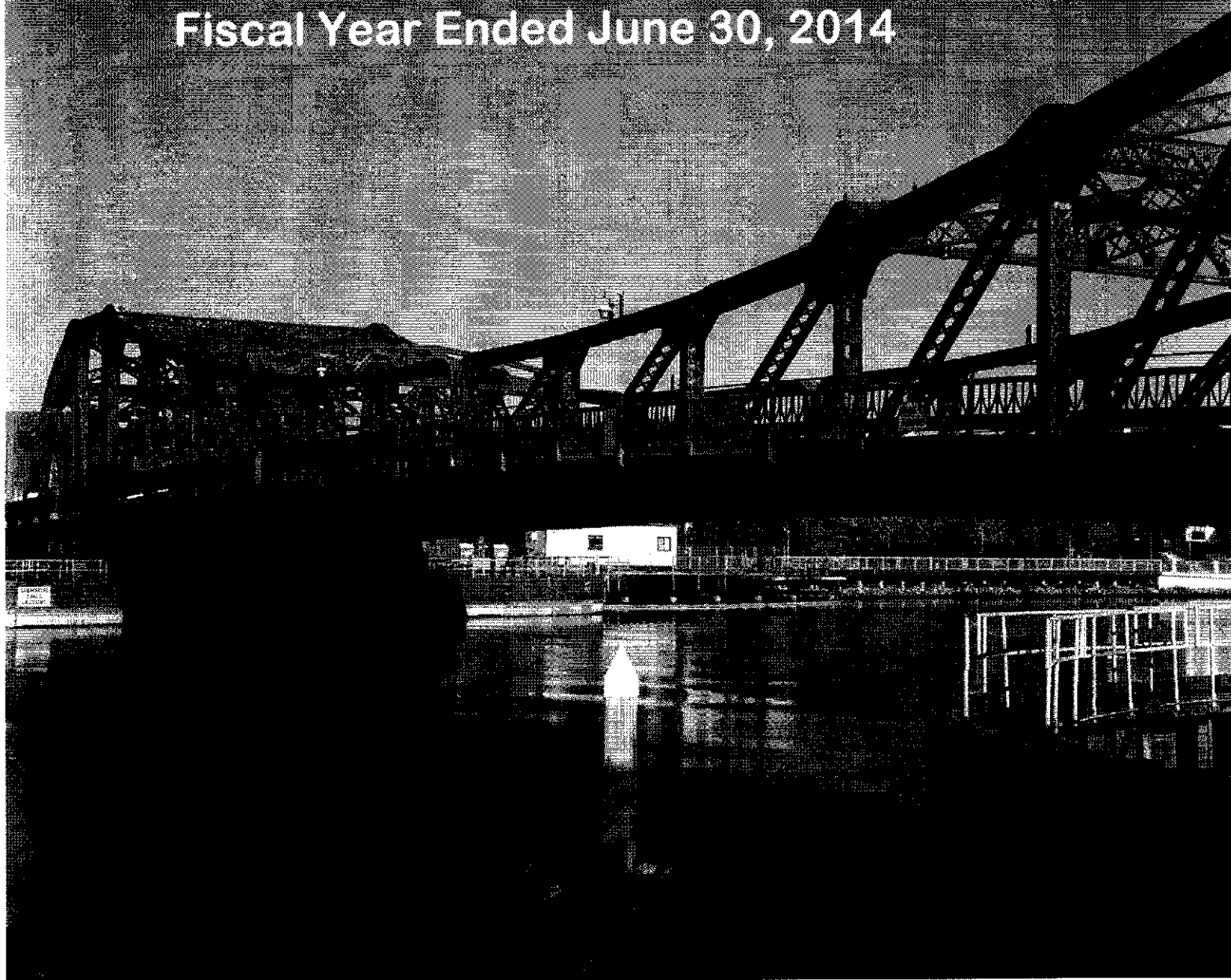


# Alameda

California

## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2014



**City of Alameda  
Pension Trust Funds  
Combining Statements Of Net Position  
June 30, 2014**

	<u>PENSION TRUST FUNDS</u>		
	<u>Police and Fire Pension #1079</u>	<u>Police and Fire Pension #1082</u>	<u>Total</u>
<b>ASSETS</b>			
Restricted cash and investments	<u>\$74,755</u>	<u>\$182</u>	<u>\$74,937</u>
Total Assets	<u><u>\$74,755</u></u>	<u><u>\$182</u></u>	<u><u>\$74,937</u></u>
<b>NET POSITION</b>			
Restricted for:			
Employees' pension benefits	<u>\$74,755</u>	<u>\$182</u>	<u>\$74,937</u>
Net Position	<u><u>\$74,755</u></u>	<u><u>\$182</u></u>	<u><u>\$74,937</u></u>

**City of Alameda  
Pension Trust Funds  
Combining Statements of Changes in Net Position  
For the year ended June 30, 2014**

	<u>PENSION TRUST FUNDS</u>		
	<u>Plan #1079</u>	<u>Plan #1082</u>	<u>TOTALS</u>
ADDITIONS			
Employer contributions	<u>\$1,878,271</u>	<u>\$46,176</u>	<u>\$1,924,447</u>
Total Additions	<u>1,878,271</u>	<u>46,176</u>	<u>1,924,447</u>
DEDUCTIONS			
Retirement and other benefits	<u>1,840,595</u>	<u>46,069</u>	<u>1,886,664</u>
Contractual services	<u>14,919</u>	<u>96</u>	<u>15,015</u>
Total Deductions	<u>1,855,514</u>	<u>46,165</u>	<u>1,901,679</u>
CHANGE IN NET POSITION	<u>22,757</u>	<u>11</u>	<u>22,768</u>
NET POSITION			
Beginning of year	<u>51,998</u>	<u>171</u>	<u>52,169</u>
End of year	<u>\$74,755</u>	<u>\$182</u>	<u>\$74,937</u>

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**Note 9 - Pension Plans (Continued)*****B. Police and Fire Pension Plans***

The City sponsors and administers two single employer defined benefit retirement plans for its police and fire department retirees. Police and fire employees who entered service before 1953 participate in Plan 1079, a closed plan consisting of 28 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 consisting of two retired employees who receive monthly pension benefits of \$1,466 and \$2,335, 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.

***C. Funding Policy and Actuarial Methods***

Plans 1079 and 1082 did not have allocated assets as of June 30, 2014. The City's policy is to fund the plans on a pay-as-you-go basis.

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.

***D. 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.

**Note 9 - Pension Plans (Continued)**

The annual required contribution was determined by an actuarial valuation dated January 1, 2013, using the projected unit credit actuarial cost method. The actuarial assumptions were as follows:

**Assumptions**

Funding Policy	-- Pay-as-you-go
Interest Rate	-- 4.0%
	-- Net of expenses
	-- Assets in City investments
CPI Increase (Plan 1082)	-- 2%
Salary Increase (Plan 1079)	-- 2%
Mortality	-- CalPERS 1997-2007 Experience Study
	-- Scale AA

The City accounts for the Net Pension Obligation on an accrual basis. During the fiscal year ended June 30, 2014, the City recorded a Net Pension Obligation under the Governmental Activities on the Statement of Net Position as follows:

	<u>Plan 1079</u> <u>(000's omitted)</u>	<u>Plan 1082</u> <u>(000's omitted)</u>	<u>Total</u> <u>(000's omitted)</u>
Annual Required Contribution (ARC)	\$1,815	\$78	\$1,893
Interest on Net Pension Obligation	11	11	22
Amortization of Net Pension Obligation	<u>(25)</u>	<u>(24)</u>	<u>(49)</u>
Annual Pension Cost	1,801	65	1,866
Contributions	<u>1,815</u>	<u>45</u>	<u>1,860</u>
(Decrease) Increase in Net OPEB obligations	(14)	20	6
Net Pension Obligation at June 30, 2013	<u>266</u>	<u>292</u>	<u>558</u>
<b>Net Pension Obligation at June 30, 2014</b>	<u><u>\$252</u></u>	<u><u>\$312</u></u>	<u><u>\$564</u></u>

**Note 9 - Pension Plans (Continued)**

***Trend Information - Plans 1079 and 1082***

The following tables provide three years of historical information of the Annual Pension Cost:

**Plan 1079:**

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC) (000's omitted)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (000's omitted)</b>
6/30/2012	\$1,900	101%	\$294
6/30/2013	1,801	101%	280
6/30/2014	1,801	101%	252

**Plan 1082:**

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC) (000's omitted)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (000's omitted)</b>
6/30/2012	\$62	69%	\$272
6/30/2013	65	69%	292
6/30/2014	65	69%	312

**SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a % of Covered Payroll</b>
<b><i>Plan 1079</i></b>						
6/30/2010	\$0	\$19,424,000	\$19,424,000	0%	N/A	N/A
1/1/2011	0	14,141,000	14,141,000	0%	N/A	N/A
1/1/2013	0	12,755,000	12,755,000	0%	N/A	N/A
<b><i>Plan 1082</i></b>						
6/30/2010	\$0	\$817,000	\$817,000	0%	N/A	N/A
1/1/2011	0	812,000	812,000	0%	N/A	N/A
1/1/2013	0	887,000	887,000	0%	N/A	N/A

Audited financial statements are available from the City of Alameda at 2263 Santa Clara Avenue, Room 220, Alameda, California 94501.