

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017

City of Alameda, California



CITY OF ALAMEDA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PREPARED BY THE
FINANCE DEPARTMENT









City of Alameda, California

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For the Fiscal Year Ended June 30, 2017
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Finance Department
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December 29, 2017

Honorable Mayor and
Members of the City Council

We are pleased to present the City of Alameda (City) Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2017. The information in this Comprehensive Annual Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and includes an unmodified opinion on the report by the City's independent certified public accountants. Although we rely on the standards and expertise of these external auditors, the responsibility for the accuracy and fairness of this report rests with the City.

For those readers interested in a more detailed review of the City's financial statements, a narrative section called the Management's Discussion and Analysis (MD&A) has been included as part of the Financial Section. The MD&A reports on the financial highlights of the City and provides additional analysis on the variances and trends reported as part of the financial statements. The MD&A also discloses significant items affecting the financial condition of the City and is designed to be read in conjunction with this letter of transmittal.



City Profile

The City was incorporated in 1854 and is located in Alameda County, a growing region in the eastern portion of the San Francisco Bay Area. The City has a permanent staff of 518 Full-time Equivalent (FTE) (including Alameda Municipal Power) and serves approximately 79,000 residents in a land area of 10.61 square miles, plus 12.3 square miles of water.

The City operates utilizing the Council-Manager form of government. The Mayor and four Council members are elected at large for staggered four-year terms to govern the City. The City Treasurer and City Auditor are also elected for four-year terms. The City Council is responsible for establishing policies, adopting a biennial budget, appointing commissions and committees, and hiring the City Manager, City Attorney and City Clerk. The City Manager is responsible for implementing the Council's policies, and overseeing the day-to-day operations and management of the City.

City departments and areas of responsibility are comprised of the following:

General Government includes staff and activities associated with the City Council, City Manager, City Clerk, City Attorney and Risk Management.

Administrative Services includes Central Services, Finance, Human Resources and Information Technology.

Community Services includes the City's Library Department and the Recreation and Parks Department, which operates the Senior Center and manages the contract for the Golf Complex.

Community Development includes Building, Economic Development, Housing and Planning.

Base Reuse and Transportation includes staff and activities associated with the redevelopment of the former Naval Air Station, known as Alameda Point, as well as activities that relate to long range planning of transportation infrastructure throughout the City.

Public Safety includes Police with its Communications, Patrol, Investigations, and Traffic and Parking Enforcement divisions, as well as Fire with its Emergency Services, Prevention Services and Ambulance Transport divisions.

Public Works includes Engineering, Transportation Operations, Street, Storm Drains and Sewer Maintenance.

Alameda Municipal Power includes staff and activities associated with operation of the electric system and the Alameda Point telephone system at the former Naval Base (known as Alameda Point).

Economic Condition and Outlook

The City has been able to maintain General Fund reserves in excess of the City Council's established level of 20% of expenditures during the past few fiscal years, and to present a balanced budget for the General Fund for FY 2017-18. This has been achieved through a blend of structural budget reductions in prior years and use of one-time funds combined with significant improvement in the economy. While the economy has been consistently strong and several General Fund revenue categories have steadily been improving, we continue to expect General Fund deficits in the foreseeable future. Factors contributing to those deficits include:



- New Miscellaneous / Safety Public Employees Retirement System (PERS) rates that include the projected effect of the recent changes made by CalPERS to their actuarial assumption related to mortality rates as well as rate “smoothing assumptions”, with the effect of further increasing employer contribution rates. CalPERS has implemented a 20-year rate amortization and a five-year phase-in beginning FY 2016-17 and are incorporated in the City's five year projections. Furthermore, in December 2016, CalPERS Board approved lowering its projected rate of return on investments from 7.5% to 7.0% phased in over a three year period beginning FY 2018-19. If future rates of return are further lowered, the City will see additional increases to its contribution rates for both Safety and Miscellaneous employees.
- The rising cost of health care albeit at a slower pace than previous years; and
- Agreed upon salary increases for Safety and Miscellaneous employees (with a minimum of 2% and 3%, respectively for 2018, 0% for 2019 and 3% for 2020) based upon increases realized in specified tax revenues for the General Fund.

As in years past, staff will be working with the City Council to address anticipated shortfalls as part of the review of the City's budget for Fiscal Year 2018-19 and preparation of the two year budget for Fiscal Years 2019-20 and 2020-21.

Internal Controls

The management of the City is responsible for establishing and maintaining internal controls designated to ensure that the assets of the City are protected from loss, theft or misuse, and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the stated framework. City management believes the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

As part of the City's internal controls, it maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. Every two years, departments work with the City Manager and Finance Department to submit operating budget requests for the next two fiscal years. This past year the City Council publicly reviewed the department requests along with the projected budget. After discussing in public the vision for the FY17-19 budget and the constraints, the City Manager and Assistant City Manager made recommendations to the City Council. After a second public discussion and consideration of their recommendations, the City Council adopted the budget for the next two fiscal years.

Expenditures are controlled at the fund level for all budgeted departments within the City. At this level, expenditures may not legally exceed appropriations. The City Manager or his designee is authorized to transfer funds between departments within the same fund, and to limit expenditures in response to lower than expected revenues whenever necessary. The budgets are adopted on a basis substantially consistent with GAAP. Any amendments to the total level of appropriations for a fund or transfers between funds must be approved by the City Council.

Major Initiatives and Projects

As part of the budget preparation process, the City Council articulates goals and objectives for the next two years and evaluates the progress made on the goals established as part of the previous budget. The following represent some of the most significant goals established for Fiscal Years 2016-17 and 2017-18 as part of biennial budget process:

- Enforce fiscal sustainability in all City programs and services;
- Develop a plan to address and reduce the City's Other Post-Employment Benefits (OPEB) liability;
- Facilitate the reuse and redevelopment of former federal lands at Alameda Point;
- Address the growing housing crisis in Alameda and the Region; and
- Create 35 acres of new parks within Alameda.

Fiscal Sustainability – Alameda voters approved the Utility Modernization Act (UMA) that updated the existing Utility Users Tax Ordinance and confirmed the annual transfer of funds from the Alameda Municipal Power to the City. The Utility Users Tax is the fourth largest general tax in the City. The passage of the measure is projected to generate approximately \$1.5 million annually in new revenue and preserve \$3.7 million of existing revenues in the General Fund.

Post-Employment Benefits Liability - The City has worked hard to successfully enact Pension and OPEB reform. Those efforts include limiting retiree health care to former employees-only (spouses and families are now excluded), significant employee financial contributions to both pension and retirement health care benefits, and raising the age of retirement as a result of the State's own pension reform efforts. In addition to these actions, the City Council recently adopted a Pension Rate Stabilization and OPEB Funding Policy (Policy) that directs annual contributions to a Public Agencies Retirement Services (PARS) Trust for prefunding Pension and other Post-Employment Benefits Obligations. The Council further adopted a policy such that one-half of each fiscal year's General Fund surplus over the 25% available fund balance shall be put toward reducing the CalPERS unfunded liability for either pensions or post-employment benefits. The Council recently directed that 25% of the surplus fund balance be sent to the City's 115 Trust and the remaining 75% be sent directly to CalPERS to reduce the City's unfunded pension liability. The 115 Trust also restricts funds so they can only be used to address these long term obligations. Another notable feature of the Policy is to direct any unspent funds of the City's closed legacy pension plans (1079/1082 Pension Plans) toward the Trust which will also help fund these obligations.

Alameda Point Development - In June 2015, the City Council approved a Disposition and Development Agreement (DDA) related to development of a 68-acre mixed-use project at Alameda Point "Site A", which represents the first major public/private development since the former Naval Air Station closure in 1997. The proposed Site A development provides for:

- The community's vision of building high-quality mixed-use transit-oriented waterfront development that includes approximately 1,472 on-site permanent jobs and 2,570 direct construction jobs over the life of the project, retail amenities, a diversity of housing types for a wide range of income levels, and waterfront parks for the entire Alameda community;
- The stage for future job creation through the construction of amenities, gateway improvements into Alameda Point, and new utility infrastructure, all of which will help to support long-term employment-generation;
- Mitigation of traffic impacts by funding transit service to BART, free bus passes for all residents and employees, car- and bike-share stations, and a number of other alternative transportation programs;
- Contribution of \$18 million towards significant transportation infrastructure; and
- Commitment of \$36 million to 15 acres of publicly accessible parks and open spaces, including the regional sports complex and eight acres of waterfront promenades and parks along the Seaplane Lagoon.

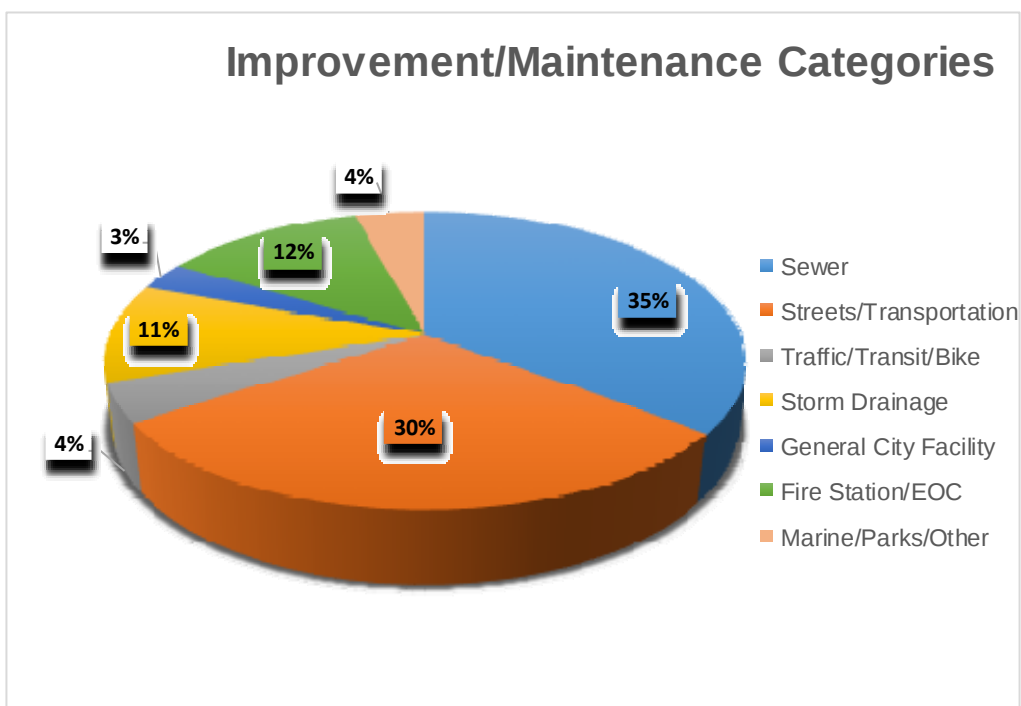
Housing - In March 2016, the City Council adopted Ordinance 3148, a rent stabilization measure that is designed to provide a level of protection for renters while allowing housing providers to operate their business without excessive regulatory burdens. In addition, the City is exploring ways in which to provide middle income housing, a segment of housing between affordable and market rate that is shrinking.

Recreation and Parks –The City completed Phase 1 of Estuary Park with eight acres of athletic fields and community park space for people of all ages and abilities. Phase 1 construction includes a synthetic turf baseball diamond and soccer field designed and prioritized for youth and adults of all physical and mental abilities, plus one lighted synthetic turf rectangular field. Phase 2 will include playgrounds, picnic areas, basketball courts and a dog park.

Jean Sweeney Open Space Park is a 27-acre park that was originally the Alameda Beltline Railroad switching yard. The park will include playgrounds, picnic areas, open lawn, natural open space, bicycle and pedestrian trails, a section of the Cross Alameda Trail, a community garden and demonstration area and historical components. Design of the entire park was completed in the fall of 2016 and construction of the Cross Alameda Trail began in summer 2017.

Other business development highlights – The City held community workshops for creating the citywide Economic Development Strategic Plan (EDSP) in September and December 2016. The EDSP will be the City's long-term (five to ten years) roadmap for business attraction, retention and workforce development activities, while improving the quality of life for Alameda residents and employees.

The City developed a Capital Improvement and Maintenance Plan detailing specific budgeted capital projects. Each of the projects is consistent with the overall goals and principles of the City. The FY 2016-17 adopted Capital Improvement Program Budget totaled \$24.4 million and was allocated to the following types of projects:



The largest portion of capital projects is for improvements to the City's sewer system, resulting from recent Consent Decree from the Environmental Protection Agency (EPA).

Some of the specific projects underway in Fiscal Year 2016-17 included the following:

- Cyclic Sewer Repair (\$5.8 million)
- Street Pavement Management Program (\$5.0 million)
- Sewer Pump Stations (\$2.8 million)
- Storm Water Pump Stations (\$2 million)
- Sidewalk Repair Program (\$1.5 million)
- City Buildings Renovations (\$0.7 million)
- Urban Forest Management (\$0.7 million)

Honorable Mayor and
Members of the City Council

December 29, 2017

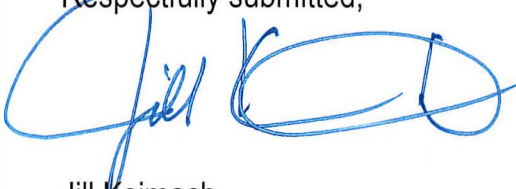
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the 27th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City was required to produce a report that met their high standards for reporting, as well as one that adhered to GAAP and other legal requirements. A Certificate of Achievement is valid for one year only. It is anticipated that the current CAFR will continue to meet the Certificate of Achievement Program's requirements.

The City also received the GFOA's Distinguished Budget Presentation Award for its two-year budget document for FY 2017 and 2018. In order to qualify for the Award, the City's budget document had to meet specific criteria as a policy document, a financial plan and a communications device.

This CAFR was prepared by the City's Finance Department staff, under the leadership of Assistant City Manager Liz Warmerdam, Finance Director Elena Adair and Finance Services Manager Edwin Gato. This report is representative of the staff's ongoing commitment to provide excellent service to Alameda residents. Thanks are also extended to the independent auditors of Vavrinek, Trine and Day & Co., LLP for their review of this report, and to the City Council, City Treasurer and City Auditor for their stewardship and commitment to assist in ensuring the long-term fiscal health of the City.

Respectfully submitted,



Jill Keimach
City Manager



Mayor Trish Herrera Spencer
Vice Mayor Malia Vella
Councilmember Frank Matarrese
Councilmember Marilyn Ezzy Ashcraft
Councilmember Jim Oddie

ELECTED OFFICIALS



Kevin R. Kearney, City Auditor



Kevin Kennedy, City Treasurer

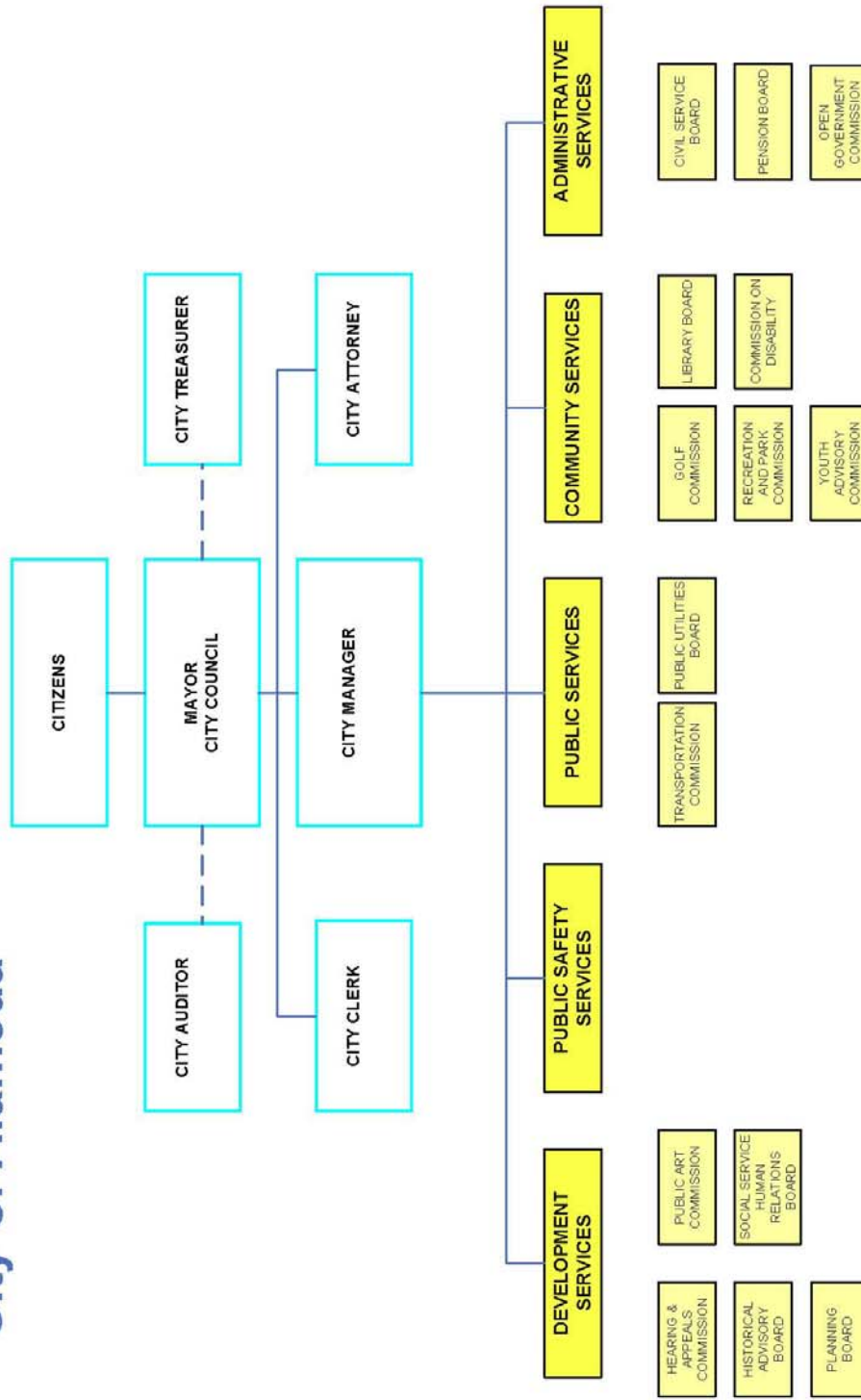
CHARTER OFFICERS

City Manager, Jill Keimach
City Attorney, Janet Kern
City Clerk, Lara Weisiger

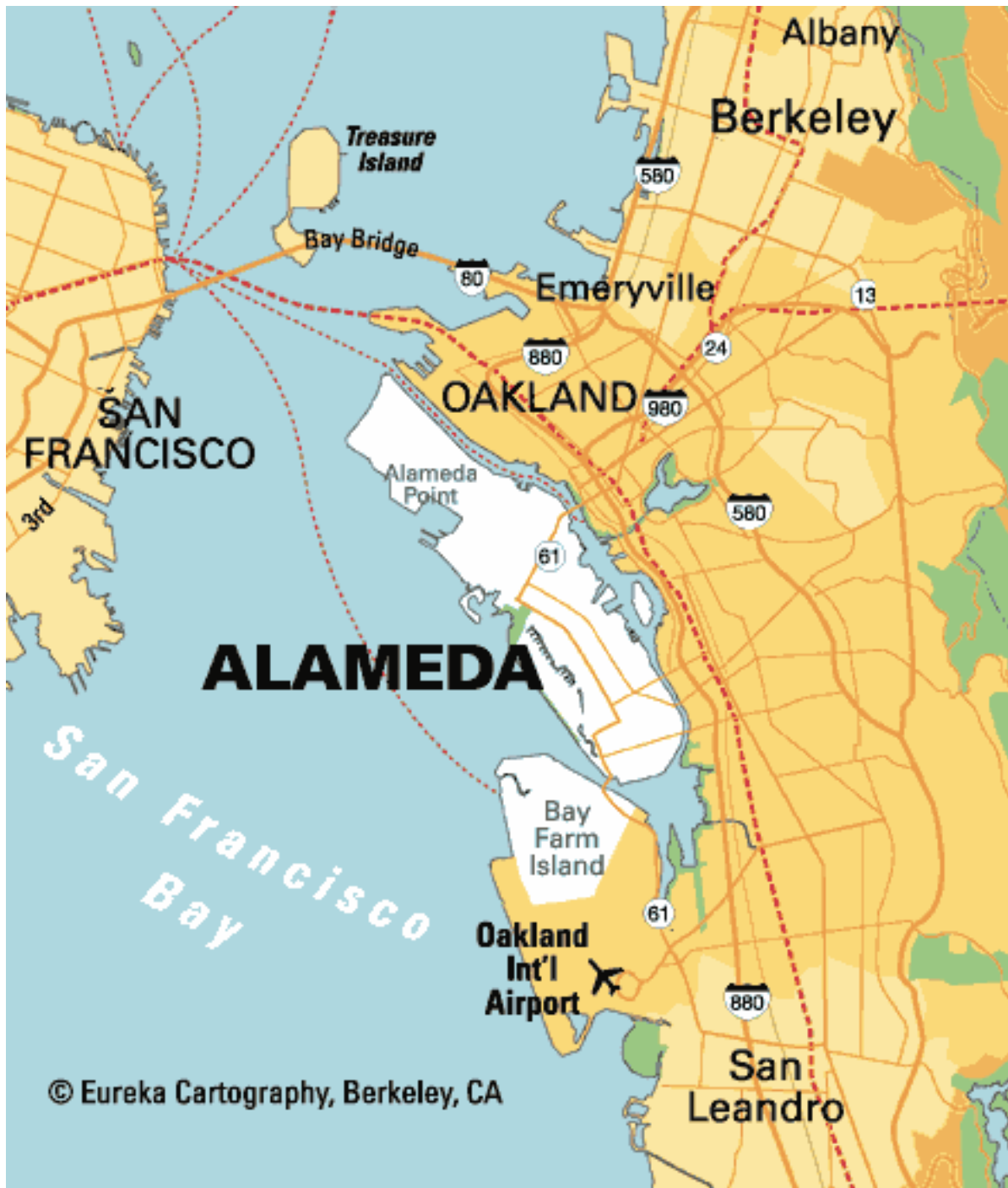
EXECUTIVE MANAGEMENT TEAM

Assistant City Manager, Elizabeth D. Warmerdam
Chief of Police, Paul Roller
Community Development Director, Debbie Potter
Director of Base Reuse and Transportation, Jennifer Ott
Finance Director, Elena Adair
Fire Chief, Douglas Long
General Manager, Alameda Municipal Power, Nicolos Procos
Human Resources Director, Nancy Bronstein
Information Technology Director, Carolyn Hogg
Library Director, Jane Chisaki
Public Information Officer, Sarah Henry
Public Works Director, Liam Garland
Recreation and Park Director, Amy Wooldridge

City of Alameda



The City of Alameda, incorporated April 19, 1854, is a 10.6 square mile island city located in San Francisco Bay. Alameda has a population of 79,277. The City of Alameda is seven miles east of San Francisco, situated within San Francisco Bay, and less than one mile west of the City of Oakland, directly west of Interstate 880. Alameda is a brief drive north of Oakland International Airport, which borders the City on the southeast.





Government Finance Officers Association

**Certificate of
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for Excellence
in Financial
Reporting**

Presented to

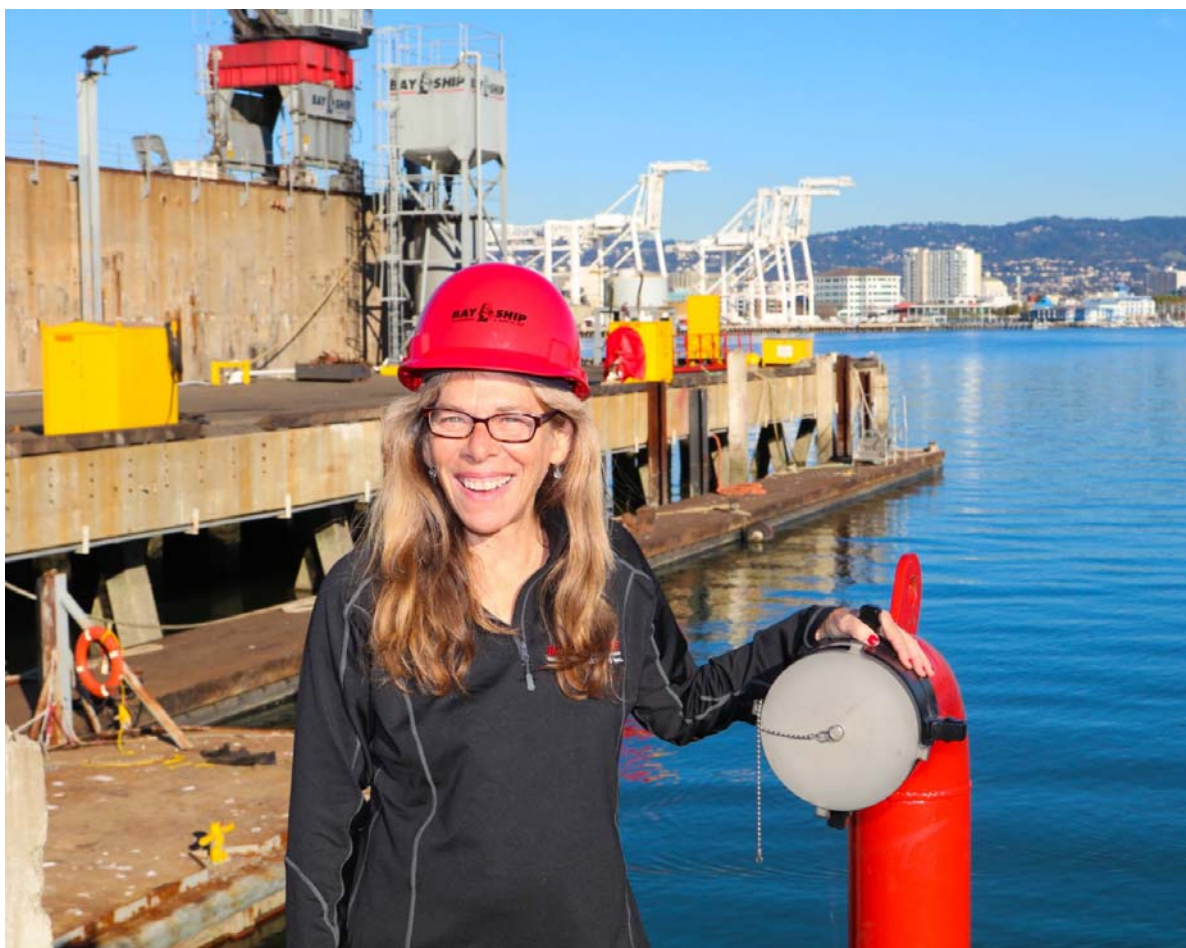
**City of Alameda
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO









VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Alameda, 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 Alameda, California (City), as of and for the year ended June 30, 2017, 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.

Auditors' 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.

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, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*, and *Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*, effective July 1, 2016. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, 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.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
December 29, 2017



This discussion and analysis of the City of Alameda's ("the City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the Letter of Transmittal, the basic financial statements as well as the accompanying notes to the basic financial statements.

Financial Highlights

- The assets and deferred outflows of the governmental activities of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$174 million of which unrestricted net position was a deficit of \$138 million. Excluding the \$253 million net pension liability and net Other Post-Employment Benefits (OPEB) recorded, which are not claims on current year financial assets, \$391 million of unrestricted net position is available to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$11 million from the prior year, with \$15 million attributable to business-type activities and offset with decrease of \$4 million on governmental activities.
- As of June 30, 2017, the City's governmental funds reported combined fund balances of \$122 million, an increase of \$12 million in comparison to the prior year. Of this amount, \$26 million of unassigned fund balance is available for spending at the City's discretion.
- At the close of the fiscal year, the General Fund reported total assets of \$56 million and total fund balance of \$50 million. This represents an increase in fund balance of \$10 million, or 24% from prior fiscal year. Of the total fund balance, \$28 million, or 57%, was unassigned.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City. The City's basic financial statements are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Basic Financial Statements.

Government-Wide Financial Statements

The **Government-Wide Financial Statements** provide information about the activities of the City as a whole and about the overall financial condition of the City using accounting methods similar to those used by private-sector businesses. They include the Statement of Net Position and the Statement of Activities. The Statement of Net Position presents information on all of the government's assets, deferred outflows of resources, liabilities and deferred inflow of resources. Over time, increases or decreases in the City's net position may serve as an indicator of whether the financial position of the City is improving or deteriorating. The Statement of Activities provides information about the City's revenues and expenses, regardless of the timing of related cash flows. The Statement of Activities explains in detail the change in net position for the fiscal year.

The Government-Wide Financial Statements are divided into two categories:

Governmental Activities – most of the City's basic services are reported in this category including public safety, public works, planning and building, community services, housing, general government and parks. Property and sales taxes, state subventions, fees for services, interest income and franchise fees finance most of these activities.

Business-Type Activities – these services are intended to recover all or a significant portion of their costs through user fees and charges. City's sewer and electric utility systems are reported in this category.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds, not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants or other money. All funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds – Most of the City's basic services are included in governmental funds, which focus on how money flows into and out these funds and the balance left at fiscal year-end that are available for spending. These funds' statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Governmental funds financial statements focus on near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's ability to meet its near-term financial 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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist the reader with this comparison between governmental funds and governmental activities.

Proprietary Funds – When the City charges customers for services it provides, whether to outside customers or other units of the City, these monies are generally reported in proprietary funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. These funds' statements are prepared on the full accrual basis of accounting, similar to that used by private sector companies. The City's proprietary funds are the same as the business-type activities reported in the Government-Wide Statements, but provide more detail and additional information, such as a statement of cash flows.

Fiduciary Funds – Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The City's fiduciary activities are reported in separate statements including the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Fund Net Position. These activities are excluded from the Government-Wide Financial Statements because the resources of those funds are not available to support the City's own programs. Fiduciary funds are prepared on the full accrual basis, similar to the proprietary funds. The City has two types of fiduciary funds: the agency funds and the private purpose trust funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes to the Financial Statements follow the basic financial statements.

Other Information

In addition to the Basic Financial Statements and accompanying notes, this report also presents required supplementary information, including budgetary comparison schedules and information on the City's pension and OPEB plans. Required supplementary information can be found immediately following the Notes to the Basic Financial Statements.

Government-Wide Financial Analysis

This section focuses on the City's net position and changes in net position of its governmental and business-type activities. The net position, for the City as a whole, increased \$11 million or 4%, from \$311 million at June 30, 2016 to \$322 million at June 30, 2017. The increase in net position is primarily due to business-type activities revenues exceeding expenses by \$15 million offset by \$3 million in transfers to governmental funds, which accounts for the \$6 million increase in net position of the governmental funds.

Details of the net position are presented in the summary schedule on the following page.

Statement of Net Position
as of June 30, 2017 and 2016
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$173,932	\$160,648	\$120,253	\$117,053	\$294,185	\$277,701
Capital assets	289,747	289,811	110,525	101,097	400,272	390,908
Total assets	<u>463,679</u>	<u>450,459</u>	<u>230,778</u>	<u>218,150</u>	<u>694,457</u>	<u>668,609</u>
Deferred Outflows of Resources						
Deferred losses on refunding	-	-	685	747	685	747
Related to pensions	38,186	16,733	5,451	1,449	43,637	18,182
Total Deferred Outflows of Resources	<u>38,186</u>	<u>16,733</u>	<u>6,136</u>	<u>2,196</u>	<u>44,322</u>	<u>18,929</u>
Liabilities						
Long-term Liabilities	300,118	254,527	62,575	59,174	362,693	313,701
Other Liabilities	23,871	24,318	7,166	8,486	31,037	32,804
Total Liabilities	<u>323,989</u>	<u>278,845</u>	<u>69,741</u>	<u>67,660</u>	<u>393,730</u>	<u>346,505</u>
Deferred Inflows of Resources						
Related to pensions	4,069	10,987	94	1,717	4,163	12,704
Balancing account	-	-	18,649	17,223	18,649	17,223
Total Deferred Inflows of Resources	<u>4,069</u>	<u>10,987</u>	<u>18,743</u>	<u>18,940</u>	<u>22,812</u>	<u>29,927</u>
Net Position:						
Net Investment in Capital Assets	258,670	257,004	87,340	77,528	346,010	334,532
Restricted	53,494	49,089	29,830	32,370	83,324	81,459
Unrestricted*	(138,357)	(128,733)	31,260	23,848	(107,097)	(104,885)
Total Net Position	<u>\$173,807</u>	<u>\$177,360</u>	<u>\$148,430</u>	<u>\$133,746</u>	<u>\$322,237</u>	<u>\$311,106</u>

* Unrestricted net position for June 30, 2016 affected by recording the City's \$227 million net pension liabilities and \$40 million in Post-Employment Health Care Benefits, which are not claims on current year financial assets.

At June 30, 2017, the City reported positive balances in all categories of net position except for unrestricted net position primarily due to the inclusion of the net pension liabilities and OPEB. The largest portion of the City's net position, \$346 million, is its investment in capital assets less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide services to its residents and other stakeholders. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position, that portion of the City's net position (26%) subject to restrictions on how these resources may be used, increased \$2 million from \$81 million at June 30, 2016 to \$83 million at June 30, 2017. This was primarily a result of allocating funds to number of capital and transportation projects during the year. The corresponding increase is in the net investment in capital assets component of the net position.

Total liabilities increased by \$47 million due primarily to an increase in the City's net pension liability of \$38 million, from \$189 million at June 30, 2017 to \$227 million at June 30, 2017.

Information about changes in net position is presented in the summary schedule below:

Statement of Activities
for the years ended June 30, 2017 and 2016
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 43,064	\$ 38,218	73,139	\$ 71,417	\$ 116,203	\$ 109,635
Operating grants and contributions	6,045	5,210	-	-	6,045	5,210
Capital grants and contributions	7,058	6,270	490	547	7,548	6,817
General revenues						
Property taxes	45,652	43,666	-	-	45,652	43,666
Sales taxes	10,094	10,188	-	-	10,094	10,188
Utility users tax	9,061	8,368	-	-	9,061	8,368
Other taxes	18,249	17,012	-	-	18,249	17,012
Use of money and properties	6,958	5,136	508	685	7,466	5,821
Miscellaneous	2,312	1,161	1,813	1,191	4,125	2,352
Total revenues	<u>148,493</u>	<u>135,229</u>	<u>75,950</u>	<u>73,840</u>	<u>224,443</u>	<u>209,069</u>
Expenses						
General Government	22,613	17,313	-	-	22,613	17,313
Police	34,250	31,230	-	-	34,250	31,230
Fire	34,380	33,701	-	-	34,380	33,701
Public Works	22,494	21,612	-	-	22,494	21,612
Community Development	20,854	19,926	-	-	20,854	19,926
Community Services	7,826	8,192	-	-	7,826	8,192
Housing	1,955	2,298	-	-	1,955	2,298
Interest on Long-Term Debt	984	1,105	-	-	984	1,105
Sewer Services	-	-	5,063	5,189	5,063	5,189
Alameda Municipal Power	-	-	53,312	54,131	53,312	54,131
Total expenses	<u>145,356</u>	<u>135,377</u>	<u>58,375</u>	<u>59,320</u>	<u>203,731</u>	<u>194,697</u>
Change in Net Position Before						
Transfers	3,137	(148)	17,575	14,520	20,712	14,372
Transfers, Net	<u>2,891</u>	<u>2,832</u>	<u>(2,891)</u>	<u>(2,832)</u>	<u>-</u>	<u>-</u>
Change in Net Position	6,028	2,684	14,684	11,688	20,712	14,372
Beginning Net Position, restated for 2016	167,779	174,676	133,746	122,058	301,525	296,734
Ending Net Position	<u>\$ 173,807</u>	<u>\$ 177,360</u>	<u>148,430</u>	<u>\$ 133,746</u>	<u>\$ 322,237</u>	<u>\$ 311,106</u>

Total revenues increased approximately \$15 million or 7%. The primary increases are in charges for services of \$7 million, property taxes of \$2 million and use of money in properties and miscellaneous of \$3 million. Governmental activities charges for services went up due to proceeds from sale of assets, cost recovery from AMP and an increase in lease revenues collected at Alameda Point. Business-type activities charges for services increased \$2 million mainly as a result of electric and sewer rate increases. Property taxes increased due to appreciation in the assessed property values and construction of new housing units. Additionally, increase in taxes, including sales taxes, is reflective of the continuing improvement of economic conditions.

Expenses increased approximately \$9 million or 5% compared to the prior year. This is primarily due to increases in General Government expenses by \$5 million and Public Safety by \$4.0 million as a result of the final construction phase of the Emergency Operations Center (EOC), increased salaries and benefits costs, and implementation of GASB 73 through consolidation of certain pension funds with the City's General Fund. Alameda Municipal Power expenses decreased \$0.8 million and were related to purchased power. In addition, rate stabilization account (balancing account) was increased by \$1.4 million, while last year a \$1.0 million increase was reported.

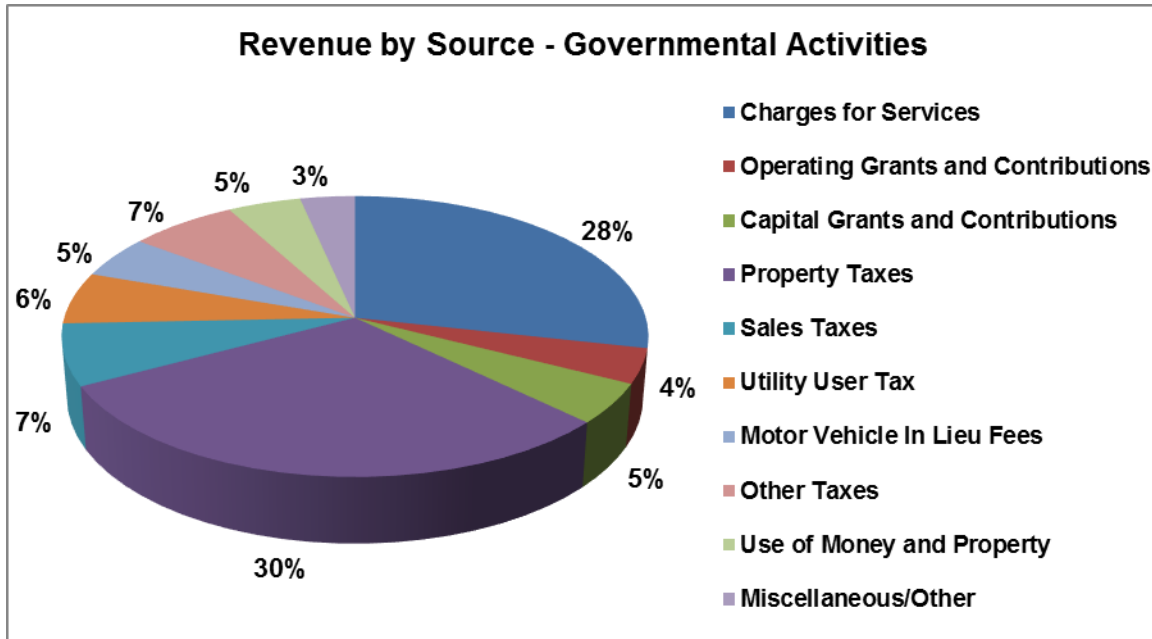
Governmental Activities

Program revenue associated with Governmental Activities total \$56.2 million, or 38.6% of program expenses. Expenses not covered by program revenues must be funded from non-program sources like general tax revenues. The table below illustrates the gap between program revenues and expenses by major activity. Public safety programs rely heavily on taxes to support operations. General government programs provide benefit to both business-type and governmental activities and receive some funding through internal indirect cost allocations to supplement program revenue and general tax revenue.

Expense and Program Revenue - Governmental Activities
for the year ended June 30, 2017
(in thousands)

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net Revenue (Expense) of Activities</u>
Governmental Activities			
General Government	\$ 22,613	\$ 11,400	\$ (11,213)
Police	34,250	1,474	(32,776)
Fire	34,380	4,290	(30,090)
Public Works	22,494	19,950	(2,544)
Community Development	20,854	14,154	(6,700)
Community Services	7,826	3,811	(4,015)
Housing	1,955	1,089	(866)
Interest on Long-Term Debt	984		(984)
	<u>\$ 145,356</u>	<u>\$ 56,167</u>	<u>\$ (89,188)</u>

The pie chart on the next page illustrates the distribution of total revenue of \$151 million among its various sources. The largest revenue sources for governmental activities are property taxes of \$45.6 million or 30% and charges for services of \$43 million or 28% of total governmental revenues. Sales taxes and utility user tax are also significant individual revenue sources for the City's governmental activities, amounting to 7% and 6%, respectively. The remaining 29% of revenue for governmental activities comes from operating and capital grants and contributions, franchise fee revenues, and special taxes.



Business-Type Activities

The following table presents the same net program information for business-type activities. In these programs, annual surpluses or deficits are retained in the programs as an increase or decrease in the program's net position.

**Program and General Revenue and Expense - Business-Type Activity
for the year ended June 30, 2017
(in thousands)**

	Revenue	Expense	Net
Sewer Services	\$ 10,215	\$ 5,154	\$ 5,061
Alameda Municipal Power	65,735	56,112	9,623
	<u>\$ 75,950</u>	<u>\$ 61,266</u>	<u>\$ 14,684</u>

Net position of the Sewer Services Fund at June 30, 2017 was \$78 million with the largest portion, \$53 million invested in capital assets less any related outstanding debt that was used to acquire those assets. The remaining \$25 million is available to fund debt service, sewer operations, and future improvements and maintenance projects. The Sewer Services Fund generated income of \$10 million and incurred \$5 million of expenses, for a net increase in net position of \$5 million.

Net position of AMP at June 30, 2017 was \$70 million with the largest portion, \$34 million invested in capital assets less any related outstanding debt that was used to acquire those assets. Of the remaining \$36 million, \$5 million is restricted for debt service and \$31 million is available to fund operations, maintenance projects and future capital improvements. The cost of AMP activities this year was \$50 million. The two largest sources of revenue of the enterprise were user charges for services of \$58 million and greenhouse gas related sales of \$4 million.

Revenues by Source - Business-Type Activities
for the years ended June 30, 2017 and 2016
(in thousands)

	2017	2016	Difference
Charges for Services	\$ 73,139	\$ 71,417	\$ 1,722
Capital Grants and Contributions	490	547	(57)
Investment Earnings/Rents	508	685	(177)
Miscellaneous Revenues	1,813	1,191	622
	<u>\$ 75,950</u>	<u>\$ 73,840</u>	<u>\$ 2,110</u>

Financial Analysis of Governmental Funds

The City of Alameda uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Alameda's financing requirements. In particular, *unassigned fund balance* serves as a useful measure of a government's net resources available for discretionary use at the end of the fiscal year.

As of June 30, 2017, the City's governmental funds reported combined ending fund balances of \$122 million. Approximately \$26 million, or 21%, of the combined ending fund balance constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remaining balance is either *nonspendable*, *restricted*, *committed* or *assigned* to indicate that it is *not* available for new spending because it has been committed to liquidate contracts and purchase orders from the prior fiscal period, pay debt service, or fund future needs.

The following are the major funds that either qualified under the reporting criteria or were considered to be important to financial statement users:

The *General Fund* is the chief operating fund of the City. At June 30, 2017, unassigned fund balance of the General Fund was \$28.7 million; the total fund balance, including nonspendable, restricted and committed resources, was \$50.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34% of total General Fund expenditures and transfers out.

The General Fund revenues increased \$3.9 million, or 5%, from the prior fiscal year to \$89.6 million in FY 2016-17. Property tax revenues for the fiscal year were \$36 million, an increase of \$2 million or 5% from prior year. This increase is primarily due to the rise in median home sale prices in the City of Alameda, new housing developments, and the receipt of residual property tax distributions as a result of redevelopment dissolution. Real property transfer tax increased \$0.9 million or 9% compared to the prior year due to home sales in an appreciating home value market.

Sales tax, the second largest revenue source for the City's General Fund, increased by \$0.5 million, or 6%, over the prior year for a total of \$10 million. This was a result of ongoing economic growth in the City as well as opening of new businesses.

General Fund expenditures totaled \$75 million for FY 2016-17 compared to \$72 million in the prior fiscal year. This amount excludes encumbrances outstanding at year end. The increase was \$3 million, or 4%, and was attributed to all functions primarily due to rising salary and benefit costs as well as an implementation of GASB Statement No. 73 through consolidation of certain pension funds with the City's General Fund.

Transfers out for FY 2016-17 were \$9.1 million compared to \$12.7 million in the prior year. This decrease of \$3.6 million was primarily due to one-time prior year transfers to pay for building maintenance costs and funding of other post-employment benefits recorded in the Internal Service Funds.

The fund balance of the City's General Fund increased by approximately \$10 million, or 24% during the FY 2016-17, compared to an increase of \$4.6 million in prior fiscal year. Revenues, proceeds from sale of assets and transfers in of \$94.3 million were \$5.5 million, or 6%, higher than FY 2015-16. Expenditures and transfers out leveled at \$84 million.

The *Base Reuse Special Revenue Fund* had a restricted fund balance of \$7.9 million at June 30, 2017. Fund balance increased by \$4.2 million primarily due to increase in lease revenues and proceeds from the sale of properties.

The *Home Special Revenue Fund* had a restricted fund balance of \$642 at June 30, 2017 and a Low and Moderate Income Housing Loans Receivable balance of \$6.4 million.

The *Capital Improvement Projects Fund* has a total fund balance of \$6.9 million as of June 30, 2017, all committed for current and future capital projects. The fund incurred expenditures of \$18.4 million for capital projects during FY 2016-17, including the following:

- Pavement Management
- Estuary Park Site Improvement
- Sidewalk Repair
- Urban Forest Management
- Jean Sweeney Park Design
- Park Street Pedestrian Safety

Financial Analysis of Proprietary Funds

The City of Alameda proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. During the FY 2016-17, there were two proprietary funds, the Sewer Services Fund and the Alameda Municipal Power Fund.

Internal Service Funds

The City of Alameda maintains nine internal service funds. The following table presents each funds' net position (deficit) at June 30, 2017:

**Internal Service Fund Net Position
for the year ended June 30, 2017
(in thousands)**

	Net Position/ (Deficit)
Equipment Replacement	\$ 6,220
Central Services	86
Fleet Maintenance	122
Technology Services	1,926
Facilities Maintenance	4,449
Workers' Compensation Insurance	(675)
Risk Management Insurance	96
Unemployment Insurance	746
OPEB/Vacation	4,405
Pension Stabilization	250
Total	<u><u>\$ 17,625</u></u>

The Workers' Compensation Fund net position deficit reflects future claim liabilities maturing in five to ten years. The prior year fund deficit of \$0.8 million decreased by \$0.1 million to a current deficit of \$0.7 million. The City is steadily addressing the negative net position in the fund through annual rate recoveries.

General Fund Budgetary Highlights

In comparing the FY 2016-17 original budget to the final budget, there was a \$4.6 million increase, from \$84 million to \$90 million, made to the revenues and transfers in. The increase was primarily due to increased tax revenues and proceeds from sale of assets. There was an increase of \$0.4 million and \$2.2 million for services and transfers out, respectively, for total final appropriations of \$92 million. The \$0.4 million increase was attributed to the Fire Department. Appropriations for the transfers out were increased during the year as a result of the City Council desire to allocate additional resources to the OPEB Fund and capital projects programs.

During the fiscal year, the total actual revenue and transfers in for the General Fund were \$93 million, exceeding projections by \$4.2 million, or 5%. The total actual expenditures and transfers out for the General Fund were \$84.4 million. This was \$7.3 million, or 7.5%, less than final budget.

Revenues exceeded budget due primarily to increased home values resulting in property tax and transfer tax exceeding budget by \$3.1 million, combined. Additionally, revenue from charges for services exceeded projections by \$1.0 million due primarily to unanticipated receipt of ground emergency medical transportation reimbursements by the Fire Department. Overall, actual expenditures were \$7.2 million below appropriations. This is a result of departments being vigilant in reducing costs magnified by personnel vacancies, mainly in the Police Department.

The City Council established a 20% reserve policy and a 5% contingency reserve policy, measured in proportion to the budgeted expenditures and transfers out. At June 30, 2017, the General Fund available fund balance was \$28.7 million, or 31% of the year's appropriations, which is 6% higher than the City Council established reserves.

Capital Assets and Debt Administration

Capital Assets - The capital assets of the City are those assets which are used in the performance of the City's functions. At June 30, 2017, capital assets, net of accumulated depreciation, of the Governmental Activities totaled \$290 million. Capital assets, net of accumulated depreciation, of the Business-Type Activities totaled \$110 million. Depreciation on capital assets is recognized in the government-wide financial statements. Additional information about the City's capital assets can be found in Note 5 of this report.

City of Alameda
Capital Assets, Net of Depreciation
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 5,995	\$ 5,995	\$ 154	\$ 154	\$ 6,149	\$ 6,149
Construction in progress	18,228	14,775	20,274	7,260	38,502	22,035
Buildings	143,821	141,350	33,710	35,977	177,531	177,327
Machinery and equipment	9,215	9,616	2,479	2,464	11,694	12,080
Infrastructure	112,488	118,075	53,908	55,242	166,396	173,317
Total	<u>\$289,747</u>	<u>\$289,811</u>	<u>\$110,525</u>	<u>\$101,097</u>	<u>\$400,272</u>	<u>\$390,908</u>

Long-Term Debt - Long-term debt of Governmental Activities decreased in FY 2016-17 by \$3 million due to the current fiscal year's principal payments. Long-term debt of Business-Type Activities decreased \$1.8 million during the year as a result of annual debt service payments made. Per capita long-term debt outstanding decreased slightly from \$1,099 to \$1,043 compared with the prior fiscal year. Additional information about the City's long-term debt activity can be found in Note 6 of this report.

Long-Term Debt
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Certificates of Participation	\$9,537	\$ 10,312			\$ 9,537	\$ 10,312
Revenue Bonds	10,200	10,600	\$ 38,996	\$ 40,460	49,196	51,060
General Obligation Bonds	7,995	8,346			7,995	8,346
HUD Section 108 Loan	5,499	5,764			5,499	5,764
Other Long-Term Debt	9,313	10,044	1,187	1,616	10,500	11,660
	<u>\$ 42,544</u>	<u>\$ 45,066</u>	<u>\$ 40,183</u>	<u>\$ 42,076</u>	<u>\$ 82,727</u>	<u>\$ 87,142</u>

Economic Outlook and Next Year's Budget

The City's economy continues to grow after years of recession. Property values assessed by the Alameda County Assessor as of January 1, 2017 have increased by 6.3% over the prior year and are expected to grow as a result of new residential construction in the City, as well as continuing appreciation of property values. For FY 2017-18 Budget, the City forecasts taxable retail sales to increase due to new retail developments within the City.

Sales tax collections have outperformed expectations in recent years due to improvement in regional and local economy. The City imposes a transfer tax on all real property sales that occur within the City limits. The revenue received from this tax is expected to increase between 0-3% due to construction of new residential homes. The City also imposes a Utility Users Tax (UUT) of 7.5% on all residential and commercial telephone, gas, electric and cable bills within the City. This revenue is expected to increase in the next five years. The growth is expected as a result of updating the City's UUT Ordinance for inclusion of modernized services and equipment.

However, the City's optimism is tempered by the increase in the cost of services. In particular, the California Public Employees Retirement System (CalPERS) employer pension contribution rates continue to increase to address the 2009 investment portfolio losses and changes in certain actuarial assumptions. Those assumptions include a change in participant demographics and in the discount rate which lowered the assumed rate of returns on investments, phased in over three year period beginning FY 2018-19 and amortized over 20 years instead of 30 year period and changes to the amortization and smoothing policies, which were utilized to level rate fluctuations over a five instead of a fifteen year period. The City's contribution rates are anticipated to significantly increase in the coming years for these reasons. In addition, the cost of Health and Other Post-Employment Benefits (OPEB) are projected to increase by an average of 3% per year. These funds will be supplemented by employee payroll contributions through the term of several negotiated labor contracts. While the City expects its revenue growth to be partially offset by growing labor costs, overall, the City strives to maintain a balanced budget.

Request for Information

This Comprehensive Annual Financial Report (CAFR) is designed to provide a general overview of the City of Alameda's finances. For the convenience of the public, a copy of this report is posted on the City's website (<http://alamedaca.gov/finance>). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Alameda, Attention: Finance Department, 2263 Santa Clara Avenue, Room 220, Alameda, California 94501.

The Statement of Net Position reports the difference between the City's total assets, deferred outflows of resources, total liabilities, and deferred inflows of resources, including all the City's capital assets and all its long-term obligations. The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column, and the financial position of all of the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

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

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

Both of these Statements include the financial activities of the City and the blended component units: The Alameda Public Financing Authority and the City of Alameda Financing Authority, which are legally separate entities and are considered component units of the City because they are controlled by the City, which is financially accountable for the activities of the entities.



	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 144,917,161	\$ 58,846,187	\$ 203,763,348
Cash with fiscal agents	5,743,301	5,391,907	11,135,208
Accounts receivable, net	11,395,259	7,562,285	18,957,544
Due from other agencies	13,751		13,751
Interest receivable		104,258	104,258
Greenhouse gas related sales receivable		870,946	870,946
Loans receivable	10,699,199		10,699,199
Materials, parts and supplies		3,748,086	3,748,086
Prepays and deposits	876,665	64,700	941,365
Internal balances	286,805	(286,805)	
Share of certain NCPA projects and reserve		9,819,690	9,819,690
Investments designated for special purposes		34,132,548	34,132,548
Capital assets:			
Non-depreciable	24,223,482	20,427,733	44,651,215
Depreciable, net of accumulated depreciation	265,523,652	90,096,340	355,619,992
Total Assets	463,679,275	230,777,875	694,457,150
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding		685,096	685,096
Deferred outflows related to pensions	38,185,252	5,451,192	43,636,444
Total Deferred Outflows of Resources	38,185,252	6,136,288	44,321,540
LIABILITIES			
Accounts payable	5,838,214	2,263,728	8,101,942
Accrued payroll	2,905,225	45,362	2,950,587
Interest payable	274,627	888,445	1,163,072
Unearned revenue	1,774,713		1,774,713
Refundable deposits	2,727,739	1,236,314	3,964,053
Due to other agencies	105,881		105,881
Claims payable:			
Due within one year	4,162,591	170,000	4,332,591
Due in more than one year	7,192,157	1,171,958	8,364,115
Compensated absences:			
Due within one year	3,381,134	602,907	3,984,041
Due in more than one year		61,381	61,381
Long-term liabilities due in more than one year:			
Pension liability	9,207,137		9,207,137
Net pension liability	204,206,511	23,118,368	227,324,879
Net OPEB obligation	39,668,326		39,668,326
Long-term debt:			
Due within one year	2,700,141	1,960,376	4,660,517
Due in more than one year	39,844,324	38,222,906	78,067,230
Total Liabilities	323,988,720	69,741,745	393,730,465
DEFERRED INFLOWS OF RESOURCES			
Balancing account		18,648,533	18,648,533
Deferred inflows related to pensions	4,068,681	93,939	4,162,620
Total Deferred Inflows of Resources	4,068,681	18,742,472	22,811,153
NET POSITION			
Net investment in capital assets	258,670,492	87,340,526	346,011,018
Restricted for:			
Capital projects	15,181,304		15,181,304
Debt service	1,436,494		1,436,494
Housing	1,862,690		1,862,690
Public safety	511,311		511,311
Community development	12,107,540		12,107,540
Maintenance assessment districts	6,934,258		6,934,258
Transportation	8,366,112		8,366,112
Tidelands properties	2,706,703		2,706,703
Waste reduction	4,387,652		4,387,652
Debt service		5,391,907	5,391,907
Sewer system replacement		24,437,937	24,437,937
Total Restricted Net Position	53,494,064	29,829,844	83,323,908
Unrestricted	(138,357,430)	31,259,576	(107,097,854)
Total Net Position	\$ 173,807,126	\$ 148,429,946	\$ 322,237,072

See accompanying notes to financial statements.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 22,613,362	\$ 11,400,449		
Police	34,249,563	1,378,632	\$ 74,946	\$ 20,166
Fire	34,380,486	3,134,509	1,155,962	
Public works	22,493,921	9,955,286	2,955,680	7,038,117
Community development	20,854,357	13,523,363	630,634	
Community services	7,825,636	3,671,588	139,048	
Housing	1,955,239		1,089,131	
Interest on long-term debt	983,685			
Total Governmental Activities	145,356,250	43,063,827	6,045,401	7,058,283
Business-type Activities:				
Sewer services	5,062,826	9,690,132		489,751
Alameda municipal power	53,311,749	63,449,233		
Total Business-type Activities	58,374,575	73,139,365		489,751
Total Primary Government	\$ 203,730,825	\$ 116,203,192	\$ 6,045,401	\$ 7,548,034

General revenues:

Taxes

Property taxes

Sales taxes

Utility users tax

Transfer tax

Franchise tax

Transient occupancy tax

Property tax in-lieu

Other taxes

Use of money and properties

Miscellaneous

Transfers

Total general revenues and transfers

Change in Net Position

Net Position:

Beginning Net Position, as restated

Ending Net Position

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (11,212,913)		\$ (11,212,913)
(32,775,819)		(32,775,819)
(30,090,015)		(30,090,015)
(2,544,838)		(2,544,838)
(6,700,360)		(6,700,360)
(4,015,000)		(4,015,000)
(866,108)		(866,108)
(983,685)		(983,685)
(89,188,739)		(89,188,739)
	\$ 5,117,057	5,117,057
	10,137,484	10,137,484
	15,254,541	15,254,541
(89,188,739)	15,254,541	(73,934,198)
45,651,646		45,651,646
10,094,100		10,094,100
9,061,296		9,061,296
10,333,813		10,333,813
2,473,634		2,473,634
2,126,612		2,126,612
1,167,072		1,167,072
2,146,635		2,146,635
6,957,802	507,799	7,465,601
2,312,459	1,813,296	4,125,755
2,891,411	(2,891,411)	
95,216,480	(570,316)	94,646,164
6,027,741	14,684,225	20,711,966
167,779,385	133,745,721	301,525,106
\$ 173,807,126	\$ 148,429,946	\$ 322,237,072

See accompanying notes to financial statements.



The funds described below were determined to be major funds of the City of Alameda in FY 2016-2017. Individual non-major funds may be found in the Supplemental Information section.

General Fund

The General Fund accounts for all general revenues of the City not specifically levied or collected by other City funds, and related expenditures. The General Fund also accounts for all financial resources of the City, which are not accounted for in another fund.

Base Reuse Special Revenue Fund

This fund accounts for revenues from leasing activities and grants. Expenditures are made for base reuse activities.

HOME Program Special Revenue Fund

This fund accounts for funds received under the Home Investment Partnerships Program (HOME) designed to create affordable housing for low-income households.

Capital Improvement Projects Fund

This fund accounts for monies for major capital improvement projects not provided for in a separate and specific capital project fund.



City of Alameda
Governmental Funds
Balance Sheet
June 30, 2017

	Major Funds		
	General	Base Reuse Special Revenue	HOME Program Special Revenue
ASSETS:			
Cash and cash equivalents	\$ 44,495,256	\$ 9,638,040	\$ 7,006
Restricted cash and investments	6,000		
Accounts receivable	8,281,809	36,894	10,721
Due from other agencies			
Prepays and deposits	875,550		
Due from other funds	2,120,217		
Loans receivable			6,446,628
Advances to other funds	700,000		
Total Assets	<u>\$ 56,478,832</u>	<u>\$ 9,674,934</u>	<u>\$ 6,464,355</u>
LIABILITIES:			
Accounts payable	\$ 1,462,533	\$ 622,540	\$ 17,085
Accrued payroll	2,607,037	17,784	
Accrued interest			
Due to other funds			
Due to other agencies	15,253		
Unearned revenue	1,329,721		
Refundable deposits	668,489	1,090,651	
Advances from other funds			
Total Liabilities	<u>6,083,033</u>	<u>1,730,975</u>	<u>17,085</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - revolving loans receivable			6,446,628
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>6,446,628</u>
FUND BALANCES:			
Nonspendable	1,575,550		
Restricted		7,943,959	642
Committed	11,568,004		
Assigned	8,525,868		
Unassigned	28,726,377		
Total Fund Balances	<u>50,395,799</u>	<u>7,943,959</u>	<u>642</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 56,478,832</u>	<u>\$ 9,674,934</u>	<u>\$ 6,464,355</u>

See accompanying notes to financial statements.

Major Funds		
Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
\$ 7,205,986	\$ 55,904,804	\$ 117,251,092
593,755	5,143,546	5,743,301
1,105,628	1,931,895	11,366,947
	13,751	13,751
	1,115	876,665
		2,120,217
	4,252,571	10,699,199
	700,000	1,400,000
<u>\$ 8,905,369</u>	<u>\$ 67,947,682</u>	<u>\$ 149,471,172</u>
\$ 1,894,540	\$ 1,131,506	\$ 5,128,204
49,721	230,683	2,905,225
	4,441	4,441
	1,833,412	1,833,412
2,855	87,773	105,881
	444,992	1,774,713
38,246	907,663	2,705,049
	2,147,881	2,147,881
<u>1,985,362</u>	<u>6,788,351</u>	<u>16,604,806</u>
	4,252,571	10,699,199
<u>-</u>	<u>4,252,571</u>	<u>10,699,199</u>
		1,575,550
	44,407,608	52,352,209
6,920,007	15,018,784	33,506,795
		8,525,868
	(2,519,632)	26,206,745
<u>6,920,007</u>	<u>56,906,760</u>	<u>122,167,167</u>
<u>\$ 8,905,369</u>	<u>\$ 67,947,682</u>	<u>\$ 149,471,172</u>

See accompanying notes to financial statements.





**City of Alameda
Reconciliation of
Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2017**

Total fund balances reported on the governmental funds balance sheet	\$	122,167,167
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	284,463,656
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ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net position and liabilities of the internal service funds are therefore included in governmental activities in the statement of net position.

Cash and cash equivalents	27,666,069
Accounts receivable	28,312
Advances	747,881
Capital assets, net of depreciation	5,283,478
Accounts payable	(710,010)
Interest payable	(81,437)
Refundable deposits	(22,690)
Claims payable	(11,354,748)
Long-term debt	(3,932,342)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Unavailable revenue which are deferred inflows of resources in the Governmental Funds because they are not available currently are recognized as revenue in the Statement of Activities.	10,699,199
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DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore are not reported in the funds.	34,116,571
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LONG-TERM ASSETS AND LIABILITIES

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

Interest payable	(188,749)
Long-term debt	(38,612,123)
Compensated absences	(3,381,134)
Pension liability	(9,207,137)
Net pension liability	(204,206,511)
Net OPEB obligation	(39,668,326)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	173,807,126
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See accompanying notes to financial statements.



City of Alameda
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2017

	Major Funds		
	General	Base Reuse Special Revenue	Home Program
REVENUES			
Property taxes	\$ 36,090,128		
Other local taxes	7,472,542		
Sales taxes	10,094,100		
Transfer taxes	10,333,813		
Utility user taxes	9,061,296		
Licenses and permits	2,237,489		
Revenues from other agencies	719,554	\$ 974,577	\$ 216,524
Charges for current services	11,069,963		
Fines and forfeitures	939,669		
Use of money and property	1,316,175	14,055,054	16,284
Other revenues	274,143	2,894,541	
Total Revenues	89,608,872	17,924,172	232,808
EXPENDITURES			
Current:			
General government	11,013,383		
Police	30,799,914		
Fire	28,980,512		
Public works	1,458,663		
Community development		12,765,106	
Community services	2,348,286		
Housing			232,810
Capital outlay	522,996		
Debt service:			
Principal	197,436		
Interest			
Total Expenditures	75,321,190	12,765,106	232,810
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	14,287,682	5,159,066	(2)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	1,514,513		
Transfers in	3,229,000		
Transfers (out)	(9,117,092)	(927,387)	
Total Other Financing Sources (Uses)	(4,373,579)	(927,387)	-
NET CHANGES IN FUND BALANCES	9,914,103	4,231,679	(2)
BEGINNING FUND BALANCES	40,481,696	3,712,280	644
ENDING FUND BALANCES	\$ 50,395,799	\$ 7,943,959	\$ 642

See accompanying notes to financial statements.

Major Funds		
Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
	\$ 9,561,518	\$ 45,651,646
	2,033,808	9,506,350
		10,094,100
		10,333,813
		9,061,296
\$ 82,497	3,033,685	5,353,671
2,101,202	9,449,640	13,461,497
2,682,516	5,576,275	19,328,754
	201,995	1,141,664
43,216	3,445,698	18,876,427
1,170,111	581,617	4,920,412
6,079,542	33,884,236	147,729,630
	10,757,360	21,770,743
	53,091	30,853,005
	1,672,191	30,652,703
	3,460,021	4,918,684
	5,312,502	18,077,608
	4,033,717	6,382,003
	1,722,429	1,955,239
18,422,288	3,202,678	22,147,962
	1,760,000	1,957,436
	1,163,030	1,163,030
18,422,288	33,137,019	139,878,413
(12,342,746)	747,217	7,851,217
		1,514,513
12,921,640	8,499,560	24,650,200
(389,968)	(11,866,342)	(22,300,789)
12,531,672	(3,366,782)	3,863,924
188,926	(2,619,565)	11,715,141
6,731,081	59,526,325	110,452,026
\$ 6,920,007	\$ 56,906,760	\$ 122,167,167

See accompanying notes to financial statements.





**City of Alameda
Reconciliation of the
Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2017**

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 measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 11,715,141

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

CAPITAL ASSETS TRANSACTIONS

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

Capital outlay	22,147,962
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(12,021,048)
Depreciation expense	(9,520,508)
(Depreciation expense is net of internal service fund depreciation of \$1,181,533 which has already been allocated to internal service funds.)	

LONG TERM DEBT ISSUANCES AND PAYMENTS

Bond issuances 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	1,957,436
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PENSION LIABILITY

Contributions to the net pension liability are recognized as expenditures in the governmental funds but are recognized as deferred outflows of resources when made subsequent to the measurement date. Additionally, other changes to the net pension liability are not recognized in the governmental fund statements because they do not use current financial resources.

Change in net pension liability	(4,050,267)
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ACCRUAL OF NON-CURRENT ITEMS

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

Unavailable revenue	(555,823)
Interest payable	179,344
Pension liability	1,059,720
Net OPEB obligation	(6,371,266)
Compensated absences	(119,676)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

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

Change in Net Position - All Internal Service Funds	1,606,726
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 6,027,741
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See accompanying notes to financial statements.



City of Alameda
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	\$ 33,134,000	\$ 34,821,000	\$ 36,090,128	\$ 1,269,128
Other local taxes	9,577,000	10,252,000	7,472,542	(2,779,458)
Sales taxes	9,500,000	9,500,000	10,094,100	594,100
Transfer taxes	8,206,000	8,456,000	10,333,813	1,877,813
Utility user taxes	7,910,000	8,245,000	9,061,296	816,296
Licenses and permits	1,959,600	2,211,600	2,237,489	25,889
Revenues from other agencies	811,000	811,000	719,554	(91,446)
Charges for current services	9,998,358	10,031,358	11,069,963	1,038,605
Fines and forfeitures	1,120,200	920,200	939,669	19,469
Use of money and property	1,218,183	2,832,696	1,316,175	(1,516,521)
Other revenue	62,261	137,261	274,143	136,882
Total Revenues	83,496,602	88,218,115	89,608,872	1,390,757
EXPENDITURES:				
Current:				
General government	12,601,698	12,820,280	11,013,383	1,806,897
Police	35,944,400	35,622,400	30,799,914	4,822,486
Fire	29,282,659	29,691,586	28,980,512	711,074
Public works	1,510,000	1,510,000	1,458,663	51,337
Community services	2,313,000	2,283,000	2,348,286	(65,286)
Capital outlay	375,700	535,934	522,996	12,938
Debt service:				
Principal	31,011	31,011	197,436	(166,425)
Total Expenditures	82,058,468	82,494,211	75,321,190	7,173,021
EXCESS OF REVENUES OVER EXPENDITURES	1,438,134	5,723,904	14,287,682	8,563,778
OTHER FINANCING SOURCES (USES)				
Sale of capital assets		1,514,513	1,514,513	
Transfers in	429,000	429,000	3,229,000	2,800,000
Transfers (out)	(7,068,000)	(9,282,513)	(9,117,092)	165,421
Total other financing sources (uses)	(6,639,000)	(8,853,513)	(4,373,579)	4,479,934
NET CHANGE IN FUND BALANCE	\$ (5,200,866)	\$ (3,129,609)	9,914,103	\$ 13,043,712
FUND BALANCE AT BEGINNING OF YEAR			40,481,696	
FUND BALANCE AT END OF YEAR			\$ 50,395,799	

See accompanying notes to financial statements.



City of Alameda
Base Reuse
Special Revenue Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies		\$ 204,400	\$ 974,577	\$ 770,177
Use of money and property	\$ 12,504,000	12,504,000	14,055,054	1,551,054
Other revenues			2,894,541	2,894,541
Total Revenues	12,504,000	12,708,400	17,924,172	5,215,772
EXPENDITURES:				
Current:				
Community development	11,926,000	14,225,336	12,765,106	1,460,230
EXCESS OF REVENUES OVER EXPENDITURES	578,000	(1,516,936)	5,159,066	6,676,002
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(800,000)	(867,000)	(927,387)	(60,387)
NET CHANGE IN FUND BALANCE	\$ (222,000)	\$ (2,383,936)	4,231,679	\$ 6,615,615
BEGINNING FUND BALANCE			3,712,280	
ENDING FUND BALANCE			\$ 7,943,959	

See accompanying notes to financial statements.



City of Alameda
HOME Program
Special Revenue Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 210,537	\$ 210,537	\$ 216,524	\$ 5,987
Use of money and property	5,000	5,000	16,284	11,284
Total Revenues	215,537	215,537	232,808	17,271
EXPENDITURES:				
Current:				
Housing	273,029	273,029	232,810	40,219
EXCESS OF REVENUES OVER EXPENDITURES	(57,492)	(57,492)	(2)	57,490
NET CHANGE IN FUND BALANCE	<u>\$ (57,492)</u>	<u>\$ (57,492)</u>	(2)	<u>\$ 57,490</u>
BEGINNING FUND BALANCE			644	
ENDING FUND BALANCE			<u>\$ 642</u>	

See accompanying notes to financial statements.

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

Sewer Services Fund

The City operates its own wastewater system. This fund accounts for all financial transactions relating to this municipal activity including, but not limited to, operations, maintenance, capital financing and related debt services, billing and collection.

Alameda Municipal Power Fund

The City operates its own electric system. This fund accounts for all financial transactions related to this municipal activity including, but not limited to, operations, maintenance, capital financing and related debt services, billing and collection.



City of Alameda
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 27,171,384	\$ 22,482,833	\$ 49,654,217	\$ 27,666,069
Investments		9,191,970	9,191,970	
Accounts receivable, net	485,247	7,077,038	7,562,285	28,312
Interest receivable		104,258	104,258	
Greenhouse gas related sales receivable		870,946	870,946	
Materials and supplies		3,748,086	3,748,086	
Prepaid power costs and other deposits		64,700	64,700	
Advances				747,881
Total Current Assets	27,656,631	43,539,831	71,196,462	28,442,262
Non-Current Assets:				
Restricted cash and investments	782,984	4,608,923	5,391,907	
Share of certain NCPA projects and reserve		9,819,690	9,819,690	
Investments designated for special purposes		34,132,548	34,132,548	
Capital Assets:				
Non-depreciable	13,821,766	6,605,967	20,427,733	
Depreciable, net of accumulated depreciation	53,974,732	36,121,608	90,096,340	5,283,478
Total Non-Current Assets	68,579,482	91,288,736	159,868,218	5,283,478
Total Assets	96,236,113	134,828,567	231,064,680	33,725,740
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount on refunding		685,096	685,096	
Deferred outflows related to pensions	471,129	4,980,063	5,451,192	
Total deferred outflows of resources	471,129	5,665,159	6,136,288	-
LIABILITIES:				
Current Liabilities:				
Accounts payable	1,276,808	986,920	2,263,728	710,010
Due to other funds		286,805	286,805	
Accrued payroll and other liabilities	23,529	21,833	45,362	
Interest payable	188,749	699,696	888,445	81,437
Refundable deposits	6,079	1,230,235	1,236,314	22,690
Compensated absences	65,908	536,999	602,907	
Claims payable		170,000	170,000	4,162,591
Long-term debt - current	740,376	1,220,000	1,960,376	546,176
Total Current Liabilities	2,301,449	5,152,488	7,453,937	5,522,904
Noncurrent Liabilities:				
Compensated absences		61,381	61,381	
Claims payable		1,171,958	1,171,958	7,192,157
Net pension liability	2,112,172	21,006,196	23,118,368	
Long-term debt	14,152,906	24,070,000	38,222,906	3,386,166
Total Noncurrent Liabilities	16,265,078	46,309,535	62,574,613	10,578,323
Total Liabilities	18,566,527	51,462,023	70,028,550	16,101,227
DEFERRED INFLOWS OF RESOURCES:				
Balancing account		18,648,533	18,648,533	
Deferred inflows related to pensions	16,578	77,361	93,939	
Total deferred inflows of resources	16,578	18,725,894	18,742,472	-
NET POSITION:				
Net investment in capital assets	52,903,216	34,437,310	87,340,526	1,351,136
Restricted				
Debt service	782,984	4,608,923	5,391,907	
Sewer system replacement	24,437,937		24,437,937	
Unrestricted		31,259,576	31,259,576	16,273,377
Total Net Position	\$ 78,124,137	\$ 70,305,809	\$ 148,429,946	\$ 17,624,513

See accompanying notes to financial statements.



City of Alameda
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2017

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
OPERATING REVENUES				
Charges for services	\$ 9,690,132	\$ 57,963,794	\$ 67,653,926	\$ 10,919,916
Greenhouse gas related sales		4,210,248	4,210,248	
Miscellaneous		1,275,191	1,275,191	2,308,984
Total Operating Revenues	9,690,132	63,449,233	73,139,365	13,228,900
OPERATING EXPENSES				
General administrative	524,833	7,425,117	7,949,950	493,493
Operations and maintenance		38,075,293	38,075,293	
Wages and benefits	1,269,687		1,269,687	(199,466)
Insurance				8,174,014
Contractual services	493,805		493,805	2,462,235
Depreciation	1,393,159	3,506,452	4,899,611	1,181,533
Utilities	96,795		96,795	
Supplies and maintenance	129,989		129,989	12,762
Balancing account adjustment		1,425,636	1,425,636	
Total Operating Expenses	3,908,268	50,432,498	54,340,766	12,124,571
Operating Income (Loss)	5,781,864	13,016,735	18,798,599	1,104,329
NON-OPERATING REVENUES (EXPENSES):				
Interest income	34,729	470,818	505,547	73,793
Interest income on restricted investments		2,252	2,252	
Interest (expense)	(441,770)	(1,461,042)	(1,902,812)	(113,396)
Payment in-lieu of taxes	(712,788)	(1,418,209)	(2,130,997)	
Miscellaneous non-operating revenue		1,813,296	1,813,296	
Total Non-Operating Revenues (Expenses)	(1,119,829)	(592,885)	(1,712,714)	(39,603)
Income (Loss) Before Transfers and Capital Contributions	4,662,035	12,423,850	17,085,885	1,064,726
Transfers in				542,000
Transfers (out)	(91,411)	(2,800,000)	(2,891,411)	
Capital contributions	489,751		489,751	
CHANGES IN NET POSITION	5,060,375	9,623,850	14,684,225	1,606,726
NET POSITION:				
Beginning of the year	73,063,762	60,681,959	133,745,721	16,017,787
End of year	\$ 78,124,137	\$ 70,305,809	\$ 148,429,946	\$ 17,624,513

See accompanying notes to financial statements.



City of Alameda
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2017

	Business-type Activities			Governmental Activities - Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,668,453	\$ 56,739,777	\$ 66,408,230	\$ 13,265,876
Receipts from Special Sales (C&T and REC)		6,516,598	6,516,598	
Payments to suppliers	(1,263,668)	(37,323,763)	(38,587,431)	(2,719,548)
Payments to employees	(1,297,541)	(9,595,374)	(10,892,915)	199,457
Miscellaneous non-operating receipts		147,583	147,583	
Due to City		23,728	23,728	
Claims paid				(7,253,339)
Net Cash Provided by (Used for) Operating Activities	7,107,244	16,508,549	23,615,793	3,492,446
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Payments in-lieu of taxes	(712,788)	(1,418,209)	(2,130,997)	
Transfers in				542,000
Transfers (out)	(91,411)	(2,800,000)	(2,891,411)	
Advances to other funds				31,011
Net Cash Provided by (Used for) Non-Capital Financing Activities	(804,199)	(4,218,209)	(5,022,408)	573,011
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	489,751		489,751	
Acquisition of capital assets	(8,298,676)	(6,028,346)	(14,327,022)	(511,670)
Proceeds from disposition of capital assets		86,420	86,420	
Principal payments on capital debt	(722,471)	(1,170,000)	(1,892,471)	(542,459)
Interest paid	(452,516)	(1,424,032)	(1,876,548)	(113,396)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(8,983,912)	(8,535,958)	(17,519,870)	(1,167,525)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in restricted investments	81,797	(27,612)	54,185	
Investments reserved for special purposes		(6,785,781)	(6,785,781)	
Investment in certain NCPA projects and reserves		(719,802)	(719,802)	
Interest income	34,729	428,383	463,112	73,793
Net Cash Provided by (Used for) by Investing Activities	116,526	(7,104,812)	(6,988,286)	73,793
Net Increase (decrease) in cash and cash equivalents	(2,564,341)	(3,350,430)	(5,914,771)	2,971,725
Cash and cash equivalents at beginning of period	29,735,725	25,833,263	55,568,988	24,694,344
Cash and cash equivalents at end of period	\$ 27,171,384	\$ 22,482,833	\$ 49,654,217	\$ 27,666,069
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities:				
Operating Income (loss)	\$ 5,781,864	\$ 13,016,735	\$ 18,798,599	\$ 1,104,329
Adjustments to reconcile operating income to net cash flows provided by from operating activities:				
Depreciation and amortization	1,393,159	3,506,452	4,899,611	1,181,533
Pension related amounts	(26,889)	(180,115)	(207,004)	
Change in assets and liabilities:				
(Increase) decrease in accounts receivable and refundable deposits	(21,679)	(192,858)	(214,537)	36,976
(Increase) decrease in materials and supplies		(750,325)	(750,325)	
(Increase) decrease in prepaids		319,584	319,584	
Increase (decrease) in accounts payable	60,104	(748,476)	(688,372)	248,942
Increase (decrease) in balancing account		1,425,636	1,425,636	
Increase (decrease) in claims payable		(109,567)	(109,567)	920,675
Increase (decrease) in accrued payroll and others	(69,995)	(880)	(70,875)	
Increase (decrease) in due general fund		23,728	23,728	
Increase (decrease) in compensated absences	(9,320)	51,052	41,732	(9)
Miscellaneous non-operating income		147,583	147,583	
Net Cash Provided by (Used For) Operating Activities	\$ 7,107,244	\$ 16,508,549	\$ 23,615,793	\$ 3,492,446

See accompanying notes to financial statements.

Trust funds are used to account for assets held by the City as a trustee agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-wide Financial Statements, but are presented in separate Fiduciary Fund Financial Statements.

Successor Agency Private Purpose Trust Fund is used to account for the activities of the Successor Agency to the former Community Improvement Commission of the City of Alameda.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.



City of Alameda
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2017

	Successor Agency Private Purpose Trust Fund	Agency Funds
ASSETS:		
Cash and investments	\$ 8,505,909	\$ 3,900,629
Cash with fiscal agents	32,953	2,401,596
Accounts receivable		21,966
Interest receivable		15
Loans receivable	1,468,157	
	<u>10,007,019</u>	<u>\$ 6,324,206</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount on refunding	<u>4,130,673</u>	
LIABILITIES:		
Accounts payable	5,797	\$ 2,471
Accrued payroll	719	
Interest payable	600,629	305,957
Payable to the Housing Authority	26,567	
Due to bondholders		6,015,778
Long term debt:		
Due within one year	1,920,000	
Due in more than one year	58,053,831	
	<u>60,607,543</u>	<u>\$ 6,324,206</u>
NET POSITION (DEFICIT):		
Held in Trust	<u>\$ (46,469,851)</u>	

See accompanying notes to financial statements.



City of Alameda
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017

	Successor Agency Private Purpose Trust Fund
ADDITIONS:	
Property taxes	\$ 10,698,058
Use of money and property	86,217
Other	468
Total Additions	<u>10,784,743</u>
DEDUCTIONS:	
Administration	87,918
Contractual services	4,971,424
Interest and fiscal charges	<u>2,351,054</u>
Total Deductions	<u>7,410,396</u>
CHANGE IN NET POSITION	<u>3,374,347</u>
NET POSITION (DEFICIT)	
Net Position (Deficit), Beginning of Year	<u>(49,844,198)</u>
Net Position (Deficit), End of Year	<u><u>\$ (46,469,851)</u></u>

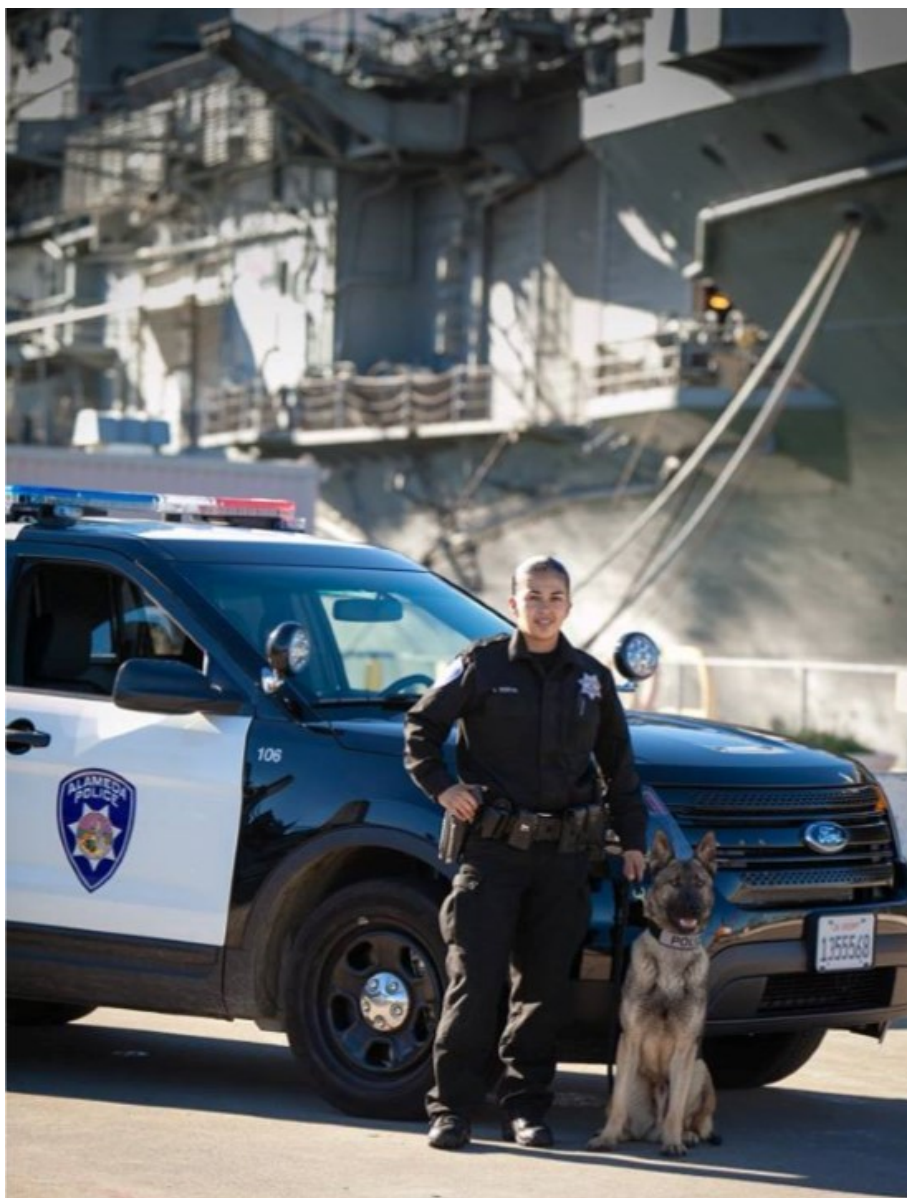
See accompanying notes to financial statements.





City of Alameda
Notes to Basic Financial Statements
For the year ended June 30, 2017

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Note 1 – Summary of Significant Accounting Policies

The City of Alameda, California (the “City”), occupies the island of Alameda situated in the San Francisco Bay. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire); streets and related improvements; development services; public improvements; planning and zoning, community services (parks, recreation and library), sewer services, electricity, and general administration services.

A. *Reporting Entity*

The City of Alameda is a charter city and is governed by a five-member City Council elected by City residents. The City is legally separate and fiscally independent, which means it can issue debt, adopt and modify budgets and fees, and sue or be sued. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government’s operations, thus data from these units are combined with that of the primary government.

Primary Government

The financial statements of the primary government of the City of Alameda include the activities of the City, as well as its blended component units, which are controlled by and dependent upon the City. While these blended component units are separate legal entities, their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed “blending”) with those of the primary government of the City in the accompanying financial statements.

Blended Component Units

The Alameda Public Financing Authority (APFA) is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the City’s financial statements. The Authority does not issue separate financial statements.

The City of Alameda Financing Authority (CAFA) is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the City’s financial statements. The Authority does not issue separate 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 is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

Note 1 – Summary of Significant Accounting Policies (Continued)

These GASB Standards require that the financial statements described below be presented:

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government, the City and its blended component units. These statements include the financial activities of the overall City government, except for fiduciary activities.

Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: (a) charges paid by the recipients of goods or services offered by the programs; (b) grants and contributions that are restricted to meeting the operational needs of a particular program; and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

C. Major Funds

Major funds are defined as funds that have either assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures equal to ten percent of their fund-type total and five percent of the grand total. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, entitled non-major funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds based on qualitative factors.

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

Note 1 – Summary of Significant Accounting Policies (Continued)

General Fund - The General Fund accounts for all general revenues of the City not specifically levied or collected by other City funds and their related expenditures. The General Fund also accounts for all financial resources of a governmental unit which are not accounted for in another fund.

Base Reuse Special Revenue Fund - This fund accounts for restricted revenues from leasing activities and grants. Expenditures are made for former naval base reuse activities.

HOME Program Special Revenue Fund - This fund accounts for funds received under the Home Investment Partnerships Program (HOME) restricted for affordable housing for low-income households.

Capital Improvement Projects Fund - This fund accounts for monies for major capital improvement projects not provided for in a separate and specific capital project fund transferred in from other funds and received from grants.

The City reported both enterprise funds as major funds in the accompanying financial statements:

Sewer Services Fund - The City operates its own wastewater system. This fund, accounts for all financial transactions relating to this municipal activity including, but not limited to, operations, maintenance, capital financing and related debt service, billing and collection.

Alameda Municipal Power Fund - Alameda Municipal Power was established to provide electricity to the City of Alameda. This fund accounts for all financial transactions relating to this municipal activity including, but not limited to, operations, maintenance, capital financing and related debt services, billing and collection.

The City also reports the following fund types:

Internal Service Funds - The funds account for central stores, central garage, information technology projects, workers' compensation insurance and claims, risk management insurance and claims, unemployment insurance and post-employment benefits, all of which provides services to other City funds on a cost-reimbursement basis.

Fiduciary Funds - Trust Funds and Agency Funds are used to account for assets held by the City as custodian or agent.

Trust Funds - These funds account for assets held by the City as custodian for various functions. The Successor Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments due for the City's former Community Improvement Commission at appropriate amounts and times in the future. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

Agency Funds - These funds account for assets held by the City as an agent for certain assessment districts in the City. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

D. *Basis of Accounting*

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

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers property taxes reported in the governmental funds to be available if the revenues are generally collected within 60 days after year-end. All other revenues reported in the governmental funds are considered to be available if the revenues are generally collected within 45 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on governmental long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are taxes, special assessments, intergovernmental revenues, use of money and property revenue, charges for services, fines and penalties, and license and permit revenues. Sales taxes collected and held by the State at year-end on behalf of the City are also recognized as revenue.

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

The City's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

All proprietary and similar trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned, and their expenses are recognized when incurred, except for revenues from electricity and sewer customers, which are recognized based on cycle billings.

Note 1 – Summary of Significant Accounting Policies (Continued)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

E. *Budgets and Budgetary Accounting*

The City adopts a budget annually for all funds. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted by the City Council, and controlled at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget during the fiscal year. The City Manager or his designee is authorized to transfer budgeted amounts between departments and between line items within any fund. However, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. All appropriations, except for capital projects, lapse at year end. Supplemental changes in appropriations that have been adopted by the City Council have been included in the budget versus actual statements.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except for the capital projects type funds. The capital projects funds are budgeted on a project length basis and, therefore, are not comparable on an annual basis.

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported as a component of assigned fund balance since they do not constitute expenditures or liabilities and are re-appropriated in the following year. Encumbrances outstanding at year end do not lapse and are included as part of the following year budget.

The following funds incurred expenditures in excess of their respective appropriations for the year ended June 30, 2017:

Fund Name	Amount
Asset Seizure / Traffic Safety Special Revenue Fund	\$ 11,677
Base Reuse Debt Service Fund	\$ 68,449

F. *Materials, Parts and Supplies*

General Fund supplies are recorded as expenditures at the time individual supply items are purchased.

Note 1 – Summary of Significant Accounting Policies (Continued)

G. *Deferred Compensation Plans*

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

The City has Deferred Compensation Plan administration agreements with ICMA, California Public Employees Retirement System, Nationwide Retirement Solutions, Inc., and Mass Mutual Retirement Services companies to provide for the administration and management of employees' deferred compensation plan assets. These agreements incorporate changes in the laws and IRS regulations governing deferred compensation plan assets, which require plan assets to be held for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

H. *Capital Assets*

Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$10,000. All capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their acquisition value on the date contributed.

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

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

Electric Plant	30 years
Buildings and Improvements	40 - 80 years
Machinery, Furniture and Equipment	4 - 40 years
Infrastructure	15 - 75 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds within the same period.

Note 1 – Summary of Significant Accounting Policies (Continued)

I. *Compensated Absences*

The liability for compensated absences includes the vested portions of vacation, sick leave and compensated time off. For all governmental funds, a liability of these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. The remaining portion is recorded as a liability in the Statement of Net Position. Proprietary funds' liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually.

Compensated absences activity for the year ended June 30, 2017, is as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 3,261,458	\$ 622,556	\$ 3,884,014
Additions	2,378,154	726,420	3,104,574
Payments	(2,258,478)	(684,688)	(2,943,166)
Ending Balance	<u>\$ 3,381,134</u>	<u>\$ 664,288</u>	<u>\$ 4,045,422</u>
Current Portion	<u>\$ 3,381,134</u>	<u>\$ 602,907</u>	<u>\$ 3,984,041</u>

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

J. *Pensions*

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

K. *Purchased Power Balancing Account*

The Purchased Power Balancing Account is used by Alameda Municipal Power Fund to stabilize rates in the short term. Specifically, the balancing account accumulates differences between the actual cost of purchased power and the revenues designated for recovery of such costs. Deferred amounts are refunded to or recovered from customers through authorized rate adjustments. The effect of using the balancing account is that unanticipated changes in sales levels and purchased power costs do not immediately affect Alameda Municipal Power's rate payers, because they are included in operating expenses when matched by revenues.

L. *Net Position*

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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 and related deferred inflows and outflows.

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 developer fees received for use on capital projects, grants, debt service requirements, and funds restricted for low and moderate income housing purposes.

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

M. Fund Balances

The City's fund balances are classified based on spending constraints imposed on the use of resources. The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds. Each category in the following hierarchy is ranked according to the degree of spending constraint:

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

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

Committed fund balances have constraints imposed by formal action used for specific purposes (through a resolution) of the City Council, which may be altered only by the same formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Manager or his designee as authorized by an adopted City Council resolution and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed through a Council resolution, the City Council has designated the City Manager or his designee to determine the amount of assigned fund balances.

Note 1 – Summary of Significant Accounting Policies (Continued)

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

N. *Property Tax*

Under California law, property taxes are assessed and collected by the counties at a rate of up to 1% of assessed value, plus other increases approved by the voters. Property taxes are collected by the Auditor-Controller of the County of Alameda (County) and are remitted upon collection to the various taxing entities, including the City. Accordingly, the City accrues only those taxes that are received from the County within sixty days after year-end.

For assessment and collection purposes, property is classified as either “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and real property having a tax lien that is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Unsecured property comprises all taxable property not attached to land, such as personal property or business property. Every tax levied by a county that becomes a lien on secured property has priority over all present and future private liens arising pursuant to State law on the secured property, regardless of the time of the creation of the other liens. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on other property owned by the taxpayer.

Valuation of secured property and establishment of a statutory tax lien occur as of January 1 prior to the tax year of the related tax levy, and the secured and unsecured tax rolls are certified on or before July 31 of the tax year by the County Assessor. The County assesses property values, levies bills, and collects taxes. Secured property tax is due in two installments on November 1 and February 1. It becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is due on July 1 and become delinquent on August 31.

The City does not have the ability to control the levy rate or the amount of property taxes remitted by the County because these are governed by State law.

O. *Deferred Inflows / Outflows of Resources*

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category: 1) deferred charges on refunding debt reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price; this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt and 2) deferred outflows related to pensions.

Note 1 – Summary of Significant Accounting Policies (Continued)

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the governmental funds, the City has one item which qualifies for reporting in this category (under the modified accrual basis of accounting). Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet and represents unavailable revenues from revolving notes receivable, grant reimbursements, and other miscellaneous revenues not yet received. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At the government-wide statements, this item is eliminated and recognized as revenue since “availability” of resources is not a criteria used in the government-wide statements. In addition, the City reports deferred inflows related to pensions and deferred inflows related to the Alameda Municipal Power Fund balancing account used to help stabilize rates. Specifically, the balancing account accumulates differences between the actual costs of providing a utility service with the related revenues designated for recovery of such costs.

P. *Use of Estimates*

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

Q. *Investment Valuation*

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are measured using Level 3 inputs.

R. *Implementation of New GASB Pronouncements*

In March 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. Certain provisions of this statement are effective for periods beginning after June 15, 2016. The City adopted this statement as of July 1, 2016.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefits Other than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement is effective for periods beginning after June 15, 2016. The implementation of the Statement did not have a material effect on the financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. The implementation of the Statement did not have a material effect on the financial statements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. The implementation of the Statement did not have a material effect on the financial statements.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. The requirements of this statement are effective for reporting periods beginning after June 15, 2016. The implementation of the Statement did not have a material effect on the financial statements.

In March 2016, GASB issued Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice or financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The City adopted this statement as of July 1, 2016.

S. Upcoming GASB Pronouncements

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. The City has not determined its effect on the financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. The City has not determined its effect on the financial statements.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The City has not determined its effect on the financial statements.

In January 2017, GASB issued Statement No. 84 *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The City has not determined its effect on the financial statements.

In March 2017, GASB issued Statement No. 85 *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The City has not determined its effect on the financial statements.

In May 2017, GASB issued Statement No. 86 *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The City has not determined its effect on the financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

In June 2017, GASB issued Statement No. 87 *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The City has not determined its effect on the financial statements.

Note 2 – Cash and Investments

The City's dependence upon property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except Cash with Fiscal Agents and the Alameda Municipal Power Fund so that it can be invested at the maximum yield, consistent with safety and liquidity objectives. Individual funds can make expenditures at any time.

Investment income is allocated among funds on the basis of average month-end cash and investment balances in these funds. Investments are carried at fair value.

A. Policies

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

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

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

Cash and cash equivalents with maturities of three months or less are considered to be liquid assets for purposes of measuring cash flows. Restricted cash and investments are not included for cash flow purposes.

Note 2 – Cash and Investments (Continued)

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not its use is restricted under the terms of City debt instruments or agency agreements. Cash and investments as of June 30, 2017, as presented on the Statement of Net Position and Statement of Fiduciary Net Position are as follows:

Statement of Net Position:

Cash and investments	\$	203,763,348
Cash with fiscal agents		11,135,208
Investments designated for special purposes		34,132,548

Fiduciary Funds:

Cash and investments		12,406,538
Cash with fiscal agents		2,434,549

Total cash and investments	\$	263,872,191
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Cash and investments as of June 30, 2017 are composed of the following categories:

Cash on hand (petty cash and change funds)	\$	10,225
Deposits with financial institutions		64,047,228
Investments		199,814,738
Total Cash and Investments	\$	263,872,191

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

The City's investment policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City, and approved percentages and maturities are not exceeded. The table also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive, that addresses 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 2 – Cash and Investments (Continued)

The City's investment policy and the California Government Code allow the City to invest in the following:

Authorized Investment Type	Maximum Maturity (A)	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	270 days	N/A	20%	No Limit
Bank/Time Deposits	5 Years	N/A	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	\$65,000,000 per account	\$65,000,000 per account
U.S. Treasury Bonds, Notes and Bills	5 Years	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	5 Years	N/A	75%	25%
Bankers' Acceptances	180 Days	A1, P1	30%	5%
Commercial Paper	270 Days	A1, P1 (A rated issuer)	25%	5%
Negotiable Certificates of Deposit	5 Years	No rating for amount under FDIC insurance; A1, A for amounts greater than FDIC insurance	30%	5%
Medium-Term Corporate Notes	5 Years	A	30%	5%
Money Market and Mutual Funds	5 Years	Highest rating by 2 NRSROs	20%	10%
California Asset Management Program (CAMP)/Caltrust	N/A	N/A	No Limit	No Limit
CDs - non-negotiable / CDAR	3 Years	N/A	30% (Combined with NCDs)	5%
Municipal Obligation	5 Years	A (except City's own bonds)	30%	5%
Asset backed securities	5 Years	AA (or higher, with issuer rated A or higher)	15%	No Limit
Supranationals	5 Years	AA	10% (US Dollar denominated)	No Limit

(A) The maximum of any investment shall not exceed five years unless expressly authorized by City Council.

Note 2 – Cash and Investments (Continued)

D. Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	30 Days	Top Four Rating Categories	No Limit Per Account	No Limit Per Account
U.S. Treasury Bonds, Notes and Bills	No Limit	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	No Limit	No Limit	No Limit	No Limit
State Obligations	No Limit	Not Lower Than Their Bond Rating	No Limit	No Limit
Commercial Paper	180 - 270 Days	A-1+	20% - No Limit	10% of outstanding issues (A rated issuer US organized and with operations in US with a total assets in excess of \$500 mil) - No Limit
Negotiable Certificates of Deposit	No Limit	N/A	No Limit	No Limit
Time Certificates	No Limit	N/A	No Limit	No Limit
Corporate Notes and Bonds	No Limit	Not Lower Than Their Bond Rating AA - Not Lower Than Their Bond Rating	No Limit	No Limit
Guaranteed Investment Contracts	No Limit	Rating	No Limit	No Limit
Shares of Beneficial Interest	No Limit	Top Rating Category	No Limit	No Limit
Money Market Mutual Funds	No Limit	Aam - Highest Rating Category	20%	No Limit
Bankers' Acceptances	365 Days	A-1+	30%	30%
Municipal Bonds	No Limit	AAA	No Limit	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$65,000,000 Per Account	\$65,000,000 Per Account
Investments Agreements	No Limit	AA-	No Limit	No Limit
California State Warrants, Treasury Notes or Bonds	3 Years	Top Two Highest Short-Term or Long-Term Rating Categories	No Limit	No Limit

Note 2 – Cash and Investments (Continued)

Alameda Municipal Power Fund (AMP) must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if AMP fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with the City's ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity (A)	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Municipal Bonds	5 years	N/A	No Limit	No Limit
U.S. Treasury Obligations	5 years	N/A	20%	No Limit
State of California Obligations (C)	5 years	N/A	No Limit	No Limit
Other State Obligations (C)	5 years	N/A	No Limit	No Limit
CA Local Agency Obligations	5 years	N/A	No Limit	No Limit
U.S. Agency & US Government Sponsored Enterprise Securities (B)	5 years	N/A	No Limit	No Limit
Bankers Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1	25%	10%
Negotiable Certificates of Deposit	5 years	N/A	30%	No Limit
Time Certificates of Deposit	5 years	N/A	30%	No Limit
Repurchase Agreements	1 year	N/A	No Limit	No Limit
Reverse Repurchase Agreements (requires Board approval)	92 days	N/A	20% of market value of portfolio	No Limit
Medium Term Corporate Notes	5 years	A	30%	No Limit
Mutual Funds	5 years	Top rating category	20%	10%
Money Market Mutual Funds	5 years	Top rating category	20%	10%
Collateralized Bank Deposits	5 years	N/A	30%	No Limit
Mortgage Pass-Through Securities	5 Years	Top rating category	20%	No Limit
County Pooled Investment Funds	Upon Demand	N/A	15%	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	90%	\$65,000,000 per account
California Asset Management Program (CAMP)	Upon Demand	N/A	No Limit	No Limit

(A) The maximum of any investment shall not exceed five years unless expressly authorized by the Public Utilities Board.

(B) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC)

(C) State Obligations such as registered treasury notes and bonds.

Note 2 – Cash and Investments (Continued)

E. Interest Rate Risk

Interest rate risk is the risk that changes in economic markets 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 the changes 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 realizing maturity evenly over time as necessary in order to provide the cash flow and liquidity needed for operations. Information on the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at June 30, 2017:

Investment Type	12 months or less	One to Five Years	Total
U.S. Government-Sponsored			
Enterprise Agencies	\$ 678,092	\$ 23,919,606	\$ 24,597,698
Medium Term Corporate Notes:			
Non-callable	4,911,426	10,592,450	15,503,876
Callable	474,725	5,821,669	6,296,394
Asset Backed Securities	82,760	8,653,727	8,736,487
Supranationals		4,356,230	4,356,230
U.S. Treasury Notes and Bills		18,527,362	18,527,362
Money Market Mutual Funds	9,967,944		9,967,944
California Local Agency Investment Fund	92,668,555		92,668,555
Certificates of Deposit	10,847,580	6,011,000	16,858,580
Commercial Paper	1,412,582		1,412,582
Municipal Bonds	-	889,030	889,030
Total Investments	<u>\$ 128,412,456</u>	<u>\$ 78,771,071</u>	<u>199,814,738</u>
Cash deposits with banks and on hand			64,057,453
Total Cash and Investments			<u>\$ 263,872,191</u>

The City is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investments in LAIF at the fair value amounts provided by LAIF, which is the same as the value of the pool share. At June 30, 2017, the fair value approximated cost of the investments of the City. The balance, available for withdrawal on demand, is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2017, these investments had an average maturity of 194 days. LAIF is not registered with the Securities and Exchange Commission.

Note 2 – Cash and Investments (Continued)

F. 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 when an investment matures. This is measured by the assignment of a credit rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2017, for each City's investment type as provided by Standard and Poor's:

Investment Type	AAA / Aam	AAAam	AA+ to AA-	A+ to A-	A-1+ to A-1	BBB+	Total
U.S. Government-Sponsored							
Enterprise Agencies			\$ 24,597,698				\$ 24,597,698
Medium Term Corporate Notes:							
Non-callable	\$ 407,014		5,742,688	\$ 8,524,780		\$ 829,394	15,503,876
Callable	641,769		1,678,726	3,343,490		632,409	6,296,394
Supranationals	3,435,731						3,435,731
Asset Backed Securities	5,288,440						5,288,440
Money Market Mutual Funds		\$ 9,967,944					9,967,944
Negotiable Certificates of Deposit			3,043,250	4,156,691	\$ 850,595		8,050,536
Commercial Paper					1,412,582		1,412,582
Municipal Bonds			889,030				889,030
Total	<u>\$ 9,772,954</u>	<u>\$ 9,967,944</u>	<u>\$ 35,951,392</u>	<u>\$ 16,024,961</u>	<u>\$ 2,263,177</u>	<u>\$ 1,461,803</u>	<u>75,442,231</u>
<i>Not rated:</i>							
California Local Agency Investment Fund							92,668,555
Asset Backed Securities							3,448,047
Certificates of Deposit							8,808,044
Supranationals							920,499
<i>Exempt:</i>							
U.S. Treasury Notes and Bills							18,527,362
Total Investments							<u>\$ 199,814,738</u>

G. 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. As previously described, the City's deposits are collateralized in accordance with California Government Code. 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 investments.

H. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Note 2 – Cash and Investments (Continued)

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the City's management. City management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment.

Deposits and withdrawals in governmental investment pools, such as LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2016. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.

For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

Note 2 – Cash and Investments (Continued)

As of June 30, 2017, the City has the following recurring fair value measurements:

Investments by Fair Value Level	Balance at June 30, 2017	Fair Value Measurements on a Recurring Basis Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government-Sponsored				
Enterprise Agencies	\$ 24,597,698		\$ 24,597,698	
Medium-Term Notes				
Non-callable	15,503,876		15,503,876	
Callable	6,296,394		6,296,394	
Asset Backed Securities	8,736,487		8,736,487	
Supranationals	4,356,230		4,356,230	
U.S. Treasury Notes and Bills	18,527,362	18,527,362		
Certificates of Deposits	15,531,536		15,531,536	
Commercial Paper	1,412,582		1,412,582	
Municipal Bonds	889,030		889,030	
Total Investments by Fair Value Level	<u>95,851,195</u>	<u>\$ 18,527,362</u>	<u>\$ 77,323,833</u>	<u>\$ -</u>
Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy				
Local Agency Investment Funds	92,668,555			
Money Market Mutual Funds	9,967,944			
Non-negotiable Certificates of Deposit	1,327,044			
Total Investments Not Measured at Fair Value	<u>103,963,543</u>			
Total Investments	<u>\$ 199,814,738</u>			

Note 2 – Cash and Investments (Continued)

I. Concentration of Credit Risk

The City's investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. However, the City is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer, held by individual City funds in the securities of issuers other than U.S. Treasury securities, mutual funds, and external investment pools. As June 30, 2017, those investments consisted of:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	US Government Sponsored Enterprise Agencies	\$ 12,265,892

J. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include corporate notes that have an embedded call feature. At June 30, 2017, those investments consisted of:

Issuer	Maturity Date	Callable Date	Reported Amount
Ace Ina Holdings	11/3/2020	10/3/2020	\$ 573,249
American Express MTX	10/30/2019	7/30/2019	\$ 537,089
American Express MTX	3/3/2020	2/1/2020	\$ 256,214
Bank NY Mellon MTN	9/11/2019	8/11/2019	\$ 560,472
Chevron Corp	12/5/2017	11/5/2017	\$ 474,725
Citigroup Inc	1/10/2020	12/10/2019	\$ 211,262
Exxon Mobil	3/1/2021	2/1/2021	\$ 629,100
Goldman Sachs Group	12/13/2019	11/13/2019	\$ 421,147
JPMorgan Chase Co	3/22/2019	2/22/2019	\$ 599,370
Microsoft Corp	11/3/2020	10/3/2020	\$ 230,828
Microsoft Corp	8/8/2021	7/8/2021	\$ 410,941
Oracle Corp	9/15/2021	8/15/2021	\$ 574,902
US Bancorp MTN	11/15/2018	10/15/2018	\$ 70,360
US Bancorp MTN	4/25/2019	3/25/2019	\$ 463,832
US Bancorp MTN	1/24/2022	12/23/2021	\$ 282,903

Note 3 – Interfund Transactions

A. *Current Balances*

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The purpose of these balances is to eliminate negative cash balances at year end in various funds. At June 30, 2017, the amounts of current interfund balances were as follows:

Due From Other Funds	Due To Other Funds	Amount
General Fund	Alameda Municipal Power	\$ 286,805
	Non-Major Governmental Funds	1,833,412
		<u>\$ 2,120,217</u>

B. *Long-Term Advances*

Loan from Equipment Replacement Fund

In July 2014, the City Council authorized a long-term loan from the Equipment Replacement Internal Service Fund to the Fire Station 3/Emergency Operations Center Capital Projects Fund in the amount of \$809,000 for the construction of the new Fire Station. The note bears 3% simple interest rate and will be due in full in 20 years. The advance is secured by a promissory note where the City's General Fund is pledged as security for the repayment of the loan. The outstanding loan balance at June 30, 2017 was \$747,881.

Loan from General Fund and FISC Lease Revenue Fund

In June 2017, the City Council authorized long term loans from the General Fund (\$700,000) and FISC Lease Revenue Funds (\$700,000) to the Citywide Development Fee Fund for the construction of Estuary Park. The principal balances of the loans bear simple interest at a simple annual rate equivalent to the LAIF rate in effect at the time. The advances are secured by a promissory note where available funds from the City's Development Impact Fee Parks Fund are pledged as security for the repayment of the loans. The outstanding loan balances at June 30, 2017 is \$1,400,000.

Note 3 – Interfund Transactions (Continued)

C. *Transfers Between City Funds*

With Council approval, resources may be transferred from one City fund to another. Transfers between City funds during fiscal year 2016-17 were as follows:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount Transferred</u>
General Fund	Non-Major Governmental Funds	\$ 429,000 A
	Alameda Municipal Power	2,800,000 B
Capital Improvement Fund	General Fund	2,239,513 C
	Base Reuse Fund	67,000 C
	Sewer Services Enterprise Fund	91,411 C
	Non-Major Governmental Funds	10,523,716 C
Non-Major Governmental Funds	General Fund	6,335,579 A, C, D
	Base Reuse Fund	860,387 C
	Non-Major Governmental Funds	913,626 A, C, D,
	Capital Improvement Fund	389,968 C
Internal Service Funds	General Fund	542,000 A
Total		<u><u>\$ 25,192,200</u></u>

The reasons for these transfers are set forth as follows:

- (A) To fund library, recreation, debt service, deferred maintenance and OPEB costs
- (B) Transfer from Alameda Municipal Power Fund to the General Fund per Charter
- (C) To fund capital and storm drain projects
- (D) To fund housing projects

Note 4 – Loans Receivable

<u>Summary of Loans Receivable</u>	<u>Amount</u>
Housing Rehabilitation and Affordable Loans	\$ 10,699,199
Total Loans Receivables	<u><u>\$ 10,699,199</u></u>

Housing Rehabilitation and Affordable Housing Loans

The City and former CIC has engaged in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the City's and former CIC's terms. Some of these loans may be forgiven at the completion of the loan term if all stipulated conditions are met. Other loans and notes are expected to be repaid in full.

The City's remaining outstanding balance of the loans receivable from these programs at June 30, 2017 was \$10,669,199, which has been offset with unavailable revenue. Included in the outstanding balance was a receivable for \$1,571,278 from the Alameda Housing Authority.

Note 5 – Capital Assets

A. Capital Asset Additions and Retirements

City capital asset activities for the year ended June 30, 2017 are as follows:

	Balance at June 30, 2016	Additions	Retirements	Transfers	Balance at June 30, 2017
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 5,995,318				\$ 5,995,318
Construction in progress	14,774,922	\$ 9,269,968	\$ -	\$ (5,816,726)	18,228,164
Total capital assets not being depreciated	20,770,240	9,269,968	-	(5,816,726)	24,223,482
Capital assets being depreciated:					
Building	253,793,640			5,816,726	259,610,366
Machinery and equipment	32,998,292	1,311,386	(97,661)		34,212,017
Infrastructure:					
Streets	166,241,234	45,197			166,286,431
Landscape	21,323,234				21,323,234
Stormdrains	22,638,842				22,638,842
Potable water systems	1,353,939				1,353,939
Parks	7,421,547				7,421,547
Marina facilities	24,999,123	12,033			25,011,156
Golf Improvements	4,205,963				4,205,963
Total capital assets being depreciated	534,975,814	1,368,616	(97,661)	5,816,726	542,063,495
Less accumulated depreciation for:					
Buildings	(112,443,644)	(3,345,003)			(115,788,647)
Machinery and equipment	(23,381,980)	(1,712,681)	97,661		(24,997,000)
Infrastructure:					
Streets	(74,132,574)	(4,324,218)			(78,456,792)
Landscape	(18,183,218)	(141,079)			(18,324,297)
Stormdrains	(9,781,820)	(435,574)			(10,217,394)
Potable water systems	(1,192,885)	(7,851)			(1,200,736)
Parks	(3,174,661)	(268,638)			(3,443,299)
Marina facilities	(20,518,813)	(307,587)			(20,826,400)
Golf Improvements	(3,125,868)	(159,410)			(3,285,278)
Total accumulated depreciation	(265,935,463)	(10,702,041)	97,661		(276,539,843)
Net capital assets being depreciated	269,040,351	(9,333,425)	-	5,816,726	265,523,652
Governmental activities capital assets, net	\$ 289,810,591	\$ (63,457)	\$ -	\$ -	\$ 289,747,134

Note 5 – Capital Assets (Continued)

	Balance at June 30, 2016	Additions	Retirements	Transfers	Balance at June 30, 2017
Business-type Activities					
Capital assets not being depreciated:					
Land and Rights	\$ 153,643				\$ 153,643
Construction in progress	7,259,549	\$ 14,244,354	\$ (396,648)	\$ (833,165)	20,274,090
Total capital assets not being depreciated	7,413,192	14,244,354	(396,648)	(833,165)	20,427,733
Capital assets being depreciated:					
Utility Plant	84,548,411		(396,621)	502,803	84,654,593
Service Center Building	7,850,886	220,781			8,071,667
Machinery and Equipment	9,439,316	71,062			9,510,378
Transportation Equipment	3,048,241	56,637		135,541	3,240,419
Computer Equipment	3,832,459	325,657			4,158,116
Furniture and Fixtures	2,314,383				2,314,383
Sewer lines	85,512,568				85,512,568
Easements	185,500				185,500
Total capital assets being depreciated	196,731,764	674,137	(396,621)	638,344	197,647,624
Less accumulated depreciation for:					
Utility Plant	(52,537,186)	(2,821,912)	396,621		(54,962,477)
Service Center Building	(3,885,450)	(169,885)			(4,055,335)
Machinery and Equipment	(8,661,056)	(111,819)			(8,772,875)
Transportation Equipment	(2,284,906)	(181,784)			(2,466,690)
Computer Equipment	(3,424,741)	(190,415)			(3,615,156)
Furniture and Fixtures	(1,799,318)	(88,710)			(1,888,028)
Sewer lines	(30,340,137)	(1,331,586)			(31,671,723)
Easements	(115,500)	(3,500)			(119,000)
Total accumulated depreciation	(103,048,294)	(4,899,611)	396,621		(107,551,284)
Total depreciable assets	93,683,470	(4,225,474)		638,344	90,096,340
Business activity capital assets, net	\$ 101,096,662	\$ 10,018,880	\$ (396,648)	\$ (194,821)	\$ 110,524,073

B. Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as contributed capital in the proprietary funds at the time the capital assets are contributed.

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based upon usage of the related assets. The amounts allocated to each function or programs are as follows:

Governmental Activities	
General Government	\$ 168,382
Police	126,252
Fire	202,842
Public works	5,496,405
Community development, planning and building	2,391,892
Culture and recreation	1,134,735
Internal Service Funds	1,181,533
Total Governmental Activities	\$ 10,702,041
Business-Type Activities	
Sewer services	\$ 1,393,159
Alameda Municipal Power	3,506,452
Total Business-Type Activities	\$ 4,899,611

Note 6 – Long-Term Debt

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the term of the related debt. Bond discounts and premiums are amortized during the life of the related debt. Issuance costs are expenses when incurred.

A. City Long-Term Debt

The City's long-term debt activities for the year ended June 30, 2017 are as follows:

	CUSIP Number	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017	Current Portion
Governmental Activities Debt:						
Certificates of Participation:						
2008 Refinancing Project	010762	\$ 1,855,000	\$ -	\$ (275,000)	\$ 1,580,000	\$ 290,000
2013 Financing Project	010762	8,105,000		(475,000)	7,630,000	485,000
Plus: Unamortized bond premium		352,307		(25,519)	326,788	
Total Certificates of Participation		10,312,307		(775,519)	9,536,788	775,000
2003 ARRA Demand Revenue Bonds	010808	10,600,000		(400,000)	10,200,000	400,000
2013 General Obligation Refunding Bonds	010752	8,270,000		(345,000)	7,925,000	355,000
Plus: Unamortized bond premium		75,704		(5,467)	70,237	
Leases Payable	not applicable	4,465,248		(532,905)	3,932,343	546,176
HUD Section 108 Loan	not applicable	5,764,000		(265,000)	5,499,000	286,000
I-Bank Loan		3,000,000			3,000,000	136,581
Alameda County EMS Liability		2,578,533		(197,436)	2,381,097	201,384
Subtotal		34,753,485		(1,745,808)	33,007,677	1,925,141
Total Governmental Activities Debt		45,065,792		(2,521,327)	42,544,465	2,700,141
Business-Type Activities Debt:						
State Water Resources Control Board	not applicable	295,808		(145,862)	149,946	149,946
State Revolving Fund Loan, 1998	not applicable	423,103		(137,430)	285,673	141,003
State Revolving Fund Loan, 1999	not applicable	250,362		(60,130)	190,232	61,753
State Revolving Fund Loan, 2004	not applicable	646,897		(85,452)	561,445	87,674
Sewer Revenue Bonds, 2012, Series A	010782	13,905,000		(290,000)	13,615,000	300,000
Revenue Bonds, Series 2010A	010808CS0	8,700,000			8,700,000	
Taxable Revenue Bonds, Series 2010B	010808CS0	17,760,000		(1,170,000)	16,590,000	1,220,000
Plus: Unamortized bond premium		94,583		(3,597)	90,986	
Total Business-type Activities Debt		42,075,753		(1,892,471)	40,183,282	1,960,376
Total Debt		\$ 87,141,545	\$ -	\$ (4,413,798)	\$ 82,727,747	\$ 4,660,517

Note 6 – Long-Term Debt (Continued)

B. Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt:

For the Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 2,700,141	\$ 1,202,716	\$ 1,960,376	\$ 1,821,683
2019	2,781,908	1,124,628	1,888,043	1,738,400
2020	2,648,283	1,042,903	1,872,351	1,650,572
2021	2,787,328	958,608	1,894,692	1,559,268
2022	3,027,801	867,239	9,037,154	4,808,765
2023-2027	15,223,196	2,944,993	13,804,680	3,110,276
2028-2032	9,590,328	935,122	2,530,000	1,294,487
2033-2037	3,388,455	88,129	2,930,000	891,030
2038-2042			3,420,000	404,097
2043			755,000	12,269
Total	\$ 42,147,440	\$ 9,164,338	\$ 40,092,296	\$ 17,290,847
Plus unamortized bond premium	397,025		90,986	
Total	\$ 42,544,465		\$ 40,183,282	

C. Description of the City's Long-Term Debt Issues

The balance of the City's debt is in various forms as follows:

Governmental Activities Debt

Certificates of Participation - Some of the City's debt is in the form of Certificates of Participation, which are a type of long-term borrowing secured by lease payments made by the City under non-cancelable lease agreements. The cost of the assets securing these leases and the balance of the debt evidenced by these Certificates of Participation have been included in the City's financial statements, as these leases are in essence financing arrangements with ownership of the financed assets reverting to the City at the conclusion of the lease term.

2008 Refinancing Project Certificates of Participation - In July 2008, the City Council authorized the issuance of the Certificates of Participation (2008 Refinancing Project) in the amount of \$4,575,000 to refinance the 1996 Police Building Refunding and Equipment Financing Certificates of Participation and the 1996 Library and Golf Course Upgrade and Renovation Certificates of Participation. The 2008 Certificates bear interest rates from 4% to 5%, which are payable semi-annually in May and November. The City's principal payments commenced on May 1, 2011.

Note 6 – Long-Term Debt (Continued)

2013 Financing Project Certificates of Participation - On September 17, 2013, the City of Alameda Financing Authority authorized the issuance of the Certificates of Participation (2013 Refinancing Project) in the amount of \$9,610,000 to repay the City of Alameda 2002 Certificates of Participation and to finance the costs of construction of a new City Emergency Operations Center and associated expenses. The 2013 Certificates bear interest from 3% to 4%, which is payable semi-annually in May and November. Principal payments are due annually and commenced on May 1, 2014.

General Obligation and Revenue Bonds

2013 General Refunding Obligation Bonds – On September 17, 2013, the voters and City Council approved the repayment of General Obligation Refunding Bonds originally issued in 2003. The Refunding Bonds were issued on November 1, 2013 in the principal amount of \$9,010,000 to refund, on a current basis, the City of Alameda General Obligation Bonds, Series 2003, and pay for costs of issuance of the Bonds. The 2003 Bonds were issued to finance the construction and renovation of various public libraries. The bonds bear interest between 3% and 3.4%. The repayment of the bonds is secured by all non-restricted revenues of the City. Principal payments are due annually on August 1. Interest payments are due semi-annually on February 1 and August 1 through August 1, 2033.

2003 Alameda Reuse and Redevelopment Authority (ARRA) Variable Rate Demand Lease Revenue Bonds – On December 1, 2003, the Alameda Public Financing Authority issued Variable Rate Revenue Bonds in the original principal amount of \$13,440,000 at a variable rate of interest determined on a weekly basis. The proceeds from the bonds were used to refund the 1999 ARRA Revenue Bonds, which were issued to finance the costs of certain improvements at Alameda Point (assigned to the Base Reuse Special Revenue Fund), and to finance professional services for land use planning and other activities required for the redevelopment process at Alameda Point. Repayment of these bonds is from lease revenues paid to ARRA from certain land, buildings, fixtures and equipment. Interest is payable on the first business day of each month, and principal is due December 1.

The pledge of sublease revenues ends upon repayment of the \$11,159,230 in remaining debt service on the Bonds, which is scheduled to occur in 2034. As disclosed in the bond indenture documents, pledged future sublease revenues are expected to provide coverage over debt service of 1.5 during the life of the Bonds. For fiscal year 2016-17, sublease revenues amounted to \$12,099,528, which represented coverage of 2,412% over the \$501,560 in debt service.

Leases and Loans Payable

Leases Payable – At June 30, 2017, the City held the following leases payable. Under the lease agreements, ownership of the capital assets reverts to the City at the end of the lease terms. Since the leases are in essence financing arrangements, the costs of the capital assets and the amounts of the lease terms have been included in the City's financial statements.

2011 Fire Apparatus Lease Payable – On October 19, 2011, the City entered into a lease agreement in the amount of \$1,750,000 with Oshkosh Capital to acquire two fire apparatus vehicles. The City agreed to pay the lease starting on October 19, 2012, in annual payments of \$147,122, which includes interest, for fifteen years. Balance of the lease as of June 30, 2017 was \$1,251,786.

2011 Radio Lease Payable – On October 1, 2011, the City entered into a lease agreement in the amount of \$1,507,194 with Holman Capital Corporation to acquire 206 hand-held radios and 124 vehicle radios. The City agreed to pay the lease starting on October 11, 2012, in annual payments of \$231,896, which includes interest, for 7 years. Balance of the lease as of June 30, 2017 was \$450,967.

Note 6 – Long-Term Debt (Continued)

2012 Fire Truck Lease Payable – On September 26, 2012, the City entered into a lease agreement in the amount of \$1,965,726 with Oshkosh Capital to acquire two fire apparatus vehicles. The City agreed to pay the lease starting on September 26, 2013, in annual payments of \$162,546, which includes interest, for fifteen years. Balance of the lease as of June 30, 2017 was \$1,518,939.

2013 Ambulance Lease Payable – On April 23, 2013, the City entered into a lease agreement in the amount of \$199,348 with Oshkosh Capital to acquire an ambulance vehicle. The City agreed to pay the lease starting on April 24, 2013, with the first payment of \$39,348 and annual payments thereafter of \$25,584 which includes interest, for eight years. Balance of the lease as of June 30, 2017 was \$72,508.

2013 Ambulance Lease Payable – On August 14, 2013, the City entered into a lease agreement in the amount of \$140,000 with US Bancorp to acquire an ambulance vehicle. The City agreed to pay the lease starting on October 24, 2013, with annual payments of \$21,779, which included interest for seven years. Balance of the lease as of June 30, 2017 was \$61,677.

2014 Fire Apparatus Lease Payable – On July 1, 2014, the City entered into a lease agreement in the amount of \$803,109 with Oshkosh Capital to acquire one fire apparatus vehicle. The City agreed to pay the lease starting on August 5, 2015, in annual payments of \$66,926, which includes interest, for ten years. Balance of the lease as of June 30, 2017 was \$576,466.

The leased equipment had book values at June 30, 2017 as follows:

	2011 Fire Apparatus	2011 Radios	2012 Fire Trucks	2013 Ambulance	2013 Ambulance	2014 Fire Apparatus
Equipment	\$ 1,750,000	\$ 1,523,271	\$ 1,750,791	\$ 197,288	\$ 140,037	\$ 673,799
Less, Accumulated Depreciation	(670,833)	(1,523,271)	(352,814)	(134,814)	(77,020)	(196,525)
Book Value	\$ 1,079,167	\$ -	\$ 1,397,977	\$ 62,474	\$ 63,017	\$ 477,274

HUD Section 108 Loan – On January 5, 2006, the City entered into an agreement to borrow \$7,000,000 from the Department of Housing and Urban Development. In September 2006, the City drew down \$4,000,000 for the construction of the Alameda Theater Garage Project. In August 2007, the City drew down an additional \$3,000,000 for the same project. Principal and interest payments of both loans are due semi-annually on August and February through 2027. The loan carries a variable interest rate of 20 points above the LIBOR rate. Repayments of the loans are funded by a BEDI (Brownfields Economic Development Initiative) grant, parking garage and retail and cinema lease revenues. The outstanding balance as of June 30, 2017 is \$5,499,000.

IBank Loan – On June 1, 2015, the City entered into an agreement to borrow \$3,000,000 from the California Infrastructure and Economic Development Bank. Loan proceeds were received in fiscal year 2015-16 and will be used to finance construction of a new fire station. Principal and interest payments are due semi-annually on August 1 and February 1 through 2034. The loan bears interest of 2.287%. The outstanding balance as of June 30, 2017 is \$3,000,000.

Alameda County EMS Liability – From 2005 to 2010, the County of Alameda provided Emergency Medical Services, First Responder Advanced Life Support, and Ambulance Transport Services to the City of Alameda. During this time, the City incurred an obligation of \$3,621,887 to the County. On November 1, 2011, the County of Alameda and the City of Alameda entered into an agreement to repay this obligation using First Responder Advanced Life Support funding until the debt is fully repaid. As of June 30, 2017, the outstanding balance is \$2,381,097.

Note 6 – Long-Term Debt (Continued)

D. *Business-Type Activities Debt*

Loans Payable

State Water Resources Control Board – On February 8, 1996, the City entered into a loan with the California State Water Resources Control Board for up to \$2,324,502 at 2.8% interest, of which all has been drawn down. The purpose of the loan is to provide funding to install sanitary sewer facilities. The loan is payable from Sewer Service Fund operating revenues. The City agreed to make annual payments of \$154,144 through August 5, 2017. The balance as of June 30, 2017 was \$149,946.

State Revolving Fund Loan 1998 – The City entered into a contract on July 1, 1998 to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to correct infiltration and inflow. The maximum loan amount is \$2,292,025, of which all has been drawn down. This loan bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2017 was \$285,673.

State Revolving Fund Loan 1999 – The City entered into a contract on September 29, 1999 to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to correct infiltration and inflow. The maximum loan amount is \$1,193,529 that bears interest at 2.7% per year for a term of twenty years. The balance as of June 30, 2017 was \$190,232.

State Revolving Fund Loan 2004 – The City entered into a contract on August 12, 2004 to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to correct infiltration and inflow. The maximum loan amount is \$1,840,292 that bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2017 was \$561,445.

Revenue Bonds

Sewer Revenue Bonds 2012 Series A – On October 3, 2012, the City of Alameda Financing Authority issued Sewer Revenue Bonds 2012 Series A, in the original principal amount of \$14,715,000 to repay the 1995 Sewer System Refinancing and Improvement Certificates of Participation and to finance improvements to the City's municipal sewer system. The Bonds bear interest between 2% and 4%, which are payable semi-annually in February and August. Principal payments of the Bonds commenced on August 1, 2013.

The pledge of sublease revenues ends upon repayment of the \$19,801,797 in remaining debt service on the Bonds, which is scheduled to occur in 2042. As disclosed in the bond indenture documents, pledged future revenues are expected to provide coverage over debt service of 1.25 during the life of the Bonds. For fiscal year 2017, revenues amounted to \$10,179,883 which represented coverage of 1,414% over the \$720,069 in debt service.

Revenue Bonds, Series 2010A/B (AMP Refinancing) – On August 1, 2010, the City of Alameda Financing Authority issued Revenue Bonds, Series 2010A/B to provide funds, together with certain other available monies, to 1) prepay the obligations of AMP and City for the Electric System Revenue Certificates of Participation Series 2000A, 2) prepay the obligations of AMP for the Taxable Electric System Revenue Certificates of Participation, Series 2000AT, 3) fund a deposit to the Common Reserve Account, and 4) prepay the costs of issuance of the 2010 Bonds. Revenue Bonds, Series 2010A bear interest at 4.375% to 5.25%, payable January 1 and July 1 of each year.

Note 6 – Long-Term Debt (Continued)

Principal on the Series 2010B Bonds were payable beginning July 1, 2011 and each succeeding July 1 until defeased in 2027. Principal on the Series 2010A Bonds will be payable beginning July 1, 2027 and each succeeding July 1 until defeased in 2030. The 2010 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. The 2010 Bonds are special obligations payable solely from electric revenues, other amounts held in the bond funds and accounts established pursuant to the indenture, and amounts on deposit in the Common Reserve Account. The initial book-entry principal obligation for the Series 2010A is \$8,700,000 and \$22,985,000 for the Series 2010B. The combined principal obligation amount is \$31,685,000.

Note 7 - Special Assessment Debt Without City's Commitment

Special assessment districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included in general long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2017 is as follows:

Description	Maturity Date	June 30, 2017
Harbor Bay Community Facilities District #1	9/1/2019	\$ 4,270,000
Alameda Landing Community Facilities District No. 13-1	9/1/2046	\$ 15,415,000

Note 8 – Net Position and Fund Balances

Detailed classifications of the City's Fund Balances, as of June 30, 2017 are below:

Classifications	General Fund	Base Reuse Special Revenue	HOME Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total
Nonspendable:						
Prepays and deposits	\$ 875,550					\$ 875,550
Advances from other funds	700,000					700,000
Total Nonspendable	<u>1,575,550</u>				<u>-</u>	<u>1,575,550</u>
Restricted for:						
Development activities		\$ 7,943,959			\$ 2,933,442	10,877,401
Streets and roads					13,569,054	13,569,054
Affordable housing			\$ 642		1,815,823	1,816,465
Public safety					2,093,562	2,093,562
Waste reduction					4,387,652	4,387,652
Assessment district					9,461,084	9,461,084
Tidelands					2,706,703	2,706,703
Transportation					6,025,027	6,025,027
Debt service					1,415,261	1,415,261
Total Restricted		<u>7,943,959</u>	<u>642</u>		<u>44,407,608</u>	<u>52,352,209</u>
Committed to:						
Capital projects				\$ 6,920,007		6,920,007
Development activities					5,514,631	5,514,631
Community development					905,104	905,104
Culture and recreation					2,460,728	2,460,728
Library operations					2,843,615	2,843,615
Parking meter/garage					3,294,706	3,294,706
Long-term obligations	11,568,004					11,568,004
Total Committed	<u>11,568,004</u>	<u>-</u>	<u>-</u>	<u>6,920,007</u>	<u>15,018,784</u>	<u>33,506,795</u>
Assigned:						
General government	333,043					333,043
Public safety	257,325					257,325
Economic uncertainty	3,460,500					3,460,500
Long-term obligations	4,475,000					4,475,000
Total Assigned	<u>8,525,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,525,868</u>
Unassigned:						
Reserve policy	21,140,724					21,140,724
Residual fund balance in excess of policy or fund balance deficits	7,585,653				(2,519,632)	5,066,021
Total Unassigned	<u>28,726,377</u>				<u>(2,519,632)</u>	<u>26,206,745</u>
Total Fund Balances	<u>\$ 50,395,799</u>	<u>\$ 7,943,959</u>	<u>\$ 642</u>	<u>\$ 6,920,007</u>	<u>\$ 56,906,760</u>	<u>\$ 122,167,167</u>

Note 8 – Net Position and Fund Balances (Continued)

Fund Balance/Net Position Deficits

At June 30, 2017, the funds below had fund balance deficits or deficit net position. Future revenues and repayment of long term debt are expected to offset these deficits.

Non-major Fund:

Emergency Operation Center/ Fire Station #3	\$ (483,151)
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Internal Service Fund:

Workers' Compensation Insurance	\$ (674,765)
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Private Purpose Trust Fund:

Successor Agency	\$ (46,469,851)
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Note 9 – Pension Plans

A. General Information about the Pension Plans

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

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2017 are summarized on the following page:

Note 9 – Pension Plans (Continued)

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit Formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Benefits, as a % of annual salary	2.000%	2.000%
Required employee contribution rates	8.868%	6.750%
Required employer contribution rates	19.265%	21.133%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit Formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	57
Benefits, as a % of annual salary	3.000%	2.700%
Required employee contribution rates	15.000%	10.750%
Required employer contribution rates	42.751%	48.751%

Employees Covered – At the June 30, 2016 measurement date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	518	250
Inactive employees entitled to but not yet receiving benefits	375	44
Active employees	294	171
Total	1,187	465

Contributions – Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. For the year ended June 30, 2017, the active employee contribution rate for the miscellaneous plan was 6.982% of annual pay and for the safety plan was 9.103% percent of annual pay. The employer’s contribution rate was 21.133% of annual payroll for the miscellaneous plan and 48.751% of annual payroll for the safety plan. The employees pay a percentage of their salaries toward the City’s required contribution. Employees within the miscellaneous plan pay 1.868% of the employers’ contribution and employees within the safety plan pay 6.0% of the employers’ contribution. Total employer contribution amounts during the fiscal year ended June 30, 2017 were \$5,265,991 for the miscellaneous plan and \$10,530,166 for the safety plan.

Note 9 – Pension Plans (Continued)

B. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016. A summary of principal assumptions and methods used to determine the net pension liability is shown on the next page.

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.65% (2)	7.65% (2)
Mortality	Society of Actuaries Scale BB (3)	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) The mortality table used was developed based on CalPERS' specific data

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website: <http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports.xml>.

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

In determining the long-term expected rate of return, staff took into account both short-term and long term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived

Note 9 – Pension Plans (Continued)

at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	51%	5.25%	5.71%
Global Fixed Income	20%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	1%	-0.55%	-1.05%
Total	100%		

1 – An expected inflation of 2.5% used for this period

2 – An expected inflation of 3.0% used for this period

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

Note 9 – Pension Plans (Continued)

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan measured as of June 30, 2016 is as follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016	\$ 250,938,066	\$ 195,624,915	\$ 55,313,151
Changes in the year:			
Service cost	3,760,714		3,760,714
Interest on the total pension liability	18,828,640		18,828,640
Differences between expected and actual experience	163,395		163,395
Contributions - employer		4,525,123	(4,525,123)
Contributions - employee		2,159,065	(2,159,065)
Net investment income		1,095,194	(1,095,194)
Benefit payments, including refunds of employee contributions	(13,711,596)	(13,711,596)	-
Administrative expense		(119,223)	119,223
Net changes	9,041,153	(6,051,437)	15,092,590
Balance at June 30, 2017	\$ 259,979,219	\$ 189,573,478	\$ 70,405,741

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016	\$ 375,952,409	\$ 241,779,059	\$ 134,173,350
Changes in the year:			
Service cost	6,047,019		6,047,019
Interest on the total pension liability	28,386,449		28,386,449
Differences between expected and actual experience	2,256,432		2,256,432
Contributions - employer		9,569,765	(9,569,765)
Contributions - employee		3,329,883	(3,329,883)
Net Investment Income		1,191,816	(1,191,816)
Benefit payments, including refunds of employee contributions	(20,335,284)	(20,335,284)	-
Administrative expense		(147,352)	147,352
Net changes	16,354,616	(6,391,172)	22,745,788
Balance at June 30, 2017	\$ 392,307,025	\$ 235,387,887	\$ 156,919,138
Total of Miscellaneous and Safety Plans	\$ 652,286,244	\$ 424,961,365	\$ 227,324,879

Note 9 – Pension Plans (Continued)

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

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.65%	6.65%
Net Pension Liability	\$ 102,516,125	\$ 208,574,648
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 70,405,741	\$ 156,919,138
1% Increase	8.65%	8.65%
Net Pension Liability	\$ 43,648,253	\$ 114,373,071

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

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the City recognized pension expense of \$4,534,277 and \$15,105,142 for the Miscellaneous and Safety Plans respectively. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 5,265,991	
Changes of Assumptions		\$ 381,330
Differences between expected and actual experiences	89,125	171,247
Net differences between projected and actual earnings on plan investments	10,184,544	
Total	<u>\$ 15,539,660</u>	<u>\$ 552,577</u>

	<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 10,530,166	
Changes of Assumptions		\$ 3,610,043
Differences between expected and actual experiences	4,588,012	
Net differences between projected and actual earnings on plan investments	12,978,606	
Total	<u>\$ 28,096,784</u>	<u>\$ 3,610,043</u>

Note 9 – Pension Plans (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 15,796,157	
Changes of Assumptions		\$ 3,991,373
Differences between expected and actual experiences	4,677,137	171,247
Net differences between projected and actual earnings on plan investments	23,163,150	
Total	<u>\$ 43,636,444</u>	<u>\$ 4,162,620</u>

The amount of \$5,265,991 and \$10,530,166 for the Miscellaneous and Safety Plans reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30	Miscellaneous	Safety	Total
2017	852,751	2,041,733	\$ 2,894,484
2018	1,345,915	2,041,734	3,387,649
2019	4,809,454	6,418,386	11,227,840
2020	2,712,972	3,454,722	6,167,694
Total	<u>\$ 9,721,092</u>	<u>\$ 13,956,575</u>	<u>\$ 23,677,667</u>

E. Police and Fire Pension Plans

The City sponsors and administers two single employer defined benefit retirement plans for its police and fire department retirees. Police and fire employees who entered service before 1953 participate in Plan 1079, a closed plan consisting of 24 participants, all of whom are retired employees or beneficiaries. Employees with twenty-five or more years of service receive monthly pension benefits equal to one-half the monthly salary paid to current City employees of the rank held by the retiree one year prior to the date of retirement. Employees retired after ten, but before twenty-five years of service receive monthly pension benefits in the proportion that the number of service years bears to twenty-five. Qualified surviving spouses receive the retirees' monthly pension benefits for life. Upon remarriage, the qualified surviving spouse receives one-half of the retiree's monthly pension benefits. Employees who became disabled from service-related causes receive monthly pension benefits equal to one-half the monthly salary paid to current City employees of the rank held by the disabled employee on the date of their disability, reduced by any workers' compensation benefits received.

Plan 1082 is a closed plan, which consists of two retired employees. At June 30, 2017, their monthly pension benefits were \$1,556 and \$2,528, respectively, adjusted annually by a maximum of 2% per year cost-of-living adjustment. Upon the death of a retiree, the qualified spouse receives one-half of the retiree's monthly pension benefit for life or until remarriage.

Note 9 – Pension Plans (Continued)

F. Total Pension Liability

The City recognizes its total pension liability, rather than a net pension liability. In order for the City to recognize a net pension liability, assets must be accumulated in a trust that meets all of the following criteria:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

No assets are accumulated in a trust that meets all of the above criteria because the City's contributions are not irrevocable. Accordingly, the City's total pension liability is not reduced by any assets accumulated in a trust that meets the criteria and the City must report its total pension liability.

The City's total pension liability was determined by an actuarial valuation as of June 30, 2017 (the measurement date). Changes in the City's total pension liability were as follows:

Total pension liability - June 30, 2016	\$ 10,266,857
Changes for the year	
Interest	349,073
Difference between expected and actual experience	39,819
Benefit payments	(1,448,612)
Net increase (decrease) in total pension liability	(1,059,720)
Total pension liability - June 30, 2017	\$ 9,207,137

G. Actuarial Assumptions

Actuarial assumptions used to determine the total pension liability in the June 30, 2017, valuation were based on the results of an actuarial experience study covering the period from July 1, 2016 through June 30, 2017. Those assumptions, applied to all periods included in the measurement, are as follows:

Actuarial cost method	Entry age normal
Inflation	2.75%
Discount rate	3.40%
Mortality	According to the pre-retirement mortality rates under the CalPERS pension plan updated to reflect the most recent experience study with mortality improvements using Mortality Improvement Scale MP 2014 with 15 year

Note 9 – Pension Plans (Continued)

H. Discount Rate

A discount rate of 3.4% was applied in the measurement of the total pension liability. This discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index.

I. Sensitivity of the total pension liability to changes in the discount rate

The following presents the total pension liability calculated using the discount rate of 3.4%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1% lower (2.4%) or 1% higher (4.4%) than the current rate at June 30, 2017:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 9,974,347	\$ 9,207,137	\$ 8,878,018

J. Pension Expense

For the year ended June 30, 2017, the City recognized pension expense of \$388,892.

K. Other Retirement Systems

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992, be covered by either Social Security or an alternative plan. Effective January 1, 1995, the City contracted with the Public Agency Retirement System (PARS), to maintain a defined contribution plan. This Plan covers part-time, seasonal and temporary employees as well as all employees not covered by another retirement system. All eligible employees, covered by the Plan, are fully vested. Employer liabilities are limited to the amount of the current contributions. The City is responsible for determining the provisions of the Plan, directing distributions, and establishing investment policy for the Plan assets.

Under PARS, employees contribute 6% and the City contributes 1.5% of the employee's salary each pay period. For the fiscal year ending June 30, 2017, total contributions of \$233,564 were made based on a total amount of covered compensation of \$3,114,185.

One of the City's part-time employees elected to be covered under Social Security, which requires this employee and the City to each contribute 6.2% of the employee's pay. Total contributions to Social Security during the year ended June 30, 2017, amounted to \$3,642 of which the City paid 50%

Note 10 – Post Employment Health Care Benefits

Plan Description

The City provides medical and dental benefits to retirees as specified below under the City of Alameda Other Post Employment Benefit Plan, offered by California Public Employee Retirements Systems (CALPERS), an agent multiple-employer defined benefit health care plan. The City is responsible for establishing and amending the funding policy of the Plan.

Note 10 – Post Employment Health Care Benefits (Continued)

Separately issued financial statements of the benefit Plan are available from CALPERS at P.O. Box 942709, Sacramento, California 94229-2709.

The City has an irrevocable trust with Public Agency Retirement Services (PARS) to fund its retiree health benefits. Contributions to the trust are made annually according to the City's Other Post-Employment Benefits (OPEB) funding policy. PARS issues a separate annual financial report and copies of the report may be obtained by writing to PARS at 4350 Von Karman Ave., Suite 100, Newport Beach, CA 92660 or by calling 800-540-6369.

Eligibility

In order to be eligible for these benefits, an employee must retire directly from the City under CalPERS. They also must be at least 50 years old when they retire and have five years of CalPERS service or disability credits.

Eligible Miscellaneous Employees (including non sworn public safety employees)

The City pays the Public Employees' Medical and Hospital Care Act (PEHMCA) minimum employer contribution on their behalf, which is \$128 per month for 2017. These employees receive no other post-employment benefits from the City.

Sworn Public Safety Employees

A. *Hired before July 1, 1995 and Retired Before January 1, 2011*

If the employee had 15 years or more experience with the City as part of the Alameda Police Officers Association (APOA), the City pays the health care and dental premiums based upon the City's health employer rate for the employee and their spouse, which includes the PEHMCA minimum employer contribution discussed above.

If the employee had less than 15 years of experience with APOA, the City pays the PEHMCA minimum employer contribution on their behalf.

B. *Hired after July 1, 1995 and Retired Before January 1, 2011*

If the employee had 20 years or more experience with the City as part of APOA and the Alameda Police Managers Association (APMA), the City pays the health care and dental premiums based upon the City's health employer rate for the employee and their spouse, which includes the PEHMCA minimum employer contribution discussed above.

If the employee had less than 20 years of experience with APOA and APMA, the City pays the PEHMCA minimum employer contribution on their behalf.

C. *Hired before June 7, 2011 and Retired after January 1, 2011*

If the employee had 5 years or more experience with the City, the City pays the health care benefit based upon the higher of the City's health employer rate for Kaiser or Blue Shield Bay Area, as well as dental

Note 10 – Post Employment Health Care Benefits (Continued)

premiums for the employee and their spouse, which includes the PEHMCA minimum employer contribution discussed above.

If the employee had less than 5 years of experience with the City, the City only pays the PEHMCA minimum employer contribution on their behalf.

D. *Hired after June 7, 2011 and Retired after January 1, 2011*

If the employee had 10 years or more experience with the City, the City pays the health care benefit based upon the higher of City's health employer rate for Kaiser or Blue Shield Bay Area for the employee only, as well as dental premiums for the employee and their spouse, which includes the PEHMCA minimum employer contribution discussed above.

If the employee had less than 10 years of experience with the City, the City pays the PEHMCA minimum employer contribution on their behalf.

As of January 1, 2015, the latest actuarial study available, there were 474 active employees, 352 retired employees, and 186 employees who are retired but choose not to receive benefits for a total of 1,012 participants in the Plan.

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with and additional amount to prefund benefits as determined annually by the City Council. For fiscal year 2016-17, the City contributed \$4,498,616 to the plan, including a contribution to the trust in the amount of \$670,616.

Annual OPEB Cost 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)*, an amount determined as part of a January 1, 2015 actuarial valuation in accordance with the parameters of GASB Statement 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) not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Note 10 – Post Employment Health Care Benefits (Continued)

Annual required contribution (ARC)	\$ 11,415,000
Interest on Net OPEB obligation	1,331,882
Adjustment to annual required contribution	(1,877,000)
Annual OPEB Cost	<u>10,869,882</u>
Contributions made:	<u>(4,498,616)</u>
Increase in OPEB obligation	6,371,266
Net OPEB Obligation at June 30, 2016	<u>33,297,060</u>
Net OPEB Obligation at June 30, 2017	<u>\$ 39,668,326</u>
Percentage of ARC Contributed	<u>39%</u>

The Plan's annual OPEB cost and actual contributions for fiscal years ended June 30, 2015, 2016 and 2017 are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2015	\$ 8,010,000	\$ 2,999,333	34%	\$ 31,654,120
June 30, 2016	10,373,000	8,730,060	84%	33,297,060
June 30, 2017	10,869,882	4,498,616	41%	39,668,326

As of June 30, 2017, approximately 538 participants were eligible to receive benefits.

Funded Status and Progress

As of January 1, 2015, the most recent valuation, the plan was .16 percent funded. The actuarial accrued liability for benefits was \$113.16 million, and the actuarial value of assets was \$177,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$112.99 million and a funded ratio (actuarial value of assets as a percentage of the actuarial accrued liability) of .16 percent. The covered payroll (annual payroll of active employees covered by plan) was \$47.68 million, and the ratio of the UAAL to the covered payroll was 237 percent.

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 health care 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 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 the benefits.

Note 10 – Post Employment Health Care 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 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 assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 4 percent investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7-7.2% initially, reduced by decrements of .5% per year to an ultimate rate of 5%. Both rates included a 3% inflation assumption. It is assumed the City's payroll will increase 3.25% per year. The City's OPEB unfunded actuarial accrued liability as of June 30, 2017, is being amortized using a 19-year closed amortization period using the level of payroll method. Assumption changes, plan changes and gains or losses are being amortized using a 15-year closed period.

Note 11 – Risk Management

The City manages risk by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the City's responsibility.

A. Risk Coverage

The City is a member of the California Joint Powers Risk Management Authority (CJPRMA), which covers general liability, auto and property claims. The City has a self-insured retention of \$500,000 per claim. Once the self-insured retention is met, CJPRMA becomes responsible for payment of all claims up to the limit. During the fiscal year ended June 30, 2017, the City contributed \$544,435 for coverage during the current year.

The City is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), which covers workers' compensation claims up to statutory limits. The City has self-insured retention of up to \$350,000 per claim. During the fiscal year ended June 30, 2017, the City contributed \$612,760 for current year coverage.

The following types of loss risks are covered by the above authorities under the terms of their respective joint-powers agreements and through commercial insurance policies as follows:

Type of Coverage	Coverage Limits	
	City	Alameda Municipal Power
Liability	\$ 40,000,000	\$ 40,000,000
Auto - Physical damage	\$ 5,000,000	Actual cash value
Workers' Compensation	Statutory	Statutory w/ \$5,000,000 in employer's liability
All Risk Fire & Property except earthquake and flood	Replacement cost	Replacement cost
Boiler & Machinery	\$ 21,250,000	Replacement cost
Computer Software	Self-Insured	Self-Insured
Terrorism	\$ 10,000,000	\$ 10,000,000
Vessel	\$ 2,000,000	N/A

Note 11 – Risk Management (Continued)

B. Claims Payable

The Governmental Accounting Standards Board (GASB) requires municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims.

The City's liability for uninsured general liability claims, including claims incurred but not reported, is reported in the City's General Liability Insurance Internal Service Fund and the Alameda Municipal Power Fund. The liability is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	2017	2016
Beginning balance	\$ 3,601,309	\$ 2,467,335
Increase (decrease) in estimated liability for prior year claims	432,987	1,302,729
Claims paid in current year	(223,676)	(168,755)
Ending balance	<u>\$ 3,810,620</u>	<u>\$ 3,601,309</u>
Current portion	<u>\$ 1,499,414</u>	<u>\$ 1,831,821</u>

The change in the Workers' Compensation claims liability, including claims incurred but not reported, as estimated by the City's Risk Manager, as reported in the City's Workers' Compensation Internal Service Fund and Alameda Municipal Power Fund, is based on historical trend information provided by third party administrators and was computed as follows at June 30:

	2017	2016
Beginning balance	\$ 8,261,599	\$ 7,789,797
Increase (decrease) in estimated liability for prior year claims	2,569,574	2,135,337
Claims paid in current year	(1,945,087)	(1,663,535)
Ending balance	<u>\$ 8,886,086</u>	<u>\$ 8,261,599</u>
Current portion	<u>\$ 2,833,177</u>	<u>\$ 2,561,948</u>

The Alameda Municipal Power Fund (AMP) accounts for \$1,341,958 of the total claims liability. The remainder of the liability is accounted for in the General Liability Insurance and Workers' Compensation Insurance Internal Service Funds.

The City's claims settlements have not exceeded insurance coverage for the past three fiscal years.

Note 12 – Alameda Municipal Power Fund Joint Ventures

A. General

The Alameda Municipal Power Fund (AMP) participates in joint ventures through Joint Powers Authorities (JPAs) established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these JPAs exercise full powers and authorities within the scope of the related Joint Powers 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 JPAs are not those of AMP and the other participating entities unless assumed by them.

Each JPA is governed by a board consisting of representatives from each member agency. Each board controls the operations of its respective JPA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the board.

AMP is a member of the Northern California Power Agency (NCPA), a joint powers agency which operates under a joint powers agreement among 14 public agencies (AMP, BART, Biggs, Gridley, Healdsburg, Lompoc, Palo Alto, Ukiah, Lodi, Port of Oakland, Redding, Roseville, Silicon Valley Power, Truckee-Donner PUD). Turlock Irrigation District withdrew from NCPA on April 1, 2011. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, as well as to optimize the use of those facilities and the member's position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

Amounts paid by AMP, net of refunds, to NCPA during the fiscal year ending June 30, 2017 for purchased power was \$28,201,607. Additionally, purchased power was reduced by a refund of \$656,325 for power exchange distribution and budget settlement monies returned to the NCPA General Operating Reserve (GOR), for the fiscal year ended June 30, 2017.

AMP receives no income from NCPA, and does not participate in all of its projects. Further, NCPA does not measure or determine AMP's equity in NCPA as a whole. NCPA reports only AMP's share of its General Operating Reserve, comprised of cash and investments, and AMP's share of those projects in which AMP is a participant. These amounts are reflected in the financial statements as Investment in Joint Venture - Share of Certain NCPA Projects and Reserve.

The changes in AMP's share in NCPA projects and reserves is set forth below:

	June 30, 2017
Beginning balance	\$ 7,520,595
Increase (decrease) in equity in NCPA projects	2,299,095
Ending balance	<u>\$ 9,819,690</u>

Note 12 – Alameda Municipal Power Fund Joint Ventures (Continued)

AMP's interest in NCPA projects and reserve, as computed by NCPA as of June 30, 2017, is set forth below:

General Operating Reserve	\$ 3,138,623
Purchased Power & Transmission	83,220
Share of Scheduling Coordination Balancing Account	1,843,364
Share of Congestion Revenue Rights (CRR)	194,970
Associated Member Services	105,662
Market Purchase Program (MPP) Deposit	699,040
	<u>6,064,879</u>
Alameda Municipal Power's share of NCPA Power Projects	
Geothermal Projects/Power Line	2,207,763
Calaveras Hydroelectric Project	1,379,658
Combustion Turbine Project No. 1	145,466
Combustion Turbine Project No. 2	21,924
	<u>\$ 9,819,690</u>

The General Operating Reserve represents AMP's portion of funds which resulted from the settlement in prior years of issues with financial consequences and reconciliations of several prior years' budgets for programs. These funds are available on demand and earn interest.

Members of NCPA may participate in an individual project of NCPA without obligation for any other project. Member assessments collected for one project may not be used to finance other projects of NCPA without the member's permission.

B. Projects in which Alameda Municipal Power Fund is a Participant

Geothermal Projects

A power purchase agreement with NCPA obligates AMP for 17.05407% of the debt service and the operating costs for two geothermal steam powered generating plants, Plant Number 1 and Plant Number 2, located in the Geysers area in Northern California. In conjunction with these payments, AMP is entitled to receive 16.8825% of the output from these facilities. NCPA continues to pursue alternatives for improving and extending steam field reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA has increased steam production in the vicinity of reinjection wells and has evaluated a number of alternatives to increase water reinjection at strategic locations.

In 2009, NCPA issued the Refunding Series A for \$35,610,000 to improve the Unit 4 steam path, provide for the Middletown booster pump solar project, provide for the Southeast Treatment plant solar project, make a contribution to the Debt Service Reserve Account, and to pay the cost of issuance of the 2009 Series A bonds. In September 2012, the NCPA issued \$12,910,000 of fixed-rate tax-exempt Geothermal Project No. 3 bonds for the purpose of providing funds to finance the costs of acquisition and construction of certain improvements to the Geothermal project as well as make a contribution to the

Note 12 – Alameda Municipal Power Fund Joint Ventures (Continued)

Debt Service Reserve Account and to pay the costs of issuance of the 2012 Series A Bonds. In September 2016, NCPA issued Geothermal Revenue Refunding Bond 2016 Series A for \$17,530,000 to refund a portion of the Geothermal Revenue Bond 2009 Series A (\$15,705,000). The refunding was completed through the issuance of \$17,530,000 fixed rate tax exempt debt (2016 Series A) with a yield of 1.67% with varying principal maturities ranging from \$265,000 to \$3,425,000 through July 1, 2024. The refunding is estimated to have decreased project debt service by an estimated \$1.69 million over the next 8 years, which results in an estimated economic gain to NCPA of approximately \$1.03 million.

AMP is obligated to pay its contractual share of the debt until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2017, the book value of this Project's plant, equipment and other assets was \$90,776,615 while its long-term debt totaled \$32,765,001 and other liabilities totaled \$44,938,357. AMP's share of the Project's long-term debt was \$5,531,551 and other liabilities was \$7,586,718, which amounted to a total long-term debt and other liabilities of \$13,118,269 on that date.

Calaveras Hydroelectric Project

NCPA contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, NCPA has the right to the electric output of the project for 50 years starting in February 1982 and also has an option to purchase power from the project in excess of the District's requirements for the subsequent 50 years, subject to regulatory approval. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants.

During fiscal year 2009, NCPA reduced its obligations on the 1992 Refunding Series A by \$7,105,000 and reduced its 1993 Refunding Series A obligations by \$260,000. In March 2008, NCPA issued the 2008 Refunding Series A for \$85,160,000 and the 2008 Taxable Refunding Series B for \$3,165,000 in variable rate demand bonds for the purpose of providing funds, together with other available moneys, to refund a portion of outstanding Hydroelectric Project Number One Revenue Bonds, 1998 Refunding Series A and to pay costs of issuance of the 2008 Bonds and other costs relating to the refunding of the refunded 1998 Bonds. The refunding was done in order to realize debt service savings under the 2004 Swap Agreement.

Additionally, in response to credit market upheavals and to ensure debt service certainty, in July 2008 the Agency refunded (or purchased from the liquidity providers) the 2002 Hydroelectric Refunding Revenue Bonds Series A & B and the 2003 Hydroelectric Refunding Revenue Bonds Series A & B with outstanding principal of \$140,200,000. The associated interest rate swaps were terminated on July 9, 2008. The refunding was completed through the issuance of \$128,005,000 fixed rate tax exempt debt (2008 Series C) and \$9,505,000 fixed rate taxable debt (2008 Series D). The payment of principal and interest on these issues are covered by financial guaranty insurance policies issued by Assured Guaranty. In 2010, the NCPA issued the 2010 Refunding Series A for \$101,260,000 and 2010 Refunding Series B obligations for \$8,025,000 for the purpose of providing funds to refund the Refunded 1998 Bonds, to deposit the respective 2010 Series debt service reserve account and to pay the cost of issuance of the 2010 Bonds. In 2012, the NCPA issued the 2012 Refunding Series A for \$76,665,000 and 2012 Taxable Refunding Series B obligations for \$7,120,000 for the purpose of providing funds to refund the NCPA's outstanding Hydroelectric Project No. 1 Revenue Bonds, 1998 Refunding Series A, to make a deposit to the debt service reserve account for the 2012 Bonds and to pay cost of issuance of the 2012 Bonds.

Note 12 – Alameda Municipal Power Fund Joint Ventures (Continued)

Under its power purchase agreement with NCPA, AMP is obligated to pay 10.9774% of this Project's debt service and operating costs. The project entitlement share on the Hydroelectric Projects funded with the 2008 Refunding Series C and 2008 Taxable Refunding Series D obligations is 10%. At June 30, 2017, the book value of this Project's plant, equipment and other assets was \$412,237,290, while its long-term debt totaled \$354,298,371 and other liabilities totaled \$44,142,333. AMP's share of the Project's long-term debt and other liabilities amounted to \$39,844,070 on that date.

Combustion Turbine Project No. 1

In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities including Alameda, began full commercial operation in June 1986 and provides reserve and peaking power. During August 2010, Phase 2 of the first amendment to the NCPA power purchase agreement finalized the transfer of ownership of two NCPA electricity generating units to the City of Roseville due to a misalignment of ISO control areas. The transfer reduced the generation output of the project to 74 MW, and increased the entitlement share to 21.82%. Although AMP's project percentage share increases, its resulting generating capacity entitlement remains constant at 16.05 MW. At June 30, 2017, the book value of this Project's plant, equipment and other assets was \$2,869,351 while its long-term debt totaled \$0, and other liabilities totaled \$2,768,875. AMP's share of the Project's long-term debt and other liabilities amounted to \$604,169 on that date.

Combustion Turbine Project No. 2 (Steam Injected Gas Turbine Project)

AMP is a participant in NCPA's 49.8 megawatt Steam Injected Gas Turbine (STIG) project which was built under turnkey contract near the City of Lodi and declared substantially complete on April 23, 1996. In 2010, the NCPA issued 2010 Refunding Series A Revenue Bonds for \$ \$55,120,000 for the purpose refunding the 1999 Refunded Revenue Bonds, contribute to the Debt Service Reserve Account, and to pay costs of issuance of the 2010 Series A Bonds. Under the NCPA power purchase agreement, AMP is obligated to pay 19.00% of the debt service and operating costs for the STIG project.

AMP's participation in procurement of natural gas for fuel for existing and new combustion turbine units was approved in 1993. Although there is currently no additional debt financing, AMP and NCPA have committed to long-term payments for gas transmission pipeline capacity and entered into a purchase contract for natural gas. AMP is obligated to pay 19.00%.

At June 30, 2017, the book value of this Project's plant, equipment and other assets was \$41,211,265 while its long-term debt totaled \$38,163,048 and other liabilities totaled \$2,282,609. AMP's share of the Project's long-term debt and other liabilities amounted to \$7,684,675 on that date.

Graeagle Hydroelectric Project

AMP's participation in this small hydroelectric project was approved in 1993. Although this project does not involve any financing, it does involve a long-term contractual commitment to purchase the power produced by the project. AMP receives 100% of the power output from this small 440 kilowatt hydroelectric project.

Note 12 – Alameda Municipal Power Fund Joint Ventures (Continued)

Western Area Power Administration

AMP has an allocation of power from the Federal Central Valley Project generating resources contracted through the U.S. Department of Energy's Western Area Power Administration. This allocation has been temporarily assigned to NCPA for scheduling and delivery to AMP. AMP pays 1.08075% of the base resource costs and receives that same amount of the base resource, power generated in one federal fiscal year.

Other Power Purchase Agreements

AMP has also entered into a number of other power purchase agreements which are scheduled by or through NCPA.

- ***Highwinds Project Power Purchase***

In December 2004, AMP entered into a long-term power purchase agreement with PPM Energy, Inc. for power supplied by the Highwinds Project in Solano County, California. In 2008, Iberdrola Renewables succeeded PPM Energy as the seller counterparty for this power purchase agreement. AMP receives 6.17% of the output of the 162 megawatt project (nameplate rating) or 10 megawatts through June 30, 2028.

- ***Landfill Gas Projects Power Purchase***

Since 2004, AMP has entered into four long-term power purchase agreements for power supplied by multiple generating facilities. These facilities utilize combustible gaseous emissions from landfills, located in or near the San Francisco Bay area to create power. AMP began receiving nearly 3.45 megawatts of base-load power from the first 2 facilities in 2004 and early 2006. An additional 5.2 megawatts of base-load output was added to AMP's portfolio in April 2009 when the Ox Mountain facility commenced operation. An additional 1.9 megawatts of power was added to AMP's portfolio as the Keller Canyon facility commenced base-load operation in August 2009.

California Electric Industry Restructuring

In September 1996, the California State legislature signed into law Assembly Bill 1890 (AB 1890) deregulating the electric power supply market and restructuring the electric power industry in California. While the majority of the legislation was directed at investor-owned utilities (IOUs), AMP and other California publicly owned utilities were greatly affected by the restructuring of markets and the ensuing wild fluctuations in prices that resulted from a deficiency in generating capacity and an immature and flawed market structure. Because AMP has its own generating resources and is not heavily dependent on the wholesale market to purchase power, it was not significantly impacted by these price swings.

Note 12 – Alameda Municipal Power Fund Joint Ventures (Continued)

In April 2008, the California Independent System Operator (CAISO) launched a new wholesale market structure in the state which is referred to as the Market Redesign and Technology Upgrade (MRTU). While MRTU features a day-ahead energy market with a nodal locational marginal price calculation, both load and resources are currently priced as aggregated pricing. The MRTU initiative has introduced new risks and uncertainties for AMP because the Federal Energy Regulatory Commission (FERC) continues requiring CAISO to implement a disaggregated market that will negatively affect AMP because it is in a transmission constrained location. To establish the extent of the risk and identify its impact to rates, AMP continues to monitor changes that CAISO makes to its market structure and operations.

NCPA plays an active role in protecting members' contractual rights in Federal Energy Regulatory Commission (FERC), California Public Utilities Commission (CPUC), and other legislative/regulatory proceedings. Priorities related to industry restructuring include the preservation of local control authority for publicly owned utilities, assuring open and fair access to wholesale markets and the transmission grid, and maintaining members' preference access to power from the Central Valley Project and Western Area Power Administration.

NCPA Financial Information

NCPA's financial statements can be obtained from NCPA, 651 Commerce Drive, Roseville, California 95678.

Transmission Agency of Northern California (TANC)

AMP is a member of a joint powers agreement with fifteen other entities in TANC. TANC's purpose is to provide electrical transmission or other facilities for the use of its members. While governed by its members, none of TANC's obligations are those of its members unless expressly assumed by them. The California-Oregon Transmission Project (COTP) is one of three high voltage transmission lines connecting Oregon and California. The 500 kV line is able to transmit 1,600 megawatts (MW) of electricity. The COTP participants include the Transmission Agency of Northern California, Western, Pacific Gas & Electricity (PG&E), City of Redding, Carmichael Water District, and the San Juan Water District. Currently, the COTP provides a transmission path for resources that is outside of the CAISO balancing authority. According to the 1985 Project Agreement with TANC for the development of the COTP and subsequent related project agreements, AMP is obligated to pay its share of the project's costs, including debt service and is entitled to the use of a percentage of the project's transmission or transfer capacity.

AMP's entitlement share on COTP is 1.2274% and AMP is obligated to pay 1.33% of the project's operating costs.

AMP is obligated to pay 1.33% of TANC's debt-service related to the California - Oregon Transmission Project (COTP). AMP's share on the 2009 Series A Bonds is 1.4496%. AMP is not obligated for any portion of the 2009 Series B bonds.

These obligations provide AMP with a COTP transfer capability of 17.05 MW. AMP is also obligated to pay for a portion of the debt associated with the South of Tesla transmission, which is provided under an agreement between TANC and PG&E.

Note 12 – Alameda Municipal Power Fund Joint Ventures (Continued)

In May 2009, TANC issued \$67.0 million of tax-exempt 2009 Series A Bonds and \$61.8 million of taxable 2009 Series B Bonds. The proceeds of the Series A Bonds were used to retire a bank loan that refinanced \$30.3 million of TANC's tax-exempt commercial paper and also to refund \$34.7 million of TANC's 2003 Series C Auction Rate Securities. The proceeds of the Series B Bonds were used to retire a bank loan that refinanced \$56.3 million of TANC's taxable commercial paper. The 2009 refunding increased future aggregate debt service payments by \$19.3 million, resulting in a total economic gain of \$6.5 million, the difference between present value of the old and new debt service payments. TANC has issued Revenue Bonds for \$435,790,000 and eliminated its obligations for the Tax Exempt Commercial Paper notes. As of June 30, 2017, AMP's share of this debt is \$0.

As of July 1, 2014, AMP and other NCPA members executed a multiparty Long-Term Layoff Agreement (the Agreement) that laid off their participating percentage share of the COTP to other TANC participants namely the Sacramento Municipal Utility District, the Turlock Irrigation District, and Modesto Irrigation District, for twenty-five (25) years, with the option to extend for an additional five years upon all parties approval. During the layoff period AMP and other NCPA members will not pay any debt service or operating costs. During the term of the Agreement, AMP would relinquish its voting rights on all short-term decisions and actions at TANC related to the COTP.

In 2016, TANC issued \$173.9 million of tax-exempt 2016 Series A Refunding Revenue Bonds. The proceeds of the bonds were used to refund certain outstanding bonds issued by TANC to finance or refinance a portion of the costs of the California – Oregon Transmission Project, fund the costs of terminating in full certain interest rate swap agreements relating to variable rate Refunded Bonds, and fund a Debt Service Reserve Account and pay costs of the issuance of the 2016 Series A Bonds. The 2016 Series A “small member” debt portion is \$2,576,451. AMP is obligated to pay \$54,209, or 2.104% of that debt.

TANC financial information and TANC's financial statements can be obtained from TANC, P.O. Box 15129, Sacramento, California 95851 or from their website at <http://www.tanc.us/financials.html>.

Note 13 – Commitments and Contingencies

A. *City of Alameda*

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

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

Note 13 – Commitments and Contingencies (Continued)

Encumbrances

Encumbrances outstanding as of June 30, 2017, were as listed below:

	Amount
Major Governmental Funds:	
General Fund	\$ 590,368
Base Reuse Special Revenue	390,404
Capital Improvement Projects	2,922,367
Total Major Governmental Funds	<u>3,903,139</u>
Non-Major Governmental Funds:	
Special Revenue Funds	
Tidelands	2,580
Parking Meters	399,089
Maintenance Assessment Districts	44,563
Housing	6,816
FISC Lease Revenue	85,853
Commercial Revitalization	175,512
Garbage/Recycling Surcharge	70,560
Waste Reduction Surcharge	70,327
Athletic Recreation	12,475
Capital Projects Funds	
Emergency Operations Center/Fire Station #3	340,302
Urban Runoff Storm Drain Fee	62,623
Total Non-Major Governmental Funds	<u>1,270,700</u>
Total Governmental Fund Encumbrances	<u>\$ 5,173,839</u>

Operating Lease

In August 2012, the City Council approved a twenty year lease with an option of a five year extension between the City and Greenway Golf Associates, Inc. for the long-term maintenance and operations of the Chuck Corica Golf Complex. The agreement stipulates minimum rent payments to the City that escalate over time to \$350,000 or 10% of gross revenue up to \$4,000,000 and 12% of gross revenues in excess of \$12,000,000 in years 9-20.

B. Alameda Municipal Power Fund

i) Take or Pay Agreements

Under the terms of its NCPA and TANC joint venture agreements, AMP is liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Note 12. AMP's estimated share of such debt outstanding at June 30, 2017 was \$63,044,801. Under certain circumstances, AMP may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, AMP may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants. These "step up" provisions are generally capped at a 25 percent increase.

Note 13 – Commitments and Contingencies (Continued)

Take-or-Pay commitments expire upon final maturity of outstanding debt for each project. Final fiscal year debt expirations are as follows:

Project	Debt Expiration	Entitlement Share %	Debt service %
NCPA - Geothermal Project (NGP)	Jul-2024	16.88250%	17.05407%
NCPA - Calaveras Hydroelectric Project (NCHP)	Jul-2032	10.00000%	10.97740%
NCPA - Capital Facilities Project (NCFP)	Jul-2026	19.00000%	19.00000%
TANC - CA-OR Transmission Project (COTP)	May-2024	1.22740%	1.33000%

As of July 1, 2014, AMP and other NCPA members executed a multiparty Long- Term Layoff Agreement that laid off their participating percentage share of the COTP to other TANC participants.

A summary of AMP’s “Take or Pay” contracts and related projects and its contingent liability for the debt service including principal and interest payments at June 30, 2017 is as follows:

Fiscal Year	NGP	NCHP	NCFP	Total
2018	\$ 785,243	\$ 3,862,951	\$ 1,063,047	\$ 5,711,241
2019	815,128	3,863,509	1,075,844	5,754,481
2020	815,322	3,673,924	1,080,363	5,569,609
2021	816,813	3,678,169	1,095,509	5,590,491
2022	817,612	3,662,968	1,068,208	5,548,788
2023-2027	1,992,381	15,928,125	3,530,947	21,451,453
2028-2032		10,668,362		10,668,362
2033		2,521,093		2,521,093
Total	<u>\$ 6,042,499</u>	<u>\$ 47,859,101</u>	<u>\$ 8,913,918</u>	<u>\$ 62,815,518</u>

ii) Lease Agreement with 1835 Alameda Property, LLC

In March 2016, AMP entered into a property lease agreement with the 1835 Alameda Property, LLC for warehousing/distributing space. The lease terms for the agreement started on May 1, 2016 and will expire on April 30, 2031. The base rent is \$24,700 per month.

Fiscal Year	
2018	\$ 296,400
2019	297,882
2020	306,818
2021	316,023
2022	325,504
2023-2027	1,779,988
2028-2031	1,553,498
Total	<u>\$ 4,876,113</u>

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities

A. *Redevelopment Dissolution*

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except action required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

In addition, ABx1 26 and AB1484 direct the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between the agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency.

Effective January 31, 2012 the Community Improvement Commission (CIC) was dissolved. Certain assets of the CIC Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining CIC assets and liabilities were distributed to a Successor Agency.

The City elected to become the Successor Agency and on February 1, 2012 the CIC's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including the City Manager and one former CIC employee appointed by the Mayor.

The activities of the Successor Agency are reported in the Successor Agency Private Purpose Trust Fund as the activities are under control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former CIC.

Cash and investments of the Successor Agency as of June 30, 2017 are discussed in Note 2. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2017.

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

B. Long-Term Debt

The Successor Agency assumed long-term debt from the Redevelopment Agency, including the following, which remained outstanding:

Current Year Transaction and Balances

	CUSIP Number	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017	Due within one year
2011 Tax Allocation Bonds, Series A & B	010781DZ2	\$ 10,740,000	\$ -	\$ (10,740,000)	\$ -	\$ -
Discount		(104,438)		104,438		
2014 A SA CIC Tax Exempt Bonds	Not available	23,495,000			23,495,000	
2014 B SA CIC Taxable Bonds	Not available	22,625,000		(1,895,000)	20,730,000	1,920,000
Premium		3,269,295		(190,228)	3,079,067	
2017 SA CIC Taxable Bonds	Not available		12,850,000		12,850,000	
Discount			(180,706)	470	(180,236)	
Total Bonds		<u>\$ 60,024,857</u>	<u>\$ 12,669,294</u>	<u>\$ (12,720,320)</u>	<u>\$ 59,973,831</u>	<u>\$ 1,920,000</u>

2011 Community Improvement Commission Tax Allocation Bonds

On May 1, 2011, the Community Improvement Commission issued Series 2011 A Subordinated Tax Allocation Housing Bonds in the principal amount of \$9,870,000 and Series 2011 B Subordinated Tax Allocation Housing Bonds in the principal amount of \$1,165,000, for a total original principal amount of \$11,035,000, for the Commission's merged improvement areas. Proceeds from the sale of the Bonds will be used to (a) finance certain housing activities of the Agency, (b) refinance the obligations of the Agency under a 1992 Loan Agreement, (c) make a deposit to the Reserve Account for the Bonds in an amount equal to the initial Reserve Requirement, and (d) pay the costs of issuing the Bonds. The Series 2011 A and B are secured by a subordinate pledge of tax revenues. Principal and interest are payable annually on September 1 through 2041. The interest rates on the bonds vary from 2% to 8.5%. The bonds were issued at a \$125,326 discount. These bonds were paid off during the current year.

2014 Community Improvement Commission Tax Allocation Refunding Bonds

On December 23, 2014, the Successor Agency issued Series 2014 A Subordinated Tax Allocation Refunding Bonds in the principal amount of \$23,495,000 and Series 2014 B Subordinated Tax Allocation Refunding Bonds in the principal amount of \$25,080,000, for a total original principal amount of \$48,575,000, for the former agency's merged improvement areas. Proceeds from the sale of the Bonds will be used to (a) refund certain outstanding bonds issued by the former Community Improvement Commission of the City of Alameda (Former Agency), the proceeds of which were used to finance redevelopment and low and moderate income housing activities within and for the benefit of the redevelopment project areas of the Former Agency, (b) purchase a municipal bond insurance policy in lieu of funding a debt service reserve account for the Bonds, and (c) provide for the costs of issuing the bonds. The Series 2014 A and B Bonds are secured by a first lien on tax revenues. Principal and interest are payable annually on September 1 through 2041. The interest rates on the bonds vary from 2% to 8.5%. The bonds were issued at a \$3,565,319 premium. The outstanding balance as of June 30, 2017 was \$47,304,068, net of premium.

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

2017 Community Improvement Commission Tax Allocation Refunding Bonds

On May 11, 2017, the Successor Agency issued Series 2017 Taxable Tax Allocation Refunding Bonds in the principal amount of \$12,850,000 for the former agency's merged improvement areas. Proceeds from the sale of the Bonds will be used to (a) refund certain outstanding bonds issued by the former Community Improvement Commission of the City of Alameda (Former Agency), the proceeds of which were used to finance redevelopment and low and moderate income housing activities within and for the benefit of the redevelopment project areas of the Former Agency, (b) purchase a debt service reserve insurance policy in lieu of funding a debt service reserve fund for the Bonds, and (c) pay the costs of issuing the Bonds. The Series 2017 Bonds are secured by a lien on tax revenues. Principal and interest are payable semiannually on March 1 and September 1 through 2041. The interest rates on the bonds vary from 1.5% to 4.2%. The bonds were issued at an \$180,706 discount. The outstanding balance as of June 30, 2017 was \$12,669,764 net of discount.

With the dissolution of the CIC discussed previously, tax increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the CIC, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total property taxes received by the Successor Agency in the current fiscal year were \$10,698,058, which represented coverage of 2.87 times the \$3,732,887 of debt service.

Debt Service Requirements

Annual debt service requirements are shown below.

For the Year Ending June 30,	Principal	Interest
2018	\$ 1,920,000	\$ 2,167,970
2019	2,045,000	2,260,169
2020	2,200,000	2,210,941
2021	2,315,000	2,151,516
2022	2,405,000	2,082,211
2023-2027	13,875,000	9,034,267
2028-2032	18,160,000	5,533,297
2033-2037	12,355,000	1,352,234
2038-2042	1,800,000	206,763
Subtotal	57,075,000	\$ 26,999,367
Plus unamortized bond premium	3,079,067	
Less unamortized bond discount	(180,236)	
Total	\$ 59,973,831	

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

C. State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time.

Note 15 – Restatement

As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as of July 1, 2016. The impact of the implementation on the beginning net position is as follows:

	June 30, 2016		July 1, 2016
Governmental Activities	Previously Presented	Restatement	Restated
Pension Obligation	\$ 686,000	\$ (686,000)	\$ -
Pension liability	-	10,266,857	10,266,857
Net position, beginning of year	177,360,242	(9,580,857)	167,779,385

CALPERS AGENT-MULTIPLE EMPLOYER MISCELLANEOUS PLAN

Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Years*

	2017	2016	2015
Total pension liability			
Service cost	\$ 3,760,714	\$ 3,766,998	\$ 3,808,115
Interest on the total pension liability	18,828,640	18,158,298	17,592,705
Changes of assumptions		(4,194,628)	
Difference between expected and actual experience	163,395	(1,883,727)	
Benefit payments, including refunds of employee contributions	(13,711,596)	(12,934,211)	(12,081,658)
Net change in total pension liability	9,041,153	2,912,730	9,319,162
Total pension liability - beginning	250,938,066	248,025,336	238,706,174
Total pension liability - ending (a)	259,979,219	250,938,066	248,025,336
Plan fiduciary net position			
Contributions - employer	4,525,123	3,713,053	3,088,658
Contributions - employee	2,159,065	2,094,771	2,206,769
Net investment income	1,095,194	4,478,705	30,399,751
Benefit payments, including refunds of employee contributions	(13,711,596)	(12,934,211)	(12,081,658)
Plan to Plan Resource Movement		(2,433,966)	
Administrative Expense	(119,223)	(222,927)	
Net change in fiduciary net position	(6,051,437)	(5,304,575)	23,613,520
Plan fiduciary net position - beginning	195,624,915	200,929,490	177,315,970
Plan fiduciary net position - ending (b)	189,573,478	195,624,915	200,929,490
Net pension liability - ending (a) - (b)	\$ 70,405,741	\$ 55,313,151	\$ 47,095,846
Plan fiduciary net position as a percentage of the total pension liability	72.92%	77.96%	81.01%
Covered payroll	\$ 26,437,131	\$ 25,612,255	\$ 24,479,720
Net pension liability as a percentage of covered payroll	266.31%	215.96%	192.39%
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014

*Fiscal year 2015 was the first year of implementation, therefore, only three years are shown.

CALPERS AGENT-MULTIPLE EMPLOYER SAFETY PLAN
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Years*

	2017	2016	2015
Total pension liability			
Service cost	\$ 6,047,019	\$ 6,121,040	\$ 6,141,031
Interest on the total pension liability	28,386,449	27,178,001	25,739,517
Changes in assumptions	-	(6,618,407)	
Difference between expected and actual experience	2,256,432	5,283,538	
Benefit payments, including refunds of employee contributions	(20,335,284)	(19,108,175)	(17,814,345)
Net change in total pension liability	16,354,616	12,855,997	14,066,203
Total pension liability - beginning	375,952,409	363,096,412	349,030,209
Total pension liability - ending (a)	392,307,025	375,952,409	363,096,412
Plan fiduciary net position			
Contributions - employer	9,569,765	9,071,332	8,190,138
Contributions - employee	3,329,883	2,920,035	3,115,074
Net investment income	1,191,816	5,399,063	36,726,928
Benefit payments, including refunds of employee contributions	(20,335,284)	(19,108,175)	(17,814,345)
Administrative expense	(147,352)	(272,101)	
Net change in fiduciary net position	(6,391,172)	(1,989,846)	30,217,795
Plan fiduciary net position - beginning	241,779,059	243,768,905	213,551,110
Plan fiduciary net position - ending (b)	235,387,887	241,779,059	243,768,905
Net pension liability - ending (a) - (b)	\$ 156,919,138	\$ 134,173,350	\$ 119,327,507
Plan fiduciary net position as a percentage of the total pension liability	60.00%	64.31%	67.14%
Covered payroll	\$ 25,965,660	\$ 25,200,216	\$ 23,779,986
Net pension liability as a percentage of covered payroll	604.33%	532.43%	501.80%
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014

*Fiscal year 2015 was the first year of implementation, therefore, only three years are shown.

CALPERS AGENT-MULTIPLE EMPLOYER PLAN - MISCELLANEOUS
Schedule of Contributions
Last Ten Years*

	2017	2016	2015
Actuarially determined contributions	\$ 5,265,991	\$ 4,527,506	\$ 3,713,053
Contributions in relation to the actuarially determined contribution	5,265,991	4,527,506	3,713,053
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 24,097,559	\$ 26,437,131	\$ 25,612,255
Contributions as a percentage of covered payroll	21.85%	17.13%	14.50%

Notes to Schedule

Valuation date:	6/30/2014	6/30/2013	6/30/2012
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Asset valuation method	Market value	Actuarial value of assets	Actuarial value of assets
Inflation	2.75%	2.75%	2.75%
Salary increases	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50%, net of administrative expenses, includes inflation.	7.50%, net of administrative expenses, includes inflation.	7.50%, net of administrative expenses, includes inflation.
Retirement age	50-67 years	50-67 years	50-67 years
Mortality	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

*Fiscal year 2015 was the first year of implementation, therefore, only three years are shown.

CALPERS AGENT-MULTIPLE EMPLOYER PLAN - SAFETY
Schedule of Contributions
Last Ten Years*

	2017	2016	2015
Actuarially determined contributions	\$ 10,530,166	\$ 9,572,502	\$ 9,071,332
Contributions in relation to the actuarially determined contribution	10,530,166	9,572,502	9,071,332
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 18,650,501	\$ 25,965,660	\$ 25,200,216
Contributions as a percentage of covered payroll	56.46%	36.87%	36.00%

Notes to Schedule

Valuation date:	6/30/2014	6/30/2013	6/30/2012
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Asset valuation method	Market value	Actuarial value of assets	Actuarial value of assets
Inflation	2.75%	2.75%	2.75%
Salary increases	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50%, net of administrative expenses, includes inflation.	7.50%, net of administrative expenses, includes inflation.	7.50%, net of administrative expenses, includes inflation.
Retirement age	50-67 years	50-67 years	50-67 years
Mortality	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

*Fiscal year 2015 was the first year of implementation, therefore, only three years are shown.

1079 & 1082 PENSION PLAN
Schedule of Changes in Total Pension Liability and Related Ratios
Last Ten Years*

	2017
Total pension liability	
Interest on the total pension liability	\$ 349,073
Difference between expected and actual experience	39,819
Benefit payments	(1,448,612)
Net change in total pension liability	(1,059,720)
Total pension liability - beginning	10,266,857
Total pension liability - ending	<u>\$ 9,207,137</u>

Measurement date

June 30, 2017

Note to Schedule:

No assets are accumulated in a trust that meets all of the following criteria of GASBS No. 73, paragraph 4:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

The plan is a closed plan and there are no active employees participating in the Plan.

*Fiscal year 2017 was the first year of implementation, therefore, only one year is shown.

OTHER POST-EMPLOYMENT BENEFITS SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded Actuarial Liability as Percentages of Covered Payroll [(B-A)/C]
1/1/2011	\$ -	\$ 86,416,000	\$ 86,416,000	0.00%	\$ 45,825,000	189%
1/1/2013	-	91,172,000	91,172,000	0.00%	42,055,000	217%
1/1/2015	177,000	113,164,000	112,987,000	0.16%	47,679,000	237%



Special Revenue Funds:***Community Development***

This fund accounts for the activities and services of the Planning and Building Divisions. Revenues are derived from fees, licenses, and fines collected in conjunction with the planning, permitting and enforcement activities of the department in accordance with state law, requiring fees not to exceed the cost of providing services. Expenditures are made in support of the administration of the divisions, the provision and enhancement of services, and the enforcement of municipal codes.

Library

This fund accounts for revenues received from a library tax, library grants and operating transfers from the General Fund for the operations of the City's three libraries.

Gas Tax

This fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Sections 2105, 2106, 2107, 2107.5 and 7360. The allocations must be expended for street related maintenance and construction and a limited amount for engineering.

Asset Seizure/Traffic Safety

This fund accounts for restricted Asset Seizure/Traffic Safety funds to be used for eligible Public Safety Programs.

County Measure B/BB

This fund accounts for the City's share of the proceeds of a one-half cent sales tax increase approved by the voters in November 2000, which was renewed in November 2014. The program is administered by the Alameda County Transportation Commission. The tax provides funds for the maintenance of local streets, roads, bike paths and pedestrian walkways and paratransit operations.

Tidelands

This fund accounts for revenues received from tidelands property leases. Leases are for state tidelands properties delegated to local agencies for management and control.

Parking Meter

This fund accounts for revenues collected from parking meters and the expenditure of these revenues for parking and transportation related projects.

Commercial Revitalization

This fund accounts for funds to be used for the City's commercial revitalization programs.

Community Development Block Grant

This fund accounts for grant funds received under the Community Development Act of 1974 for activities approved and subject to federal regulations.

Housing Special Revenue Fund - This fund accounts for funds received from developer impact fees to be used for affordable housing programs in the City.

Garbage/Recycling Surcharge

This fund accounts for revenues and expenditures of the City's waste management and recycling programs.

Athletic Recreation

This fund accounts for revenues and expenditures of the various City recreation fee based programs.

Grants

This fund accounts for revenues received from Federal, State, County and private grants.

Waste Reduction Surcharge

This fund accounts for revenues and expenditures related to the operation of the City's waste management and recycling programs.

Maintenance Assessment Districts

This fund accounts for special assessments collected and expended for various landscaping and maintenance areas throughout the City.

Vehicle Registration Fee

This fund accounts for vehicle registration fees collected by the County to be used to sustain the County's transportation network and reduce traffic congestion.

Parking

This fund accounts for restricted revenues from the Civic Center garage and City parking lots. Expenditures support parking and transportation related projects.

FISC Lease Revenue Special Revenue Fund

This fund accounts for revenues from the Fleet Industrial Supply Center (FISC) lease and related capital improvement expenditures.

Debt Service Funds:***City Hall and Library Bonds***

This fund accounts for the repayment of two bonds that were issued to fund various improvements and the construction of a new library.

Base Reuse

The 2003 Variable Rate Demand Revenue Bonds were issued in December 2003 by the Alameda Public Financing Authority to refund the 1999 Base Reuse Revenue Bonds and to finance professional land use planning and other activities required in the redevelopment process at Alameda Point. The debt will be repaid solely from lease revenues related to base reuse.

Capital Projects Funds:***Construction Impact Fee***

This fund accounts for revenues from development impact fees required from certain new developments. Funds are used to mitigate the impacts on public facilities and infrastructure caused by these developments.

Streets/Transportation

This fund accounts for expenditures for street and transportation projects.

Citywide Development Fee

This fund accounts for revenues from citywide development impact fees required from certain new developments. Funds are used to mitigate the impacts on availability and condition of public facilities caused by these developments.

Urban Runoff Storm Drain Fee

This fund accounts for revenues and expenditures associated with the City's compliance under the Alameda County Urban Runoff Clean Water Program.

Maintenance Assessment Districts

This fund accounts for bond proceeds used to finance the construction and acquisition of public improvements in the District.

Emergency Operation Center/Fire Station #3

This fund accounts for the revenues and expenditures related to the construction of a new Emergency Operation Center and Fire Station #3.



City of Alameda
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2017

	SPECIAL REVENUE FUNDS			
	Community Development	Library	Gas Tax	Asset Seizure/ Traffic Safety
ASSETS:				
Cash and cash equivalents	\$ 1,665,808	\$ 2,836,749	\$ -	\$ 77,532
Restricted cash and investments			1,345,777	
Accounts receivable	42,431	114,236		
Prepays and deposits				
Due from other agencies	13,751			
Loans receivable				
Advances to other funds				
Total Assets	<u>\$ 1,721,990</u>	<u>\$ 2,950,985</u>	<u>\$ 1,345,777</u>	<u>\$ 77,532</u>
LIABILITIES:				
Accounts payable	\$ 94,934	\$ 64,049	\$ 20,706	\$ 5,011
Accrued payroll	49,836	43,321	2,817	
Accrued interest				
Due to other funds				
Due to other agencies	4,956			15,440
Unearned revenue				
Refundable deposits	667,160			
Advances from other funds				
Total Liabilities	<u>816,886</u>	<u>107,370</u>	<u>23,523</u>	<u>20,451</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - revolving loans receivable				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Restricted			1,322,254	57,081
Committed	905,104	2,843,615		
Unassigned				
Total Fund Balances	<u>905,104</u>	<u>2,843,615</u>	<u>1,322,254</u>	<u>57,081</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,721,990</u>	<u>\$ 2,950,985</u>	<u>\$ 1,345,777</u>	<u>\$ 77,532</u>

SPECIAL REVENUE FUNDS

County Measure B/BB	Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Housing
\$ 5,072,984	\$ 2,720,564	\$ 3,321,235	\$ 1,396,999	\$ 692,590	\$ 1,248,868
679,305		6,188	712	132,612	
				2,571,208	1,681,363
<u>\$ 5,752,289</u>	<u>\$ 2,720,564</u>	<u>\$ 3,327,423</u>	<u>\$ 1,397,711</u>	<u>\$ 3,396,410</u>	<u>\$ 2,930,231</u>
\$ -	\$ 9,260 4,601	\$ 29,305 3,412	\$ 46,661	\$ 97,462 232 4,441	\$ 154,203 1,909
<u>-</u>	<u>13,861</u>	<u>32,717</u>	<u>46,661</u>	<u>102,135</u>	<u>156,112</u>
				2,571,208	1,681,363
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,571,208</u>	<u>1,681,363</u>
5,752,289	2,706,703	3,294,706	1,351,050	723,067	1,092,756
<u>5,752,289</u>	<u>2,706,703</u>	<u>3,294,706</u>	<u>1,351,050</u>	<u>723,067</u>	<u>1,092,756</u>
<u>\$ 5,752,289</u>	<u>\$ 2,720,564</u>	<u>\$ 3,327,423</u>	<u>\$ 1,397,711</u>	<u>\$ 3,396,410</u>	<u>\$ 2,930,231</u>

(Continued)

City of Alameda
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2017

	SPECIAL REVENUE FUNDS			
	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund	Waste Reduction Surcharge
ASSETS:				
Cash and cash equivalents	\$ 1,407,544	\$ 2,303,199	\$ 685,259	\$ 2,994,945
Restricted cash and investments		467,384		
Accounts receivable		92,341	404,202	107,234
Prepays and deposits		1,115		
Due from other agencies				
Loans receivable				
Advances to other funds				
Total Assets	<u>\$ 1,407,544</u>	<u>\$ 2,864,039</u>	<u>\$ 1,089,461</u>	<u>\$ 3,102,179</u>
LIABILITIES:				
Accounts payable	\$ 316	\$ 144,890	\$ 1,803	\$ 44,326
Accrued payroll	526	62,635	12,886	9,526
Accrued interest				
Due to other funds				
Due to other agencies				67,377
Unearned revenue		139,512	305,480	
Refundable deposits		56,274		
Advances from other funds				
Total Liabilities	<u>842</u>	<u>403,311</u>	<u>320,169</u>	<u>121,229</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - revolving loans receivable				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Restricted	1,406,702		769,292	2,980,950
Committed		2,460,728		
Unassigned				
Total Fund Balances	<u>1,406,702</u>	<u>2,460,728</u>	<u>769,292</u>	<u>2,980,950</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,407,544</u>	<u>\$ 2,864,039</u>	<u>\$ 1,089,461</u>	<u>\$ 3,102,179</u>

SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS	
Maintenance Assessment Districts	Vehicle Registration Fee	Parking	FISC Lease Revenue	City Hall and Library Bonds	Base Reuse
\$ 6,737,323 357,131 80,609	\$ 397,221 60,304	\$ 487,342	\$ 3,564,292 26,624	\$ 484,385 898,241 32,635	\$ 2,544 21,232
			700,000		
<u>\$ 7,175,063</u>	<u>\$ 457,525</u>	<u>\$ 487,342</u>	<u>\$ 4,290,916</u>	<u>\$ 1,415,261</u>	<u>\$ 23,776</u>
\$ 235,418 5,387	\$ -	\$ -	\$ 23,790 6,640	\$ -	\$ 2,543
		33,112	96,905		
<u>240,805</u>	<u>-</u>	<u>33,112</u>	<u>127,335</u>	<u>-</u>	<u>2,543</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,934,258	457,525	454,230	4,163,581	1,415,261	21,233
<u>6,934,258</u>	<u>457,525</u>	<u>454,230</u>	<u>4,163,581</u>	<u>1,415,261</u>	<u>21,233</u>
<u>\$ 7,175,063</u>	<u>\$ 457,525</u>	<u>\$ 487,342</u>	<u>\$ 4,290,916</u>	<u>\$ 1,415,261</u>	<u>\$ 23,776</u>

(Continued)

City of Alameda
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2017

	CAPITAL PROJECTS FUNDS			
	Construction Impact Fee	Streets / Transportation	Citywide Development Fee	Urban Runoff Storm Drain Fee
ASSETS:				
Cash and cash equivalents	\$ 2,899,722	\$ 2,166,845	\$ 4,423,226	\$ 5,702,540
Restricted cash and investments				17,300
Accounts receivable	12,487	737		113,408
Prepays and deposits				
Due from other agencies				
Loans receivable				
Advances to other funds				
Total Assets	<u>\$ 2,912,209</u>	<u>\$ 2,167,582</u>	<u>\$ 4,423,226</u>	<u>\$ 5,833,248</u>
LIABILITIES:				
Accounts payable	\$ -	\$ 10,794	\$ -	\$ 93,604
Accrued payroll		490		26,465
Accrued interest				
Due to other funds				
Due to other agencies				
Unearned revenue				
Refundable deposits			1,500	52,712
Advances from other funds			1,400,000	
Total Liabilities	<u>-</u>	<u>11,284</u>	<u>1,401,500</u>	<u>172,781</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - revolving loans receivable				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Restricted	2,912,209	2,156,298	3,021,726	5,660,467
Committed				
Unassigned				
Total Fund Balances	<u>2,912,209</u>	<u>2,156,298</u>	<u>3,021,726</u>	<u>5,660,467</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,912,209</u>	<u>\$ 2,167,582</u>	<u>\$ 4,423,226</u>	<u>\$ 5,833,248</u>

CAPITAL PROJECTS FUNDS

Maintenance Assessment Districts	Emergency Operation Center / Fire Station #3	Total Non-Major Governmental Funds
\$ 2,524,376	\$ 90,712	\$ 55,904,804
	2,036,481	5,143,546
2,450	23,380	1,931,895
		1,115
		13,751
		4,252,571
		700,000
<u>\$ 2,526,826</u>	<u>\$ 2,150,573</u>	<u>\$ 67,947,682</u>
\$ -	\$ 52,431	\$ 1,131,506
		230,683
		4,441
	1,833,412	1,833,412
		87,773
		444,992
		907,663
	747,881	2,147,881
<u>-</u>	<u>2,633,724</u>	<u>6,788,351</u>
		4,252,571
<u>-</u>	<u>-</u>	<u>4,252,571</u>
2,526,826	2,036,481	44,407,608
		15,018,784
	(2,519,632)	(2,519,632)
<u>2,526,826</u>	<u>(483,151)</u>	<u>56,906,760</u>
<u>\$ 2,526,826</u>	<u>\$ 2,150,573</u>	<u>\$ 67,947,682</u>



City of Alameda
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the year ended June 30, 2017

	SPECIAL REVENUE FUNDS			
	Community Development	Library	Gas Tax	Asset Seizure / Traffic Safety
REVENUES:				
Property taxes		\$ 2,193,249		
Other local taxes				
Licenses and permits	\$ 2,853,769			
Revenue from other agencies		43,489	\$ 1,504,429	
Charges for current services	1,316,559	57,495	2,863	
Fines and forfeitures	141,995			
Use of money and property	3,884	9,136	(7,564)	\$ 669
Other revenues				
Total Revenues	4,316,207	2,303,369	1,499,728	669
EXPENDITURES:				
Current:				
General government				11,677
Police				
Fire				
Public works			592,670	
Community development	4,271,558			
Community services		3,851,697		
Housing				
Capital outlay		26,570		
Debt Service:				
Principal				
Interest				
Total Expenditures	4,271,558	3,878,267	592,670	11,677
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	44,649	(1,574,898)	907,058	(11,008)
OTHER FINANCING SOURCES (USES):				
Transfers In		2,097,000		
Transfers (Out)			(1,399,262)	
Total Other Financing Sources (Uses)	-	2,097,000	(1,399,262)	-
Net Changes in Fund Balances	44,649	522,102	(492,204)	(11,008)
BEGINNING FUND BALANCES	860,455	2,321,513	1,814,458	68,089
ENDING FUND BALANCES	\$ 905,104	\$ 2,843,615	\$ 1,322,254	\$ 57,081

SPECIAL REVENUE FUNDS

County Measure B/BB	Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Housing
\$ 4,393,944		\$ 1,407,677 60,000		\$ 756,657	
20,170	\$ 809,129	3,921	\$ 47,100	225,938	\$ 257,808
		26,997	185,138	339	49,730
4,414,114	809,129	1,498,595	232,238	982,934	307,538
	940,461	709,058			
			91,486	756,656	783,292
-	940,461	709,058	91,486	756,656	783,292
4,414,114	(131,332)	789,537	140,752	226,278	(475,754)
(5,543,347)		(677,079)			399,514
(5,543,347)	-	(677,079)	-	-	399,514
(1,129,233)	(131,332)	112,458	140,752	226,278	(76,240)
6,881,522	2,838,035	3,182,248	1,210,298	496,789	1,168,996
\$ 5,752,289	\$ 2,706,703	\$ 3,294,706	\$ 1,351,050	\$ 723,067	\$ 1,092,756

(Continued)



City of Alameda
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the year ended June 30, 2017

	SPECIAL REVENUE FUNDS			
	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund	Waste Reduction Surcharge
REVENUES:				
Property taxes				
Other local taxes	\$ 178,240			
Licenses and permits			\$ 1,250	
Revenue from other agencies		\$ 97,240	1,857,015	\$ 275,886
Charges for current services		2,325,019		434,541
Fines and forfeitures				
Use of money and property	2,551	629,628	(2,332)	4,398
Other revenues		111,672	13,019	117,877
Total Revenues	180,791	3,163,559	1,868,952	832,702
EXPENDITURES:				
Current:				
General government	81,647	4,641,869		
Police			53,091	
Fire			1,672,191	
Public works				929,153
Community development				
Community services				
Housing			90,995	
Capital outlay			145,247	3,974
Debt Service:				
Principal				
Interest				
Total Expenditures	81,647	4,641,869	1,961,524	933,127
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	99,144	(1,478,310)	(92,572)	(100,425)
OTHER FINANCING SOURCES (USES):				
Transfers In		1,749,000	54,000	
Transfers (Out)	(50,000)	(711,000)		
Total Other Financing Sources (Uses)	(50,000)	1,038,000	54,000	-
Net Changes in Fund Balances	49,144	(440,310)	(38,572)	(100,425)
BEGINNING FUND BALANCES	1,357,558	2,901,038	807,864	3,081,375
ENDING FUND BALANCES	\$ 1,406,702	\$ 2,460,728	\$ 769,292	\$ 2,980,950

SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS	
Maintenance Assessment Districts	Vehicle Registration Fee	Parking	FISC Lease Revenue	City Hall and Library Bonds	Base Reuse
\$ 2,531,890				\$ 686,548	
	\$ 336,579		\$ 184,401		
15,307	486	\$ 373,225	1,013,755	6,150	\$ 28
43,992				132	
2,591,189	337,065	373,225	1,198,156	692,830	28
434,922				4,490	
1,438,198			1,040,944		
			1,303		
				1,360,000	400,000
				1,014,909	90,449
1,873,120	-	-	1,042,247	2,379,399	490,449
718,069	337,065	373,225	155,909	(1,686,569)	(490,421)
				1,681,686	502,114
(48,995)	(500,000)	(372,000)			
(48,995)	(500,000)	(372,000)	-	1,681,686	502,114
669,074	(162,935)	1,225	155,909	(4,883)	11,693
6,265,184	620,460	453,005	4,007,672	1,420,144	9,540
\$ 6,934,258	\$ 457,525	\$ 454,230	\$ 4,163,581	\$ 1,415,261	\$ 21,233

(Continued)



City of Alameda
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the year ended June 30, 2017

	CAPITAL PROJECTS FUNDS			
	Construction Impact Fee	Streets/ Transportation	Citywide Development Fee	Urban Runoff Storm Drain Fee
REVENUES:				
Property taxes	\$ 1,184,484	\$ 553,518		\$ 2,117,695
Other local taxes		94,539	\$ 1,761,029	
Licenses and permits	178,666			
Revenue from other agencies				
Charges for current services		32,121		
Fines and forfeitures				
Use of money and property	10,853	1,087	6,036	7,715
Other revenues				9,341
Total Revenues	<u>1,374,003</u>	<u>681,265</u>	<u>1,767,065</u>	<u>2,134,751</u>
EXPENDITURES:				
Current:				
General government	2,532	15,873		
Police				
Fire				
Public works		500,000		
Community development				
Community services		182,020		
Housing				
Capital outlay		16,776		2,593,740
Debt Service:				
Principal				
Interest				
Total Expenditures	<u>2,532</u>	<u>714,669</u>	<u>-</u>	<u>2,593,740</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,371,471</u>	<u>(33,404)</u>	<u>1,767,065</u>	<u>(458,989)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In		160,626		425,274
Transfers (Out)	<u>(1,190,985)</u>	<u>(20,000)</u>	<u>(1,042,884)</u>	<u>(209,210)</u>
Total Other Financing Sources (Uses)	<u>(1,190,985)</u>	<u>140,626</u>	<u>(1,042,884)</u>	<u>216,064</u>
Net Changes in Fund Balances	180,486	107,222	724,181	(242,925)
BEGINNING FUND BALANCES	<u>2,731,723</u>	<u>2,049,076</u>	<u>2,297,545</u>	<u>5,903,392</u>
ENDING FUND BALANCES	<u>\$ 2,912,209</u>	<u>\$ 2,156,298</u>	<u>\$ 3,021,726</u>	<u>\$ 5,660,467</u>

CAPITAL PROJECTS FUNDS

<u>Maintenance Assessment District</u>	<u>Emergency Operations Center / Fire Station #3</u>	<u>Total Non-Major Governmental Funds</u>
\$ 294,134		\$ 9,561,518
		2,033,808
		3,033,685
		9,449,640
		5,576,275
		201,995
6,620		3,445,698
	\$ 23,380	581,617
<u>300,754</u>	<u>23,380</u>	<u>33,884,236</u>
	3,914,831	10,757,360
		53,091
		1,672,191
		3,460,021
		5,312,502
		4,033,717
		1,722,429
401,964	13,104	3,202,678
		1,760,000
	57,672	1,163,030
<u>401,964</u>	<u>3,985,607</u>	<u>33,137,019</u>
<u>(101,210)</u>	<u>(3,962,227)</u>	<u>747,217</u>
	1,430,346	8,499,560
<u>(101,580)</u>		<u>(11,866,342)</u>
<u>(101,580)</u>	<u>1,430,346</u>	<u>(3,366,782)</u>
(202,790)	(2,531,881)	(2,619,565)
<u>2,729,616</u>	<u>2,048,730</u>	<u>59,526,325</u>
<u>\$ 2,526,826</u>	<u>\$ (483,151)</u>	<u>\$ 56,906,760</u>



City of Alameda
Budgeted Non-Major Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual
For the year ended June 30, 2017

	SPECIAL REVENUE FUNDS					
	COMMUNITY DEVELOPMENT			LIBRARY		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes				\$ 2,040,000	\$ 2,193,249	\$ 153,249
Other local taxes						
Licenses and permits	\$ 2,943,000	\$ 2,853,769	\$ (89,231)			
Revenue from other agencies				76,000	43,489	(32,511)
Charges for current services	1,370,000	1,316,559	(53,441)	50,000	57,495	7,495
Fines and forfeitures	600,000	141,995	(458,005)			
Use of money and property	5,000	3,884	(1,116)	11,000	9,136	(1,864)
Other revenues						
Total Revenues	4,918,000	4,316,207	(601,793)	2,177,000	2,303,369	126,369
EXPENDITURES:						
Current:						
General government						
Police						
Fire						
Public works						
Community development	4,818,723	4,271,558	547,165			
Community services				4,335,519	3,851,697	483,822
Housing						
Capital outlay				50,481	26,570	23,911
Debt Service:						
Principal						
Interest						
Total Expenditures	4,818,723	4,271,558	547,165	4,386,000	3,878,267	507,733
EXCESS OF REVENUES OVER EXPENDITURES	99,277	44,649	(54,628)	(2,209,000)	(1,574,898)	634,102
OTHER FINANCING SOURCES (USES):						
Transfers In				2,097,000	2,097,000	
Transfers (Out)						
Total Other Financing Sources (Uses)	-	-	-	2,097,000	2,097,000	-
Net Change in Fund Balance	\$ 99,277	44,649	\$ (54,628)	\$ (112,000)	522,102	\$ 634,102
Beginning Fund Balances (Deficits)		860,455			2,321,513	
Ending Fund Balances (Deficits)		\$ 905,104			\$ 2,843,615	

SPECIAL REVENUE FUNDS								
GAS TAX			ASSET SEIZURE/TRAFFIC SAFETY			COUNTY MEASURE B/BB		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 1,542,153	\$ 1,504,429 2,863	\$ (37,724) 2,863				\$ 4,186,050	\$ 4,393,944	\$ 207,894
9,000	(7,564)	(16,564)		\$ 669	\$ 669	3,550	20,170	16,620
9,847		(9,847)						
1,561,000	1,499,728	(61,272)	-	669	669	4,189,600	4,414,114	224,514
				11,677	(11,677)			
747,238	592,670	154,568						
747,238	592,670	154,568	-	11,677	(11,677)	-	-	-
813,762	907,058	93,296	-	(11,008)	(11,008)	4,189,600	4,414,114	224,514
(1,919,045)	(1,399,262)	519,783				(10,288,356)	(5,543,347)	4,745,009
(1,919,045)	(1,399,262)	519,783	-	-	-	(10,288,356)	(5,543,347)	4,745,009
\$ (1,105,283)	(492,204)	\$ 613,079	\$ -	(11,008)	\$ (11,008)	\$ (6,098,756)	(1,129,233)	\$ 4,969,523
	1,814,458			68,089			6,881,522	
	\$ 1,322,254			\$ 57,081			\$ 5,752,289	

(Continued)



City of Alameda
Budgeted Non-Major Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual
For the year ended June 30, 2017

	SPECIAL REVENUE FUNDS					
	TIDELANDS			PARKING METER		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes						
Other local taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services				\$ 1,522,493	\$ 1,407,677	\$ (114,816)
Fines and forfeitures				60,000	60,000	
Use of money and property	\$ 807,000	\$ 809,129	\$ 2,129	9,000	3,921	(5,079)
Other revenues				(493)	26,997	27,490
Total Revenues	807,000	809,129	2,129	1,591,000	1,498,595	(92,405)
EXPENDITURES:						
Current:						
General government	1,047,207	940,461	106,746	935,231	709,058	226,173
Police						
Fire						
Public works						
Community development						
Community services						
Housing						
Capital outlay						
Debt Service:						
Principal						
Interest						
Total Expenditures	1,047,207	940,461	106,746	935,231	709,058	226,173
EXCESS OF REVENUES OVER EXPENDITURES	(240,207)	(131,332)	108,875	655,769	789,537	133,768
OTHER FINANCING SOURCES (USES):						
Transfers In						
Transfers (Out)				(1,288,874)	(677,079)	611,795
Total Other Financing Sources (Uses)	-	-	-	(1,288,874)	(677,079)	611,795
Net Change in Fund Balance	\$ (240,207)	(131,332)	\$ 108,875	\$ (633,105)	112,458	\$ 745,563
Beginning Fund Balances (Deficits)		2,838,035			3,182,248	
Ending Fund Balances (Deficits)		\$ 2,706,703			\$ 3,294,706	

SPECIAL REVENUE FUNDS								
COMMERCIAL REVITALIZATION			COMMUNITY DEVELOPMENT BLOCK GRANT			HOUSING		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$ 2,074,104	\$ 756,657	\$ (1,317,447)			
\$ 79,000	\$ 47,100	\$ (31,900)	150,000	225,938	75,938	\$ 2,000	\$ 257,808	\$ 255,808
175,000	185,138	10,138		339	339	172,000	49,730	(122,270)
254,000	232,238	(21,762)	2,224,104	982,934	(1,241,170)	174,000	307,538	133,538
327,000	91,486	235,514	2,568,702	756,656	1,812,046	2,118,316	783,292	1,335,024
327,000	91,486	235,514	2,568,702	756,656	1,812,046	2,118,316	783,292	1,335,024
(73,000)	140,752	213,752	(344,598)	226,278	570,876	(1,944,316)	(475,754)	1,468,562
			839,196		(839,196)	543,000	399,514	(143,486)
-	-	-	839,196	-	(839,196)	543,000	399,514	(143,486)
\$ (73,000)	140,752	\$ 213,752	\$ 494,598	226,278	\$ (268,320)	\$ (1,401,316)	(76,240)	\$ 1,325,076
	1,210,298			496,789			1,168,996	
	\$ 1,351,050			\$ 723,067			\$ 1,092,756	

(Continued)



City of Alameda
Budgeted Non-Major Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual
For the year ended June 30, 2017

	SPECIAL REVENUE FUNDS					
	GARBAGE/RECYCLING SURCHARGE			ATHLETIC RECREATION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes						
Other local taxes	\$ 175,000	\$ 178,240	\$ 3,240			
Licenses and permits				\$ 47,000	\$ 97,240	\$ (2,926,652)
Revenue from other agencies				2,159,250	2,325,019	2,325,019
Charges for current services						
Fines and forfeitures						
Use of money and property	4,000	2,551	(1,449)	795,900	629,628	628,628
Other revenues				202,600	111,672	100,547
Total Revenues	179,000	180,791	1,791	3,204,750	3,163,559	127,542
EXPENDITURES:						
Current:						
General government	356,040	81,647	274,393	4,866,000	4,641,869	224,131
Police						
Fire						
Public works						
Community development						
Community services						
Housing						
Capital outlay						
Debt Service:						
Principal						
Interest						
Total Expenditures	356,040	81,647	274,393	4,866,000	4,641,869	224,131
EXCESS OF REVENUES OVER EXPENDITURES	(177,040)	99,144	276,184	(1,661,250)	(1,478,310)	351,673
OTHER FINANCING SOURCES (USES):						
Transfers In				1,749,000	1,749,000	
Transfers (Out)	(50,000)	(50,000)		(1,265,267)	(711,000)	554,267
Total Other Financing Sources (Uses)	(50,000)	(50,000)	-	483,733	1,038,000	554,267
Net Change in Fund Balance	\$ (227,040)	49,144	\$ 276,184	\$ (1,177,517)	(440,310)	\$ 905,940
Beginning Fund Balances (Deficits)		1,357,558			2,901,038	
Ending Fund Balances (Deficits)		\$ 1,406,702			\$ 2,460,728	

SPECIAL REVENUE FUNDS								
GRANTS FUND			WASTE REDUCTION SURCHARGE			MAINTENANCE ASSESSMENT DISTRICTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
						\$ 2,397,898	\$ 2,531,890	\$ 133,992
\$ 1,875	\$ 1,250	\$ (625)						
3,023,892	1,857,015	(1,166,877)	\$ 210,000	\$ 275,886	\$ 65,886			
			350,000	434,541	84,541			
1,000	(2,332)	(3,332)	4,000	4,398	398	12,265	15,307	3,042
11,125	13,019	1,894	125,000	117,877	(7,123)	46,169	43,992	
3,037,892	1,868,952	(1,168,940)	689,000	832,702	143,702	2,456,332	2,591,189	137,034
						855,800	434,922	420,878
121,000	53,091	67,909						
3,661,310	1,672,191	1,989,119						
			1,153,000	929,153	223,847	1,827,966	1,438,198	389,768
118,770	90,995	27,775						
182,917	145,247	37,670	4,000	3,974	26			
4,083,997	1,961,524	2,122,473	1,157,000	933,127	223,873	2,683,766	1,873,120	810,646
(1,046,105)	(92,572)	953,533	(468,000)	(100,425)	367,575	(227,434)	718,069	947,680
54,000	54,000							
						(352,100)	(48,995)	303,105
54,000	54,000	-	-	-	-	(352,100)	(48,995)	303,105
\$ (992,105)	(38,572)	\$ 953,533	\$ (468,000)	(100,425)	\$ 367,575	\$ (579,534)	669,074	\$ 1,250,785
	807,864			3,081,375			6,265,184	
	\$ 769,292			\$ 2,980,950			\$ 6,934,258	

(Continued)



City of Alameda
Budgeted Non-Major Funds
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Budget and Actual
For the year ended June 30, 2017

	SPECIAL REVENUE FUNDS					
	VEHICLE REGISTRATION FEE			PARKING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes						
Other local taxes						
Licenses and permits						
Revenue from other agencies	\$ 344,000	\$ 336,579	\$ (7,421)			
Charges for current services						
Fines and forfeitures						
Use of money and property	1,000	486	(514)	\$ 372,000	\$ 373,225	\$ 1,225
Other revenues						
Total Revenues	<u>345,000</u>	<u>337,065</u>	<u>(7,935)</u>	<u>372,000</u>	<u>373,225</u>	<u>1,225</u>
EXPENDITURES:						
Current:						
General government						
Police						
Fire						
Public works						
Community development						
Community services						
Housing						
Capital outlay						
Debt Service:						
Principal						
Interest						
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>345,000</u>	<u>337,065</u>	<u>(7,935)</u>	<u>372,000</u>	<u>373,225</u>	<u>1,225</u>
OTHER FINANCING SOURCES (USES):						
Transfers In						
Transfers (Out)	<u>(969,272)</u>	<u>(500,000)</u>	<u>469,272</u>	<u>(372,000)</u>	<u>(372,000)</u>	
Total Other Financing Sources (Uses)	<u>(969,272)</u>	<u>(500,000)</u>	<u>469,272</u>	<u>(372,000)</u>	<u>(372,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (624,272)</u>	<u>(162,935)</u>	<u>\$ 461,337</u>	<u>\$ -</u>	<u>1,225</u>	<u>\$ 1,225</u>
Beginning Fund Balances (Deficits)		<u>620,460</u>			<u>453,005</u>	
Ending Fund Balances (Deficits)		<u>\$ 457,525</u>			<u>\$ 454,230</u>	

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS					
FISC LEASE REVENUE			CITY HALL AND LIBRARY BONDS			BASE REUSE DEBT SERVICE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$ 608,000	\$ 686,548	\$ 78,548			
\$ 188,241	\$ 184,401	\$ (3,840)						
1,012,000	1,013,755	1,755	1,000	6,150	5,150		\$ 28	\$ 28
				132	132			
1,200,241	1,198,156	(2,085)	609,000	692,830	83,830	-	28	28
			13,000	4,490	8,510			
1,845,582	1,040,944	804,638						
	1,303	(1,303)						
			1,488,000	1,360,000	128,000	\$ 400,000	400,000	
			1,050,160	1,014,909	35,251	22,000	90,449	(68,449)
1,845,582	1,042,247	803,335	2,551,160	2,379,399	171,761	422,000	490,449	(68,449)
3,045,823	155,909	801,250	(1,942,160)	(1,686,569)	255,591	(422,000)	(490,421)	(68,421)
			2,008,000	1,681,686	(326,314)	425,000	502,114	77,114
-	-	-	2,008,000	1,681,686	(326,314)	425,000	502,114	77,114
\$ 3,045,823	155,909	\$ 801,250	\$ 65,840	(4,883)	\$ (70,723)	\$ 3,000	11,693	\$ 8,693
	4,007,672			1,420,144			9,540	
	\$ 4,163,581			\$ 1,415,261			\$ 21,233	



Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

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

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

Equipment Replacement

This fund accumulates funds for the replacement of worn and obsolete equipment.

Central Services

This fund accounts for the City's central services operations, reimbursed through charges assessed to other City departments.

Fleet Maintenance

This fund accounts for the maintenance and replacement of vehicles and equipment used by all City departments. Reimbursements occur through charges assessed to other City departments.

Technology Services

This fund accounts for information technology. Reimbursements occur through administrative charges assessed to other departments based upon their proportional share of program costs.

Facilities Maintenance

This fund accumulates funds for the costs associated with the maintenance of the City's facilities.

Workers' Compensation Insurance

This fund accounts for the expenditures for administration of the City's workers' compensation program, payment of workers' compensation claim payments, and related insurance premiums.

General Liability Insurance

This fund accounts for the administration of the City's risk management program, payment of general liability claim payments, and insurance premiums for general liability and property coverage.

Unemployment Insurance

This fund accounts for the administration of the City's unemployment insurance program and payment of unemployment claim payments.

Other Post Employment Benefits (OPEB)/Vacation

This fund accounts for expenditures for other post-employment benefits (OPEB) and accumulates funds for future payoffs of accrued leave balances.

Pension Stabilization Fund

This fund accounts for expenditures for the City's pension obligation in future periods when unforeseen changes or adjustments to required contributions requires additional funding beyond anticipated expenditures.



City of Alameda, California
Internal Service Funds
Combining Statement of Net Position
Internal Service Funds
June 30, 2017

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 4,259,835	\$ 86,228	\$ 122,104	\$ 1,934,798
Accounts receivable	52,108			
Advances	747,881			
Total Current Assets	5,059,824	86,228	122,104	1,934,798
Noncurrent Assets:				
Capital assets, depreciable, net	5,207,979			75,499
Total Non-current Assets	5,207,979	-	-	75,499
Total Assets	10,267,803	86,228	122,104	2,010,297
LIABILITIES:				
Current Liabilities				
Accounts payable	34,090			84,365
Interest payable	81,437			
Refundable deposits				
Claims payable:				
Due within one year				
Equipment lease payable:				
Due within one year	546,176			
Total Current Liabilities	661,703	-	-	84,365
Long-Term Liabilities				
Claims payable:				
Due in more than one year				
Equipment lease payable:				
Due in more than one year	3,386,166			
Total Long-Term Liabilities	3,386,166	-	-	-
NET POSITION:				
Net investment in capital assets	1,275,637			75,499
Unrestricted	4,944,297	86,228	122,104	1,850,433
Total Net Position (Deficit)	\$ 6,219,934	\$ 86,228	\$ 122,104	\$ 1,925,932

Facilities Maintenance	Workers' Compensation Insurance	General Liability Insurance	Unemployment Insurance	OPEB/Vacation	Pension Stabilization Fund	Total
\$ 4,620,246	\$ 7,700,967 (36,920)	\$ 3,539,908 11,338	\$ 745,958	\$ 4,406,025 1,786	\$ 250,000	\$ 27,666,069 28,312 747,881
<u>4,620,246</u>	<u>7,664,047</u>	<u>3,551,246</u>	<u>745,958</u>	<u>4,407,811</u>	<u>250,000</u>	<u>28,442,262</u>
						5,283,478
-	-	-	-	-	-	5,283,478
<u>4,620,246</u>	<u>7,664,047</u>	<u>3,551,246</u>	<u>745,958</u>	<u>4,407,811</u>	<u>250,000</u>	<u>33,725,740</u>
171,500	102,009	314,964	405	2,677		710,010 81,437 22,690
	2,663,177	1,499,414				4,162,591
						546,176
<u>171,500</u>	<u>2,765,186</u>	<u>1,837,068</u>	<u>405</u>	<u>2,677</u>		<u>5,522,904</u>
	5,573,626	1,618,531				7,192,157
	-	-				3,386,166
<u>-</u>	<u>5,573,626</u>	<u>1,618,531</u>	<u>-</u>	<u>-</u>		<u>10,578,323</u>
4,448,746	(674,765)	95,647	745,553	4,405,134	250,000	1,351,136 16,273,377
<u>\$ 4,448,746</u>	<u>\$ (674,765)</u>	<u>\$ 95,647</u>	<u>\$ 745,553</u>	<u>\$ 4,405,134</u>	<u>\$ 250,000</u>	<u>\$ 17,624,513</u>



City of Alameda, California
Internal Service Funds
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
For the Year Ended June 30, 2017

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
OPERATING REVENUES				
Charges for services				\$ 219,217
Miscellaneous	\$ 1,517,168	\$ 81		
Total Operating Revenues	1,517,168	81	-	219,217
OPERATING EXPENSES				
General administrative	56,456			187,037
Wages and benefits				
Insurance				
Contractual services	135,529			63,479
Supplies and maintenance	8,674			
Depreciation	1,122,074			59,459
Total Operating Expenses	1,322,733	-	-	309,975
Operating Income (Loss)	194,435	81	-	(90,758)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	24,210	140	\$ 199	3,676
Interest (expense)	(113,396)			
Total Non-Operating Revenue (Expenses)	(89,186)	140	199	3,676
Income (Loss) Before Transfers	105,249	221	199	(87,082)
Transfers in	117,000			
Changes in Net Position	222,249	221	199	(87,082)
Beginning Net Position (Deficit)	5,997,685	86,007	121,905	2,013,014
Ending Net Position (Deficit)	\$ 6,219,934	\$ 86,228	\$ 122,104	\$ 1,925,932



City of Alameda, California
Internal Service Funds
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
For the Year Ended June 30, 2017

Facilities Maintenance	Workers' Compensation Insurance	General Liability Insurance	Unemployment Insurance	OPEB/Vacation	Pension Stabilization Fund	Total
	\$ 4,571,300	\$ 2,012,720	\$ 106,956	\$ 4,009,723		\$ 10,919,916
\$ 791,279	456					2,308,984
791,279	4,571,756	2,012,720	106,956	4,009,723		13,228,900
				250,000		493,493
			8,484	(207,950)		(199,466)
	4,345,067	848,845		2,980,102		8,174,014
1,023,583	124,061	1,113,963	1,620			2,462,235
153		3,935				12,762
						1,181,533
1,023,736	4,469,128	1,966,743	10,104	3,022,152		12,124,571
(232,457)	102,628	45,977	96,852	987,571		1,104,329
21,096	14,490	5,919	1,656	2,407		73,793
						(113,396)
21,096	14,490	5,919	1,656	2,407		(39,603)
(211,361)	117,118	51,896	98,508	989,978		1,064,726
				175,000	\$ 250,000	542,000
(211,361)	117,118	51,896	98,508	1,164,978	250,000	1,606,726
4,660,107	(791,883)	43,751	647,045	3,240,156		16,017,787
\$ 4,448,746	\$ (674,765)	\$ 95,647	\$ 745,553	\$ 4,405,134	\$ 250,000	\$ 17,624,513



City of Alameda
Internal Service Funds
Combining Statement of Cash Flows
For the year ended June 30, 2017

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,510,571	\$ 81		\$ 219,217
Payments to suppliers	(347,979)			(192,742)
Payments to employees	(9)			
Claims paid				
Net cash flows provided (used) by operating activities	1,162,583	81	-	26,475
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfer In	117,000			
Advances to other funds	31,011			
Net cash flows provided (used) by non-capital financing activities	148,011	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	(511,670)			
Interest expense	(113,396)			
Principal payments on capital debt	(542,459)			
Net cash flows provided (used) by capital and related financing activities	(1,167,525)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	24,210	140	\$ 199	3,676
Net cash flows provided (used) by investing activities	24,210	140	199	3,676
Net increase (decrease) in cash and cash equivalents	167,279	221	199	30,151
Cash and Investments at beginning of period	4,092,556	86,007	121,905	1,904,647
Cash and investments at end of period	\$ 4,259,835	\$ 86,228	\$ 122,104	\$ 1,934,798
Reconciliation of operating income (loss) to net cash flows provided (used) by operating activities:				
Operating income (loss)	\$ 194,435	\$ 81		\$ (90,758)
Adjustments to reconcile operating income (loss) to net cash flows provided (used) by operating activities:				
Depreciation	1,122,074			59,459
Change in assets and liabilities:				
(Increase) decrease in accounts receivable and refundable deposits	(6,597)			
Increase (decrease) accounts payable	(147,320)			57,774
Increase (decrease) claims payable				
Unearned Revenues	(9)			
Net cash flows provided (used) by operating activities	\$ 1,162,583	\$ 81	\$ -	\$ 26,475

Facilities Maintenance	Workers' Compensation Insurance	General Liability Insurance	Unemployment Insurance	OPEB/Vacation	Pension Stabilization	Total
\$ 791,279 (852,741)	\$ 4,585,265 (82,983)	\$ 2,037,565 (994,565)	\$ 108,112 (1,215) (8,484)	\$ 4,013,786 (247,323) 207,950 (2,980,102)		\$ 13,265,876 (2,719,548) 199,457 (7,253,339)
(61,462)	1,076,808	195,237	98,413	994,311	-	3,492,446
				175,000	\$ 250,000	542,000
						31,011
-	-	-	-	175,000	250,000	573,011
						(511,670)
						(113,396)
						(542,459)
-	-	-	-	-	-	(1,167,525)
21,096	14,490	5,919	1,656	2,407		73,793
21,096	14,490	5,919	1,656	2,407	-	73,793
(40,366)	1,091,298	201,156	100,069	1,171,718	250,000	2,971,725
4,660,612	6,609,669	3,338,752	645,889	3,234,307	-	24,694,344
\$ 4,620,246	\$ 7,700,967	\$ 3,539,908	\$ 745,958	\$ 4,406,025	\$ 250,000	\$ 27,666,069
\$ (232,457)	\$ 102,628	\$ 45,977	\$ 96,852	\$ 987,571		\$ 1,104,329
						1,181,533
	13,509	24,845	1,156	4,063		36,976
170,995	41,078	123,333	405	2,677		248,942
	919,593	1,082				920,675
						(9)
\$ (61,462)	\$ 1,076,808	\$ 195,237	\$ 98,413	\$ 994,311	\$ -	\$ 3,492,446



Agency Funds

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations. These funds include the following:

Assessment Districts

This fund accounts for cash and investments held on behalf of assessment districts formed within the City. The City is not obligated for repayment of any debt issued by these assessment districts.



City of Alameda, California
Agency Funds
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Assessment Districts				
Assets:				
Restricted cash and investments	\$ 6,106,718	\$ 6,302,225	\$ 6,106,718	\$ 6,302,225
Accounts receivable	12,953	21,966	12,953	21,966
Interest receivable	14	15	14	15
Total Assets	<u>\$ 6,119,685</u>	<u>\$ 6,324,206</u>	<u>\$ 6,119,685</u>	<u>\$ 6,324,206</u>
Liabilities:				
Accounts payable	\$ 1,696	\$ 2,471	\$ 1,696	\$ 2,471
Interest payable	288,302	305,957	288,302	305,957
Due to bondholders	5,829,687	6,015,778	5,829,687	6,015,778
Total Liabilities	<u>\$ 6,119,685</u>	<u>\$ 6,324,206</u>	<u>\$ 6,119,685</u>	<u>\$ 6,324,206</u>





This section of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information presents with respect to the City's overall financial health. In contrast to the Financial Section, the Statistical Section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balances of Governmental Funds
5. Balanced Revenue Index

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Direct and Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Ratio of General Bonded Debt Outstanding
3. Computation of Direct and Overlapping Debt
4. Computation of Legal Bonded Debt Margin
5. Sewer Services Fund Debt Coverage
6. Alameda Municipal Power Fund (AMP) Debt Coverage
7. Bonded Debt Pledged Revenue Coverage, CIC Revenue Bonds and Tax Allocation Bonds

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.



City of Alameda
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	\$169,776,636	\$169,927,104	\$179,200,175	\$173,302,089	\$249,436,223	\$234,318,345	\$248,976,617	\$259,298,585	\$257,003,558	\$258,670,492
Restricted	86,336,351	86,483,930	81,018,431	81,525,686	57,906,023	65,063,180	64,148,556	47,340,040	49,089,375	53,494,064
Unrestricted	8,764,362	16,106,522	17,744,797	21,985,164	17,632,805	27,586,926	22,934,963	(132,097,358)	(128,732,691)	(138,357,430)
Total governmental activities net position	\$264,877,349	\$272,517,556	\$277,963,403	\$276,812,939	\$324,975,051	\$326,968,451	\$336,060,136	\$174,541,267	\$177,360,242	\$173,807,126
Business-type activities										
Invested in capital assets, net of related debt	\$42,515,505	\$44,928,147	\$45,131,483	\$39,458,176	\$44,169,706	\$32,309,753	\$36,408,147	\$72,843,612	\$77,527,656	\$87,340,526
Restricted						29,374,748	29,591,239	31,979,615	32,369,845	29,829,844
Unrestricted	20,318,503	17,184,286	18,336,223	19,025,625	18,085,254			17,235,250	23,848,220	31,259,576
Total business-type activities net position	\$62,834,008	\$62,112,433	\$63,467,706	\$58,483,801	\$62,254,960	\$61,684,501	\$65,999,386	\$122,058,477	\$133,745,721	\$148,429,946
Primary government										
Invested in capital assets, net of related debt	\$212,292,141	\$214,855,251	\$224,331,658	\$213,414,695	\$293,605,929	\$266,628,098	\$285,384,764	\$332,142,197	\$334,531,214	\$346,011,018
Restricted	86,336,351	86,483,930	81,018,431	81,525,686	57,906,023	94,437,928	93,739,795	79,319,655	81,459,220	83,323,908
Unrestricted	29,082,865	33,290,808	36,081,020	39,344,911	35,718,059	27,586,926	22,934,963	(114,862,108)	(104,884,471)	(107,097,854)
Total primary government net position	\$327,711,357	\$334,629,989	\$341,431,109	\$334,285,292	\$387,230,011	\$388,652,952	\$402,059,522	\$296,599,744	\$311,105,963	\$322,237,072

Source: City Finance Department



City of Alameda
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,			
	2008	2009	2010	2011
Expenses				
Governmental Activities:				
General Government	\$13,942,578	\$11,725,432	\$15,456,715	\$18,188,575
Police	26,769,167	26,137,009	26,798,928	26,889,284
Fire	24,645,039	22,123,701	22,861,254	24,532,288
Public Works	12,628,974	18,746,655	10,939,983	18,950,456
Community Development	19,189,329	22,163,130	19,248,260	16,550,661
Community Services	8,275,998	8,125,339	8,749,436	9,296,269
Housing	6,668,775	7,415,214	7,975,615	7,261,310
Interest on Long-Term Debt	6,351,470	6,100,624	5,764,642	5,677,260
Total Governmental Activities Expenses	118,471,330	122,537,104	117,794,833	127,346,103
Business-Type Activities:				
Ferry Services	4,469,475	3,756,857	4,200,933	3,357,896
Golf Course	5,009,337	4,380,267	3,914,763	3,917,153
Sewer Service	4,320,760	4,726,773	4,359,415	4,598,661
Alameda Municipal Power (a)				
Total Business-Type Activities Expenses	13,799,572	12,863,897	12,475,111	11,873,710
Total Primary Government Expenses	\$132,270,902	\$135,401,001	\$130,269,944	\$139,219,813
 Component Units:				
Housing Authority	\$25,717,763	\$26,750,656	\$30,114,145	31,077,746
Alameda Municipal Power	61,075,579	61,522,873	56,686,475	50,902,652
Total Component Units	\$86,793,342	\$88,273,529	\$86,800,620	\$81,980,398
 Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$5,244,071	\$6,202,753	\$7,065,225	\$8,378,706
Police	918,369	1,211,316	1,196,533	1,248,344
Fire	1,917,703	2,528,403	2,459,169	1,875,008
Public Works	7,149,848	7,135,253	5,234,368	6,743,825
Community Development	12,520,166	12,050,332	9,628,742	9,628,742
Community Services	2,396,147	2,328,111	2,600,886	2,643,386
Housing	438,278			
Operating Grants and Contributions	12,969,596	6,816,299	7,401,177	7,753,440
Capital Grants and Contributions	5,535,687	4,307,127	6,703,662	8,305,292
Total Government Activities Program Revenues	49,089,865	42,579,594	42,289,762	46,576,743
Business-Type Activities:				
Charges for Services:				
Ferry Services				222
Golf Course	4,187,705	4,161,463	3,768,555	3,546,251
Sewer Service	5,826,652	5,901,599	6,068,908	6,936,223
Operating Grants and Contributions	3,000,763	2,356,878	2,245,111	2,245,111
Capital Grants and Contributions				
Alameda Municipal Power (a)				
Total Business-Type Activities Program Revenue	13,015,120	12,419,940	12,082,574	12,727,807
Total Primary Government Program Revenues	\$62,104,985	\$54,999,534	\$54,372,336	\$59,304,550
 Component Units:				
Charges for Services:				
Housing Authority	\$3,294,371	\$3,369,634	\$2,957,381	2,959,697
Alameda Municipal Power	61,857,720	54,987,323	49,284,110	51,237,727
Operating Grants and Contributions	21,419,640	21,595,495	28,796,857	29,390,234
Total Component Units Program Revenues	\$86,571,731	\$79,952,452	\$81,038,348	\$83,587,658
 Net (Expense)/Revenue				
Governmental Activities	(\$69,381,465)	(\$79,957,511)	(\$75,505,071)	(75,504,996)
Business-Type Activities	(784,452)	(443,957)	(392,537)	1,027,225
Component Units Activities	(221,611)	(8,321,077)	(5,762,272)	1,607,260
Total Primary Government Net Expense	(\$70,387,528)	(\$88,722,545)	(\$81,659,880)	(\$72,870,511)

(a) Reclassified as Enterprise Fund

Source: City Finance Department

2012	2013	2014	2015	2016	2017
\$15,237,357	\$13,569,619	\$15,040,701	\$15,566,704	\$17,312,864	\$22,613,362
25,904,606	30,431,546	30,848,485	30,310,509	31,230,359	34,249,563
23,970,035	27,374,670	27,866,089	30,247,841	33,701,192	34,380,486
13,738,143	12,664,895	14,344,311	20,576,356	21,611,732	22,493,921
5,718,100	20,805,104	15,947,090	21,707,219	19,926,259	20,854,357
8,741,325	8,296,495	6,995,080	6,808,162	8,192,325	7,825,636
14,452,825	1,222,077	2,004,958	1,883,617	2,298,345	1,955,239
4,142,152	1,409,201	2,307,691	984,165	1,104,604	983,685
111,904,543	115,773,607	115,354,405	128,084,573	135,377,680	145,356,250
3,814,979					
3,864,222	5,125,508	5,339,491	6,069,959	5,189,080	5,062,826
			47,958,639	54,131,601	53,311,749
7,679,201	5,125,508	5,339,491	54,028,598	59,320,681	58,374,575
\$119,583,744	\$120,899,115	\$120,693,896	\$182,113,171	\$194,698,361	\$203,730,825
54,520,590	53,896,090	50,466,129			
\$54,520,590	\$53,896,090	\$50,466,129			
\$6,899,450	\$7,507,538	\$9,820,809	\$9,928,486	\$9,914,050	\$11,400,449
1,181,455	1,125,359	1,772,066	1,557,542	1,461,077	1,378,632
2,156,989	2,625,040	2,242,200	2,902,627	3,161,928	3,134,509
6,694,970	7,329,147	6,915,488	8,048,038	8,869,421	9,955,286
9,261,637	9,717,218	10,267,249	10,900,322	11,261,739	13,523,363
2,771,489	3,477,649	3,238,812	3,273,681	3,550,181	3,671,588
	45		2,500		
9,898,631	7,434,721	6,416,506	5,806,249	5,209,502	6,045,401
5,111,573	3,504,228	3,188,964	6,156,043	6,270,247	7,058,283
43,976,194	42,720,945	43,862,094	48,575,488	49,698,145	56,167,511
3,958,933					
7,447,477	8,966,628	9,734,164	9,906,045	9,404,120	9,690,132
				546,768	489,751
			58,759,497	62,012,528	63,449,233
11,406,410	8,966,628	9,734,164	68,665,542	71,963,416	73,629,116
\$55,382,604	\$51,687,573	\$53,596,258	\$117,241,030	\$121,661,561	\$129,796,627
51,526,195	56,157,469	59,774,933			
\$51,526,195	\$56,157,469	\$59,774,933			
(67,928,349)	(73,052,662)	(71,492,311)	(79,509,085)	(85,679,535)	(89,188,739)
3,727,584	3,841,120	4,394,673	14,636,944	12,642,735	15,254,541
(\$64,200,765)	(\$69,211,542)	(\$67,097,638)	(\$64,872,141)	(\$73,036,800)	(\$73,934,198)



City of Alameda
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Continued)

	For the Fiscal Year Ended June 30,			
	2008	2009	2010	2011
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$27,413,398	\$28,056,019	\$30,779,575	\$30,205,060
Incremental property tax	14,043,703	15,634,394	11,631,272	11,868,722
Urban runoff special assessments	1,738,422	1,857,611	1,897,652	1,886,557
Sales Taxes	5,140,774	5,412,461	4,880,379	5,077,031
Utility Users Tax	9,301,200	9,049,473	8,822,075	9,182,248
Transfer Tax	3,389,197	3,124,066	4,647,057	5,896,294
Franchise Tax	1,605,512	1,626,089	4,403,092	4,451,081
Transient Occupancy Tax	1,088,342	1,178,705	1,084,850	1,118,732
Property Tax In-Lieu	1,654,175	1,672,842	1,278,940	1,255,240
Other Taxes	2,392,876	1,956,106	891,109	1,197,746
Motor Vehicle In-Lieu, Unrestricted	5,748,775	5,994,956	6,041,729	6,120,156
Use of Money and properties	8,066,247	6,843,179	3,836,073	5,059,361
Gain/Loss from disposal of capital assets				
Miscellaneous	1,427,356	4,090,462	742,404	4,080,095
Transfers	(596,677)	1,101,353	(1,114,750)	(1,628,137)
Extraordinary item				
Total Government Activities	82,413,300	87,597,716	79,821,457	85,770,186
Business-Type Activities:				
Use of Money and properties	1,126,277	730,441	348,032	
Miscellaneous	147,375	93,294	285,028	(230,894)
Transfers	596,677	(1,101,353)	1,114,750	1,628,137
Total Business-Type Activities	1,870,329	(277,618)	1,747,810	1,397,243
Total Primary Government	\$84,283,629	\$87,320,098	\$81,569,267	\$87,167,429
Component Units Activities:				
Use of Money and properties	\$2,974,858	\$1,744,742	\$356,673	\$1,965,040
Miscellaneous			506,590	249,207
Increase in value of certain NPCA projects and reserves				
Net Extraordinary Items	(32,097,496)	25,251,400		
Total Component Units Activities	(\$29,122,638)	\$26,996,142	\$863,263	\$2,214,247
Change in Net Position				
Governmental Activities	\$13,031,835	\$7,640,205	\$4,316,386	\$2,828,006
Business-Type Activities	1,085,877	(721,575)	1,355,273	3,473,803
Total Primary Government	\$14,117,712	\$6,918,630	\$5,671,659	\$6,301,809
Changes in Net Position				
Component units Activities	(\$29,344,249)	\$18,675,065	(\$4,899,009)	\$3,821,507

Source: City Finance Department

2012	2013	2014	2015	2016	2017
\$27,965,276	\$26,937,823	\$38,088,577	\$39,057,776	\$43,665,977	\$45,651,646
5,748,695					
1,844,180	1,842,568				
6,035,950	5,932,043	6,260,057	9,340,828	10,187,902	10,094,100
8,787,016	9,095,600	8,500,351	8,330,638	8,368,125	9,061,296
4,921,032	5,582,337	6,730,655	8,258,516	9,451,755	10,333,813
4,477,426	4,439,185	3,919,351	1,496,491	2,396,918	2,473,634
1,294,691	1,396,432	1,612,283	1,928,731	2,174,973	2,126,612
1,271,253	1,112,896	1,382,336	1,002,871	1,157,160	1,167,072
1,489,036	2,788,444	4,175,348	4,460,633	1,831,805	2,146,635
5,874,386	5,897,923				
617,852	4,039,370	5,068,924	4,465,916	5,136,494	6,957,802
5,803,134	1,531,218	4,428,117	2,787,194	1,160,517	2,312,459
207,258	269,538	417,997	3,027,004	2,831,684	2,891,411
40,764,726			1,007,196		
117,101,911	70,865,377	80,583,996	85,163,794	88,363,310	95,216,480
192,687	33,149	337,908	279,817	685,463	507,799
58,146	5,495	301	90,277	1,190,730	1,813,296
(207,258)	(269,538)	(417,997)	(3,027,004)	(2,831,684)	(2,891,411)
43,575	(230,894)	(79,788)	(2,656,910)	(955,491)	(570,316)
\$117,145,486	\$70,634,483	\$80,504,208	\$82,506,884	\$87,407,819	\$94,646,164
\$119,699	\$98,920	\$86,293			
54,142	176,225	1,548,129			
	1,447,092	(789,918)			
\$173,841	\$1,722,237	\$844,504			
\$49,173,562	(\$2,187,285)	\$9,091,684	5,654,709	\$2,683,775	6,027,741
3,771,159	3,610,226	4,314,885	11,980,034	11,687,244	14,684,225
\$52,944,721	\$1,422,941	\$13,406,569	\$17,634,743	\$14,371,019	\$20,711,966
(\$2,820,554)	\$3,983,616	\$10,153,308			



City of Alameda
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Pre-GASB 54 Classifications:										
Reserved	\$9,441,392	\$6,152,052	\$5,426,061							
Unreserved	10,252,721	15,362,069	16,223,164							
GASB 54 Classifications:										
Nonspendable					\$2,685,205	\$2,200,000	\$2,261,871	\$2,591,009	\$872,617	\$1,575,550
Restricted				\$400,000						
Committed				603,629	400,000				6,043,000	11,568,004
Assigned				16,693,535	315,045			3,000,000	6,281,684	8,525,868
Unassigned					19,618,518	21,293,014	29,071,830	30,165,670	27,284,395	28,726,377
Total General Fund	\$19,694,113	\$21,514,121	\$21,649,225	\$17,697,164	\$23,018,768	\$23,493,014	\$31,333,701	\$35,756,679	\$40,481,696	\$50,395,799
All Other Governmental Funds										
Pre-GASB 54 Classifications:										
Reserved	\$34,104,927	\$31,746,036	\$33,900,970							
Unreserved, reported in:										
Special revenue funds	20,831,848	36,849,864	32,037,363							
Capital project funds	28,887,337	17,242,412	14,178,257							
GASB 54 Classifications:										
Nonspendable				\$45,639,192	\$8,894		\$9,395			
Restricted				36,594,620	24,442,662	\$21,293,253	23,349,158	\$50,922,259	\$48,736,806	\$52,352,209
Committed				10,965	35,055,243	36,907,806	40,790,003	17,909,767	21,233,524	21,938,791
Assigned										
Unassigned				(9,200)	(1,600,776)	(657,163)	\$64,148,556	(14,081)	\$69,970,330	(2,519,632)
Total all other governmental funds	\$83,824,112	\$85,838,312	\$80,116,590	\$82,235,577	\$57,906,023	\$57,543,896	\$64,148,556	\$68,817,945	\$69,970,330	\$71,771,368

Source: City of Alameda Finance Department



City of Alameda
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011
Revenues				
Property taxes	\$43,189,504	\$45,548,024	\$44,308,500	\$44,304,076
Other local taxes	25,463,825	24,588,234	27,032,505	29,209,243
Licenses and permits	3,792,899	3,361,091	3,172,848	3,389,609
Revenue from other agencies	24,321,452	19,408,936	19,354,972	18,584,868
Charges for current services	11,987,586	10,264,260	12,252,283	12,102,124
Fines and forfeitures	1,239,607	1,463,269	1,434,684	1,350,974
Use of money and property	20,264,478	20,329,314	17,208,171	17,595,184
Other	1,795,035	4,516,237	791,233	5,454,018
Total Revenues	132,054,386	129,479,365	125,555,196	131,990,096
Expenditures				
Current:				
General government	11,315,409	13,114,355	9,756,226	4,130,188
Police	26,544,338	25,770,329	26,749,247	27,612,111
Fire	24,338,086	22,932,133	22,589,195	24,297,287
Public Works	9,255,632	10,198,469	4,682,917	6,324,136
Community Development	24,230,719	19,673,992	19,288,336	22,899,662
Community Services	7,258,611	7,006,083	7,738,644	8,292,609
Culture and recreation				
Housing	7,075,267	8,117,536	10,060,973	8,460,735
Capital outlay	11,845,020	11,212,641	15,527,159	17,392,517
Debt service:				
Principal repayment	2,533,420	7,479,565	2,569,040	3,169,360
Interest and fiscal charges	6,375,793	6,099,165	5,675,982	5,732,593
Total Expenditures	130,772,295	131,604,268	124,637,719	128,311,198
Excess (deficiency) of revenues over (under) expenditures	1,282,091	(2,124,903)	917,477	3,678,898
Other Financing Sources (Uses)				
Contribution from (to) other entities				(1,347,013)
Transfers in	29,641,624	39,525,272	16,789,896	20,625,790
Transfers (out)	(30,614,587)	(38,281,393)	(23,293,991)	(24,690,492)
Sale of capital assets	25,769	21,507		735,000
Payment to escrow agent				(985,000)
Bond issuance premium (discount) on debt		118,725		(125,326)
Issuance of long-term debt	3,000,000	4,575,000		11,035,000
Total other financing sources (uses)	2,052,806	5,959,111	(6,504,095)	5,247,959
Extraordinary item				
Net Change in fund balances	\$3,334,897	\$3,834,208	(\$5,586,618)	\$8,926,857
Debt service as a percentage of noncapital expenditures	8.0% (a)	10.9% (a)	7.4% (a)	7.6%

NOTE:

(a) Calculation of percentage only includes non-capitalized expenditures that is not being reflected on the capital outlay line.

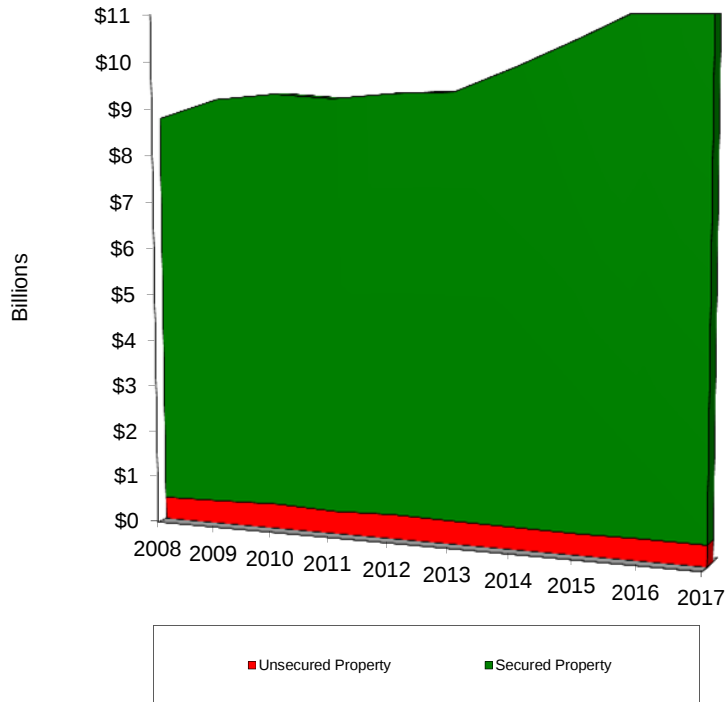
Source: City Finance Department

2012	2013	2014	2015	2016	2017	
\$36,215,189	\$30,299,428	\$40,030,928	\$41,511,670	\$43,665,978	\$45,651,646	
28,731,775	29,441,266	31,532,635	34,307,623	36,600,031	38,995,559	
2,962,194	3,220,082	3,649,220	4,834,523	4,599,669	5,353,671	
15,017,173	15,017,173	8,383,901	10,472,056	11,799,727	13,461,497	
16,992,163	16,992,163	16,881,772	16,601,934	18,801,604	19,328,754	
1,498,967	1,712,558	1,940,326	1,579,608	1,505,913	1,141,664	
16,284,321	16,284,321	17,130,340	17,472,748	18,278,665	18,876,427	
3,716,012	1,366,611	4,638,439	2,898,060	1,088,097	4,920,412	
121,417,794	114,333,602	124,187,561	129,678,222	136,339,684	147,729,630	
8,505,007	13,996,654	14,807,500	17,213,207	22,246,735	21,770,743	
27,697,939	28,538,108	28,767,165	28,682,826	28,816,779	30,853,005	
23,735,534	23,262,699	24,269,387	27,961,054	28,529,688	30,652,703	
5,045,594	4,320,452	4,432,334	4,558,311	4,742,674	4,918,684	
17,959,889	17,828,779	14,920,522	16,145,736	17,686,827	18,077,608	
8,358,813	6,704,716	5,755,718	5,797,562	6,453,987	6,382,003	
	1,178,313					
14,513,011	2,051,269	2,282,435	1,883,479	2,298,345	1,955,239	
12,969,550	13,306,766	12,836,513	16,402,343	17,408,895	22,147,962	
2,844,360	1,710,214	17,866,047	1,906,000	2,149,564	1,957,436	
3,700,852	1,431,642	2,398,072	791,566	1,128,676	1,163,030	
125,330,549	114,329,612	128,335,693	121,342,084	131,462,170	139,878,413	
(3,912,755)	3,990	(4,148,132)	8,336,138	4,877,514	7,851,217	
22,598,326	13,236,792	19,087,597	18,842,178	20,777,712	24,650,200	
(25,611,556)	(14,172,654)	(19,626,956)	(19,093,145)	(22,913,024)	(22,300,789)	
8,213					1,514,513	
		512,838				
		18,620,000		3,000,000		
(3,005,017)	(935,862)	18,593,479	(250,967)	864,688	3,863,924	
(20,454,496)			1,007,196			
(\$27,372,268)	(\$931,872)	\$14,445,347	\$9,092,367	\$5,742,202	\$11,715,141	
(a)	5.5% (a)	2.9% (a)	17.5% (a)	2.6% (a)	2.9% (a)	2.7% (a)

Object Series	Revenue Type	Calendar Year 2017 Wage Increase			Calendar Year 2018 Wage Increase			
		Value		% Change	Value		% Change	
		FY14-15	FY15-16		Change	FY16-17		Change
31000/36801	General Fund Property Tax	\$ 34,093,132	\$ 34,388,154	\$ 295,022	0.87%	\$ 36,090,128	\$ 1,701,974	4.95%
32100	Bradley Burns Sales Tax	6,632,164	9,565,291	2,933,127	44.23%	10,094,100	528,809	5.53%
32200	Property Transfer Tax	8,258,516	9,451,755	1,193,239	14.45%	10,333,813	882,058	9.33%
32300	Utility Users Tax	8,330,638	8,368,124	37,486	0.45%	9,061,296	693,172	8.28%
32400	Transient Occupancy Tax	1,928,731	2,174,973	246,242	12.77%	2,126,612	(48,361)	-2.22%
	TOTALS	<u>\$59,243,181</u>	<u>\$63,948,297</u>	<u>\$4,705,116</u>	<u>7.94%</u>	<u>\$67,705,949</u>	<u>\$3,757,652</u>	<u>5.88%</u>
50% Of Total Increase applicable to Wage Increases					3.97%			2.94%
Minimum/Maximum per MOUs				2.0% to 5%			2.0% to 5%	
BRI WAGE INCREASE EFFECTIVE JANUARY					3.97%			2.94%



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



Fiscal Year	Secured Property	Percent Change	Unsecured Property	Percent Change	Total Assessed
2008	\$8,299,483,280	9.20%	\$477,194,312	-3.27%	\$8,776,677,592
2009	8,699,660,252	4.82%	501,285,753	5.05%	9,226,664,742
2010	8,796,462,645	1.11%	536,786,045	7.08%	9,436,632,497
2011	8,767,561,741	-0.33%	486,282,942	-9.41%	9,284,599,251
2012	8,851,986,300	0.96%	524,614,003	2.00%	9,387,095,373
2013	8,927,046,504	0.85%	496,000,269	-5.45%	9,423,046,773
2014	9,472,636,207	6.11%	476,558,073	-3.92%	9,949,194,280
2015	10,074,322,282	6.35%	457,262,328	-4.05%	10,531,584,610
2016	10,688,573,728	6.10%	466,708,505	2.07%	11,155,282,233
2017	11,404,111,189	6.69%	454,198,686	-2.68%	11,858,309,875

NOTE: California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. Estimated full market information is not available. See the following page for the total direct rate applied to the assessed valuation base for each year.

Source: Alameda County Auditor Controller Office Certificate of Assessed Valuations



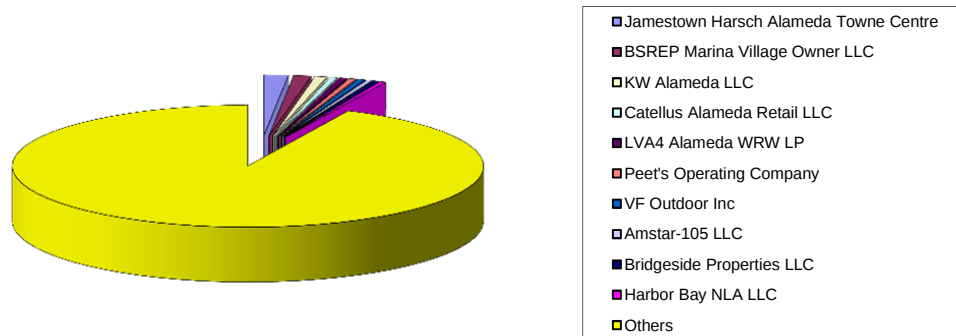
City of Alameda
Property Tax Rates
All Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Basic County Wide Levy (a)	City	Alameda Unified School Bonds	East Bay Regional Park	EBMUD Special District 1	Oakland Unified School Dist. Bonds	BART	Peralta College	Total
2008	1.0000	0.0247	0.0469	0.0080	0.0065	0.0806	0.0076	0.0223	1.1966
2009	1.0000	0.0245	0.0479	0.0100	0.0064	0.0835	0.0090	0.0362	1.2175
2010	1.0000	0.0245	0.0498	0.0108	0.0065	0.1259	0.0057	0.0430	1.2662
2011	1.0000	0.0244	0.0520	0.0084	0.0067	0.0000	0.0031	0.0430	1.1376
2012	1.0000	0.0249	0.0527	0.0071	0.0067	0.0000	0.0041	0.0436	1.1391
2013	1.0000	0.0260	0.0553	0.0051	0.0068	0.0000	0.0043	0.0434	1.1409
2014	1.0000	0.0260	0.0534	0.0078	0.0066	0.0000	0.0075	0.0419	1.1432
2015	1.0000	0.0250	0.0503	0.0085	0.0047	0.0000	0.0045	0.0412	1.1342
2016	1.0000	0.0240	0.1043	0.0067	0.0034	0.0000	0.0026	0.0337	1.1747
2017	1.0000	0.0230	0.0967	0.0032	0.0028	0.0000	0.0080	0.0256	1.1593

Source: Alameda County Assessors Office

(a) The City of Alameda is .3331, Alameda County is .3293, Alameda USD is .1956 and other government agencies represent .142 of the basic county wide levy

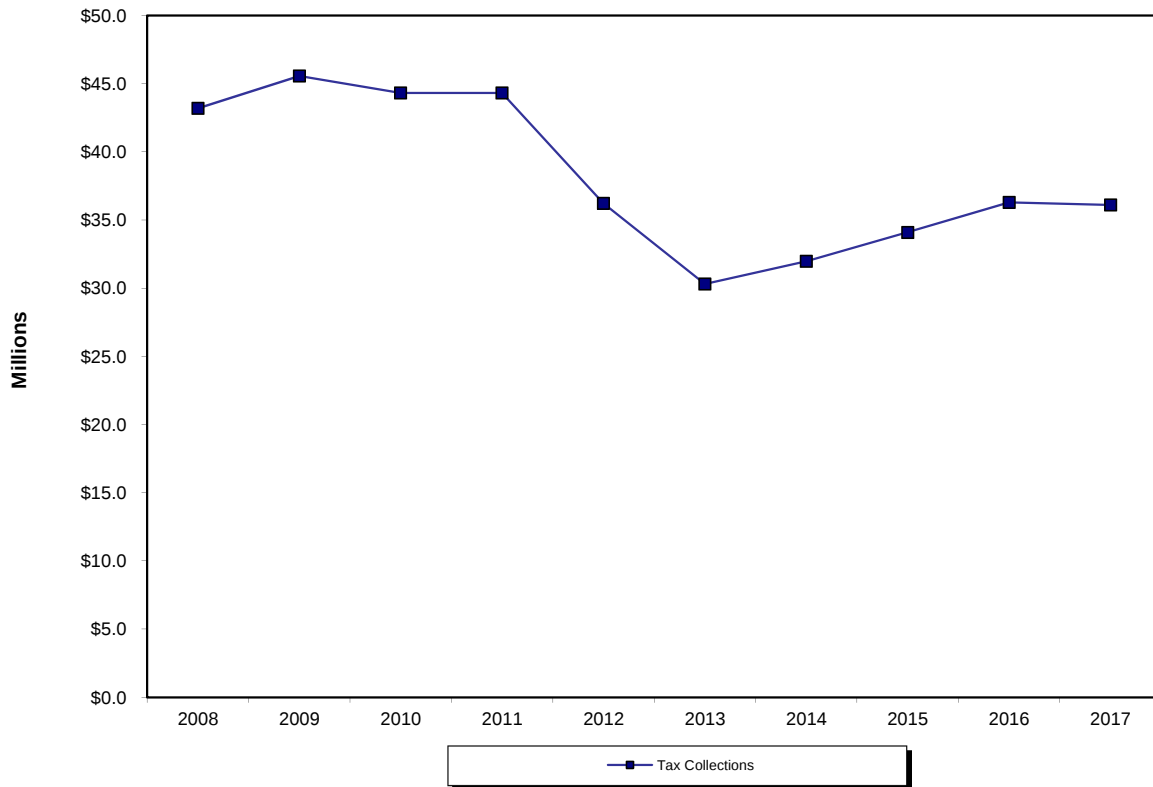
Current Year Taxpayers



Taxpayer	2016-17			2007-08		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Jamestown Harsch Alameda Towne Centre	\$196,346,829	1	1.66%			
BSREP Marina Village Owner LLC	142,074,698	2	1.20%			
KW Alameda LLC	99,206,453	3	0.84%	\$88,958,550	2	1.02%
Catellus Alameda Retail LLC	65,367,896	4	0.55%			
LVA4 Alameda WRW LP	64,143,845	5	0.54%			
Peet's Operating Company	60,076,573	6	0.51%			
VF Outdoor Inc	59,772,387	7	0.50%			
Amstar-105 LLC	48,849,174	8	0.41%			
Bridgeside Properties LLC	46,244,025	9	0.39%			
Harbor Bay NLA LLC	44,659,384	10	0.38%			
Legacy Partners I Alameda LLC				211,985,841	1	2.43%
Alameda Waterfront Investors LLC				64,515,000	3	0.74%
Wind River Systems Inc				62,177,560	4	0.71%
Harsch Investment Realty LLC				53,580,337	5	0.62%
SKS Harbor Bay Associates LLC				36,173,811	6	0.42%
Ballena Village LLC				28,923,930	7	0.33%
Woodstock Homes Corporation				28,574,455	8	0.33%
South Shore Beach and Tennis Club				27,025,352	9	0.31%
Comcast of California IX Inc				25,394,523	10	0.29%
Subtotal	\$826,741,264		6.98%	\$627,309,359		7.20%
Total Net Assessed Valuation:						
Fiscal Year 2016-17	\$11,858,309,875					
Fiscal Year 2007-08	\$8,708,727,219					

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls.

City of Alameda Property Tax Levies and Collections Last Ten Fiscal Years



Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2008	\$43,189,504	\$43,189,504	100%	0	\$43,189,504	100%
2009	45,548,024	45,548,024	100%	0	45,548,024	100%
2010	44,308,500	44,308,500	100%	0	44,308,500	100%
2011	44,304,076	44,304,076	100%	0	44,304,076	100%
2012 (b)	36,215,189	36,215,189	100%	0	36,215,189	100%
2013	30,299,428	30,299,428	100%	0	30,299,428	100%
2014	31,960,530	31,960,530	100%	0	31,960,530	100%
2015	34,093,132	34,093,132	100%	0	34,093,132	100%
2016	36,292,959	36,292,959	100%	0	36,292,959	100%
2017	36,090,128	36,090,128	100%	0	36,090,128	100%

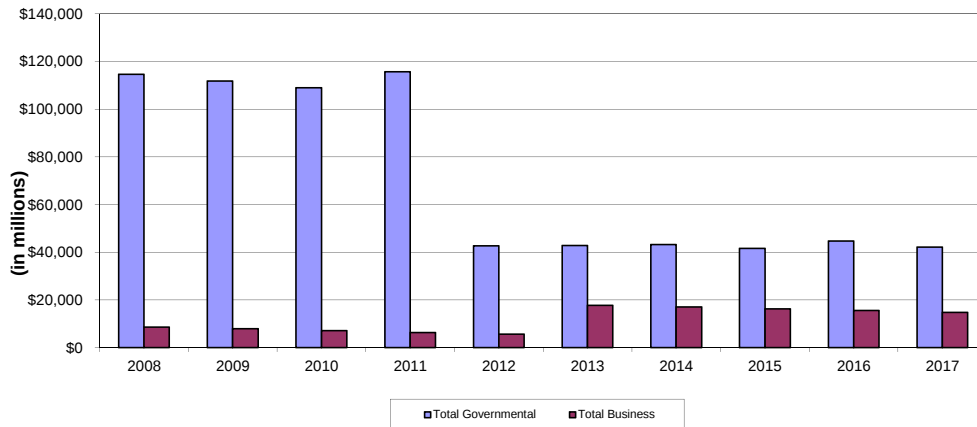
Source: City of Alameda Records

NOTE: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California

(a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement (Teeter Plan) which allows the County to keep all interest and delinquency charges collected.

(b) Upon the dissolution of the Community Improvement Commission effective January 31, 2012, a Successor Agency assumed the revenues of the former Community Improvement Commission.

City of Alameda
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years



Governmental Activities						
Fiscal Year	Tax Allocation Bonds	Certificates of Participation	General Obligation Bond	Revenue Bonds	Loans & Lease Purchases	Total
2008	\$67,005,000	\$14,595,000	\$9,960,000	\$14,630,000	\$8,666,301	\$114,644,787
2009	65,900,000	13,715,000	9,775,000	14,195,000	8,139,871	111,724,871
2010	64,685,000	13,305,000	9,580,000	13,745,000	7,620,380	108,935,380
2011	74,254,674	12,470,000	9,375,000	12,300,000	7,291,020	115,690,694
2012	-	(b) 11,600,000	9,155,000	12,000,000	9,878,854	42,633,854
2013	-	(b) 10,700,000	8,925,000	11,700,000	11,440,764	42,765,764
2014	-	(b) 11,855,000	9,010,000	11,400,000	10,963,100	43,228,100
2015	-	(b) 10,930,000	8,610,000	11,000,000	10,995,218	41,535,218
2016	-	(b) 9,960,000	8,270,000	10,600,000	15,807,781	44,637,781
2017	-	(b) 9,210,000	7,925,000	10,200,000	14,812,440	42,147,440

Business-Type Activities						
Fiscal Year	COPS & Revenue Bonds	Loans & Lease Purchases	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2008	\$3,295,000	\$5,305,043	\$8,600,043	\$123,513,227	3.94%	1,683.68
2009	3,030,000	4,813,515	7,843,515	119,568,386	3.82%	1,629.91
2010	2,755,000	4,304,311	7,059,311	115,994,691	3.73%	1,552.06
2011	2,465,000	3,776,678	6,241,678	121,932,372	4.48%	1,616.95
2012	2,160,000	3,498,778	5,658,778	48,292,632	1.78%	640.41
2013	14,715,000	2,956,277	17,671,277	60,437,041	2.14%	804.48
2014	14,465,000	2,542,379	17,007,379	60,235,479	1.77%	788.29
2015	14,190,000	2,033,841	16,223,841	57,759,059	1.87%	760.38
2016	13,905,000	1,616,170	15,521,170	60,158,951	1.88%	758.84
2017	13,615,000	1,187,296	14,802,296	56,949,736	1.66%	712.51

NOTE: Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources City of Alameda

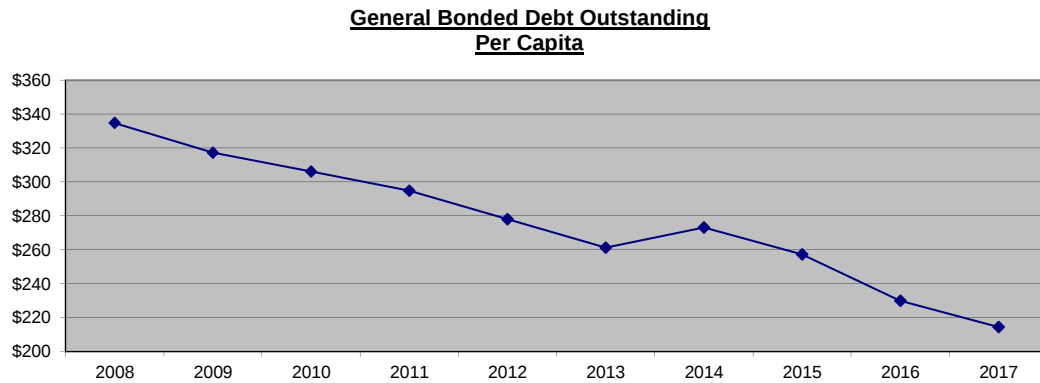
State of California, Department of Finance (population)

U.S. Department of commerce, Bureau of the Census (income)

(a) See page 160 (Demographic Statistics) for personal income and population data.

(b) Upon the dissolution of the Community Improvement Commission effective January 31, 2012, a Successor Agency assumed the liabilities of the former Community Improvement Commission, including the Tax Allocation Bonds.

City of Alameda
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years



General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita
Fiscal Year	Certificates of Participation Governmental Activities	General Obligation Bond	Total		
2008	\$14,595,000	\$9,960,000	\$24,555,000	0.28%	334.72
2009	13,715,000	9,775,000	23,490,000	0.25%	317.30
2010	13,305,000	9,580,000	22,885,000	0.24%	306.21
2011	12,470,000	9,375,000	21,845,000	0.24%	294.88
2012	11,600,000	9,155,000	20,755,000	0.22%	278.07
2013	10,700,000	8,925,000	19,625,000	0.21%	261.23
2014	11,855,000	9,010,000	20,865,000	0.21%	273.06
2015	10,930,000	8,610,000	19,540,000	0.19%	257.24
2016	9,960,000	8,270,000	18,230,000	0.16%	229.95
2017	9,210,000	7,925,000	17,135,000	0.14%	214.38

Source: City of Alameda Finance Department



City of Alameda
Computation of Direct and Overlapping Debt
June 30, 2017

2016-17 Assessed Valuation: \$11,858,309,875

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/16	% Applicable (a)	City's Share of Debt 6/30/16
Bay Area Rapid Transit District	\$891,135,000	1.835%	\$16,352,327
Peralta Community College District	394,480,000	13.074%	51,574,315
Alameda Unified School District	135,566,829	100.000%	135,566,829
East Bay Regional Park District	123,590,000	2.831%	3,498,833
East Bay Municipal Utility District, Special District No. 1	3,515,000	12.169%	427,740
City of Alameda	7,925,000	100.000%	7,925,000
City of Alameda Facilities District No. 1	4,270,000	100.000%	4,270,000
City of Alameda Facilities District No. 13-1	15,415,000	100.000%	15,415,000
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$235,030,044

Ratios to 2016-17 Assessed Valuation:

Direct Debt (\$17,135,000)	0.07%
Total Direct and Overlapping Tax Assessment Debt	1.98%

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Alameda County and Coliseum Authority General Fund Obligations	\$856,742,500	4.667%	\$39,984,172
Alameda County Pension Obligations	27,719,489	4.667%	1,293,669
Alameda-Contra Costa Transit District Certificates of Participation	17,625,000	5.527%	974,134
Peralta Community College District Pension Obligations	159,637,846	13.074%	20,871,052
City of Alameda General Fund Obligations	9,210,000	100%	9,210,000
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$72,333,027

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$57,075,000	100%	\$57,075,000
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Total Direct Debt	\$17,135,000
Total Overlapping Debt	\$347,303,071
COMBINED TOTAL DEBT	\$364,438,071 (b)

(a) Percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

(b) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2016-17 Assessed Valuation:

Total Direct Debt (\$18,230,000)	0.07%
Combined Total Debt	3.07%

NOTE: The overlap is calculated based upon information by the City and the County of Alameda.



City of Alameda
Computation of Legal Bonded Debt Margin
June 30, 2017

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$11,396,899,575</u>
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BONDED DEBT LIMIT (15% OF ASSESSED VALUE)	<u>\$1,709,534,936</u>
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt (a)	\$40,950,000
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Less:

Revenue Bonds	23,815,000
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Certificates of Participations	<u>9,210,000</u>
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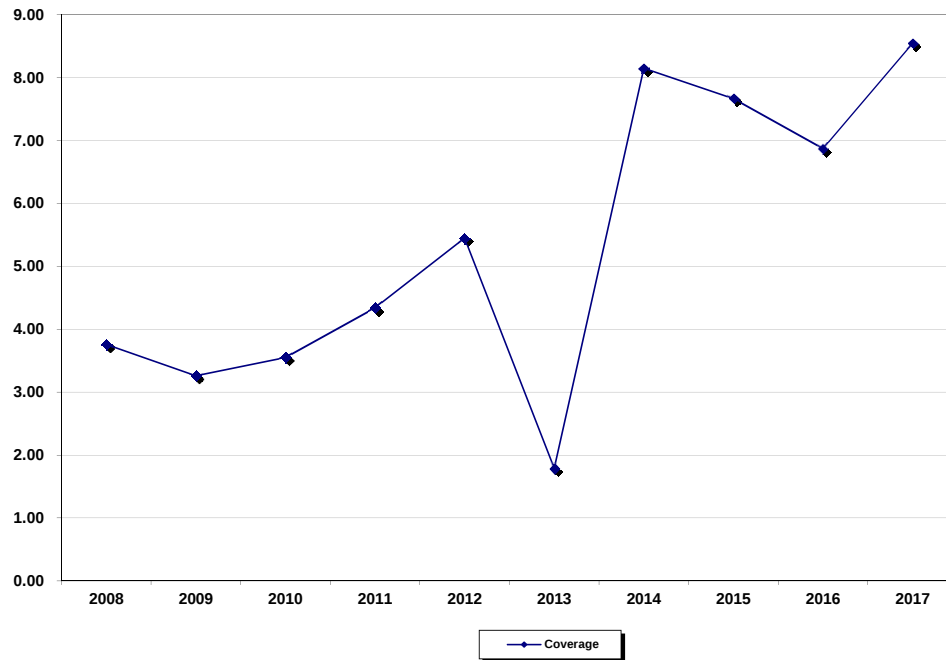
Amount of debt subject to limit	<u>7,925,000</u>
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LEGAL BONDED DEBT MARGIN	<u><u>\$1,701,609,936</u></u>
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2007	\$1,140,090,450	\$42,466,779	\$1,097,623,671	3.87%
2008	1,244,922,492	9,960,000	1,234,962,492	0.81%
2009	1,304,949,038	9,775,000	1,295,174,038	0.75%
2010	1,319,469,397	9,580,000	1,309,889,397	0.73%
2011	1,315,134,261	9,375,000	1,276,577,544	3.02%
2012	1,327,797,945	9,155,000	1,318,642,945	0.69%
2013	1,413,457,016	8,925,000	1,404,532,016	0.64%
2014	1,478,724,777	9,090,000	1,469,634,777	0.62%
2015	1,510,066,600	8,610,000	1,501,456,600	0.57%
2016	1,602,204,317	8,270,000	1,501,456,600	0.55%
2017	1,709,534,936	7,925,000	1,701,609,936	0.47%

Source: City Finance Department

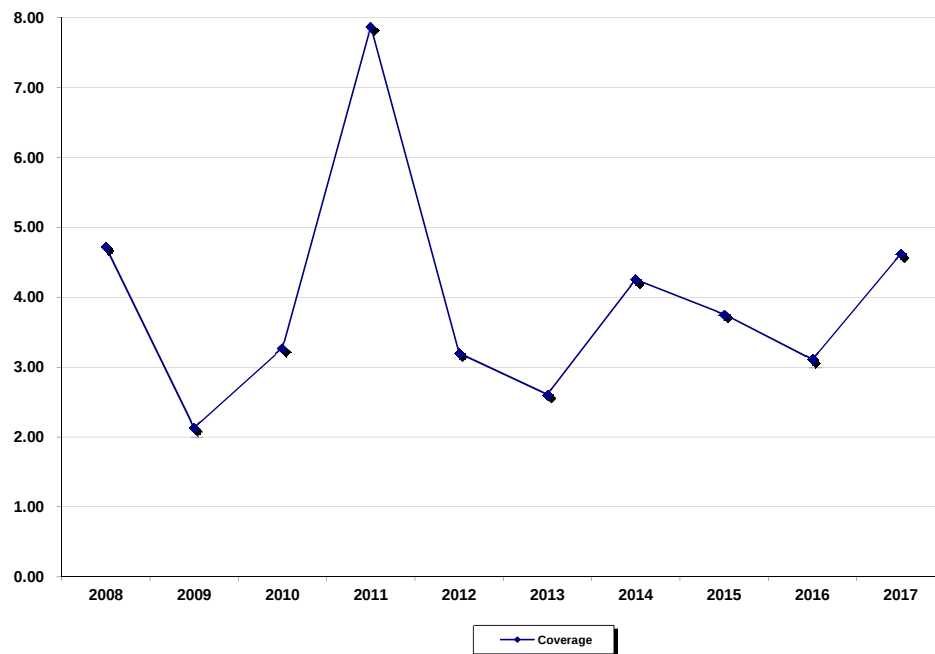
(a) Upon the dissolution of the Community Improvement Commission effective January 31, 2012, a Successor Agency assumed the liabilities of the former Community Improvement Commission, therefore the total bonded debt and revenue bonds have decreased.



Fiscal Year	Gross Revenue (a)	Operating Expenses (b)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	\$6,802,936	\$3,344,067	\$3,458,869	\$607,573	\$312,675	\$920,248	3.76
2009	6,540,313	3,432,587	3,107,726	632,247	322,293	954,540	3.26
2010	6,362,273	3,075,856	3,286,417	652,237	272,959	925,196	3.55
2011	7,322,938	3,328,747	3,994,191	677,500	242,891	920,391	4.34
2012	7,638,530	2,609,730	5,028,800	703,047	219,274	922,321	5.45
2013	8,972,123	3,748,512	5,223,611	2,571,399	346,976	2,918,375	1.79
2014	10,072,496	3,702,154	5,757,611	250,000	456,319	706,319	8.15
2015	10,011,701	4,475,317	5,536,384	275,000	447,069	722,069	7.67
2016	10,278,327	5,305,530	4,972,797	285,000	438,719	723,719	6.87
2017	10,197,953	4,043,407	6,154,546	290,000	430,069	720,069	8.55

NOTE: (a) Includes all Sewer Operating Revenues, Non-operating Interest Revenue, Connection Fees, other Non-operating Revenue
(b) Includes all Sewer Operating Expenses less Depreciation and Interest

Source: City of Alameda Annual Financial Statements



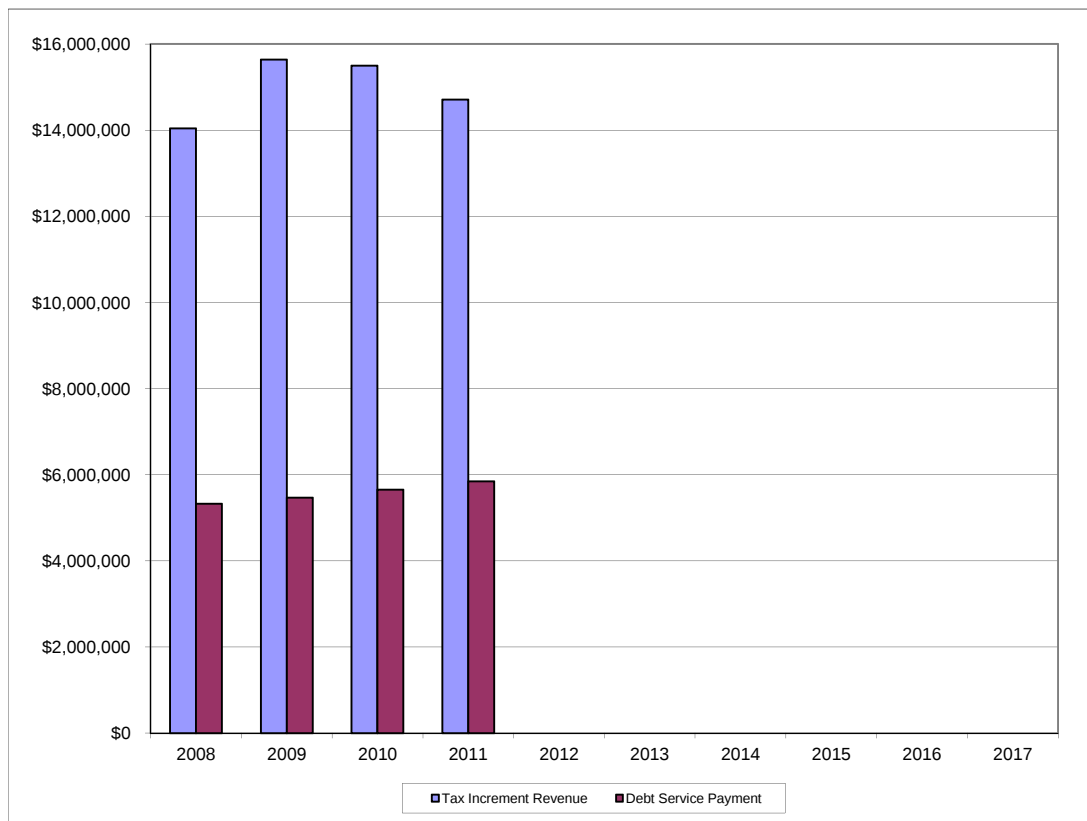
Fiscal Year	Gross Revenue (a)	Revenues Not Available for Debt Service (b)	Operating Expenses (c)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2008	\$52,012,671		\$40,319,750	\$11,692,921		\$2,476,808	\$2,476,808	4.72
2009	51,552,840		45,315,677	6,237,163	\$48,603	2,877,163	2,925,766	2.13
2010	49,540,502		39,750,159	9,790,343	51,495	2,945,095	2,996,590	3.27
2011	50,482,874		37,590,949	12,891,925	54,526	1,582,668	1,637,194	7.87
2012	51,698,976		43,284,441	8,414,535	952,770	1,677,854	2,630,624	3.20
2013	56,431,462	\$4,283,423	44,964,882	7,183,157	1,101,205	1,651,892	2,753,097	2.61
2014	59,435,371	6,938,783	40,809,073	11,687,515	1,129,824	1,617,655	2,747,479	4.25
2015	59,005,393	6,824,069	41,987,012	10,194,312	1,158,581	1,554,056	2,712,637	3.76
2016	62,437,408	6,362,947	47,864,751	8,209,710	1,130,000	1,510,325	2,640,325	3.11
2017	64,156,296	5,071,175	46,926,046	12,159,075	1,170,000	1,461,044	2,631,044	4.62

NOTE: (a) Includes all Municipal Power operating revenues, non-operating interest revenue, other non-operating revenue
(b) GHG / C&T related sales
(c) Includes all Municipal Power operating expenses, less depreciation and interest

Source: City of Alameda Annual Financial Statements



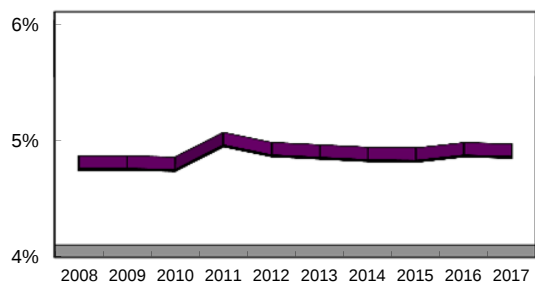
City of Alameda
Bonded Debt Pledged Revenue Coverage
CIC Revenue Bonds and Tax Allocation Bonds
Last Ten Fiscal Years



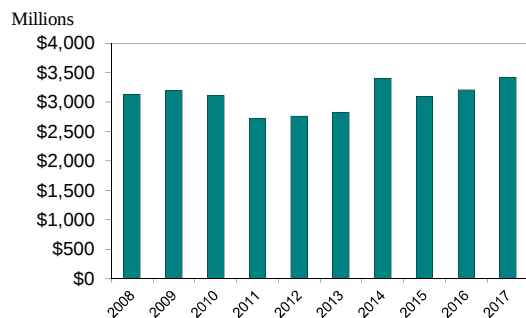
Fiscal Year	Tax Increment Revenue	Debt Service Requirements				Coverage
		Principal	Interest	Total		
2008	\$14,037,684	\$1,190,000	\$4,137,493	\$5,327,493		2.63
2009	15,634,394	1,300,000	4,165,670	5,465,670		2.86
2010	15,494,892	1,582,000	4,070,898	5,652,898		2.74
2011	14,708,012	1,722,000	4,124,257	5,846,257		2.52
2012	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
2013	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
2014	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
2015	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
2016	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
2017	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)

(a) Upon the dissolution of the Community Improvement Commission effective January 31, 2012, a Successor Agency assumed the liabilities of the former Community Improvement Commission, including the Tax Allocation Bonds.

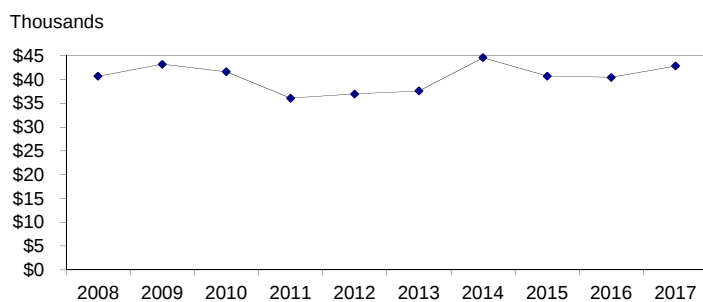
Source: City of Alameda Annual Financial Statements



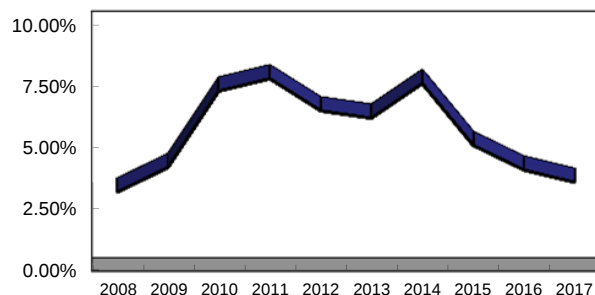
■ Graph City Population



■ Graph County Population



◆ Per Capita Personal Income



■ Unemployment Rate (%)

Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Alameda County Population	City Population % of County
2008	73,359	\$ 3,131,575,000	\$ 40,688	3.2%	1,543,000	4.75%
2009	74,032	3,197,344,000	43,189	4.2%	1,556,657	4.76%
2010	74,736	3,110,554,000	41,621	7.3%	1,574,857	4.75%
2011	74,081	2,719,701,000	36,066	7.8%	1,521,157	4.96%
2012	74,640	2,763,776,399	36,962	6.5%	1,532,137	4.87%
2013	75,126	2,824,096,775	37,591	6.2%	1,548,681	4.85%
2014	76,413	3,406,033,062	44,574	7.6%	1,578,891	4.83%
2015	75,961	3,092,904,037	40,717	5.1%	1,574,497	4.82%
2016	79,277	3,207,096,000	40,454	4.1%	1,627,865	4.87%
2017	79,928	3,423,524,000	42,832	3.6%	1,645,359	4.86%

Source: California State Department of Finance

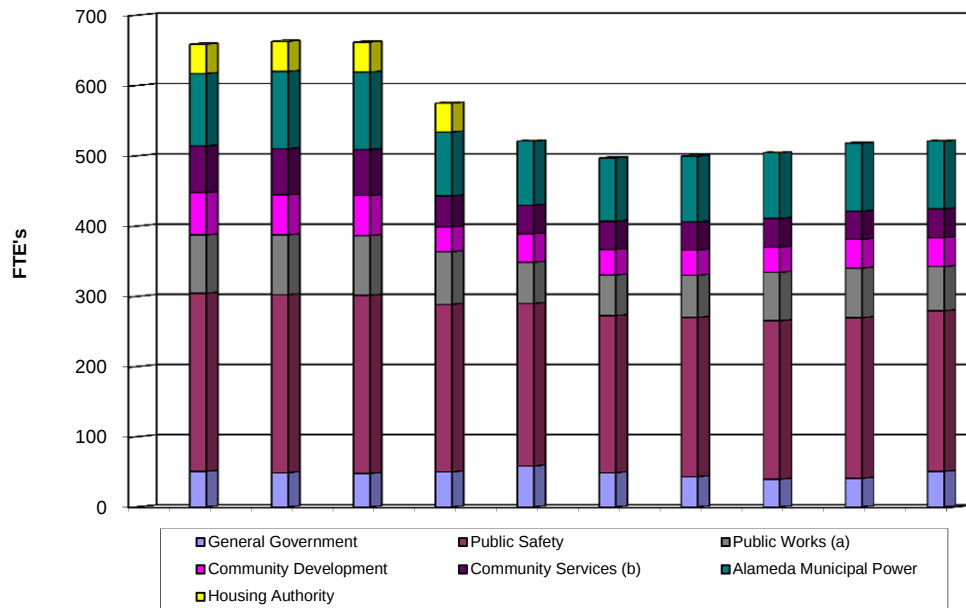


City of Alameda
Principal Employers
Current Year and Nine Years Ago

Employer	2016-17			2007-08		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Penumbra, Inc	1,071	1	1.34%			
Alameda Unified School District	1,044	2	1.31%			
VF Outdoor	783	3	0.98%			
Alameda Hospital	727	4	0.91%	492	1	0.65%
Oakland Raiders	595	5	0.74%	150	9	0.20%
Abbott Diabetes Care Inc.	531	6	0.66%	457	2	0.60%
City of Alameda	522	7	0.65%			
Kaiser Foundation Health Plan	425	8	0.53%			
Safeway Stores	418	9	0.52%			
Cost Plus Corporate Headquarters	412	10	0.52%			
Wind River Systems				450	3	0.59%
Associated Third Party				200	4	0.26%
Bay Ship and Yacht				200	4	0.26%
Sage Group				200	4	0.26%
Celera Diagnostics LLC				180	7	0.24%
United States Postal Services				180	7	0.24%
Xenogen				156	9	0.21%
MBH Architects				150	9	0.20%
Subtotal	6,528		8.17%	2,815		3.71%
Total City Day Population	79,928			75,823		

Sources: City of Alameda Community Development Department
and City of Alameda Business License Records





	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
General Government	50.50	48.50	47.50	49.70	58.00	48.55	43.00	39.35	40.62	50.47
Public Safety	254.00	254.00	254.00	239.00	232.00	224.00	227.00	226.00	229.00	229.00
Public Works (a)	83.00	85.00	85.00	75.00	58.60	57.95	60.00	68.90	70.65	62.90
Community Development	60.00	57.00	57.00	35.20	40.60	36.50	36.00	35.75	41.00	41.38
Community Services (b)	66.50	65.50	65.50	44.00	40.75	40.00	40.00	41.00	39.98	41.00
Alameda Municipal Power	103.00	110.00	110.00	91.00	91.00	90.00	93.50	93.50	96.75	96.25
Housing Authority	41.70	42.70	42.70	41.00	(c)	(c)	(c)	(c)	(c)	(c)
Total	658.70	662.70	661.70	574.90	520.95	497.00	499.50	504.50	518.00	521.00

NOTE:
 (a) Public Works includes Wastewater and Solid Waste
 (b) Community Services includes Library, Recreation and Park and Golf
 (c) The Housing Authority became a separate legal entity during Fiscal Year 2011-12

Source: City of Alameda



City of Alameda
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2008	2009	2010	2011
General Information				
Area in square miles	22.7	22.7	22.7	22.7
Number of registered voters	40,238	42,547	42,547	41,665
Number of Hospitals	1	1	1	1
Education:				
Student enrollment	10,260	9,770	8,704	8,704
Elementary schools	10	10	10	10
Junior high schools	3	3	3	3
High schools	3	3	4	4
Continuation schools	1	1	1	1
Independent study	1	1	1	1
Teachers (full & part time)	514 FTE	638	628	628
Function/Program				
Fire:				
Fire calls for service	- (a)	4,360	6,100	6,100
Primary fire inspections conducted	- (a)	2,485	1,991	1,991
Police:				
Police calls for Service	69,272	69,061	65,963	65,963
Law violations:				
Part I and Part II crimes	5,705	5,705	5,141	5,141
Physical arrests (adult and juvenile)	3,661	3,461	3,103	3,103
Traffic violations	12,058	12,265	12,000	12,000
Sewer				
Storm drain inlets	2,280	2,280	2,300	2,300
Sewer service connections	30,525	30,525	20,590	20,590
Solid Waste				
Refuse Landfill (tons per year)	36,640	31,485.53	33,280.00	33,280.00
Recyclables Processed (tons per year)	20,816	18,864.14	17,777.00	17,777.00

2012	2013	2014	2015	2016	2017
22.7	22.7	22.7	22.7	22.7	22.7
42,547	44,444	44,271	44,006	46,055	48,074
1	1	1	1	1	1
8,704	10,836	8,975	9,552	9,455	9,481
10	11	10	10	10	10
3	3	2	2	2	2
4	4	4	3	3	4
1	1	1	1	1	1
1	1	1	1	1	1
628	381	613	549	626	713
6,100	6,523	6,314	6,439	6,860	7,410
1,991	1,414	1,311	1,444	1,617	1,058
65,963	70,360	75,920	69,347	74,517	67,832
5,141	4,582	4,957	4,383	4,494	4,638
3,103	2,396	2,583	2,332	2,127	2,024
12,000	28,793	10,754	8,507	8,334	9,058
2,300	2,300	2,951	2,951	2,951	2,951
20,590	20,590	19,432	19,454	19,454	19,454
33,280.00	31,181.00	26,298.98	26,139.00	28,742.07	28,420.00
17,777.00	18,240.00	10,682.52	22,859.00	17,016.32	24,303.00



City of Alameda
Operating Indicators by Function/Program
Last Ten Fiscal Years
(Continued)

	2008	2009	2010	2011
Planning & Building:				
Number of Building Permits issued	5,297	5,231	4,575	4,575
Recreation and Parks:				
Youth & Teens:				
Number of youth programs	110	148	151	151
Number of youth attendees	26,766	29,596	153,056	153,056
Seniors:				
Number of senior programs	101	110	114	114
Number of senior attendees	169,552	151,065	153,056	153,056
Number of meals served	51,962	9,512	9,672	9,672
Number of Mastick Senior Center attendees	169,352	151,065	153,056	153,056
Library:				
Volumes in Collection (thousands)	203	200	216	216
Total Volumes Borrowed (thousands)	573	591	630	630
Finance:				
Number of Business Licenses issued	- (a)	9,462	8,638	8,638
Alameda Municipal Power:				
Number of electric customers	34,030	34,272	34,231	34,231
Number of kilowatt hours sold	392,955,223	387,847,929	383,119,780	383,119,780
Reliability rate	99.99	99.99	99.99	99.99
Number of telecom customers	16,316	- (b)	- (b)	- (b)

Source: City of Alameda

NOTE: (a) Information not available
 (b) Telecom sold in November 2008
 (c) AMP no longer compiled this data as of FY 2013

2012	2013	2014	2015	2016	2017
4,575	4,314	4,286	4,038	4,018	3,677
151	239	251	278	277	268
153,056	146,191	34,121	32,259	29,920	22,603
114	125	144	164	177	216
153,056	145,795	144,607	148,520	137,143	136,092
9,672	7,053	6,860	6,620	3,021	5,340
153,056	145,795	144,607	148,520	137,143	136,092
216	211	211	214	215	219
630	550	510	476	456	392
8,638	8,700	5,563	5,553	5,169	6,068
34,231	34,338	34,482	34,525	34,494	34,648
383,119,780	373,787,288	353,913,305	342,202,785	348,819,863	343,765,738
99.99	99.99	- (c)	- (c)	- (c)	- (c)
- (b)	- (b)	- (b)	- (b)	- (b)	- (b)



City of Alameda
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2008	2009	2010	2011
Function/Program				
Fire:				
Fire stations	5	4	3	3
Police:				
Police stations	1	1	1	1
Public works:				
Miles of streets	141	141	141	141
Miles of bike lanes	12	15	15	15
Traffic Signals	78	78	78	78
Wastewater				
Miles of sanitary sewers	165	165	165	165
Miles of storm sewers	41	41	41	41
Recreation and Parks:				
City parks	31	32	32	32
City parks acreage	152	156	156	156
Playgrounds	11	11	13	13
City trails/Bike paths	13	13	13	13
Community centers	13	13	13	13
Senior centers	1	1	1	1
Swimming pools (a)	5	5	5	5
Tennis courts (b)	19	19	19	19
Baseball/softball diamonds	15	15	18	18
Soccer/football fields (c)	2	3	3	3
Library:				
City Libraries	3	3	3	3
Alameda Municipal Power:				
Miles of lines	257	257	257	257
Street lights	6,370	6,440	6,069	6,069

Source: City of Alameda

NOTE: (a) Owned by Alameda Unified School District but operated jointly by City and District
 (b) 16 courts are owned by the City
 (c) 1 Dedicated soccer field in City Parks with one not owned by City at Alameda Point

Fiscal Years					
2012	2013	2014	2015	2016	2017
3	4	4	4	4	4
1	1	1	1	1	1
141	145	140	140	138	120
15	15	13	15	15	26
78	82	87	87	87	86
165	165	150	150	143	143
41	41	70	70	70	126
32	33	33	32	32	32
156	155	155	152	152	152
13	7	7	12	12	12
13	13	13	13	13	13
13	13	13	13	13	13
1	1	1	1	1	1
5	5	5	2	2	2
19	19	19	16	16	16
18	18	18	18	18	18
3	3	3	3	3	3
3	3	3	3	3	3
257	259	260	263	263	264
6,069	5,593	5,372	5,441	5,470	5,470

