardship, Compliance, and Accountability (Continued):

The appropriated budget is prepared by fund, function, and department. The City Manager is authorized to transfer budget appropriations within departments in conformance with the adopted policies set by the City Council. All other transfers must be approved by the City Council. Any revisions that alter the total expenditures of any department must be approved by the City Council. Expenditures are budgeted at, and may not legally exceed, the department level for the General Fund and the fund level for Special Revenue, Debt Service, Capital Projects and Internal Service Funds. Budgeted amounts shown are as originally adopted, or as amended by the City Council during the fiscal year. During the fiscal year, several supplementary appropriations were necessary.

Budgets for General, Special Revenue, Debt Service, Capital Projects, and Internal Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (USGAAP). Except for Capital Project Funds, appropriations lapse at fiscal year-end and are rebudgeted for the coming year. Capital Projects are budgeted for on a project basis rather than an annual basis; unexpended project authority is carried forward until the project is completed.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at fiscal year-end are recorded as restricted, committed, or assigned fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year.

Excess of expenditures over appropriations

For the fiscal year ended June 30, 2014, expenditures exceeded the budgeted expenditures in the following funds:

Funds	Expenditures in excess of budget
Major Fund	
General Fund:	
Public safety	$ 144,399
Nonmajor Funds	
Special Revenue Fund	
Disaster Accounting:	
Capital outlay	1,659,482
Capital Projects Funds	
Highway 1 Improvement:	
Capital outlay	722,703
Parks and Playfield:	
Community development	767
Housing In-Lieu:	
Community development	14,300

The excess expenditures were funded by available financial resources.

NOTE 2 - Stewardship, Compliance, and Accountability (Continued):

Deficit Fund Balances/Net Position

As of June 30, 2014 the following funds had a deficit net position/fund balance:

Private-Purpose Trust Fund:	
RDA Successor Agency Fund	$ 2,816,666
Nonmajor Special Revenue Fund:	
Disaster Accounting Fund	1,207,071
Nonmajor Capital Project Funds:	
Highway 1 Improvement Fund	344,767
Parks and Playfield Fund	104,856

The deficits in the governmental funds are due to the City paying expenditures in advance of receiving revenues. The majority of these deficits are going to be repaid once reimbursements are received from the grantor, and if there are any outstanding deficits after the repayments, the General Fund should cover these deficits when the fund is closed out.

NOTE 3 - Cash and Investments:

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	$ 20,824,012
Cash and investments with fiscal agents	3,372,813
Restricted cash and investments	2,801,868
Statement of fiduciary net position:	
Cash and investments	153,308
Cash and investments with fiscal agents	129,852
Total cash and investments	$ 27,281,853
Petty cash	$ 3,145
Deposits with financial institutions	5,409,104
Investments	21,869,604
Total cash and investments	$ 27,281,853

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

NOTE 3 - Cash and Investments (Continued):

Investments Authorized by the California Government Code and the City's Investment Policy (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage/ Investment of Portfolio	Maximum Investment in One Issuer
Commercial Paper	270 days	25%	15%
Bankers Acceptances	180 days	30%	15%
U.S. Treasury Obligations	5 years	Unlimited	None
U.S. Government Agency Issues	5 years	Unlimited	None
Negotiable Certificates of Deposit	5 years	30%	15%
Medium Term Corporate Notes	5 years	30%	15%
Money Market Fund (U.S. Treasury)	N/A	Unlimited	None
San Mateo County Pooled Investment Funds	N/A	Unlimited	None
State of California Local Agency Investment Funds (State Pool)	N/A	$ 50,000,000	$ 50,000,000
Banks and Savings and Loan Time Deposits	N/A	25%	15%

Investments Authorized by Debt Agreements

Investment of debt proceeds held by trustees is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issue
Municipal Bonds (AAA or AA)	None	None	None
Commercial Paper (A or better)	270 days	None	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Time Deposits	None	None	None
Time Deposits (Unsecured)	30 days	None	None
Money Market Funds (AAA or AA)	None	None	None
Investment Contracts (AAA or AA)	None	None	None
Local Agency Investment Fund	None	None	None
Certificates of Deposit (A or better)	1 year	None	None
Bankers Acceptances (A or better)	1 year	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

NOTE 3 - Cash and Investments (Continued):

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments and those held by trustees to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

		Remaining Maturity (in Months)	
Investment Type	Totals	12 Months Or Less	13 Months Or More
State Investment Pool	$ 18,366,939	$ 18,366,939	$ -
Held by Trustees:			
Money Market Funds	3,502,665	3,502,665	
Totals	$ 21,869,604	$ 21,869,604	$ -

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments (including investments held by trustees) include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above). The City does not hold any specific investments that need to be reported here.

Disclosures Relating to Credit Risk

Generally, 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 minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

				Rating as of Fiscal Year End	
Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	AAA	Not Rated
State Investment Pool	$ 18,366,939	N/A	$ -	$ -	$ 18,366,939
Held by Trustees:					
Money Market Funds	3,502,665	N/A		3,502,665	
Totals	$ 21,869,604		$ -	$ 3,502,665	$ 18,366,939

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. The City has no investments in any one issuer (other than money market funds and an external investment pool) that represent 5% or more of total City investments.

NOTE 3 - Cash and Investments (Continued):

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2014, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4 - Notes Receivable:

Notes receivable at June 30, 2014 consist of the following:

	Note Receivable Balance
Note receivable, unsecured	$ 1,034,348
Less allowance for uncollectible note	(1,034,348)
Total, net	$ -

The City has a note due from National Church Residences (NCR) totaling $1,034,348. This note is unsecured, bears annual interest at 3% simple, and is repayable in annual installments which commenced on August 1, 2001 and ended on August 1, 2010. Repayments vary from $85,000 to $260,000. The City received $0 during the current fiscal year. The City has recorded an allowance for the total amount of this note as of June 30, 2014. NCR continues to explore options to restructure their existing loan to make the payment to the City.

NOTE 5 - Capital Assets:

All capital assets are valued at historical cost or estimated cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

NOTE 5 - Capital Assets (Continued):

GASB Statement No.34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. The purpose of the depreciation is to spread the cost of the capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro-rata share of the cost of the capital assets. Depreciation is provided using the straight–line method over its expected useful life. Capital assets with a value of $5,000 or more are capitalized.

The City has assigned the following useful lives to capital assets: Buildings and improvements (25-30 years); Police Vehicles (4 years); Other Vehicles (5-25 years); Machinery and Equipment (5-15 years); Collection System (20 years); and Infrastructure (15-30 years).

The following is a summary of capital assets for governmental activities as of June 30, 2014:

	Governmental Activities	Internal Service	Total
Capital assets not being depreciated:			
Land	$ 38,103,772	$ 258,774	$ 38,362,546
Construction in progress	1,489,494	25,663	1,515,157
	39,593,266	284,437	39,877,703
Depreciable capital assets:			
Buildings and improvements	15,467,815	442,651	15,910,466
Vehicles		6,413,124	6,413,124
Machinery and equipment	1,837,517	131,915	1,969,432
Infrastructure	28,811,914		28,811,914
Total	46,117,246	6,987,690	53,104,936
Less: accumulated depreciation	(15,724,317)	(4,942,263)	(20,666,580)
Depreciable capital assets, net	30,392,929	2,045,427	32,438,356
Total capital assets, net	$ 69,986,195	$ 2,329,864	$ 72,316,059

Combined Governmental capital asset activity for the fiscal year was as follows:

	Balance July 1, 2013	Increases	Decreases	Transfers	Balance June 30, 2014
Capital assets not being depreciated:					
Land	$ 38,362,546	$ -	$ -	$ -	$ 38,362,546
Construction in progress	1,606,329			(91,172)	1,515,157
	39,968,875			(91,172)	39,877,703
Depreciable capital assets:					
Buildings and improvements	15,910,466				15,910,466
Vehicles	6,150,660	319,282	(56,818)		6,413,124
Machinery and equipment	1,828,101	53,948	(3,789)	91,172	1,969,432
Infrastructure	25,410,811	3,401,103			28,811,914
Total	49,300,038	3,774,333	(60,607)	91,172	53,104,936
Less: accumulated depreciation for					
Buildings and improvements	(7,392,964)	(489,017)			(7,881,981)
Vehicles	(4,197,342)	(453,406)	56,818		(4,593,930)
Machinery and equipment	(1,239,105)	(218,074)	3,789		(1,453,390)
Infrastructure	(5,776,879)	(960,400)			(6,737,279)
Total	(18,606,290)	(2,120,897)	60,607		(20,666,580)
Depreciable capital assets, net	30,693,748	1,653,436		91,172	32,438,356
Total capital assets, net	$ 70,662,623	$ 1,653,436	$ -	$ -	$ 72,316,059

NOTE 5 - Capital Assets (Continued):

Depreciation expense for governmental activities was charged to functions as follows:

Governmental activities:	
General government	$ 221,120
Public safety	845,809
Public works	717,684
Parks, beaches, and recreation	336,284
	$ 2,120,897

The following is a summary of capital assets for business-type activities as of June 30, 2014:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets not being depreciated:				
Land	$ 4,014,412	$ -	$ -	$ 4,014,412
	4,014,412			4,014,412
Depreciable capital assets:				
Buildings and improvements	76,498,764	104,835		76,603,599
Collection system	7,963,311	2,443,356		10,406,667
Machinery and equipment	1,447,512			1,447,512
Total	85,909,587	2,548,191		88,457,778
Less: accumulated depreciation for:				
Buildings and improvements	(41,643,779)	(1,918,556)		(43,562,335)
Collection system	(3,292,195)	(461,874)		(3,754,069)
Machinery and equipment	(887,838)	(111,152)		(998,990)
Total	(45,823,812)	(2,491,582)		(48,315,394)
Depreciable capital assets, net	40,085,775	56,609		40,142,384
Total capital assets, net	$ 44,100,187	$ 56,609	$ -	$ 44,156,796

NOTE 6 - Long-Term Debt:

The City generally incurs debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The City's debt issues and transactions related to both governmental and business-type activities are summarized below and discussed in detail subsequently.

Governmental Activities

	Balance, July 1, 2013	Additions	Retirements	Balance, June 30, 2014	Due in One year
Certificates of participation:					
2008 COP	$ 17,800,000	$ -	$ 505,000	$ 17,295,000	$ 555,000
Capital Lease Payable:					
Energy retrofit lease	1,120,756		99,119	1,021,637	103,123
Pension Obligation Bonds					
2010 Pension obligation bonds (88.622%)	15,059,703		1,202,630	13,857,073	1,260,073
Note payable:					
2001 CHFA Loan	875,378			875,378	875,378
Other liabilities:					
Claims payable	859,334	55,523	26,294	888,563	810,240
Compensated absences	1,388,033	817,911	804,589	1,401,355	804,589
Other postemployment benefits payable	2,318,931	312,757	93,951	2,537,737	
Total other liabilities	4,566,298	1,186,191	924,834	4,827,655	1,614,829
	$ 39,422,135	$ 1,186,191	$ 2,731,583	$ 37,876,743	$ 4,408,403

Business-type Activities

	Balance, July 1, 2013	Additions	Retirements	Balance, June 30, 2014	Due in One year
Revenue bonds:					
2004 Wastewater Revenue Refunding	$ 9,250,000	$ -	$ -	$ 9,250,000	$ -
Pension Obligation Bonds					
2010 Pension obligation bonds (11.378%)	2,025,298		102,371	1,922,927	174,927
Note payable:					
State of California Water Resources Control Board	17,020,126		1,758,893	15,261,233	1,790,621
Loan and Installment Agreement	6,402,594		257,482	6,145,112	230,898
Total revenue bonds	23,422,720		2,016,375	21,406,345	2,021,519
Other liabilities:					
Settlement payable	14,000		7,000	7,000	7,000
Compensated absences	287,397	179,211	177,110	289,498	177,110
Total other liabilities	301,397	179,211	184,110	296,498	184,110
	$ 34,999,415	$ 179,211	$ 2,302,856	$ 32,875,770	$ 2,380,556

NOTE 6 - Long-Term Debt (Continued):

Compensated absences for governmental activities are generally liquidated by the fund where the accrued liability occurred, which is usually the General fund. Other post-employment benefits are generally liquidated by the fund in which the retiree was originally charged to, which is usually the General fund, but could also be the Sewer Utility Enterprise fund.

2008 Certificates of Participation:

On July 28, 2008, the City of Pacifica issued Certificates of Participation (COP) in the amount of $19,815,000 (par value) payable annually beginning January 1, 2010 and with a variable interest rate of 3.000% to 5.375%, payable each July 1 and January 1, beginning January 1, 2009. The COP matures on January 1, 2037. The purpose of the COP is to (i) fund an escrow to cause the mandatory tender of all outstanding certificates for the 2006 issue, (ii) provide funds relating to the acquisition, construction, and equipping of certain City public street improvement projects, (iii) fund certain costs relating to termination of a swap agreement relating to the 2006 COP, (iv) fund capitalized interest, (v) fund or provide for satisfaction of the Reserve Fund Requirement, and (vi) pay the costs incurred in connection with the execution, delivery, and sale of the 2008 COPs. The outstanding principal balance at June 30, 2014 is $17,295,000.

The lease payments, swap payments and additional payments due under the lease agreement are payable from any source of available funds of the City and the City has determined that 25.235% of each lease payment is allocable to the refinancing of the City's obligations under the 2006 COP. The portion of lease payments and the corresponding portion of the swap payments which are allocable to the 2006 COP are payable from and are ratably secured by a pledge of and lien on the Gas Tax revenues.

$15,882,250 from the 2008 COP was placed in an irrevocable trust that was used to pay off the 2006 COP. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of $1,497,410.

Annual debt service requirements, to maturity, for the 2008 Certificates of Participation are as follows:

Fiscal year Ended	Principal	Interest	Total
2015	$ 555,000	$ 877,756	$ 1,432,756
2016	530,000	852,782	1,382,782
2017	580,000	828,932	1,408,932
2018	555,000	804,282	1,359,282
2019	625,000	780,000	1,405,000
2020-2024	3,250,000	3,453,748	6,703,748
2025-2029	3,800,000	2,590,778	6,390,778
2030-2034	4,390,000	1,535,100	5,925,100
2035-2037	3,010,000	325,997	3,335,997
	$ 17,295,000	$ 12,049,375	$ 29,344,375

Defeased Debt:

$13,298,931 from the 2006 COP was placed in an irrevocable trust that is to be used to service the future debt requirements of the 1999, 2000, and 2003 COPs. The refunding resulted in an increase of the total debt service by $3,232,710 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of $1,070,200.

The City defeased the 1999, 2000, and 2003 COPs by placing the proceeds of the 2006 COP in an irrevocable trust to provide for all future debt service payments on the old COPs. The City defeased the 2006 COP by placing the proceeds of the 2008 COP in an irrevocable trust to provide for all future debt service payments on the 2006 COP Accordingly, the trust account assets and the liability for the defeased COPs are not included in the City's financial statements. At June 30, 2014, the 1999, 2000, 2003, and 2006 COPs were paid in full.

NOTE 6 - Long-Term Debt (Continued):

Energy Retrofit Lease: On November 1, 2012, the City entered into a lease/purchase agreement with Holman Capital Corporation for energy efficiency measures at various City owned buildings. The effective interest rate on the lease is 4.0% and lease payments are payable semiannually on November 15 and May 15, commencing May 15, 2013. The lease ends on November 15, 2022.

Annual debt service requirements, to maturity, for the Energy Retrofit Lease are as follows:

Fiscal year Ended	Principal	Interest	Total
2015	$ 103,123	$ 39,845	$ 142,968
2016	107,290	35,678	142,968
2017	111,624	31,344	142,968
2018	116,134	26,834	142,968
2019	120,825	22,143	142,968
2020-2023	462,641	37,745	500,386
	$ 1,021,637	$ 193,589	$ 1,215,226

2010 Taxable Pension Obligation Bonds: During May 2010, the City of Pacifica issued $20,510,000 of Pension Obligation Bonds bearing interest between 1.425% and 6.899% and payable semiannually on June 1 and December 1 each year, commencing December 1, 2010. The bonds mature on June 1, 2030. These bonds were used to advance pay miscellaneous and safety employee pension obligations. The outstanding principal balance at June 30, 2014 is $15,059,703. Approximately 88.622% of the bond proceeds were allocated to governmental activities (including 1.71% to the Motor Pool internal service fund).

Annual debt service requirements, to maturity, for the 2010 Pension Obligation Bonds (governmental portion) are as follows:

Fiscal year Ended	Principal	Interest	Total
2015	$ 1,260,073	$ 856,576	$ 2,116,649
2016	1,409,090	791,616	2,200,706
2017	1,555,316	719,639	2,274,955
2018	855,202	640,195	1,495,397
2019	957,118	591,002	1,548,120
2020-2024	2,463,692	2,397,434	4,861,126
2025-2029	4,435,531	1,342,949	5,778,480
2030	921,051	71,535	992,586
	$ 13,857,073	$ 7,410,946	$ 21,268,019

2001 CHFA Loan: During August 2001, the City (along with State and County agencies) entered into an agreement to lend and borrow funds to assist with the purchase of land and buildings suitable for the utilization of low-income senior housing (Oceanview Apartments). The property was purchased by the City and immediately transferred to National Church Residences (NCR), a non-profit organization. The City loaned $600,000, and also acted as the pass-through agency for a loan totaling $1,450,000 from the California Housing Financing Agency (CHFA). The loan from CHFA is technically a loan to the City, and will be repaid by the City with payments received from NCR. As of March 23, 2012, the loan maturity date was extended from April 28, 2012 to April 28, 2014. The City did not repay the loan during the fiscal year ended June 30, 2014, and is currently negotiating with CHFA to amend the terms of the loan.

NOTE 6 - Long-Term Debt (Continued):

The following reflects the anticipated repayment schedule:

Fiscal year Ended	Principal	Interest	Total
2015	$ 875,378	$ 103,631	$ 979,009
	$ 875,378	$ 103,631	$ 979,009

2004 Wastewater Revenue Refunding Bonds: During July 2004, the City of Pacifica issued $9,250,000 in 2004 Wastewater Revenue Refunding Bonds at interest rates varying from 5% to 5.25%. The net proceeds of the bonds were issued to refund a portion of the State of California Water Resource Control Board Loan (payments due through July 31, 2007) and to establish a reserve fund. The bonds were issued with an original issue premium which is being amortized over the term of the bonds. Interest on the bonds will be payable semiannually on April 1 and October 1 each year, commencing April 1, 2005. The bonds mature on October 1, 2026. The bonds will be paid from and are secured by the net revenues of the wastewater collection system of the City. The balance at June 30, 2014 is $9,250,000.

Annual debt service requirements, to maturity, for the 2004 Wastewater Revenue Refunding Bonds are as follows:

Fiscal year Ended	Principal	Interest	Total
2015	$ -	$ 472,588	$ 472,588
2016		472,588	472,588
2017		472,588	472,588
2018		472,588	472,588
2019		472,588	472,588
2020-2024	4,035,000	2,153,859	6,188,859
2025-2027	5,215,000	319,614	5,534,614
	$ 9,250,000	$ 4,836,413	$ 14,086,413

Loan and Installment Agreement: On August 27, 2012, the City of Pacifica entered into a loan and installment agreement with the City of Pacifica Financing Authority in the amount of $6,402,594 payable annually beginning July 1, 2013 at an interest rate of 3.6%, payable each July 1 and January 1, beginning January 1, 2013. The agreement matures on July 1, 2032. The purpose of this agreement is to (i) fund an escrow to cause the mandatory tender of the outstanding 2001B Wastewater Revenue Bonds (ii) provide funds relating to the Equalization Basin Project, the Collection System Capacity Improvement Projects, and the Collection System Repair, Rehabilitation, and Replacement Projects, (iii) fund certain costs relating to the defeasance of the 2001B Wastewater Revenue Bonds, (iv) fund or provide for satisfaction of the Reserve Fund Requirement, and (vi) pay the costs incurred in connection with the execution of the Loan and Installment Sale. The outstanding principal balance at June 30, 2014 is $6,145,112.

$3,480,000 from the Loan and Installment Sale was placed in an irrevocable trust that was used to pay off the 2001B Wastewater Revenue Bonds. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of $156,235.

The trust assets and the liability of the defeased 2001B Wastewater Revenue Bonds are not included in the City's financial statements. As of June 30, 2014, the 2001B Wastewater Revenue Bonds are considered defeased and have a balance of $0.

NOTE 6 - Long-Term Debt (Continued):

Loan and Installment Sale: (Continued)

Annual debt service requirements, to maturity, for the Loan and Installment Sale are as follows:

Fiscal year Ended	Principal	Interest	Total
2015	$ 230,898	$ 217,068	$ 447,966
2016	239,210	208,606	447,816
2017	247,822	199,839	447,661
2018	256,744	190,757	447,501
2019	265,986	181,348	447,334
2020-2024	1,480,647	753,310	2,233,957
2025-2029	1,767,099	461,747	2,228,846
2030-2033	1,656,706	121,921	1,778,627
	$ 6,145,112	$ 2,334,596	$ 8,479,708

2010 Taxable Pension Obligation Bonds: During May 2010, the City of Pacifica issued $20,510,000 of Pension Obligation Bonds bearing interest between 1.425% and 6.899% and payable semiannually on June 1 and December 1 each year, commencing December 1, 2010. The bonds mature on June 1, 2030. These bonds were used to advance pay miscellaneous and safety employee pension obligations. The outstanding principal balance at June 30, 2014 is $1,922,927. Approximately 11.378% of the bond proceeds were allocated to business-type activities.

Annual debt service requirements, to maturity, for the 2010 Pension Obligation Bonds (business-type portion) are as follows:

Fiscal year Ended	Principal	Interest	Total
2015	$ 174,927	$ 109,974	$ 284,901
2016	180,910	101,634	282,544
2017	199,684	92,393	292,077
2018	109,798	82,193	191,991
2019	122,882	75,878	198,760
2020-2024	316,308	307,802	624,110
2025-2029	569,469	172,419	741,888
2030	248,949	9,184	258,133
	$ 1,922,927	$ 951,477	$ 2,874,404

State of California Water Resource Control Board Loan: On February 20, 1997, the State of California Water Resource Control Board allocated to the City of Pacifica Sewer Enterprise Fund a State Revolving Loan Fund commitment totaling $41,304,818 for design and construction of a new wastewater treatment facility. Repayment of the loan began one year after completion of the project and will be repaid over a period of 20 years. This is a stated zero interest loan, with 83.333% of expenses reimbursed under the revolving loan fund and the remaining 16.667% paid by the City of Pacifica. Interest did not accrue during the construction phase. The outstanding principal balance at June 30, 2014 is $15,261,233.

NOTE 6 - Long-Term Debt (Continued):

State of California Water Resource Control Board Loan: (Continued)

During July 2004, the City issued $9,250,000 in 2004 Wastewater Revenue Refunding Bonds to advance refund a portion of the State of California Water Resource Control Board Loan (payments due through July 1, 2007). The net proceeds were deposited in an irrevocable trust with an escrow agent to provide debt service payments.

For financial reporting purposes, the portion of loan payments that are due through July 1, 2007 have been considered defeased and therefore removed as a liability from the City. As of June 30, 2014, the amount of defeased debt outstanding but removed from the long-term debt was $0.

Annual debt service requirements, to maturity, for the State of California Water Resource Control Board Loan are as follows:

Fiscal year Ended	Principal	Interest	Total
2015	$ 1,790,621	$ 275,297	$ 2,065,918
2016	1,822,922	242,996	2,065,918
2017	1,855,805	210,113	2,065,918
2018	1,889,283	176,636	2,065,919
2019	1,923,364	142,555	2,065,919
2020-2022	5,979,238	216,977	6,196,215
	$ 15,261,233	$ 1,264,574	$ 16,525,807

Settlement payable: On June 29, 2011, the City entered into settlement agreements with Our Children's Earth Foundation and the California Regional Water Quality Control Board for $147,500 and $880,000, respectively.

Annual debt service requirements, to maturity, for the settlement agreements are as follows:

Fiscal year Ended	Total
2015	$ 7,000

NOTE 7 – Deferred Inflows of Resources:

At June 30, 2014, components of deferred inflows of resources reported in the fund financial statements were as follows:

General Fund:	
Interest revenue on receivable due from RDA Successor Agency, accrued but not available	$ 257,184
General Capital Improvement Capital Projects Fund:	
Grant revenue accrued but not available	179,005
Highway 1 Improvement Capital Projects Fund:	
Grant revenue accrued but not available	360,115
Total deferred inflows of resources	$ 796,304

NOTE 8 – Deferred Outflows of Resources:

Accounting gains or losses resulting from advance refundings of long-term debt is deferred in accordance with GASB Statement No. 23 and No. 65. Deferred amounts on bond refundings are amortized over the shorter of the life of the new debt or refunded debt. The deferred loss on refunding balance at June 30, 2014 was $1,000,897 and $310,130 on the Statement of Net Position for governmental activities and business-type activities, respectively. The $1,000,897 was related to the 2008 COP and the $310,130 was related to the Loan and Installment Agreement.

NOTE 9 - Other Post-Employment Benefits:

Plan Description

The City participates in the CalPERS medical program. Employees in the following bargaining groups who retire from the City and receive a CalPERS pension are eligible to receive City contributions toward the costs of their postemployment coverage:

Department Directors
Battalion Chiefs
Firefighters
Management Unit
Police Officers and Dispatchers
Police Supervisors
Wastewater Treatment Plant

In general, employees in the following groups receive their medical benefits from Union Trust plans (although Miscellaneous employees may enroll in a City sponsored Kaiser plan and Wastewater Treatment Plant employees may enroll in any of the CalPERS medical plans):

Miscellaneous Employees
Police Management
Wastewater Treatment Plant

Miscellaneous and Police Management retirees do not participate in the CalPERS medical programs and the City does not make a contribution toward the cost of postemployment healthcare benefits for these employees.

Funding Policy

Under its arrangement with the CalPERS medical program, the City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. Retirees must contribute any premium amounts in excess of the City contribution.

Retired Department Directors, retired Management Unit employees, unrepresented managers, and confidential employees receive an additional $100 monthly benefit.

The City's policy is to contribute an amount sufficient to pay the current year's minimum employer contribution only. For fiscal year 2013-14, the City contributed $93,951, which covered the current year's minimum employer contribution, but did not include any additional prefunding of benefits.

NOTE 9 - Other Post-Employment Benefits (Continued):

Annual OPEB and Net OPEB Obligation

The City's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years, on a closed basis. The following table shows the components of the City's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution (ARC)	$ 329,000
Interest on net OPEB obligation	92,757
Adjustment to ARC	(109,000)
Annual OPEB cost (expense)	312,757
Contributions made	(93,951)
Increase in net OPEB obligation	218,806
Net OPEB obligation - beginning of fiscal year	2,318,931
Net OPEB obligation - end of fiscal year	$ 2,537,737

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2014 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation (Asset)
6/30/2012	$ 312,000	27.0%	$ 2,073,901
6/30/2013	331,757	26.1%	2,318,931
6/30/2014	312,757	30.0%	2,537,737

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $3,701,000, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $3,701,000. The annual covered payroll was $13,745,000, and the ratio of the UAAL to the covered payroll was 26.9%.

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

NOTE 9 - Other Post-Employment Benefits (Continued):

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 3.0 percent general inflation rate, a 4.0 percent investment rate of return, which is the expected long-term investment returns on plan assets, an annual increase in the minimum monthly benefit (healthcare cost trend rate) of 4.5 percent, and a 3.25 percent annual rate of increase in payroll. The actuarial value of assets is not applicable (no assets as of the valuation date). The UAAL is being amortized as a flat percentage of covered payroll over thirty years, on a closed basis. The remaining amortization period at June 30, 2013 was twenty four years.

NOTE 10 - Employee Retirement Plans:

California Public Employees Retirement System

Plan Description:

The City of Pacifica has three defined benefit pension plans (Miscellaneous Plan, Safety Fire Plan and the Safety Police Plan, (the "Plans")) with the California Public Employees Retirement System (CalPERS). The Plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The Plans are part of the Public Agency portion of CalPERS, a cost-sharing multiple-employer deferred benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California.

A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

Funding Policies:

Active plan members in the Miscellaneous Plan, the Safety Fire Plan and the Safety Police Plan are required to contribute 8%, 9% and 9%, respectively, of their annual covered salary. The City is required to contribute the actuarially determined amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for fiscal 2013/14 are as follows: 12.758% for miscellaneous employees; 21.669% for fire employees and 26.149% for police employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

NOTE 10 - Employee Retirement Plans (Continued):

Annual Pension Cost:

For fiscal year 2013-14, the City's combined annual pension cost for CalPERS was $3,627,770 which includes the City's required contribution amount of $2,424,416 and the members required contribution amount of $1,203,354.

Miscellaneous Plan:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	$ 1,018,275	100%	$ -
6/30/2013	967,669	100%	-
6/30/2014	988,124	100%	-

Fire Safety Plan:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	$ 573,202	100%	$ -
6/30/2013	585,240	100%	-
6/30/2014	571,213	100%	-

Police Safety Plan:

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	$ 889,139	100%	$ -
6/30/2013	889,349	100%	-
6/30/2014	865,079	100%	-

Public Agency Retirement System

Plan Description:

On July 1, 2003, the City joined the Public Agency Retirement System (PARS), a multiple-employer retirement trust established by a coalition of public employers. The Plan's eligibility for retirement benefits is for the City's following positions: City Attorney, Administrative Services Director, non-safety Department Director employee, or non-safety management employee of the City on or after July 1, 2003. Other retirement eligibility requirements are: hired prior to January 1, 2012, at least 55 years of age, has completed 5 or more years of full-time management employment, and has terminated employment with the City and concurrently retired under CalPERS. Benefit provisions and other requirements are established by City management based on agreements with various bargaining units. PARS is a defined benefit plan under Section 401 (a) of the Internal Revenue Code.

NOTE 10 - Employee Retirement Plans (Continued):

PARS (Continued)

Funding Policy:

Employees are not permitted to make any contributions. City contributions to the Plan for the last three fiscal years are as follows: 2013-14 - $187,545, 2012-13 - $206,710, and 2011-12 - $209,057. The City's contributions for all members for the fiscal years ended June 30, 2014, 2013, and 2012 were in accordance with the required contributions.

Annual benefits are calculated as years of service x 12 months of highest annual average compensation x .5%.

NOTE 11 - Public Entity Risk Pool:

The City participates in one public entity risk pool through a formally organized and separate entity. As a separate legal entity, this entity exercises full power and authority within the scope of the related agreement 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. Obligations and liabilities of the separate entity are not those of the City.

ABAG PLAN CORPORATION

On July 1, 1986, the City became a member of the Association of Bay Area Governments (ABAG) Pooled Liability Assurance Network (PLAN). PLAN is a not-for-profit organization established to provide certain levels of liability insurance coverage, claims and risk management services, and legal defense to thirty-one San Francisco Bay Area cities. PLAN is governed by a Board of Directors comprised of officials appointed by each participating member and is administered by the Association of Bay Area Governments (ABAG).

The City paid premiums of $461,583 during fiscal year 2013-2014 for general liability and property coverage in excess of the City's self-insured retention as described in Note 12. Members may receive rebates when declared by ABAG or, in the event excess liability claims against ABAG exceed available resources, may be required to make additional contributions.

ABAG is considered a risk-sharing pool whereby all its members share in the cost of losses for other members. Condensed accrual basis audited financial information of PLAN as of and for the fiscal year ended June 30, 2013 (most recent available) is as follows:

Total assets	$ 44,444,445
Total liabilities	36,354,585
Net assets	$ 8,089,860
Total revenues	$ 8,039,122
Total expenses	20,413,794
Net income (loss)	$ (12,374,672)

NOTE 12 – Self-Insurance Fund:

On July 1, 1988, the City established a program of self-insurance with respect to Employee's Dental Insurance, in accordance with the provisions of a Memorandum of Understanding between the City and all full-time employees. This program is administered by TLC Administrators and provides claims review and processing. The maximum benefit per employee per plan year varies between $1,500 and $2,000; the maximum benefit per dependent per plan year is also between $1,500 and $2,000.

The City paid premiums of $951,025 during fiscal year 2013-14 for workers' compensation and excess workers' compensation coverage.

The City's general liability, property damage, employment, and workers' compensation claims are insured by participation in public risk-sharing pools (ABAG PLAN Corporation, Note 8, and Municipal Pooling Authority), both of which are subject to the City's self-insurance retention which varies by type of coverage. The coverages are as follows:

Self-Insured Coverage	Policy Limit	Retention
General Liability & Property Damage	$ 10,000,000	$ 50,000
Workers Compensation	$ 500,000 *	$4.5 million excess of $500,000 per occurrence *
Employment	$ 1,000,000	$ 5,000

* Workers' Compensation coverage is currently pooled with a 31 city Insurance JPA. Settled claims have not exceeded the City's policy limits in any of the past three fiscal years.

The City maintains an internal service fund to account for these insurance programs. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Accrued insurance losses of $345,090 and $543,473 were recorded at June 30, 2014 for the workers' compensation and general liability programs respectively.

Changes in the total reported liability resulted from the following:

	Fiscal Year Ended June 30, 2013	2014
July 1 Liability	$ 1,020,369	$ 859,334
Claims & change in estimate	(47,264)	55,523
Payments for claims	(113,771)	(26,294)
June 30 Liability	$ 859,334	$ 888,563

NOTE 13 - Interfund Transactions:

Due To/From Other Funds

Current interfund balances arise in the normal course of business, to fund projects until the borrowing fund receives revenues to repay the lending fund and to assist funds with negative cash balance at the fiscal year end. The following is a summary of Interfund balances as of June 30, 2014:

Funds	Due from other funds	Due to other funds
Major Governmental Funds:		
General Fund	$ 1,383,366	$ -
Capital Projects Fund:		
General Capital Improvement Fund	663,920	2,218,700
Special Revenue Fund:		
Gas Tax Fund	2,218,700	663,920
Nonmajor Governmental Funds:		
Special Revenue Funds:		
NPDES Stormwater Fund		75,000
Disaster Accounting Fund		1,206,671
Capital Project Fund:		
Parks and Playfield Fund		101,695
Total	$ 4,265,986	$ 4,265,986

Receivable from Successor Agency

The City of Pacifica loaned money to the former Redevelopment Agency Rockaway Beach Fund (Successor Agency Private-purpose Trust Fund) to be used for any expenses necessary or incidental in carrying out the Redevelopment Plan. At June 30, 2014, outstanding loans totaling $2,480,302 ($2,341,185 in advances and $139,117 of accrued interest) have been made from the General Fund and are to be repaid as practical to the City from the Successor Agency. Interest accrues on the original advance at the current Local Agency Investment Fund (LAIF) rate, which was .24%.

The City of Pacifica participated in the financing of a low-cost senior apartment complex during fiscal year 2000-2001. The former Redevelopment Agency made a $600,000 long-term loan through the former RDA Low/Mod Housing Fund to National Church Residences (see Note 4). Since the Housing Fund did not have the full $600,000, the City's General Fund loaned the Housing Fund $258,000 at a variable simple interest rate. The current loan interest rate between the City's General Fund and the Housing Successor Agency Fund is .24% (current LAIF rate). The total balance at June 30, 2014 is $293,257 ($175,190 in advances and $118,067 in accrued interest).

The interest portion on these receivables was adjusted to the investment earnings rate on the Local Agency Investment Fund during the fiscal year 2013/14, in accordance with the Department of Finance's requirements for enforceable obligations of the Successor Agency.

Transfers

Transfers report the nonreciprocal contribution of resources from one fund to another. The purpose of the majority of transfers is to reimburse a fund which has made expenditures on behalf of another fund. Less often a transfer may be made to open or close a fund.

NOTE 13 - Interfund Transactions (Continued):

The following is a summary of transfers for the fiscal year ended June 30, 2014:

Funds	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	$ -	$ 3,289,057
General Capital Improvement Fund		148,652
Debt Service Fund	3,766,047	
Gas Tax Fund		697,147
Nonmajor Governmental Funds:		
NPDES Stormwater Fund		3,908
Highway 1 Improvement Fund		1,954
Manor Drive Improvement Fund		1,776
Parks and Playfield Fund		3,553
Internal Service Fund:		
Self Insurance Fund	380,000	
	$ 4,146,047	$ 4,146,047

NOTE 14 - Net Position and Fund Balances:

A. Net Position

GASB Statement No. 63 adds the concept of net position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net position is divided into three captions under GASB Statement No. 34 and 63. These captions apply only to net position as determined 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 principally include capital projects, revolving loan programs, and other various grant programs.

Unrestricted describes the portion of net position which is not restricted as to use.

When both restricted and unrestricted net position is available, restricted resources are depleted first before the unrestricted resources are used.

NOTE 14 – Net Position and Fund Balances (Continued):

A. Net Position (Continued)

At June 30, 2014, the City had recorded restricted net position in the Governmental Activities as follows:

	Governmental Activities
Restricted for:	
Capital projects	$ 879,428
Streets, highways, and other related purposes	4,270,950
Parks, beaches, and recreation	3,455,596
Stormwater operations	165,263
Public safety	277,778
Total Restricted	$ 9,049,015

Included in total restricted net position at June 30, 2014 is net position restricted by enabling legislation of $3,457,417.

B. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted **-** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

NOTE 14 – Net Position and Fund Balances (Continued):

B. Fund Balances (Continued)

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City ordinance (City Manager).

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The City does not utilize encumbrances.

The constraints placed on fund balance for the major governmental funds and all other governmental funds at June 30, 2014 are as follows:

Fund Balances	General Fund	General Capital Improvement Fund	Gas Tax Fund	Davies Trust Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Nonspendable:							
Prepaid items	$ 19,312	$ -	$ -	$ -	$ -	$ -	$ 19,312
Inventory	4,903						4,903
Advances	2,516,375						2,516,375
Total Nonspendable	2,540,590						2,540,590
Restricted for:							
Supplemental law enforcement						277,778	277,778
Stormwater operations						165,263	165,263
Acquistion, repairs and maintenance of parks, beaches, and recreation buildings, equipment, grounds and gardens				3,455,596			3,455,596
Streets and roads			3,292,154			963,448	4,255,602
Housing						331,412	331,412
Parking						21,020	21,020
Debt service					969,527		969,527
Capital projects		40,672				638,731	679,403
Total Restricted		40,672	3,292,154	3,455,596	969,527	2,397,652	10,155,601
Committed for:							
Childcare programs	907,519						907,519
Total Committed	907,519						907,519
Assigned for:							
Fire services	5,679						5,679
Police services	67,810						67,810
Recycling	36,304						36,304
Public works	3,987						3,987
Capital projects	650						650
Parks, beaches, and recreation	53,767						53,767
Total Assigned	168,197						168,197
Unassigned	1,341,251					(1,656,694)	(315,443)
Total Fund Balances	$ 4,957,557	$ 40,672	$ 3,292,154	$ 3,455,596	$ 969,527	$ 740,958	$ 13,456,464

NOTE 15 – Contingencies:

The City is a defendant in one lawsuit which does not represent significant financial exposure to the City. In North Pacifica LLC v. City of Pacifica, San Mateo Superior Court Case No. CIV 419325, plaintiff challenges the City's processing and imposition of conditions on a development project. While this case has not been dismissed, it is currently inactive.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

As part of the settlement agreement between the City and the California Regional Water Quality Control Board, the City has agreed to complete supplemental environmental projects as set forth in the agreement in the amount of $820,000. If the City does not complete these projects then the City will have to pay $820,000 to the California Regional Water Quality Control Board.

NOTE 16 – Successor Agency Trust for Assets of Former 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 of Pacifica 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 other 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 23, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 01-2012.

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 as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

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

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

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

NOTE 16 – Successor Agency Trust for Assets of Former Redevelopment Agency (Continued):

Notes receivable of the Successor Agency as of June 30, 2014 consisted of the following:

	Note Receivable Balance	Accrued Interest Balance
Senior note, secured by second deed of trust, due on August 25, 2035	$ 250,000	$ 100,130
Junior note, secured by fourth deed of trust, due on August 25, 2035	350,000	140,182
Total, secured	$ 600,000	$ 240,312

The Successor Agency has two notes due from National Church Residences of Pacifica Ca., an Ohio nonprofit corporation ("NCR"). The notes totaling $600,000 are secured by Deeds of Trust and an assignment of rents, bear annual interest at 3% simple, and are repayable from "available surplus cash" as defined in the promissory notes.

On October 2, 2014, the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Pacifica approved the transfer of interest of the housing assets, which consisted solely of the $600,000 of notes receivable, to the Housing Authority of the County of San Mateo.

Capital assets of the Successor Agency as of June 30, 2014 consisted of the following:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets not being depreciated:				
Land	$ 835,275	$ -	$ -	$ 835,275
Total capital assets, net	$ 835,275	$ -	$ -	$ 835,275

Long-term debt of the Successor Agency as of June 30, 2014, consisted of the following:

	Balance, July 1, 2013	Additions	Retirements	Prior Period Adjustment	Balance, June 30, 2014	Due in One year
Tax allocation bonds:						
2004 Tax allocation bonds	$ 1,455,000	$ -	$ (45,000)	$ -	$ 1,410,000	$ 50,000
Payable to General Fund:						
Advance from General Fund	6,428,157			(3,654,598)	2,773,559	
	$ 7,883,157	$ -	$ (45,000)	$ (3,654,598)	$ 4,183,559	$ 50,000

During the fiscal year ended June 30, 2014, the interest on the advance from the general fund was calculated using the current LAIF rate of .24% from the original date of the advance. This resulted in a prior period adjustment of interest in the amount of $3,654,598.

NOTE 16 – Successor Agency Trust for Assets of Former Redevelopment Agency (Continued):

Tax Allocation Bonds

Former Community Development Agency Tax Allocation Bonds

2004 Tax Allocation Bonds: During August 2004, the former Redevelopment Agency of the City of Pacifica issued $1,725,000 in Rockaway Beach Redevelopment Project 2004 Tax Allocation Bonds at interest rates varying from 2.9% to 5.75%. The net proceeds of the bonds were issued to refinance redevelopment activities by repaying a portion of the loan made by the City to the Agency and to establish a reserve fund. Interest on the bonds will be payable semiannually on January 1 and July 1 each year, commencing January 1, 2005. The bonds mature on July 1, 2031. The bonds are payable exclusively from pledged tax revenues to be derived from the project area and from the amounts on deposits in certain funds and accounts, including the reserve account and the revenue account. The balance at June 30, 2014 is $1,410,000.

Annual debt service requirements, to maturity, for the 2004 Tax Allocation Bonds are as follows:

Fiscal year Ended	Principal	Interest	Total
2015	$ 50,000	$ 77,909	$ 127,909
2016	50,000	75,434	125,434
2017	55,000	72,754	127,754
2018	55,000	69,867	124,867
2019	60,000	66,790	126,790
2020-2024	345,000	279,678	624,678
2025-2029	450,000	166,734	616,734
2030-2032	345,000	30,319	375,319
	$ 1,410,000	$ 839,485	$ 2,249,485

NOTE 17 – Prior Period Adjustments:

A prior period adjustment of ($4,808,139) was made on the Statement of Activities in the governmental activities due to an understatement of cash and investments of $102,437, an overstatement of deferred charges of ($1,255,978), and an overstatement of the receivable from the Successor Agency of ($3,654,598) in the prior fiscal year.

A prior period adjustment of ($357,282) was made on the Statement of Activities in the business-type activities due to an overstatement of deferred charges in the prior fiscal year.

A prior period adjustment of $102,437 was made in the General Fund due to an understatement of cash and investments in the prior fiscal year.

A prior period adjustment of ($357,282) was made in the Sewer Utility Enterprise Fund due to an overstatement of deferred charges in the prior fiscal year.

A prior period adjustment of ($8,164) was made in Motor Pool Internal Service Fund due to an overstatement of deferred charges in the prior fiscal year.

A prior period adjustment of ($102,437) was made in the RDA Low/Mod Successor Agency Private-Purpose Trust Fund due to an overstatement of cash and investments in the prior fiscal year.

A prior period adjustment of $3,589,933 was made in the RDA Successor Agency Private-Purpose Trust Fund due to an overstatement of deferred charges of ($64,665) and an overstatement of the payable to the General Fund of $3,654,598 in the prior fiscal year.

NOTE 18 – Subsequent Event:

On July 28, 2014, the City Council approved the purchase of five (5) Police Interceptor Utility Vehicles in the amount of $131,743.

On August 11, 2014, the City Council approved a construction management and inspection contract with YEI Engineers, Inc. for the Linda Mar Generator Replacement Project, in the amount of $501,861.

On September 22, 2014, the City Council directed the City Manager to execute a purchase and sale agreement with David Colt, for APN# 023-073-080 in the amount of $583,000.

On January 26, 2015, the City Council approved a construction contract with Hobbs Construction, Inc. for the Warning Lights School Crosswalk Project, in the amount of $135,900. The City Council also approved a construction contract with Bay Pacific Pipelines for the collection system rehabilitation and replacement projects, in the amount of $1,160,445.

In preparing the accompanying financial statements, the City management has reviewed all known events that have occurred after June 30, 2014, and through May 19, 2015, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

NOTE 19 – Financial Condition:

As of June 30, 2014, the Governmental activities unrestricted net position was ($14,105,441).

The City had a balloon payment due on April 28, 2014 of principal in the amount of $875,378, plus interest for repayment of the 2001 CHFA loan. The City is owed $1,034,348 from National Church Residences (NCR) in relation to the loan payable to CHFA. As of the date of these financial statements, NCR has not paid their loan back to the City, but the City was required to pay the $875,378 plus interest back to CHFA on April 28, 2014. However, the City did not pay the loan back on April 28, 2014. The City is currently working with CHFA to restructure the terms of the loan payable.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY BASIS OF ACCOUNTING

The City prepares a budget for each fiscal year on or before June 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the City Council.

From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The legal level of control is the department. The City Council may amend the budget by resolution during the fiscal year.

Formal budgetary integration is employed as a management control device during the fiscal year for the General fund and Special Revenue and Capital Project Funds. The General Fund budget and Special Revenue and Capital Project Fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP) and are consistent with the basis used for financial reporting. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any reconciliation.

Other Postemployment Benefits

Schedule of Funding Progress

Valuation Date	Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
7/1/2007	$ 5,127,629	$ -	$ 5,127,629	0.0%	$ 15,457,782	33.2%
7/1/2010	3,443,589		3,443,589	0.0%	15,929,273	21.6%
6/30/2013	3,701,000		3,701,000	0.0%	13,745,000	26.9%

CITY OF PACIFICA
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes:				
Property	$ 10,884,567	$ 11,225,947	$11,275,518	$ 49,571
Sales	1,547,928	1,547,928	1,686,593	138,665
Franchise	1,645,000	1,645,000	1,668,382	23,382
Other	3,407,872	3,407,872	3,329,647	(78,225)
Licenses and permits	377,133	377,133	501,473	124,340
Fines and forfeitures	235,000	235,000	300,611	65,611
Use of money and property	143,990	143,990	163,303	19,313
Intergovernmental	4,472,350	4,628,350	4,685,178	56,828
Charges for current services	1,790,011	1,790,011	1,996,318	206,307
Recreation programs	741,018	846,018	813,428	(32,590)
Other	1,889,646	2,038,646	1,814,062	(224,584)
Total Revenues	27,134,515	27,885,895	28,234,513	348,618
Expenditures				
Current:				
General government				
City council	96,469	96,469	89,371	7,098
City manager	469,076	626,076	586,975	39,101
Human resources	501,249	501,249	569,353	(68,104)
City attorney	438,497	538,497	591,347	(52,850)
Finance	1,053,829	1,153,829	1,158,079	(4,250)
Non-departmental	998,317	998,317	871,293	127,024
Total General Government	3,557,437	3,914,437	3,866,418	48,019
Public safety				
Police	7,870,287	8,000,287	8,009,983	(9,696)
Fire	4,788,276	4,788,276	4,922,979	(134,703)
Total Public Safety	12,658,563	12,788,563	12,932,962	(144,399)
Community development				
Planning	1,068,711	1,068,711	1,021,021	47,690
Code enforcement	162,777	162,777	139,492	23,285
Economic development			3,658	(3,658)
Total Community Development	1,231,488	1,231,488	1,164,171	67,317
Public works				
Engineering services	496,961	496,961	448,851	48,110
Street and traffic maintenance	290,369	290,369	293,893	(3,524)
Building maintenance and improvement	446,458	446,458	414,758	31,700
Fishing pier/rest stop maintenance	364,457	364,457	316,346	48,111
City parks and playfields	725,432	725,432	665,899	59,533
Total Public Works	2,323,677	2,323,677	2,139,747	183,930

(Continued)

See notes to required supplementary information.

CITY OF PACIFICA
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2014
(Continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Expenditures				
Current:				
Parks, beaches, and recreation				
Parks, beaches, and recreation	$ 246,404	$ 251,404	$ 240,482	$ 10,922
Community center programs	185,658	185,658	172,443	13,215
Cultural arts	10,051	10,051	10,118	(67)
Elementary age recreation	109,524	180,724	164,727	15,997
Teens and j-teens recreation	68,704	62,704	62,648	56
Adult sports	3,658	3,658	3,775	(117)
Senior	181,273	181,273	172,169	9,104
Instructional class	118,631	118,631	112,869	5,762
Recreation swimming	318,263	318,263	296,429	21,834
Swim team	131,401	131,401	124,025	7,376
Special community recreation	54,324	54,324	63,584	(9,260)
Special projects	2,200,669	2,171,669	2,161,685	9,984
Total Parks, Beaches, and Recreation	3,628,560	3,669,760	3,584,954	84,806
Capital outlay	123,489	123,489	69,185	54,304
Total Expenditures	23,523,214	24,051,414	23,757,437	293,977
Excess (Deficit) of Revenues over Expenditures	3,611,301	3,834,481	4,477,076	642,595
Other Financing Sources (Uses)				
Transfers out	(3,289,057)	(3,289,057)	(3,289,057)	
Total Other Financing Sources (Uses)	(3,289,057)	(3,289,057)	(3,289,057)	
Net Change in Fund Balance	322,244	545,424	1,188,019	642,595
Fund Balance, July 1, 2013	3,667,101	3,667,101	3,667,101	
Prior Period Adjustments			102,437	102,437
Fund Balance, July 1, 2013, Restated	3,667,101	3,667,101	3,769,538	102,437
Fund Balance, June 30, 2014	$ 3,989,345	$ 4,212,525	$ 4,957,557	$ 745,032

See notes to required supplementary information.

CITY OF PACIFICA
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Use of money and property	$ 250	$ 250	$ 952	$ 702
Intergovernmental	2,342,515	2,342,515	2,374,095	31,580
Other	29,643	29,643	337	(29,306)
Total Revenues	2,372,408	2,372,408	2,375,384	2,976
Expenditures				
Current:				
Public works	1,473,200	1,473,200	1,029,075	444,125
Capital outlay	506,601	506,601		506,601
Total Expenditures	1,979,801	1,979,801	1,029,075	950,726
Excess of Revenues over Expenditures	392,607	392,607	1,346,309	953,702
Other Financing Sources (Uses)				
Transfers out	(697,147)	(697,147)	(697,147)	
Total Other Financing Sources (Uses)	(697,147)	(697,147)	(697,147)	
Net Change in Fund Balance	(304,540)	(304,540)	649,162	953,702
Fund Balance, July 1, 2013	2,642,992	2,642,992	2,642,992	
Fund Balance, June 30, 2014	$ 2,338,452	$ 2,338,452	$ 3,292,154	$ 953,702

See notes to required supplementary information.

CITY OF PACIFICA
Budgetary Comparison Schedule
Davies Trust Special Revenue Fund
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Use of money and property	$ 3,600	$ 3,600	$ 2,160	$ (1,440)
Total Revenues	3,600	3,600	2,160	(1,440)
Expenditures				
Current:				
Parks, beaches, and recreation	3,584	3,584	261	3,323
Total Expenditures	3,584	3,584	261	3,323
Net Change in Fund Balance	16	16	1,899	1,883
Fund Balance, July 1, 2013	3,453,697	3,453,697	3,453,697	
Fund Balance, June 30, 2014	$ 3,453,713	$ 3,453,713	$ 3,455,596	$ 1,883

See notes to required supplementary information.

OTHER SUPPLEMENTARY INFORMATION

CITY OF PACIFICA
Budgetary Comparison Schedule
General Capital Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Licenses and permits	$ 59,229	$ 13,381	$ (45,848)
Use of money and property	500	5,653	5,153
Intergovernmental	324,000	476,605	152,605
Total Revenues	383,729	495,639	111,910
Expenditures			
Current:			
Community development	167,751	29,181	138,570
Capital outlay	3,169,153	496,750	2,672,403
Total Expenditures	3,336,904	525,931	2,810,973
Excess (Deficit) of Revenues over Expenditures	(2,953,175)	(30,292)	2,922,883
Other Financing Sources (Uses)			
Transfers out	(5,684)	(148,652)	(142,968)
Total Other Financing Sources (Uses)	(5,684)	(148,652)	(142,968)
Net Change in Fund Balance	(2,958,859)	(178,944)	2,779,915
Fund Balance, July 1, 2013	219,616	219,616	
Fund Balance (Deficit), June 30, 2014	$ (2,739,243)	$ 40,672	$ 2,779,915

CITY OF PACIFICA
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Use of money and property	$ 1,300	$ 1,026	$ (274)
Total Revenues	1,300	1,026	(274)
Expenditures			
Debt service:			
Principal	1,853,849	1,791,341	62,508
Interest and fiscal charges	2,027,043	1,877,514	149,529
Total Expenditures	3,880,892	3,668,855	212,037
Excess (Deficit) of Revenues over Expenditures	(3,879,592)	(3,667,829)	211,763
Other Financing Sources (Uses)			
Transfers in	3,832,864	3,766,047	(66,817)
Total Other Financing Sources (Uses)	3,832,864	3,766,047	(66,817)
Net Change in Fund Balance	(46,728)	98,218	144,946
Fund Balance, July 1, 2013	871,309	871,309	
Fund Balance, June 30, 2014	$ 824,581	$ 969,527	$ 144,946

CITY OF PACIFICA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and investments	$ 905,014	$ 1,800,442	$ 2,705,456
Receivable:			
Grants		510,594	510,594
Total Assets	$ 905,014	$ 2,311,036	$ 3,216,050
Liabilities:			
Accounts payable	$ 32,494	$ 694,481	$ 726,975
Accrued liabilities	2,447	2,189	4,636
Due to other funds	1,281,671	101,695	1,383,366
Total Liabilities	1,316,612	798,365	2,114,977
Deferred Inflows of Resources:			
Deferred revenue - grants		360,115	360,115
Total Deferred Inflows of Resources		360,115	360,115
Fund Balances:			
Restricted	795,473	1,602,179	2,397,652
Unassigned	(1,207,071)	(449,623)	(1,656,694)
Total Fund Balances (Deficits)	(411,598)	1,152,556	740,958
Total Liabilities and Fund Balances	$ 905,014	$ 2,311,036	$ 3,216,050

CITY OF PACIFICA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes:			
Other taxes	$ 177,499	$ -	$ 177,499
Use of money and property	1,925	2,591	4,516
Intergovernmental	1,201,880	1,876,741	3,078,621
Other	365,940	105,523	471,463
Total Revenues	1,747,244	1,984,855	3,732,099
Expenditures:			
Current:			
Public safety	7,403		7,403
Community development	14,300	42,767	57,067
Public works	165,600	12,127	177,727
Capital outlay	1,659,482	1,303,064	2,962,546
Total Expenditures	1,846,785	1,357,958	3,204,743
Excess (Deficit) of Revenues over Expenditures	(99,541)	626,897	527,356
Other Financing Sources (Uses):			
Transfers out	(3,908)	(7,283)	(11,191)
Total Other Financing Sources (Uses)	(3,908)	(7,283)	(11,191)
Net Change in Fund Balances	(103,449)	619,614	516,165
Fund Balances (Deficits), July 1, 2013	(308,149)	532,942	224,793
Fund Balances (Deficits), June 30, 2014	$ (411,598)	$ 1,152,556	$ 740,958

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are created in accordance with Federal, State, or City regulations which require that monies apportioned from these specific funds be spent only for certain designated purposes. Funds included in this fund category are:

SUPPLEMENTAL LAW ENFORCEMENT SERVICES FUND - This fund was created to account for revenues and expenditures associated with money allocated by the legislature to all cities and counties throughout the state to supplement front line law enforcement services.

FIRE ASSESSMENT FUND - This fund was created to account for revenues and expenditures associated with money collected through the special fire assessment to supplement costs associated with the Fire Department.

NPDES STORMWATER FUND - The NPDES (National Pollution Discharge Elimination System) Stormwater Fund was established in fiscal year 1994-95 to account for revenues and expenditures associated with Federal and State mandated stormwater operations.

DISASTER ACCOUNTING FUND - This fund was established to account for all revenues received and expenditures incurred due to natural and man-made disasters.

HOUSING IN-LIEU FUND - This fund was established to account for receipts from fees imposed on developers to provide for improvements.

PARKING IN-LIEU FUND – This fund was established to account for receipts and expenditures from fees imposed on developers to provide for parking facilities improvements.

CITY OF PACIFICA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	Supplemental Law Enforcement Services	Fire Assessment	NPDES Stormwater
Assets			
Cash and investments	$ 277,778	$ 7,403	$ 267,401
Total Assets	$ 277,778	$ 7,403	$ 267,401
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ -	$ 7,403	$ 24,691
Accrued liabilities			2,447
Due to other funds			75,000
Total Liabilities		7,403	102,138
Fund Balances:			
Restricted	277,778		165,263
Unassigned			
Total Fund Balances (Deficits)	277,778		165,263
Total Liabilities and Fund Balances	$ 277,778	$ 7,403	$ 267,401

Disaster Accounting	Housing In-Lieu	Parking In-Lieu	Total
$ -	$ 331,412	$ 21,020	$ 905,014
$ -	$ 331,412	$ 21,020	$ 905,014
$ 400	$ -	$ -	$ 32,494
			2,447
1,206,671			1,281,671
1,207,071			1,316,612
	331,412	21,020	795,473
(1,207,071)			(1,207,071)
(1,207,071)	331,412	21,020	(411,598)
$ -	$ 331,412	$ 21,020	$ 905,014

CITY OF PACIFICA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2014

	Supplemental Law Enforcement Services	Fire Assessment	NPDES Stormwater
Revenues:			
Taxes:			
Other taxes	$ -	$ -	$ 177,499
Use of money and property	555		578
Intergovernmental	82,839		
Other			
Total Revenues	83,394		178,077
Expenditures:			
Current:			
Public safety		7,403	
Community development			
Public works			165,600
Capital outlay			
Total Expenditures		7,403	165,600
Excess (Deficit) of Revenues over Expenditures	83,394	(7,403)	12,477
Other Financing Sources (Uses)			
Transfers out			(3,908)
Total Other Financing Sources (Uses)			(3,908)
Net Change in Fund Balances	83,394	(7,403)	8,569
Fund Balances (Deficits), July 1, 2013	194,384	7,403	156,694
Fund Balances (Deficits), June 30, 2014	$ 277,778	$ -	$ 165,263

Disaster Accounting	Housing In-Lieu	Parking In-Lieu	Total
$ -	$ -	$ -	$ 177,499
	772	20	1,925
1,119,041			1,201,880
	344,940	21,000	365,940
1,119,041	345,712	21,020	1,747,244
			7,403
	14,300		14,300
			165,600
1,659,482			1,659,482
1,659,482	14,300		1,846,785
(540,441)	331,412	21,020	(99,541)
			(3,908)
			(3,908)
(540,441)	331,412	21,020	(103,449)
(666,630)			(308,149)
$ (1,207,071)	$ 331,412	$ 21,020	$ (411,598)

CITY OF PACIFICA
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2014

	Supplemental Law Enforcement Services		
	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes			
Other taxes	$ -	$ -	$ -
Use of money and property		555	555
Intergovernmental		82,839	82,839
Other			
Total Revenues		83,394	83,394
Expenditures:			
Current:			
Public safety			
Community development			
Public works			
Capital outlay			
Total Expenditures			
Excess (Deficit) of Revenues over Expenditures		83,394	83,394
Other Financing Sources (Uses):			
Transfers out			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances		83,394	83,394
Fund Balances (Deficits), July 1, 2013	194,384	194,384	
Fund Balances (Deficits), June 30, 2014	$ 194,384	$ 277,778	$ 83,394

Fire Assessment			NPDES Stormwater		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ 180,000	$ 177,499	$ (2,501)
			75	578	503
			95,895		(95,895)
			275,970	178,077	(97,893)
	7,403	(7,403)			
			262,177	165,600	96,577
	7,403	(7,403)	262,177	165,600	96,577
	(7,403)	(7,403)	13,793	12,477	(1,316)
			(3,908)	(3,908)	
			(3,908)	(3,908)	
	(7,403)	(7,403)	9,885	8,569	(1,316)
7,403	7,403		156,694	156,694	
$ 7,403	$ -	$ (7,403)	$ 166,579	$ 165,263	$ (1,316)

(Continued)

CITY OF PACIFICA
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2014
(Continued)

	Disaster Accounting		
	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes			
Other taxes	$ -	$ -	$ -
Use of money and property			
Intergovernmental		1,119,041	1,119,041
Other			
Total Revenues		1,119,041	1,119,041
Expenditures:			
Current:			
Public safety			
Community development			
Public works			
Capital outlay		1,659,482	(1,659,482)
Total Expenditures		1,659,482	(1,659,482)
Excess (Deficit) of Revenues over Expenditures		(540,441)	(540,441)
Other Financing Sources (Uses):			
Transfers out			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances		(540,441)	(540,441)
Fund Balances (Deficits), July 1, 2013	(666,630)	(666,630)	
Fund Balances (Deficits), June 30, 2014	$ (666,630)	$ (1,207,071)	$ (540,441)

Housing In-Lieu			Parking In-Lieu		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -
	772	772		20	20
	344,940	344,940		21,000	21,000
	345,712	345,712		21,020	21,020
	14,300	(14,300)			
	14,300	(14,300)			
	331,412	331,412		21,020	21,020
	331,412	331,412		21,020	21,020
$ -	$ 331,412	$ 331,412	$ -	$ 21,020	$ 21,020

CITY OF PACIFICA
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2014
(Continued)

	Total		
	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Taxes			
Other taxes	$ 180,000	$ 177,499	$ (2,501)
Use of money and property	75	1,925	1,850
Intergovernmental	95,895	1,201,880	1,105,985
Other		365,940	365,940
Total Revenues	275,970	1,747,244	1,471,274
Expenditures:			
Current:			
Public safety		7,403	(7,403)
Community development		14,300	(14,300)
Public works	262,177	165,600	96,577
Capital outlay		1,659,482	(1,659,482)
Total Expenditures	262,177	1,846,785	(1,584,608)
Excess (Deficit) of Revenues over Expenditures	13,793	(99,541)	(113,334)
Other Financing Sources (Uses):			
Transfers out	(3,908)	(3,908)	
Total Other Financing Sources (Uses)	(3,908)	(3,908)	
Net Change in Fund Balances	9,885	(103,449)	(113,334)
Fund Balances (Deficits), July 1, 2013	(308,149)	(308,149)	
Fund Balances (Deficits), June 30, 2014	$ (298,264)	$ (411,598)	$ (113,334)

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for financial resources to be used for the acquisition, construction, and improvement of major capital facilities of the City. Appropriations are made from the funds annually.

HIGHWAY 1 IMPROVEMENT FUND - This fund is financed by traffic impact mitigation fees as outlined in the Pacifica Municipal Code (Section 8-15.01 to Section 8-15.06).

MANOR DRIVE IMPROVEMENT FUND - This fund was established to account for the Manor Drive/Palmetto Avenue/Oceana Boulevard intersection construction and is financed by traffic impact mitigation fees as outlined in the Pacifica Municipal Code (Section 8-18.01 to Section 8-18.06).

AIRCRAFT NOISE PROJECT FUND - This fund was established to record the financial transactions of an Aircraft Noise Abatement Project funded with Federal and San Francisco Airport grants.

PARKS AND PLAYFIELD FUND - This fund was financed by Parkland Dedication Fees as outlined in the Pacifica Municipal Code (Section 8-19.01 to Section 8-19.03).

PLANNED LOCAL DRAINAGE FUND - Revenues are derived from fees levied on new construction in local districts. Funds can be utilized only for the drainage system in those particular districts.

CITY OF PACIFICA
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2014

	Highway 1 Improvement	Manor Drive Improvement	Aircraft Noise Project	Parks and Playfield
Assets:				
Cash and investments	$ 197,259	$ 964,452	$ 163	$ -
Receivable:				
Grants	510,594			
Total Assets	$ 707,853	$ 964,452	$ 163	$ -
Liabilities:				
Accounts payable	$ 692,018	$ 1,004	$ -	$ 1,459
Accrued liabilities	487			1,702
Due to other funds				101,695
Total Liabilities	692,505	1,004		104,856
Deferred Inflows of Resources:				
Deferred revenue - grants	360,115			
Total Deferred Inflows of Resources	360,115			
Fund Balances:				
Restricted		963,448	163	
Unassigned	(344,767)			(104,856)
Total Fund Balances (Deficit)	(344,767)	963,448	163	(104,856)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 707,853	$ 964,452	$ 163	$ -

Planned Local Drainage	Total
$ 638,568	$ 1,800,442
	510,594
$ 638,568	$ 2,311,036
$ -	$ 694,481
	2,189
	101,695
	798,365
	360,115
	360,115
638,568	1,602,179
	(449,623)
638,568	1,152,556
$ 638,568	$ 2,311,036

CITY OF PACIFICA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2014

	Highway 1 Improvement	Manor Drive Improvement	Aircraft Noise Project	Parks and Playfield
Revenues:				
Use of money and property	$ (1,263)	$ 2,348	$ -	$ -
Intergovernmental	1,558,214			
Other		12,215	120	93,188
Total Revenues	1,556,951	14,563	120	93,188
Expenditures:				
Current:				
Community development				42,767
Public works	12,127			
Capital outlay	1,303,064			
Total Expenditures	1,315,191			42,767
Excess of Revenues over Expenditures	241,760	14,563	120	50,421
Other Financing Sources (Uses):				
Transfers out	(1,954)	(1,776)		(3,553)
Total Other Financing Sources (Uses)	(1,954)	(1,776)		(3,553)
Net Change in Fund Balances	239,806	12,787	120	46,868
Fund Balances (Deficits), July 1, 2013	(584,573)	950,661	43	(151,724)
Fund Balances (Deficits), June 30, 2014	$ (344,767)	$ 963,448	$ 163	$ (104,856)

Planned Local Drainage	Total
$ 1,506	$ 2,591
318,527	1,876,741
	105,523
320,033	1,984,855
	42,767
	12,127
	1,303,064
	1,357,958
320,033	626,897
	(7,283)
	(7,283)
320,033	619,614
318,535	532,942
$ 638,568	$ 1,152,556

CITY OF PACIFICA
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2014

	Highway 1 Improvement		
	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 1,000	$ (1,263)	$ (2,263)
Intergovernmental	745,593	1,558,214	812,621
Other			
Total Revenues	746,593	1,556,951	810,358
Expenditures:			
Current:			
Community development			
Public works	14,850	12,127	2,723
Capital outlay	580,361	1,303,064	(722,703)
Total Expenditures	595,211	1,315,191	(719,980)
Excess (Deficit) of Revenues over Expenditures	151,382	241,760	90,378
Other Financing Sources (Uses):			
Transfers out	(1,954)	(1,954)	
Total Other Financing Sources (Uses)	(1,954)	(1,954)	
Net Change in Fund Balances	149,428	239,806	90,378
Fund Balances (Deficits), July 1, 2013	(584,573)	(584,573)	
Fund Balances (Deficits), June 30, 2014	$ (435,145)	$ (344,767)	$ 90,378

Manor Drive Improvement			Aircraft Noise Project		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
$ 1,000	$ 2,348	$ 1,348	$ -	$ -	$ -
	12,215	12,215		120	120
1,000	14,563	13,563		120	120
528,250		528,250			
528,250		528,250			
(527,250)	14,563	541,813		120	120
(1,776)	(1,776)				
(1,776)	(1,776)				
(529,026)	12,787	541,813		120	120
950,661	950,661		43	43	
$ 421,635	$ 963,448	$ 541,813	$ 43	$ 163	$ 120

(Continued)

CITY OF PACIFICA
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Budget and Actual - Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2014
(Continued)

	Parks and Playfield		
	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	$ 800	$ -	$ (800)
Intergovernmental			
Other	40,000	93,188	53,188
Total Revenues	40,800	93,188	52,388
Expenditures:			
Current:			
Community development	42,000	42,767	(767)
Public works			
Capital outlay			
Total Expenditures	42,000	42,767	(767)
Excess (Deficit) of Revenues over Expenditures	(1,200)	50,421	51,621
Other Financing Sources (Uses):			
Transfers out	(3,553)	(3,553)	
Total Other Financing Sources (Uses)	(3,553)	(3,553)	
Net Change in Fund Balances	(4,753)	46,868	51,621
Fund Balances (Deficits), July 1, 2013	(151,724)	(151,724)	
Fund Balances (Deficits), June 30, 2014	$ (156,477)	$ (104,856)	$ 51,621

Planned Local Drainage			Total		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
$ 1,500	$ 1,506	$ 6	$ 4,300	$ 2,591	$ (1,709)
	318,527	318,527	745,593	1,876,741	1,131,148
			40,000	105,523	65,523
1,500	320,033	318,533	789,893	1,984,855	1,194,962
			42,000	42,767	(767)
3,000		3,000	17,850	12,127	5,723
6,000		6,000	1,114,611	1,303,064	(188,453)
9,000		9,000	1,174,461	1,357,958	(183,497)
(7,500)	320,033	327,533	(384,568)	626,897	1,011,465
			(7,283)	(7,283)	
			(7,283)	(7,283)	
(7,500)	320,033	327,533	(391,851)	619,614	1,011,465
318,535	318,535		532,942	532,942	
$ 311,035	$ 638,568	$ 327,533	$ 141,091	$ 1,152,556	$ 1,011,465

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

MOTOR POOL FUND - City of Pacifica operates a central garage, which provides services to various City departments on a cost reimbursement basis. Revenues for the fund are derived from rentals to the departments for usage of the equipment. The fund can be used only for the operation and replacement of the equipment.

SELF INSURANCE FUND - City of Pacifica established Self Insurance Funds to cover Employee Dental Insurance, Workers' Compensation, General Liability, Property, and Automobile Liability Insurance. Expenses are restricted to payments of claims, the premium for umbrella insurance, administration costs, and expenditures relating to the Safety Committee.

CITY OF PACIFICA
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Motor Pool	Self Insurance	Total
Assets			
Current Assets:			
Cash and investments	$ 1,107,619	$ 1,772,023	$ 2,879,642
Receivable:			
Accounts	1,523		1,523
Inventories	37,347		37,347
Total Current Assets	1,146,489	1,772,023	2,918,512
Noncurrent Assets:			
Capital assets, not being depreciated	284,437		284,437
Capital assets, being depreciated, net of accumulated depreciation	2,045,427		2,045,427
Total Noncurrent Assets	2,329,864		2,329,864
Total Assets	3,476,353	1,772,023	5,248,376
Liabilities			
Current Liabilities:			
Accounts payable	28,543	17,839	46,382
Accrued liabilities	17,236	400	17,636
Accrued interest payable	1,310		1,310
Claims payable		810,240	810,240
Compensated absences	21,843		21,843
Bonds payable	26,404		26,404
Total Current Liabilities	95,336	828,479	923,815
Noncurrent Liabilities:			
Claims payable		78,323	78,323
Compensated absences	8,202		8,202
Bonds payable	263,189		263,189
Total Noncurrent Liabilities	271,391	78,323	349,714
Total Liabilities	366,727	906,802	1,273,529
Net Position			
Net invesment in capital assets	2,329,864		2,329,864
Unrestricted	779,762	865,221	1,644,983
Total Net Position	$ 3,109,626	$ 865,221	$ 3,974,847

CITY OF PACIFICA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Motor Pool	Self Insurance	Total
Operating Revenues:			
Charges for services	$ 1,207,644	$ 145,277	$ 1,352,921
Other operating income	9,152	420,712	429,864
Total Operating Revenues	1,216,796	565,989	1,782,785
Operating Expenses:			
Personnel services	413,749		413,749
Administration	1,208	333	1,541
Supplies and materials	429,692		429,692
Insurance		951,025	951,025
Outside contractors		47,696	47,696
Maintenance	44,073		44,073
Insurance claims		193,127	193,127
Depreciation	469,624		469,624
Total Operating Expenses	1,358,346	1,192,181	2,550,527
Operating Income (Loss)	(141,550)	(626,192)	(767,742)
Non-Operating Revenues (Expenses):			
Investment earnings	2,780	4,310	7,090
Intergovernmental revenues	25,719		25,719
Interest and fiscal charges	(11,904)		(11,904)
Gain on sale of capital assets	15,715		15,715
Total Non-Operating Revenues (Expenses)	32,310	4,310	36,620
Income (Loss) Before Transfers	(109,240)	(621,882)	(731,122)
Transfers:			
Transfers in		380,000	380,000
Changes in Net Position	(109,240)	(241,882)	(351,122)
Net Position, July 1, 2013	3,227,030	1,107,103	4,334,133
Prior Period Adjustments	(8,164)		(8,164)
Net Position, July 1, 2013, Restated	3,218,866	1,107,103	4,325,969
Net Position, June 30, 2014	$ 3,109,626	$ 865,221	$ 3,974,847

CITY OF PACIFICA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Motor Pool	Self Insurance	Total
Cash Flows from Operating Activities:			
Receipts from customers	$ 1,215,655	$ 657,547	$ 1,873,202
Payments to suppliers and users	(471,601)	(995,522)	(1,467,123)
Payments for claims		(163,898)	(163,898)
Payments to employees	(412,345)	(193)	(412,538)
Net Cash Provided (Used) by Operating Activities	331,709	(502,066)	(170,357)
Cash Flows from Noncapital and Related Financing Activities:			
Intergovernmental revenues	25,719		25,719
Transfers in		380,000	380,000
Net Cash Provided by Noncapital and Related Financing Activities	25,719	380,000	405,719
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(326,603)		(326,603)
Proceeds from sale of capital assets	15,715		15,715
Principal payments on bonds and notes	(15,408)		(15,408)
Interest paid	(12,037)		(12,037)
Net Cash Used by Capital and Related Financing Activities	(338,333)		(338,333)
Cash Flows from Investing Activities:			
Interest received	2,780	4,310	7,090
Net Cash Provided by Investing Activities	2,780	4,310	7,090
Net Increase (Decrease) in Cash and Cash Equivalents	21,875	(117,756)	(95,881)
Cash and Cash Equivalents at the Beginning of the Fiscal Year	1,085,744	1,889,779	2,975,523
Cash and Cash Equivalents at the End of the Fiscal Year	$ 1,107,619	$ 1,772,023	$ 2,879,642
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:			
Cash and investments	$ 1,107,619	$ 1,772,023	$ 2,879,642
Total Cash and Cash Equivalents	$ 1,107,619	$ 1,772,023	$ 2,879,642

(Continued)

CITY OF PACIFICA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014
(Continued)

	Motor Pool	Self Insurance	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ (141,550)	$ (626,192)	$ (767,742)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	469,624		469,624
(Increase) Decrease in Operating Assets:			
Accounts receivable	(1,141)	91,558	90,417
Inventories	1,524		1,524
Increase (Decrease) in Operating Liabilities:			
Accounts payable	1,848	3,199	5,047
Accrued liabilities	367	140	507
Claims payable		29,229	29,229
Compensated absences	1,037		1,037
Net Cash Provided (Used) by Operating Activities	$ 331,709	$ (502,066)	$ (170,357)

PRIVATE-PURPOSE TRUST FUNDS

Private-Purpose Trust Funds are used to account for the funds held by the City as a trustee.

RDA LOW/MOD SUCCESSOR AGENCY FUND – This fund is used to account for the former Redevelopment Agency's low and moderate income housing fund.

RDA SUCCESSOR AGENCY FUND – This fund is used to account for the former Redevelopment Agency's capital project fund.

CITY OF PACIFICA
Private-Purpose Trust Funds
Combining Statement of Net Position
June 30, 2014

	RDA Low/Mod Successor Agency Fund	RDA Successor Agency Fund	Totals
Assets			
Cash and investments	$ 895	$ 152,413	$ 153,308
Cash and investments with fiscal agents		129,852	129,852
Interest receivable	240,312		240,312
Notes receivable	600,000		600,000
Capital assets, not being depreciated		835,275	835,275
Total assets	841,207	1,117,540	1,958,747
Liabilities			
Accounts payable	895	4,556	5,451
Interest payable		39,348	39,348
Long-term debt, due within one year		50,000	50,000
Long-term debt, due in more than one year	293,257	3,840,302	4,133,559
Total liabilities	294,152	3,934,206	4,228,358
Net Position			
Restricted for debt service		90,504	90,504
Unrestricted	547,055	(2,907,170)	(2,360,115)
Total net position (deficits)	$ 547,055	$ (2,816,666)	$ (2,269,611)

CITY OF PACIFICA
Private-Purpose Trust Funds
Combining Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2014

	RDA Low/Mod Successor Agency Fund	RDA Successor Agency Fund	Totals
Additions:			
Investment revenue	$ 18,000	$ 304	$ 18,304
Taxes and assessments		273,738	273,738
Total additions	18,000	274,042	292,042
Deductions:			
Administration		41,571	41,571
Intergovernmental expense	895		895
Interest expense		79,140	79,140
Total deductions	895	120,711	121,606
Change in net position	17,105	153,331	170,436
Net Position (Deficit) - July 1, 2013	632,387	(6,559,930)	(5,927,543)
Prior Period Adjustments	(102,437)	3,589,933	3,487,496
Net Position (Deficit), July 1, 2013, Restated	529,950	(2,969,997)	(2,440,047)
Net Position (Deficit) - June 30, 2014	$ 547,055	$ (2,816,666)	$ (2,269,611)

STATISTICAL SECTION

CITY OF PACIFICA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	$ 45,118,985	$ 46,962,267	$ 50,585,199	$ 50,020,034
Restricted	486,190	6,738,596	7,370,411	7,064,256
Unrestricted	5,309,223	3,750,966	703,720	5,799,437
Total governmental activities net position	$ 50,914,398	$ 57,451,829	$ 58,659,330	$ 62,883,727
Business-type activities				
Net investment in capital assets	$ 7,143,196	$ 14,632,714	$ 12,423,925	$ 11,483,688
Restricted	7,064,036	946,455	953,800	1,075,760
Unrestricted	354,381	(1,960,805)	(700,968)	2,341,086
Total business-type activities net position	$ 14,561,613	$ 13,618,364	$ 12,676,757	$ 14,900,534
Primary Government				
Net investment in capital assets	$ 52,262,181	$ 61,594,981	$ 63,009,124	$ 61,503,722
Restricted	7,550,226	7,685,051	8,324,211	8,140,016
Unrestricted	5,663,604	1,790,161	2,752	8,140,523
Total primary government net position	$ 65,476,011	$ 71,070,193	$ 71,336,087	$ 77,784,261

Notes:
The City began reporting in the GASB 34 format in 2003.

Source: City Comprehensive Annual Financial Report

2009	2010	2011	2012	2013	2014
$ 50,142,311	$ 51,393,206	$ 54,212,344	$ 54,455,020	$ 56,461,478	$ 56,995,945
5,597,188	4,962,287	4,825,393	8,216,813	7,944,025	9,049,015
8,728,875	4,867,264	(634,699)	4,681,456	(13,421,330)	(14,105,441)
$ 64,468,374	$ 61,222,757	$ 58,403,038	$ 67,353,289	$ 50,984,173	$ 51,939,519
$ 10,796,034	$ 11,247,270	$ 14,179,807	$ 15,462,599	$ 15,963,759	$ 17,989,636
689,514	562,485	-	-	-	-
5,776,571	7,139,231	5,545,190	5,935,174	5,238,849	5,353,723
$ 17,262,119	$ 18,948,986	$ 19,724,997	$ 21,397,773	$ 21,202,608	$ 23,343,359
$ 60,938,345	$ 62,640,476	$ 68,392,151	$ 69,917,619	$ 72,425,237	$ 74,985,581
6,286,702	5,524,772	4,825,393	8,216,813	7,944,025	9,049,015
14,505,446	12,006,495	4,910,491	10,616,630	(8,182,481)	(8,751,718)
$ 81,730,493	$ 80,171,743	$ 78,128,035	$ 88,751,062	$ 72,186,781	$ 75,282,878

CITY OF PACIFICA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2005	2006	2007	2008	2009	2010
Expenses:						
Governmental Activities:						
General Government	$ 4,875,872	$ 5,923,892	$ 5,798,391	$ 4,952,782	$ 4,083,959	$ 4,625,471
Public Safety	12,929,514	13,639,116	14,980,984	14,985,013	15,306,306	15,149,459
Community Development	1,300,773	1,799,035	1,178,590	1,343,220	1,356,494	1,402,574
Public Works	2,941,376	3,606,841	4,264,011	4,154,717	4,422,332	4,801,291
Parks, Beaches & Recreation	3,515,702	3,084,327	3,405,149	4,155,877	4,035,233	3,681,863
Interest on Long-term Debt	900,171	811,419	846,768	987,156	2,225,220	1,777,280
Total Governmental Activities Expenses	$ 26,463,408	$ 28,864,630	$ 30,473,893	$ 30,578,765	$ 31,429,544	$ 31,437,938
Business-Type Activities:						
Sewer	8,922,794	9,453,272	9,084,345	8,095,219	9,084,439	9,658,229
Total Business-Type Activities Expenses	$ 8,922,794	$ 9,453,272	$ 9,084,345	$ 8,095,219	$ 9,084,439	$ 9,658,229
Total Primary Government Expenses	$ 35,386,202	$ 38,317,902	$ 39,558,238	$ 38,673,984	$ 40,513,983	$ 41,096,167
Program Revenues:						
Governmental Activities:						
Charges for Services:						
General Government	$ 732,954	$ 80,269	$ 96,106	$ 110,868	$ 77,393	$ 69,853
Public Safety	1,031,754	922,034	1,157,322	1,159,056	1,001,112	840,467
Community Development	342,241	599,540	732,372	792,532	606,991	568,871
Public Works	147,094	1,529,607	1,376,379	2,522,362	1,741,147	683,914
Parks, Beaches & Recreation	1,347,009	1,506,836	1,543,791	584,724	1,642,848	1,558,394
Operating Grants & Contributions	1,311,733	2,626,473	2,967,049	2,871,766	4,364,106	1,884,748
Capital Grants & Contributions	2,272,460	3,338,214	3,639,686	3,302,650	2,936,150	4,049,601
Total Governmental Activities Program Revenues	$ 7,185,245	$ 10,602,973	$ 11,512,705	$ 11,343,958	$ 12,369,747	$ 9,655,848
Business-Type Activities:						
Charges for Services:						
Sewer	$ 8,108,045	$ 8,721,125	$ 9,137,785	$ 10,181,406	$ 11,885,526	$ 11,367,645
Total Business-Type Activities Program Revenue	$ 8,108,045	$ 8,721,125	$ 9,137,785	$ 10,181,406	$ 11,885,526	$ 11,367,645
Total Primary Government Program Revenues	$ 15,293,290	$ 19,324,098	$ 20,650,490	$ 21,525,364	$ 24,255,273	$ 21,023,493
Net Revenues (Expenses):						
Governmental Activities	$ (19,278,163)	$ (18,261,657)	$ (18,961,188)	$ (19,234,807)	$ (19,059,797)	$ (21,782,090)
Business-Type Activities	(814,749)	(732,147)	53,440	2,086,187	2,801,087	1,709,416
Total Net Revenues (Expenses)	$ (20,092,912)	$ (18,993,804)	$ (18,907,748)	$ (17,148,620)	$ (16,258,710)	$ (20,072,674)
General Revenues and Other Change in Net Position						
Governmental Activities:						
Taxes:						
Property Taxes	$ 7,409,350	$ 8,126,936	$ 9,016,273	$ 9,623,522	$ 10,484,389	$ 10,603,749
Sales Tax	1,330,597	1,116,191	1,096,165	1,225,279	1,365,710	1,306,611
Franchise Tax	1,131,838	1,458,418	1,539,123	1,558,164	1,740,754	1,372,885
Other Taxes	5,310,469	4,552,287	3,720,047	3,652,373	2,787,716	2,604,443
Motor vehicle in lieu - unrestricted	2,370,539	3,522,799	2,917,076	3,068,643	3,184,538	3,107,767
Investment earnings	233,313	321,272	568,021	532,887	528,768	211,681
Miscellaneous	3,028,201	868,120	369,309	3,986,507	507,569	341,313
Transfers	-	290,000	815,000	45,000	45,000	45,000
Total Governmental Activities	$ 20,814,307	$ 20,256,023	$ 20,041,014	$ 23,692,375	$ 20,644,444	$ 19,593,449
Business-Type Activities:						
Investment earnings	$ 54,158	$ 26,569	$ 14,881	$ 41,921	$ 23,667	$ 22,451
Miscellaneous	100,126	17,116	4,688	-	-	-
Transfers	-	(290,000)	(815,000)	(45,000)	(45,000)	(45,000)
Total Business-Type Activities	$ 154,284	$ (246,315)	$ (795,431)	$ (3,079)	$ (21,333)	$ (22,549)
Total Primary Government	$ 20,968,591	$ 20,009,708	$ 19,245,583	$ 23,689,296	$ 20,623,111	$ 19,570,900
Changes in Net Position before Extraordinary Item:						
Governmental Activities	$ 1,536,144	$ 1,994,366	$ 1,079,826	$ 4,457,568	$ 1,584,647	$ (2,188,641)
Business-Type Activities	(660,465)	(978,462)	(741,991)	2,083,108	2,779,754	1,686,867
Total Primary Government before Extraordinary Item	$ 875,679	$ 1,015,904	$ 337,835	$ 6,540,676	$ 4,364,401	$ (501,774)
Extraordinary Item						
Gain on transfer of assets and liabilities to RDA successor trust funds of						
Changes in Net Position After Extraordinary Item:						
Governmental Activities						
Business-Type Activities						
Total Primary Government						

Notes:
The City began reporting in the GASB 34 format in 2003.

Source: City Financial Reports

2011	2012	2013	2014
4,212,498	$ 4,019,613	$ 4,294,792	$ 4,473,909
14,460,040	13,568,582	13,572,060	13,935,234
1,549,299	1,631,678	1,378,014	1,250,419
4,881,082	4,688,440	4,088,408	4,138,762
3,919,199	4,005,189	3,880,586	3,921,499
2,174,281	2,120,772	2,037,476	1,945,156
31,196,399	$ 30,034,274	$ 29,251,336	$ 29,664,979
10,944,059	10,124,492	10,231,084	10,853,371
10,944,059	$ 10,124,492	$ 10,231,084	$ 10,853,371
42,140,458	$ 40,158,766	$ 39,482,420	$ 40,518,350
48,038	$ 12,512	$ 15,902	$ 18,796
851,020	681,205	836,279	999,209
631,767	693,169	688,975	989,356
683,914	701,012	701,012	791,041
1,843,700	2,063,812	2,067,301	2,248,642
1,980,279	1,726,522	1,817,278	2,153,345
2,348,301	3,519,266	2,311,468	6,364,781
8,387,019	$ 9,397,498	$ 8,438,215	$ 13,565,170
11,694,198	$ 11,980,789	$ 12,500,814	$ 13,331,596
11,694,198	$ 11,980,789	$ 12,500,814	$ 13,331,596
20,081,217	$ 21,378,287	$ 20,939,029	$ 26,896,766
(22,809,380)	$ (20,636,776)	$ (20,813,121)	$ (16,099,809)
750,139	1,856,297	2,269,730	2,478,225
(22,059,241)	$ (18,780,479)	$ (18,543,391)	$ (13,621,584)
10,564,253	$ 10,434,510	$ 10,701,810	$ 11,275,518
1,434,710	1,519,978	1,588,277	1,686,593
1,565,634	1,595,929	1,617,727	1,668,382
2,712,005	3,005,388	3,152,723	3,329,647
3,195,730	3,039,393	2,923,573	3,164,873
192,620	334,475	164,114	184,700
324,709	469,780	357,630	553,582
-	200,000	410,000	-
19,989,661	$ 20,599,453	$ 20,915,854	$ 21,863,295
25,872	$ 16,479	$ 21,468	$ 19,808
-	-	42,047	-
-	(200,000)	(410,000)	-
25,872	$ (183,521)	$ (346,485)	$ 19,808
20,015,533	$ 20,415,932	$ 20,569,369	$ 21,883,103
(2,819,719)	$ (37,323)	$ 102,733	$ 5,763,486
776,011	1,672,776	1,923,245	2,498,033
(2,043,708)	$ 1,635,453	$ 2,025,978	$ 8,261,519
	$ 5,557,942	$ -	$ -
	$ 5,520,619	$ 102,733	$ 5,763,486
	1,672,776	1,923,245	2,498,033
	$ 7,193,395	$ 2,025,978	$ 8,261,519

CITY OF PACIFICA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (IN $000's)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2004	2005	2006	2007	2008	2009	2010
General Fund							
Reserved	$5,303	$4,530	$5,103	$4,962	$ 3,765	$ 3,951	$3,702
Unreserved	387	2,025	896	704	6,051	5,135	3,377
Total General Fund	$5,690	$6,555	$5,999	$5,666	$ 9,816	$ 9,086	$7,079
All Other Governmental Funds							
Reserved	4,832	$1,085	$2,182	$2,190	$ 2,419	$ 2,881	$3,415
Unreserved					(5,160)	(1,771)	(2,313)
Unreserved, reported in:							
Special revenue funds	(2,526)	1,797	3,216	2,359	1,858	(714)	(1,076)
Capital projects funds	524	328	(3,583)	(3,371)	1,707	1,532	1,376
Debt service funds	24	23	-	-	-	-	-
Total All Other Governmental Funds	$2,854	$3,233	$1,815	$1,178	$ 824	$ 1,928	$1,402
Total Governmental Funds	$8,544	$9,788	$7,814	$6,844	$10,640	$11,014	$8,481

Notes:
The increase/decrease of fund balance of the General Fund and the reserved fund balance of the Debt Service fund are explained in the Management Discussion and Analysis.

Source: City Financial Reports

	2011	2012	2013	2014
General Fund				
Non Spendable	$ 2,518,609	$ 2,519,544	$ 2,522,197	$ 2,540,590
Committed	567,465	743,683	899,051	907,519
Assigned	150,369	130,858	117,873	168,197
Unassigned	841,392	227,012	127,980	1,341,251
Total General Fund	$ 4,077,835	$ 3,621,097	$ 3,667,101	$ 4,957,557
All Other Governmental Funds				
Restricted	$ 8,304,103	$ 9,042,672	$ 8,230,761	$ 10,155,601
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(6,590,713)	(979,737)	(818,354)	(1,656,694)
Total All Other Governmental Fun	$ 1,713,390	$ 8,062,935	$ 7,412,407	$ 8,498,907
Total Governmental Funds	$ 5,791,225	$ 11,684,032	$ 11,079,508	$ 13,456,464

CITY OF PACIFICA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (IN $000's)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2005	2006	2007	2008	2009
REVENUES					
Taxes	$ 15,183	$ 14,025	$ 14,913	$ 16,057	$ 16,230
Licenses and Permits	400	335	471	558	402
Fines and Forteitures	144	139	218	187	246
Use of Money and Property	233	317	464	432	679
Intergovernmental Revenues	5,875	9,194	8,601	8,044	9,320
Charges for Services	3,057	2,630	2,883	3,100	2,777
Recreation Programs		565	559	612	597
Other Revenues	2,664	3,328	2,530	6,115	1,455
Total Revenues	$ 27,556	$ 30,533	$ 30,639	$ 35,105	$ 31,706
EXPENDITURES					
Current:					
General Government	$ 4,692	$ 5,356	$ 4,673	$ 3,961	$ 4,209
Public Safety	12,120	13,182	14,567	14,970	14,896
Community Development	1,284	1,751	1,127	1,238	1,306
Public Works	2,190	3,285	3,471	3,726	3,722
Parks, Beaches & Recreation	2,916	3,009	3,318	3,744	3,929
Non-departmental			1,027	437	
Capital Outlay	3,003	3,303	2,595	1,677	3,912
Debt Service:					
Principal Retirement	347	375	194	35	35
Interest and Other Charges	813	1,393	989	1,140	2,340
Total Expenditures	$ 27,365	$ 31,654	$ 31,961	$ 30,928	$ 34,349
Excess of Revenues Over/(Under) expenditures	$ 191	$ (1,121)	$ (1,322)	$ 4,177	$ (2,643)
Other financing sources (uses):					
Transfers In	$ 1,830	$ 4,631	$ 3,898	$ 815	$ 2,391
Transfers (Out)	(2,030)	(4,931)	(3,503)	(1,072)	(2,846)
Other Sources/Uses:					
Issuance of Debt	1,725	15,725			19,815
Issuance Discount		(106)			(596)
Refunded to debt escrow agent		(13,299)			(15,747)
Debt Issuance Cost	(97)				
Proceeds of long-term debt					
Total other financing sources (uses)	$ 1,428	$ 2,020	$ 395	$ (257)	$ 3,017
Net change in fund balances	$ 1,619	$ 899	$ (927)	$ 3,920	$ 374
Debt serviced as a percentage of noncapital expenditures	4.76%	6.24%	4.03%	4.08%	7.82%

Source: Annual Financial Statements, City of Pacifica

2010	2011	2012	2013	2014
16,391 $	16,454 $	16,733 $	17,238 $	18,138
350	341	409	389	515
246	227	174	179	301
390	154	220	155	178
8,497	8,173	8,029	7,233	10,614
1,592	1,676	1,515	1,679	1,996
445	654	786	820	813
1,620	1,540	1,790	1,531	2,286
29,531 $	29,219 $	29,656 $	29,224 $	34,841
7,430 $	3,884 $	3,428 $	3,677 $	3,866
16,575	14,096	12,544	12,452	12,940
3,275	1,435	1,491	1,331	1,250
8,888	4,041	3,583	3,356	3,347
8,725	3,581	3,644	3,552	3,585
2,286	754	2,843	2,659	3,529
550	1,482	1,561	1,661	1,791
1,540	2,256	2,250	1,912	1,878
49,269 $	31,529 $	31,344 $	30,600 $	32,186
(19,738) $	(2,310) $	(1,688) $	(1,376) $	2,655
1,489 $	3,387 $	3,449 $	3,619 $	3,766
(1,869)	(3,767)	(4,504)	(4,017)	(4,146)
17,826				
(241)				
-				
			1,169	
17,205 $	(380) $	(1,055) $	771 $	(380)
(2,533) $	(2,690) $	(2,743) $	(605) $	2,275
4.44%	12.11%	13.33%	12.83%	12.46%

CITY OF PACIFICA
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS (IN $000's)

CATEGORY	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Food Stores	$ 23,677	$ 23,331	$ 22,609	$ 25,312	$ 25,365	$ 25,039	$ 24,670	$ 25,729	$ 26,207	$ 26,939
Eating & Drinking Places	25,995	26,919	27,102	28,131	27,782	28,074	29,284	29,362	32,660	38,548
Building Materials	6,972	6,793	6,933	6,604	5,838	4,587	3,856	3,737	3,863	3,730
Auto Dealers and Supplies	3,556	4,295	4,101	4,359	3,953	3,655	3,637	3,819	4,095	4,408
Service Stations	27,499	33,334	37,579	40,154	44,074	34,157	39,796	49,578	52,666	54,192
Other Retail Stores	27,266	29,894	30,852	30,392	30,997	32,315	33,749	34,142	34,250	35,428
All Other Outlets	27,645	28,691	28,918	34,755	35,920	28,756	32,889	30,552	33,663	37,131
Total	$ 142,610	$ 153,257	$ 158,094	$ 169,707	$ 173,929	$ 156,583	$ 167,881	$ 176,919	$ 187,404	$ 200,376

Notes:

Due to confidentiality issues, the names of the revenue payers are not available for disclosure.
The Categories presented are intended to provide alternative information regarding the sources of the City's tax revenues.

Source: HdL Companies and State Board of Equalization

CITY OF PACIFICA
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS

Annual Year	State Rate	City Direct Rate	San Mateo County Rate	City/County Public Safety	District Rate	Total
2004	5.25%	0.75%	1.75%	0.50%	0.00%	8.25%
2005	5.25%	0.75%	1.75%	0.50%	0.00%	8.25%
2006	5.25%	0.75%	1.75%	0.50%	0.00%	8.25%
2007	5.25%	0.75%	1.75%	0.50%	0.00%	8.25%
2008	5.25%	0.75%	1.75%	0.50%	0.00%	8.25%
2009	6.25%	0.75%	1.75%	0.50%	0.00%	9.25%
2010	6.25%	0.75%	1.75%	0.50%	0.00%	9.25%
2011	6.25%	0.75%	1.75%	0.50%	0.00%	9.25%
2012	5.25%	0.75%	1.75%	0.50%	0.00%	8.25%
2013	6.00%	0.75%	1.75%	0.50%	0.00%	9.00%
2014	6.00%	0.75%	1.75%	0.50%	0.00%	9.00%

Notes:
Proposition 172 approved by the voters in 1993 provides 1/2 cent sales tax for Public Safety Augmentation.
San Mateo County Transportation Authority District is provided a 1/2 cent sales tax approved by the voters in 1989.
San Mateo County Transit District is provided a 1/2 cent sales tax approved by the voters in 1982.
Voters approved a San Mateo County Transactions and Use Tax of a 1/2 cent effective in 2013.

Source: State Board of Equalization & HdL

CITY OF PACIFICA
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(IN $000's)

Fiscal Year	Taxes	Licenses & Permits	Use of Money & Property	Inter-Governmental	Current Service Chgs.	Fines & Forfeitures	Other Revenues	TOTAL
2004-2005	12,301,959	338,400	127,000	3,473,559	1,476,774	140,000	2,218,606	20,076,298
2005-2006	13,655,933	308,500	410,000	4,744,585	1,388,600	135,000	3,460,325	24,102,943
2006-2007	14,855,725	470,947	337,904	5,466,565	2,213,594	217,699	2,021,496	25,583,930
2007-2008	16,056,908	558,068	431,880	8,043,733	3,712,339	186,600	6,115,511	35,105,039
2008-2009	16,230,066	402,639	679,477	9,320,112	2,776,779	245,675	2,051,545	31,706,293
2009-2010	16,391,061	350,181	390,276	8,496,563	2,037,223	245,835	1,620,197	29,531,336
2010-2011	16,454,504	340,779	154,429	8,173,354	1,676,210	226,650	2,193,458	29,219,384
2011-2012	16,733,367	409,098	219,957	8,028,700	1,515,050	173,944	2,576,009	29,656,125
2012-2013	17,238,036	389,107	154,513	7,233,370	1,679,210	178,727	2,351,178	29,224,141
2013-2014	18,137,639	514,854	177,610	10,614,499	1,996,318	300,611	3,099,290	34,840,821
% Change 2005-2014	47.44%	52.14%	39.85%	205.58%	35.18%	114.72%	39.70%	73.54%

Notes:
Above amounts include General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Other Governmental Funds.
Above amounts exclude other financing sources.

Source: Annual Financial Statements, City of Pacifica and City's Comprehensive Annual Financial Reports

CITY OF PACIFICA, CALIFORNIA
ASSESSED VALUATION, TAX RATE, AND TAX LEVIES
(IN $000's)
LAST TEN FISCAL YEARS

	LOCALLY ASSESSED						TOTALS							
	Secured			Unsecured			Total Before Exemptions				Exemptions/Net Totals			
Fiscal Year	Land Value	Improvements	Personal Property	Land Value	Improvements	Personal Property	Land Value	Improvements	Personal Property	Grand Total	(1) H.O.P.T.R.	Other	Total Exemptions	Net Subject To Tax
2004-2005	1,447,923	1,874,276	1,971	5,429	16,341	19,159	1,453,352	1,890,618	21,130	3,365,099	59,325	40,452	99,778	3,265,322
2005-2006	1,601,167	2,018,013	1,775	5,641	17,610	18,927	1,606,808	2,035,623	20,702	3,663,133	58,989	43,835	102,824	3,560,309
2006-2007	1,798,645	2,157,278	3,106	5,628	17,463	19,243	1,804,274	2,174,741	22,349	4,001,364	58,740	49,975	108,715	3,892,649
2007-2008	1,958,815	2,301,957	3,892	5,876	19,118	20,134	1,964,691	2,321,075	24,026	4,309,792	58,066	52,720	110,786	4,199,006
2008-2009	2,068,296	2,434,746	3,695	4,876	17,659	21,944	2,073,171	2,452,405	25,639	4,551,215	57,951	56,485	114,437	4,436,778
2009-2010	2,017,339	2,389,859	3,578	4,884	16,833	34,565	2,022,223	2,406,692	38,143	4,467,058	58,584	54,790	113,374	4,353,684
2010-2011	2,019,330	2,387,399	2,710	6,572	17,123	34,100	2,025,902	2,404,522	36,810	4,467,234	58,844	54,695	113,539	4,353,695
2011-2012	2,049,170	2,404,036	2,415	4,917	21,139	31,638	2,054,087	2,425,175	34,053	4,513,315	58,411	56,038	114,449	4,398,866
2012-2013	2,074,034	2,426,543	2,423	4,933	19,077	37,361	2,078,967	2,445,620	39,784	4,564,371	57,436	57,796	115,232	4,449,139
2013-2014	2,174,610	2,534,526	2,615	4,906	19,263	19,445	2,179,516	2,553,789	22,060	4,755,365	56,906	58,966	115,872	4,639,493
% Change 2005-2014	50.19%	35.23%	32.67%	-9.63%	17.88%	1.49%	49.96%	35.08%	4.40%	41.31%	-4.08%	45.77%	16.13%	42.08%

(1) Homeowner's Property Tax Relief

Notes:
* California property tax assessments are "acquisition" based, rather than cyclical based. In California, the property tax system is acquisition based, meaning that all real property is assessed upon acquisition or when newly constructed, and assessed at a ratio of 100% of fair market value as of the event date. After the acquisition or new construction basis is determined, year to year increases in assessed value are limited to no more than 2%. In the event of an economic downturn, real property is assessed at the lower of its acquisition basis, increased by the maximum of 2% per year or the fair market value as of January 2, whichever is lower.

Source: County Tax Rolls - The County has never provided a breakdown between Residential, Commercial and Industrial Property. The Residential Property figures include all property in the City.

CITY OF PACIFICA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	City Direct Rate			Overlapping Rates					
Annual Year	City Basic Rate	General Obligation Debt Service	Redevelopment Debt Service Rate	Pacifica School District	South San Francisco Unified	Jefferson High School & Elementary School Districts	San Mateo Junior College & High School	Millbrae Elementary	Total Direct Rate[1]
2005	1%	0%	1.00%	0.0244%	0.0206%	0.0499%	0.0239%	0.0000%	0.0192%
2006	1%	0%	1.00%	0.0417%	0.0182%	0.0619%	0.0239%	0.0000%	0.0192%
2007	1%	0%	1.00%	0.0457%	0.0195%	0.0515%	0.0340%	0.0000%	0.0193%
2008	1%	0%	1.00%	0.0411%	0.0189%	0.0701%	0.0321%	0.0000%	0.0193%
2009	1%	0%	1.00%	0.0384%	0.0162%	0.0687%	0.0463%	0.0000%	0.0193%
2010	1%	0%	1.00%	0.0417%	0.0195%	0.0749%	0.0501%	0.0185%	0.0193%
2011	1%	0%	1.00%	0.0412%	0.0196%	0.0815%	0.0515%	0.0254%	0.0193%
2012	1%	0%	1.00%	0.0422%	0.0221%	0.0829%	0.0582%	0.0295%	0.0193%
2013	1%	0%	0.00%	0.0432%	0.0327%	0.0746%	0.0575%	0.0355%	0.0199%
2014	1%	0%	0.00%	0.0403%	0.0328%	0.1287%	0.0549%	0.0428%	0.0194%

Notes:
Under constitutional Amendment (Proposition 13) passed by voters in the State of California in June 1978, the tax rate (excluding bonded debt) is frozen at 1% of the full market value of property. This tax is collected by the County Tax Collector and distributed on a formula determined by the State Legislature. Local agencies levy only the tax rate for general obligation bonds, or in excess of 1% if two-thirds of the voters in the area authorize such a rate increase. All tax levies include Homeowner's Property Tax Relief and Business Inventory Property Tax Relief.
[1]Total Direct Rate is the weighted average of all individual direct rates applied to by the City and excludes revenues derived from aircraft.

Source: San Mateo County Assessor 2004/05 - 2013/14 Tax Rate Table & HdL

CITY OF PACIFICA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(in $000's)

	2014			2005		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
AIMCO Pacifica Park LP	$ 50,462	1	1.07%	$ -		
FPA BAF Lands End Associates LP	47,656	2	1.01%			
Linda Mar Shopping Center LP	32,906	3	0.70%	22,715	2	0.68%
PK III Fairmont Shoppping Center	28,569	4	0.61%			
Marymount Summit LLC	19,143	5	0.41%			
Harry B. Lewis, et al	14,833	6	0.32%	12,847	7	0.39%
Bay Apartment Communities, Inc.	14,064	7	0.30%	12,197	8	0.37%
LBN Properties LP	13,403	8	0.28%	11,609	9	0.35%
Pacific View Apartments	11,526	9	0.25%			
Comcast of California IX, Inc.	10,863	10	0.23%	16,150	5	0.49%
Lands End Apartments LLC				33,076	1	0.99%
Pacifica Park Apartments LLC				18,540	3	0.56%
Jack D. Teresi Trust				18,387	4	0.55%
Pan Pacific Realty Corporation				13,174	6	0.40%
Onterra-Pacifica, LP				9,006	10	0.27%
Total	$ 192,963		4.11%	$ 167,701		5.05%

Notes:
This schedule serves a dual purpose of providing basic information about our jurisdiction's most significant revenue payers and highlighting the degree to which a government is dependent on a small number of payers.

Source:
City of Pacifica from Tax Rolls provided by County Assessor's Office, County of San Mateo, California;

CITY OF PACIFICA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (IN $000's)

Fiscal Year Ending June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	6,610	6,540	98.94%	(3)	6,537	98.90%
2006	7,064	6,924	98.02%	(0.5)	6,924	98.01%
2007	7,620	7,620	100.00%	(28.0)	7,592	99.63%
2008	8,180	8,179	99.99%	(3)	8,176	99.95%
2009	8,597	8,554	99.50%	0	8,554	99.50%
2010	8,497	8,499	100.02%	0	8,499	100.02%
2011	8,508	8,532	100.28%	0	8,532	100.28%
2012	8,678	8,519	98.17%	0	8,519	98.17%
2013	8,688	8,641	99.46%	0	8,641	99.46%
2014	9,010	9,010	100.00%	0	9,010	100.00%
% Change 2005-2014	0.36	0.38	0.01	(1.00)	0.38	0.01

Notes:
This Statement shows the period for which the tax is levied.
Includes Homeowner's Tax Relief (HOPTR).
Under constitutional Amendment (Proposition 13) passed by voters in the State of California in June 1978, the tax rate (excluding bonded debt) is frozen at 1% of the full market value of property. This tax is collected by the County Tax Collector and distributed on a formula determined by the State Legislature. Local agencies levy only the tax rate for general obligation bonds, or in excess of 1% if two-thirds of the voters in the area authorize such a rate increase. All tax levies include Homeowner's Property Tax Relief and Business Inventory Property Tax Relief.

* Information presented is most current at the time of preparation.

Sources: City Financial Reports and San Mateo County

CITY OF PACIFICA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				
Fiscal Year Ending	**Pension Obligation Bond**	**Capital Lease Payable**	**Notes Payable**	**Certificates of Participation**	**Total Governmental Activities Debt***
2005	-	-	1,164,416	12,720,000	14,884,416
2006	-	-	1,034,348	15,725,000	17,759,348
2007	-	-	875,378	15,725,000	17,600,378
2008	-	-	875,378	15,725,000	17,600,378
2009	-	-	875,378	19,815,000	20,690,378
2010	18,176,373	-	875,378	19,305,000	38,356,751
2011	17,170,125	-	875,378	18,850,000	36,895,503
2012	16,161,022	-	875,378	18,325,000	35,361,400
2013	15,059,702	1,120,756	875,378	16,754,619	33,810,455
2014	13,857,073	1,021,637	875,378	17,295,000	33,049,088

Notes:
Details regarding the city's debt can be found in the notes to the financial statements.
The City issued a total of $13,630,000 of new certificates of participation in 1999, 2000 and 2003.
The City issued $19,815,000 of new COP's in 2008, refunding the 1999, 2000 and 2003 COP's.
The City issued $20,500,000 in Pension Obligation Bonds in 2010.
* Does not include claims payable, compensated absences, or other postemployment benefits payable.

Sources: City's Comprehensive Annual Financial Reports 2005-2014.

CITY OF PACIFICA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Business-Type Activities							
Fiscal Year Ending	**Sewer Bonds**	**Notes Payable**	**Total Business-Type Government***	**Total Primary Government**	**Population**	**Estimated Median Personal Income**	**Debt Per Capita**	**Percentage of Personal Income**
2005	13,978,831	30,019,447	43,998,278	58,882,694	38,516	34,391	1,529	4.45%
2006	13,810,000	25,359,240	39,169,240	56,928,588	38,542	36,655	1,477	4.03%
2007	13,670,000	25,359,240	39,029,240	56,629,618	38,679	40,020	1,464	3.66%
2008	13,530,000	25,359,240	38,889,240	56,489,618	38,956	42,256	1,450	3.43%
2009	13,380,000	23,749,506	37,129,506	57,819,884	39,473	42,773	1,465	3.42%
2010	15,558,627	22,112,004	37,670,631	76,027,382	39,984	41,153	1,901	4.62%
2011	15,269,875	20,444,965	35,714,840	72,610,343	40,431	36,144	1,796	4.97%
2012	15,018,978	18,747,852	33,766,830	69,128,230	37,658	39,648	1,836	4.63%
2013	11,275,298	23,043,678	34,318,976	68,129,431	37,948	41,909	1,795	4.28%
2014	11,172,927	21,406,345	32,579,272	65,628,360	38,292	42,099	1,714	4.07%

Notes:
This schedule displays the Enterprise Fund debt of the Wastewater Treatment Plant.
Details regarding the city's debt can be found in the notes to the financial statements.
* Does not include settlement payable or compensated absences.

Sources:
The City's Comprehensive Annual Financial Reports 2005-2014.

CITY OF PACIFICA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (in $000's except per capita)

	General Bonded Debt Outstanding				
Fiscal Year Ending	**Net Bonded Debt**	**Redevelopment Bonds**	**Total**	**Percent of Assessed Value**	**Per Capita**
2005	26,699	1,725	28,424	0.870%	354
2006	29,535	1,725	31,260	0.878%	450
2007	29,395	1,690	31,085	0.787%	443
2008	29,255	1,655	30,910	0.736%	439
2009	33,195	1,620	34,815	0.785%	870
2010	34,864	1,580	36,444	0.837%	901
2011	34,120	1,540	35,660	0.819%	882
2012	33,344	-	33,344	0.766%	825
2013	32,859	-	32,859	0.755%	813
2014	31,152	-	31,152	0.716%	770
% Change 2004-2013	16.68%	-100.00%	9.60%	-17.80%	117.65%

Notes:
This statement compares total general bonded debt to estimated actual value of property and population.
Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Assesed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City Financial Reports

CITY OF PACIFICA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (IN $000's)

FISCAL YEAR ENDING JUNE 30

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed Valuation	$3,036,382	$ 3,265,322	$3,560,309	$3,892,649	$4,199,006	$4,436,778	$ 4,353,684	$ 4,353,695	$ 4,398,866	$ 4,449,139	$ 4,696,398
Debt Limit	113,864	122,450	133,512	145,974	157,463	166,379	163,263	163,264	164,957	166,843	176,115
Total Net Debt Applicable to Limit	12,581	12,365	15,725	15,725	15,725	19,815	37,481	36,020	34,486	32,936	33,049
Legal Debt Margin	$ 101,283	$ 110,085	$ 117,787	$ 130,249	$ 141,738	$ 146,564	$ 125,782	$ 127,244	$ 130,471	$ 133,907	$ 143,066
Total Net Debt applicable to the limit as a percentage of debt limit	11.05%	10.10%	11.78%	10.77%	9.99%	11.91%	22.96%	22.06%	20.91%	19.74%	18.77%

Notes:
Debt Limit is 3.75% of Assessed Value.

Source: City of Pacifica and San Mateo County Assessor's records

CITY OF PACIFICA
PLEDGED REVENUE COVERAGE
LAST TEN YEARS (IN $000's)

	Enterprise Fund Bonds					
				Debt Services		
Fiscal Year	Basic Rate	Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2005	8,262	6,326	1,936	130	788	2.11
2006	8,898	6,231	2,667	135	1,229	1.96
2007	9,046	7,767	1,279	140	689	1.54
2008	9,727	7,302	2,425	140	684	2.94
2009	11,403	7,946	3,457	1,760	1,135	1.19
2010	11,270	8,541	2,729	1,793	1,097	0.94
2011	11,599	8,619	2,980	1,827	1,061	1.03
2012	11,937	8,995	2,942	1,987	1,148	0.94
2013	12,386	9,077	3,309	2,034	1,107	1.05
2014	13,227	9,772	3,455	2,119	1,088	1.08

	Special Assessment Bonds	
	Debt Service (000's)	
Fiscal Year	Principal	Interest
2005	0	0
2006	0	0
2007	0	0
2008	0	0
2009	0	0
2010	0	0
2011	0	0
2012	0	0
2013	0	0
2014	0	0

Notes:
This schedule presents all non-general obligation long-term debt backed by pledged revenues.
The coverage calculations presented in this schedule may differ from those required by specific bond indentures.

Source: City Financial Reports

CITY OF PACIFICA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year Ending	Population	Personal Income (in 000's)	Per Capita Personal Income	Unemployment Rate %
2005	38,542	$ 1,412,755	$ 36,655	4.9
2006	38,679	1,547,917	40,020	4.2
2007	38,956	1,646,112	42,256	4.4
2008	39,473	1,688,361	42,773	5.6
2009	39,984	1,645,481	41,153	9.8
2010	40,431	1,461,338	36,144	10.2
2011	37,658	1,493,064	39,648	9.1
2012	37,948	1,590,363	41,909	5.8
2013	38,292	1,612,055	42,099	4.9

Notes:
The City of Pacifica is not a Standard Metropolitan Statistical Area (SMSA).
This information has not been tracked and the information provided here is extrapolated from the Census 2000. Population data is from the State of California Department of Finance or Census 2010.
The unemployment rates are from San Mateo County overall.

Source: HdL via U.S. Census Bureau 2010 and the State of California Department of Finance.

CITY OF PACIFICA
FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administration	7	7	6.5	7	7	7	7	6	6	6
Finance	8	8	7.5	7.5	7	7	7	6	6	6
Parks	38.75	38.75	39.75	39.75	37.75	37.75	58	58	58	53
Planning & Building	7.8	8.8	9	9	9	8	8	8	8	8
Public Works	29	29	29	24	24	26	26	18	18	20
Engineering	4	4	4	4	4	4	5	5	5	5
Police										
Officers	37	36	38	40	40	36	36	33	33	33
Civilians	15.5	15.5	13.5	12.5	11.5	12.5	13	4	4	5
Fire										
Firefighters	31	31	30	28	27	27	27	23	23	25
Civilians	1.5	1.5	1.5	1	1	1	1.5	1	1	1
Redevelopment	0	0	0	0	0	0	0	0	0	0
Wastewater Division	19.75	19.75	19.75	19.75	19.75	19.75	19.75	24	24	24
Total	199.3	199.3	198.5	192.5	188	186	208.25	186	186	186

Notes:
A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
Full-time equivalent employment is calculated by dividing total labor hours by 2080.

Source: City Financial Reports

CITY OF PACIFICA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30									
Function/Program	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
General Government										
Building Permits Issued	1,219	1,200	1,263	1,220	970	967	1,036	1,279	1,514	1,501
Building Inspections Conducted	2,970	3,000	2,550	3,000	2,745	2,727	2,500	2,770	2,710	2,818
Police										
Physical Arrests	1,017	1,147	1,071	986	1,102	1,105	932	803	812	812
Parking Violations	3,511	3,624	2,998	2,792	3,250	3,427	2,635	1,829	3,652	3,652
Traffic Violations	2,502	2,271	2,531	2,586	3,368	3,472	3,074	2,880	2,966	2,966
Fire										
Emergency Responses	3,615	3,465	3,185	4,295	2,852	3,708	2,782	2,862	1,873	3,117
Fires Extinguished	85	135	136	175	139	104	87	90	101	96
Inspections	1,413	1,442	1,453	1,353	1,085	943	954	1,023	1,056	895
Other Public Works										
Street Re-surfacing (miles)	-	-	0.6	1.25	3.07	2.02	1.05	0.00	0.00	0.00
Potholes Repaired	400	400	360	400	414	420	432	363	379	379
Parks, Beaches & Recreation	estimated	estimated	estimated	estimated	estimated	estimated	estimated	estimated	estimated	estimated
Community Center Admissions	95,000	95,000	100,000	105,000	105,000	100,000	96,000	94,000	98,000	91,000
Enterprise Fund WWTP										
New Connections	106.5	9.0	7.0	6.0	30.0	-	3.0	4.0	7.0	1.0
Avg Daily Sewage Treatment (Gallons)	3,830,000	3,920,000	3,500,000	3,008,000	2,674,000	3,117,000	3,110,000	2,832,000	2,350,000	2,240,000

Source: Various City Departments

CITY OF PACIFICA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR ENDING JUNE 30 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	12	12	12	12	12	12	12	12	12	12
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (miles)	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9	88.9
Highways (miles)	0	0	0	0	0	0	0	0	0	0
Streetlights	1,770	1,770	1,775	1,775	1,775	1,775	1,775	2,051	2,051	2,051
Traffic Signals	5	5	5	5	5	5	5	5	5	5
Parks, Beaches & Recreation										
Acreage	142.68	142.68	142.68	142.68	142.68	142.68	148.13	148.13	148.13	148.13
Playgrounds	13	13	13	13	13	13	14	14	14	14
Baseball Diamonds	5	5	5	5	5	5	5	5	5	5
Soccer/Football Fields	2	2	3	3	3	3	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sanitary Sewers (miles)	165	165	165	165	165	165	165	165	165	165
Storm Sewers (miles)	90	90	90	90	90	90	90	90	90	90
Treatment Capacity (gallons)	3,830,000	3,920,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

Notes:
No capital asset indicators are available for the general government function.

Source: Various City Departments

CITY OF PACIFICA
SEWER RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30		Minimum Annual Charge		Rate per 100 Cubic Feet
2005		310.98		6.47862
2006		333.16		6.94083
2007		352.08		7.33488
2008		384.50		8.01056
2009		456.70		9.51463
2010		468.28		9.75568
2011		493.54		10.28208
2012		510.34		10.63211
2013		567.18		11.81632
2014		583.26		12.15128

Notes:
Sewer rates are based on water usage. The North Coast County Water District invoices customers directly for water usage.

Source: City Records