

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016



City of Alameda, California



CITY OF ALAMEDA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY THE
FINANCE DEPARTMENT









City of Alameda, California

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

Introductory Section:

Table of Contents	i
Transmittal Letter	v
City Council	xi
Principal Officers	xii
Organizational Chart	xiii
Regional Map	xiv
GFOA Certificate of Achievement for Excellence in Financial Reporting	xv

Financial Section:

<i>Independent Auditors' Report</i>	1
<i>Management's Discussion and Analysis</i>	5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	19
Statement of Activities	20

Fund Financial Statements:

Governmental Funds:

Balance Sheet	24
Reconciliation of Balance Sheet - Governmental Funds to the Government-wide Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Government-wide Statement of Activities	31



City of Alameda, California

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

Financial Section (Continued):

Statement of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual:

General Fund.....	32
Base Reuse Special Revenue Fund	33
HOME Program Special Revenue Fund	34

Proprietary Funds:

Statement of Net Position	36
Statement of Revenues, Expenses and Changes in Fund Net Position	37
Statement of Cash Flows	38

Fiduciary Funds:

Statement of Fiduciary Net Position	40
Statement of Changes in Fiduciary Net Position	41

Notes to Basic Financial Statements.....	43
--	----

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios	109
Schedule of Contributions	111
Police / Fire Pension Plan – Schedule of Funding Progress.....	113
OPEB – Schedule of Funding Progress	113

Combining and Individual Fund Financial Statements and Schedules:

Non-major Governmental Funds:

Combining Balance Sheet.....	118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	124



City of Alameda, California

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents

Combining and Individual Fund Financial Statements and Schedules (Continued):

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	130
--	-----

Internal Service Funds

Combining Statement of Net Position	140
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	142
Combining Statement of Cash Flows	144

Fiduciary Funds

Agency Funds - Statement of Changes in Assets and Liabilities	148
---	-----

Statistical Section:

Financial Trends:

Net Position by Component - Last Ten Fiscal Years.....	153
Changes in Net Position - Last Ten Fiscal Years.....	154
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	159
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	160
Balanced Revenue Index (BRI).....	162

Revenue Capacity:

Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	163
Property Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Years	164
Principal Property Taxpayers – Current Year and Nine Years Ago.....	165
Property Tax Levies and Collections – Last Ten Fiscal Years	166



**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016
Table of Contents**

Statistical Section (Continued):

Debt Capacity:

Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	167
Ratio of General Bonded Debt Outstanding– Last Ten Fiscal Years	168
Computation of Direct and Overlapping Debt	169
Computation of Legal Bonded Debt Margin.....	170
Sewer Service Fund Debt Coverage – Last Ten Fiscal Years	171
Alameda Municipal Power Fund (AMP) Debt Coverage – Last Ten Fiscal Years	172
Bonded Debt Pledged Revenue Coverage, CIC Revenue Bonds and Tax Allocation Bonds - Last Ten Fiscal Years.....	173

Demographic and Economic Information:

Demographic and Economic Statistics - Last Ten Fiscal Years	174
Principal Employers – Current Year and Nine Years Ago	175

Operating Information:

Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years	177
Operating Indicators by Function/Program – Last Ten Fiscal Years	178
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	182



Finance Department
2263 Santa Clara Avenue, Room 220
Alameda, California 94501
(510) 747-4881

February 28, 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, 2016. 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 City employees (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, overseeing the day-to-day operations of the City, and appointing the directors of the City's departments.

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 Park and Recreation 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 includes staff and activities associated with the redevelopment of the former Naval Air Station, also known as Alameda Point.

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 2016-17. 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 relatively strong and several General Fund revenue categories have significantly improved, 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 amortization and smoothing policies, which was to smooth changes to the rate over a five year period instead of a fifteen year period. CalPERS is implementing these changes over a five year period, beginning in Fiscal Year (FY) 2015-16, 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 in FY 2018-19;
- The rising cost of health care albeit at a slower pace than previous years; and
- Agreed upon salary increases for all employees with projected increases of 3.44%-3.97% in 2017 and 2.0%-3.5% in 2018, 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 2016-17 and preparation of the two year budget for Fiscal Years 2017-18 and 2018-19.

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. The City Manager and Assistant City Manager then make recommendations to the City Council regarding the budget. After public discussion and evaluation of their recommendations, the City Council adopts 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 2015-16 and 2016-17 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;
- Build a new Emergency Operations Center (EOC) and adjacent Fire Station #3, and plan for resiliency after a major emergency;
- Address the growing housing crisis in Alameda and the Region; and
- Create 35 acres of new parks within Alameda.

Fiscal Sustainability – In November 2016, 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 Council has taken steps to begin addressing long-term OPEB cost concerns through labor contract negotiations with safety bargaining groups. As a result of these negotiations in January 2016, the City created an OPEB Trust (Trust) for the purpose of setting aside and accumulating funds to be used toward the payment of OPEB benefits for those sworn employees in the City's Fire and Police Departments who pay into the Trust and retire after January 1, 2019. In the spring 2017, the City Council will consider adopting a combination Pension and OPEB Trust to set aside funds for both types of post-employment benefits liabilities. Since establishment of the original OPEB Trust, the City set aside approximately 5.7% of outstanding OPEB liabilities.

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.

The City is expecting to transfer the parcel under the DDA to the developer in the spring of 2017.

EOC and Fire Station #3 – In May 2015, the City Council approved a contract to construct the City's EOC and Fire Station #3. Both structures are near completion and expected to be in use in the spring of 2017. The EOC is critical to the City's ability to manage and respond to a major disaster and can be used as a government training facility during non-emergency situations. Fire Station #3 will replace the old station that was deemed seismically unsafe and uninhabitable.

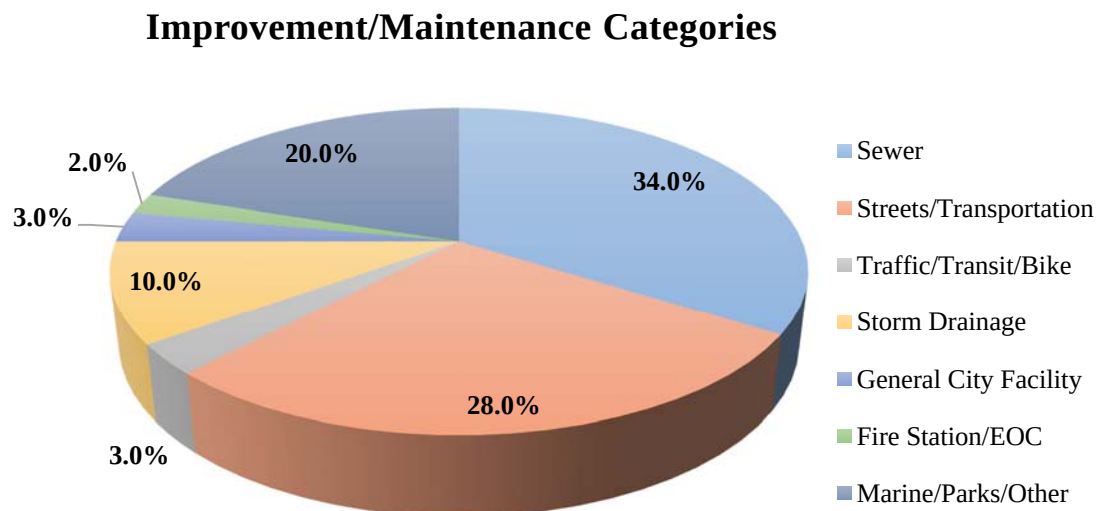
Housing - In March 2016, the City Council adopted Ordinance 3148, a rent stabilization measure that is designed to provide a level of protection for renters while allowing housing providers to operate their business without excessive regulatory burdens. In addition, the City is exploring ways in which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

Recreation and Parks – In the August 2016, the City began construction of Phase 1 of Estuary Park, which is 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 includes 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.

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 2015-16 adopted Capital Improvement Program Budget totaled \$25.1 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).

February 28, 2017

Some of the specific projects underway in Fiscal Year 2015-16 included the following:

- Emergency Operations Center/Fire Station #3 (\$8.9 million)
- Cyclic Sewer Repair (\$5.8 million)
- Jean Sweeney Park Design (\$2.8 million)
- Street Pavement Management Program (\$2.4 million)
- Sidewalk Repair Program (\$1.5 million)
- City Buildings Renovations (\$1.0 million)
- Golf Course Renovations (\$0.9 million)
- Urban Forest Management (\$0.7 million)

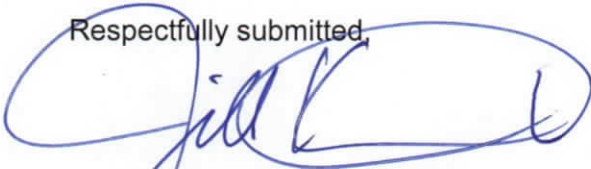
Awards and Acknowledgements

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, 2015. This was the 26th 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 2016 and 2017. 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. 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 Frank Matarrese
Councilmember Tony Daysog
Councilmember Marilyn Ezzy Ashcraft
Councilmember Jim Oddie

ELECTED OFFICIALS



Kevin R. Kearney, City Auditor



Kevin Kennedy, City Treasurer

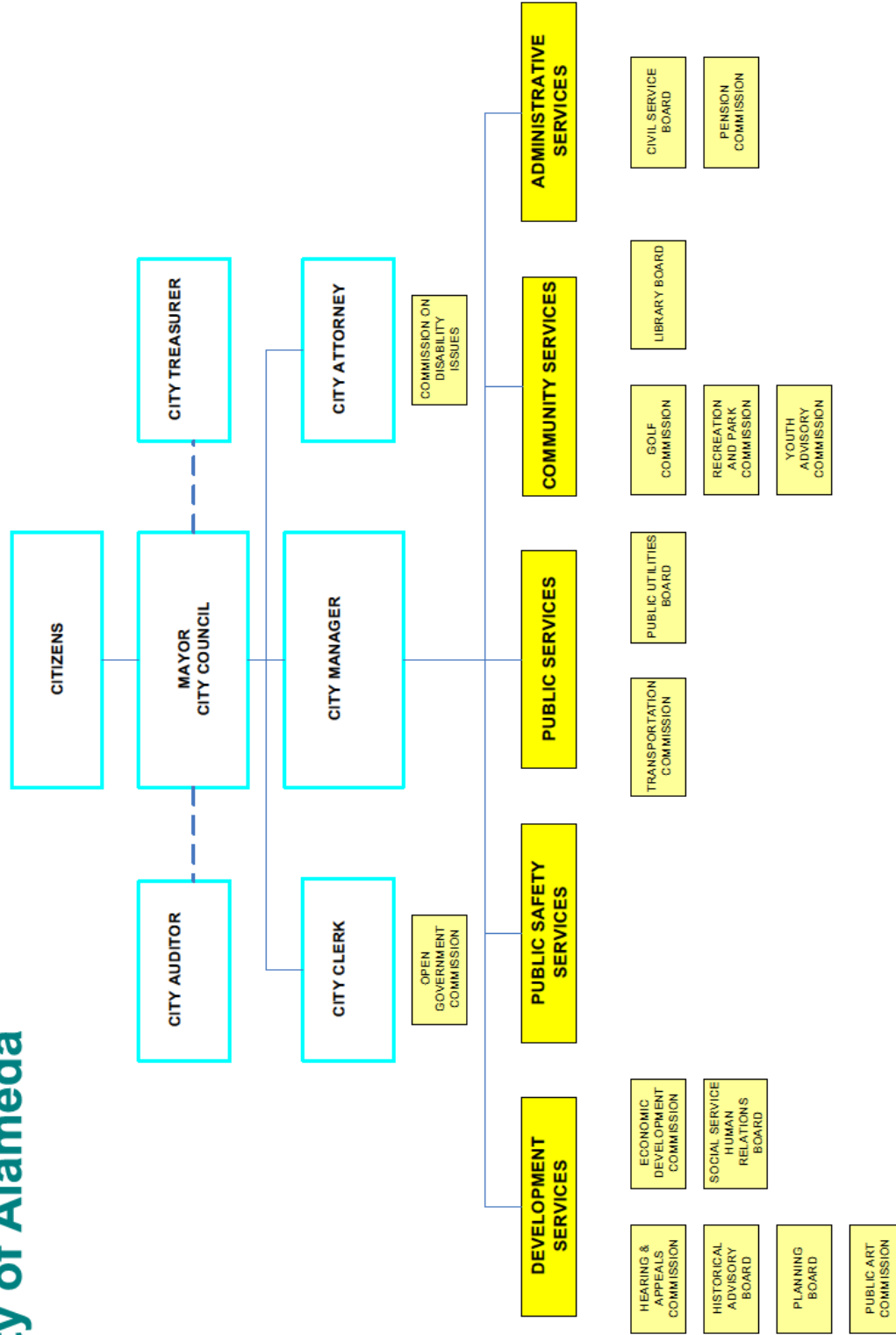
CHARTER OFFICERS

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

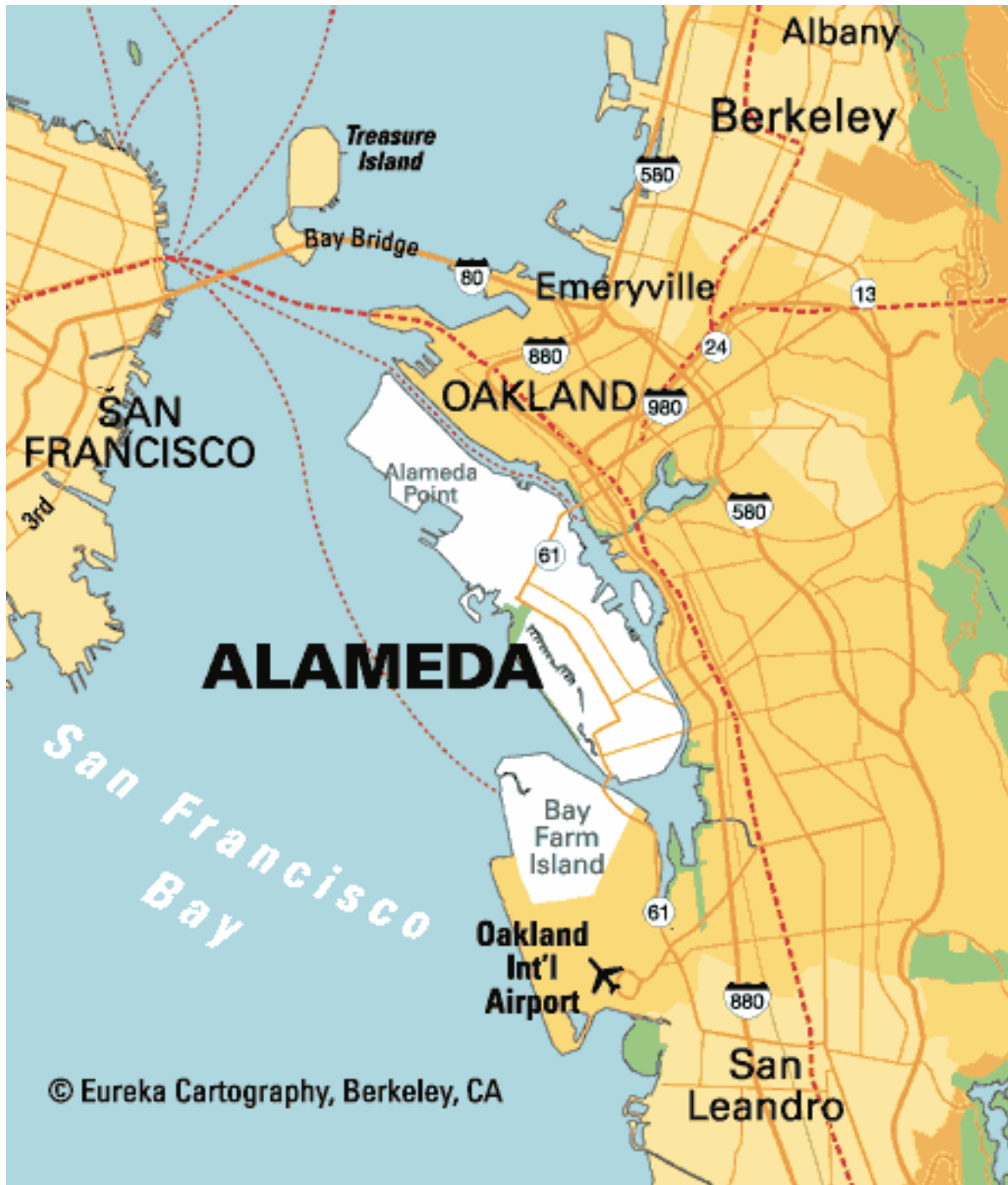
EXECUTIVE MANAGEMENT TEAM

Assistant City Manager, Elizabeth D. Warmerdam
Human Resources Director, Nancy Bronstein
Chief of Police, Paul Roller
Chief Operating Officer, Alameda Point, Jennifer Ott
Community Development Director, Debbie Potter
Finance Director, Elena Adair
Fire Chief, Douglas Long
General Manager, Alameda Municipal Power, Glenn Steiger
Library Director, Jane Chisaki
Public Works Director, Bon Haun
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 75,961. 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 Achievement for Excellence in Financial Reporting

Presented to

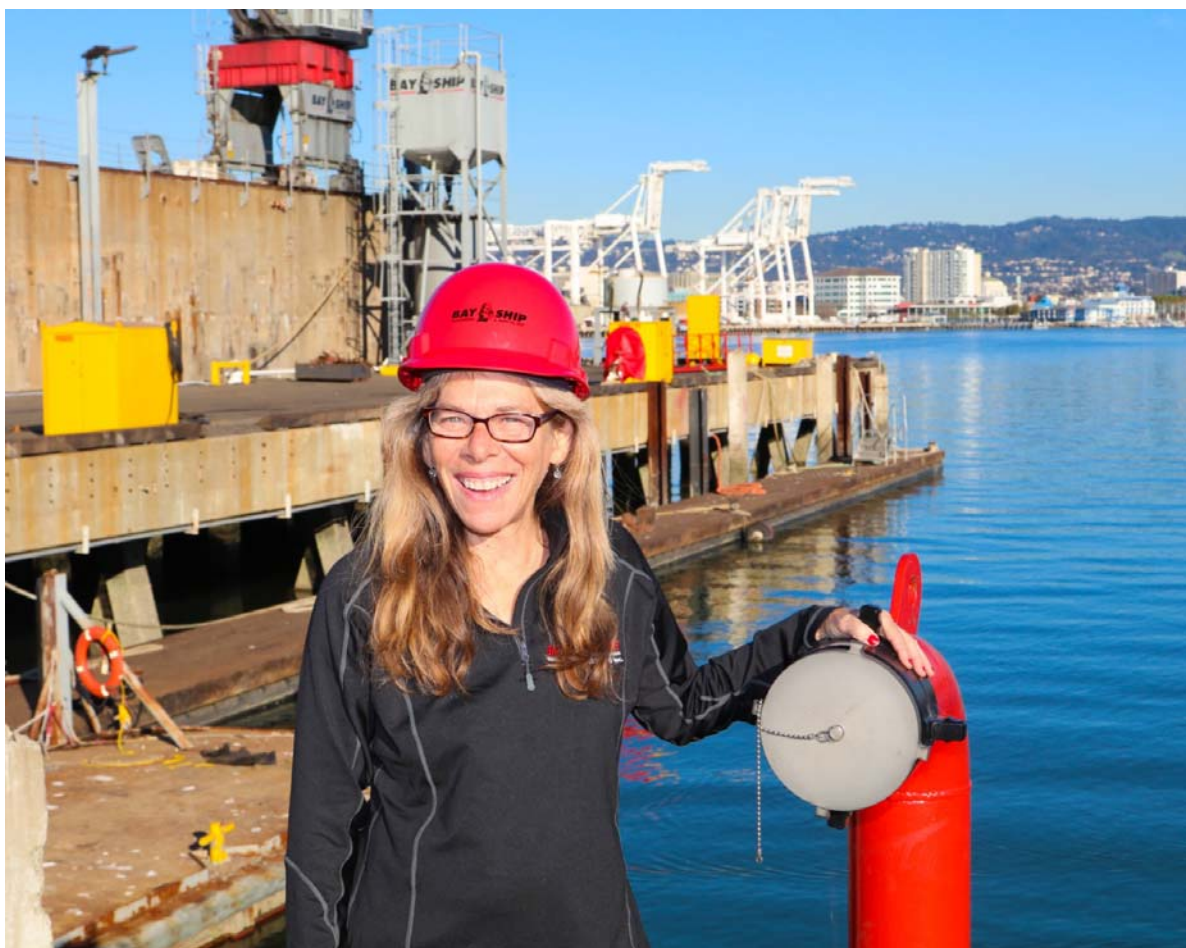
**City of Alameda
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emswiler". The signature is fluid and cursive.

Executive Director/CEO









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, 2016, 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison statements for the General Fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, and 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, 2015. 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 net pension liability and related ratios, the schedules of contributions, and the other post-employment benefits and pension schedules 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 was 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 Standard*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 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
February 28, 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, 2016. 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

- Effective July 1, 2015, the City implemented Statement No. 72 and certain portions of Statement No. 73 of the Governmental Accounting Standards Board (GASB 72 & 73). GASB 72, *Fair Value Measurement and Application*, requires disclosures related to the fair value measurements, the level of fair value hierarchy, and valuation techniques. GASB 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*, includes provisions which are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. The City adopted the effective provisions of this statement as of July 1, 2015. Implementation of the GASB 73 provisions resulted in a restatement discussed in Note 15. The City will adopt the remaining effective provisions effective July 1, 2016.
- The assets and deferred outflows of the governmental activities of the City exceeded its liabilities and deferred inflows at the close of fiscal year by \$177 million of which unrestricted net position was a deficit of \$129 million. Excluding the \$205 million net pension liability and net Other Post-Employment Benefits (OPEB) recorded, which are not claims on current year financial assets, \$334 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 \$15 million from the prior year, with \$3 million attributable to governmental activities and \$12 million attributable to business-type activities.
- As of June 30, 2016, the City's governmental funds reported combined fund balances of \$110 million, an increase of \$6 million in comparison to the prior year. Of this amount, \$27 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 \$47 million and total fund balance of \$40 million. This represents an increase in fund balance of \$5 million, or 13% from prior fiscal year. Of the total fund balance, \$27 million, or 67%, 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 Basis 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 \$15 million or 5%, from \$297 million at June 30, 2015 to \$311 million at June 30, 2016. 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 \$3 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, 2016 and 2015
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$160,648	\$153,411	\$117,053	\$109,250	\$277,701	\$262,661
Capital assets	289,811	287,282	101,097	97,057	390,908	384,339
Total assets	<u>450,459</u>	<u>440,693</u>	<u>218,150</u>	<u>206,307</u>	<u>668,609</u>	<u>647,000</u>
Deferred Outflows of Resources						
Deferred losses on refunding	-	-	747	808	747	808
Related to pensions	16,733	11,612	1,449	1,122	18,182	12,734
Total Deferred Outflows of Resources	<u>16,733</u>	<u>11,612</u>	<u>2,196</u>	<u>1,930</u>	<u>18,929</u>	<u>13,542</u>
Liabilities						
Long-term Liabilities	254,527	228,576	59,174	58,341	313,701	286,917
Other Liabilities	24,318	22,948	8,486	7,173	32,804	30,121
Total Liabilities	<u>278,845</u>	<u>251,524</u>	<u>67,660</u>	<u>65,514</u>	<u>346,505</u>	<u>317,038</u>
Deferred Inflows of Resources						
Related to pensions	10,987	26,240	1,717	4,452	12,704	30,692
Balancing account	-	-	17,223	16,213	17,223	16,213
Total Deferred Inflows of Resources	<u>10,987</u>	<u>26,240</u>	<u>18,940</u>	<u>20,665</u>	<u>29,927</u>	<u>46,905</u>
Net Position:						
Net Investment in Capital Assets	257,004	259,298	77,528	72,843	334,532	332,141
Restricted	49,089	47,340	32,370	31,980	81,459	79,320
Unrestricted*	(128,733)	(132,097)	23,848	17,235	(104,885)	(114,862)
Total Net Position	<u>\$177,360</u>	<u>\$174,541</u>	<u>\$133,746</u>	<u>\$122,058</u>	<u>\$311,106</u>	<u>\$296,599</u>

* Unrestricted net position for June 30, 2016 affected by recording the City's \$189 million net pension liabilities and \$33 million in Post-Employment Health Care Benefits, which are not claims on current year financial assets.

At June 30, 2016, 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, \$335 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 \$79 million at June 30, 2015 to \$81 million at June 30, 2016. 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 \$29 million due primarily to an increase in the City's net pension liability of \$23 million, from \$166 million at June 30, 2015 to \$189 million at June 30, 2016.

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

Statement of Activities
for the years ended June 30, 2016 and 2015
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 38,218	\$ 36,613	\$ 71,417	\$ 68,666	\$ 109,635	\$ 105,279
Operating grants and contributions	5,210	5,806	-	-	5,210	5,806
Capital grants and contributions	6,270	6,156	547	-	6,817	6,156
General revenues						
Property taxes	43,666	39,058	-	-	43,666	39,058
Sales taxes	10,188	9,341	-	-	10,188	9,341
Utility users tax	8,368	8,331	-	-	8,368	8,331
Other taxes	17,012	17,148	-	-	17,012	17,148
Use of money and properties	5,136	4,466	685	280	5,821	4,746
Miscellaneous	1,161	2,787	1,191	90	2,352	2,877
Total revenues	<u>135,229</u>	<u>129,706</u>	<u>73,840</u>	<u>69,036</u>	<u>209,069</u>	<u>198,742</u>
Expenses						
General Government	17,313	15,567	-	-	17,313	15,567
Police	31,230	30,311	-	-	31,230	30,311
Fire	33,701	30,248	-	-	33,701	30,248
Public Works	21,612	20,576	-	-	21,612	20,576
Community Development	19,926	21,707	-	-	19,926	21,707
Community Services	8,192	6,808	-	-	8,192	6,808
Housing	2,298	1,884	-	-	2,298	1,884
Interest on Long-Term Debt	1,105	984	-	-	1,105	984
Sewer Services	-	-	5,189	6,070	5,189	6,070
Alameda Municipal Power	-	-	54,131	47,959	54,131	47,959
Total expenses	<u>135,377</u>	<u>128,085</u>	<u>59,320</u>	<u>54,029</u>	<u>194,697</u>	<u>182,114</u>
Change in Net Position Before						
Transfers and Extraordinary Item	(148)	1,621	14,520	15,007	14,372	16,628
Transfers, Net	2,832	3,027	(2,832)	(3,027)	-	-
Extraordinary Item	-	1,007	-	-	-	1,007
Change in Net Position	<u>2,684</u>	<u>5,655</u>	<u>11,688</u>	<u>11,980</u>	<u>14,372</u>	<u>17,635</u>
Beginning Net Position, restated for 2016	<u>174,676</u>	<u>168,886</u>	<u>122,058</u>	<u>110,078</u>	<u>296,734</u>	<u>278,964</u>
Ending Net Position	<u>\$ 177,360</u>	<u>\$ 174,541</u>	<u>\$ 133,746</u>	<u>\$ 122,058</u>	<u>\$ 311,106</u>	<u>\$ 296,599</u>

Total revenues increased approximately \$10 million or 5%. The primary increases are in charges for services of \$4 million, property taxes of \$4.6 million and sales and other taxes of \$1 million. Governmental activities charges for services went up due to increase in cost recovery from AMP and an increase in lease revenues collected at Alameda Point. Business-type activities charges for services increased \$2.7 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 \$13 million or 7% compared to the prior year. Fire Department expenses increased by \$3.5 million and Police Department by \$1.0 million as a result of increased salary and benefits costs and implementation of GASB 73 through consolidation of certain pension funds with the City's General Fund. Alameda Municipal Power expenses increased \$6.2 million and were related to purchased power higher transmission costs and increased market purchases. In addition, rate stabilization account (balancing account) was increased by \$1.0 million, while last year a \$0.2 million decrease was reported. The General Government expenses went up \$1.7 million primarily due to labor cost increases and filing of vacancies.

Governmental Activities

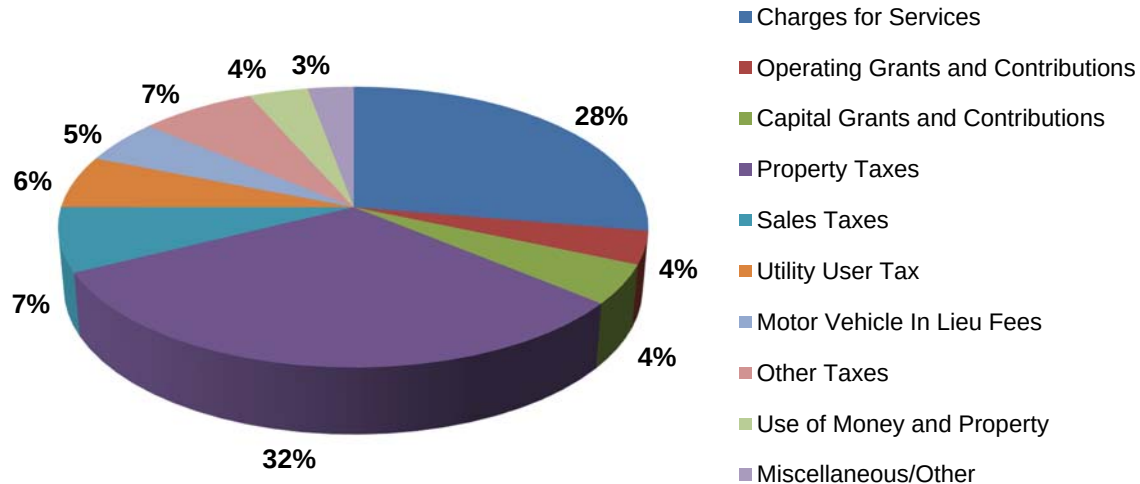
Program revenue associated with Governmental Activities total \$49.7 million, or 36.7% of program expenses. Expenses not covered by program revenues must be funded from non-program sources like general tax revenues. The table below illustrates the gap between program revenues and expenses by major activity. 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, 2016
(in thousands)

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net Revenue (Expense) of Activities</u>
Governmental Activities			
General Government	\$ 17,313	\$ 9,914	\$ (7,399)
Police	31,230	1,789	(29,441)
Fire	33,701	3,595	(30,106)
Public Works	21,612	17,306	(4,306)
Community Development	19,926	11,947	(7,979)
Community Services	8,192	3,686	(4,506)
Housing	2,298	1,461	(837)
Interest on Long-Term Debt	1,105	-	(1,105)
	<u>\$ 135,377</u>	<u>\$ 49,698</u>	<u>\$ (85,679)</u>

The pie chart on the next page illustrates the distribution of total revenue of \$135 million among its various sources. The largest revenue sources for governmental activities are property taxes of \$43.7 million or 32% and charges for services of \$38 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 27% of revenue for governmental activities comes from operating and capital grants and contributions, franchise fee revenues, and special taxes.

Revenue by Source - Governmental Activities



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, 2016 (in thousands)

	Revenue	Expense	Net
Sewer Services	\$ 10,320	\$ 5,221	\$ 5,099
Alameda Municipal Power	63,520	56,931	6,589
	<u>\$ 73,840</u>	<u>\$ 62,152</u>	<u>\$ 11,688</u>

Net position of the Sewer Services Fund at June 30, 2016 was \$73 million with the largest portion, \$45 million invested in capital assets less any related outstanding debt that was used to acquire those assets. The remaining \$28 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 the AMP at June 30, 2016 was \$61 million with the largest portion, \$32 million invested in capital assets less any related outstanding debt that was used to acquire those assets. Of the remaining \$29 million, \$5 million is restricted for debt service and \$24 million is available to fund operations, maintenance projects and future capital improvements. The cost of AMP activities this year was \$57 million. The two largest sources of revenue of the enterprise were user charges for services of \$55 million and greenhouse gas related sales of \$6 million.

Revenues by Source - Business-Type Activities
for the years ended June 30, 2016 and 2015
(in thousands)

	2016	2015	Difference
Charges for Services	\$ 71,417	\$ 68,666	\$ 2,751
Capital Grants and Contributions	547	-	547
Investment Earnings/Rents	685	280	405
Miscellaneous Revenues	1,191	90	1,101
	<u>\$ 73,840</u>	<u>\$ 69,036</u>	<u>\$ 4,804</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, 2016, the City's governmental funds reported combined ending fund balances of \$110 million. Approximately \$27 million, or 24%, 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, 2016, unassigned fund balance of the General Fund was \$27 million; the total fund balance, including nonspendable, restricted and committed resources, was \$40 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 32% of total General Fund expenditures and transfers out.

The General Fund revenues increased \$5.7 million, or 7%, from the prior fiscal year to \$86 million in FY 2015-16. Property tax revenues for the fiscal year were \$34 million, an increase of \$2 million or 6.5% 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 \$1 million or 15% 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 \$0.8 million, or 9.5%, over the prior year for a total of \$9.6 million. This was a result of ongoing economic growth in the City as well as opening of new businesses.

Utility user tax remained flat at \$8.3 million after an ongoing declining trend.

General Fund expenditures totaled \$72 million for FY 2015-16 compared to \$70 million in the prior fiscal year. This amount excludes encumbrances outstanding at year end. The increase was \$1.5 million, or 2%, 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 2015-16 were \$12.7 million compared to \$9.9 million in the prior year. This increase of \$2.8 million was primarily due to higher 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 \$4.6 million, or 13% during the FY 2015-16, compared to an increase of \$4.4 million in prior fiscal year. Revenues and transfers in of \$89 million were \$5.5 million, or 7%, higher than FY 2014-15. Expenditures and transfers out of \$84 million were \$4.3 million, or 5%, higher than FY 2014-15.

The *Base Reuse Special Revenue Fund* had a restricted fund balance of \$3.7 million at June 30, 2016. Fund balance decreased by \$0.2 million primarily due to increases in expenditures and transfers out exceeding the increase in revenues.

The *Home Special Revenue Fund* had a restricted fund balance of \$644 at June 30, 2016 and a Low and Moderate Income Housing Loans Receivable balance of \$6 million. The fund is newly presented in FY 2015-16 and was formerly presented with two other low and moderate income housing programs.

The *Capital Improvement Projects Fund* has a total fund balance of \$6.7 million as of June 30, 2016, all committed for current and future capital projects. The fund incurred expenditures of \$13.6 million for capital projects during FY 2015-16, including the following:

- Street Resurfacing
- Sidewalk Repairs
- Jean Sweeney Park design
- Golf Course renovations
- Urban Forest Management
- City buildings renovations
- Encinal/Alameda High School Swim Center Renovation

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 2015-16, 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, 2016:

Internal Service Fund Net Position
for the year ended June 20, 2016
(in thousands)

	Net Position/ (Deficit)
Equipment Replacement	\$ 5,998
Central Services	86
Fleet Maintenance	122
Technology Services	2,013
Facilities Maintenance	4,660
Workers' Compensation Insurance	(792)
Risk Management Insurance	44
Unemployment Insurance	647
OPEB/Vacation	3,240
Total	<u>\$ 16,018</u>

The Workers' Compensation Fund net position deficit reflects future claim liabilities maturing in five to ten years. The prior year fund deficit of \$1.5 million decreased by \$0.7 million to a current deficit of \$0.8 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 2015-16 original budget to the final budget, there was a \$4.3 million increase, from \$82 million to \$86 million, made to the revenues and transfers in. The increase was primarily due to increased tax revenues. There was an increase of \$1.4 million and \$4.9 million for services and transfers out, respectively, for total final appropriations of \$91 million. The \$1.4 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 \$89 million, exceeding projections by \$3 million, or 3.3%. The total actual expenditures and transfers out for the General Fund were \$84 million. This was \$6.5 million, or 7.2%, less than final budget.

Revenues exceeded budget due primarily to an increased home values resulting in property tax and transfer tax exceeding budget by \$1.1 million, combined. Additionally, revenue from charges for services exceeded projections by \$1.2 million due primarily to receipt of ground emergency medical transportation reimbursements by the Fire Department. Actual expenditures were \$6.5 million below appropriations. This is a result of departments being vigilant in reducing costs magnified by personnel vacancies, mainly in the police department. Actual expenditures for capital outlay exceeded final budget by \$0.2 million due to increased major vehicles repair services caused by aging fleet.

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, 2016, the

General Fund available fund balance was \$27 million, or 30% of the year's appropriations, which is 5% 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, 2016, 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 \$101 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	
	2016	2015	2016	2015	2016	2015
Land	\$ 5,995	\$ 5,995	\$ 154	\$ 154	\$ 6,149	\$ 6,149
Construction in progress	14,775	6,646	7,260	13,038	22,035	19,684
Buildings	141,350	144,713	35,977	33,332	177,327	178,045
Machinery and equipment	9,616	9,971	2,464	2,411	12,080	12,382
Infrastructure	118,075	119,956	55,242	48,122	173,317	168,078
Total	<u>\$289,811</u>	<u>\$287,281</u>	<u>\$101,097</u>	<u>\$ 97,057</u>	<u>\$390,908</u>	<u>\$384,338</u>

Long-Term Debt - Long-term debt of Governmental Activities increased in FY 2015-16 by \$3 million due to the acquisition of a \$3 million loan from the California Infrastructure and Economic Development Bank and recognition of a \$2.7 million obligation to the County of Alameda. These increases were offset by annual debt service and capital lease payments being made. 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 \$1,131 to \$1,099 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	
	2016	2015	2016	2015	2016	2015
Certificates of Participation	\$ 10,312	\$ 11,308			\$ 10,312	\$ 11,308
Revenue Bonds	10,600	11,000	\$ 40,460	\$ 41,878	51,060	52,878
General Obligation Bonds	8,346	8,692			8,346	8,692
HUD Section 108 Loan	5,764	6,010			5,764	6,010
Other Long-Term Debt	10,044	4,985	1,616	2,034	11,660	7,019
	<u>\$ 45,066</u>	<u>\$ 41,995</u>	<u>\$ 42,076</u>	<u>\$ 43,912</u>	<u>\$ 87,142</u>	<u>\$ 85,907</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, 2016 have increased by 5.5% 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 2016-17 Revised Budget, the City forecasts taxable retail sales to remain flat compared to the prior year. Additionally in November 2016, Alameda citizens passed a revenue measure that modernized the City's existing utility users tax ordinance as well as confirmed the transfer of funds from Alameda Municipal Power to the City's General Fund. 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.

However, the City is utilizing a cautious optimism since the growth is accompanied by increases in the cost of services. 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 including participant demographics and the discount rate. The contribution rates are anticipated to increase further in the coming years for these reasons. In addition, the cost of post-employment health benefits continues to grow. The City approved public safety labor contracts in the spring of 2015 that addressed partial funding of these benefits with the City making an initial lump sum contribution of over \$5.25 million in January 2016 and subsequent annual contributions of \$0.25 million each year thereafter. These funds will be supplemented by additional employee payroll contributions through the term of the contract. 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 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	\$ 131,678,212	\$ 64,623,868	\$ 196,302,080
Cash with fiscal agents	6,345,071	5,446,092	11,791,163
Accounts receivable, net	10,645,867	6,220,512	16,866,379
Due from other agencies	14,369		14,369
Interest receivable		59,571	59,571
Greenhouse gas related sales receivable		2,316,369	2,316,369
Loans receivable	11,031,987		11,031,987
Materials, parts and supplies		2,997,761	2,997,761
Prepays and deposits	932,952	384,284	1,317,236
Share of certain NCPA projects and reserve		7,520,595	7,520,595
Investments designated for special purposes		27,483,857	27,483,857
Capital assets:			
Non-depreciable	20,770,240	7,413,192	28,183,432
Depreciable, net of accumulated depreciation	269,040,351	93,683,470	362,723,821
Total Assets	450,459,049	218,149,571	668,608,620
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding		746,747	746,747
Deferred outflows related to pensions	16,733,940	1,448,802	18,182,742
Total Deferred Outflows of Resources	16,733,940	2,195,549	18,929,489
LIABILITIES			
Accounts payable	6,606,736	2,952,100	9,558,836
Accrued payroll	3,256,213	300,964	3,557,177
Interest payable	428,098	923,832	1,351,930
Unearned revenue	1,603,506		1,603,506
Refundable deposits	2,360,754	1,632,851	3,993,605
Due to other agencies	82,134		82,134
Claims payable:			
Due within one year	4,228,769	165,000	4,393,769
Due in more than one year	6,182,614	1,286,525	7,469,139
Compensated absences:			
Due within one year	3,261,458	622,556	3,884,014
Net pension obligation	686,000		686,000
Net pension liability	171,786,293	17,700,208	189,486,501
Net OPEB obligation	33,297,060		33,297,060
Long-term debt:			
Due within one year	2,490,342	1,888,874	4,379,216
Due in more than one year	42,575,450	40,186,879	82,762,329
Total Liabilities	278,845,427	67,659,789	346,505,216
DEFERRED INFLOWS OF RESOURCES			
Balancing account		17,222,897	17,222,897
Deferred inflows related to pensions	10,987,320	1,716,713	12,704,033
Total Deferred Inflows of Resources	10,987,320	18,939,610	29,926,930
NET POSITION			
Net investment in capital assets	257,003,558	77,527,656	334,531,214
Restricted for:			
Capital projects	15,705,489		15,705,489
Debt service	1,429,684		1,429,684
Housing	1,977,504		1,977,504
Public safety	521,094		521,094
Community development	7,719,952		7,719,952
Maintenance assessment districts	6,265,184		6,265,184
Transportation	9,551,058		9,551,058
Tidelands properties	2,838,035		2,838,035
Waste reduction	3,081,375		3,081,375
Debt service		5,446,092	5,446,092
Sewer system replacement		26,923,753	26,923,753
Total Restricted Net Position	49,089,375	32,369,845	81,459,220
Unrestricted	(128,732,691)	23,848,220	(104,884,471)
Total Net Position	\$ 177,360,242	\$ 133,745,721	\$ 311,105,963

See accompanying notes to financial statements.



City of Alameda
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 17,312,864	\$ 9,914,050		
Police	31,230,359	1,461,077	\$ 295,985	\$ 31,937
Fire	33,701,192	3,161,928	433,413	
Public works	21,611,732	8,869,421	2,197,706	6,238,310
Community development	19,926,259	11,261,739	685,189	
Community services	8,192,325	3,550,181	135,983	
Housing	2,298,345		1,461,226	
Interest on long-term debt	1,104,604			
Total Governmental Activities	135,377,680	38,218,396	5,209,502	6,270,247
Business-type Activities:				
Sewer services	5,189,080	9,404,120		546,768
Alameda municipal power	54,131,601	62,012,528		
Total Business-type Activities	59,320,681	71,416,648		546,768
Total Primary Government	\$ 194,698,361	\$ 109,635,044	\$ 5,209,502	\$ 6,817,015

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 previously reported

Prior Period Adjustments

Beginning Net Position, as restated

Ending Net Position

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (7,398,814)		\$ (7,398,814)
(29,441,360)		(29,441,360)
(30,105,851)		(30,105,851)
(4,306,295)		(4,306,295)
(7,979,331)		(7,979,331)
(4,506,161)		(4,506,161)
(837,119)		(837,119)
(1,104,604)		(1,104,604)
(85,679,535)		(85,679,535)
	\$ 4,761,808	4,761,808
	7,880,927	7,880,927
	12,642,735	12,642,735
(85,679,535)	12,642,735	(73,036,800)
43,665,978		43,665,978
10,187,902		10,187,902
8,368,125		8,368,125
9,451,755		9,451,755
2,396,918		2,396,918
2,174,973		2,174,973
1,157,160		1,157,160
1,831,805		1,831,805
5,136,494	685,463	5,821,957
1,160,516	1,190,730	2,351,246
2,831,684	(2,831,684)	
88,363,310	(955,491)	87,407,819
2,683,775	11,687,244	14,371,019
174,541,267	122,058,477	296,599,744
135,200		135,200
174,676,467	122,058,477	296,734,944
\$ 177,360,242	\$ 133,745,721	\$ 311,105,963

See accompanying notes to financial statements.



The funds described below were determined to be major funds of the City of Alameda in FY 2015-2016. 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.

	Major Funds		
	General	Base Reuse Special Revenue	HOME Program Special Revenue
ASSETS:			
Cash and cash equivalents	\$ 37,186,335	\$ 5,089,535	
Restricted cash and investments	6,000		
Accounts receivable	7,644,646	99,242	\$ 32,225
Due from other agencies			
Prepays and deposits	872,617		
Due from other funds	1,179,610		
Loans receivable			6,267,173
Total Assets	<u>\$ 46,889,208</u>	<u>\$ 5,188,777</u>	<u>\$ 6,299,398</u>
LIABILITIES:			
Accounts payable	\$ 1,235,381	\$ 549,756	\$ 11,560
Accrued payroll	3,051,121	14,572	
Due to other funds			20,021
Due to other agencies	16,340		
Unearned revenue	1,467,686		
Refundable deposits	636,980	912,169	
Advances			
Total Liabilities	<u>6,407,508</u>	<u>1,476,497</u>	<u>31,581</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - miscellaneous revenues	4		
Unavailable revenue - grants			
Unavailable revenue - revolving loans receivable			6,267,173
Total Deferred Inflows of Resources	<u>4</u>		<u>6,267,173</u>
FUND BALANCES:			
Nonspendable	872,617		
Restricted		3,712,280	644
Committed	6,043,000		
Assigned	6,281,684		
Unassigned	27,284,395		
Total Fund Balances	<u>40,481,696</u>	<u>3,712,280</u>	<u>644</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 46,889,208</u>	<u>\$ 5,188,777</u>	<u>\$ 6,299,398</u>

See accompanying notes to financial statements.

Major Funds		
Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
\$ 7,519,098	\$ 57,188,900	\$ 106,983,868
678,167	5,660,904	6,345,071
924,000	1,903,156	10,603,269
	14,369	14,369
60,335		932,952
		1,179,610
	4,764,814	11,031,987
<u>\$ 9,181,600</u>	<u>\$ 69,532,143</u>	<u>\$ 137,091,126</u>
\$ 2,380,565	\$ 1,968,406	\$ 6,145,668
28,853	161,667	3,256,213
	1,159,589	1,179,610
2,855	62,939	82,134
	135,811	1,603,497
38,246	750,669	2,338,064
	778,892	778,892
<u>2,450,519</u>	<u>5,017,973</u>	<u>15,384,078</u>
		4
	223,031	223,031
	4,764,814	11,031,987
<u></u>	<u>4,987,845</u>	<u>11,255,022</u>
		872,617
	45,023,882	48,736,806
6,731,081	14,502,443	27,276,524
		6,281,684
		27,284,395
<u>6,731,081</u>	<u>59,526,325</u>	<u>110,452,026</u>
<u>\$ 9,181,600</u>	<u>\$ 69,532,143</u>	<u>\$ 137,091,126</u>

See accompanying notes to financial statements.





**City of Alameda
Reconciliation of
Governmental Funds – Fund Balances
with Governmental Net Position
June 30, 2016**

Total fund balances reported on the governmental funds balance sheet	\$	110,452,026
--	----	-------------

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.	283,857,250
---	-------------

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	24,694,344
Accounts receivable	42,598
Advances	778,892
Capital assets, net of depreciation	5,953,341
Accounts payable	(461,068)
Interest payable	(90,990)
Unearned revenue	(9)
Refundable deposits	(22,690)
Claims payable	(10,411,383)
Long-term debt	(4,465,248)

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 taken into revenue in the Statement of Activities.	11,255,022
---	------------

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.	5,746,620
--	-----------

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	(337,108)
Long-term debt	(40,600,544)
Compensated absences	(3,261,458)
Net pension obligation	(686,000)
Net pension liability	(171,786,293)
Net OPEB obligation	(33,297,060)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	177,360,242
--	-----------	--------------------

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, 2016

	Major Funds		
	<u>General</u>	<u>Base Reuse Special Revenue</u>	<u>Home Program</u>
REVENUES			
Property taxes	\$ 34,109,361		
Other local taxes	35,744,340		
Licenses and permits	1,931,453		
Revenues from other agencies	239,289	\$ 648,600	\$ 26,238
Charges for current services	11,021,837		
Fines and forfeitures	1,071,093		
Use of money and property	1,423,101	12,762,214	12,769
Other revenues	95,155		
Total Revenues	<u>85,635,629</u>	<u>13,410,814</u>	<u>39,007</u>
EXPENDITURES			
Current:			
General government	10,557,060		
Police	28,703,281		
Fire	27,737,511		
Public works	1,452,194		
Community development		12,930,370	
Community services	2,324,436		
Housing			39,007
Capital outlay	581,309		
Debt service:			
Principal	193,564		
Interest			
Total Expenditures	<u>71,549,355</u>	<u>12,930,370</u>	<u>39,007</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>14,086,274</u>	<u>480,444</u>	
OTHER FINANCING SOURCES (USES)			
Transfers in	3,229,000		644
Transfers (out)	(12,725,457)	(636,302)	
Issuance of debt			
Total Other Financing Sources (Uses)	<u>(9,496,457)</u>	<u>(636,302)</u>	<u>644</u>
NET CHANGES IN FUND BALANCES	<u>4,589,817</u>	<u>(155,858)</u>	<u>644</u>
BEGINNING FUND BALANCES	35,756,679	3,868,138	
PRIOR PERIOD ADJUSTMENTS	135,200		
BEGINNING FUND BALANCES, AS RESTATED	<u>35,891,879</u>	<u>3,868,138</u>	
ENDING FUND BALANCES	<u>\$ 40,481,696</u>	<u>\$ 3,712,280</u>	<u>\$ 644</u>

See accompanying notes to financial statements.

Major Funds		
Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
	\$ 9,556,617	\$ 43,665,978
	855,691	36,600,031
\$ 65,865	2,602,351	4,599,669
1,154,608	9,730,992	11,799,727
2,420,693	5,359,074	18,801,604
	434,820	1,505,913
55,119	4,025,462	18,278,665
333,168	659,774	1,088,097
<u>4,029,453</u>	<u>33,224,781</u>	<u>136,339,684</u>
	6,187,218	16,744,278
	113,498	28,816,779
	792,177	28,529,688
	3,290,480	4,742,674
	4,756,457	17,686,827
	4,129,551	6,453,987
	2,259,338	2,298,345
13,649,828	8,680,215	22,911,352
	1,956,000	2,149,564
	1,128,676	1,128,676
<u>13,649,828</u>	<u>33,293,610</u>	<u>131,462,170</u>
<u>(9,620,375)</u>	<u>(68,829)</u>	<u>4,877,514</u>
9,023,548	8,524,520	20,777,712
	(9,551,265)	(22,913,024)
	3,000,000	3,000,000
<u>9,023,548</u>	<u>1,973,255</u>	<u>864,688</u>
<u>(596,827)</u>	<u>1,904,426</u>	<u>5,742,202</u>
7,327,908	57,621,899	104,574,624
		135,200
<u>7,327,908</u>	<u>57,621,899</u>	<u>104,709,824</u>
<u>\$ 6,731,081</u>	<u>\$ 59,526,325</u>	<u>\$ 110,452,026</u>

See accompanying notes to financial statements.





City of Alameda
Reconciliation of the
Net Changes in Fund Balance – Governmental Funds
with the Change in Governmental Net Position
For the year ended June 30, 2016

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 \$ 5,742,202

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	22,911,352
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(8,873,177)
Depreciation expense	(11,434,729)
(Depreciation expense is net of internal service fund depreciation of \$1,256,717 which has already been allocated to 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	2,149,564
Long Term Debt Issuance	(3,000,000)

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	(59,542)
---------------------------------	----------

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	(387,413)
Interest payable	24,071
Net pension obligation	(117,000)
Net OPEB obligation	(1,642,940)
Compensated absences	(255,819)
Other long term liabilities	(2,772,097)

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	399,303
---	---------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,683,775</u>
---	---------------------

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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	\$ 32,134,365	\$ 33,545,365	\$ 34,109,361	\$ 563,996
Other local taxes	33,084,443	35,373,443	35,744,340	370,897
Licenses and permits	2,031,700	2,031,700	1,931,453	(100,247)
Revenues from other agencies	94,000	357,000	239,289	(117,711)
Charges for current services	9,526,259	9,868,259	11,021,837	1,153,578
Fines and forfeitures	1,125,200	1,125,200	1,071,093	(54,107)
Use of money and property	1,198,603	1,228,603	1,423,101	194,498
Other revenue	62,032	62,032	95,155	33,123
Total Revenues	79,256,602	83,591,602	85,635,629	2,044,027
EXPENDITURES:				
Current:				
General government	11,804,598	11,765,598	10,557,060	1,208,538
Police	32,965,100	32,565,100	28,703,281	3,861,819
Fire	27,560,652	29,326,869	27,737,511	1,589,358
Public works	1,487,000	1,487,000	1,452,194	34,806
Community services	2,371,000	2,436,000	2,324,436	111,564
Capital outlay	375,700	375,700	581,309	(205,609)
Debt service:				
Principal			193,564	(193,564)
Total Expenditures	76,564,050	77,956,267	71,549,355	6,406,912
EXCESS OF REVENUES OVER EXPENDITURES	2,692,552	5,635,335	14,086,274	8,450,939
OTHER FINANCING SOURCES (USES)				
Transfers in	2,323,000	2,323,000	3,229,000	906,000
Transfers (out)	(8,010,000)	(12,871,783)	(12,725,457)	146,326
Total other financing sources (uses)	(5,687,000)	(10,548,783)	(9,496,457)	1,052,326
NET CHANGE IN FUND BALANCE	\$ (2,994,448)	\$ (4,913,448)	4,589,817	\$ 9,503,265
FUND BALANCE AT BEGINNING OF YEAR			35,756,679	
PRIOR PERIOD ADJUSTMENT			135,200	
BEGINNING FUND BALANCE, AS RESTATED			35,891,879	
FUND BALANCE AT END OF YEAR			\$ 40,481,696	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 200,000	\$ 391,535	\$ 648,600	\$ 257,065
Use of money and property	11,805,000	12,676,000	12,762,214	86,214
Total Revenues	12,005,000	13,067,535	13,410,814	343,279
EXPENDITURES:				
Current:				
Community development	11,009,000	13,976,701	12,930,370	1,046,331
EXCESS OF REVENUES OVER EXPENDITURES	996,000	(909,166)	480,444	1,389,610
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(610,000)	(710,000)	(636,302)	73,698
NET CHANGE IN FUND BALANCE	\$ 386,000	\$ (1,619,166)	(155,858)	\$ 1,463,308
BEGINNING FUND BALANCE			3,868,138	
ENDING FUND BALANCE			\$ 3,712,280	

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, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 137,230	\$ 137,230	\$ 26,238	\$ (110,992)
Use of money and property	5,000	5,000	12,769	7,769
Total Revenues	142,230	142,230	39,007	(103,223)
EXPENDITURES:				
Current:				
Housing	142,000	142,000	39,007	102,993
EXCESS OF REVENUES OVER EXPENDITURES	230	230		(230)
OTHER FINANCING SOURCES (USES)				
Transfers in			644	644
Total Other Financing Sources (Uses)			644	644
NET CHANGE IN FUND BALANCE	\$ 230	\$ 230	644	\$ 414
BEGINNING FUND BALANCE			-	
ENDING FUND BALANCE			\$ 644	

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, 2016

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 29,735,725	\$ 25,833,263	\$ 55,568,988	\$ 24,694,344
Investments		9,054,880	9,054,880	
Accounts receivable, net	463,568	5,756,944	6,220,512	42,598
Interest receivable		59,571	59,571	
Greenhouse gas related sales receivable		2,316,369	2,316,369	
Materials and supplies		2,997,761	2,997,761	
Prepaid power costs and other deposits		384,284	384,284	
Advances				778,892
Total Current Assets	30,199,293	46,403,072	76,602,365	25,515,834
Non-Current Assets:				
Restricted cash and investments	864,781	4,581,311	5,446,092	
Share of certain NCPA projects and reserve		7,520,595	7,520,595	
Investments designated for special purposes		27,483,857	27,483,857	
Capital Assets:				
Non-depreciable	5,523,090	1,890,102	7,413,192	
Depreciable, net of accumulated depreciation	55,367,891	38,315,579	93,683,470	5,953,341
Total Non-Current Assets	61,755,762	79,791,444	141,547,206	5,953,341
Total Assets	91,955,055	126,194,516	218,149,571	31,469,175
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amount on refunding		746,747	746,747	
Deferred outflows related to pensions	135,824	1,312,978	1,448,802	
Total deferred outflows of resources	135,824	2,059,725	2,195,549	
LIABILITIES:				
Current Liabilities:				
Accounts payable	1,216,704	1,735,396	2,952,100	461,068
Accrued payroll and other liabilities	15,174	285,790	300,964	
Interest payable	199,495	724,337	923,832	90,990
Unearned revenue				9
Refundable deposits	84,429	1,548,422	1,632,851	22,690
Compensated absences	75,228	547,328	622,556	
Claims payable		165,000	165,000	4,228,769
Long-term debt - current	718,874	1,170,000	1,888,874	532,906
Total Current Liabilities	2,309,904	6,176,273	8,486,177	5,336,432
Noncurrent Liabilities:				
Claims payable		1,286,525	1,286,525	6,182,614
Net pension liability	1,659,394	16,040,814	17,700,208	
Long-term debt	14,896,879	25,290,000	40,186,879	3,932,342
Total Noncurrent Liabilities	16,556,273	42,617,339	59,173,612	10,114,956
Total Liabilities	18,866,177	48,793,612	67,659,789	15,451,388
DEFERRED INFLOWS OF RESOURCES:				
Balancing account		17,222,897	17,222,897	
Deferred inflows related to pensions	160,940	1,555,773	1,716,713	
Total deferred inflows of resources	160,940	18,778,670	18,939,610	
NET POSITION:				
Net investment in capital assets	45,275,228	32,252,428	77,527,656	1,488,093
Restricted				
Debt service	864,781	4,581,311	5,446,092	
Sewer system replacement	26,923,753		26,923,753	
Other				
Unrestricted		23,848,220	23,848,220	14,529,694
Total Net Position	\$ 73,063,762	\$ 60,681,959	\$ 133,745,721	\$ 16,017,787

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, 2016

	Business-Type Activities			Governmental Activities - Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
OPERATING REVENUES				
Charges for services	\$ 9,404,120	\$ 55,257,472	\$ 64,661,592	\$ 10,190,494
Greenhouse gas related sales		5,807,291	5,807,291	
Miscellaneous		947,765	947,765	2,681,556
Total Operating Revenues	9,404,120	62,012,528	71,416,648	12,872,050
OPERATING EXPENSES				
General administrative	522,213	7,732,884	8,255,097	456,235
Operations and maintenance		39,121,782	39,121,782	
Wages and benefits	1,281,963		1,281,963	1,180,882
Insurance				13,231,947
Contractual services	579,665		579,665	1,680,851
Depreciation	1,382,846	3,366,026	4,748,872	1,256,717
Utilities	77,180		77,180	
Supplies and maintenance	183,933		183,933	65,382
Balancing account adjustment		1,010,084	1,010,084	
Total Operating Expenses	4,027,800	51,230,776	55,258,576	17,872,014
Operating Income (Loss)	5,376,320	10,781,752	16,158,072	(4,999,964)
NON-OPERATING REVENUES (EXPENSES):				
Interest income	368,560	316,332	684,892	332,131
Interest income on restricted investments		571	571	
Interest (expense)	(462,472)	(1,510,325)	(1,972,797)	100,140
Payment in-lieu of taxes	(698,808)	(1,390,500)	(2,089,308)	
Miscellaneous non-operating		1,190,730	1,190,730	
Total Non-Operating Revenues (Expenses)	(792,720)	(1,393,192)	(2,185,912)	432,271
Income (Loss) Before Transfers and Capital Contributions	4,583,600	9,388,560	13,972,160	(4,567,693)
Transfers in				5,366,996
Transfers (out)	(31,684)	(2,800,000)	(2,831,684)	(400,000)
Capital contributions	546,768		546,768	
CHANGES IN NET POSITION	5,098,684	6,588,560	11,687,244	399,303
NET POSITION:				
Beginning of the year	67,965,078	54,093,399	122,058,477	15,618,484
End of year	\$ 73,063,762	\$ 60,681,959	\$ 133,745,721	\$ 16,017,787

See accompanying notes to financial statements.



City of Alameda
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2016

	Business-type Activities			Governmental Activities - Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,407,814	\$ 56,334,181	\$ 65,741,995	\$ 13,146,588
Receipts from Special Sales (C&T and REC)		6,536,062	6,536,062	
Payments to suppliers	(993,140)	(37,576,018)	(38,569,158)	(2,250,999)
Payments to employees	(1,316,442)	(8,188,381)	(9,504,823)	(1,180,882)
Miscellaneous non-operating receipts		117,954	117,954	
Claims paid				(11,839,086)
Net Cash Provided by (Used for) Operating Activities	7,098,232	17,223,798	24,322,030	(2,124,379)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Payments in-lieu of taxes	(698,808)	(1,390,500)	(2,089,308)	
Transfers in				5,366,996
Transfers (out)	(31,684)	(2,800,000)	(2,831,684)	(400,000)
Advances to other funds				(778,892)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(730,492)	(4,190,500)	(4,920,992)	4,188,104
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	546,768		546,768	
Acquisition of capital assets	(8,400,659)	(3,383,605)	(11,784,264)	(1,182,219)
Disposition of capital assets	2,995,966		2,995,966	
Principal payments on capital debt	(706,268)	(3,330,000)	(4,036,268)	(529,119)
Interest paid	(470,202)	(1,469,586)	(1,939,788)	
Net Cash Provided by (Used for) Capital and Related Financing Activities	(6,034,395)	(8,183,191)	(14,217,586)	(1,711,338)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in restricted investments	890,610	(19,661)	870,949	333,629
Investments reserved for special purposes		(5,350,184)	(5,350,184)	
Investment in certain NCPA projects and reserves		(994,373)	(994,373)	
Interest income	368,560	286,902	655,462	432,271
Net Cash Provided by (Used for) by Investing Activities	1,259,170	(6,077,316)	(4,818,146)	765,900
Net Increase (decrease) in cash and cash equivalents	1,592,515	(1,227,209)	365,306	1,118,287
Cash and cash equivalents at beginning of period	28,143,210	27,060,472	55,203,682	23,576,057
Cash and cash equivalents at end of period	\$ 29,735,725	\$ 25,833,263	\$ 55,568,988	\$ 24,694,344
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities:				
Operating Income (loss)	\$ 5,376,320	\$ 10,781,752	\$ 16,158,072	\$ (4,999,964)
Adjustments to reconcile operating income to net cash flows provided by from operating activities:				
Depreciation and amortization	1,382,846	3,366,026	4,748,872	1,256,717
Increase (decrease) in pension related amounts	(40,588)	(392,341)	(432,929)	
Change in assets and liabilities:				
(Increase) decrease in accounts receivable and refundable deposits	3,694	857,715	861,409	274,538
(Increase) decrease in materials and supplies		34,509	34,509	
(Increase) decrease in prepaids		985,015	985,015	
Increase (decrease) in accounts payable	369,851	361,537	731,388	(48,531)
Increase (decrease) in balancing account		1,010,084	1,010,084	
Increase (decrease) in claims payable		188,995	188,995	1,392,861
Increase (decrease) in accrued payroll and others	4,980	14,992	19,972	
Increase (decrease) in compensated absences	1,129	(102,440)	(101,311)	
Miscellaneous non-operating income		117,954	117,954	
Net Cash Provided by (Used For) Operating Activities	\$ 7,098,232	\$ 17,223,798	\$ 24,322,030	\$ (2,124,379)

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.

Other Post Employment Benefits (OPEB) Trust Fund is used to account for the accumulation of resources to be used for other post-employment benefits (OPEB).

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, 2016

	OPEB Trust Fund	Successor Agency Private Purpose Trust Fund	Agency Funds
ASSETS:			
Cash and investments			
Mutual funds	\$ 6,077,411		
Pooled investments		\$ 7,064,750	\$ 3,281,815
Cash with fiscal agents		1,104,228	2,824,903
Accounts receivable			12,953
Interest receivable			14
Loans receivable		1,527,754	
Total Assets	<u>6,077,411</u>	<u>9,696,732</u>	<u>\$ 6,119,685</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amount on refunding		1,413,971	
LIABILITIES:			
Accounts payable		5,778	\$ 1,696
Accrued payroll		448	
Interest payable		897,251	288,302
Payable to the Housing Authority		26,567	
Due to bondholders			5,829,687
Long term debt			
Due within one year		1,895,000	
Due in more than one year		58,129,857	
Total Liabilities		<u>60,954,901</u>	<u>\$ 6,119,685</u>
NET POSITION (DEFICIT):			
Held in Trust for OPEB benefits and other purposes	<u>\$ 6,077,411</u>	<u>\$ (49,844,198)</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, 2016

	OPEB Trust Fund	Successor Agency Private Purpose Trust Fund
ADDITIONS:		
Property taxes		\$ 8,070,010
Contributions to trust - employer	\$ 5,714,035	
Use of money and property	376,134	118,141
Other		48,527
Total Additions	6,090,169	8,236,678
DEDUCTIONS:		
Administration	12,758	85,254
Contractual services		3,500,800
Interest and fiscal charges		2,556,272
Total Deductions	12,758	6,142,326
CHANGE IN NET POSITION	6,077,411	2,094,352
NET POSITION (DEFICIT)		
Net Position (Deficit), Beginning of Year		(51,938,550)
Net Position (Deficit), End of Year	\$ 6,077,411	\$ (49,844,198)

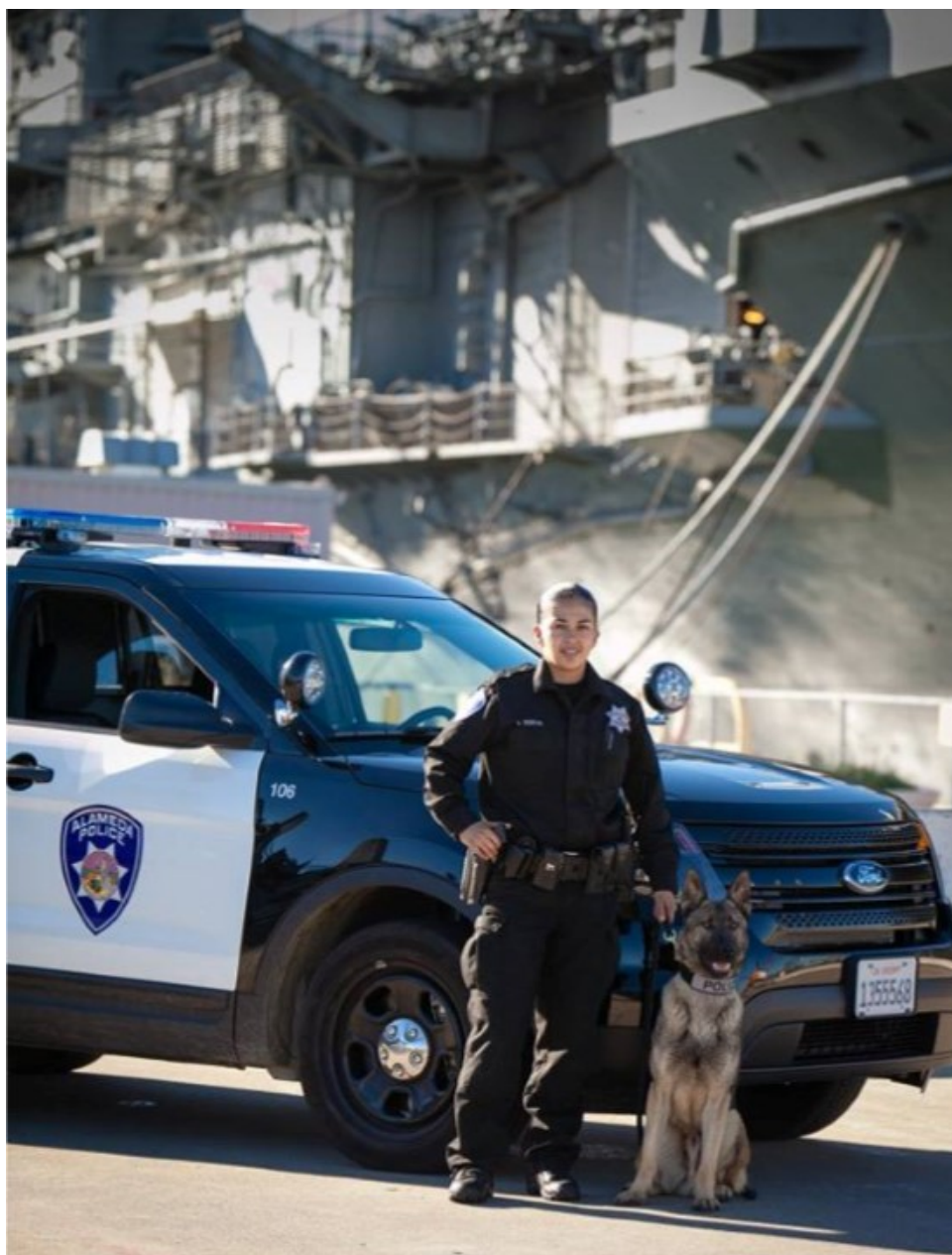
See accompanying notes to financial statements.





City of Alameda
Notes to Basic Financial Statements
For the year ended June 30, 2016

1. Summary of Significant Accounting Policies	45
2. Cash and Investments	57
3. Interfund Transactions	66
4. Loans Receivable	68
5. Capital Assets.....	69
6. Long-Term Debt	71
7. Special Assessment Debt Without City’s Commitment	77
8. Net Position and Fund Balances	78
9. Pension Plans	79
10. Post Employment Health Care Benefits.....	89
11. Risk Management	93
12. Alameda Municipal Power Fund Joint Ventures	95
13. Commitments and Contingencies	101
14. Redevelopment Agency Dissolution and Successor Agency Activities	104
15. Restatement of Prior Year Balances	107
16. Subsequent Events	108



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 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) 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 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 an agent.

Trust Funds - These funds account for assets held by the City as an agent for various functions. The Other Post Employer Benefits (OPEB) Trust Fund accounts for the accumulation of resources to be used for retirement healthcare benefits. 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 position 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 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 major Capital Improvements Projects Fund, which is budgeted at total cost in the budget year it is approved. Unexpended balances of this fund are reappropriated in the subsequent year as necessary to complete the projects.

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 restricted, committed, or assigned fund balance since they do not constitute expenditures or liabilities and are reappropriated 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, 2016:

Fund Name	Amount
Asset Seizure / Traffic Safety Special Revenue Fund	\$ 32,928
FISC Lease Revenue Special Revenue Fund	\$ 286,028
City Hall and Library Bonds Debt Service Fund	\$ 78,414

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, 2016, is as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 3,005,639	\$ 723,867	\$ 3,729,506
Additions	4,880,276	638,226	5,518,502
Payments	(4,624,457)	(739,537)	(5,363,994)
Ending Balance	<u>\$ 3,261,458</u>	<u>\$ 622,556</u>	<u>\$ 3,884,014</u>
Current Portion	<u>\$ 3,261,458</u>	<u>\$ 622,556</u>	<u>\$ 3,884,014</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 February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures should be organized by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The City adopted this statement as of July 1, 2015.

In June 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*. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. The City adopted the effective provisions of this statement as of July 1, 2015.

Note 1 – Summary of Significant Accounting Policies (Continued)

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify in the context of the current governmental financial reporting environment the hierarchy of generally accepted accounting principles (GAAP). This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The implementation of the Statement did not have a material effect on the financial statements.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The Statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The Statement establishes additional note disclosure requirements for qualifying external investment pools that require measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Both the qualifying external investment pools and their participants are required to disclose information about any limitations or restrictions on participant withdrawals. The Statement is effective for the periods beginning after June 15, 2015. The implementation of the Statement did not have a material effect on the financial statements.

S. Upcoming GASB Pronouncements

GASB Statement No. 73 - In June 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*. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015 except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. The City has not determined its effect on the financial statements for the provisions effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 74 – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The City has not determined its effect on the financial statements.

GASB Statement No. 75 – 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)

GASB Statement No. 77 – In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. This statement is not effective until the fiscal year ending June 30, 2017. The City has not determined its effect on the financial statements.

GASB Statement No. 78 – In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provide to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pension through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement is not effective until the fiscal year ending June 30, 2017. The City has not determined its effect on the financial statements.

GASB Statement No. 80 – In January 2015, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This Statement is not effective until the fiscal year ending June 30, 2017. The City has not determined its effect on the financial statements.

GASB Statement No. 81 – 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.

GASB Statement No. 82 – 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 has not determined its effect on the financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

T. *Special Revenue Funds Added*

In prior fiscal years, the City of Alameda presented its low and moderate income housing programs in a single major fund called the Housing Special Revenue Fund. Beginning with Fiscal Year 2015-16, the City presents the programs separately by adding two additional funds including 1) HOME Program Special Revenue Fund (a major fund) and Community Development Block Grant Special Revenue Fund (a non-major fund). Due to removing these programs from the Housing Special Revenue Fund, this fund no longer qualifies as a major fund.

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, 2016, as presented on the Statement of Net Position and Statement of Fiduciary Net Position are as follows:

Statement of Net Position:

Cash and investments	\$	196,302,080
Cash with fiscal agents		11,791,163
Investments designated for special purposes		27,483,857

Fiduciary Funds:

Cash and investments		16,423,976
Cash with fiscal agents		3,929,131
Total cash and investments	\$	255,930,207

Cash and investments as of June 30, 2016 are composed of the following categories:

Cash on hand (petty cash and change funds)	\$	10,075
Deposits with financial institutions		45,852,938
Investments		210,067,194
Total Cash and Investments	\$	255,930,207

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	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
California Local Agency Investment Fund	Upon Demand	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% in each U.S. Agency
Bankers' Acceptances	180 Days	A1, P1	30%	5%
Commercial Paper	270 Days	A1, P1	25%	5%
Negotiable Certificates of Deposit	5 Years	A1, A	30%	5%
Medium-Term Corporate Notes	5 Years	A	30%	5%
Money Market Mutual Funds	N/A	N/A	20%	10%
County Agency Investment Fund	Upon Demand	N/A	15%	No Limit
California Asset Management Program (CAMP)	Upon Demand	N/A	No Limit	No Limit
CDs - non-negotiable / CDAR	3 Years	N/A	30%	5%
Municipal Obligation	5 Years	A (except City's own obligations)	No Limit	5%
Asset backed securities	5 Years	AA (or higher)	10%	No Limit
Supranationals	5 Years	AA	10%	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	No Limit
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	270 Days	A-1+	No Limit	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	No Limit	No Limit
Guaranteed Investment Contracts	No Limit	Not lower than their bond 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	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

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	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S Treasury Obligations	N/A	N/A	No Limit	No Limit
State Obligations	N/A	AA+	No Limit	No Limit
U.S. Agency Securities (A)	N/A	N/A	No Limit	No Limit
Commercial Paper	N/A	P1	No Limit	No Limit
Certificates of Deposit	N/A	P1	No Limit	No Limit
Bankers Acceptances	1 Year	P1	No Limit	No Limit
Money Market Mutual Funds	N/A	AAAm	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	\$65,000,000 per account	\$65,000,000 per account
Investment Agreements (B)	N/A	AA	No Limit	No Limit

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

(B) Investment agreements, including guaranteed investment contracts, repurchase agreements, forward purchase agreements and reserve fund put agreements.

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, 2016:

Investment Type	12 months or less	One to Five Years	Total
U.S. Government-Sponsored			
Enterprise Agencies	\$ 3,834,719	\$ 21,958,976	\$ 25,793,695
Medium Term Corporate Notes:			
Non-callable	3,925,241	13,385,762	17,311,003
Callable		2,229,751	2,229,751
Asset Backed Securities		3,587,205	3,587,205
Supranationals		1,651,672	1,651,672
U.S. Treasury Notes and Bills	727,203	24,150,862	24,878,065
Money Market Mutual Funds	20,416,973		20,416,973
California Local Agency Investment Fund	91,152,086		91,152,086
Certificates of Deposit	8,481,606	11,672,403	20,154,009
Commercial Paper	1,994,488		1,994,488
Municipal Bonds		898,247	898,247
Total Investments	<u>\$ 130,532,316</u>	<u>\$ 79,534,878</u>	210,067,194
Cash deposits with banks and on hand			45,863,013
Total Cash and Investments			<u>\$ 255,930,207</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, 2016 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, 2016, these investments had an average maturity of 239 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, 2016, for each City's investment type as provided by Standard and Poor's:

Investment Type	AAA / Aam	AAAm	AA+ to AA-	A+ to A-	A-1+ to A-1	Total
U.S. Government-Sponsored						
Enterprise Agencies			\$ 25,793,695			\$ 25,793,695
Medium Term Corporate Notes:						
Non-callable	\$ 235,870		7,046,371	\$ 10,028,762		17,311,003
Callable	644,404		475,784	1,109,563		2,229,751
Asset Backed Securities	2,531,034					2,531,034
Supranationals	1,651,672					1,651,672
Money Market Mutual Funds		\$ 20,416,973				20,416,973
Certificates of Deposit			2,942,038		\$ 6,948,834	9,890,872
Commercial Paper					1,994,488	1,994,488
Municipal Bonds			898,247			898,247
Total	<u>\$ 5,062,980</u>	<u>\$ 20,416,973</u>	<u>\$ 37,156,135</u>	<u>\$ 11,138,325</u>	<u>\$ 8,943,322</u>	<u>82,717,735</u>
<i>Not rated:</i>						
California Local Agency Investment Fund						91,152,086
Negotiable Asset Backed Securities						1,056,171
Certificates of Deposit						10,263,137
<i>Exempt:</i>						
U.S. Treasury Notes and Bills						24,878,065
Total Investments						<u>\$ 210,067,194</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.

Note 2 – Cash and Investments (Continued)

As of June 30, 2016, the City has the following recurring fair value measurements:

Investments by Fair Value Level	Balance at June 30, 2016	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	\$ 25,793,695		\$ 25,793,695	
Medium-Term Notes				
Non-callable	17,311,003		17,311,003	
Callable	2,229,751		2,229,751	
Asset Backed Securities	3,587,205		3,587,205	
Supranationals	1,651,672		1,651,672	
U.S. Treasury Notes and Bills	24,878,065	\$ 24,878,065		
Negotiable Certificates of Deposit	18,829,462		18,829,462	
Commercial Paper	1,994,488		1,994,488	
Municipal Bonds	898,247		898,247	
Total Investments by Fair Value Level	<u>97,173,588</u>	<u>\$ 24,878,065</u>	<u>\$ 72,295,523</u>	<u>\$ -</u>
Investments Not Measured at Fair Value or Subject to to Fair Value Hierarchy				
Local Agency Investment Funds	91,152,086			
Money Market Mutual Funds	20,416,973			
Non-negotiable Certificates of Deposit	1,324,547			
Cash deposits with banks and on hand	<u>45,863,013</u>			
Total Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy	<u>158,756,619</u>			
Total Investments	<u>\$ 255,930,207</u>			

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

The City's investments include U.S. Government-Sponsored Enterprise Agencies and Corporate Notes that have an embedded call feature. At June 30, 2016, those investments consisted of:

Issuer	Maturity Date	Callable Date	Reported Amount
Exxon Mobil	3/1/2021	2/1/2021	\$ 644,404
Bank of New York-Mellon	9/11/2019	8/11/2019	\$ 566,317
Chevron Corp	12/5/2017	11/5/2017	\$ 475,784
US Bancorp Notes	11/15/2018	10/15/2018	\$ 71,470
US Bank NA	4/25/2019	3/25/2019	\$ 471,776

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, 2016, the amounts of current interfund balances were as follows:

Due From Other Funds	Due To Other Funds	Amount
General Fund	Home Program Special Revenue	\$ 20,021
	Non-Major Governmental Funds	\$ 1,159,589

B. *Long-Term Advances*

Loan from City of Alameda General Fund

On December 15, 2003, the City Council authorized a loan of \$2,200,000 from the General Fund to the Alameda Municipal Power Fund for the purpose of construction of the hybrid fiber-optic/coaxial telecom system. The loan was interest free and due on June 1, 2009. The Alameda Municipal Power Fund repaid the General Fund loan in full as of June 30, 2016.

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, 2016 was \$778,892.

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 2015-16 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
HOME Program Special Revenue Fund	Non-Major Governmental Funds	644	E
Capital Improvement Fund	General Fund	1,529,996	C
	Base Reuse Fund	33,000	C
	Sewer Services Enterprise Fund	31,684	C
	Non-Major Governmental Funds	7,428,868	C
Non-Major Governmental Funds	General Fund	5,828,465	A, C, D
	Base Reuse Fund	603,302	C
	Non-Major Governmental Funds	1,692,753	A, C, D, F
	Internal Service Funds	400,000	C
Internal Service Funds	General Fund	5,366,996	A
	Total	<u>\$ 26,144,708</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
- (E) To transfer activity of the HOME Program to the HOME Program special revenue fund
- (F) To transfer activity of the CDBG Program to the CDBG special revenue fund

Note 4 – Loans Receivable

Summary of Loans Receivable	Amount
Housing Rehabilitation and Affordable Loans	\$ 11,031,987
Total Loans Receivables	<u>\$ 11,031,987</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, 2016 was \$11,031,987, which has been offset with unavailable revenue. Included in the outstanding balance was a receivable for \$852,700 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, 2016 are as follows:

	Balance at June 30, 2015	Additions	Retirements	Transfers	Balance at June 30, 2016
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 5,995,318				\$ 5,995,318
Construction in progress	6,646,225	\$ 13,682,104	\$ (69,576)	\$ (5,483,831)	14,774,922
Total capital assets not being depreciated	12,641,543	13,682,104	(69,576)	(5,483,831)	20,770,240
Capital assets being depreciated:					
Building	253,793,532	108			253,793,640
Machinery and equipment	32,155,115	1,574,539	(731,362)		32,998,292
Infrastructure:					
Streets	161,601,450			4,639,784	166,241,234
Landscape	20,479,187			844,047	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	24,963,556	35,567			24,999,123
Golf Improvements	4,205,963				4,205,963
Total capital assets being depreciated	528,613,131	1,610,214	(731,362)	5,483,831	534,975,814
Less accumulated depreciation for:					
Buildings	(109,081,403)	(3,362,241)			(112,443,644)
Machinery and equipment	(22,184,239)	(1,926,756)	729,015		(23,381,980)
Infrastructure:					
Streets	(68,260,750)	(5,871,824)			(74,132,574)
Landscape	(17,844,217)	(339,001)			(18,183,218)
Stormdrains	(9,346,030)	(435,790)			(9,781,820)
Potable water systems	(1,185,034)	(7,851)			(1,192,885)
Parks	(2,892,183)	(282,478)			(3,174,661)
Marina facilities	(20,212,717)	(306,096)			(20,518,813)
Golf Improvements	(2,966,458)	(159,410)			(3,125,868)
Total accumulated depreciation	(253,973,031)	(12,691,447)	729,015		(265,935,463)
Net capital assets being depreciated	274,640,100	(11,081,233)	(2,347)	5,483,831	269,040,351
Governmental activities capital assets, net	\$ 287,281,643	\$ 2,600,871	\$ (71,923)	\$ -	\$ 289,810,591

Note 5 – Capital Assets (Continued)

<i>Business-type Activities</i>	Balance at June 30, 2015	Additions	Retirements	Transfers	Balance at June 30, 2016
Capital assets not being depreciated:					
Land and Rights	\$ 153,643				\$ 153,643
Construction in progress	13,037,799	\$ 8,565,293	\$ (374,999)	\$ (13,968,544)	7,259,549
Total capital assets not being depreciated	13,191,442	8,565,293	(374,999)	(13,968,544)	7,413,192
Capital assets being depreciated:					
Utility Plant	79,286,684		(306,158)	5,567,885	84,548,411
Service Center Building	7,843,636	7,250			7,850,886
Machinery and Equipment	9,197,186	242,130			9,439,316
Transportation Equipment	3,050,605	168,569	(170,933)		3,048,241
Computer Equipment	3,654,987	177,472			3,832,459
Furniture and Fixtures	2,311,800	2,583			2,314,383
Sewer lines	77,111,909			8,400,659	85,512,568
Easements	185,500				185,500
Total capital assets being depreciated	182,642,307	598,004	(477,091)	13,968,544	196,731,764
Less accumulated depreciation for:					
Utility Plant	(50,078,341)	(2,765,003)	306,158		(52,537,186)
Service Center Building	(3,719,520)	(165,930)			(3,885,450)
Machinery and Equipment	(8,563,648)	(97,408)			(8,661,056)
Transportation Equipment	(2,279,615)	(176,224)	170,933		(2,284,906)
Computer Equipment	(3,293,866)	(130,875)			(3,424,741)
Furniture and Fixtures	(1,665,597)	(133,721)			(1,799,318)
Sewer lines	(29,063,926)	(1,276,211)			(30,340,137)
Easements	(112,000)	(3,500)			(115,500)
Total accumulated depreciation	(98,776,513)	(4,748,872)	477,091		(103,048,294)
Total depreciable assets	83,865,794	(4,150,868)		13,968,544	93,683,470
Business-type activities capital assets, net	\$ 97,057,236	\$ 4,414,425	\$ (374,999)	\$ -	\$ 101,096,662

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.

Note 5 – Capital Assets (Continued)

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	\$ 218,382
Police	97,425
Fire	226,099
Public works	7,310,064
Community development, planning and building	2,390,672
Culture and recreation	1,192,088
Internal Service Funds	1,256,717
Total Governmental Activities	\$ 12,691,447
Business-Type Activities	
Sewer services	\$ 1,382,846
Alameda Municipal Power	3,366,026
Total Business-Type Activities	\$ 4,748,872

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.

Note 6 – Long-Term Debt (Continued)

A. City Long-Term Debt

The City's long-term debt activities for the year ended June 30, 2016 are as follows:

	CUSIP Number	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Current Portion
Governmental Activities Debt:						
Certificates of Participation:						
2008 Refinancing Project	010762	\$ 2,365,000		\$ (510,000)	\$ 1,855,000	\$ 275,000
2013 Financing Project	010762	8,565,000		(460,000)	8,105,000	475,000
Plus: Unamortized bond premium		377,828		(25,521)	352,307	
Total Certificates of Participation		11,307,828		(995,521)	10,312,307	750,000
2003 ARRA Demand Revenue Bonds	010808	11,000,000		(400,000)	10,600,000	400,000
2013 General Obligation Refunding Bonds	010752	8,610,000		(340,000)	8,270,000	345,000
Plus: Unamortized bond premium		81,984		(6,280)	75,704	
Leases Payable	not applicable	4,985,218		(519,970)	4,465,248	532,906
HUD Section 108 Loan	not applicable	6,010,000		(246,000)	5,764,000	265,000
I-Bank Loan			\$ 3,000,000		3,000,000	
Alameda County EMS Liability			2,772,097	(193,564)	2,578,533	197,436
Subtotal		30,687,202	5,772,097	(1,705,814)	34,753,485	1,740,342
Total Governmental Activities Debt		41,995,030	5,772,097	(2,701,335)	45,065,792	2,490,342
Business-Type Activities Debt:						
State Water Resources Control Board	not applicable	437,644		(141,836)	295,808	145,862
State Revolving Fund Loan, 1998	not applicable	557,050		(133,947)	423,103	137,430
State Revolving Fund Loan, 1999	not applicable	308,970		(58,608)	250,362	60,130
State Revolving Fund Loan, 2004	not applicable	730,177		(83,280)	646,897	85,452
Sewer Revenue Bonds, 2012, Series A	010782	14,190,000		(285,000)	13,905,000	290,000
Revenue Bonds, Series 2010A	010808CS0	8,700,000			8,700,000	
Taxable Revenue Bonds, Series 2010B	010808CS0	18,890,000		(1,130,000)	17,760,000	1,170,000
Plus: Unamortized bond premium		98,180		(3,597)	94,583	
Total Business-type Activities Debt		43,912,021		(1,836,268)	42,075,753	1,888,874
Total Debt		\$ 85,907,051	\$ 5,772,097	\$ (4,537,603)	\$ 87,141,545	\$ 4,379,216

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
2017	\$ 2,490,342	\$ 1,200,554	\$ 1,888,875	\$ 1,896,965
2018	2,700,141	1,132,159	1,960,376	1,821,683
2019	2,781,908	1,056,681	1,888,043	1,738,400
2020	2,648,284	977,566	1,872,351	1,650,572
2021	2,787,327	895,880	1,894,692	1,559,268
2022-2026	15,022,305	3,157,412	10,871,833	6,138,432
2027-2031	11,266,574	1,092,067	13,965,000	2,845,965
2032-2036	4,940,900	153,800	2,845,000	977,655
2037-2041			3,310,000	510,203
2042-2043			1,485,000	48,669
Total	\$ 44,637,781	\$ 9,666,119	\$ 41,981,170	\$ 19,187,812
Plus unamortized bond premium	428,011		94,583	
Total	\$ 45,065,792		\$ 42,075,753	

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 \$11,049,808 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 2015-16, sublease revenues amounted to \$10,474,151, which represented coverage of 2,517% over the \$416,098 in debt service.

Leases and Loans Payable

Leases Payable – At June 30, 2016, 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, 2016 was \$1,357,504.

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, 2016 was \$670,196.

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, 2016 was \$1,635,340.

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, 2016 was \$95,327.

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, 2016 was \$81,073.

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, 2016 was \$625,808.

The leased equipment had book values at June 30, 2016 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	(554,167)	(1,379,679)	(265,275)	(95,356)	(49,013)	(129,145)
Book Value	<u>\$ 1,195,833</u>	<u>\$ 143,592</u>	<u>\$ 1,485,516</u>	<u>\$ 101,932</u>	<u>\$ 91,024</u>	<u>\$ 544,654</u>

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, 2016 is \$5,764,000.

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, 2016 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, 2016, the outstanding balance is \$2,578,533.

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, 2016 was \$295,808.

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, 2016 was \$423,103.

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, 2016 was \$250,362.

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, 2016 was \$646,897.

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 \$20,521,866 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 2016, revenues amounted to \$9,950,888 which represented coverage of 1,375% over the \$723,719 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, 2016 is as follows:

Description	Maturity Date	June 30, 2016
Harbor Bay Community Facilities District #1	9/1/2019	\$ 5,515,000
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, 2016 are below:

Classifications	General Fund	Base Reuse Special Revenue	HOME Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total
Nonspendable:						
Prepays and deposits	\$ 872,617					\$ 872,617
Total Nonspendable	872,617					872,617
Restricted for:						
Development activities		\$ 3,712,280			\$ 10,932,660	14,644,940
Streets and roads					9,316,440	9,316,440
Affordable housing			\$ 644		1,665,785	1,666,429
Public safety					2,905,464	2,905,464
Waste reduction					4,438,933	4,438,933
Assessment district					8,994,800	8,994,800
Tidelands					2,838,035	2,838,035
Transportation					2,502,081	2,502,081
Debt service					1,429,684	1,429,684
Total Restricted		3,712,280	644		45,023,882	48,736,806
Committed to:						
Capital projects				\$ 6,731,081	19,219	6,750,300
Development activities					4,007,672	4,007,672
Community development					2,070,753	2,070,753
Culture and recreation					2,901,038	2,901,038
Library operations					2,321,513	2,321,513
Parking meter/garage					3,182,248	3,182,248
Long-term obligations	6,043,000					6,043,000
Total Committed	6,043,000			6,731,081	14,502,443	27,276,524
Assigned:						
General government	140,443					140,443
Public safety	391,160					391,160
Economic uncertainty	3,460,500					3,460,500
Long-term obligations	2,289,581					2,289,581
Total Assigned	6,281,684					6,281,684
Unassigned:						
Reserve policy	21,069,609					21,069,609
Residual fund balance in excess of policy or fund balance deficits	6,214,786					6,214,786
Total Unassigned	27,284,395					27,284,395
Total Fund Balances	\$ 40,481,696	\$ 3,712,280	\$ 644	\$ 6,731,081	\$ 59,526,325	\$ 110,452,026

Fund Balance/Net Position Deficits

At June 30, 2016, 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.

Internal Service Fund:

Workers' Compensation Insurance \$ 791,883

Private Purpose Trust Fund:

Successor Agency \$ 49,844,198

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, 2016 are summarized as follows:

	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	17.909%	19.777%

	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	14.000%	12.000%
Required employer contribution rates	41.036%	46.036%

Note 9 – Pension Plans (Continued)

Employees Covered – At the June 30, 2015 measurement date, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	502	240
Inactive employees entitled to but not yet receiving benefits	375	43
Active employees	298	179
Total	<u>1,175</u>	<u>462</u>

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 measurement period ended June 30, 2015 (the measurement date), the average active employee contribution rate for the miscellaneous plan was 6.875% of annual pay and for the safety plan was 10.500% percent of annual pay. The employer’s contribution rate was 17.201% of annual payroll for the miscellaneous plan and 44.115% of annual payroll for the safety plan. The City’s required contribution rate for the fiscal year ended June 30, 2016, was 19.777% for the miscellaneous plan and 46.036% 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 5.0% of the employers’ contribution. Total employer contribution amounts during the fiscal year ended June 30, 2016 were \$4,527,506 for the miscellaneous plan and \$9,572,502 for the safety plan.

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, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015. A summary of principal assumptions and methods used to determine the net pension liability is shown on the next page.

Note 9 – Pension Plans (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
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, 2014 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>.

Changes in assumptions – GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expenses.

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 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.

Note 9 – Pension Plans (Continued)

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. These geometric rates of return are net of administrative expenses.

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	19%	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	2%	-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, 2015 is as follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	\$ 248,025,336	\$ 200,929,490	\$ 47,095,846
Changes in the year:			
Service cost	3,766,998		3,766,998
Interest on the total pension liability	18,158,298		18,158,298
Changes of Assumptions	(4,194,628)		(4,194,628)
Differences between expected and actual experience	(1,883,727)		(1,883,727)
Plan to plan resource movement		(2,433,966)	2,433,966
Contributions - employer		3,713,053	(3,713,053)
Contributions - employee		2,094,771	(2,094,771)
Net investment income		4,478,705	(4,478,705)
Benefit payments, including refunds of employee contributions	(12,934,211)	(12,934,211)	
Administrative expense		(222,927)	222,927
Net changes	2,912,730	(5,304,575)	8,217,305
Balance at June 30, 2016	\$ 250,938,066	\$ 195,624,915	\$ 55,313,151

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	\$ 363,096,412	\$ 243,768,905	\$ 119,327,507
Changes in the year:			
Service cost	6,121,040		6,121,040
Interest on the total pension liability	27,178,001		27,178,001
Changes of Assumptions	(6,618,407)		(6,618,407)
Differences between expected and actual experience	5,283,538		5,283,538
Contributions - employer		9,071,332	(9,071,332)
Contributions - employee		2,920,035	(2,920,035)
Net Investment Income		5,399,063	(5,399,063)
Benefit payments, including refunds of employee contributions	(19,108,175)	(19,108,175)	
Administrative expense		(272,101)	272,101
Net changes	12,855,997	(1,989,846)	14,845,843
Balance at June 30, 2016	\$ 375,952,409	\$ 241,779,059	\$ 134,173,350
Total of Miscellaneous and Safety Plans	\$ 626,890,475	\$ 437,403,974	\$ 189,486,501

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	\$	86,761,993	\$	184,148,154
Current Discount Rate		7.65%		7.65%
Net Pension Liability	\$	55,313,151	\$	134,173,350
1% Increase		8.65%		8.65%
Net Pension Liability	\$	29,151,981	\$	93,041,792

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, 2016, the City recognized pension expense of \$13,726,621. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 14,100,008	
Changes of Assumptions		\$ 7,402,203
Differences between expected and actual experiences	4,082,734	1,027,487
Net differences between projected and actual earnings on plan investments		4,274,343
Total	<u>\$ 18,182,742</u>	<u>\$ 12,704,033</u>

The amount of \$14,100,008 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, 2017. 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	
2017	\$ (6,053,110)
2018	(3,842,798)
2019	(3,290,219)
2020	4,564,828
Total	<u>\$ (8,621,299)</u>

Note 9 – Pension Plans (Continued)

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. The Plans are not administered through a trust and are not subject to the requirements of GASB No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*. 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, 2016, their monthly pension benefits were \$1,556 and \$2,478, 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.

The Pension Plans' activities for Fiscal Year 2015-16 are summarized below:

	Police and Fire Pension #1079	Police and Fire Pension #1082
Transfers from General Fund	\$ 1,847,741	\$ 49,017
Expenditures		
Pension Benefits	1,681,572	47,930
Other Services	12,245	630
Total Expenditures	<u>\$ 1,693,817</u>	<u>\$ 48,560</u>

The expenditures of the Plans are recorded in the General Fund of the City.

F. Funding Policy and Actuarial Methods

The City's policy is to fund Plans #1079 and #1082 on a pay-as-you-go basis. The Plans' assets available for future benefit payments as of June 30, 2016 were as follows:

	Police and Fire Pension #1079	Police and Fire Pension #1082
Assets		
Cash and Investments	\$ 288,023	\$ 1,558

The actuarial method used to determine the liabilities were calculated using the Unit Credit Funding Method. The Actuarial Accrued Liability and the Actuarial Present Value of Benefits being paid were determined by multiplying the accrued pension benefits by present value cost of factors based on the applicable actuarial assumptions. Future cost-of-living increases are included in the calculation of the Actuarial Accrued Liability, but not the Actuarial Value of Benefits being paid.

Note 9 – Pension Plans (Continued)

G. Annual Pension Cost

Governmental Accounting Standards Board Statement No. 27 requires the City to determine the plans' annual pension cost based on the most recent actuarial valuation. The annual pension cost equals the plan's annual required contribution, adjusted for historical differences between the annual required contribution and amounts contributed. The actuary has determined the City's annual required contribution as the greater of (a) a 15-year amortization of the unfunded actuarial liability, or (b) actual benefit payments made for the year.

The annual required contribution was determined by an actuarial valuation dated January 1, 2015, using the projected unit credit actuarial cost method. The actuarial assumptions were as follows:

Assumptions	
Funding Policy	- Pay-as-you-go
Interest Rate	- 4%
	- Net of expenses
CPI Increase (Plan 1082)	- 2%
Salary Increase (Plan 1079)	- 2%
Mortality	- CalPERS 1997-2011 Experience Study
	- Scale MP-2014 with 15 year convergence in 2022

The City accounts for the Net Pension Obligation on an accrual basis. During the fiscal year ended June 30, 2016, the City recorded a Net Pension Obligation under the Governmental Activities on the Statement of Net Position as follows:

	Plan 1079 (000's omitted)	Plan 1082 (000's omitted)	Total (000's omitted)
Annual required contribution (ARC)	\$ 1,795	\$ 80	\$ 1,875
Interest on Net Pension Obligation	10	13	23
Amortization of Net Position Obligation	(23)	(28)	(51)
Annual Pension Cost	1,782	65	1,847
Contributions	1,682	48	1,730
(Decrease) Increase in Net Pension obligations	100	17	117
Net Pension Obligation at June 30, 2015	239	330	569
Net Pension Obligation at June 30, 2016	\$ 339	\$ 347	\$ 686

Note 9 – Pension Plans (Continued)

H. Trend Information - Plans 1079 and 1082

The following tables provide three years of historical information of the annual pension cost:

Plan 1079:

Fiscal Year Ending	Annual Pension Cost (APC) (000's ommitted)	Percentage of APC Contributed	Net Pension Obligation (000's ommitted)
June 30, 2014	\$ 1,801	101%	\$ 252
June 30, 2015	\$ 1,782	101%	\$ 239
June 30, 2016	\$ 1,782	94%	\$ 339

Plan 1082:

Fiscal Year Ending	Pension Cost (APC) (000's ommitted)	Percentage of APC Contributed	Net Pension Obligation (000's ommitted)
June 30, 2014	\$ 65	69%	\$ 312
June 30, 2015	\$ 65	72%	\$ 330
June 30, 2016	\$ 65	74%	\$ 347

The following is the schedule of funding progress for the fiscal year ended June 30, 2016:

Actuarial Valuation Date	Actuarial Value of Assets (A)	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]
Plan 1079						
1/1/2015	\$ -	\$ 11,823,000	\$ 11,823,000	0.00%	N/A	N/A
Plan 1082						
1/1/2015	\$ -	\$ 909,000	\$ 909,000	0.00%	N/A	N/A

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 liability.

Note 9 – Pension Plans (Continued)

I. 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, 2016, total contributions of \$223,210 were made based on a total amount of covered compensation of \$2,976,127.

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, 2016, amounted to \$3,293 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 Retirement 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. The City reports the assets of the plan as a trust fund, and no separate report is prepared.

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

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 \$125 per month for 2016. 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.

Note 10 – Post Employment Health Care Benefits (Continued)

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 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 2015-16, the City contributed \$8,730,000 to the plan, including a contribution to the trust in the amount of \$5,386,298.

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)	\$ 10,987,000
Interest on Net OPEB obligation	1,263,000
Adjustment to annual required contribution	<u>(1,877,000)</u>
Annual OPEB Cost	<u>10,373,000</u>
Contributions made:	<u>(8,730,060)</u>
Increase in OPEB obligations	1,642,940
Net OPEB Obligation at June 30, 2015	<u>31,654,120</u>
Net OPEB Obligation at June 30, 2016	<u>\$ 33,297,060</u>
Percentage of ARC Contributed	<u>79%</u>

The Plan's annual OPEB cost and actual contributions for fiscal years ended June 30, 2014, 2015 and 2016 are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2014	\$ 7,601,000	\$ 2,583,547	34%	\$ 26,643,453
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

As of June 30, 2016, 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, 2016, 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 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, 2016, the City contributed \$572,015 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, 2016, the City contributed \$116,706 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	\$ 1,000,000	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:

	2016	2015
Beginning balance	\$ 2,467,335	\$ 2,711,305
Increase (decrease) in estimated liability for prior year claims	1,302,729	659,314
Claims paid in current year	(168,755)	(903,284)
Ending balance	<u>\$ 3,601,309</u>	<u>\$ 2,467,335</u>
Current portion	<u>\$ 1,831,821</u>	<u>\$ 903,284</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:

	2016	2015
Beginning balance	\$ 7,789,797	\$ 8,229,961
Increase (decrease) in estimated liability for prior year claims	2,135,337	2,265,691
Claims paid in current year	(1,663,535)	(2,705,855)
Ending balance	<u>\$ 8,261,599</u>	<u>\$ 7,789,797</u>
Current portion	<u>\$ 2,561,948</u>	<u>\$ 2,709,861</u>

The Alameda Municipal Power Fund (AMP) accounts for \$1,451,525 of the total claims liability and reports \$165,000 as the current portion. 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 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, 2016 for purchased power was \$29,781,270. Additionally, purchased power was reduced by a refund of \$865,983 and \$717,163 for power exchange distribution and budget settlement monies returned to the NCPA General Operating Reserve (GOR), for the fiscal year ended June 30, 2016.

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.

On June 23, 2014, AMP's Board approved the withdrawal of \$15,500,000 of Operating Reserve funds from the Northern California Power Agency's (NCPA) General Operating Reserve. AMP received the funds on July 15, 2014 and deposited them into AMP's working capital fund. At July 15, 2014, this transaction effectively reduced AMP's investment in the joint venture by \$15,500,000.

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

	June 30, 2016
Beginning balance	\$ 5,453,446
Increase (decrease) in equity in NCPA projects	2,067,149
Ending balance	<u>\$ 7,520,595</u>

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

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

	June 30, 2016
General Operating Reserve	\$ 2,439,950
Purchased Power & Transmission	100,809
Share of Scheduling Coordination Balancing Account	1,721,823
Share of Congestion Revenue Rights (CRR)	150,859
Associated Member Services	108,749
Market Purchase Program (MPP) Deposit	699,040
	<u>5,221,230</u>
Alameda Municipal Power's share of NCPA Power Projects	
Geothermal Projects/Power Line	1,376,489
Calaveras Hydroelectric Project	923,600
Combustion Turbine Project No. 1	(39,908)
Combustion Turbine Project No. 2	39,184
	<u>\$ 7,520,595</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 2009 Series A Revenue Bonds 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 costs of issuance of the 2009 Bonds. In September 2012, the NCPA issued fixed-rate tax-exempt 2012 Series A Revenue Bonds for \$12,910,000 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 Debt Service Reserve Account, and to pay the costs of issuance of the 2009 Series Bonds.

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

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, 2016, the book value of this Project's plant, equipment and other assets was \$87,015,972 while its long-term debt totaled \$34,594,237 and other liabilities totaled \$44,272,327. AMP's share of the Project's long-term debt and other liabilities amounted to \$13,314,648 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 obligation on the 1992 Refunding Series A Revenue Bonds by \$7,105,000 and reduced its 1993 Refunding Series A Revenue Bonds obligation by \$260,000. In March 2008, NCPA issued the 2008 Refunding Series A Revenue Bonds for \$85,160,000 and the 2008 Taxable Refunding Series B Revenue Bonds 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 Revenue Bonds and costs related to the refunding of the 1998 Bonds, and to pay costs of issuance of the 2008 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 2008 Refunding Series C Revenue Bonds for \$128,005,000 as fixed-rate tax-exempt debt and 2008 Refunding Series D Revenue Bonds for \$9,505,000 as fixed-rate taxable debt. 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 Revenue Bonds for \$101,260,000 and 2010 Refunding Series B Revenue Bonds for \$8,025,000 for the purpose of providing funds to refund the 1998 Refunding Bonds, contribute to the respective 2010 Series Debt Service Reserve Accounts, and to pay costs of issuance of the 2010 Bonds. In 2012, the NCPA issued the 2012 Refunding Series A and Series B Revenue Bonds for \$76,665,000 and \$7,120,000, respectively, for the purpose of providing funds to refund the NCPA's outstanding 1998 Refunding Series A Revenue Bonds, contribute to the Debt Service Reserve Accounts, and to pay costs of issuance of the 2012 Bonds.

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, 2016, the book value of this Project's plant, equipment and other assets was \$435,313,323, while its long-term debt totaled \$375,870,310 and other liabilities totaled \$50,207,012. AMP's share of the Project's long-term debt and other liabilities amounted to \$42,607,732 on that date.

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

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, 2016, the book value of this Project's plant, equipment and other assets was \$2,351,710 while its long-term debt totaled \$0, and other liabilities totaled \$2,534,608. AMP's share of the Project's long-term debt and other liabilities amounted to \$553,051 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 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% of the cost.

At June 30, 2016, the book value of this Project's plant, equipment and other assets was \$44,658,157 while its long-term debt totaled \$42,026,831 and other liabilities totaled \$2,425,094. AMP's share of the Project's long-term debt and other liabilities amounted to \$8,445,866 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.

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.

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

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.

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.

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

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.

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, 2016, 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.

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

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 percent 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.

Encumbrances

Encumbrances outstanding as of June 30, 2016, were as listed below:

	Amount
Major Governmental Funds:	
General Fund	\$ 179,381
Base Reuse Special Revenue	1,218,328
Home Program Special Revenue	57,492
Capital Improvement Projects	255,805
Total Major Governmental Funds	<u>1,711,006</u>
Non-Major Governmental Funds:	
Special Revenue Funds	
Community Development	51,273
Tidelands	19,207
Parking Meters	10,230
Community Development Block Grant	17,492
Maintenance Assessment Districts	109,766
FISC Lease Revenue	165,032
Grants Fund	18,917
Capital Projects Funds	
Maintenance Assessment Districts	318,321
Emergency Operations Center/Fire Station #3	2,931,356
Total Non-Major Governmental Funds	<u>3,641,594</u>
Total Governmental Fund Encumbrances	<u>\$ 5,352,600</u>

Note 13 – Commitments and Contingencies (Continued)

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.

Contingent Liabilities

Lawsuits and Litigation

The City has one litigated case pending for the fiscal year ending June 30, 2016: Ginsburg v. City of Alameda. The complaint is a class action for injunctive and declaratory relief and refund of an alleged unconstitutional tax. Plaintiff claims that AMP makes certain transfers to the City's General Fund each year and because these transfers are included in the AMP budget on which rate increases are based, the rates constitute a "tax" under the California Constitution (as amended by Proposition 26, passed in 2010). Under Proposition 26, all government charges or fees imposed after November 2010 are deemed a tax requiring voter approval unless they fall within an exception. The City is aggressively defending the lawsuit and believes the City has minimal exposure. On November 8, 2016, the voters of the City of Alameda passed a ballot measure to amend the City Charter to continue the annual transfer of \$3,700,000 from Alameda Municipal Power to the City and to update the Utility Users Tax so that it matches with current technologies.

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, 2016 was \$68,930,476. 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.

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 - Calavaras 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.

Note 13 – Commitments and Contingencies (Continued)

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, 2016 is as follows:

Fiscal Year	NGP	NCHP	NCFP	Total
2017	\$ 862,516	\$ 3,944,050	\$ 1,079,108	\$ 5,885,674
2018	862,652	3,862,951	1,068,858	5,794,461
2019	863,360	3,863,509	1,081,655	5,808,524
2020	863,740	3,799,570	1,086,174	5,749,484
2021	3,833,771	3,803,815	1,101,320	8,738,906
2022-2026	-	16,993,806	4,617,188	21,610,994
2027-2031	-	10,674,346	16,832	10,691,178
2032-2036	-	4,651,255	-	4,651,255
Total	\$ 7,286,039	\$ 51,593,302	\$ 10,051,135	\$ 68,930,476

ii) Lease Agreement with former Alameda Reuse and Redevelopment Authority

In June 2009, AMP entered into two property lease agreements with the Alameda Reuse and Redevelopment Authority (assigned to the Base Reuse Special Revenue Fund). The lease terms for each agreement started on June 1, 2009 and expired on May 31, 2014. After May 31, 2014, AMP leases the property on a month-to-month basis with minimum monthly payments of \$1,083 and \$11,103, respectively.

iii) 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	
2017	\$ 271,700
2018	296,400
2019	297,882
2020	306,818
2021	316,023
2022-2026	1,728,143
2027-2031	1,930,846
Total	\$ 5,147,813

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, 2016 are discussed in Note 2. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2016.

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, 2015	Additions	Retirements	Balance as of June 30, 2016	Due within one year
2011 Tax Allocation Bonds, Series A & B	010781DZ2	\$ 10,740,000			\$ 10,740,000	
2014 A SA CIC Tax Exempt Bonds	Not available	23,495,000			23,495,000	
2014 B SA CIC Taxable Bonds	Not available	25,080,000		\$ (2,455,000)	22,625,000	\$ 1,895,000
Premium		3,565,319		(296,024)	3,269,295	
Discount		(108,615)		4,177	(104,438)	
Total Bonds		62,771,704		(2,746,847)	60,024,857	1,895,000
2006 CRA ERAF Loan Program	Not available	90,000		(90,000)		
Alameda Point Improvement Project (APIP) Loan		328,795		(328,795)		
Total		\$ 63,190,499		\$ (3,165,642)	\$ 60,024,857	\$ 1,895,000

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. The outstanding balance as of June 30, 2016 was \$10,635,562, net of discount.

2014 Community Improvement Commission Tax Allocation Refunding Bonds

On December 23, 2014, the Community Improvement Commission 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 Commission'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, 2016 was \$49,389,295, net of premium.

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

ERAF Loan Program

In April 2007, the Community Improvement Commission borrowed \$695,000 from the California Statewide Communities Development Authority to pay for Educational Revenue Augmentation Fund (ERAF) payments due to Alameda County. Both principal and interest payments are made semiannually in November and March through March 2016. The loan carries a 6% interest rate. The loan was paid off in the current year.

Alameda Point Improvement Project (APIP) Loan

On February 10, 2010, the General Fund advanced \$1,258,995 to the Alameda Point Improvement Project Area to fund improvements in the Project Area. Of this amount, \$1,007,196 was due and payable to the City, with the balance due and payable to the Alameda Housing Authority. The loan was reinstated during the prior year in accordance with the Finding of Completion received from the California Department of Finance. The loan was paid off in the current year.

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 \$8,070,010, which represented coverage of 1.34 times the \$5,615,457 of debt service.

Debt Service Requirements

Annual debt service requirements are shown below.

For the Year Ending June 30,	Principal	Interest
2017	\$ 1,895,000	\$ 2,717,649
2018	1,920,000	2,690,264
2019	1,980,000	2,652,962
2020	2,020,000	2,605,797
2021	2,130,000	2,549,148
2022-2026	12,265,000	11,541,312
2027-2031	16,255,000	8,312,613
2032-2036	14,645,000	3,437,400
2037-2041	3,135,000	805,163
2042	615,000	26,138
Subtotal	56,860,000	<u>\$ 37,338,446</u>
Plus unamortized bond premium	3,269,295	
Less unamortized bond discount	<u>(104,438)</u>	
Total	<u>\$ 60,024,857</u>	

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

The City adopted certain provisions of 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*, during the current year. These provisions require that assets accumulated for the purposes of providing pensions through defined benefit pension plans that are not administered through trusts that meet the criteria in paragraph 4 of GASB 67 be reported as assets of the City's General Fund. The effects of the recognition and implementation are as follows:

	Governmental Activities
Beginning Net Position (as previously reported)	\$ 174,541,267
Adjustment to include the police and fire pension plan assets within the City's governmental	135,200
Beginning Net Position (restated)	<u>\$ 174,676,467</u>
	General Fund
Beginning Fund Balance (as previously reported)	\$ 35,756,679
Adjustment to include the police and fire pension plan within the General Fund	135,200
Beginning Fund Balance (restated)	<u>\$ 35,891,879</u>

Note 16 – Subsequent Events

Securities and Exchange Commission's MCDC Initiative

The Division of Enforcement of the U.S. Securities and Exchange Commission (the "Commission"), through the Municipalities Continuing Disclosure Cooperation Initiative (the "Initiative"), has provided an opportunity for governmental bond issuers to contact the Commission in regards to possible compliance failures in securities disclosure agreements. The Initiative was intended to address what the Commission believes may be widespread technical violations of the federal securities laws by municipal issuers and underwriters of municipal securities in connection with certain representations about compliance with continuing disclosure obligations in bond offering documents.

The City performed a review of its compliance with continuing disclosure requirements going back to 2008. The review identified instances where the City failed to file or failed to timely file audited financial statements and operating data using the Electronic Municipal Market Access (EMMA) site, which as of 2010 was required to be used so bond holders can easily access financial information of bond issuers and entities participating with bond issuers. The City took immediate corrective action and all filings are now available on the EMMA site. The City has also instituted procedures to ensure future required filings will be timely posted on the EMMA site. For more information on these and other matters related to the City's required bond disclosures please refer to current and future postings made by the City to the EMMA website at <http://emma.msrb.org/>.

In August 2016, the City entered into Cease-And-Desist Proceedings (the "Order") with the Commission. The Order requires the City to conform to undertakings that include the following:

- Establish appropriate written policies and procedures
- Provide periodic training regarding continuing disclosure obligations
- Ensure current compliance with existing continuing disclosure requirements

The City is also required to disclose the terms of the Order in the official statement for any bond offerings in the next five years.

CALPERS AGENT-MULTIPLE EMPLOYER MISCELLANEOUS PLAN

Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Years*

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

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

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

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

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

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

	2016	2015
Actuarially determined contributions	\$ 4,527,506	\$ 3,713,053
Contributions in relation to the actuarially determined contribution	4,527,506	3,713,053
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 26,437,131	\$ 25,612,255
Contributions as a percentage of covered-employee payroll	17.13%	14.50%

Notes to Schedule

Valuation date: 6/30/2013 6/30/2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll	Level percent of payroll
Asset valuation method	Market value	Actuarial value of assets
Inflation	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
Investment rate of return	7.50%, net of administrative expenses, includes inflation.	7.50%, net of administrative expenses, includes inflation.
Retirement age	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.

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

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

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

Notes to Schedule

Valuation date: 6/30/2013 6/30/2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll	Level percent of payroll
Asset valuation method	Market value	Actuarial value of assets
Inflation	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
Investment rate of return	7.50%, net of administrative expenses, includes inflation.	7.50%, net of administrative expenses, includes inflation.
Retirement age	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.

1079 & 1082 PENSION PLAN SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	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]
Plan 1079						
1/1/2011	\$ -	\$ 14,141,000	\$ 14,141,000	0.00%	N/A	N/A
1/1/2013	-	12,755,000	12,755,000	0.00%	N/A	N/A
1/1/2015	-	11,823,000	11,823,000	0.00%	N/A	N/A
Plan 1082						
1/1/2011	\$ -	\$ 812,000	\$ 812,000	0.00%	N/A	N/A
1/1/2013	-	887,000	887,000	0.00%	N/A	N/A
1/1/2015	-	909,000	909,000	0.00%	N/A	N/A

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, 2016

	SPECIAL REVENUE FUNDS			
	Community Development	Library	Gas Tax	Asset Seizure/ Traffic Safety
ASSETS:				
Cash and cash equivalents	\$ 1,472,362	\$ 2,330,877	\$ 22,909	\$ 87,230
Restricted cash and investments			1,799,797	
Accounts receivable	13,303	104,394		
Due from other agencies	14,369			
Loans receivable				
Total Assets	<u>\$ 1,500,034</u>	<u>\$ 2,435,271</u>	<u>\$ 1,822,706</u>	<u>\$ 87,230</u>
LIABILITIES:				
Accounts payable	\$ 87,194	\$ 84,407	\$ 5,704	
Accrued payroll	33,076	29,351	2,544	
Due to other funds				
Due to other agencies	3,894			\$ 19,141
Unearned revenue				
Refundable deposits	515,415			
Advances to other funds				
Total Liabilities	<u>639,579</u>	<u>113,758</u>	<u>8,248</u>	<u>19,141</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - grants				
Unavailable Revenue - revolving loans receivable				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Restricted			1,814,458	68,089
Committed	860,455	2,321,513		
Total Fund Balances	<u>860,455</u>	<u>2,321,513</u>	<u>1,814,458</u>	<u>68,089</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,500,034</u>	<u>\$ 2,435,271</u>	<u>\$ 1,822,706</u>	<u>\$ 87,230</u>

SPECIAL REVENUE FUNDS

County Measure B/BB	Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Housing
\$ 6,224,813	\$ 2,860,227	\$ 3,229,871	\$ 1,344,564	\$ 400,504	\$ 1,263,993
656,709		5,583	418	231,051	22,424
				2,823,116	1,941,698
<u>\$ 6,881,522</u>	<u>\$ 2,860,227</u>	<u>\$ 3,235,454</u>	<u>\$ 1,344,982</u>	<u>\$ 3,454,671</u>	<u>\$ 3,228,115</u>
	\$ 19,805 2,387	\$ 51,699 1,507	\$ 134,684	\$ 134,766	\$ 117,421
-	22,192	53,206	134,684	134,766	117,421
				2,823,116	1,941,698
-	-	-	-	2,823,116	1,941,698
\$ 6,881,522	2,838,035	3,182,248	1,210,298	496,789	1,168,996
<u>6,881,522</u>	<u>2,838,035</u>	<u>3,182,248</u>	<u>1,210,298</u>	<u>496,789</u>	<u>1,168,996</u>
<u>\$ 6,881,522</u>	<u>\$ 2,860,227</u>	<u>\$ 3,235,454</u>	<u>\$ 1,344,982</u>	<u>\$ 3,454,671</u>	<u>\$ 3,228,115</u>

(Continued)

City of Alameda
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2016

	SPECIAL REVENUE FUNDS			
	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund	Waste Reduction Surcharge
ASSETS:				
Cash and cash equivalents	\$ 1,364,138	\$ 2,693,078	\$ 804,064	\$ 3,063,499
Restricted cash and investments		466,471		
Accounts receivable	15,799	164,401	248,294	110,644
Due from other agencies				
Loans receivable				
Total Assets	<u>\$ 1,379,937</u>	<u>\$ 3,323,950</u>	<u>\$ 1,052,358</u>	<u>\$ 3,174,143</u>
LIABILITIES:				
Accounts payable	\$ 21,800	\$ 186,532	\$ 10,877	\$ 46,213
Accrued payroll	579	49,545	10,586	6,651
Due to other funds				
Due to other agencies				39,904
Unearned revenue		135,811		
Refundable deposits		51,024		
Advances to other funds				
Total Liabilities	<u>22,379</u>	<u>422,912</u>	<u>21,463</u>	<u>92,768</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - grants			223,031	
Unavailable Revenue - revolving loans receivable				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>223,031</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Restricted	1,357,558		807,864	3,081,375
Committed		2,901,038		
Total Fund Balances	<u>1,357,558</u>	<u>2,901,038</u>	<u>807,864</u>	<u>3,081,375</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,379,937</u>	<u>\$ 3,323,950</u>	<u>\$ 1,052,358</u>	<u>\$ 3,174,143</u>

SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS	
Maintenance Assessment Districts	Vehicle Registration Fee	Parking	FISC Lease Revenue	City Hall and Library Bonds	Base Reuse
\$ 5,900,024	\$ 560,167	\$ 486,118	\$ 4,105,622	\$ 397,004	\$ 108
353,934				984,459	9,432
79,167	60,293		25,485	38,681	
<u>\$ 6,333,125</u>	<u>\$ 620,460</u>	<u>\$ 486,118</u>	<u>\$ 4,131,107</u>	<u>\$ 1,420,144</u>	<u>\$ 9,540</u>
\$ 64,850			\$ 20,033		
3,091			6,497		
		\$ 33,113	96,905		
<u>67,941</u>	<u>-</u>	<u>33,113</u>	<u>123,435</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,265,184	\$ 620,460	453,005		\$ 1,420,144	\$ 9,540
			4,007,672		
<u>6,265,184</u>	<u>620,460</u>	<u>453,005</u>	<u>4,007,672</u>	<u>1,420,144</u>	<u>9,540</u>
<u>\$ 6,333,125</u>	<u>\$ 620,460</u>	<u>\$ 486,118</u>	<u>\$ 4,131,107</u>	<u>\$ 1,420,144</u>	<u>\$ 9,540</u>

(Continued)



City of Alameda
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2016

	CAPITAL PROJECTS FUNDS			
	Construction Impact Fee	Streets / Transportation	Citywide Development Fee	Urban Runoff Storm Drain Fee
ASSETS:				
Cash and cash equivalents	\$ 2,731,389	\$ 2,066,566	\$ 2,299,045	\$ 5,890,126
Restricted cash and investments				17,300
Accounts receivable	334	835		123,227
Due from other agencies				
Loans receivable				
Total Assets	<u>\$ 2,731,723</u>	<u>\$ 2,067,401</u>	<u>\$ 2,299,045</u>	<u>\$ 6,030,653</u>
LIABILITIES:				
Accounts payable		\$ 18,119		\$ 58,902
Accrued payroll		206		15,647
Due to other funds				
Due to other agencies				
Unearned revenue				
Refundable deposits			\$ 1,500	52,712
Advances to other funds				
Total Liabilities	<u>-</u>	<u>18,325</u>	<u>1,500</u>	<u>127,261</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - grants				
Unavailable Revenue - revolving loans receivable				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):				
Restricted	\$ 2,731,723	2,049,076	2,297,545	5,903,392
Committed				
Total Fund Balances	<u>2,731,723</u>	<u>2,049,076</u>	<u>2,297,545</u>	<u>5,903,392</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,731,723</u>	<u>\$ 2,067,401</u>	<u>\$ 2,299,045</u>	<u>\$ 6,030,653</u>

CAPITAL PROJECTS FUNDS

Maintenance Assessment Districts	Emergency Operation Center / Fire Station #3	Total Non-Major Governmental Funds
\$ 2,728,002	\$ 2,862,600	\$ 57,188,900
	2,029,511	5,660,904
2,114		1,903,156
		14,369
		4,764,814
<u>\$ 2,730,116</u>	<u>\$ 4,892,111</u>	<u>\$ 69,532,143</u>
\$ 500	\$ 904,900	\$ 1,968,406
		161,667
	1,159,589	1,159,589
		62,939
		135,811
		750,669
	778,892	778,892
<u>500</u>	<u>2,843,381</u>	<u>5,017,973</u>
		223,031
		4,764,814
<u>-</u>	<u>-</u>	<u>4,987,845</u>
2,729,616	2,029,511	45,023,882
	19,219	14,502,443
<u>2,729,616</u>	<u>2,048,730</u>	<u>59,526,325</u>
<u>\$ 2,730,116</u>	<u>\$ 4,892,111</u>	<u>\$ 69,532,143</u>



City of Alameda
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the year ended June 30, 2016

	SPECIAL REVENUE FUNDS			
	Community Development	Library	Gas Tax	Asset Seizure / Traffic Safety
REVENUES:				
Property taxes		\$ 2,058,192		
Other local taxes				
Licenses and permits	\$ 2,419,914			
Revenue from other agencies		56,873	\$ 1,669,924	
Charges for current services	1,287,718	61,383	1,601	
Fines and forfeitures	259,751			\$ 115,069
Use of money and property	18,774	30,943	44,219	29
Other revenues			6,895	
Total Revenues	3,986,157	2,207,391	1,722,639	115,098
EXPENDITURES:				
Current:				
General government				1,764
Police				
Fire				
Public works			638,247	
Community development	3,892,217			
Community services		3,826,087		
Housing				
Capital outlay		33,521		31,164
Debt Service:				
Principal				
Interest				
Total Expenditures	3,892,217	3,859,608	638,247	32,928
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	93,940	(1,652,217)	1,084,392	82,170
OTHER FINANCING SOURCES (USES):				
Transfers In		2,112,000		
Transfers (Out)			(2,858,581)	
Issuance of debt				
Total Other Financing Sources (Uses)	-	2,112,000	(2,858,581)	-
Net Changes in Fund Balances	93,940	459,783	(1,774,189)	82,170
Beginning Fund Balances	766,515	1,861,730	3,588,647	(14,081)
ENDING FUND BALANCES	\$ 860,455	\$ 2,321,513	\$ 1,814,458	\$ 68,089

SPECIAL REVENUE FUNDS

County Measure B/BB	Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Housing	Garbage/ Recycling Surcharge
						\$ 189,590
\$ 4,216,484		\$ 1,380,005		\$ 1,375,379		
		60,000				
62,254	\$ 758,877	39,889	\$ 56,385	228,710	\$ 301,898	16,727
		1,070	170,654	225	10,740	
4,278,738	758,877	1,480,964	227,039	1,604,314	312,638	206,317
	567,247	736,592				151,856
			261,743	1,480,379	452,454	
-	567,247	736,592	261,743	1,480,379	452,454	151,856
4,278,738	191,630	744,372	(34,704)	123,935	(139,816)	54,461
(1,501,367)		(655,340)		372,854	300,000	
					(373,498)	
(1,501,367)	-	(655,340)	-	372,854	(73,498)	-
2,777,371	191,630	89,032	(34,704)	496,789	(213,314)	54,461
4,104,151	2,646,405	3,093,216	1,245,002		1,382,310	1,303,097
\$ 6,881,522	\$ 2,838,035	\$ 3,182,248	\$ 1,210,298	\$ 496,789	\$ 1,168,996	\$ 1,357,558

(Continued)



City of Alameda
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the year ended June 30, 2016

	SPECIAL REVENUE FUNDS			
	Athletic Recreation	Grants Fund	Waste Reduction Surcharge	Maintenance Assessment Districts
REVENUES:				
Property taxes				\$ 2,398,442
Other local taxes				
Licenses and permits		\$ 500		
Revenue from other agencies	\$ 79,739	1,229,707	\$ 283,991	
Charges for current services	2,168,309		425,539	
Fines and forfeitures				
Use of money and property	632,427	16,006	38,938	70,786
Other revenues	202,577	108,610	110,202	43,994
Total Revenues	3,083,052	1,354,823	858,670	2,513,222
EXPENDITURES:				
Current:				
General government	4,304,616			379,407
Police		113,498		
Fire		792,177		
Public works			921,261	1,230,972
Community development				
Community services				
Housing		64,762		
Capital outlay		128,674	11,980	
Debt Service:				
Principal				
Interest				
Total Expenditures	4,304,616	1,099,111	933,241	1,610,379
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,221,564)	255,712	(74,571)	902,843
OTHER FINANCING SOURCES (USES):				
Transfers In	1,596,000	96,783		41,850
Transfers (Out)	(370,734)			(90,846)
Issuance of debt				
Total Other Financing Sources (Uses)	1,225,266	96,783	-	(48,996)
Net Changes in Fund Balances	3,702	352,495	(74,571)	853,847
Beginning Fund Balances	2,897,336	455,369	3,155,946	5,411,337
ENDING FUND BALANCES	\$ 2,901,038	\$ 807,864	\$ 3,081,375	\$ 6,265,184

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		CAPITAL PROJECTS FUNDS	
Vehicle Registration Fee	Parking	FISC Lease Revenue	City Hall and Library Bonds	Base Reuse	Construction Impact Fee	Streets/ Transportation
			\$ 764,538		\$ 875,056	\$ 524,478
					181,937	96,758
\$ 331,730		\$ 487,165				34,519
8,324	\$ 362,443	1,110,773	10,338	\$ 108	38,162	27,136
			238			
340,054	362,443	1,597,938	775,114	108	1,095,155	682,891
			36,800		8,931	5
						500,000
		864,240				303,464
		2,268				16,776
			1,556,000	400,000		
			1,085,307	19,099		
-	-	866,508	2,678,107	419,099	8,931	820,245
340,054	362,443	731,430	(1,902,993)	(418,991)	1,086,224	(137,354)
(430,438)	(369,000)		2,065,304	425,546	(896,944)	293,049
			137,400			(370,000)
(430,438)	(369,000)	-	2,202,704	425,546	(896,944)	(76,951)
(90,384)	(6,557)	731,430	299,711	6,555	189,280	(214,305)
710,844	459,562	3,276,242	1,120,433	2,985	2,542,443	2,263,381
\$ 620,460	\$ 453,005	\$ 4,007,672	\$ 1,420,144	\$ 9,540	\$ 2,731,723	\$ 2,049,076

(Continued)



City of Alameda
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the year ended June 30, 2016

	CAPITAL PROJECTS FUNDS			
	Citywide Development Fee	Urban Runoff Storm Drain Fee	Maintenance Assessment District	Emergency Operations Center / Fire Station #3
REVENUES:				
Property taxes		\$ 2,105,467	\$ 830,444	
Other local taxes	\$ 569,343			
Licenses and permits				
Revenue from other agencies				
Charges for current services				
Fines and forfeitures				
Use of money and property	42,257	74,696	32,702	\$ 1,661
Other revenues		4,569		
Total Revenues	611,600	2,184,732	863,146	1,661
EXPENDITURES:				
Current:				
General government				
Police				
Fire				
Public works				
Community development				
Community services				
Housing				
Capital outlay		2,567,056	386,319	5,502,457
Debt Service:				
Principal				
Interest				24,270
Total Expenditures	-	2,567,056	386,319	5,526,727
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	611,600	(382,324)	476,827	(5,525,066)
OTHER FINANCING SOURCES (USES):				
Transfers In		244,752		976,382
Transfers (Out)	(1,301,806)	(243,869)	(88,842)	
Issuance of debt				2,862,600
Total Other Financing Sources (Uses)	(1,301,806)	883	(88,842)	3,838,982
Net Changes in Fund Balances	(690,206)	(381,441)	387,985	(1,686,084)
Beginning Fund Balances	2,987,751	6,284,833	2,341,631	3,734,814
ENDING FUND BALANCES	\$ 2,297,545	\$ 5,903,392	\$ 2,729,616	\$ 2,048,730

Total
Non-Major
Governmental
Funds

\$	9,556,617
	855,691
	2,602,351
	9,730,992
	5,359,074
	434,820
	4,025,462
	659,774
	33,224,781

	6,187,218
	113,498
	792,177
	3,290,480
	4,756,457
	4,129,551
	2,259,338
	8,680,215
	1,956,000
	1,128,676
	33,293,610

	(68,829)

	8,524,520
	(9,551,265)
	3,000,000
	1,973,255
	1,904,426
	57,621,899
\$	59,526,325



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, 2016

	SPECIAL REVENUE FUNDS					
	COMMUNITY DEVELOPMENT			LIBRARY		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Property taxes				\$ 1,901,000	\$ 2,058,192	\$ 157,192
Other local taxes						
Licenses and permits	\$ 2,775,000	\$ 2,419,914	\$ (355,086)			
Revenue from other agencies				63,000	56,873	(6,127)
Charges for current services	1,370,000	1,287,718	(82,282)	50,000	61,383	11,383
Fines and forfeitures	500,000	259,751	(240,249)			
Use of money and property	3,000	18,774	15,774	11,000	30,943	19,943
Other revenues						
Total Revenues	4,648,000	3,986,157	(661,843)	2,025,000	2,207,391	182,391
EXPENDITURES:						
Current:						
General government						
Police						
Fire						
Public works						
Community development	4,586,000	3,892,217	693,783			
Community services				4,184,712	3,826,087	358,625
Housing						
Capital outlay				62,288	33,521	28,767
Debt Service:						
Principal						
Interest						
Total Expenditures	4,586,000	3,892,217	693,783	4,247,000	3,859,608	387,392
EXCESS OF REVENUES OVER EXPENDITURES	62,000	93,940	31,940	(2,222,000)	(1,652,217)	569,783
OTHER FINANCING SOURCES (USES):						
Transfers In				2,112,000	2,112,000	
Transfers (Out)						
Issuance of debt						
Total Other Financing Sources (Uses)				2,112,000	2,112,000	
Net Change in Fund Balance	\$ 62,000	93,940	\$ 31,940	\$ (110,000)	459,783	\$ 569,783
Beginning Fund Balances (Deficits)		766,515			1,861,730	
Ending Fund Balances (Deficits)		\$ 860,455			\$ 2,321,513	

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)
\$ 1,610,992	\$ 1,669,924 1,601	\$ 58,932 1,601		\$ 115,069 29	\$ 115,069 29	\$ 4,116,020	\$ 4,216,484	\$ 100,464
11,591	44,219	32,628				9,000	62,254	53,254
8,417	6,895	(1,522)						
1,631,000	1,722,639	91,639		115,098	115,098	4,125,020	4,278,738	153,718
				1,764	(1,764)			
764,000	638,247	125,753						
				31,164	(31,164)			
764,000	638,247	125,753		32,928	(32,928)			
867,000	1,084,392	217,392		82,170	82,170	4,125,020	4,278,738	153,718
(2,714,208)	(2,858,581)	(144,373)				(6,735,124)	(1,501,367)	5,233,757
(2,714,208)	(2,858,581)	(144,373)				(6,735,124)	(1,501,367)	5,233,757
\$ (1,847,208)	(1,774,189)	\$ 73,019	\$ -	82,170	\$ 82,170	\$ (2,610,104)	2,777,371	\$ 5,387,475
	3,588,647			(14,081)			4,104,151	
	\$ 1,814,458			\$ 68,089			\$ 6,881,522	

(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, 2016

	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				\$ 1,487,150	\$ 1,380,005	\$ (107,145)
Fines and forfeitures				60,000	60,000	
Use of money and property	\$ 809,000	\$ 758,877	\$ (50,123)	10,000	39,889	29,889
Other revenues				(100)	1,070	1,170
Total Revenues	809,000	758,877	(50,123)	1,557,050	1,480,964	(76,086)
EXPENDITURES:						
Current:						
General government	1,011,000	567,247	443,753	978,157	736,592	241,565
Police						
Fire						
Public works						
Community development						
Community services						
Housing						
Capital outlay						
Debt Service:						
Principal						
Interest						
Total Expenditures	1,011,000	567,247	443,753	978,157	736,592	241,565
EXCESS OF REVENUES OVER EXPENDITURES	(202,000)	191,630	393,630	578,893	744,372	165,479
OTHER FINANCING SOURCES (USES):						
Transfers In						
Transfers (Out)				(1,005,000)	(655,340)	349,660
Issuance of debt						
Total Other Financing Sources (Uses)				(1,005,000)	(655,340)	349,660
Net Change in Fund Balance	\$ (202,000)	191,630	\$ 393,630	\$ (426,107)	89,032	\$ 515,139
Beginning Fund Balances (Deficits)		2,646,405			3,093,216	
Ending Fund Balances (Deficits)		\$ 2,838,035			\$ 3,182,248	

SPECIAL REVENUE FUNDS								
COMMUNITY DEVELOPMENT								
COMMERCIAL REVITALIZATION			BLOCK GRANT			HOUSING		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$ 2,384,946	\$ 1,375,379	\$ (1,009,567)			
\$ 79,000	\$ 56,385	\$ (22,615)	150,000	228,710	78,710	\$ 2,000	\$ 301,898	\$ 299,898
175,000	170,654	(4,346)		225	225	140,000	10,740	(129,260)
254,000	227,039	(26,961)	2,534,946	1,604,314	(930,632)	142,000	312,638	170,638
327,000	261,743	65,257	2,907,312	1,480,379	1,426,933	732,000	452,454	279,546
327,000	261,743	65,257	2,907,312	1,480,379	1,426,933	732,000	452,454	279,546
(73,000)	(34,704)	38,296	(372,366)	123,935	496,301	(590,000)	(139,816)	450,184
			522,366	372,854	(149,512)	300,000	300,000	-
						-	(373,498)	(373,498)
			522,366	372,854	(149,512)	300,000	(73,498)	(373,498)
\$ (73,000)	(34,704)	\$ 38,296	\$ 150,000	496,789	\$ 346,789	\$ (290,000)	(213,314)	\$ 76,686
	1,245,002						1,382,310	
	\$ 1,210,298			\$ 496,789			\$ 1,168,996	

(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, 2016

	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	\$ 189,590	\$ 14,590			
Licenses and permits						
Revenue from other agencies				\$ 47,000	\$ 79,739	\$ (3,705,900)
Charges for current services				2,129,375	2,168,309	2,168,309
Fines and forfeitures						
Use of money and property	3,000	16,727	13,727	563,700	632,427	631,427
Other revenues				226,800	202,577	191,452
Total Revenues	178,000	206,317	28,317	2,966,875	3,083,052	(714,712)
EXPENDITURES:						
Current:						
General government	345,040	151,856	193,184	4,631,000	4,304,616	326,384
Police						
Fire						
Public works						
Community development						
Community services						
Housing						
Capital outlay						
Debt Service:						
Principal						
Interest						
Total Expenditures	345,040	151,856	193,184	4,631,000	4,304,616	326,384
EXCESS OF REVENUES OVER EXPENDITURES	(167,040)	54,461	221,501	(1,664,125)	(1,221,564)	(388,328)
OTHER FINANCING SOURCES (USES):						
Transfers In				1,596,000	1,596,000	
Transfers (Out)	(50,000)		50,000	(492,000)	(370,734)	121,266
Issuance of debt						
Total Other Financing Sources (Uses)	(50,000)		50,000	1,104,000	1,225,266	121,266
Net Change in Fund Balance	\$ (217,040)	54,461	\$ 271,501	\$ (560,125)	3,702	\$ (267,062)
Beginning Fund Balances (Deficits)		1,303,097			2,897,336	
Ending Fund Balances (Deficits)		\$ 1,357,558			\$ 2,901,038	

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)
						\$ 2,325,027	\$ 2,398,442	\$ 73,415
\$ 1,875	\$ 500	\$ (1,375)						
3,785,639	1,229,707	(2,555,932)	\$ 205,000	\$ 283,991	\$ 78,991			
			350,000	425,539	75,539			
1,000	16,006	15,006	10,000	38,938	28,938	14,281	70,786	56,505
11,125	108,610	97,485	125,000	110,202	(14,798)	43,692	43,994	
3,799,639	1,354,823	(2,444,816)	690,000	858,670	168,670	2,383,000	2,513,222	129,920
						664,017	379,407	284,610
117,000	113,498	3,502						
3,533,922	792,177	2,741,745	1,115,000	921,261	193,739	2,110,983	1,230,972	880,011
66,000	64,762	1,238						
164,000	128,674	35,326	4,000	11,980	(7,980)			
3,880,922	1,099,111	2,781,811	1,119,000	933,241	185,759	2,775,000	1,610,379	1,164,621
(81,283)	255,712	336,995	(429,000)	(74,571)	354,429	(392,000)	902,843	1,294,541
96,783	96,783					167,955	41,850	(126,105)
						(516,955)	(90,846)	426,109
96,783	96,783					(349,000)	(48,996)	300,004
\$ 15,500	352,495	\$ 336,995	\$ (429,000)	(74,571)	\$ 354,429	\$ (741,000)	853,847	\$ 1,594,545
	455,369			3,155,946			5,411,337	
	\$ 807,864			\$ 3,081,375			\$ 6,265,184	

(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, 2016

	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	\$ 331,730	\$ (12,270)			
Charges for current services						
Fines and forfeitures						
Use of money and property	2,500	8,324	5,824	\$ 369,000	\$ 362,443	\$ (6,557)
Other revenues						
Total Revenues	346,500	340,054	(6,446)	369,000	362,443	(6,557)
EXPENDITURES:						
Current:						
General government						
Police						
Fire						
Public works						
Community development						
Community services						
Housing						
Capital outlay						
Debt Service:						
Principal						
Interest						
Total Expenditures						
EXCESS OF REVENUES OVER EXPENDITURES	346,500	340,054	(6,446)	369,000	362,443	(6,557)
OTHER FINANCING SOURCES (USES):						
Transfers In						
Transfers (Out)	(900,000)	(430,438)	469,562	(369,000)	(369,000)	
Issuance of debt						
Total Other Financing Sources (Uses)	(900,000)	(430,438)	469,562	(369,000)	(369,000)	
Net Change in Fund Balance	\$ (553,500)	(90,384)	\$ 463,116	\$ -	(6,557)	\$ (6,557)
Beginning Fund Balances (Deficits)		710,844			459,562	
Ending Fund Balances (Deficits)		\$ 620,460			\$ 453,005	

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)
			\$ 905,096	\$ 764,538	\$ (140,558)			
\$ 187,000	\$ 487,165	\$ 300,165						
1,013,000	1,110,773	97,773	1,000	10,338	9,338		\$ 108	\$ 108
				238	238			
1,200,000	1,597,938	397,938	906,096	775,114	(130,982)		108	108
			3,750	36,800	(33,050)			
1,148,000	864,240	(283,760)						
	2,268	(2,268)						
			1,556,000	1,556,000		\$ 400,000	400,000	
			1,039,943	1,085,307	(45,364)	22,000	19,099	2,901
1,148,000	866,508	(286,028)	2,599,693	2,678,107	(78,414)	422,000	419,099	2,901
2,348,000	731,430	111,910	(1,693,597)	(1,902,993)	(209,396)	(422,000)	(418,991)	3,009
			2,031,000	2,065,304	34,304	425,000	425,546	546
				137,400	137,400			
			2,031,000	2,202,704	171,704	425,000	425,546	546
\$ 2,348,000	731,430	\$ 111,910	\$ 337,403	299,711	\$ (37,692)	\$ 3,000	6,555	\$ 3,555
	3,276,242			1,120,433			2,985	
	\$ 4,007,672			\$ 1,420,144			\$ 9,540	



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 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.



City of Alameda, California
Internal Service Funds
Combining Statement of Net Position
Internal Service Funds
June 30, 2016

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 4,092,556	\$ 86,007	\$ 121,905	\$ 1,904,647
Accounts receivable	45,511			
Advances	778,892			
Total Current Assets	4,916,959	86,007	121,905	1,904,647
Noncurrent Assets:				
Capital assets, depreciable, net	5,818,383			134,958
Total Non-current Assets	5,818,383			134,958
Total Assets	10,735,342	86,007	121,905	2,039,605
LIABILITIES:				
Current Liabilities				
Accounts payable	181,410			26,591
Interest payable	90,990			
Refundable deposits				
Unearned revenue	9			
Claims payable:				
Due within one year				
Equipment lease payable:				
Due within one year	532,906			
Total Current Liabilities	805,315			26,591
Long-Term Liabilities				
Claims payable:				
Due in more than one year				
Equipment lease payable:				
Due in more than one year	3,932,342			
Total Long-Term Liabilities	3,932,342			
NET POSITION:				
Net investment in capital assets	1,353,135			134,958
Restricted				
Unrestricted	4,644,550	86,007	121,905	1,878,056
Total Net Position (Deficit)	\$ 5,997,685	\$ 86,007	\$ 121,905	\$ 2,013,014

Facilities Maintenance	Workers' Compensation Insurance	General Liability Insurance	Unemployment Insurance	OPEB/Vacation	Total
\$ 4,660,612	\$ 6,609,669 (23,411)	\$ 3,338,752 13,493	\$ 645,889 1,156	\$ 3,234,307 5,849	\$ 24,694,344 42,598 778,892
4,660,612	6,586,258	3,352,245	647,045	3,240,156	25,515,834
					5,953,341
					5,953,341
4,660,612	6,586,258	3,352,245	647,045	3,240,156	31,469,175
505	60,931	191,631			461,068 90,990 22,690 9
	2,479,448	1,749,321			4,228,769
					532,906
505	2,540,379	1,963,642			5,336,432
	4,837,762	1,344,852			6,182,614
					3,932,342
	4,837,762	1,344,852			10,114,956
					1,488,093
4,660,107	(791,883)	43,751	647,045	3,240,156	14,529,694
\$ 4,660,107	\$ (791,883)	\$ 43,751	\$ 647,045	\$ 3,240,156	\$ 16,017,787



City of Alameda, California
Internal Service Funds
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
For the Year Ended June 30, 2016

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
OPERATING REVENUES				
Charges for services				\$ 218,916
Miscellaneous	\$ 1,889,880			
Total Operating Revenues	1,889,880			218,916
OPERATING EXPENSES				
General administrative	339,116			113,228
Wages and benefits				
Insurance				
Contractual services	185,809			2,536
Supplies and maintenance	35,064			
Depreciation	1,188,103			68,614
Total Operating Expenses	1,748,092			184,378
Operating Income (Loss)	141,788			34,538
NON-OPERATING REVENUES (EXPENSES)				
Interest income	85,761	\$ 1,079	\$ 1,529	23,477
Interest (expense)	100,140			
Total Non-Operating Revenue (Expenses)	185,901	1,079	1,529	23,477
Income (Loss) Before Transfers	327,689	1,079	1,529	58,015
Transfers in	117,000			
Transfers out				
Net transfers	117,000			
Changes in Net Position	444,689	1,079	1,529	58,015
Beginning Net Position (Deficit)	5,552,996	84,928	120,376	1,954,999
Ending Net Position (Deficit)	\$ 5,997,685	\$ 86,007	\$ 121,905	\$ 2,013,014



City of Alameda, California
Internal Service Funds
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
For the Year Ended June 30, 2016

Facilities Maintenance	Workers' Compensation Insurance	General Liability Insurance	Unemployment Insurance	OPEB/Vacation	Total
	\$ 3,691,137	\$ 1,991,152	\$ 106,956	\$ 4,182,333	\$ 10,190,494
\$ 791,676					2,681,556
791,676	3,691,137	1,991,152	106,956	4,182,333	12,872,050
				3,891	456,235
			31,734	1,149,148	1,180,882
	2,926,737	1,686,413		8,618,797	13,231,947
197,769	108,884	1,183,828	2,025		1,680,851
18,393		11,925			65,382
					1,256,717
216,162	3,035,621	2,882,166	33,759	9,771,836	17,872,014
575,514	655,516	(891,014)	73,197	(5,589,503)	(4,999,964)
35,370	75,477	42,891	8,450	58,097	332,131
					100,140
35,370	75,477	42,891	8,450	58,097	432,271
610,884	730,993	(848,123)	81,647	(5,531,406)	(4,567,693)
2,000,000				3,249,996	5,366,996
(400,000)					(400,000)
1,600,000				3,249,996	4,966,996
2,210,884	730,993	(848,123)	81,647	(2,281,410)	399,303
2,449,223	(1,522,876)	891,874	565,398	5,521,566	15,618,484
\$ 4,660,107	\$ (791,883)	\$ 43,751	\$ 647,045	\$ 3,240,156	\$ 16,017,787



City of Alameda
Internal Service Funds
Combining Statement of Cash Flows
For the year ended June 30, 2016

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,096,419			\$ 218,916
Payments to suppliers	(559,140)			(104,392)
Payments to employees				
Claims paid				
Net cash flows provided (used) by operating activities	1,537,279			114,524
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfer In	117,000			
Transfer (Out)				
Advances to other funds	(778,892)			
Net cash flows provided (used) by non-capital financing activities	(661,892)			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	(1,182,219)			
Principal payments on capital debt	(529,119)			
Net cash flows provided (used) by capital and related financing activities	(1,711,338)			
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in restricted investments	2,001			
Interest income	185,901	\$ 1,079	\$ 1,529	23,477
Net cash flows provided (used) by investing activities	187,902	1,079	1,529	23,477
Net increase (decrease) in cash and cash equivalents	(648,049)	1,079	1,529	138,001
Cash and Investments at beginning of period	4,740,605	84,928	120,376	1,766,646
Cash and investments at end of period	\$ 4,092,556	\$ 86,007	\$ 121,905	\$ 1,904,647
Reconciliation of operating income (loss) to net cash flows provided (used) by operating activities:				
Operating income (loss)	\$ 141,788	\$ -	\$ -	\$ 34,538
Adjustments to reconcile operating income (loss) to net cash flows provided (used) by operating activities:				
Depreciation	1,188,103			68,614
Change in assets and liabilities:				
(Increase) decrease in accounts receivable and refundable deposits	206,539			
Increase (decrease) accounts payable	849			11,372
Increase (decrease) claims payable				
Net cash flows provided (used) by operating activities	\$ 1,537,279	\$ -	\$ -	\$ 114,524

Facilities Maintenance	Workers' Compensation Insurance	General Liability Insurance	Unemployment Insurance	OPEB/Vacation	Total
\$ 791,676 (215,657)	\$ 3,723,089 (227,983)	\$ 2,018,404 (1,137,911)	\$ 111,652 (2,025) (31,734)	\$ 4,186,432 (3,891) (1,149,148) (8,618,797)	\$ 13,146,588 (2,250,999) (1,180,882) (11,839,086)
576,019	899,216	256,094	77,893	(5,585,404)	(2,124,379)
2,000,000 (400,000)				3,249,996	5,366,996 (400,000) (778,892)
1,600,000				3,249,996	4,188,104
					(1,182,219) (529,119)
					(1,711,338)
35,370	75,477	42,891	8,450	331,628 58,097	333,629 432,271
35,370	75,477	42,891	8,450	389,725	765,900
2,211,389	974,693	298,985	86,343	(1,945,683)	1,118,287
2,449,223	5,634,976	3,039,767	559,546	5,179,990	23,576,057
\$ 4,660,612	\$ 6,609,669	\$ 3,338,752	\$ 645,889	\$ 3,234,307	\$ 24,694,344
\$ 575,514	\$ 655,516	\$ (891,014)	\$ 73,197	\$ (5,589,503)	\$ (4,999,964)
					1,256,717
505	31,952 (119,099) 330,847	27,252 57,842 1,062,014	4,696	4,099	274,538 (48,531) 1,392,861
\$ 576,019	\$ 899,216	\$ 256,094	\$ 77,893	\$ (5,585,404)	\$ (2,124,379)



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, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assessment Districts				
Assets:				
Restricted cash and investments	\$ 4,313,188	\$ 6,106,718	\$ 4,313,188	\$ 6,106,718
Accounts receivable		12,953		12,953
Interest receivable		14		14
Total Assets	<u>\$ 4,313,188</u>	<u>\$ 6,119,685</u>	<u>\$ 4,313,188</u>	<u>\$ 6,119,685</u>
Liabilities:				
Accounts payable		\$ 1,696		\$ 1,696
Interest payable		288,302		288,302
Due to bondholders	\$ 4,313,188	5,829,687	\$ 4,313,188	5,829,687
Total Liabilities	<u>\$ 4,313,188</u>	<u>\$ 6,119,685</u>	<u>\$ 4,313,188</u>	<u>\$ 6,119,685</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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets,										
net of related debt	\$158,716,508	\$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
Restricted	79,816,104	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
Unrestricted	13,312,902	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)
Total governmental activities net position	\$251,845,514	\$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
Business-type activities										
Invested in capital assets,										
net of related debt	\$41,973,568	\$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
Restricted							29,374,748	29,591,239	31,979,615	32,369,845
Unrestricted	19,774,563	20,318,503	17,184,286	18,336,223	19,025,625	18,085,254			17,235,250	23,848,220
Total business-type activities net position	\$61,748,131	\$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
Primary government										
Invested in capital assets,										
net of related debt	\$200,690,076	\$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
Restricted	79,816,104	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
Unrestricted	33,087,465	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)
Total primary government net position	\$313,593,645	\$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

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,			
	2007	2008	2009	2010
Expenses				
Governmental Activities:				
General Government	\$20,160,089	\$13,942,578	\$11,725,432	\$15,456,715
Police	25,632,978	26,769,167	26,137,009	26,798,928
Fire	23,911,788	24,645,039	22,123,701	22,861,254
Public Works	4,465,955	12,628,974	18,746,655	10,939,983
Community Development	22,986,738	19,189,329	22,163,130	19,248,260
Community Services	7,730,394	8,275,998	8,125,339	8,749,436
Housing	5,802,261	6,668,775	7,415,214	7,975,615
Interest on Long-Term Debt	6,307,727	6,351,470	6,100,624	5,764,642
Total Governmental Activities Expenses	<u>116,997,930</u>	<u>118,471,330</u>	<u>122,537,104</u>	<u>117,794,833</u>
Business-Type Activities:				
Ferry Services	3,274,613	4,469,475	3,756,857	4,200,933
Golf Course	4,645,595	5,009,337	4,380,267	3,914,763
Sewer Service	4,244,145	4,320,760	4,726,773	4,359,415
Alameda Municipal Power (a)				
Total Business-Type Activities Expenses	<u>12,164,353</u>	<u>13,799,572</u>	<u>12,863,897</u>	<u>12,475,111</u>
Total Primary Government Expenses	<u>\$129,162,283</u>	<u>\$132,270,902</u>	<u>\$135,401,001</u>	<u>\$130,269,944</u>
 Component Units:				
Housing Authority	\$25,890,669	\$25,717,763	\$26,750,656	\$30,114,145
Alameda Municipal Power	63,267,230	61,075,579	61,522,873	56,686,475
Total Component Units	<u>\$89,157,899</u>	<u>\$86,793,342</u>	<u>\$88,273,529</u>	<u>\$86,800,620</u>
 Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$13,697,081	\$5,244,071	\$6,202,753	\$7,065,225
Police	179,212	918,369	1,211,316	1,196,533
Fire		1,917,703	2,528,403	2,459,169
Public Works	1,488,380	7,149,848	7,135,253	5,234,368
Community Development	13,265,740	12,520,166	12,050,332	9,628,742
Community Services	1,940,528	2,396,147	2,328,111	2,600,886
Housing		438,278		
Operating Grants and Contributions	14,350,320	12,969,596	6,816,299	7,401,177
Capital Grants and Contributions	11,063,279	5,535,687	4,307,127	6,703,662
Total Government Activities Program Revenues	<u>55,984,540</u>	<u>49,089,865</u>	<u>42,579,594</u>	<u>42,289,762</u>
Business-Type Activities:				
Charges for Services:				
Ferry Services	17,726			
Golf Course	4,226,422	4,187,705	4,161,463	3,768,555
Sewer Service	5,667,296	5,826,652	5,901,599	6,068,908
Operating Grants and Contributions	1,990,515	3,000,763	2,356,878	2,245,111
Capital Grants and Contributions				
Alameda Municipal Power (a)				
Total Business-Type Activities Program Revenue	<u>11,884,233</u>	<u>13,015,120</u>	<u>12,419,940</u>	<u>12,082,574</u>
Total Primary Government Program Revenues	<u>\$67,868,773</u>	<u>\$62,104,985</u>	<u>\$54,999,534</u>	<u>\$54,372,336</u>
 Component Units:				
Charges for Services:				
Housing Authority	\$3,368,311	\$3,294,371	\$3,369,634	\$2,957,381
Alameda Municipal Power	60,552,680	61,857,720	54,987,323	49,284,110
Operating Grants and Contributions	27,623,882	21,419,640	21,595,495	28,796,857
Total Component Units Program Revenues	<u>\$91,544,873</u>	<u>\$86,571,731</u>	<u>\$79,952,452</u>	<u>\$81,038,348</u>
 Net (Expense)/Revenue				
Governmental Activities	(\$61,013,390)	(\$69,381,465)	(\$79,957,511)	(\$75,505,071)
Business-Type Activities	(262,394)	(784,452)	(443,957)	(392,537)
Component Units Activities	2,386,974	(221,611)	(8,321,077)	(5,762,272)
Total Primary Government Net Expense	<u>(\$58,888,810)</u>	<u>(\$70,387,528)</u>	<u>(\$88,722,545)</u>	<u>(\$81,659,880)</u>

(a) Reclassified as Enterprise Fund

Source: City Finance Department

2011	2012	2013	2014	2015	2016
\$18,188,575	\$15,237,357	\$13,569,619	\$15,040,701	\$15,566,704	\$17,312,864
26,889,284	25,904,606	30,431,546	30,848,485	30,310,509	31,230,359
24,532,288	23,970,035	27,374,670	27,866,089	30,247,841	33,701,192
18,950,456	13,738,143	12,664,895	14,344,311	20,576,356	21,611,732
16,550,661	5,718,100	20,805,104	15,947,090	21,707,219	19,926,259
9,296,269	8,741,325	8,296,495	6,995,080	6,808,162	8,192,325
7,261,310	14,452,825	1,222,077	2,004,958	1,883,617	2,298,345
5,677,260	4,142,152	1,409,201	2,307,691	984,165	1,104,604
127,346,103	111,904,543	115,773,607	115,354,405	128,084,573	135,377,680
3,357,896					
3,917,153	3,814,979				
4,598,661	3,864,222	5,125,508	5,339,491	6,069,959	5,189,080
				47,958,639	54,131,601
11,873,710	7,679,201	5,125,508	5,339,491	54,028,598	59,320,681
\$139,219,813	\$119,583,744	\$120,899,115	\$120,693,896	\$182,113,171	\$194,698,361
31,077,746					
50,902,652	54,520,590	53,896,090	50,466,129		
\$81,980,398	\$54,520,590	\$53,896,090	\$50,466,129		
\$8,378,706	\$6,899,450	\$7,507,538	\$9,820,809	\$9,928,486	\$9,914,050
1,248,344	1,181,455	1,125,359	1,772,066	1,557,542	1,461,077
1,875,008	2,156,989	2,625,040	2,242,200	2,902,627	3,161,928
6,743,825	6,694,970	7,329,147	6,915,488	8,048,038	8,869,421
9,628,742	9,261,637	9,717,218	10,267,249	10,900,322	11,261,739
2,643,386	2,771,489	3,477,649	3,238,812	3,273,681	3,550,181
		45		2,500	
7,753,440	9,898,631	7,434,721	6,416,506	5,806,249	5,209,502
8,305,292	5,111,573	3,504,228	3,188,964	6,156,043	6,270,247
46,576,743	43,976,194	42,720,945	43,862,094	48,575,488	49,698,145
222					
3,546,251	3,958,933				
6,936,223	7,447,477	8,966,628	9,734,164	9,906,045	9,404,120
2,245,111					
				58,759,497	546,768
12,727,807	11,406,410	8,966,628	9,734,164	68,665,542	62,012,528
\$59,304,550	\$55,382,604	\$51,687,573	\$53,596,258	\$117,241,030	71,963,416
\$2,959,697					\$121,661,561
51,237,727	\$51,526,195	\$56,157,469	\$59,774,933		
29,390,234					
\$83,587,658	\$51,526,195	\$56,157,469	\$59,774,933		
(\$75,504,996)	(\$67,928,349)	(\$73,052,662)	(\$71,492,311)	(\$79,509,085)	(\$85,679,535)
1,027,225	3,727,584	3,841,120	4,394,673	14,636,944	12,642,735
1,607,260					
(\$72,870,511)	(\$64,200,765)	(\$69,211,542)	(\$67,097,638)	(\$64,872,141)	(\$73,036,800)



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

	For the Fiscal Year Ended June 30,			
	2007	2008	2009	2010
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$26,137,534	\$27,413,398	\$28,056,019	\$30,779,575
Incremental property tax	12,266,563	14,043,703	15,634,394	11,631,272
Urban runoff special assessments	2,668,301	1,738,422	1,857,611	1,897,652
Sales Taxes	4,967,130	5,140,774	5,412,461	4,880,379
Utility Users Tax	8,702,101	9,301,200	9,049,473	8,822,075
Transfer Tax	4,177,736	3,389,197	3,124,066	4,647,057
Franchise Tax		1,605,512	1,626,089	4,403,092
Transient Occupancy Tax		1,088,342	1,178,705	1,084,850
Property Tax In-Lieu		1,654,175	1,672,842	1,278,940
Other Taxes	7,184,959	2,392,876	1,956,106	891,109
Motor Vehicle In-Lieu, Unrestricted	5,479,921	5,748,775	5,994,956	6,041,729
Use of Money and properties	5,897,661	8,066,247	6,843,179	3,836,073
Gain/Loss from disposal of capital assets				
Miscellaneous	345,906	1,427,356	4,090,462	742,404
Transfers	1,293,540	(596,677)	1,101,353	(1,114,750)
Extraordinary item				
Total Government Activities	<u>79,121,352</u>	<u>82,413,300</u>	<u>87,597,716</u>	<u>79,821,457</u>
Business-Type Activities:				
Use of Money and properties	1,004,169	1,126,277	730,441	348,032
Miscellaneous	146,541	147,375	93,294	285,028
Transfers	(1,293,540)	596,677	(1,101,353)	1,114,750
Total Business-Type Activities	<u>(142,830)</u>	<u>1,870,329</u>	<u>(277,618)</u>	<u>1,747,810</u>
Total Primary Government	<u>\$78,978,522</u>	<u>\$83,009,977</u>	<u>\$86,496,363</u>	<u>\$80,936,207</u>
Component Units Activities:				
Use of Money and properties	\$2,804,872	\$2,974,858	\$1,744,742	\$356,673
Miscellaneous				506,590
Increase in value of certain NPCA projects and reserves				
Net Extraordinary Items		(32,097,496)	25,251,400	
Total Component Units Activities	<u>\$2,804,872</u>	<u>(\$29,122,638)</u>	<u>\$26,996,142</u>	<u>\$863,263</u>
Change in Net Position				
Governmental Activities	\$18,107,962	\$13,031,835	\$7,640,205	\$4,316,386
Business-Type Activities	(405,224)	1,085,877	(721,575)	1,355,273
Total Primary Government	<u>\$17,702,738</u>	<u>\$14,117,712</u>	<u>\$6,918,630</u>	<u>\$5,671,659</u>
Changes in Net Position				
Component units Activities	<u>\$5,191,846</u>	<u>(\$29,344,249)</u>	<u>\$18,675,065</u>	<u>(\$4,899,009)</u>

Source: City Finance Department

2011	2012	2013	2014	2015	2016
\$30,205,060	\$27,965,276	\$26,937,823	\$38,088,577	\$39,057,776	\$43,665,977
11,868,722	5,748,695				
1,886,557	1,844,180	1,842,568			
5,077,031	6,035,950	5,932,043	6,260,057	9,340,828	10,187,902
9,182,248	8,787,016	9,095,600	8,500,351	8,330,638	8,368,125
5,896,294	4,921,032	5,582,337	6,730,655	8,258,516	9,451,755
4,451,081	4,477,426	4,439,185	3,919,351	1,496,491	2,396,918
1,118,732	1,294,691	1,396,432	1,612,283	1,928,731	2,174,973
1,255,240	1,271,253	1,112,896	1,382,336	1,002,871	1,157,160
1,197,746	1,489,036	2,788,444	4,175,348	4,460,633	1,831,805
6,120,156	5,874,386	5,897,923			
5,059,361	617,852	4,039,370	5,068,924	4,465,916	5,136,494
4,080,095	5,803,134	1,531,218	4,428,117	2,787,194	1,160,517
(1,628,137)	207,258	269,538	417,997	3,027,004	2,831,684
	40,764,726			1,007,196	
85,770,186	117,101,911	70,865,377	80,583,996	85,163,794	88,363,310
	192,687	33,149	337,908	279,817	685,463
(230,894)	58,146	5,495	301	90,277	1,190,730
1,628,137	(207,258)	(269,538)	(417,997)	(3,027,004)	(2,831,684)
1,397,243	43,575	(230,894)	(79,788)	(2,656,910)	(955,491)
\$87,167,429	\$117,145,486	\$70,634,483	\$80,504,208	\$82,506,884	\$87,407,819
\$1,965,040	\$119,699	\$98,920	\$86,293		
249,207	54,142	176,225	1,548,129		
		1,447,092	(789,918)		
\$2,214,247	\$173,841	\$1,722,237	\$844,504		
\$2,828,006	\$49,173,562	(\$2,187,285)	\$9,091,684	5,654,709	2,683,775
3,473,803	3,771,159	3,610,226	4,314,885	11,980,034	11,687,244
\$6,301,809	\$52,944,721	\$1,422,941	\$13,406,569	\$17,634,743	\$14,371,019
\$3,821,507	(\$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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Pre-GASB 54 Classifications:										
Reserved	\$6,649,640	\$9,441,392	\$6,152,052	\$5,426,061						
Unreserved	16,171,215	10,252,721	15,362,069	16,223,164						
GASB 54 Classifications:										
Nondisposable						\$2,685,205	\$2,200,000	\$2,261,871	\$2,591,009	\$872,617
Restricted					\$400,000					
Committed					603,629	400,000				6,043,000
Assigned					16,693,535	315,045			3,000,000	6,281,684
Unassigned						19,618,518	21,293,014	29,071,830	30,165,670	27,284,395
Total General Fund	\$22,820,855	\$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
All Other Governmental Funds										
Pre-GASB 54 Classifications:										
Reserved	\$32,799,457	\$34,104,927	\$31,746,036	\$33,900,970						
Unreserved, reported in:										
Special revenue funds	31,494,061	20,831,848	36,849,864	32,037,363						
Capital project funds	13,068,955	28,887,337	17,242,412	14,178,257						
GASB 54 Classifications:										
Nondisposable					\$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
Committed					10,965	35,055,243	36,907,806	40,790,003	17,909,767	21,233,524
Assigned					(9,200)		(657,163)		(14,081)	
Unassigned						(1,600,776)	\$57,543,896	\$64,148,556	\$68,817,945	\$69,970,330
Total all other governmental funds	\$77,362,473	\$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

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)

	2007	2008	2009	2010
Revenues				
Property taxes	\$39,938,739	\$43,189,504	\$45,548,024	\$44,308,500
Other local taxes	26,125,551	25,463,825	24,588,234	27,032,505
Licenses and permits	4,281,863	3,792,899	3,361,091	3,172,848
Revenue from other agencies	29,797,193	24,321,452	19,408,936	19,354,972
Charges for current services	9,952,910	11,987,586	10,264,260	12,252,283
Fines and forfeitures	992,593	1,239,607	1,463,269	1,434,684
Use of money and property	18,624,311	20,264,478	20,329,314	17,208,171
Other	1,437,521	1,795,035	4,516,237	791,233
Total Revenues	131,150,681	132,054,386	129,479,365	125,555,196
Expenditures				
Current:				
General government	13,761,022	11,315,409	13,114,355	9,756,226
Police	25,244,920	26,544,338	25,770,329	26,749,247
Fire	23,634,196	24,338,086	22,932,133	22,589,195
Public Works	7,892,558	9,255,632	10,198,469	4,682,917
Community Development	28,512,408	24,230,719	19,673,992	19,288,336
Community Services	6,621,934	7,258,611	7,006,083	7,738,644
Culture and recreation				
Housing	6,249,589	7,075,267	8,117,536	10,060,973
Capital outlay	23,667,913	11,845,020	11,212,641	15,527,159
Debt service:				
Principal repayment	1,918,623	2,533,420	7,479,565	2,569,040
Interest and fiscal charges	6,255,397	6,375,793	6,099,165	5,675,982
Total Expenditures	143,758,560	130,772,295	131,604,268	124,637,719
Excess (deficiency) of revenues over (under) expenditures	(12,607,879)	1,282,091	(2,124,903)	917,477
Other Financing Sources (Uses)				
Contribution from (to) other entities				
Transfers in	42,858,538	29,641,624	39,525,272	16,789,896
Transfers (out)	(41,588,363)	(30,614,587)	(38,281,393)	(23,293,991)
Sale of capital assets	25,026	25,769	21,507	
Payment to escrow agent				
Bond issuance premium (discount) on debt			118,725	
Issuance of long-term debt	4,000,000	3,000,000	4,575,000	
Total other financing sources (uses)	5,295,201	2,052,806	5,959,111	(6,504,095)
Extraordinary item				
Net Change in fund balances	(\$7,312,678)	\$3,334,897	\$3,834,208	(\$5,586,618)
Debt service as a percentage of noncapital expenditures	6.8%	8.0% (a)	10.9% (a)	7.4% (a)

NOTE:

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

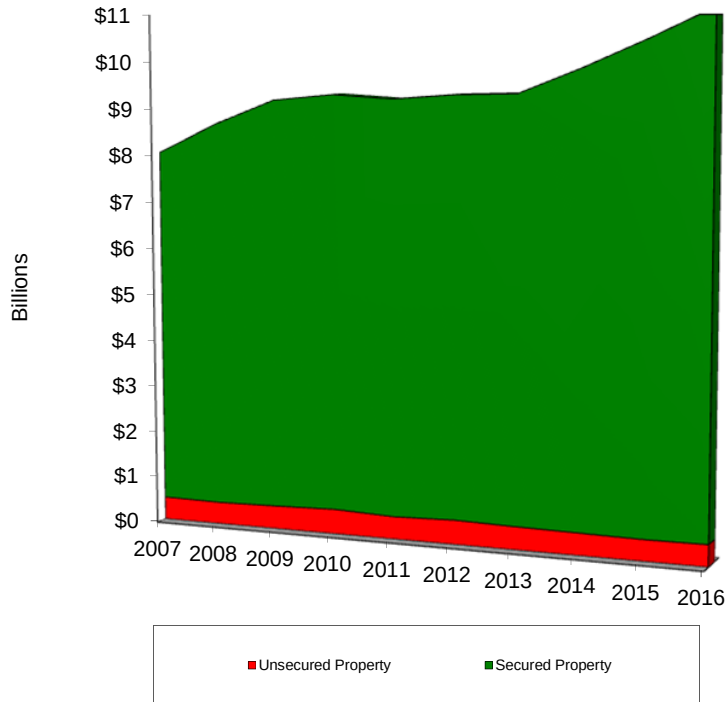
Source: City Finance Department

2011	2012	2013	2014	2015	2016
\$44,304,076	\$36,215,189	\$30,299,428	\$40,030,928	\$41,511,670	\$43,665,978
29,209,243	28,731,775	29,441,266	31,532,635	34,307,623	36,600,031
3,389,609	2,962,194	3,220,082	3,649,220	4,834,523	4,599,669
18,584,868	15,017,173	15,017,173	8,383,901	10,472,056	11,799,727
12,102,124	16,992,163	16,992,163	16,881,772	16,601,934	18,801,604
1,350,974	1,498,967	1,712,558	1,940,326	1,579,608	1,505,913
17,595,184	16,284,321	16,284,321	17,130,340	17,472,748	18,278,665
5,454,018	3,716,012	1,366,611	4,638,439	2,898,060	1,088,097
131,990,096	121,417,794	114,333,602	124,187,561	129,678,222	136,339,684
4,130,188	8,505,007	13,996,654	14,807,500	17,213,207	22,246,735
27,612,111	27,697,939	28,538,108	28,767,165	28,682,826	28,816,779
24,297,287	23,735,534	23,262,699	24,269,387	27,961,054	28,529,688
6,324,136	5,045,594	4,320,452	4,432,334	4,558,311	4,742,674
22,899,662	17,959,889	17,828,779	14,920,522	16,145,736	17,686,827
8,292,609	8,358,813	6,704,716	5,755,718	5,797,562	6,453,987
		1,178,313			
8,460,735	14,513,011	2,051,269	2,282,435	1,883,479	2,298,345
17,392,517	12,969,550	13,306,766	12,836,513	16,402,343	17,408,895
3,169,360	2,844,360	1,710,214	17,866,047	1,906,000	2,149,564
5,732,593	3,700,852	1,431,642	2,398,072	791,566	1,128,676
128,311,198	125,330,549	114,329,612	128,335,693	121,342,084	131,462,170
3,678,898	(3,912,755)	3,990	(4,148,132)	8,336,138	4,877,514
(1,347,013)					
20,625,790	22,598,326	13,236,792	19,087,597	18,842,178	20,777,712
(24,690,492)	(25,611,556)	(14,172,654)	(19,626,956)	(19,093,145)	(22,913,024)
735,000	8,213				
(985,000)					
(125,326)			512,838		
11,035,000			18,620,000		3,000,000
5,247,959	(3,005,017)	(935,862)	18,593,479	(250,967)	864,688
	(20,454,496)			1,007,196	
\$8,926,857	(\$27,372,268)	(\$931,872)	\$14,445,347	\$9,092,367	\$5,742,202
7.6% (a)	5.5% (a)	2.9% (a)	17.5% (a)	2.6% (a)	2.9% (a)

Object Series	Revenue Type	Calendar Year 2016 Wage Increase			Calendar Year 2017 Wage Increase			
		Value		% Change	Value		% Change	
		FY13-14	FY14-15		FY15-16	Change		
31000	General Fund Property Tax	\$ 31,960,530	\$ 34,093,132	\$ 2,132,602	6.67%	\$ 34,388,154	\$ 295,022	0.87%
32100/31901	Bradley Burns Sales Tax	5,686,143	6,632,164	946,021	16.64%	9,565,291	2,933,127	44.23%
32200	Property Transfer Tax	6,730,655	8,258,516	1,527,861	22.70%	9,451,755	1,193,239	14.45%
32300	Utility Users Tax	8,500,351	8,330,638	(169,713)	-2.00%	8,368,124	37,486	0.45%
32400	Transient Occupancy Tax	1,612,283	1,928,731	316,448	19.63%	2,174,973	246,242	12.77%
	TOTALS	<u>\$54,489,962</u>	<u>\$59,243,181</u>	<u>\$4,753,219</u>	<u>8.72%</u>	<u>\$63,948,297</u>	<u>\$4,705,116</u>	<u>7.94%</u>
50% Of Total Increase applicable to Wage Increases					4.36%			3.97%
Minimum/Maximum per MOUs				2.00% to 5%			2.00% to 5%	
BRI WAGE INCREASE EFFECTIVE JANUARY					4.36%			3.97%



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
2007	\$7,576,776,051	1.76%	\$491,614,564	2.23%	\$8,068,390,615
2008	8,234,917,376	8.69%	473,809,843	-3.62%	8,708,727,219
2009	8,725,378,989	5.96%	501,285,753	5.80%	9,226,664,742
2010	8,822,181,382	1.11%	536,786,045	7.08%	9,358,967,427
2011	8,798,316,309	-0.27%	486,282,942	-9.41%	9,284,599,251
2012	8,862,481,370	0.73%	524,614,003	7.88%	9,387,095,373
2013	8,927,046,504	0.73%	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

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

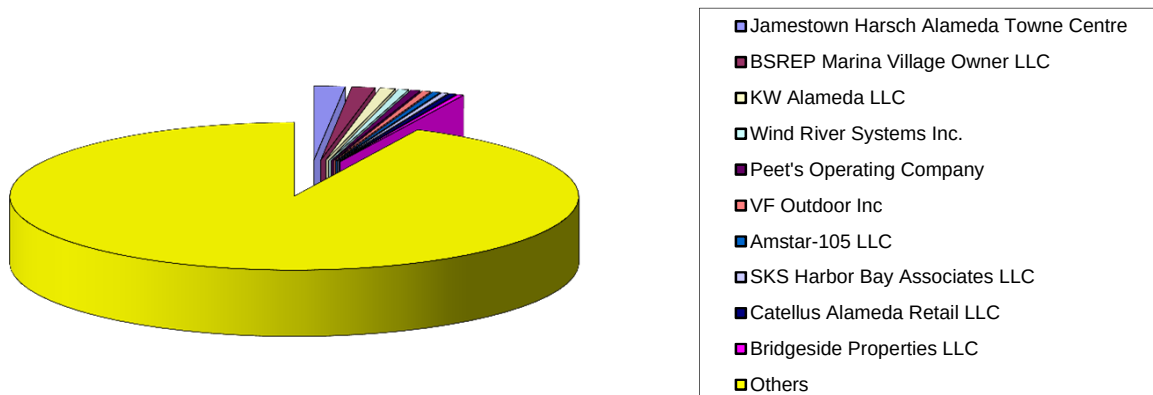
Fiscal Year	Basic County Wide Levy (a)	City	Alameda Unified School Bonds	East Bay Regional Park	EBMUD Special District 1	Oakland Unified School Dist. Bonds	BART	Peralta College	Total
2007	1.0000	0.0255	0.0496	0.0085	0.0068	0.0801	0.0050	0.0272	1.2027
2008	1.0000	0.0247	0.0469	0.0080	0.0065	0.0806	0.0076	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

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

**City of Alameda
Principal Property Taxpayers
Current Year and Nine Years Ago**

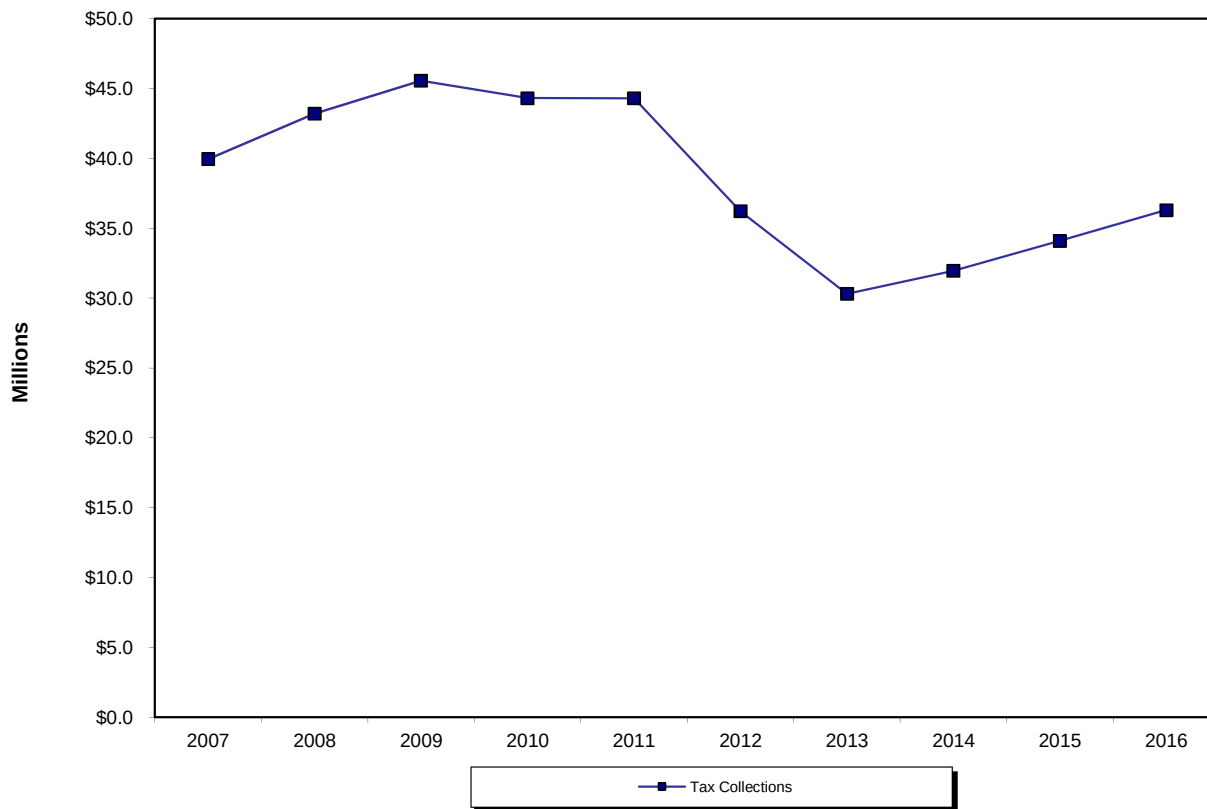
Current Year Taxpayers



Taxpayer	2015-16			2006-07		
	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	\$194,095,406	1	1.74%			
BSREP Marina Village Owner LLC	147,081,100	2	1.32%			
KW Alameda LLC	97,726,535	3	0.88%	\$87,291,200	2	1.08%
Wind River Systems Inc.	65,100,547	4	0.58%	60,593,386	3	0.75%
Peet's Operating Company	59,875,867	5	0.54%			
VF Outdoor Inc	55,710,581	6	0.50%			
Amstar-105 LLC	48,143,176	7	0.43%			
SKS Harbor Bay Associates LLC	43,988,818	8	0.39%			
Catellus Alameda Retail LLC	43,064,483	9	0.39%			
Bridgeside Properties LLC	38,590,000	10	0.35%			
Alameda Real Estate Investment				193,713,557	1	2.40%
Harsch Investment Realty LLC				51,220,460	4	0.63%
Limar Realty Corporation				48,434,802	5	0.60%
ARE-1431 Harbor Bay LLC				43,456,039	6	0.54%
Comcast of California IX Inc				33,158,303	7	0.41%
Bayport Alameda Associates LLC				29,714,680	8	0.37%
Starlight Marine Services				28,921,970	9	0.36%
Ballena Village LLC				28,365,760	10	0.35%
Subtotal	<u>\$793,376,513</u>		<u>7.12%</u>	<u>\$604,870,157</u>		<u>7.49%</u>
Total Net Assessed Valuation:						
Fiscal Year 2015-16	\$11,155,282,233					
Fiscal Year 2006-07	\$8,068,390,615					

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls.

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



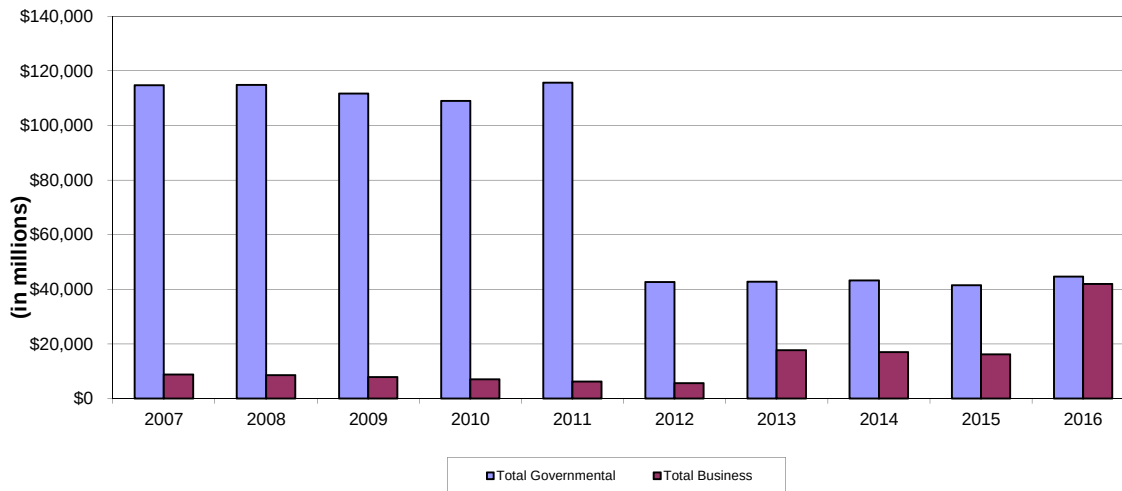
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2007	\$39,938,739	\$39,938,739	100%	0	\$39,938,739	100%
2008	43,189,504	43,189,504	100%	0	43,189,504	100%
2009	45,548,024	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%

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
2007	\$68,010,000	\$15,290,000	\$10,135,000	\$14,995,000	\$6,241,387	\$114,671,387
2008	67,005,000	14,595,000	9,960,000	14,630,000	8,666,301	114,856,301
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	42,633,854
2013	-	(b)	10,700,000	8,925,000	11,700,000	42,765,764
2014	-	(b)	11,855,000	9,010,000	11,400,000	43,228,100
2015	-	(b)	10,930,000	8,610,000	11,000,000	41,535,218
2016	-	(b)	9,960,000	8,270,000	10,600,000	44,637,781

Business-Type Activities						
Fiscal Year	COPS & Revenue Bonds	Loans & Lease Purchases	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2007	\$3,545,000	\$5,323,440	\$8,868,440	\$123,539,827	4.19%	1,696.79
2008	3,295,000	5,305,043	8,600,043	123,456,344	3.94%	1,682.91
2009	3,030,000	4,813,515	7,843,515	119,568,386	3.74%	1,615.09
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%	1,645.93
2012	2,160,000	3,498,778	5,658,778	48,292,632	1.75%	647.01
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	40,365,000	1,616,170	41,981,170	86,618,951	2.70%	1,092.61

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

Sources: City of Alameda

State of California, Department of Finance (population)

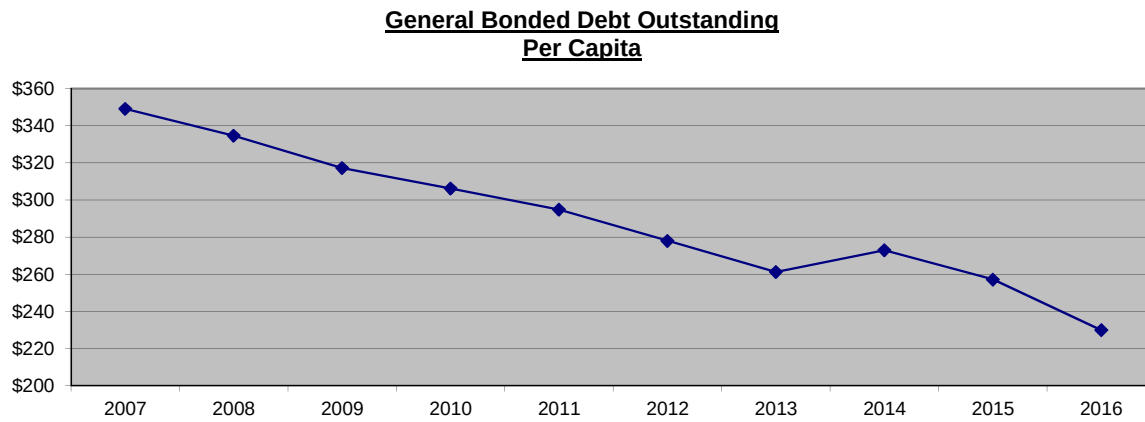
U.S. Department of commerce, Bureau of the Census (income)

(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.

(c) 2016 includes AMP revenue bonds which were not previously reported.

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		
2007	\$15,290,000	\$10,135,000	\$25,425,000	0.32%	349.21
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

Source: City of Alameda Finance Department



City of Alameda
Computation of Direct and Overlapping Debt
June 30, 2016

2015-16 Assessed Valuation: \$11,155,282,233

<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	\$527,065,000	1.852%	\$9,761,244
Peralta Community College District	\$410,715,000	13.111%	\$53,848,844
Alameda Unified School District	\$144,723,574	100.000%	\$144,723,574
East Bay Regional Park District	\$149,945,000	2.838%	\$4,255,439
East Bay Municipal Utility District, Special District No. 1	\$7,345,000	12.235%	\$898,661
City of Alameda	\$8,270,000	100.000%	\$8,345,704
City of Alameda Facilities District No. 1	\$5,515,000	100.000%	\$5,515,000
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			\$242,763,466

Ratios to 2015-16 Assessed Valuation:

Direct Debt (\$8,345,704)	0.07%
Total Direct and Overlapping Tax Assessment Debt	2.18%

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Alameda County and Coliseum Authority General Fund Obligations	\$852,027,000	4.696%	\$40,011,188
Alameda County Pension Obligations	\$47,111,094	4.696%	\$2,212,337
Alameda-Contra Costa Transit District Certificates of Participation	\$21,285,000	5.562%	\$1,183,872
Peralta Community College District Pension Obligations	\$163,953,836	13.111%	\$21,495,987
Alameda Unified School District Certificates of Participation	\$630,000	100%	\$630,000
City of Alameda General Fund Obligations	\$9,960,000	100%	\$20,356,088
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$85,889,472

<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$56,860,000	100%	\$56,860,000
---	--------------	------	--------------

Total Direct Debt	\$28,701,792
Total Overlapping Debt	\$356,811,146
COMBINED TOTAL DEBT	\$385,512,938 (b)

(a) Percentage of overlapping agency's assessed valuation located within boundaries of the authority.

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

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$28,701,792)	0.26%
Combined Total Debt	3.46%

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



City of Alameda
Computation of Legal Bonded Debt Margin
June 30, 2016

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u><u>\$10,681,362,114</u></u>
---	--------------------------------

BONDED DEBT LIMIT (15% OF ASSESSED VALUE)	<u>\$1,602,204,317</u>
---	------------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

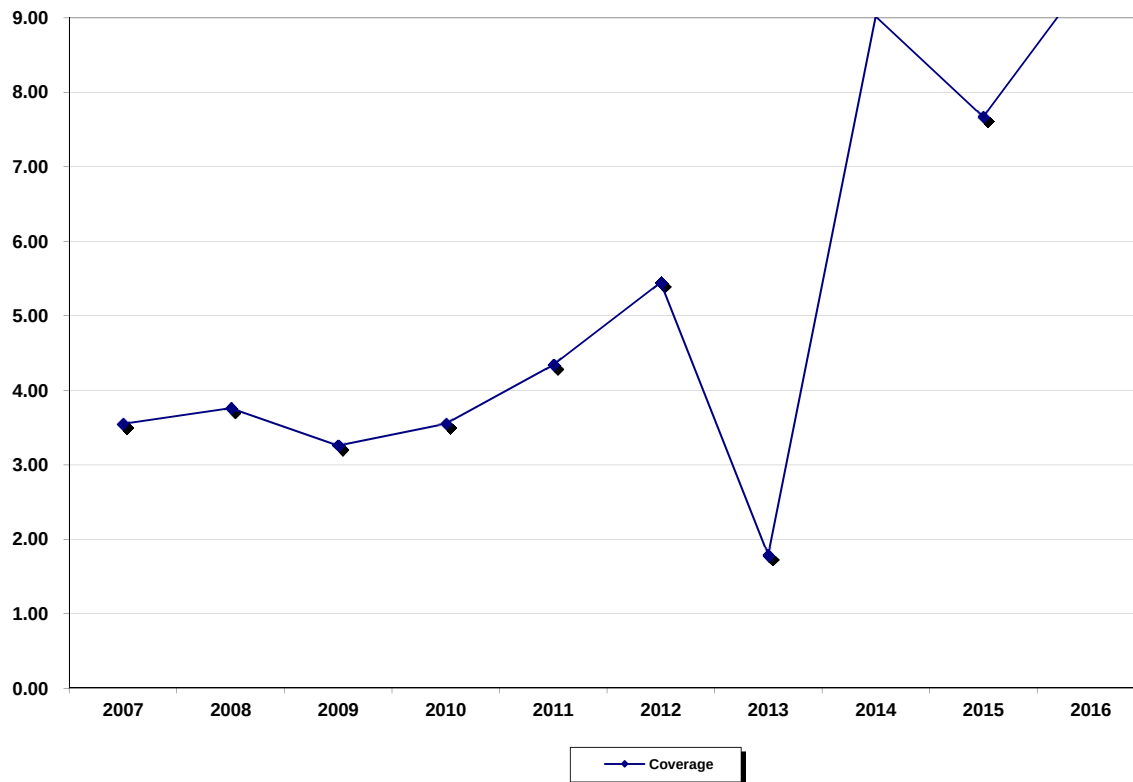
Total Bonded Debt (a)	\$42,735,000	
Less:		
Revenue Bonds	24,505,000	
Certificates of Participations	<u>9,960,000</u>	
Amount of debt subject to limit		<u>8,270,000</u>

LEGAL BONDED DEBT MARGIN	<u><u>\$1,593,934,317</u></u>
--------------------------	-------------------------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable To The Limit As A Percentage Of Legal Debt Margin
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	1,305,759,261	0.72%
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	1,593,934,317	0.52%

Source: City Finance Department

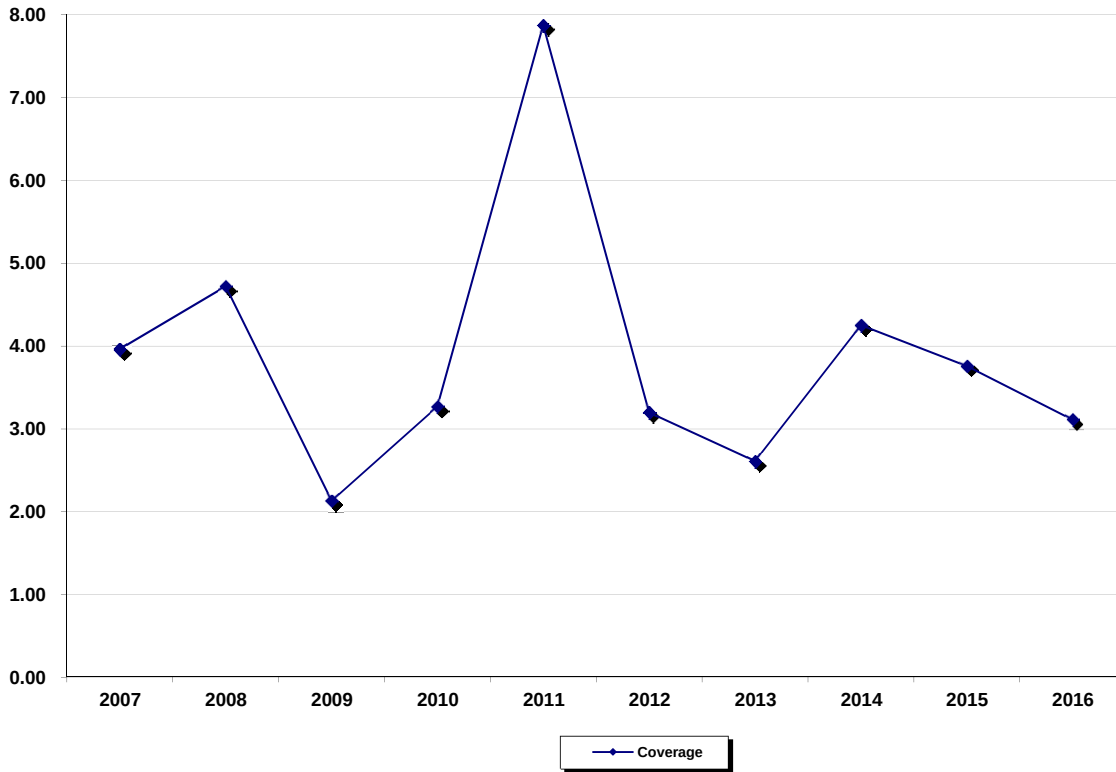
(a) Upon the dissolution of the Community Improvement Commission effective January 31, 2012, a Successor Agency assumed the liabilities of the former Community Improvement Commission, therefore the total bonded debt and revenue bonds have decreased.



Fiscal Year	Gross Revenue (a)	Operating Expenses (b)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2007	\$6,557,677	\$3,284,973	\$3,272,704	\$588,054	\$334,260	\$922,314	3.55
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	6,370,342	250,000	456,319	706,319	9.02
2015	10,011,701	4,475,317	5,536,384	275,000	447,069	722,069	7.67
2016	10,319,448	3,367,716	6,951,732	285,000	438,719	723,719	9.61

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



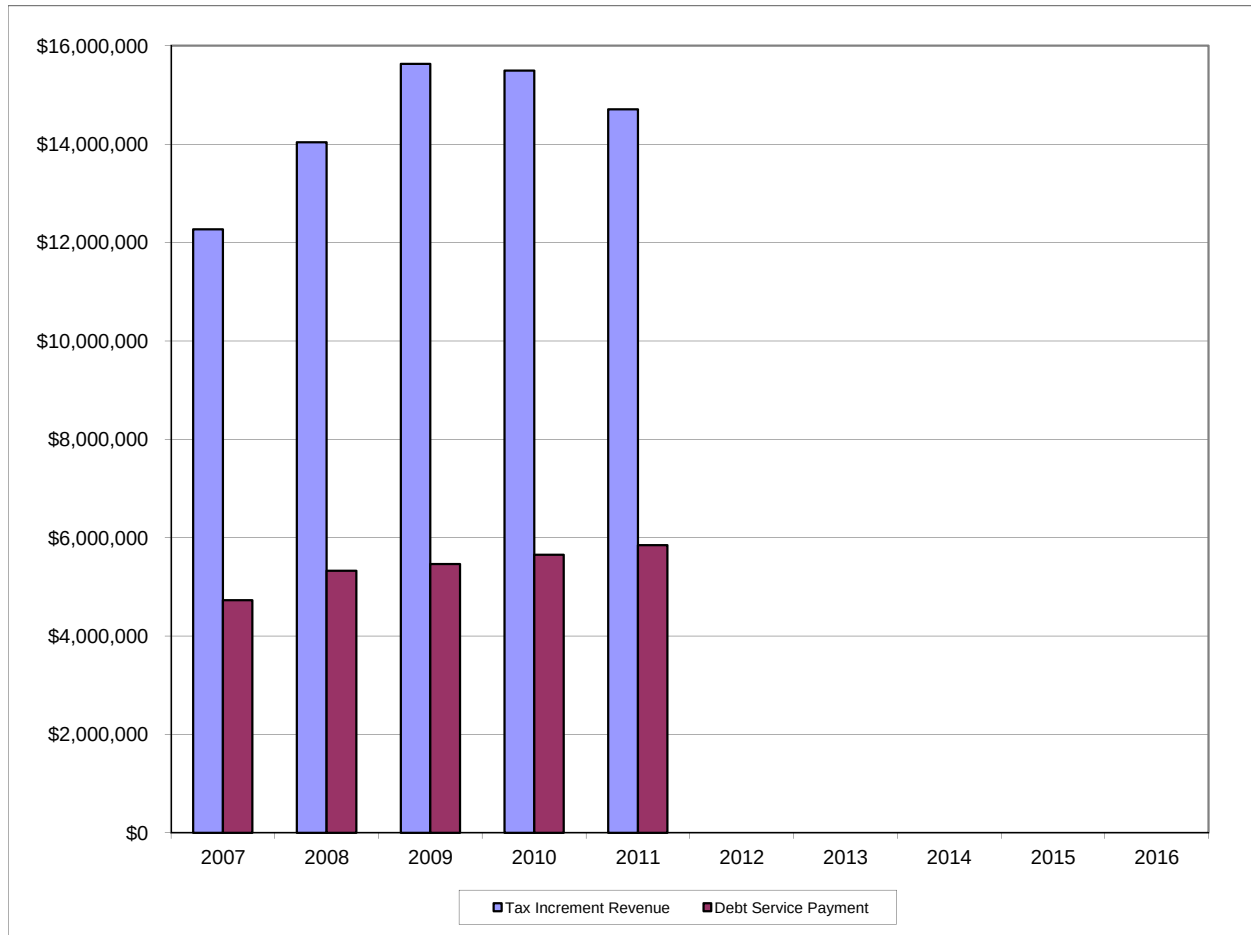
Fiscal Year	Gross Revenue (a)	Revenues Not Available for Debt Service (b)	Operating Expenses (c)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2007	\$51,197,750		\$41,682,078	\$9,515,672		\$2,401,292	\$2,401,292	3.96
2008	52,012,671		40,319,750	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

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



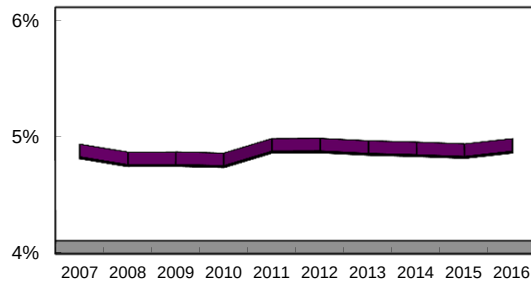
City of Alameda
Bonded Debt Pledged Revenue Coverage
CIC Revenue Bonds and Tax Allocation Bonds
Last Ten Fiscal Years



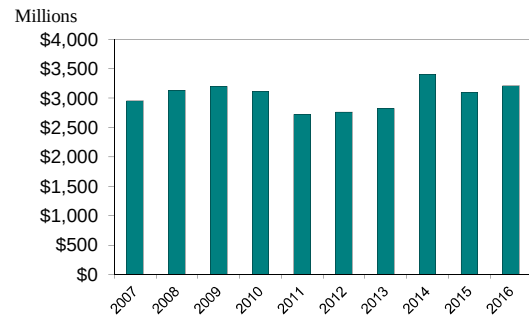
Fiscal Year	Tax Increment Revenue	Debt Service Requirements				Coverage
		Principal	Interest	Total		
2007	\$12,266,563	\$805,000	\$3,928,195	\$4,733,195		2.59
2008	14,037,684	1,190,000	4,137,493	5,327,493		2.63
2009	15,634,394	1,300,000	4,165,670	5,465,670		2.86
2010	15,494,892	1,582,000	4,070,898	5,652,898		2.74
2011	14,708,012	1,722,000	4,124,257	5,846,257		2.52
2012	-	(a)	-	(a)	-	(a)
2013	-	(a)	-	(a)	-	(a)
2014	-	(a)	-	(a)	-	(a)
2015	-	(a)	-	(a)	-	(a)
2016	-	(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.

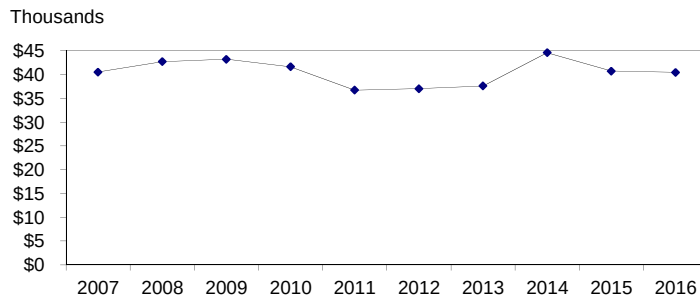
Source: City of Alameda Annual Financial Statements



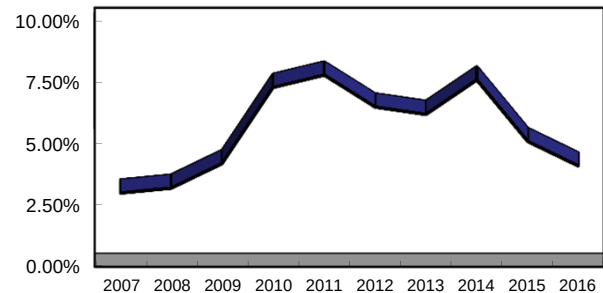
City Population as a Percent of County Population



City Residents Total Personal Income



Per Capita Personal Income



City Unemployment Rate (%)

Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Alameda County Population	City Population % of County
2007	72,808	\$ 2,950,462,000	\$ 40,524	3.0%	1,509,981	4.82%
2008	73,359	3,131,575,000	42,688	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	36,713	7.8%	1,521,157	4.87%
2012	74,640	2,763,776,399	37,028	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	4.84%
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%

Source: California State Department of Finance



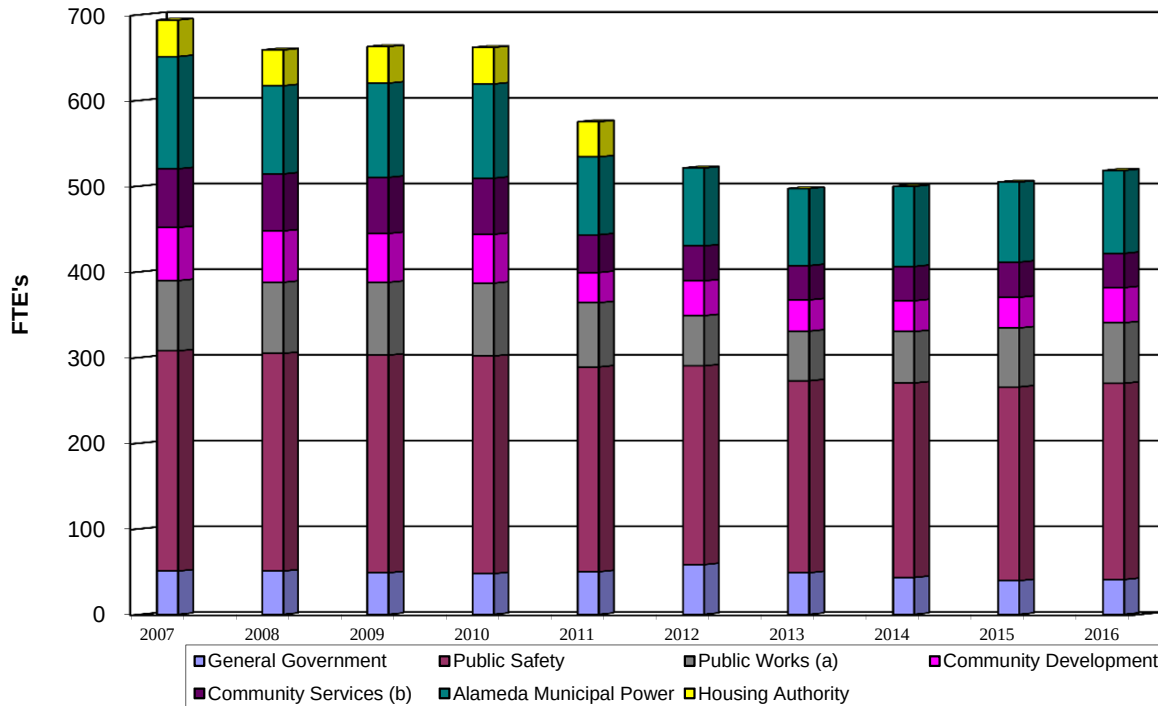
City of Alameda
Principal Employers
Current Year and Nine Years Ago

Employer	2015-16			2006-07		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Alameda Unified School District	876	1	1.10%	1,000	1	1.33%
Penumbra, Inc	858	2	1.08%			
VF Outdoor	751	3	0.95%			
Alameda Hospital	694	4	0.88%	600	4	0.80%
Oakland Raiders	604	5	0.76%			
City of Alameda	518	6	0.65%	626	3	0.83%
Abbott Diabetes Care Inc.	512	7	0.65%	671	2	0.89%
Safeway Stores	480	8	0.61%	345	6	
Wind River Systems	447	9	0.56%	339	7	0.45%
Kaiser Foundation Health Plan	425	10	0.54%	252	8	
College of Alameda				472	5	0.63%
UT Starcom Inc.				223	9	0.30%
Celera Diagnostics LLC				215	10	0.29%
Subtotal	6,165		7.78%	4,743		6.30%
Total City Day Population	79,277			75,254		

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



**City of Alameda
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years**



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function										
General Government	50.50	50.50	48.50	47.50	49.70	58.00	48.55	43.00	39.35	40.62
Public Safety	257.00	254.00	254.00	254.00	239.00	232.00	224.00	227.00	226.00	229.00
Public Works (a)	82.00	83.00	85.00	85.00	75.00	58.60	57.95	60.00	68.90	70.65
Community Development	62.00	60.00	57.00	57.00	35.20	40.60	36.50	36.00	35.75	41.00
Community Services (b)	68.50	66.50	65.50	65.50	44.00	40.75	40.00	40.00	41.00	39.98
Alameda Municipal Power	131.00	103.00	110.00	110.00	91.00	91.00	90.00	93.50	93.50	96.75
Housing Authority	42.70	41.70	42.70	42.70	41.00	(c)	(c)	(c)	(c)	(c)
Total	693.70	658.70	662.70	661.70	574.90	520.95	497.00	499.50	504.50	518.00

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

	2007	2008	2009	2010
General Information				
Area in square miles	22.7	22.7	22.7	22.7
Number of registered voters	37,307	40,238	42,547	42,547
Number of Hospitals	1	1	1	1
Education:				
Student enrollment	9,975	10,260	9,770	8,704
Elementary schools	11	10	10	10
Junior high schools	3	3	3	3
High schools	3	3	3	4
Continuation schools	1	1	1	1
Independent study	1	1	1	1
Teachers (full & part time)	650	514 FTE	638	628
Function/Program				
Fire:				
Fire calls for service	- (a)	- (a)	4,360	6,100
Primary fire inspections conducted	3,215	- (a)	2,485	1,991
Police:				
Police calls for Service	6,883	69,272	69,061	65,963
Law violations:				
Part I and Part II crimes	5,824	5,705	5,705	5,141
Physical arrests (adult and juvenile)	3,574	3,661	3,461	3,103
Traffic violations	11,721	12,058	12,265	12,000
Urban Runoff:				
Storm drain inlets	2,100	2,280	2,280	2,300
Sewer:				
Sewer service connections	29,789	30,525	30,525	20,590
Solid Waste:				
Refuse Landfill (tons per year)	39,584	36,640	31,485.53	33,280.00
Recyclables Processed (tons per year)	14,354	20,816	18,864.14	17,777.00

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

2011	2012	2013	2014	2015	2016
22.7	22.7	22.7	22.7	22.7	22.7
41,665	42,547	44,444	44,271	44,006	46,055
1	1	1	1	1	1
8,704	8,704	10,836	8,975	9,552	9,455
10	10	11	10	10	10
3	3	3	2	2	2
4	4	4	4	3	3
1	1	1	1	1	1
1	1	1	1	1	1
628	628	381	613	549	626
6,100	6,100	6,523	6,314	6,439	6,860
1,991	1,991	1,414	1,311	1,444	1,617
65,963	65,963	70,360	75,920	69,347	74,517
5,141	5,141	4,582	4,957	4,383	4,494
3,103	3,103	2,396	2,583	2,332	2,127
12,000	12,000	28,793	10,754	8,507	8,334
2,300	2,300	2,300	2,951	2,951	2,951
20,590	20,590	20,590	19,432	19,454	19,454
33,280.00	33,280.00	31,181.00	26,298.98	26,139.00	28,742.07
17,777.00	17,777.00	18,240.00	10,682.52	22,859.00	17,016.32



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

	2007	2008	2009	2010
Planning & Building:				
Number of Building Permits issued	5,979	5,297	5,231	4,575
Recreation and Parks:				
Youth & Teens:				
Number of youth programs	102	110	148	151
Number of youth attendees	23,831	26,766	29,596	153,056
Seniors:				
Number of senior programs	96	101	110	114
Number of senior attendees	166,788	169,552	151,065	153,056
Number of meals served	11,203	51,962	9,512	9,672
Number of Mastick Senior Center attendees	166,788	169,352	151,065	153,056
Library:				
Volumes in Collection (thousands)	224	203	200	216
Total Volumes Borrowed (thousands)	483	573	591	630
Finance:				
Number of Business Licenses issued	10,251	- (a)	9,462	8,638
Alameda Municipal Power:				
Number of electric customers	33,892	34,030	34,272	34,231
Number of kilowatt hours sold	389,286,575	392,955,223	387,847,929	383,119,780
Reliability rate	99.99	99.99	99.99	99.99
Number of telecom customers	16,374	16,316	- (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

2011	2012	2013	2014	2015	2016
4,575	4,575	4,314	4,286	4,038	4,018
151	151	239	251	278	277
153,056	153,056	146,191	34,121	32,259	29,920
114	114	125	144	164	177
153,056	153,056	145,795	144,607	148,520	137,143
9,672	9,672	7,053	6,860	6,620	3,021
153,056	153,056	145,795	144,607	148,520	137,143
216	216	211	211	214	215
630	630	550	510	476	456
8,638	8,638	8,700	5,563	5,553	5,169
34,231	34,231	34,338	34,482	34,525	34,494
383,119,780	383,119,780	373,787,288	353,913,305	342,202,785	348,819,863
99.99	99.99	99.99	- (c)	- (c)	- (c)
- (b)	- (b)	- (b)	- (b)	- (b)	- (b)



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

	2007	2008	2009	2010
Function/Program				
Fire:				
Fire stations	5	5	4	3
Police:				
Police stations	1	1	1	1
Public works:				
Miles of streets	138	141	141	141
Miles of bike lanes	10	12	15	15
Traffic Signals	78	78	78	78
Wastewater				
Miles of sanitary sewers	160	165	165	165
Urban Runoff				
Miles of storm sewers	41	41	41	41
Recreation and Parks:				
City parks	31	31	32	32
City parks acreage	149	152	156	156
Playgrounds	11	11	11	13
City trails/Bike paths	12	13	13	13
Community centers	12	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	15	18
Soccer/football fields (c)	2	2	3	3
Library:				
City Libraries	3	3	3	3
Alameda Municipal Power:				
Miles of lines	256	257	257	257
Street lights	6,365	6,370	6,440	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					
2011	2012	2013	2014	2015	2016
3	3	4	4	4	4
1	1	1	1	1	1
141	141	145	140	140	138
15	15	15	13	15	15
78	78	82	87	87	87
165	165	165	150	150	143
41	41	41	70	70	70
32	32	33	33	32	32
156	156	155	155	152	152
13	13	7	7	12	12
13	13	13	13	13	13
13	13	13	13	13	13
1	1	1	1	1	1
5	5	5	5	2	2
19	19	19	19	16	16
18	18	18	18	18	18
3	3	3	3	3	3
3	3	3	3	3	3
257	257	259	260	263	263
6,069	6,069	5,593	5,372	5,441	5,470

