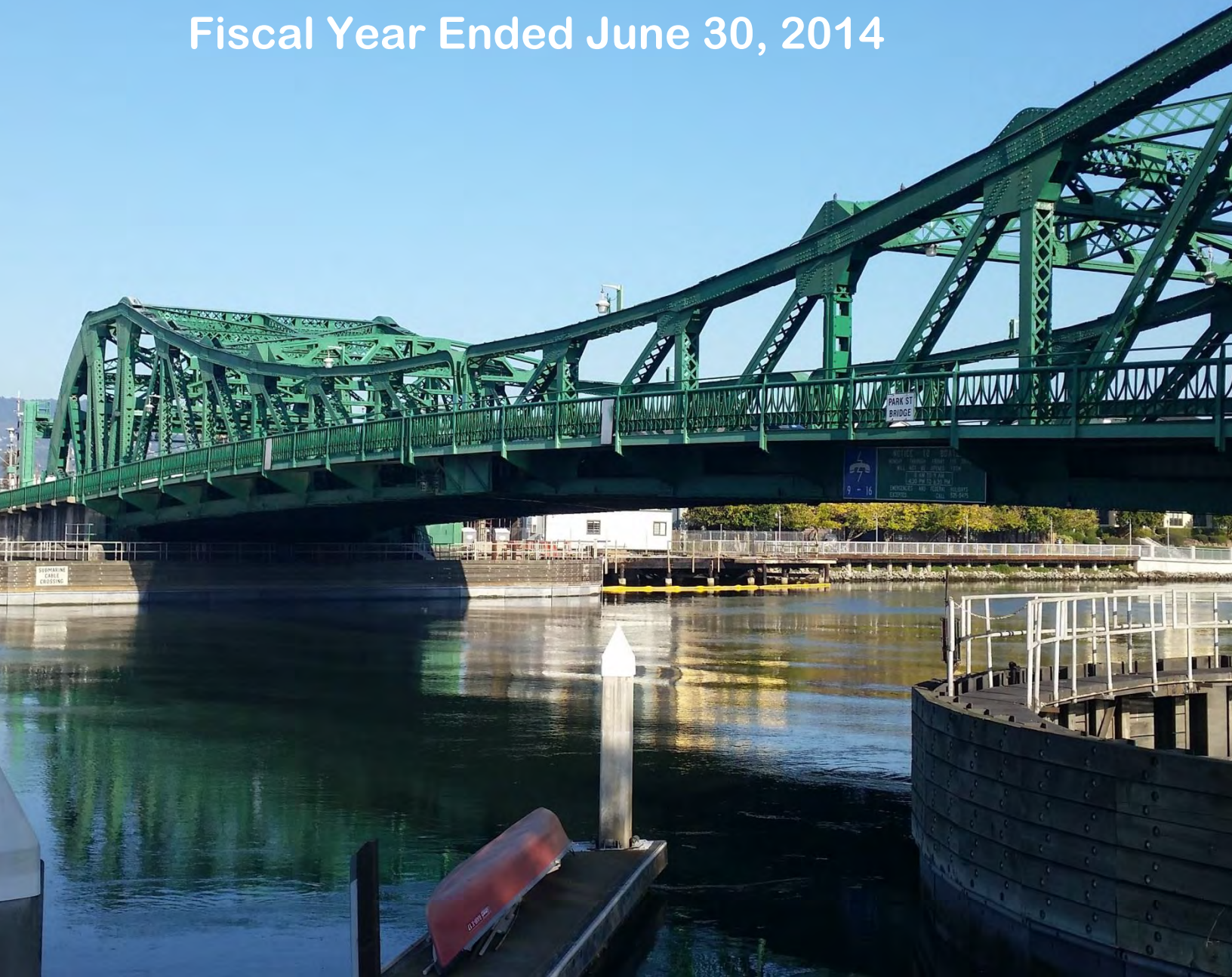


CITY OF Alameda
California

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014



CITY OF ALAMEDA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

PREPARED BY THE
FINANCE DEPARTMENT







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

December 1, 2014

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, 2014. The information in this Comprehensive Annual Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and includes an unqualified opinion on the report by the City's independent certified public accountants. Although we rely on the standards and expertise of these external authorities, 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 (MDA) has been included as part of the Financial Section. The MDA 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 MDA 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 500 City employees (including Alameda Municipal Power) and serves approximately 76,000 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, Information Technology, and Risk Management.

Administrative Services includes Central Services, Finance and Human Resources.

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.

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.

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 14-15. This has been achieved through a combination of structural budget reductions, use of one-time funds, and the use of a small portion of available General Fund reserves. While we see the economy recovering 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 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 will be implementing these changes over a five year period, beginning in FY 15-16, and are incorporated in the City's five year projections;
- The rising cost of health care albeit at a slower pace than previous years; and
- New agreed upon salary increases for all employees with projected increases of 4.1% in 2014, 4.0% in 2015, 2% in 2016 and 0% for 2017, 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 preparation of the City's two year budget for Fiscal Years 15-16 and 16-17.

Accounting System and Budgetary Control

Note 1 in the Basic Financial Statements provides a detailed explanation of the City's significant accounting policies. Internal accounting controls are designed to provide reasonable assurance regarding safeguarding of assets against loss, accuracy and reliability of accounting data, and adherence to prescribed policies. The concept of reasonable assurance recognizes that the cost of a control measure should not exceed benefits likely to be derived and that the evaluation of costs and benefits require estimates and judgments by management.

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.

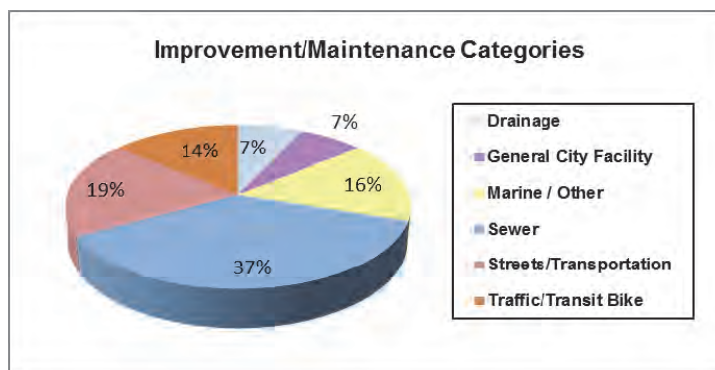
Expenditures are controlled at the fund level for all budgeted departments within the City. At this level, expenditures may not legally exceed appropriations. The City Manager or his designee is authorized to transfer funds between departments within the same fund, and to limit expenditures in response 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 2013-14 and 2014-15:

- Enforce fiscal sustainability in all City programs and services;
- Facilitate the reuse and redevelopment of former federal lands at Alameda Point;
- Adopt Performance Measures to provide the City Council objective tools to evaluate the services the City provides;
- Develop a plan to address and reduce the City's OPEB liability; and
- Build a new Emergency Operations Center and adjacent Fire Station #3, and plan for Resiliency after a major emergency.

The City's Capital Improvement and Maintenance Budget totals \$23.8 million for FY 2013-2014 and is 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 mandates from the Environmental Protection Agency (EPA).

Honorable Mayor and
Members of the City Council

December 1, 2014

Some of the specific projects underway in Fiscal Year 2013-14 included the following:

- Cyclic Sewer Repair (\$2.3 million)
- Sewer Pump Station Upgrades (\$1.98 million)
- Street Pavement Management Program (\$3.1 million)
- Sidewalk Repair Program (\$525,400)
- Shoreline / Westline Drive Bikeway Design (\$66,000)
- Chuck Corica Golf Course Renovation (\$70,000)
- Emergency Operations/Fire Station 3 Design (\$182,600)
- City-wide Tree Pruning (\$602,000)
- Estuary Park Field Design (\$50,000)
- McKinley Park Building Renovations (\$48,000)

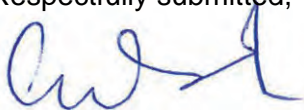
Awards and Acknowledgements

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, 2013. This was the 24th 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 2013 and 2014. 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 Maze and Associates for their review of this report, and to the City Council, City Manager, City Treasurer and City Auditor for their stewardship and commitment to assist in ensuring the long-term fiscal health of the City.

Respectfully submitted,



Elizabeth D. Warmerdam
Assistant City Manager



Mayor Marie Gilmore
Vice Mayor Marilyn Ezzy Ashcraft
Councilmember Lena Tam
Councilmember Stewart G. Chen
Councilmember Tony Daysog

ELECTED OFFICIALS



Kevin Kearney, City Auditor



Kevin Kennedy, City Treasurer

CHARTER OFFICERS

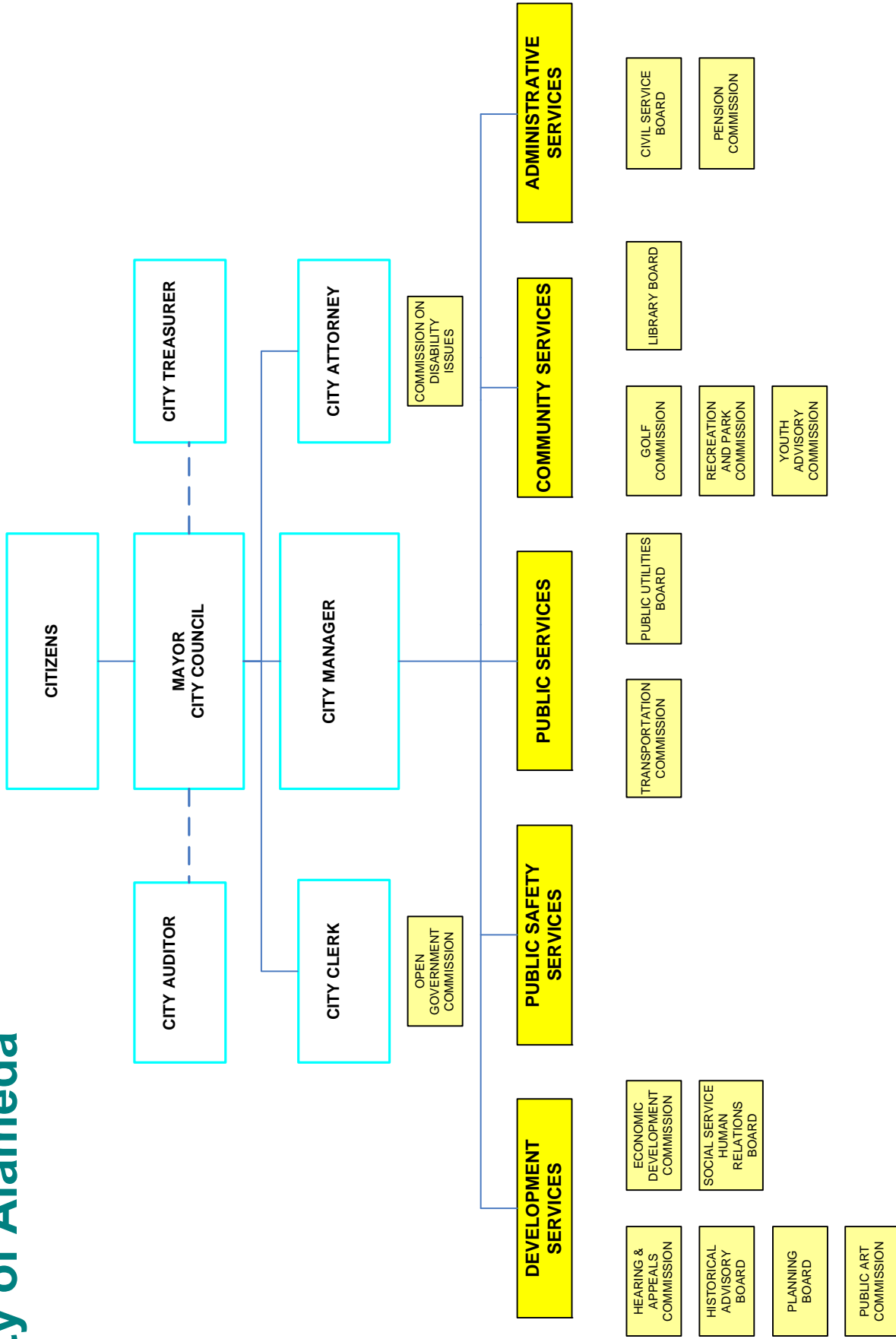
City Manager, John A. Russo
City Attorney, Janet Kern
City Clerk, Lara Weisiger

EXECUTIVE MANAGEMENT TEAM

Assistant City Manager, Elizabeth Warmerdam
Assistant City Manager, Alex Nguyen

Chief of Police, Paul Rolleri
Chief Operating Officer, Alameda Point, Jennifer Ott
Community Development Director, Debbie Potter
Fire Chief, Mike D'Orazi
General Manager, Alameda Municipal Power, Ronald V. Stassi
Finance Director, Fred Marsh
Library Director, Jane Chisaki
Public Works Director, Bob 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 the San Francisco Bay. Alameda has a population of 74,640. The City of Alameda is seven miles east of San Francisco, 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, 2013

Executive Director/CEO







INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Alameda, California

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Alameda (City), California, as of and for the year ended June 30, 2014, which collectively comprise the City's basic financial statements as listed in the table of contents. We did not audit the component unit financial statements of the Alameda Municipal Power, which represents 18% and 75% of the assets and revenues and 32% and 29% of liabilities and expenses of the reporting entity, respectively. These component unit financial statements were audited by other auditors, whose report thereon has been furnished to us. Our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of these auditors.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We 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

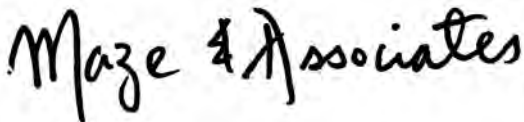
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional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

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 by us and other auditors. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2014, 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.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California
October 15, 2014

This management overview and analysis of the City's financial activities and performance is being presented for the fiscal year ended June 30, 2014. The information presented herein should be considered in conjunction with that presented in the Transmittal Letter contained within the Introductory Section of this report, and the Basic Financial Statements for the City.

Overview of the City's Financial Statements

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

- **Government-Wide Financial Statements** – These include the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the City as a whole and about the overall financial condition of the City in a manner similar to a private-sector business.
- **Fund Financial Statements** – These statements provide additional information about the City's major funds, including how services were financed in the short term and fund balances available for financing future projects.
- **Notes to the Financial Statements** – The notes provide additional detail that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents other required supplementary information, including budgetary comparison information on the City's General Fund.

Financial Highlights

- The City had net position at June 30, 2014 of \$402 million. Of this amount, \$23 million (5.7%) is unrestricted and represents assets available for future uses, including projected future equipment replacement needs. The balance (94.3%) relates to the City's investment in its fixed assets or is legally restricted for specific activities and projects.
- As of June 30, 2014, the City's governmental funds reported combined ending fund balances of \$95 million. Of the total fund balance, \$66 million (70%) is either restricted, committed or assigned, indicating it is not available for new expenditures as it has been legally committed to or otherwise set aside for future uses. The remaining \$29 million (30%) constitutes the fund balance accounted for in the City's General Fund, available for future programs, projects, and services, subject to action by the City Council.
- The City Council has established a policy for uncommitted reserves at a minimum of 20% of General Fund expenditures for costs associated with economic and other uncertainties. At June 30, 2014, the unassigned fund balance (i.e. available funds) is \$29 million which represents 40% of General Fund expenditures.

Government-wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. They provide information about the activities of the City as a whole, and present a longer-term perspective of the City's finances. The Statement of Net Position presents information on all City assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position serve as a useful indicator of whether the financial position of the City is improving.

The Statement of Activities presents information showing the manner in which the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event actually occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes and unused vacation or other compensated leave).



In the government-wide financial statements, the City's activities are reported in three categories:

Governmental Activities – includes most of the City's services such as public safety, public works, planning and building, community services, housing and general government support. Property taxes, sales and use taxes, state subventions and fees for service finance most of these activities.

Business-type Activities – includes the sewer system, where fees for service principally finance the activity.

Discretely Presented Component Units – Alameda Municipal Power is a legally separate reporting entity, but is important because the City is financially accountable for this entity.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control of resources that have been segregated for specific activities or objectives. The City uses fund accounting to show compliance with finance-related legal requirements. For governmental activities, these statements indicate how these services were financed in the short-term, as well as what remains for future spending. All funds of the City of Alameda can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on 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 fund balance sheet and the governmental fund 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.

Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the following funds that are classified as major funds:

- General Fund
- FISC Lease Revenue
- Base Reuse
- Housing Special Revenue
- Parking Special Revenue
- City Hall and Library Bonds Debt Service
- Capital Improvement Projects



In this reporting period, the City Hall and Library Bonds Debt Service Fund has also been included as a Major Governmental Fund. During this fiscal year, the existing bonds were refunded leading to a designation as a major fund.

Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements included elsewhere in this report.

The City adopts an annual appropriated budget of revenues and expenditures for all funds. Budgetary comparison statements have been provided as required supplementary information to demonstrate compliance with the budget.

Proprietary funds. The City’s one proprietary fund is its Sewer fund. It is used to account for activities financed and operated in a manner similar to a private enterprise. Proprietary funds provide the same type of information as the government-wide financial statements, but with more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City’s own programs. The accounting used for these funds is similar to that used for governmental funds. These funds are reported in a separate statement of fiduciary net position.

Government Activities Financial Analysis

Net position may serve as a useful indicator of a government’s financial position. For the City, assets exceeded liabilities by \$336.1 million at the close of FY13-14, an increase of \$9.1 million or 2.8% from FY12-13. Information on net position is presented in the summary table on the following page:

Summary of Net Position
June 30, 2014 and 2013
(In Millions)

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current / Other Assets	\$139	\$122	\$31	\$31	\$170	\$153
Capital Assets	291	294	53	49	344	343
Total Assets and Deferred Outflow of Resources	\$430	\$416	\$84	\$80	\$514	\$496
Long-term Liabilities	\$74	\$69	\$16	\$17	\$90	\$86
Other Liabilities	20	19	2	2	22	21
Total Liabilities and Deferred Inflow of Resources	\$94	\$88	\$18	\$19	\$112	\$107
Net Position:						
Net Investment in Capital Assets	\$249	\$234	\$36	\$32	\$285	\$266
Restricted	64	65	30	30	94	95
Unrestricted	23	28			23	28
Total Net Position	\$336	\$327	\$66	\$62	\$402	\$389

The largest portion of the City's net position (70%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to the community. Net position invested in capital assets, net of debt, increased by \$14 million during the year due to acquisition of new assets not funded by debt. Long-Term Liabilities also increased by \$4 million due to an increase in the City's Net OPEB obligation.

The amount of net position invested in capital assets, net of related debt, is reported as a distinct component of net position because this amount is not available for future spending. In addition, 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 (23%) subject to restrictions on how they may be used, decreased \$1 million this year. Unrestricted net position, the portion of the City's net position which should be available for use, has remained the same from year to year. There was a \$1 million increase in other liabilities. A summary of Changes in Net position is presented on the following page:

Summary of Changes in Net Position
June 30, 2014 and 2013
(dollars in thousands)

	Governmental Activities		Business-Type		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues						
Charges for Services	\$34,257	\$31,782	\$9,734	\$8,967	\$43,991	\$40,749
Operating Grants & Contributions	6,417	7,435			6,417	7,435
Capital Grants and Contributions	3,189	3,504			3,189	3,504
General Revenues						
Property Taxes	38,089	32,836			38,089	32,836
Special Assessments	-	1,843			-	1,843
Sales Taxes	6,260	5,932			6,260	5,932
Utility Users Tax	8,500	9,096			8,500	9,096
Other Taxes	17,820	15,319			17,820	15,319
Use of Money and Properties	5,068	4,039	338	33	5,406	4,072
Other	4,428	1,531		5	4,428	1,536
Total Revenues	124,028	113,317	10,072	9,005	134,100	122,322
Expenses						
General Government	15,041	13,570			15,041	13,570
Police	30,848	30,432			30,848	30,432
Fire	27,866	27,375			27,866	27,375
Public Works	14,344	12,665			14,344	12,665
Community Development	15,947	20,805			15,947	20,805
Community Services	6,995	8,296			6,995	8,296
Housing	2,005	1,222			2,005	1,222
Interest on Long-Term Debt	2,308	1,409			2,308	1,409
Sewer Services			5,339	5,126	5,339	5,126
Total Expenses	115,354	115,774	5,339	5,126	120,693	120,900
Change in Net Assets Before Transfers	8,675	(2,457)	4,733	3,879	13,407	1,422
Transfers, Net	418	269	(418)	(269)	-	-
Change, Net	9,093	(2,188)	4,315	3,610	13,408	1,422
Beginning Net Assets, as restated	326,968	329,156	61,684	58,074	388,652	387,230
Ending Net Position	\$336,061	\$326,968	\$65,999	\$61,684	\$402,060	\$388,652

Revenues increased approximately \$11 million or 9.5%. The primary contributors were increases in Charges for Services (\$3 million), Property Taxes (\$5 million), and Other Revenues (\$3 million). Total Expenses decreased slightly despite increases in General Government and Public Works which were offset by a similar decrease in Community Services. A summary of Expense and Revenues by Program for Governmental Activities is shown on the following page:

Expense and Program Revenue - Governmental Activities
Fiscal Year 2013-2014

(dollars in thousands)

	<u>Expense</u>	<u>Revenue</u>	<u>Net Difference</u>
General Government	\$15,041	\$9,821	(\$5,220)
Police	30,848	2,201	(28,647)
Fire	27,866	3,393	(24,473)
Public Works	14,344	12,444	(1,900)
Community Development	15,947	11,141	(4,806)
Community Services	6,995	3,487	(3,508)
Housing	2,005	1,374	(631)
Interest on Long-Term Debt	2,308	-	(2,308)
	<u>\$115,354</u>	<u>\$43,861</u>	<u>(\$71,493)</u>

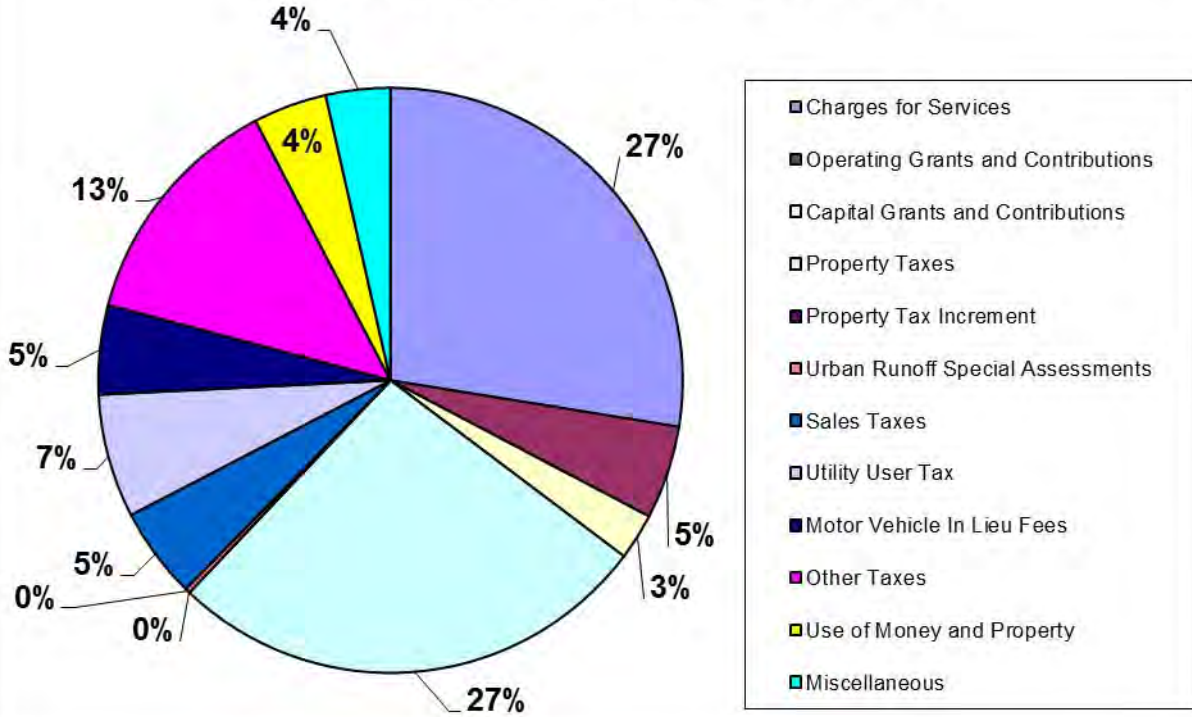
Revenues by Source - Governmental Activities

(dollars in thousands)

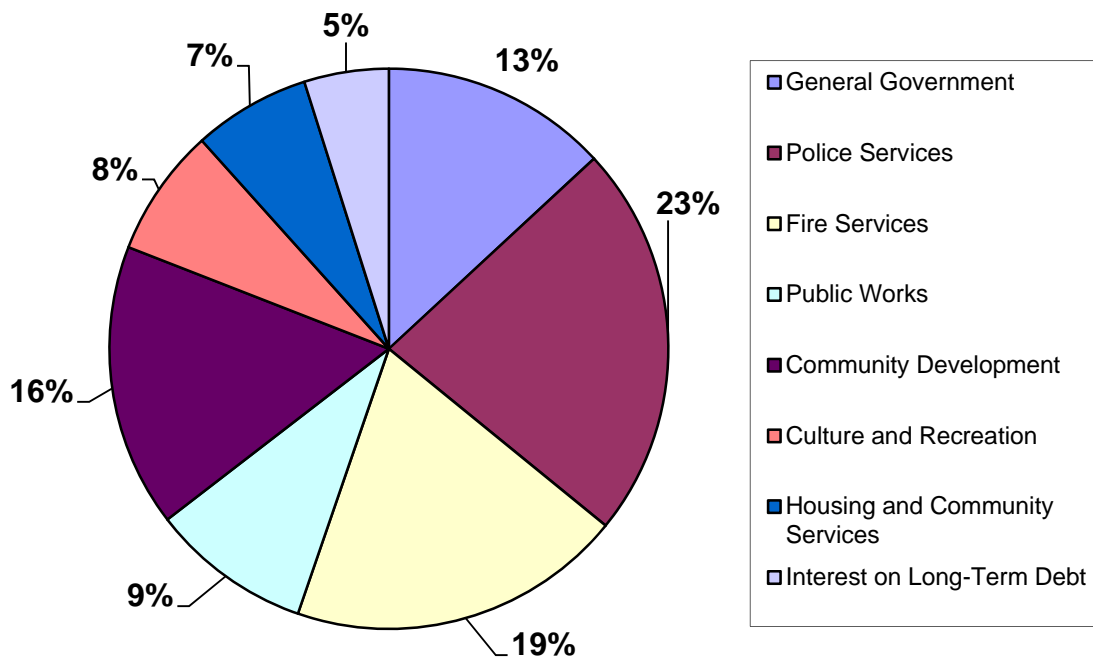
	<u>2014</u>	<u>2013</u>	<u>Difference</u>
Charges for Services	\$34,257	\$31,782	\$2,475
Operating Grants and Contributions	6,417	7,435	(1,018)
Capital Grants and Contributions	3,189	3,504	(315)
Property Taxes	38,089	32,836	5,253
Urban Runoff Special Assessments	-	1,843	(1,843)
Sales Taxes	6,260	5,932	328
Utility User Tax	8,500	9,096	(596)
Motor Vehicle In Lieu Fees	6,128	5,898	230
Other Taxes	11,692	9,421	2,271
Use of Money and Property	5,068	4,039	1,029
Miscellaneous	4,428	1,531	2,897
	<u>\$124,028</u>	<u>\$113,317</u>	<u>\$10,711</u>



Revenues by Source - Governmental Activities



Expenses by Function - Governmental Activities



Business-type Activities Financial Analysis

Sewer Fund - Net position of the Sewer Fund at June 30, 2014, was \$66 million, including a net position invested in capital assets, net of related debt, of \$36 million. The remaining \$29 million is available to fund operations and future sewer related improvement and maintenance projects. The Sewer fund generated income of \$10 million and incurred \$6 million of expenditures, for a net increase in assets of \$4 million.

**Business-type Activity
 Fiscal Year 2013-2014**
 (dollars in thousands)

	Revenue	Expense	Net
Sewer	\$10,072	\$5,757	\$4,315

**Revenues by Source
 Business-type Activities**
 (dollars in thousands)

	2014	2013	Difference
Charges for Services	\$9,734	\$8,967	\$767
Unrestricted Investment Earnings/Rents	338	33	305
Miscellaneous Revenues		6	(6)
	<u>\$10,072</u>	<u>\$9,006</u>	<u>\$1,066</u>

Financial Analysis of the Government’s Funds

As previously noted, the City of Alameda uses fund accounting methodology to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Alameda’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 expenditures at the end of the fiscal year.



As of June 30, 2014, the City of Alameda’s governmental funds reported combined ending fund balances of \$95 million, an increase of \$14 million (17%) from the prior fiscal year. Approximately \$29 million or 31% 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 *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 uses.

The General Fund is the chief operating fund of the City. At June 30, 2014, unassigned fund balance (cash reserve) of the General Fund was \$29 million; the total fund balance, including restricted, committed and assigned resources, was \$31 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 41% of total General Fund expenditures and transfers. The fund balance of the City of Alameda’s General Fund increased by approximately \$8 million from the prior fiscal year (33%) due to property tax revenues, other local taxes, and charges for current services received by the City.

The FISC Lease Revenue Special Revenue Fund had a fund balance of \$3 million at June 30, 2014, as a result of repayment of the \$3 million advance from the Sewer Enterprise. Fund balance increased by \$3 million during the year due to the repayment of the advance.

The Base Reuse Special Revenue Fund had a restricted fund balance of \$4 million at June 30, 2014. Fund balance increased by \$1 million primarily due to a decrease in operating expenditures.

The Parking Fund had a restricted fund balance of \$0.4 million at June 30, 2014, to be used for future parking projects within the City. The Housing Special Revenue Fund had a committed fund balance of \$1 million at June 30, 2014. Fund balance decreased \$1 million primarily due to one-time expenditures incurred for affordable housing projects.

The City Hall and Library Bonds Debt Service Fund is included in this analysis as a result of the inflows and outflows in Fiscal Year 2013-14. Two issues were refinanced during the fiscal year resulting in proceeds and premium from the issuance of debt totaling \$19 million. Revenues from property taxes and interest on investments as well as transfers in totaled \$3 million. Expenditures for principal and interest were \$20 million. The restricted fund balance as of June 30, 2014 was \$1 million.

The Capital Improvement Projects Fund has a total fund balance of \$6 million as of June 30, 2014, all committed for current and future capital projects. The fund incurred \$10 million for capital projects during FY13-14, including the following:

- Street Resurfacing
- South Shore Lagoon Dredging
- Harbor Bay Lagoon Gate Repair
- Resurface Tennis Courts
- Fire Station 3 Replacement Phase 2
- Sidewalk Maintenance Program
- Storm Drain Upgrades
- Sewer Infrastructure Improvements
- Replace LED Lights in Pavement



Proprietary Funds. The City of Alameda’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. During Fiscal Year 2013-14, there was one proprietary fund, the Sewer Fund. Its restricted net position at June 30, 2014 was \$30 million.

Internal Service Funds. The Worker’s Compensation Insurance Fund net asset deficit reflects future claims liabilities maturing in five to ten years. Other Internal Service Funds have net positions to offset this deficit.

Unrestricted net positions (deficits) at June 30, 2014 are as follows by fund:

(dollars in thousands)

<u>Internal Service Fund</u>	<u>Unrestricted Net Assets</u>
Equipment Replacement	\$3,680
Central Services	85
Fleet Maintenance	176
Technology Services	1,307
Facilities Maintenance	1,946
Worker's Compensation Insurance	(2,785)
Risk Management Insurance	722
Unemployment Insurance	368
OPEB / Vacation	3,541
	<u>\$9,040</u>



Capital Assets and Long Term Debt

Capital Assets

The City of Alameda’s investment in capital assets for its governmental and business-type activities, as of June 30, 2014, totals \$343 million (net of accumulated depreciation), a small decrease from the prior year. Investment in capital assets includes land, buildings and systems improvements, machinery and equipment, sewer lines, park facilities and streets. Additional information about the City’s capital assets can be found in Note 5 of this report.



Long-term Debt

At June 30, 2014, the City had \$61 million in outstanding debt, including \$12 million in Certificates of Participation, and \$32 million in Revenue and General Obligation Bonds, leases and loans. The Sewer Fund had \$17 million in loans and Revenue Bonds outstanding

The summary schedule below shows outstanding debt as of June 30, 2014.

Outstanding Debt
 (dollars in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Certificates of Participation	\$12,258	\$10,700		\$2,160	\$12,258	\$12,860
Revenue Bonds	11,400	11,700	\$14,566	14,715	25,966	26,415
General Obligation Bonds	9,097	8,925			9,097	8,925
HUD Section 108 Loan	6,191	6,355			6,191	6,355
Other Long Term Obligations	4,773	5,086	2,441	796	7,214	5,882
Total	\$43,719	\$42,766	\$17,007	\$17,671	\$60,726	\$60,437

Additional information on the City of Alameda’s long-term debt can be found in Note 6 of this report.

Economic Outlook

At the time these financial statements were prepared and audited, the City was aware of the following items that could significantly impact its financial health in the future:

- During Calendar Year 2012, the City entered into new employment agreements with most of its bargaining groups, which included changes for amounts paid for pension and health benefits and other special pays. The projected costs/savings from each of these new agreements have been incorporated into the City’s budget for Fiscal Years 2014-15.

- The City offers post-employment health benefits to its retirees, as described in Note 10. The type and value of this benefit is a bargained benefit. Miscellaneous employees receive the minimum payment required by the Public Employees Medical Coverage Health Agreement (PEMCHA); and sworn public safety employees receive the employer paid premium of the PEMCHA provided health insurance and dental insurance for retirees and spouses. The City had a third party prepare an updated actuarial study in 2013 of these benefits and their future costs, which projects the City's liability to be about \$91 million, based on a 4.0% return and a 30 year period. If the City experiences returns lower than 4.0%, this liability could rise in the future.



- The conveyance of Alameda Point from the Navy to the City will have a positive impact on future economic development in the City. While plans are underway for development, the timing of the development process cannot be determined at this point.
- New Miscellaneous / Safety PERS rates have been adopted by CalPERS, which include the projected effect of the recent changes made by CalPERS in 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 will be implementing these changes over a five year period, beginning in FY 15-16, and staff will be incorporating these new rates as part of its future budgets.

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.



City of Alameda, California
Statement of Net Position
and Statement of Activities

The Statement of Net Position reports the difference between the City's total assets, deferred outflow of resources, the City's total liabilities, and deferred inflow 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 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. This column is followed by an individual column, which displays the City's discretely presented component unit.

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, Business-type Activities, or discretely presented component unit columns, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the blended component unit: The Alameda Public Financing Authority, which is a legally separate but component unit of the City because it is controlled by the City, which is financially accountable for the activities of the entity. The balances and the activities of the discretely presented component unit of Alameda Municipal Power are included in these statements as separate columns.





City of Alameda
Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Alameda Municipal Power
ASSETS				
Cash and cash equivalents (Note 2)	\$103,649,454	\$23,284,160	\$126,933,614	\$40,487,329
Restricted cash and investments (Note 2)	10,528,221	7,066,947	17,595,168	4,544,429
Accounts receivable	8,303,271	440,824	8,744,095	7,947,948
Interest receivable	265,700		265,700	14,723
Loans receivable (Note 4)	16,538,959		16,538,959	
Materials, parts and supplies				2,986,231
Prepays and deposits	71,266		71,266	1,199,988
Share of certain NCPA projects and reserve (Note 12)				19,985,316
Capital assets (Note 5):				
Non-depreciable	16,161,688	11,186,866	27,348,554	199,540
Depreciable, net of accumulated depreciation	274,323,647	41,546,899	315,870,546	38,051,599
Total Assets	429,842,206	83,525,696	513,367,902	115,417,103
LIABILITIES				
Accounts payable	3,508,706	138,207	3,646,913	2,098,976
Accrued payroll	2,175,493	3,391	2,178,884	
Interest payable	639,179	218,206	857,385	763,594
Unearned revenue	2,387,698		2,387,698	
Refundable deposits	1,721,790	84,429	1,806,219	1,150,766
Due to other agencies	31,242		31,242	
Claims payable (Note 11B):				
Due within one year	4,180,305		4,180,305	170,000
Due in more than one year	5,712,016		5,712,016	878,945
Compensated absences (Note 1H):				
Due within one year	2,738,863	74,698	2,813,561	649,379
Due in more than one year				18,305
Net pension obligation (Note 9D)	564,000		564,000	
Net OPEB obligation, due in more than one year (Note 10)	26,643,453		26,643,453	
Long-term debt (Note 6):				
Due within one year	2,366,681	681,761	3,048,442	3,358,581
Due in more than one year	41,352,209	16,325,618	57,677,827	26,719,952
Purchased power balancing account (Note 1J)				16,873,054
Total Liabilities	94,021,635	17,526,310	111,547,945	52,681,552
NET POSITION:				
Net investment in capital assets	248,737,052	36,408,147	285,145,199	30,357,606
Restricted for (Note 8):				
Capital projects	25,957,214		25,957,214	
Debt service	975,961		975,961	
Redevelopment and housing	8,100,078		8,100,078	
Public safety	1,161,930		1,161,930	
Planning and building	460,172		460,172	
Recycling	4,503,064		4,503,064	
Culture and recreation	4,088,080		4,088,080	
Maintenance Assessment Districts	4,592,639		4,592,639	
Transportation	10,298,227		10,298,227	
Tidelands properties	2,843,830		2,843,830	
Other special purpose projects	1,167,361		1,167,361	
NCPA projects and reserve				4,544,429
Sewer operations and projects		29,591,239	29,591,239	
Total Restricted Net Position	64,148,556	29,591,239	93,739,795	4,544,429
Unrestricted	22,934,963		22,934,963	27,833,516
Total Net Position	\$335,820,571	\$65,999,386	\$401,819,957	\$62,735,551

See accompanying notes to financial statements.



City of Alameda
 Statement of Activities
 For the year ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$15,040,701	\$9,820,809		
Police	30,848,485	1,772,066	\$385,731	\$43,034
Fire	27,866,089	2,242,200	1,053,963	97,298
Public works	14,583,876	6,915,488	2,641,290	2,887,603
Community development	15,947,090	10,267,249	874,070	
Community services	6,995,080	3,238,812	87,904	161,029
Housing	2,004,958		1,373,548	
Interest on long-term debt	2,307,691			
Total Governmental Activities	<u>115,593,970</u>	<u>34,256,624</u>	<u>6,416,506</u>	<u>3,188,964</u>
Business-type Activities:				
Sewer services	5,339,491	9,734,164		
Total Business-type Activities	<u>5,339,491</u>	<u>9,734,164</u>		
Total Primary Government	<u>\$120,933,461</u>	<u>\$43,990,788</u>	<u>\$6,416,506</u>	<u>\$3,188,964</u>
Component Unit:				
Alameda Municipal Power	<u>\$50,466,129</u>	<u>\$59,774,933</u>		
Total Component Units	<u>\$50,466,129</u>	<u>\$59,774,933</u>		
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				
Decrease in value of certain NCPA projects and reserves				
Legal Settlement				
Transfers (Note 3C)				
Total general revenues and transfers				
Change in Net Position				
Beginning Net Position				
Ending Net Position				

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Alameda Municipal Power
(\$5,219,892)		(\$5,219,892)	
(28,647,654)		(28,647,654)	
(24,472,628)		(24,472,628)	
(2,139,495)		(2,139,495)	
(4,805,771)		(4,805,771)	
(3,507,335)		(3,507,335)	
(631,410)		(631,410)	
(2,307,691)		(2,307,691)	
<u>(71,731,876)</u>		<u>(71,731,876)</u>	
	\$4,394,673	4,394,673	
	4,394,673	4,394,673	
<u>(71,731,876)</u>	<u>4,394,673</u>	<u>(67,337,203)</u>	
			<u>\$9,308,804</u>
			<u>9,308,804</u>
38,088,577		38,088,577	
6,260,057		6,260,057	
8,500,351		8,500,351	
6,730,655		6,730,655	
3,919,351		3,919,351	
1,612,283		1,612,283	
1,382,336		1,382,336	
4,175,348		4,175,348	
5,068,924	337,908	5,406,832	86,293
4,428,117	301	4,428,418	
			(789,918)
			1,548,129
<u>417,997</u>	<u>(417,997)</u>		
<u>80,583,996</u>	<u>(79,788)</u>	<u>80,504,208</u>	<u>844,504</u>
8,852,120	4,314,885	13,167,005	10,153,308
<u>326,968,451</u>	<u>61,684,501</u>	<u>388,652,952</u>	<u>52,582,243</u>
<u>\$335,820,571</u>	<u>\$65,999,386</u>	<u>\$401,819,957</u>	<u>\$62,735,551</u>



The funds described below were determined to be Major Funds of the City of Alameda in FY13-14. 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.

FISC Lease Revenue Special Revenue Fund

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

Base Reuse Special Revenue Fund

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

Housing Special Revenue Fund

This fund accounts for funds to be used for affordable housing programs in the City.

Parking Special Revenue Fund

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

City Hall and Library Bonds Debt Service Fund

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

Capital Improvement Projects Fund

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



City of Alameda
Governmental Funds
Balance Sheet
June 30, 2014

	<u>General</u>	<u>FISC Lease Revenue Special Revenue</u>	<u>Base Reuse Special Revenue</u>
ASSETS			
Cash and cash equivalents (Note 2)	\$28,721,539	\$2,703,317	\$4,353,735
Restricted cash and investments (Note 2)	6,000		
Accounts receivable	5,599,790	157,266	246,806
Interest receivable	265,700		
Prepays and deposits	61,871		
Due from other funds (Note 3A)	411,661		
Loans receivable (Note 4)	2,200,000		
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$37,266,561</u>	<u>\$2,860,583</u>	<u>\$4,600,541</u>
LIABILITIES			
Accounts payable	\$1,014,225	\$32,640	\$361,610
Accrued payroll	2,124,364	649	3,387
Accrued interest			
Due to other funds (Note 3A)			
Due to other agencies	13,670		
Unearned revenue	2,340,283		
Refundable deposits	438,803	96,905	667,978
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>5,931,345</u>	<u>130,194</u>	<u>1,032,975</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - miscellaneous receivables	1,515		
Unavailable revenue - grants			
Unavailable revenue - loans receivable			
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>1,515</u>	<u> </u>	<u> </u>
FUND BALANCES (Note 8):			
Nonspendable	2,261,871		
Restricted		2,730,389	3,567,566
Committed			
Unassigned	29,071,830		
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>31,333,701</u>	<u>2,730,389</u>	<u>3,567,566</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$37,266,561</u>	<u>\$2,860,583</u>	<u>\$4,600,541</u>

See accompanying notes to financial statements.

Housing Special Revenue	Parking Special Revenue	City Hall and Library Bonds Debt Service	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
\$1,182,786	\$356,133	\$684,098	\$4,929,113	\$41,858,246	\$84,788,967
22,194	42,000	536,088	1,517,363	7,887,978	9,947,429
		50,558	232,698	1,849,294	8,200,606
				9,395	265,700
					71,266
					411,661
11,300,572	3,038,387				16,538,959
<u>\$12,505,552</u>	<u>\$3,436,520</u>	<u>\$1,270,744</u>	<u>\$6,679,174</u>	<u>\$51,604,913</u>	<u>\$120,224,588</u>
\$119,196			\$488,151	\$996,503	\$3,012,325
27			6,383	40,683	2,175,493
3,325		\$338,017		1,006	342,348
				411,661	411,661
			2,855	14,717	31,242
				47,406	2,387,689
	\$33,113		38,246	422,687	1,697,732
122,548	33,113	338,017	535,635	1,934,663	10,058,490
11,300,572	3,038,387		13,974	61,561	63,076
				267,832	281,806
					14,338,959
11,300,572	3,038,387		13,974	329,393	14,683,841
1,082,432	365,020	932,727	6,129,565	9,395	2,271,266
				15,753,456	23,349,158
				33,578,006	40,790,003
					29,071,830
1,082,432	365,020	932,727	6,129,565	49,340,857	95,482,257
<u>\$12,505,552</u>	<u>\$3,436,520</u>	<u>\$1,270,744</u>	<u>\$6,679,174</u>	<u>\$51,604,913</u>	<u>\$120,224,588</u>





City of Alameda
Reconciliation of
Governmental Funds -- Fund Balances
with Governmental Net Position
June 30, 2014

Total fund balances reported on the governmental funds balance sheet \$95,482,257

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 current assets or financial resources and therefore are not reported in the Governmental Funds. 284,667,271

ALLOCATION OF INTERNAL SERVICE FUND POSITION ASSETS

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

Cash and cash equivalents	18,860,487
Restricted cash and investments	580,792
Accounts receivable	102,665
Capital assets	5,818,064
Accounts payable	(496,381)
Accrued interest	(90,891)
Unearned revenue	(9)
Refundable deposits	(24,058)
Claims payable	(9,892,321)
Long-term debt	(4,772,100)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues are deferred on the Fund Balance Sheets because they are not available currently and are taken into revenue in the Statement of Activities. 14,683,841

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	(205,940)
Long-term debt	(38,946,790)
Compensated absences	(2,738,863)
Net Pension obligation	(564,000)
Net OPEB obligation	(26,643,453)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$335,820,571

See accompanying notes to financial statements.



City of Alameda
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the year ended June 30, 2014

	<u>General</u>	<u>FISC Lease Revenue Special Revenue</u>	<u>Base Reuse Special Revenue</u>
REVENUES			
Property taxes	\$31,960,530		
Other local taxes	31,045,777		
Licenses and permits	1,947,186		
Revenues from other agencies	102,331	\$197,756	\$136,667
Charges for current services	10,286,044		
Fines and forfeitures	1,532,543		
Use of money and property	1,538,191	1,213,140	11,740,451
Other	99,821	3,000,000	228,327
Total Revenues	<u>78,512,423</u>	<u>4,410,896</u>	<u>12,105,445</u>
EXPENDITURES			
Current:			
General government	9,398,373		
Police	27,570,051		
Fire	24,269,387		
Public works	1,058,498		
Community development		830,853	11,001,435
Community Services	2,277,783		
Housing			
Capital outlay	353,167	241	
Debt service:			
Principal	22,048		
Interest	2,979	192,250	
Total Expenditures	<u>64,952,286</u>	<u>1,023,344</u>	<u>11,001,435</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>13,560,137</u>	<u>3,387,552</u>	<u>1,104,010</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 3C)	940,543		
Transfers (out) (Note 3C)	(6,659,993)		(441,728)
Proceeds from the issuance of debt (Note 6)			
Premium from the issuance of debt (Note 6)			
Total Other Financing Sources (Uses)	<u>(5,719,450)</u>		<u>(441,728)</u>
NET CHANGE IN FUND BALANCE	7,840,687	3,387,552	662,282
BEGINNING FUND BALANCES (DEFICITS)	<u>23,493,014</u>	<u>(657,163)</u>	<u>2,905,284</u>
ENDING FUND BALANCES (DEFICITS)	<u>\$31,333,701</u>	<u>\$2,730,389</u>	<u>\$3,567,566</u>

See accompanying notes to financial statements.

<u>Housing Special Revenue</u>	<u>Parking Special Revenue</u>	<u>City Hall and Library Bonds Debt Service</u>	<u>Capital Improvement Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		\$905,096		\$7,165,302	\$40,030,928
				486,858	31,532,635
			\$32,019	1,670,015	3,649,220
			487,441	7,459,706	8,383,901
			1,744,687	4,851,041	16,881,772
				407,783	1,940,326
\$453,372	\$310,955	6,326	42,977	1,824,928	17,130,340
405,297			297,560	607,434	4,638,439
<u>858,669</u>	<u>310,955</u>	<u>911,422</u>	<u>2,604,684</u>	<u>24,473,067</u>	<u>124,187,561</u>
				5,409,127	14,807,500
				1,197,114	28,767,165
					24,269,387
				3,373,836	4,432,334
				3,088,234	14,920,522
				3,477,935	5,755,718
419,168				1,863,267	2,282,435
181			9,981,303	2,501,621	12,836,513
		17,544,000		300,000	17,866,048
		2,181,009		21,833	2,398,071
<u>419,349</u>		<u>19,725,009</u>	<u>9,981,303</u>	<u>21,232,967</u>	<u>128,335,693</u>
<u>439,320</u>	<u>310,955</u>	<u>(18,813,587)</u>	<u>(7,376,619)</u>	<u>3,240,100</u>	<u>(4,148,132)</u>
		1,891,398	8,489,791	7,765,865	19,087,597
(531,218)	(196,900)	(3,016,457)		(8,780,660)	(19,626,956)
		18,620,000			18,620,000
		512,838			512,838
<u>(531,218)</u>	<u>(196,900)</u>	<u>18,007,779</u>	<u>8,489,791</u>	<u>(1,014,795)</u>	<u>18,593,479</u>
(91,898)	114,055	(805,808)	1,113,172	2,225,305	14,445,347
<u>1,174,330</u>	<u>250,965</u>	<u>1,738,535</u>	<u>5,016,393</u>	<u>47,115,552</u>	<u>81,036,910</u>
<u>\$1,082,432</u>	<u>\$365,020</u>	<u>\$932,727</u>	<u>\$6,129,565</u>	<u>\$49,340,857</u>	<u>\$95,482,257</u>



City of Alameda
Reconciliation of the
Net Change in Fund Balance - Governmental Funds
with the Change in Governmental Net Position
For the year ended June 30, 2014

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$14,445,347

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 therefore added back to fund balance	12,836,513
Non-capitalized capital outlay expenditures were re-classified to various governmental activities	(7,706,779)
Loss on retirement of capital assets is deducted from fund balance	(219,145)
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of \$957,252 which has already been allocated to service funds)	(8,559,341)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds and premium 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. (19,132,838)

Repayment of debt principal is added back to fund balance	17,866,048
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ACCRUAL OF NON-CURRENT ITEMS

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

Unavailable revenue	930,604
Interest payable	90,380
Net pension obligation	(6,000)
Net OPEB obligation	(5,017,453)
Compensated absences	(241,068)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

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

Change in Net Position - All Internal Service Funds	<u>3,565,852</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$8,852,120</u></u>
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See accompanying notes to financial statements.



City of Alameda
 General Fund
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Budget and Actual
 For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$23,274,220	\$30,315,220	\$31,960,530	\$1,645,310
Other local taxes	29,210,415	29,035,415	31,045,777	2,010,362
Licenses and permits	1,626,800	1,626,800	1,947,186	320,386
Revenues from other agencies	6,143,200	102,200	102,331	131
Charges for current services	10,355,300	10,355,300	10,286,044	(69,256)
Fines and forfeitures	1,214,000	1,214,000	1,532,543	318,543
Use of money and property	1,240,185	1,239,438	1,538,191	298,753
Other revenue			99,821	99,821
Total Revenues	73,064,120	73,888,373	78,512,423	4,624,050
EXPENDITURES:				
Current:				
General government	10,556,300	10,801,300	9,398,373	1,402,927
Police	27,596,000	29,471,853	27,570,051	1,901,802
Fire	24,258,424	24,341,599	24,269,387	72,212
Public works	1,238,000	1,238,000	1,058,498	179,502
Community Services	2,275,000	2,378,560	2,277,783	100,777
Capital outlay	378,700	378,700	353,167	25,533
Debt service:				
Principal	24,932	24,932	22,048	2,884
Interest	3,644	3,644	2,979	665
Total Expenditures	66,331,000	68,638,588	64,952,286	3,686,302
NET CHANGE IF FUND REVENUES	6,733,120	5,249,785	13,560,137	8,310,352
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)	1,049,000	1,049,000	940,543	(108,457)
Transfers (out) (Note 3C)	(8,389,000)	(6,516,972)	(6,659,993)	(143,021)
Total other financing sources (uses)	(7,340,000)	(5,467,972)	(5,719,450)	(251,478)
NET CHANGE IN FUND BALANCE	(\$606,880)	(\$218,187)	7,840,687	\$8,058,874
Beginning fund balance			23,493,014	
Ending fund balance			\$31,333,701	

See accompanying notes to financial statements.



City of Alameda
 FISC Lease Revenue
 Special Revenue Fund
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Budget and Actual
 For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenues from other agencies	\$212,510	\$212,510	\$197,756	(\$14,754)
Use of money and property	1,013,461	1,013,461	1,213,140	199,679
Other		490	3,000,000	2,999,510
Total Revenues	1,225,971	1,226,461	4,410,896	3,184,435
EXPENDITURES:				
Current:				
Community development	1,162,000	1,162,000	830,853	331,147
Capital outlay			241	(241)
Debt service:				
Interest			192,250	(192,250)
Total Expenditures	1,162,000	1,162,000	1,023,344	138,656
NET CHANGE IN FUND BALANCE	\$63,971	\$64,461	3,387,552	\$3,323,091
Beginning fund balance (deficit)			(657,163)	
Ending fund balance			\$2,730,389	

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies		\$136,667	\$136,667	
Charges for current services	\$24,000	24,000		(\$24,000)
Use of money and property	11,832,842	11,832,842	11,740,451	(92,391)
Other			228,327	228,327
Total Revenues	11,856,842	11,993,509	12,105,445	111,936
EXPENDITURES:				
Current:				
Community development	12,283,635	11,718,667	11,001,435	717,232
Total Expenditures	12,283,635	11,718,667	11,001,435	717,232
EXCESS OF REVENUES OVER EXPENDITURES	(426,793)	274,842	1,104,010	829,168
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 3C)	(751,635)	(751,635)	(441,728)	309,907
Total other financing sources (uses)	(751,635)	(751,635)	(441,728)	309,907
NET CHANGE IN FUND BALANCE	(\$1,178,428)	(\$476,793)	662,282	\$1,139,075
Beginning fund balance			2,905,284	
Ending fund balance			\$3,567,566	

See accompanying notes to financial statements.



City of Alameda
Housing
Special Revenue Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$209,583	\$260,583	\$453,372	\$192,789
Other			405,297	405,297
Total Revenues	<u>209,583</u>	<u>260,583</u>	<u>858,669</u>	<u>598,086</u>
EXPENDITURES:				
Current:				
Housing	421,000	473,000	419,168	53,832
Capital outlay			181	(181)
Total Expenditures	<u>421,000</u>	<u>473,000</u>	<u>419,349</u>	<u>53,651</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(211,417)</u>	<u>(212,417)</u>	<u>439,320</u>	<u>651,737</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 3C)	<u>(150,000)</u>	<u>(587,196)</u>	<u>(531,218)</u>	<u>55,978</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(587,196)</u>	<u>(531,218)</u>	<u>55,978</u>
NET CHANGE IN FUND BALANCE	<u>(\$361,417)</u>	<u>(\$799,613)</u>	<u>(91,898)</u>	<u>\$707,715</u>
Beginning fund balance			<u>1,174,330</u>	
Ending fund balance			<u><u>\$1,082,432</u></u>	

See accompanying notes to financial statements.



City of Alameda
Parking
Special Revenue Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property	<u>\$222,630</u>	<u>\$222,630</u>	<u>\$310,955</u>	<u>\$88,325</u>
Total Revenues	<u>222,630</u>	<u>222,630</u>	<u>310,955</u>	<u>88,325</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 3C)	<u>64,000</u>	<u>(196,900)</u>	<u>(196,900)</u>	
Total other financing sources (uses)	<u>64,000</u>	<u>(196,900)</u>	<u>(196,900)</u>	
NET CHANGE IN FUND BALANCE	<u>\$286,630</u>	<u>\$25,730</u>	114,055	<u>\$88,325</u>
Beginning fund balance			<u>250,965</u>	
Ending fund balance			<u>\$365,020</u>	

See accompanying notes to financial statements.



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

Sewer Services Fund

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



City of Alameda
 Proprietary Funds
 Statement of Net Position
 June 30, 2014

	Business-type Activities Enterprise Funds Sewer Services	Governmental Activities- Internal Service Funds
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	\$23,284,160	\$18,860,487
Accounts receivable	440,824	102,665
Total Current Assets	<u>23,724,984</u>	<u>18,963,152</u>
Noncurrent Assets		
Restricted cash and investments (Note 2)	7,066,947	580,792
Capital assets (Note 5):		
Non-depreciable	11,186,866	
Depreciable, net	41,546,899	5,818,064
Total Non-current assets	<u>59,800,712</u>	<u>6,398,856</u>
Total Assets	<u>83,525,696</u>	<u>25,362,008</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	138,207	496,381
Accrued payroll	3,391	
Interest payable	218,206	90,891
Unearned revenue		9
Refundable deposits	84,429	24,058
Compensated absences (Note 1H)	74,698	
Claims payable (Note 11B)		4,180,305
Long-term debt - current (Note 6)	681,761	460,681
Total Current Liabilities	<u>1,200,692</u>	<u>5,252,325</u>
Noncurrent Liabilities:		
Claims payable - noncurrent (Note 11B)		5,712,016
Long-term debt - noncurrent (Note 6)	16,325,618	4,311,419
Total Noncurrent Liabilities	<u>16,325,618</u>	<u>10,023,435</u>
Total Liabilities	<u>17,526,310</u>	<u>15,275,760</u>
NET POSITION (Note 8):		
Net investment in capital assets	36,408,147	1,045,964
Restricted	29,591,239	9,040,284
Total Net Position	<u>\$65,999,386</u>	<u>\$10,086,248</u>

See accompanying notes to financial statements.



City of Alameda
Proprietary Funds
Statement of Revenues, Expenses
and Changes in Fund Net Position
For the year ended June 30, 2014

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
	Sewer Services	
OPERATING REVENUES		
Charges for services	\$9,734,164	\$8,718,823
Miscellaneous	301	2,062,452
Total Operating Revenues	9,734,465	10,781,275
OPERATING EXPENSES		
General administrative	1,391,887	261,467
Wages and benefits	1,181,703	206,557
Insurance		5,811,825
Contractual services	919,344	925,642
Depreciation	1,141,371	957,252
Utilities	62,506	
Supplies and maintenance	146,714	74,683
Total Operating Expenses	4,843,525	8,237,426
Operating Income (Loss)	4,890,940	2,543,849
NONOPERATING REVENUES (EXPENSES)		
Interest income	337,908	64,647
Interest (expense)	(495,966)	
Total Nonoperating Revenues (Expenses)	(158,058)	64,647
Income (Loss) Before Transfers	4,732,882	2,608,496
Transfers in (Note 3C)	123	1,134,008
Transfers (out) (Note 3C)	(418,120)	(176,652)
Change in net position	4,314,885	3,565,852
BEGINNING NET POSITION	61,684,501	6,520,396
ENDING NET POSITION	\$65,999,386	\$10,086,248

See accompanying notes to financial statements.



City of Alameda
 Proprietary Funds
 Statement of Cash Flows
 For the year ended June 30, 2014

	Business-type Activities Enterprise Funds Sewer Services	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$9,804,112	\$10,960,820
Payments to suppliers	(1,128,564)	(3,486,988)
Payments to employees	(3,180,740)	(468,024)
Claims paid		(2,715,471)
Cash Flows from Operating Activities	<u>5,494,808</u>	<u>4,290,337</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Interfund receipts	3,000,000	
Interfund payments		(3,079)
Transfers in	123	957,356
Transfers (out)	(418,120)	
Cash Flows from Noncapital Financing Activities	<u>2,582,003</u>	<u>954,277</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets, net	(4,552,983)	(894,952)
Equipment purchase agreement proceeds		140,000
Principal payments on capital debt	(663,898)	(453,663)
Interest paid	(505,446)	
Cash Flows from Capital and Related Financing Activities	<u>(5,722,327)</u>	<u>(1,208,615)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in restricted investments	5,841,286	171,610
Interest income	337,908	64,647
Cash Flows from Investing Activities	<u>6,179,194</u>	<u>236,257</u>
Net Cash Flows	8,533,678	4,272,256
Cash and investments at beginning of period	<u>14,750,482</u>	<u>14,588,231</u>
Cash and investments at end of period	<u>\$23,284,160</u>	<u>\$18,860,487</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:		
Operating income	\$4,890,940	\$2,543,849
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	1,141,371	957,252
Change in assets and liabilities:		
Accounts receivable and refundable deposits	69,647	179,536
Accounts payable	(608,094)	145,578
Claims payable		464,113
Accrued payroll	944	9
Cash Flows from Operating Activities	<u>\$5,494,808</u>	<u>\$4,290,337</u>

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 Entity-wide Financial Statements, but are presented in separate Fiduciary Fund Financial Statements.

Pension Trust Funds are used to account for the resources accumulated by the City for the payment of pension benefits on behalf of retirees in the City's two closed pension plans, 1079 and 1082.

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, 2014

	Pension Trust Funds	Successor Agency Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents (Note 2)		\$10,742,317	
Restricted cash and investments (Note 2)	\$74,937	8,158,595	\$6,547,516
Accounts receivable			17,459
Interest receivable			14
Total Assets	74,937	18,900,912	6,564,989
LIABILITIES			
Accounts payable		810,251	1,696
Accrued payroll		228	
Interest payable		1,418,185	127,500
Payable to the Housing Authority		26,567	
Due to bondholders			6,435,793
Long term debt (Note 14B):			
Due within one year		1,850,000	
Due in more than one year		67,567,207	
Total Liabilities		71,672,438	\$6,564,989
NET POSITION			
Restricted for:			
Held in Trust for private purpose		(52,771,526)	
Employees' pension benefits	74,937		
Total Net Position	\$74,937	(\$52,771,526)	

See accompanying notes to financial statements.



City of Alameda
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2014

	<u>Pension Trust Funds</u>	<u>Successor Agency Private Purpose Trust Funds</u>
ADDITIONS		
Employer contributions	\$1,924,447	
Property taxes		\$8,076,432
Use of money and property		125,068
Transfer from Successor Agency Special Revenue Fund		64,455,574
Other		1
	<u>1,924,447</u>	<u>72,657,075</u>
DEDUCTIONS		
Administration		148,142
Retirements and other benefits	1,886,664	
Contractual services	15,015	4,450,781
Transfer to Successor Agency Debt Service Fund		64,445,685
Transfer to Successor Agency Capital Projects Fund		9,889
Community development expense		500,000
Debt service:		
Interest and fiscal charges		4,203,133
	<u>1,901,679</u>	<u>73,757,630</u>
CHANGE IN NET POSITION	22,768	(1,100,555)
NET POSITION, BEGINNING OF YEAR	<u>52,169</u>	<u>(51,670,971)</u>
NET POSITION, END OF YEAR	<u>\$74,937</u>	<u>(\$52,771,526)</u>

See accompanying notes to financial statements.





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Note 1 – Summary of Significant Accounting Policies

The City of Alameda, California, 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; sanitation; development services; public improvements; planning and zoning, community services (ARPD and Library) 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. Each discretely presented component unit is reported in a separate column in the basic financial statements to emphasize that it is legally separate from the primary governmental unit.

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 and 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 and does not issue separate financial statements.

Discretely Presented Component Unit

The component unit below is legally separate from the City. However, City Council appoints the members of its governing board and approves certain activities as outlined in Section 12 of the City Charter.

Alameda Municipal Power was established to provide electricity to the City of Alameda. The Charter was amended in 1998 to allow provision of telecommunications services as well. The telecommunications services were sold off during FY 2009-10. The financial activities of the Alameda Municipal Power are discretely included in the Alameda Municipal Power Component Unit columns of the Statement of Net Position and Statement of Activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 nonmajor 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, liabilities, 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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.

FISC Lease Special Revenue Fund - This fund accounts for revenue from the Fleet Industrial Supply Center (FISC) lease and related capital improvement expenditures.

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

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

Parking Special Revenue Fund - This fund accounts for revenue from the Civic Center garage and City parking lots. Expenditures support parking and transportation related projects.

City Hall and Library Bonds Debt Service Fund

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

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 its only enterprise fund as a major fund 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.

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 are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds - Pension 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 Pension Trust Funds account for the resources accumulated by the City for the payment of pension benefits on behalf of retirees in the City's two closed pension plans 1079 and 1082. 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 all revenues reported in the governmental funds to be available if the revenues are generally collected within forty-five 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 may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary. Certain indirect costs are included in program expenses reported for individual functions and activities.

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. Revenues for services provided, but not billed at the end of a fiscal period, are not material and thus not accrued.

In addition to assets, the statement of financial position or balance sheet 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.

Note 1 – Summary of Significant Accounting Policies (Continued)

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 lapse and must be reappropriated as part of the following year budget.

The following funds incurred expenditures in excess of its budget for the year ended June 30, 2014:

Fund Name	Amount
Asset Seizure/Traffic Safety Fund	\$1,531
City Hall and Library Bonds Fund	895,433

Sufficient resources were available within each fund to finance the overages.

F. Materials, Parts and Supplies

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

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 ITT Hartford Life Insurance 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.

Note 1 – Summary of Significant Accounting Policies (Continued)

H. 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, 2014, is as follows:

	Primary Government			Component Unit	
	Governmental Activities	Business-Type Activities	Subtotal	Alameda Municipal Power	Total
Beginning Balance	\$2,497,795	\$74,698	\$2,572,493	\$675,040	\$3,247,533
Additions	3,755,057	74,698	3,829,755	623,219	4,452,974
Payments	(3,513,989)	(74,698)	(3,588,687)	(630,575)	(4,219,262)
Ending Balance	<u>\$2,738,863</u>	<u>\$74,698</u>	<u>\$2,813,561</u>	<u>\$667,684</u>	<u>\$3,481,245</u>
Current Portion	<u>\$2,738,863</u>	<u>\$74,698</u>	<u>\$2,813,561</u>	<u>\$649,379</u>	<u>\$3,462,940</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.

I. Property Tax

Alameda County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue and receivables in the fiscal year of levy or assessment.

J. Purchased Power Balancing Account

The Purchased Power Balancing Account is used by Alameda Municipal Power 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.

Note 1 – Summary of Significant Accounting Policies (Continued)**K. Transfer from Alameda Municipal Power**

The City Charter provides that Alameda Municipal Power transfer to the City's General Fund certain excess earnings as defined in the Charter. During fiscal year 2013-14, there were no excess earnings to be transferred. However, the Public Utilities Board by resolution has directed that \$2,800,000 be contributed to the City's General Fund, in accordance with these provisions, during the fiscal year ended June 30, 2014.

L. Use of Estimates

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

M. New Fund

In fiscal year 2013-14, the City established the Emergency Operating Center Capital Projects Fund to account for the revenues and expenditures related to the construction of a new Emergency Operation Center.

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 so that it can be invested at the maximum yield, consistent with safety and liquidity. 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 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 use is restricted under the terms of City debt instruments or agency agreements. Cash and investments as of June 30, 2014, as presented on the Statement of Net Position and Statement of Fiduciary Net Position are as follows:

Cash and cash equivalents:	
City	\$126,933,614
Alameda Municipal Power	40,487,329
Restricted cash and investments:	
City	17,595,168
Alameda Municipal Power	<u>4,544,429</u>
Total cash and investments of primary government and component units	<u>189,560,540</u>
Cash and investments in Fiduciary Funds (separate statement):	
Cash and cash equivalents	10,742,317
Restricted cash and investments	<u>14,781,048</u>
Total cash and investments	<u><u>\$215,083,905</u></u>

Cash and investments as of June 30, 2014 are composed of the following categories:

	<u>Amounts</u>
City	\$170,052,147
Component Unit:	
Alameda Municipal Power	<u>45,031,758</u>
Total	<u><u>\$215,083,905</u></u>

Note 2 - Cash and Investments (Continued)

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

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

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

Authorized Investment Type	Maximum Maturity (A)	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	270 Days	N/A	20%	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$50,000,000 per account	\$50,000,000 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	A<1 year AA for 1-5 years	30%	5%
Medium-Term Corporate Notes	5 Years	A	30%	No Limit
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)	5%	5%

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

Alameda Municipal Power's investment policy and the California Government Code allow Alameda Municipal Power to invest in the following, provided the credit ratings of the issuers are acceptable to Alameda Municipal Power, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or Alameda Municipal Power's investment policy where Alameda Municipal Power's Investment Policy is more restrictive, that addresses investments of 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 Alameda Municipal Power, rather than the general provisions of the California Government Code or Alameda Municipal Power's investment policy.

Note 2 - Cash and Investments (Continued)

Alameda Municipal Power's investment policy and the California Government Code allow Alameda Municipal Power to invest in the following:

<u>Authorized Investment Type</u>	<u>Maximum Maturity (A)</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Local Agency Municipal Bonds	2 years	N/A	No Limit	No Limit
U.S. Treasury Obligations	5 years	N/A	20%	No Limit
State of California Obligations	2 years	N/A	No Limit	No Limit
Other State Obligations (C)	2 years	N/A	No Limit	No Limit
CA Local Agency Obligations	2 years	N/A	No Limit	No Limit
U.S. Agency Securities (B)	5 years	N/A	No Limit	No Limit
Bankers Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1	25%	10%
Negotiable Certificates of Deposit	2 years	N/A	25%	No Limit
Time Certificates of Deposit	2 years	N/A	25%	No Limit
Repurchase Agreements	1 Year	N/A	No Limit	No Limit
Reverse Repurchase Agreements (requires Board approval)	92 days	N/A	20 % of market value of portfolio	No Limit
Medium Term Corporate Notes	5 years	A	30%	No Limit
Mutual Funds	2 years	Top rating category	20%	10%
Money Market Mutual Funds	2 years	Top rating category	5%	10%
Collateralized Bank Deposits	2 years	N/A	5%	No Limit
Mortgage Pass-Through Securities	2 years	Top rating category	20%	No Limit
County Pooled Investment Funds	Upon Demand	N/A	15%	No Limit
California Local Agency Investment Fund	Upon Demand	N/A	90%	\$50,000,000 per account
California Asset Management Program (CAMP)	Upon Demand	N/A	No Limit	No Limit

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

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

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

Note 2 - Cash and Investments (Continued)

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:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum in Portfolio</u>	<u>Maximum Investment In One Issuer</u>
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 of Deposit	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	\$50,000,000 per account	\$50,000,000 per account
Investment Agreements	No Limit	AA-	No Limit	No Limit

Note 2 - Cash and Investments (Continued)

Alameda Municipal Power 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 Alameda Municipal Power fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Alameda Municipal Power’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	\$50,000,000 per account	\$50,000,000 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 that 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, 2014:

Investment Type	12 Months or less	One to Five Years	Total
City of Alameda:			
U.S. Government-Sponsored			
Enterprise Agencies			
Non-callable	\$1,271,721	\$18,774,681	\$20,046,402
Callable		2,272,421	2,272,421
Medium-Term Corporate Notes			
Non-callable	4,464,771	17,349,400	21,814,171
Callable		1,458,400	1,458,400
US Treasury Notes and Bills		30,213,344	30,213,344
Money Market Mutual Funds	195,262		195,262
California Local Agency Investment Fund	47,041,049		47,041,049
California Asset Management Program	381,996		381,996
Negotiable Certificates of Deposit	1,292,376	3,122,257	4,414,633
Commercial Paper	5,432,046		5,432,046
Municipal Bonds		1,025,786	1,025,786
Total Investments	\$60,079,221	\$74,216,289	134,295,510
Cash deposits with banks and on hand			35,756,637
Total Cash and Investments			\$170,052,147

Note 2 - Cash and Investments (Continued)

Information about the sensitivity of the fair values of Alameda Municipal Power’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 Alameda Municipal Power’s investments by maturity:

	<u>12 Months or less</u>
<i>Investments:</i>	
Bond Mutual Funds	\$4,544,429
U.S. Treasury Notes	998,633
Local Agency Investment Fund	26,739,600
Negotiable Certificate of Deposits	<u>7,060,000</u>
Total Investments	39,342,662
<i>Cash with Banks and Petty Cash</i>	<u>5,689,096</u>
Total Cash and Investments	<u><u>\$45,031,758</u></u>

The City and Alameda Municipal Power are voluntary participants 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 and Alameda Municipal Power report their 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, 2014 the fair value approximated cost of the investments of the City and Alameda Municipal Power. 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, 2014, these investments had an average maturity of 232 days.

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the “Act”) for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool’s investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2014 the fair value approximated is the City’s cost. At June 30, 2014, these investments have an average maturity of 41 days.

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, 2014, for each City's investment type as provided by Standard and Poor's:

Investment Type	AAA	AAAm	AA+ to AA-	A+ to A-	A-1+ to A-1	Total
<i>City of Alameda:</i>						
<i>U.S. Government-Sponsored</i>						
<i>Enterprise Agencies</i>						
Non-callable			\$20,046,402			\$20,046,402
Callable			2,272,421			2,272,421
<i>Corporate Securities</i>						
Non-callable			8,866,395	\$12,947,776		21,814,171
Callable			472,816	985,584		1,458,400
Commercial Paper					\$5,432,046	5,432,046
Municipal Bonds	\$400,788		624,998			1,025,786
Negotiable Certificates of Deposit		\$587,673		1,000,330	2,096,927	3,684,930
Money Market Mutual Funds		195,262				195,262
California Asset Management Program		381,996				381,996
Totals	<u>\$400,788</u>	<u>\$1,164,931</u>	<u>\$32,283,032</u>	<u>\$14,933,690</u>	<u>\$7,528,973</u>	<u>56,311,414</u>
<i>Not rated:</i>						
<i>City of Alameda:</i>						
California Local Agency Investment Fund						47,041,049
Time Certificates of Deposit						729,703
						<u>47,770,752</u>
<i>Exempt:</i>						
<i>City of Alameda:</i>						
US Treasury Notes and Bills						30,213,344
Total Investments						<u>\$134,295,510</u>

Presented below is the actual rating as of June 30, 2014, for each Alameda Municipal Power investment type as provided by Standard and Poor's:

Investments with Fiscal Agent	
<i>AAAm:</i>	
Bond Mutual Funds	\$4,544,429
<i>Not rated:</i>	
Negotiable Certificate of Deposits (Morgan Stanley)	7,060,000
Local Agency Investment Fund	26,739,600
<i>Exempt:</i>	
U.S. Treasury Notes	998,633
Total Investments	<u>\$39,342,662</u>

Note 2 - Cash and Investments (Continued)

G. Concentration of Credit Risk

The City's investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. However, the City is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer, held by individual City Funds in the securities of issuers other than U. S. Treasury securities, mutual funds and external investment pools. At June 30, 2014, those investments consisted of:

Reporting Unit	Issuer	Investment Type	Reported Amount
Entity Wide:	Federal Home Loan Bank	US Government Enterprise Agencies	\$7,817,461

H. 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, 2014, those investments consisted of:

Issuer	Maturity Date	Callable Date	Reported Amount
Federal Home Loan Banks	12/30/2015	9/30/2014	\$800,101
Federal National Mortgage Association	2/27/2017	2/27/2015	436,574

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, 2014, the amounts of current interfund balances were as follows:

Due From Other Funds	Due To Other Funds	
General Fund	Non-Major Governmental Funds	\$411,661

Note 3 - Interfund Transactions (Continued)

B. Long-Term Advances

The Sewer Enterprise Fund advanced \$3,000,000 to the former Community Improvement Commission as matching funds for construction of the Webster Street/Wilver Stargell Avenue Intersection Project. These advances bear interest at 3% until paid in full. The advance is expected to be repaid by 2014. Due to the dissolution of the Commission effective February 1, 2012, the City and the Successor Agency agreed that the obligation is to be transferred to the FISC Lease Special Revenue Fund and is payable from future developments in the area. The remaining balance of this advance was \$3,000,000 and was fully paid off as of June 30, 2014.

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 2013-14 were as follows:

Fund Receiving Transfers	Fund Making Transfer	Amount Transferred
General Fund	Non-Major Governmental Funds	\$763,891 A
	Internal Service Funds	176,652 A
City Hall and Library Bonds Debt Service	General Fund	829,694 A
	Parking Special Revenue Fund	196,900 A
	Non-Major Governmental Funds	864,804 A
Capital Improvement Projects Fund	General Fund	939,000 B
	Base Reuse Special Revenue Fund	94,296 B
	Sewer Services Enterprise Fund	418,120 B
	Non-Major Governmental Funds	7,038,375 B
Non-Major Governmental Funds	General Fund	3,757,291 A,B
	Base Reuse Special Revenue Fund	347,432 B
	City Hall and Library Bonds Debt Service	3,016,457 A
	Housing Special Revenue Fund	531,218 C
	Non-Major Governmental Funds	113,467 A,B,C
Sewer Services Enterprise Fund	Non-Major Governmental Fund	123 B
Internal Service Funds	General Fund	1,134,008 A
Total		<u><u>\$20,221,728</u></u>

The reasons for these transfers are set forth below:

- (A) To fund library, debt service, and other indirect costs.
- (B) To fund capital or storm drain projects.
- (C) To fund housing projects.

D. Internal Balances

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

Note 4 - Loans Receivable

Summary of Loans Receivable

Housing Rehabilitation and Affordable Loans	\$11,300,572
Alameda Municipal Power	2,200,000
Multiplex Cinema	<u>3,038,387</u>
	<u>\$16,538,959</u>

A. *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, net of allowance for doubtful accounts, at June 30, 2014 was \$11,300,572, which has been offset with unavailable revenue. Included in the outstanding balance was a receivable for \$1,445,928 from the Housing Authority. The City has determined that \$719,706 of the outstanding balance may have to be written off in the future therefore they have established an allowance for doubtful accounts for this amount.

B. *Loan to Alameda Municipal Power*

On December 16, 2003 at the request of the Public Utilities Board, the Alameda City Council loaned \$2,200,000 to Alameda Municipal Power for the purpose of the construction of a hybrid fiber-optic/coaxial telecom network. As of June 30, 2014, the remaining principal balance was \$2,200,000.

C. *Multiplex Cinema*

As part of a Disposition and Development Agreement the City entered into a loan agreement with Alameda Entertainment Associates, L.P. in March 2007 for \$2,800,000 for the renovation of the Historic Alameda Theatre and development of a new multiplex cinema. Repayment of \$1,400,000 of this loan will begin in the seventh operating year for twenty years with equal monthly installments. The remaining \$1,400,000 will be repaid by percentage rental amounts from gross operating revenues as established in the Disposition and Development Agreement. An additional loan agreement of \$300,000 was entered into by both parties for furniture, fixtures and equipment purchases as part of the renovation project. As of June 30, 2014, the City has loans outstanding with Alameda Entertainment Associates totaling \$3,038,387.

Note 5 – 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 estimated fair 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 5 – Capital Assets (Continued)

A. Capital Asset Additions and Retirements

City capital asset activities for the year ended June 30, 2014, are as follows:

	Balance at June 30, 2013	Additions	Retirements	Transfers	Balance at June 30, 2014
Governmental activities					
Capital assets not being depreciated:					
Land	\$5,995,318				\$5,995,318
Construction in progress	48,541,107	\$5,163,747	(\$407,625)	(\$43,130,859)	10,166,370
Total capital assets not being depreciated	54,536,425	5,163,747	(407,625)	(43,130,859)	16,161,688
Capital assets being depreciated:					
Buildings	253,672,686			145,250	253,817,936
Machinery and equipment	30,761,585	1,438,504	(1,109,086)		31,091,003
Infrastructure:					
Streets	113,981,242			42,655,757	156,636,999
Landscape	20,479,187				20,479,187
Storm drains	20,110,350				20,110,350
Portable water systems	1,353,939				1,353,939
Parks	7,980,040		(1,133,953)	329,852	7,175,939
Marina facilities	24,285,397				24,285,397
Golf Improvements	4,205,963				4,205,963
Total capital assets being depreciated	476,830,389	1,438,504	(2,243,039)	43,130,859	519,156,713
Less accumulated depreciation:					
Buildings	(102,467,660)	(3,319,409)			(105,787,069)
Machinery and equipment	(20,206,508)	(1,616,090)	1,033,386		(20,789,212)
Infrastructure:					
Streets	(62,431,215)	(2,942,618)			(65,373,833)
Landscape	(16,763,459)	(540,379)			(17,303,838)
Storm drains	(8,668,120)	(339,051)			(9,007,171)
Portable water systems	(1,169,332)	(7,851)			(1,177,183)
Parks	(3,201,738)	(290,567)	820,568		(2,671,737)
Marina facilities	(19,614,757)	(301,218)			(19,915,975)
Golf Improvements	(2,647,638)	(159,410)			(2,807,048)
Total accumulated depreciation	(237,170,427)	(9,516,593)	1,853,954		(244,833,066)
Net capital assets being depreciated	239,659,962	(8,078,089)	(389,085)	43,130,859	274,323,647
Governmental activity capital assets, net	\$294,196,387	(\$2,914,342)	(\$796,710)	-	\$290,485,335

Note 5 - Capital Assets (Continued)

	<u>Balance at June 30, 2013</u>	<u>Additions</u>	<u>Balance at June 30, 2014</u>
<i>Business-type activities</i>			
Capital assets, not being depreciated:			
Construction in progress	\$6,718,058	\$4,468,808	\$11,186,866
Total capital assets not being depreciated	<u>6,718,058</u>	<u>4,468,808</u>	<u>11,186,866</u>
Capital assets, being depreciated:			
Sewer lines	69,282,911		69,282,911
Office furniture and equipment	1,301,964	84,175	1,386,139
Net capital assets being depreciated	<u>70,584,875</u>	<u>84,175</u>	<u>70,669,050</u>
Less accumulated depreciation for:			
Sewer lines	(27,020,251)	(1,035,808)	(28,056,059)
Office furniture and equipment	(960,529)	(105,563)	(1,066,092)
Total accumulated depreciation	<u>(27,980,780)</u>	<u>(1,141,371)</u>	<u>(29,122,151)</u>
Net capital assets being depreciated	<u>42,604,095</u>	<u>(1,057,196)</u>	<u>41,546,899</u>
Business-type activity capital assets, net	<u>\$49,322,153</u>	<u>\$3,411,612</u>	<u>\$52,733,765</u>

Note 5 - Capital Assets (Continued)

B. Alameda Municipal Power's Capital Assets

Alameda Municipal Power capital asset activities for the year ended June 30, 2014, are as follows:

	Balance June 30, 2013	Additions	Retirements	Transfers	Balance June 30, 2014
Capital assets not being depreciated:					
Land and Rights	\$153,643				\$153,643
Construction Work in Progress	1,877,849	\$869,506	(\$738,785)	(\$1,962,673)	45,897
Total capital assets not being depreciated	<u>2,031,492</u>	<u>869,506</u>	<u>(738,785)</u>	<u>(1,962,673)</u>	<u>199,540</u>
Capital assets being depreciated:					
Utility Plant	73,322,303	4,447,057	(510,159)	1,883,708	79,142,909
Service Center Building	7,843,636				7,843,636
Machinery and Equipment	9,074,538			78,965	9,153,503
Transportation Equipment	2,738,514	128,752			2,867,266
Computer Equipment	3,320,906	134,707			3,455,613
Furniture and Fixtures	629,213	200,120			829,333
Easements	185,500				185,500
Total capital assets being depreciated	<u>97,114,610</u>	<u>4,910,636</u>	<u>(510,159)</u>	<u>1,962,673</u>	<u>103,477,760</u>
Less accumulated depreciation for:					
Utility Plant	45,465,046	2,384,405	(362,952)		47,486,499
Service Center Building	3,387,781	165,869			3,553,650
Machinery and Equipment	8,373,991	109,525			8,483,516
Transportation Equipment	1,951,886	187,087			2,138,973
Computer Equipment	3,104,317	88,469			3,192,786
Furniture and Fixtures	441,402	20,835			462,237
Easements	105,000	3,500			108,500
Total accumulated depreciation	<u>62,829,423</u>	<u>2,959,690</u>	<u>(362,952)</u>		<u>65,426,161</u>
Total depreciable assets	<u>34,285,187</u>	<u>1,950,946</u>	<u>(147,207)</u>	<u>1,962,673</u>	<u>38,051,599</u>
Business activity capital assets, net	<u>\$36,316,679</u>	<u>\$2,820,452</u>	<u>(\$885,992)</u>	<u>-</u>	<u>\$38,251,139</u>

Note 5 - Capital Assets (Continued)

C. 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 revenues at the time the capital assets are contributed.

D. Depreciation Allocation

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

Governmental Activities	
General government	\$358,017
Police	467,884
Fire	706,912
Public works	4,554,760
Community development, planning and building	2,385,009
Culture and recreation	1,044,011
Total Governmental Activities	<u><u>\$9,516,593</u></u>
 Business-Type Activities	
Sewer services	<u><u>\$1,141,371</u></u>
 Discretely Presented Component Units:	
Alameda Municipal Power	<u><u>\$2,959,690</u></u>

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 issuance costs of long-term debt issues are amortized during the life of the related debt.

Note 6 – Long-Term Debt (Continued)

A. City Long-Term Debt

The City's long-term debt activities for the year ended June 30, 2014, are as follows:

	CUSIP Number	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Current Portion
Governmental Activity Debt:						
Certificates of Participation:						
2002 City Hall	not available	\$7,395,000		\$7,395,000		
2008 Refinancing Project	010762JL7	3,305,000		460,000	\$2,845,000	\$480,000
2013 Financing Project	010762KD3		\$9,610,000	600,000	9,010,000	445,000
Plus: Unamortized bond premium			422,350	19,006	403,344	
Total Certificates of Participation		10,700,000	10,032,350	8,474,006	12,258,344	925,000
2003 General Obligation Bonds	010752BG7	8,925,000		8,925,000		
2003 ARRA Demand Revenue Bonds	010808CC5	11,700,000		300,000	11,400,000	400,000
2013 General Obligation Refunding Bonds	010752BY8		9,010,000		9,010,000	400,000
Plus: Unamortized bond premium			90,488	3,042	87,446	
Leases Payable	not available	5,085,763	140,000	453,663	4,772,100	460,681
HUD Section 108 Loan	not available	6,355,000		164,000	6,191,000	181,000
Subtotal		32,065,763	9,240,488	9,845,705	31,460,546	1,441,681
Total Governmental Activity Debt		42,765,763	19,272,838	18,319,711	43,718,890	2,366,681
Business Activity Debt:						
State Construction Loan	not available	14,158		14,158		
State Water Resources Control Board	not available	709,933		134,265	575,668	138,024
State Revolving Fund Loan, 1998	not available	814,848		127,245	687,603	130,553
State Revolving Fund Loan, 1999	not available	421,488		55,509	365,979	57,008
State Revolving Fund Loan, 2004	not available	890,477		79,124	811,353	81,176
Sewer Revenue Bond, 2012 Series A	010782AT7	14,715,000		250,000	14,465,000	275,000
Plus: Unamortized bond premium		105,373		3,597	101,776	
Total Business Activity Debt		17,671,277		663,898	17,007,379	681,761
Total City Debt		\$60,437,040	\$19,272,838	\$18,983,609	\$60,726,269	\$3,048,442

Note 6 – Long-Term Debt (Continued)

B. Alameda Municipal Power Long-Term Debt

Alameda Municipal Power's long-term debt consists of the Certificates of Participation issues discussed in Note E below. The Alameda Municipal Power long-term debt issues and transactions were as follows:

	CUSIP Number	Original Issue Amount	Balance June 30, 2013	Retirements	Balance June 30, 2014	Current Portion
2008 Truck (Altel Model AM-55)- Capital Lease	not available	\$176,295	\$52,886	\$28,192	\$24,694	\$24,694
2009 Truck (Altel Model D3060) - Capital Lease	not available	229,168	75,519	36,632	38,887	38,887
Revenue Bonds, Series 2010A	010808CS0	8,700,000	8,700,000		8,700,000	
Taxable Revenue Bonds, Series	010808CS0	22,985,000	21,050,000	1,065,000	19,985,000	1,095,000
Deferred amount on refunding		n/a	(931,699)	(61,651)	(870,048)	
Loan from City of Alameda	not available	2,200,000	<u>2,200,000</u>		<u>2,200,000</u>	<u>2,200,000</u>
Total long-term debt			<u>\$31,146,706</u>	<u>\$1,068,173</u>	<u>\$30,078,533</u>	<u>\$3,358,581</u>

C. Debt Service Requirements - City and Alameda Municipal Power

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

For the Year Ending June 30	Governmental Activities		Business-Type Activities		Component Unit Alameda Municipal Power	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$2,366,681	\$1,235,441	\$681,761	\$512,044	\$3,358,581	\$1,511,204
2016	2,427,979	1,164,856	702,669	492,783	1,130,000	1,469,601
2017	2,243,564	1,095,904	718,872	472,934	1,170,000	1,424,034
2018	2,311,449	1,031,374	740,373	449,628	1,220,000	1,372,054
2019	2,384,637	961,400	613,041	425,518	1,275,000	1,312,883
2020-2024	12,144,253	3,637,990	2,458,887	1,844,054	7,540,000	5,419,891
2025-2029	12,239,539	1,606,572	2,325,000	1,504,328	10,310,000	2,677,336
2030-2034	7,109,998	318,599	2,680,000	1,142,698	4,945,000	243,881
2035-2039			3,110,000	708,218		
2040-2043			2,875,000	190,279		
Total	<u>43,228,100</u>	<u>\$11,052,136</u>	<u>16,905,603</u>	<u>\$7,742,484</u>	<u>30,948,581</u>	<u>\$15,430,884</u>
Plus Unamortized bond premium	490,790		101,776			
Less deferred amount on refunding					(870,048)	
Total	<u>\$43,718,890</u>		<u>\$17,007,379</u>		<u>\$30,078,533</u>	

Note 6 – Long-Term Debt (Continued)

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

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

Governmental Activity 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.

2002 City Hall Refinancing Project Certificates of Participation – The City issued Certificates of Participation in the original principal amount of \$11,370,000, bearing interest at 2.25-4.75%, on September 10, 2002, in order to repay the City's outstanding \$10,565,000 1995 City Hall Seismic Upgrade and Renovation Project Certificates of Participation. The 1995 COP was to finance the seismic upgrade and renovation of City Hall and certain fire station facilities under a non-cancelable lease of these facilities extending to May 1, 2025.

On September 17, 2013, the City approved the issuance of 2013 Certificates of Participation to repay the 2002 Certificates of Participation and to finance the costs of construction of a new City Emergency Operations Center in the amount of \$9,610,000.

The proceeds of the 2013 Bonds deposited in an irrevocable trust to provide for all future debt service payments of 2002 COPs. Accordingly, the trust account assets and the liability for the refunded portion of the 2002 COPs are not included in the financial statements.

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.

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 rates from 3% to 4%, which are payable semi-annually in May and November commenced on May 1, 2014.

The refunding resulted in an overall debt service savings of \$2,308,759. The net present value of the debt securities savings is called an economic gain and amounted to \$926,233.

Note 6 – Long-Term Debt (Continued)

General Obligation Bonds

2003 General Obligation Bonds – On November 7, 2000, the voters approved the issuance of General Obligation Bonds, which the City issued on March 25, 2003, in the principal amount of \$10,600,000, in addition to a reoffering premium of \$268,000, to finance the acquisition and construction of a new main library and improvements to two branch libraries within the City.

On September 17, 2013, the City approved the issuance of 2013 General Obligation Bonds in the amount of \$9,010,000 to repay the 2003 General Obligation Bonds and to finance the construction and renovation of various public libraries.

2003 ARRA Variable Rate Demand 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, 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.

The pledge of sublease revenues ends upon repayment of the \$11,533,510 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 2013-14, sublease revenues amounted to \$11,695,184 which represented coverage of 3,762% over the \$310,866 in debt service.

2013 General Obligation Refunding Bonds

On September 17, 2013, the City Council approved the repaying of General Obligation 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 revenue 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.

The refunding resulted in an overall debt service savings of \$1,779,883. The net present value of the debt securities savings is called an economic gain and amounted to \$953,711.

Leases and Loans Payable

Leases Payable – At June 30, 2014, 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.

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 \$147,127, which includes interest, for fifteen years. Balance of the lease as of June 30, 2014, was \$1,559,645.

Note 6 – Long-Term Debt (Continued)

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 rate of 1.89%, for 7 years. Balance of the lease as of June 30, 2014, was \$1,096,530.

2013 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, 2014, was \$1,858,648.

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, 2014, was \$139,056.

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. Balance of the lease as of June 30, 2014, was \$118,221.

HUD Section 108 Loan - On January 5, 2006, the City entered into an agreement to borrow \$7,000,000 from the Housing and Urban Development Department. 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, 2014 is \$6,191,000.

Business Activity Debt

Certificates of Participation

Loans Payable

State Construction Loan - On May 2, 1989, the City entered into a loan with the State of California State Water Resources Control Board for \$400,431 at 3.39% interest to construct facilities for the control and prevention of water pollution. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of \$24,349 through December 1, 2013. The loan was repaid during fiscal year 2014.

State Water Resources Control Board - On February 8, 1996, the City entered into a loan with the State of 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 Enterprise Fund operating revenues. The City agreed to make annual payments of \$154,144 through August 5, 2017. The balance as of June 30, 2014, was \$575,668.

Note 6 – Long-Term Debt (Continued)

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 replace sewers 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, 2014 was \$687,603.

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 replace sewers to correct infiltration and inflow. The maximum loan amount is \$1,193,529 and bears interest at 2.7% per year for a term of twenty years. The balance as of June 30, 2014, was \$365,979.

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 replace sewers to correct infiltration and inflow. The maximum loan amount is \$1,840,292 and bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2014, was \$811,353.

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 \$21,967,653 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 2014, revenues amounted to \$9,734,465 which represented coverage of 1,378% over the \$706,318 in debt service.

E. Alameda Municipal Power Certificates of Participation and Bonds Payable

Revenue Bonds, Series 2010A/B (AMP Refinancing) - As described in an indenture agreement dated August 1, 2010, Revenue Bonds, Series 2010A/B were issued to provide funds, together with certain other available monies, to 1) prepay the obligations of AMP 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.

Principal on the Series 2010B Bonds will be 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 6 - Long-Term Debt (Continued)

This advance refunding was undertaken to reduce debt service payments over the next 20 years by \$17,662,628, and resulted in an economic gain (difference between the present value of the debt service requirements on the old and new bonds discounted at the effective interest rate on the new debt and adjusted for any additional cash) of \$2,308,432. The advance refunding resulted in a deferred amount on refunding of \$1,116,652.

Capital Lease Obligation – On June 1, 2008, Alameda Municipal Power entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was \$176,295 and is due in monthly principal and interest installments of \$2,533 through June, 2015. Accumulated depreciation for the vehicle is \$116,519 as of June 30, 2014.

Capital Lease Obligation – On July 18, 2008, Alameda Municipal Power entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was \$229,168 and is due in monthly principal and interest installments of \$3,347 through July, 2015. Accumulated depreciation for the vehicle is \$146,792 as of June 30, 2014.

Loan from City of Alameda – On December 15, 2003, at the request of the Public Utilities Board, the Alameda City Council authorized a loan of \$2,200,000 to AMP for the purpose of construction of the hybrid fiber-optic/coaxial telecom system. The loan is interest free and was due on June 1, 2009. The City and Alameda Municipal Power are currently negotiating the payment terms for this loan.

Note 7 - Special Assessment Debt Without City’s Commitment

Paragon Gateway Community Facilities District #2, Harbor Bay Community Facilities District #1 (Harbor Bay Business Park), and the Alameda Public Financing Authority (Marina Village Assessment District Bond Refinancing), have also issued debt, but the City has no legal written liability with respect to the payment of this debt, which is secured by assessments on the properties in these Districts.

At June 30, 2014, the combined outstanding debt amount for all of these assessment districts was \$10,010,000.

Note 8 – Net Position and Fund Balances

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

A. Net Position

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

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

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

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

Note 8 – Net Position and Fund Balances (Continued)

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's balance may be reserved or designated for future expenditure.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables 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 (through a resolution) of the City Council which may be altered only by 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 its 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.

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.



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

Note 8 – Net Position and Fund Balances (Continued)

Detailed classifications of the City’s Fund Balances, as of June 30, 2014, are below:

Classifications	General Fund	FISC Lease Revenue Special Revenue	Base Reuse Special Revenue	Housing Special Revenue	Parking Special Revenue	City Hall and Library Bonds Debt Service	Capital Improvement Projects	Other Governmental Funds	Total
Nonspendable:									
Items not in spendable form									
Loans	\$2,200,000								\$2,200,000
Deposits	61,871							\$9,395	71,266
Total Nonspendable	2,261,871							9,395	2,271,266
Restricted for:									
Development activities		\$2,730,389	\$3,567,566		\$365,020				6,662,975
Streets and roads								7,819,169	7,819,169
Public safety								454,584	454,584
Assessment Districts								7,436,469	7,436,469
Debt service						\$932,727		43,234	975,961
Total Restricted		2,730,389	3,567,566		365,020	932,727		15,753,456	23,349,158
Committed to:									
Capital projects							\$6,129,565	20,113,831	26,243,396
Community Development								460,172	460,172
Culture and recreation								2,740,077	2,740,077
Library Operations								1,348,003	1,348,003
Affordable Housing				\$1,082,432					1,082,432
Redevelopment Activities								1,157,966	1,157,966
Parking Meter/Garage Operations/Projects								3,254,893	3,254,893
Waste Management								4,503,064	4,503,064
Total Committed				1,082,432			6,129,565	33,578,006	40,790,003
Unassigned:									
Reserve policy	17,362,000								17,362,000
Residual fund balance in excess of policy or Fund balance deficits	11,709,830								11,709,830
Total Unassigned	29,071,830								29,071,830
Total Fund Balances	\$31,333,701	\$2,730,389	\$3,567,566	\$1,082,432	\$365,020	\$932,727	\$6,129,565	\$49,340,857	\$95,482,257

Note 8 – Net Position and Fund Balances (Continued)

C. Fund Balance Deficits

The funds below had fund balance deficits or net asset deficits in the amounts shown at June 30, 2014. Future revenues are expected to offset these deficits.

Internal Service Fund:

Workers' Compensation Insurance \$2,784,534

Private Purpose Trust Fund

Successor Agency Special Revenue 52,771,526

Note 9 - Pension Plans

A. CALPERS Safety and Miscellaneous Employees Plans

All Full time City employees are eligible to participate in pension plans offered by the California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan, which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect for fiscal year 2013-14, are summarized as follows:

	Miscellaneous Plan	
	Prior to 1/1/2013	After 1/1/2013
Hire Date	Prior to 1/1/2013	After 1/1/2013
Benefit vesting Schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age (range)	55	62
Monthly benefits, as a % of annual salary	2.000%	2.000%
Required employee contribution rates	7.000%	6.750%
Required employer contribution rates	14.970% (A)	14.970%
	Safety Plan	
	Prior to 1/1/2013	After 1/1/2013
Hire Date	Prior to 1/1/2013	After 1/1/2013
Benefit vesting Schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age (range)	55	57
Monthly benefits, as a % of annual salary	3.000%	2.700%
Required employee contribution rates	9.000%	12.000%
Required employer contribution rates	39.506% (B)	39.506%

(A) Miscellaneous employees contribute 1.868% of the employer contribution in addition to their 7% employee contribution.

(B) Safety employees contribute 4% of employer contribution in addition to their 9% employee contribution.

Note 9 - Pension Plans (Continued)

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.50% is assumed, including inflation at 2.75%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis within twenty years. Investment gains and losses are accumulated as realized; ten percent of the net balance is amortized annually.

The Plans' actuarial value (which differs from market value) and funding progress within the most recently available past three years is set forth below at their actuarial valuation date of June 30:

Safety Plan Actuarial						
Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2010	\$290,369,467	\$218,842,250	\$71,527,217	75.4%	\$21,251,762	336.6%
2011	308,606,464	227,619,418	80,987,046	73.8%	21,523,174	376.3%
2012	320,157,194	234,428,640	85,728,554	73.2%	20,094,417	426.6%

Miscellaneous Plan Actuarial						
Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2010	\$210,927,819	\$187,904,871	\$23,022,948	89.1%	\$28,225,541	81.6%
2011	222,550,387	197,051,737	25,498,650	88.5%	27,996,744	91.1%
2012	219,802,218	194,595,559	25,206,659	88.5%	23,840,561	105.7%

Audited annual financial statements are available from CALPERS at PO Box 942709, Sacramento, CA 94229-2709. CALPERS reports this information approximately eighteen months after the end of its June 30 fiscal year.

Actuarially required contributions for fiscal years 2013-14, 2012-13, and 2011-12, were \$13,871,244, \$13,572,530, and \$13,449,867. The City made these contributions as required, in addition to amounts required as the result of the payment of additional employee compensation.

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>
Net Pension Obligation at June 30, 2014	<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:

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

Plan 1082:

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

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
<i>Plan 1079</i>						
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
<i>Plan 1082</i>						
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.

Note 9 - Pension Plans (Continued)

E. 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 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, 2014, total contributions of \$168,918 were made based on a total amount of covered compensation of \$2,815,305.

One of the City's part-time employees elected to be covered under Social Security, which requires these employees and the City to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended June 30, 2014, amounted to \$1,594, of which the City paid 50%.

Effective May 3, 2001 the City adopted the PARS Retirement Enhancement Plan for Council-appointed employees as of that date, and the PARS Excess Benefit Plan for two Council-appointed employees as of that date as part of the City Retirement Program. Under the Enhancement Plan, specific appointed employees will be entitled to receive retirement benefits of 3% at age 55, as well as medical and disability benefits upon retirement.

Note 10 – Post Employment Health Care Benefits

The City provides medical and dental benefits to retirees as specified below under the City of Alameda Other Post Employment Benefit Plan, offered by California Public Employee Retirements Systems (CALPERS), an agent multiple-employer defined benefit healthcare plan. The City is responsible for establishing and amending the funding policy of the Plan. As of January 1, 2011, the latest actuarial study available, there were 463 employees active, 331 employees retired, and 184 employees who are retired but choose not to receive benefits for a total of 978 participants in the Plan.

Separately issued financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Eligibility Requirements

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 will pay the Public Employees' Medical and Hospital Care Act (PEHMCA) minimum employer contribution on their behalf, which is \$119 per month for 2014. 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, in addition to the PEHMCA monthly premium discussed above.

If the employee had less than 15 years of experience with APOA, the City only pays the PEHMCA premium.

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, in addition to the PEHMCA monthly premium discussed above.

If the employee had less than 20 years of experience with APOA and APMA, the City only pays the PEHMCA premium.

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 healthcare based upon the higher of City's health employer rate for Kaiser or Blue Shield Bay Area, as well as dental premiums for the employee and their spouse, in addition to the PEHMCA monthly premium discussed above.

If the employee had less than 5 years of experience with the City, the City only pays the PEHMCA premium.

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 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, in addition to the PEHMCA monthly premium discussed above.

If the employee had less than 10 years of experience with the City, the City only pays the PEHMCA premium.

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a January 1, 2013 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued.

The actuarial assumptions included (a) 4.0% investment rate of return; (b) a healthcare trend of declining annual increases ranging from 8.3% in 2014 to 5% or years starting 2021, (c) general inflation rate of 3%, and (d) project aggregate payroll increase of 3.25%. The actuarial methods and assumptions used include techniques that "smooth" the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually, as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability as of June 30, 2014, is being amortized using a 26-year closed amortization period. Assumption changes, plan changes and gains or losses are being amortized using a 15-year closed period.

Note 10 – Post Employment Health Care Benefits (Continued)

The City accounts for the OPEB Obligation on an accrual basis. During the fiscal year ended June 30, 2014, the City recorded a Net OPEB Obligation under the Governmental Activities on the Statement of Net Position, representing the difference between the ARC and actual contributions, as presented below:

Annual Required Contribution (ARC)	\$8,472,000
Interest on Net OPEB Obligation	812,000
Adjustment to ARC	<u>(1,683,000)</u>
Annual OPEB Cost	7,601,000
Contributions made	<u>(2,583,547)</u>
(Decrease) increase in net OPEB obligations	5,017,453
Net OPEB obligation at June 30, 2013	<u>21,626,000</u>
Net OPEB obligation at June 30, 2014	<u><u>\$26,643,453</u></u>
Percentage of ARC Contributed	<u><u>34%</u></u>

The Plan's annual OPEB cost and actual contributions for fiscal years ended June 30, 2012, 2013, 2014 are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Payments	Percentage Of Annual OPEB Cost Paid	Net OPEB Obligation (Asset)
6/30/2012	\$7,340,000	\$2,424,959	33%	\$16,635,574
6/30/2013	7,650,115	2,659,689	35%	21,626,000
6/30/2014	7,601,000	2,583,547	34%	26,643,453

As of June 30, 2014, approximately 515 participants were eligible to receive benefits.

The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits. Trend data from the most recent available actuarial studies is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
1/1/2009	\$0	\$75,850,000	(\$75,850,000)	0.00%	\$59,678,000	(127.1%)
1/1/2011	0	86,416,000	(86,416,000)	0.00%	47,314,000	(182.6%)
1/1/2013	0	91,172,000	(91,172,000)	0.00%	42,055,000	(216.8%)

Note 11 - Risk Management

The City and Alameda Municipal Power manage 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 and Alameda Municipal Power are members of the California Joint Powers Risk Management Authority (CJPRMA), which covers general liability claims. The City and Alameda Municipal Power have 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, 2014, the City contributed \$486,255 for coverage during the current year.

The City and Alameda Municipal Power are members of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) which covers workers' compensation claims up to statutory limits. The City and Alameda Municipal Power have self-insured retention of up to \$350,000 per claim. During the fiscal year ended June 30, 2014, the City and Alameda Municipal Power contributed \$454,376 and \$73,393 respectively, for current year coverage.

Note 11 - Risk Management (Continued)

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	N/A	Self-Insured
Terrorism	\$10,000,000	\$10,000,000
Vessel	\$1,000,000	N/A

B. Insurance Internal Service Funds

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 Risk Management Insurance Internal Service Fund. The liability is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	2014	2013
Beginning balance	\$1,961,804	\$1,515,654
Liability for current fiscal year claims	(317,530)	476,226
Increase (decrease) in estimated liability for prior year claims	646,124	(8,640)
Claims paid in current year	(55,020)	(21,436)
Ending balance	\$2,235,378	\$1,961,804
Current portion	\$55,020	\$21,436

Note 11 - Risk Management (Continued)

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

	2014	2013
Beginning balance	\$7,466,404	\$6,967,226
Liability for current fiscal year claims	736,680	1,076,773
Increase (decrease) in estimated liability for prior year claims	3,579,144	2,991,993
Claims paid in current year	(4,125,285)	(3,569,588)
Ending balance	<u>\$7,656,943</u>	<u>\$7,466,404</u>
Current portion	<u>\$4,125,285</u>	<u>\$3,569,588</u>

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

Note 12 – Alameda Municipal Power Joint Ventures

A. General

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 NCPA, a joint powers agency which operates under a joint powers agreement among 14 public agencies. 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 years ended June 30, 2014 and 2013 for purchased power were, \$28,196,783 and \$28,544,844, respectively. Additionally, purchased power was reduced by a refund of \$1,182,226 and \$1,276,447 for power exchange distribution and budget settlement monies returned to the NCPA General Operating Reserve (GOR), for the fiscal year ended June 30, 2014 and 2013, respectively.

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

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 share of Certain NCPA Projects and Reserve.

These changes in AMP's share in NCPA projects and reserve are set forth below:

	Fiscal Year Ended June 30	
	2014	2013
Beginning balance	\$19,506,298	\$16,782,759
Increase in equity in NCPA projects	479,018	2,723,539
Ending balance	<u>\$19,985,316</u>	<u>\$19,506,298</u>

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

	June 30	
	2014	2013
General Operating Reserve	\$16,321,226	\$15,551,397
Purchased Power & Transmission	20,236	23,131
Share of Scheduling Coordination Balancing Account	1,589,028	1,504,318
Share of Congestion Revenue Rights (CRR)	150,859	150,859
Associated Member Services	100,705	93,713
Market Purchase Program (MPP) Deposit	470,000	
Alameda Municipal Power's share of NCPA Power Projects:		
Geothermal Projects/Power Line	893,283	1,573,700
Calaveras Hydroelectric Project	608,615	734,628
Combustion Turbine Project No. 1	(195,902)	(209,732)
Combustion Turbine Project No. 2	27,266	84,284
	<u>\$19,985,316</u>	<u>\$19,506,298</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, but AMP has left them with NCPA as a reserve against contingencies identified by NCPA.

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.

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

B. Projects in which Alameda Municipal Power is a Participant

Geothermal Projects

A power purchase agreement with NCPA obligates AMP for 17.05407% of the debt service for two NCPA 110-megawatt geothermal steam powered generating plants, Plant Number 1 and Plant Number 2, located in the Geysers area in Northern California. In conjunction with these payments, AMP is entitled to receive 16.8825% of the output from these facilities. NCPA continues to pursue alternatives for improving and extending steam field reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA has increased steam production in the vicinity of reinjection wells and has evaluated a number of alternatives to increase water reinjection at strategic locations.

In 2009, NCPA issued the Refunding Series A for \$35,610,000 to: improve the Unit 4 steam path; provide for the Middletown booster pump solar project; provide for the Southeast Treatment plant solar project; make a contribution to the Debt Service Reserve Account; and to pay the cost of issuance of the 2009 Series A bonds.

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, 2014, the book value of this Project's plant, equipment and other assets was \$90,622,396 while its long-term debt totaled \$41,480,868 and other liabilities totaled \$43,854,698. AMP's share of the Project's long-term debt and other liabilities amounted to \$14,406,777 at 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 from February 1982 and also has an option to purchase power from the project in excess of the District's requirements for the subsequent 50 years, subject to regulatory approval. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants.

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

Additionally, in response to credit market upheavals and to ensure debt service certainty, in July 2008 the Agency refunded (or purchased from the liquidity providers) the 2002 Hydroelectric Refunding Revenue Bonds Series A & B and the 2003 Hydroelectric Refunding Revenue Bonds Series A & B with outstanding principal of \$140,200,000. The associated interest rate swaps were terminated on July 9, 2008. The refunding was completed through the issuance of \$128,005,000 fixed rate tax exempt debt (2008 Series C) and \$9,505,000 fixed rate taxable debt (2008 Series D). The payment of principal and interest on these issues are covered by financial guaranty insurance policies issued by Assured Guaranty. In 2010, the NCPA issued the 2010 Refunding Series A for \$101,260,000 and 2010 Refunding Series B obligations for \$8,025,000 for the purpose of providing funds to refund the Refunded 1998 Bonds, to deposit the respective 2010 Series debt service reserve account, and to pay the cost of issuance of the 2010 bonds.

Note 12 – Alameda Municipal Power Ventures (Continued)

In 2012, the NCPA issued the 2012 Refunding Series A for \$76,665,000 and 2012 Taxable Refunding Series B obligations for \$7,120,000 for the purpose of providing funds to refund the NCPA's outstanding Hydroelectric Project No. 1 Revenue Bonds, 1998 Refunding Series A, to make a deposit to the debt service reserve account for the 2012 Bonds and to pay cost of issuance of the 2012 Bonds.

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, 2014, the book value of this Project's plant, equipment and other assets was \$398,311,438, while its long-term debt totaled \$329,934,585 and other liabilities totaled \$62,290,706. AMP's share of the Project's long-term debt and other liabilities amounted to \$29,222,529, at that date.

Combustion Turbine Project No. 1

In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities including Alameda, began full commercial operation in June 1986 and provides reserve and peaking power. During August 2010, phase 2 of the First Amendment to the NCPA Purchase Power 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, 2014, the book value of this Project's plant, equipment and other assets was \$3,034,001 while its long-term debt totaled \$0, and other liabilities totaled \$2,931,810. AMP's share of the Project's long-term debt and other liabilities amounted to \$857,921 at 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 Bonds for \$55,120,000 for the purpose of providing funds to refund all of the Refunded 1999 Bonds, to fund a deposit to the 2010 Series debt service reserve account and to pay cost of issuance of the 2010 Series A Bonds. Under the NCPA power purchase agreement, AMP is obligated to pay 19.00% of the debt service and operating costs for the STIG project.

AMP's participation in procurement of natural gas for fuel for existing and new combustion turbine units was approved in 1993. Although there is currently no additional debt financing, AMP and NCPA have committed to long-term payments for gas transmission pipeline capacity, and entered a purchase contract for natural gas. AMP is obligated to pay 19.0%.

At June 30, 2014, the book value of this Project's plant, equipment and other assets was \$49,259,010 while its long-term debt totaled \$46,827,824 and other liabilities totaled \$2,287,684. AMP's share of the Project's long-term debt and other liabilities amounted to \$9,331,947 at that date.

Note 12 – Alameda Municipal Power Ventures (Continued)**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 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 resources, which is the amount of power generated in one federal fiscal year.

Other Power Purchase Agreements

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

- ***Morgan Stanley Power Purchase Contract***

In April 2002, AMP entered into a contract with Morgan Stanley Capital Group (MSCG) for the delivery of power. From January 1 through March 31 and from October 1 through December 31 during each of the calendar years 2005-2014, MSCG has agreed to deliver 15 megawatts of firm power 24-hours per day. The long-term contract expires on December 31, 2014.

- ***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.

Note 12 – Alameda Municipal Power Ventures (Continued)

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 wide fluctuations in prices that resulted from a deficiency in generating capacity, including 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.

NCPA Financial Information

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

Transmission Agency of Northern California (TANC)

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.

Note 12 – Alameda Municipal Power Ventures (Continued)

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 MW's of electricity. The COTP participants include the Transmission Agency of Northern California, Western, 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 1.227% and AMP is obligated to pay 1.227% of the project's operating costs.

AMP is obligated to pay 1.333% 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 Pacific Gas & Electric Company.

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, but resulted 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, 2014 and 2013, AMP's share of this debt is \$3,988,283 and \$4,229,490, respectively.

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 which is discussed in detail at Note 14.

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 and Successor Agency*

The Successor Agency, through the former CIC, has an agreement extending through 2014 under which it refunds a portion of Alameda Marina Village Assessment District Property Tax Increments to the Alameda Marina Village property owners as a partial offset of their assessment liability. These refunds are accounted for in the Successor Agency Private Purpose Trust Fund.

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.

B. *Alameda Municipal Power*

Commitments

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 Notes 8 and 9. AMP's estimated share of such debt outstanding at June 30, 2014 was \$85,644,424. Under certain circumstances, AMP may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, AMP may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants. These "step up" provisions are generally capped at a 25 percent increase.

Note 13 - Commitments and Contingencies (Continued)***ii) Lease Agreement with Alameda Reuse and Redevelopment Authority***

In June 2009, AMP entered into two lease agreements with the Alameda Reuse and Redevelopment Authority. The lease terms for each agreement are for two years beginning June 1, 2009 and expiring on May 30, 2011. In May 2011, AMP approved one year extensions to both lease agreements, with new expiration dates of May 30, 2012. AMP will continue to occupy the premises for minimum monthly payments of \$1,083 and \$11,103 respectively.

Contingent Liabilities***i) Lawsuits and Litigation***

AMP is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, the outcome of these actions cannot be predicted with certainty. In the opinion of the City Attorney, the outcome of these actions will not have a material adverse effect on the financial position of AMP.

ii) Vectren Communications Services

In June, 2008, AMP, along with the City of Alameda, was named as a defendant in a suit filed by Vectren Communication Services, Inc., in the United States District Court for the Northern District of California. Vectren's suit alleged, among other things, that AMP breached its obligation under the 2004 Installment Sale Agreement to manage the Telecom System properly and to charge appropriate rates, resulting in the non-payment of installments from net telecom revenues totaling \$6.3 million, plus accrued interest at a 9% default rate, for total damages of over \$10 million. Vectren amended its complaint in early 2009 to allege an additional breach of contract claim, based upon AMP's sale of the Telecom System to Comcast in November 2008 without Vectren's consent.

At the conclusion of a trial in 2010, the jury rejected four out of five of Vectren's claims against AMP, awarding damages of approximately \$1.9 million on Vectren's remaining claim. Both sides appealed. In August 2013, the United States Court of Appeals for the Ninth Circuit reversed the jury's verdict and entered judgment in favor of AMP. On Vectren's sale claim, however, the Ninth Circuit remanded the matter to the district court for a determination of damages, the case was dismissed on October 7, 2014.

iii) Nuveen Municipal High Income Opportunity Fund

In October 2008, the City of Alameda filed an action for declaratory relief in the United States District Court for the Northern District of California against the Nuveen Municipal High Income Opportunity Fund and related Nuveen entities (Nuveen). The action arose out of the AMP's issuance in 2004 of \$33 million in Revenue Bond Anticipation Notes to refinance existing obligations and provide funds for completion of the Telecom System. In October 2008, Nuveen filed a counter claim against AMP alleging violations of state and federal securities laws, arising from the City's issuance of the Notes, seeking damages which Nuveen alleged to exceed \$11 million. In January 2011, AMP filed a summary judgment motion against Nuveen, which, in May 2011, the district court granted on all claims. Nuveen appealed. On September 19, 2013, the United States Court of Appeals for the Ninth Circuit affirmed the judgment in favor of AMP in full.

Nuveen may petition the United States Supreme Court to hear the case. Pending any further appeals, no assurances can be given and no determination can be made at this time as to the outcome of Nuveen's claims; however, AMP and the City Attorney believe there are meritorious defenses to all of the above claims and that any liability which may finally be determined should not have a material adverse effect on AMP's financial position, results of operations, or cash flows.

Note 13 - Commitments and Contingencies (Continued)

iv) Bernard Osher Trust

On April 1, 2009, a lawsuit was filed against the City and AMP, also arising from issuance of the 2004 Revenue Bond Anticipation Notes, by Bernard Osher Trust (Osher). Similar to the Nuveen action, Osher alleges violations of state and federal securities laws arising from issuance of the Notes. Osher claims damages of approximately \$4.7 million. A preliminary settlement conference was conducted on October 28, 2009, a second settlement conference in March 2010, and further settlement conference on July 20, 2010. Fact discovery was completed on October 15, 2010. On September 28, 2010 and in January 2011, the City filed a motion for summary judgment on all of Osher's claims against it. This motion was granted on all claims on May 16, 2011; consequently, the City has filed a motion for recovery of defense costs, totaling \$1.5 million which the court denied. The City filed a bill of costs seeking an award of \$132,000 in costs, for which judgment was entered awarding \$91,516 to City against Nuveen and Osher jointly and severally.

Osher's claims against the City of Alameda have been resolved in the City's favor, due to Osher's failure to appeal the district court's summary judgment on all claims. The district court awarded the City approximately \$92,000 in costs, which Osher paid to the City in October 2012. No further legal proceedings in the matter are anticipated.

C. *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.

D. *Settlement Agreement*

In December 2012, the City, the former Community Improvement Commission, the former Alameda Reuse and Redevelopment Authority and a third party vendor reached a settlement agreement in regards to the redevelopment of the U.S. Naval Air Station at Alameda Point. The City paid \$4.325 million to the third party vendor in July 2014. Once the first payment is made by the City each party shall execute and file a Stipulation of Dismissal of the Federal Action and Federal Counter-Claim.

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.

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

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. The State Controller's Office has completed its asset transfer review of the Community Improvement Commission of the City of Alameda for the period from January 1, 2011 through January 31, 2012 in November 2013. The review resulted in a demand that the City return assets totaling \$23,290,317, which comprised of cash and investments, loans receivable and capital assets to the Alameda CIC Successor Agency. Cash and loans receivable totaled \$234,469 and \$3,074,237, respectively. Capital assets consisted of land and improvements for the Alameda Theatre and Parking structure totaling \$811,120 and \$19,170,491, respectively. However, on July 30, 2013, the Oversight Board retroactively approved the transfer of the assets to the City of Alameda through Oversight Board Resolution 13-10. Therefore, the State Controller report concluded that the State Controller needs no further action from the Successor Agency. On November 6, 2013, the State Department of Finance requested that the Oversight Board reconsider its Resolution 13-10.

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, 2014 are discussed in Note 2. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2014.

In addition to the above amounts, as discussed in Note 3B the CIC had two interfund advances from the City which have been written off as a result of the implementation of ABx1 26.

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 consisted of the following:

Current Year Transaction and Balances

	CUSIP Number	Balance June 30, 2013	Retirements	Balance June 30, 2014	Due within one year	Due more than one year
2003 Tax Allocation Refunding						
Bonds, Series C & D	010781BR2	\$15,470,000	\$550,000	\$14,920,000	\$570,000	\$14,350,000
2003 Tax Allocation Bonds,						
Series A1, A2 & B	010781DJ8	44,820,000	1,125,000	43,695,000	1,195,000	42,500,000
2011 Tax Allocation Bonds, Series A & B	010781DZ2	10,740,000		10,740,000		10,740,000
Discount		<u>(117,105)</u>	<u>(4,312)</u>	<u>(112,793)</u>		<u>(112,793)</u>
Total Bonds		70,912,895	1,670,688	69,242,207	1,765,000	67,477,207
2006 CRA/ERAF Loan Program	not available	<u>255,000</u>	<u>80,000</u>	<u>175,000</u>	<u>85,000</u>	<u>90,000</u>
Total		<u>\$71,167,895</u>	<u>\$1,750,688</u>	<u>\$69,417,207</u>	<u>\$1,850,000</u>	<u>\$67,567,207</u>

2003 Community Improvement Commission Tax Allocation Refunding Bonds

On October 1, 2003, the Community Improvement Commission issued Tax Allocation Refunding Bonds related to the Business and Waterfront Improvement Area in the principal amount of \$18,535,000, with Series 2003 C issued in the amount of \$17,510,000 and Series 2003 D in the amount of \$1,025,000. The proceeds were used to retire the 2002 Financing Authority Variable Rate Revenue Bonds. The Bonds are payable from tax increment revenues receivable by the Project Area. Principal is payable annually on February 1, with interest payable semi-annually on February 1 and August 1 through February 2032. The interest rates on the bonds vary from 2% to 4.75%. The outstanding balance as of June 30, 2014 was \$14,920,000.

2003 Community Improvement Commission Tax Allocation Bonds

On December 1, 2003, the Community Improvement Commission issued Series 2003 AI and A2 Tax Allocation Bonds in the principal amount of \$37,390,000 and Series 2003 B Subordinated Tax Allocation Bonds in the principal amount of \$9,205,000, for a total original principal amount of \$46,595,000, for the Commission's merged improvement areas. The proceeds were used to finance certain redevelopment projects, to repay a loan of \$2,200,000 for the project area, and to finance \$12,200,000 of demolition costs incurred in the project area. The Series 2003 AI and A2 are secured by a pledge of certain tax increment revenues for the Merged Project Area. The Series 2003 B are secured by a subordinate pledge of tax revenues. Interest is payable semiannually on March 1 and September 1 through 2033; principal is payable annually on March 1 through 2033. The interest rates on the bonds vary between 2 to 6.25%. The outstanding balance as of June 30, 2014 was \$43,695,000.

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

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 between 2 to 8.5%. The bond was issued with \$125,326 discount. The outstanding balance as of June 30, 2014 was \$10,627,207, net of discount.

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 outstanding balance as of June 30, 2014 was \$175,000.

With the dissolution of the CIC discussed above, tax increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are 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 \$8,076,432 which represented coverage of 1.37 times the \$5,887,630 of debt service.

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

Debt Service Requirements

Annual debt service requirements are shown below:

For the Year Ending June 30	Principal	Interest
2015	\$1,850,000	\$4,141,920
2016	1,955,000	4,049,896
2017	1,965,000	3,948,043
2018	2,095,000	3,846,486
2019	2,205,000	3,738,879
2020-2024	13,670,000	16,731,285
2025-2029	18,755,000	12,337,844
2030-2034	21,045,000	5,902,466
2035-2039	4,350,000	1,444,151
2040-2042	1,640,000	220,576
Subtotal	69,530,000	<u>\$56,361,546</u>
Less Discount:	<u>(112,793)</u>	
Total	<u>\$69,417,207</u>	

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.



City of Alameda
 City Hall and Library Bonds
 Debt Service Fund
 Schedule of Revenues, Expenditures
 and Changes in Fund Balance
 Budget and Actual
 For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$695,793	\$695,793	\$905,096	\$209,303
Use of money and property	9,638	9,638	6,326	(3,312)
Total Revenues	705,431	705,431	911,422	205,991
EXPENDITURES				
Debt service:				
Principal	1,354,000	1,354,000	17,544,000	(16,190,000)
Interest	1,285,576	1,285,576	2,181,009	(895,433)
Total Expenditures	2,639,576	2,639,576	19,725,009	(17,085,433)
EXCESS OF REVENUES OVER EXPENDITURES	(1,934,145)	(1,934,145)	(18,813,587)	(16,879,442)
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)	1,891,401	1,891,401	1,891,398	(3)
Transfers (out) (Note 3C)		(3,000,000)	(3,016,457)	(16,457)
Proceeds from the issuance of debt (Note 6)			18,620,000	18,620,000
Premium from the issuance of debt (Note 6)			512,838	512,838
Total other financing sources (uses)	1,891,401	(1,108,599)	18,007,779	19,116,378
NET CHANGE IN FUND BALANCE	(\$42,744)	(\$3,042,744)	(805,808)	\$2,236,936
Beginning fund balance			1,738,535	
Ending fund balance			\$932,727	

See accompanying notes to financial statements.

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 Section 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

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. 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, Ferry 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.

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 these fees collected by the County to be used to sustain the County's transportation network and reduce traffic congestion.

Debt Service Fund:***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

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





City of Alameda
 Non-Major Governmental Funds
 Combining Balance Sheets
 June 30, 2014

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>Community Development</u>	<u>Library</u>	<u>Gas Tax</u>	<u>Asset Seizure/ Traffic Safety</u>
ASSETS				
Cash and cash equivalents	\$942,349	\$1,326,626		\$21,075
Restricted cash and investments			\$3,656,657	
Accounts receivable	30,694	104,101		
Prepays and deposits				
Total Assets	<u>\$973,043</u>	<u>\$1,430,727</u>	<u>\$3,656,657</u>	<u>\$21,075</u>
LIABILITIES				
Accounts payable	\$170,023	\$74,724	\$8,685	
Accrued payroll	7,098	8,000	1,003	
Interest payable				
Due to other funds			2,162	
Due to other agencies	825			
Refundable deposits	334,925			
Unearned revenue				
Total Liabilities	<u>512,871</u>	<u>82,724</u>	<u>11,850</u>	
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - miscellaneous revenue				
Unavailable revenue - grants				
Total Deferred Inflows of Resources				
FUND EQUITY				
Fund balances				
Nonspendable				
Restricted			3,644,807	\$21,075
Committed	460,172	1,348,003		
Total Fund Balances	<u>460,172</u>	<u>1,348,003</u>	<u>3,644,807</u>	<u>21,075</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$973,043</u>	<u>\$1,430,727</u>	<u>\$3,656,657</u>	<u>\$21,075</u>

SPECIAL REVENUE FUNDS

County Measure B	Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund
\$3,072,639	\$2,895,669	\$3,277,859	\$1,165,704		\$1,285,921	\$2,416,940	\$669,808
325,888		10,158	168 9,395	\$222,003	15,021	463,939 158,233	452,622
<u>\$3,398,527</u>	<u>\$2,895,669</u>	<u>\$3,288,017</u>	<u>\$1,175,267</u>	<u>\$222,003</u>	<u>\$1,300,942</u>	<u>\$3,039,112</u>	<u>\$1,122,430</u>
	\$51,106 733	\$32,637 487	\$6,654 156	\$198,548 1,919 21,536	\$12,455 216	\$134,126 11,988	\$65,264 3,219 352,606
			1,096			45,050 46,310	
	51,839	33,124	7,906	222,003	12,671	237,474	421,089
						61,561	267,832
						61,561	267,832
\$3,398,527	2,843,830	3,254,893	1,157,966	9,395	1,288,271	2,740,077	433,509
<u>3,398,527</u>	<u>2,843,830</u>	<u>3,254,893</u>	<u>1,167,361</u>		<u>1,288,271</u>	<u>2,740,077</u>	<u>433,509</u>
<u>\$3,398,527</u>	<u>\$2,895,669</u>	<u>\$3,288,017</u>	<u>\$1,175,267</u>	<u>\$222,003</u>	<u>\$1,300,942</u>	<u>\$3,039,112</u>	<u>\$1,122,430</u>

(Continued)



City of Alameda
 Non-Major Governmental Funds
 Combining Balance Sheets
 June 30, 2014

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUND
	Waste Reduction Surcharge	Maintenance Assessment Districts	Vehicle Registration Fee	Base Reuse
ASSETS				
Cash and cash equivalents	\$3,063,493	\$4,253,503	\$717,316	\$43,232
Restricted cash and investments		350,507		1,008
Accounts receivable	214,159	91,249	58,519	
Prepays and deposits				
Total Assets	\$3,277,652	\$4,695,259	\$775,835	\$44,240
LIABILITIES				
Accounts payable	\$47,552	\$101,959		
Accrued payroll	1,415	661		
Interest payable				\$1,006
Due to other funds				
Due to other agencies	13,892			
Refundable deposits				
Unearned revenue				
Total Liabilities	62,859	102,620		1,006
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - miscellaneous revenue				
Unavailable revenue				
Total Deferred Inflows of Resources				
FUND EQUITY				
Fund balances				
Nonspendable				
Restricted		4,592,639	\$775,835	\$43,234
Committed	3,214,793			
Total Fund Balances	3,214,793	4,592,639	775,835	43,234
Total Liabilities, Deferred Inflows and Fund Balances	\$3,277,652	\$4,695,259	\$775,835	\$44,240

CAPITAL PROJECTS FUNDS

Construction Impact Fee	Streets/ Transportation	Citywide Development Fee	Urban Runoff Strom Drain Fee	Maintenance Assessment Districts	Emergency Operation Center	Total Nonmajor Governmental Funds
\$1,511,030	\$2,163,679	\$3,469,000	\$7,595,174	\$1,967,229		\$41,858,246
33,328	18,300		17,300	381,996	\$3,016,571	7,887,978
			114,851			1,849,294
						9,395
<u>\$1,544,358</u>	<u>\$2,181,979</u>	<u>\$3,469,000</u>	<u>\$7,727,325</u>	<u>\$2,349,225</u>	<u>\$3,016,571</u>	<u>\$51,604,913</u>
\$143	\$7,888	\$42,085	\$41,616	\$1,038		\$996,503
			3,788			40,683
						1,006
24,559				10,798		411,661
						14,717
			42,712			422,687
						47,406
<u>24,702</u>	<u>7,888</u>	<u>42,085</u>	<u>88,116</u>	<u>11,836</u>		<u>1,934,663</u>
						61,561
						267,832
						329,393
						9,395
1,519,656	2,174,091	3,426,915	7,639,209	2,337,389	\$3,016,571	15,753,456
1,519,656	2,174,091	3,426,915	7,639,209	2,337,389	3,016,571	33,578,006
<u>\$1,544,358</u>	<u>\$2,181,979</u>	<u>\$3,469,000</u>	<u>\$7,727,325</u>	<u>\$2,349,225</u>	<u>\$3,016,571</u>	<u>\$51,604,913</u>



City of Alameda
 Non-Major Governmental Funds
 Combining Statements of Revenues, Expenditures
 and Changes in Fund Balance
 For the year ended June 30, 2014

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>Community Development</u>	<u>Library</u>	<u>Gas Tax</u>	<u>Asset Seizure/ Traffic Safety</u>
REVENUES				
Property taxes		\$1,863,629		
Other taxes	\$4,268			
Licenses and permits	1,623,930			
Revenue from other agencies		45,696	\$2,295,813	
Charges for current services	1,012,542	65,752	1,949	
Fines and forfeitures	347,783			
Use of money and property	3,523	9,202	36,702	\$518
Other revenues		75	31,274	
Total Revenues	<u>2,992,046</u>	<u>1,984,354</u>	<u>2,365,738</u>	<u>518</u>
EXPENDITURES				
Current:				
General government				1,531
Public safety				
Public works			846,340	
Community Development	3,088,234			
Community Services		3,356,088		
Housing				
Capital outlay		50,650		
Debt service:				
Principal				
Interest				
Total Expenditures	<u>3,088,234</u>	<u>3,406,738</u>	<u>846,340</u>	<u>1,531</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(96,188)</u>	<u>(1,422,384)</u>	<u>1,519,398</u>	<u>(1,013)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		1,964,436		
Transfers (out)		(232,004)	(1,857,274)	(20,000)
Total Other Financing Sources (Uses)		<u>1,732,432</u>	<u>(1,857,274)</u>	<u>(20,000)</u>
NET CHANGE IN FUND BALANCE	(96,188)	310,048	(337,876)	(21,013)
BEGINNING FUND BALANCES	<u>556,360</u>	<u>1,037,955</u>	<u>3,982,683</u>	<u>42,088</u>
ENDING FUND BALANCES	<u>\$460,172</u>	<u>\$1,348,003</u>	<u>\$3,644,807</u>	<u>\$21,075</u>

SPECIAL REVENUE FUNDS

County Measure B	Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund
					\$178,937		\$500
\$2,017,093		\$1,164,482	\$11,943	\$921,406		\$44,231	1,543,774
		60,000				2,124,651	
32,236	\$752,659	27,989	156,797		11,930	561,968	4,186
		4,140	248,435			207,101	1,413
<u>2,049,329</u>	<u>752,659</u>	<u>1,256,611</u>	<u>417,175</u>	<u>921,406</u>	<u>190,867</u>	<u>2,937,951</u>	<u>1,549,873</u>
	840,926	548,893			161,476	3,380,372	1,197,114
			262,701	1,451,622			140,317
				1,002			248,643
						(1,154)	
	840,926	548,893	262,701	1,452,624	161,476	3,379,218	1,586,074
2,049,329	(88,267)	707,718	154,474	(531,218)	29,391	(441,267)	(36,201)
(2,298,204)	(6,481)	(591,092)		531,218		1,379,880	84,549
					(5,000)	(1,493,075)	(100,314)
(2,298,204)	(6,481)	(591,092)		531,218	(5,000)	(113,195)	(15,765)
(248,875)	(94,748)	116,626	154,474		24,391	(554,462)	(51,966)
3,647,402	2,938,578	3,138,267	1,012,887		1,263,880	3,294,539	485,475
<u>\$3,398,527</u>	<u>\$2,843,830</u>	<u>\$3,254,893</u>	<u>\$1,167,361</u>	<u>\$ -</u>	<u>\$1,288,271</u>	<u>\$2,740,077</u>	<u>\$433,509</u>

(Continued)



City of Alameda
 Non-Major Governmental Funds
 Combining Statements of Revenues, Expenditures
 and Changes in Fund Balance
 For the year ended June 30, 2014

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS
	Waste Reduction Surcharge	Maintenance Assessment Districts	Vehicle Registration Fee	Base Reuse
REVENUES				
Property taxes		\$2,102,615		
Other taxes				
Licenses and permits				
Revenue from other agencies	\$247,628		\$326,372	
Charges for current services	382,352			
Fines and forfeitures				
Use of money and property	30,462	39,404	5,313	\$1,585
Other	114,696			
Total Revenues	775,138	2,142,019	331,685	1,585
EXPENDITURES				
Current:				
General government		469,090		
Public safety				
Public works	840,637	1,186,859		
Development services				
Recreation and parks				
Housing and community services				
Capital outlay	968			
Debt service:				
Principal				300,000
Interest				22,987
Total Expenditures	841,605	1,655,949		322,987
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(66,467)	486,070	331,685	(321,402)
OTHER FINANCING SOURCES (USES)				
Transfers in		31,116		150,000
Transfers (out)		(368,004)	(200,000)	
Total Other Financing Sources (Uses)		(336,888)	(200,000)	150,000
NET CHANGE IN FUND BALANCE	(66,467)	149,182	131,685	(171,402)
BEGINNING FUND BALANCES	3,281,260	4,443,457	644,150	214,636
ENDING FUND BALANCES	\$3,214,793	\$4,592,639	\$775,835	\$43,234

CAPITAL PROJECTS FUNDS

<u>Construction Impact Fee</u>	<u>Streets/ Transportation</u>	<u>Citywide Development Fee</u>	<u>Urban Runoff Strom Drain Fee</u>	<u>Maintenance Assessment District Capital Projects</u>	<u>Emergency Operations Center Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$651,817	\$437,726		\$2,109,515			\$7,165,302
	14,100	\$289,553				486,858
45,585						1,670,015
5,750	52,468		46,845			7,459,706
						4,851,041
8,778	18,232	29,425	70,324	\$23,581	\$114	407,783
			300			1,824,928
						607,434
<u>711,930</u>	<u>522,526</u>	<u>318,978</u>	<u>2,226,984</u>	<u>23,581</u>	<u>114</u>	<u>24,473,067</u>
4,839	2,000					5,409,127
	500,000					1,197,114
	121,847					3,373,836
8,627	22,980	57,280	2,112,222	7,876		3,088,234
						3,477,935
						1,863,267
						2,501,621
						300,000
						21,833
<u>13,466</u>	<u>646,827</u>	<u>57,280</u>	<u>2,112,222</u>	<u>7,876</u>		<u>21,232,967</u>
698,464	(124,301)	261,698	114,762	15,705	114	3,240,100
231,000	108,465		268,744		3,016,457	7,765,865
(270,683)	(33,000)	(111,106)	(542,063)	(652,360)		(8,780,660)
<u>(39,683)</u>	<u>75,465</u>	<u>(111,106)</u>	<u>(273,319)</u>	<u>(652,360)</u>	<u>3,016,457</u>	<u>(1,014,795)</u>
658,781	(48,836)	150,592	(158,557)	(636,655)	3,016,571	2,225,305
860,875	2,222,927	3,276,323	7,797,766	2,974,044		47,115,552
<u>\$1,519,656</u>	<u>\$2,174,091</u>	<u>\$3,426,915</u>	<u>\$7,639,209</u>	<u>\$2,337,389</u>	<u>\$3,016,571</u>	<u>\$49,340,857</u>



City of Alameda
 Non-Major Funds
 Combining Schedules of Revenues, Expenditures
 and Changes in Fund Balances
 Budget and Actual
 for the year ended June 30, 2014

	COMMUNITY DEVELOPMENT			LIBRARY		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes				\$1,617,000	\$1,863,629	\$246,629
Other taxes		\$4,268	\$4,268			
Licenses and permits	\$1,645,000	1,623,930	(21,070)			
Revenue from other agencies				35,000	45,696	10,696
Charges for current services	1,173,500	1,012,542	(160,958)	50,000	65,752	15,752
Fines and forfeitures	700,350	347,783	(352,567)			
Use of money and property	3,090	3,523	433	8,093	9,202	1,109
Other				5,000	75	(4,925)
Total Revenues	3,521,940	2,992,046	(529,894)	1,715,093	1,984,354	269,261
EXPENDITURES						
Current:						
General government						
Public safety						
Public works						
Community Development	3,609,000	3,088,234	520,766			
Community Services				3,559,971	3,356,088	203,883
Housing						
Capital outlay				11,000	50,650	(39,650)
Debt service:						
Principal						
Interest						
Total Expenditures	3,609,000	3,088,234	520,766	3,570,971	3,406,738	164,233
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(87,060)	(96,188)	(9,128)	(1,855,878)	(1,422,384)	433,494
OTHER FINANCING SOURCES (USES)						
Transfers in				1,964,435	1,964,436	1
Transfers (out)				(232,004)	(232,004)	
Total Other Financing Sources (Uses)				1,732,431	1,732,432	1
NET CHANGE IN FUND BALANCE	(\$87,060)	(96,188)	(\$9,128)	(\$123,447)	310,048	\$433,495
BEGINNING FUND BALANCES (DEFICITS)		556,360			1,037,955	
ENDING FUND BALANCES (DEFICITS)		\$460,172			\$1,348,003	

GAS TAX			ASSET SEIZURE/TRAFFIC SAFETY			COUNTY MEASURE B		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$1,867,980	\$2,295,813	\$427,833				\$1,948,089	\$2,017,093	\$69,004
5,000	1,949	(3,051)						
12,000	36,702	24,702	\$183	\$518	\$335	18,675	32,236	13,561
1,020	31,274	30,254						
<u>1,886,000</u>	<u>2,365,738</u>	<u>479,738</u>	<u>183</u>	<u>518</u>	<u>335</u>	<u>1,966,764</u>	<u>2,049,329</u>	<u>82,565</u>
				1,531	(1,531)			
980,000	846,340	133,660						
<u>980,000</u>	<u>846,340</u>	<u>133,660</u>		<u>1,531</u>	<u>(1,531)</u>			
906,000	1,519,398	613,398	183	(1,013)	(1,196)	1,966,764	2,049,329	82,565
<u>(2,815,085)</u>	<u>(1,857,274)</u>	<u>957,811</u>	<u>(20,000)</u>	<u>(20,000)</u>		<u>(4,476,447)</u>	<u>(2,298,204)</u>	<u>2,178,243</u>
<u>(2,815,085)</u>	<u>(1,857,274)</u>	<u>957,811</u>	<u>(20,000)</u>	<u>(20,000)</u>		<u>(4,476,447)</u>	<u>(2,298,204)</u>	<u>2,178,243</u>
<u>(\$1,909,085)</u>	<u>(337,876)</u>	<u>\$1,571,209</u>	<u>(\$19,817)</u>	<u>(21,013)</u>	<u>(\$1,196)</u>	<u>(\$2,509,683)</u>	<u>(248,875)</u>	<u>\$2,260,808</u>
	<u>3,982,683</u>			<u>42,088</u>			<u>3,647,402</u>	
	<u>\$3,644,807</u>			<u>\$21,075</u>			<u>\$3,398,527</u>	

(Continued)



City of Alameda
 Non-Major Funds
 Combining Schedules of Revenues, Expenditures
 and Changes in Fund Balances
 Budget and Actual
 For the year ended June 30, 2014

	TIDELANDS			PARKING METER		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services				\$1,059,800	\$1,164,482	\$104,682
Fines and forfeitures				60,000	60,000	
Use of money and property	\$819,861	\$752,659	(\$67,202)	16,084	27,989	11,905
Other				10,116	4,140	(5,976)
Total Revenues	819,861	752,659	(67,202)	1,146,000	1,256,611	110,611
EXPENDITURES						
Current:						
General government	1,415,000	840,926	574,074	803,324	548,893	254,431
Public safety						
Public works	304,844		304,844			
Community Development						
Community Services						
Housing						
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures	1,719,844	840,926	878,918	803,324	548,893	254,431
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(899,983)	(88,267)	811,716	342,676	707,718	365,042
OTHER FINANCING SOURCES (USES)						
Transfers in				510,895		(510,895)
Transfers (out)	(184,520)	(6,481)	178,039	(1,145,895)	(591,092)	554,803
Total Other Financing Sources (Uses)	(184,520)	(6,481)	178,039	(635,000)	(591,092)	43,908
NET CHANGE IN FUND BALANCE	(\$1,084,503)	(94,748)	\$989,755	(\$292,324)	116,626	\$408,950
BEGINNING FUND BALANCES (DEFICITS)		2,938,578			3,138,267	
ENDING FUND BALANCES (DEFICITS)		\$2,843,830			\$3,254,893	

COMMERCIAL REVITALIZATION			COMMUNITY DEVELOPMENT BLOCK GRANT			GARBAGE/RECYCLING SURCHARGE		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
						\$175,000	\$178,937	\$3,937
	\$11,943	\$11,943	\$2,098,956	\$921,406	(\$1,177,550)			
\$204,248	156,797	(47,451)				6,000	11,930	5,930
174,752	248,435	73,683						
379,000	417,175	38,175	2,098,956	921,406	(1,177,550)	181,000	190,867	9,867
						358,000	161,476	196,524
353,000	262,701	90,299	2,684,732	1,451,622	1,233,110			
			1,420	1,002	418			
353,000	262,701	90,299	2,686,152	1,452,624	1,233,528	358,000	161,476	196,524
26,000	154,474	128,474	(587,196)	(531,218)	55,978	(177,000)	29,391	206,391
			587,196	531,218	(55,978)	(30,493)	(5,000)	25,493
			587,196	531,218	(55,978)	(30,493)	(5,000)	25,493
\$26,000	154,474	\$128,474	\$ -		\$ -	(\$207,493)	24,391	\$231,884
	1,012,887						1,263,880	
	\$1,167,361			\$ -			\$1,288,271	

(Continued)



City of Alameda
 Budgeted Non-Major Funds
 Combining Schedules of Revenues, Expenditures
 and Changes in Fund Balances
 Budget and Actual
 for the year ended June 30, 2014

	ATHLETIC RECREATION			GRANTS FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits				\$1,875	\$500	(\$1,375)
Revenue from other agencies	\$20,000	\$44,231	\$24,231	2,022,904	1,543,774	(479,130)
Charges for current services	1,874,000	2,124,651	250,651			
Fines and forfeitures						
Use of money and property	448,977	561,968	112,991	2,893	4,186	1,293
Other	55,879	207,101	151,222	52,026	1,413	(50,613)
Total Revenues	2,398,856	2,937,951	539,095	2,079,698	1,549,873	(529,825)
EXPENDITURES						
Current:						
General government	3,878,940	3,380,372	498,568			
Public safety				1,300,000	1,197,114	102,886
Public works						
Community Development						
Community Services						
Housing				453,393	140,317	313,076
Capital outlay				153,094	248,643	(95,549)
Debt service:						
Principal						
Interest		(1,154)	1,154			
Total Expenditures	3,878,940	3,379,218	499,722	1,906,487	1,586,074	320,413
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,480,084)	(441,267)	1,038,817	173,211	(36,201)	(209,412)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,909,871	1,379,880	(529,991)	84,541	84,549	8
Transfers (out)	(2,065,622)	(1,493,075)	572,547	(100,000)	(100,314)	(314)
Total Other Financing Sources (Uses)	(155,751)	(113,195)	42,556	(15,459)	(15,765)	(306)
NET CHANGE IN FUND BALANCE	(\$1,635,835)	(554,462)	\$1,081,373	\$157,752	(51,966)	(\$209,718)
BEGINNING FUND BALANCES (DEFICITS)		3,294,539			485,475	
ENDING FUND BALANCES (DEFICITS)		\$2,740,077			\$433,509	

WASTE REDUCTION SURCHARGE			MAINTENANCE ASSESSMENT DISTRICTS			VEHICLE REGISTRATION FEE		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			\$1,877,684	\$2,102,615	\$224,931			
\$248,279	\$247,628	(\$651)				\$265,000	\$326,372	\$61,372
352,000	382,352	30,352						
24,249	30,462	6,213	19,389	39,404	20,015	2,000	5,313	3,313
2,751	114,696	111,945						
<u>627,279</u>	<u>775,138</u>	<u>147,859</u>	<u>1,897,073</u>	<u>2,142,019</u>	<u>244,946</u>	<u>267,000</u>	<u>331,685</u>	<u>64,685</u>
			631,000	469,090	161,910			
1,180,000	840,637	339,363	1,827,000	1,186,859	640,141			
4,000	968	3,032	15,000		15,000			
<u>1,184,000</u>	<u>841,605</u>	<u>342,395</u>	<u>2,473,000</u>	<u>1,655,949</u>	<u>817,051</u>			
<u>(556,721)</u>	<u>(66,467)</u>	<u>490,254</u>	<u>(575,927)</u>	<u>486,070</u>	<u>1,061,997</u>	<u>267,000</u>	<u>331,685</u>	<u>64,685</u>
			212,195	31,116	(181,079)			
			(835,955)	(368,004)	467,951	(600,000)	(200,000)	400,000
			(623,760)	(336,888)	286,872	(600,000)	(200,000)	400,000
<u>(\$556,721)</u>	<u>(66,467)</u>	<u>\$490,254</u>	<u>(\$1,199,687)</u>	<u>149,182</u>	<u>\$1,348,869</u>	<u>(\$333,000)</u>	<u>131,685</u>	<u>\$464,685</u>
	<u>3,281,260</u>			<u>4,443,457</u>			<u>644,150</u>	
	<u>\$3,214,793</u>			<u>\$4,592,639</u>			<u>\$775,835</u>	

(Continued)



City of Alameda
 Budgeted Non-Major Funds
 Combining Schedules of Revenues, Expenditures
 and Changes in Fund Balances
 Budget and Actual
 for the year ended June 30, 2014

	BASE REUSE DEBT SERVICE			CONSTRUCTION IMPACT FEE		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes				\$187,000	\$651,817	\$464,817
Licenses and permits				11,500	45,585	34,085
Revenue from other agencies				37,865	5,750	(32,115)
Charges for current services						
Fines and forfeitures						
Use of money and property		\$1,585	\$1,585	4,313	8,778	4,465
Other						
Total Revenues		1,585	1,585	240,678	711,930	471,252
EXPENDITURES						
Current:						
General government				3,000	4,839	(1,839)
Public safety						
Public works						
Community Development						
Community Services						
Housing				38,000	8,627	29,373
Capital outlay						
Debt service:						
Principal	\$300,000	300,000				
Interest	50,000	22,987	27,013			
Total Expenditures	350,000	322,987	27,013	41,000	13,466	27,534
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(350,000)	(321,402)	28,598	199,678	698,464	498,786
OTHER FINANCING SOURCES (USES)						
Transfers in	300,000	150,000	(150,000)	231,000	231,000	
Transfers (out)				(1,188,192)	(270,683)	917,509
Total Other Financing Sources (Uses)	300,000	150,000	(150,000)	(957,192)	(39,683)	917,509
NET CHANGE IN FUND BALANCE	<u>(\$50,000)</u>	<u>(171,402)</u>	<u>(\$121,402)</u>	<u>(\$757,514)</u>	658,781	<u>\$1,416,295</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>214,636</u>			<u>860,875</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$43,234</u>			<u>\$1,519,656</u>	

STREETS/TRANSPORTATION			CITYWIDE DEVELOPMENT FEE			URBAN RUNOFF STORM DRAIN FEE		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$460,000	\$437,726	(\$22,274)				\$2,124,875	\$2,109,515	(\$15,360)
34,000	14,100	(19,900)	\$11,668	\$289,553	\$277,885			
26,500	52,468	25,968				75,000	46,845	(28,155)
14,148	18,232	4,084	13,571	29,425	15,854	43,577	70,324	26,747
673		(673)	1,051		(1,051)	1,125	300	(825)
<u>535,321</u>	<u>522,526</u>	<u>(12,795)</u>	<u>26,290</u>	<u>318,978</u>	<u>292,688</u>	<u>2,244,577</u>	<u>2,226,984</u>	<u>(17,593)</u>
2,000	2,000							
500,000	500,000							
203,000	121,847	81,153						
23,220	22,980	240	100,000	57,280	42,720	2,579,844	2,112,222	467,622
<u>728,220</u>	<u>646,827</u>	<u>81,393</u>	<u>100,000</u>	<u>57,280</u>	<u>42,720</u>	<u>2,579,844</u>	<u>2,112,222</u>	<u>467,622</u>
(192,899)	(124,301)	68,598	(73,710)	261,698	335,408	(335,267)	114,762	450,029
191,000	108,465	(82,535)				368,945	268,744	(100,201)
(33,000)	(33,000)		(2,110,578)	(111,106)	1,999,472	(5,704,598)	(542,063)	5,162,535
<u>158,000</u>	<u>75,465</u>	<u>(82,535)</u>	<u>(2,110,578)</u>	<u>(111,106)</u>	<u>1,999,472</u>	<u>(5,335,653)</u>	<u>(273,319)</u>	<u>5,062,334</u>
<u>(\$34,899)</u>	<u>(48,836)</u>	<u>(\$13,937)</u>	<u>(\$2,184,288)</u>	150,592	<u>\$2,334,880</u>	<u>(\$5,670,920)</u>	(158,557)	<u>\$5,512,363</u>
	<u>2,222,927</u>			<u>3,276,323</u>			<u>7,797,766</u>	
	<u>\$2,174,091</u>			<u>\$3,426,915</u>			<u>\$7,639,209</u>	

(Continued)



City of Alameda
 Budgeted Non-Major Funds
 Combining Schedules of Revenues, Expenditures
 and Changes in Fund Balances
 Budget and Actual
 for the year ended June 30, 2014

	MAINTENANCE ASSESSMENT DISTRICT CAPITAL PROJECTS			EMERGENCY OPERATIONS CENTER CAPITAL PROJECTS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services						
Fines and forfeitures						
Use of money and property	\$14,074	\$23,581	\$9,507		\$114	\$114
Other	364		(364)			
Total Revenues	14,438	23,581	9,143		114	114
EXPENDITURES						
Current:						
General government						
Public safety						
Public works						
Community Development						
Community Services						
Housing						
Capital outlay	204,000	7,876	196,124			
Debt service:						
Principal						
Interest						
Total Expenditures	204,000	7,876	196,124			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(189,562)	15,705	205,267		114	114
OTHER FINANCING SOURCES (USES)						
Transfers in				\$3,000,000	3,016,457	16,457
Transfers (out)	(1,699,000)	(652,360)	1,046,640			
Total Other Financing Sources (Uses)	(1,699,000)	(652,360)	1,046,640	3,000,000	3,016,457	16,457
NET CHANGE IN FUND BALANCE	(\$1,888,562)	(636,655)	\$1,251,907	\$3,000,000	3,016,571	\$16,571
BEGINNING FUND BALANCES (DEFICITS)		2,974,044				
ENDING FUND BALANCES (DEFICITS)		\$2,337,389			\$3,016,571	

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 departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

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

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.

Risk Management 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
 Internal Service Funds
 Combining Statement of Net Position
 June 30, 2014

	<u>Equipment Replacement</u>	<u>Central Services</u>	<u>Fleet Maintenance</u>	<u>Technology Services</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$3,523,977	\$84,573	\$175,845	\$1,359,384
Accounts receivable	67,306			
Total Current Assets	<u>3,591,283</u>	<u>84,573</u>	<u>175,845</u>	<u>1,359,384</u>
Noncurrent Assets:				
Restricted cash and investments	180,792			
Capital assets, depreciable, net	5,671,594			146,470
Total Non-current Assets	<u>5,852,386</u>			<u>146,470</u>
Total Assets	<u>9,443,669</u>	<u>84,573</u>	<u>175,845</u>	<u>1,505,854</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	1,107			52,855
Interest payable	90,891			
Refundable deposits				
Unearned revenue	9			
Claims payable:				
Due within one year				
Equipment lease payable:				
Due within one year	460,681			
Total Current Liabilities	<u>552,688</u>			<u>52,855</u>
Long-Term Liabilities:				
Claims payable:				
Due in more than one year				
Equipment purchase agreement	4,311,419			
Total Long-Term Liabilities	<u>4,311,419</u>			
NET POSITION				
Net investment in capital asset	899,494			146,470
Unrestricted	3,680,068	84,573	175,845	1,306,529
Total Net Position (Deficits)	<u>\$4,579,562</u>	<u>\$84,573</u>	<u>\$175,845</u>	<u>\$1,452,999</u>

<u>Facilities Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>Risk Management Insurance</u>	<u>Unemployment Insurance</u>	<u>OPEB/Vacation</u>	<u>Total</u>
\$1,945,927	\$4,734,863 35,184	\$3,147,154	\$367,734	\$3,521,030 175	\$18,860,487 102,665
<u>1,945,927</u>	<u>4,770,047</u>	<u>3,147,154</u>	<u>367,734</u>	<u>3,521,205</u>	<u>18,963,152</u>
	325,000	50,000		25,000	580,792 5,818,064
	<u>325,000</u>	<u>50,000</u>		<u>25,000</u>	<u>6,398,856</u>
<u>1,945,927</u>	<u>5,095,047</u>	<u>3,197,154</u>	<u>367,734</u>	<u>3,546,205</u>	<u>25,362,008</u>
	222,638	216,006		3,775	496,381 90,891 24,058 9
	4,125,285	55,020			4,180,305
					<u>460,681</u>
	<u>4,347,923</u>	<u>295,084</u>		<u>3,775</u>	<u>5,252,325</u>
	3,531,658	2,180,358			5,712,016 4,311,419
	<u>3,531,658</u>	<u>2,180,358</u>			<u>10,023,435</u>
<u>1,945,927</u>	<u>(2,784,534)</u>	<u>721,712</u>	<u>367,734</u>	<u>3,542,430</u>	1,045,964 9,040,284
<u>\$1,945,927</u>	<u>(\$2,784,534)</u>	<u>\$721,712</u>	<u>\$367,734</u>	<u>\$3,542,430</u>	<u>\$10,086,248</u>



City of Alameda
 Internal Service Funds
 Combining Statement of Revenues, Expenses and
 Changes in Fund Net Position
 For the year ended June 30, 2014

	<u>Equipment Replacement</u>	<u>Central Services</u>	<u>Fleet Maintenance</u>	<u>Technology Services</u>
OPERATING REVENUES				
Charges for services				\$262,776
Miscellaneous	\$1,301,034			
Total Operating Revenues	<u>1,301,034</u>			<u>262,776</u>
OPERATING EXPENSES				
General administrative	207,607			53,860
Wages and benefits				
Insurance				
Contractual services	3,797			66,319
Supplies and maintenance	12,821			
Depreciation	920,635			36,617
Total Operating Expenses	<u>1,144,860</u>			<u>156,796</u>
Operating Income (Loss)	<u>156,174</u>			<u>105,980</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	30,065	\$452	\$2,882	11,561
Total Nonoperating Revenues (Expenses)	<u>30,065</u>	<u>452</u>	<u>2,882</u>	<u>11,561</u>
Income (Loss) Before Transfers	<u>186,239</u>	<u>452</u>	<u>2,882</u>	<u>117,541</u>
Transfers in	193,004			
Transfers (out)			(96,996)	(79,656)
Net Transfers	<u>193,004</u>		<u>(96,996)</u>	<u>(79,656)</u>
Change in Net Position	379,243	452	(94,114)	37,885
BEGINNING NET POSITION (DEFICITS)	<u>4,200,319</u>	<u>84,121</u>	<u>269,959</u>	<u>1,415,114</u>
ENDING NET POSITION (DEFICITS)	<u>\$4,579,562</u>	<u>\$84,573</u>	<u>\$175,845</u>	<u>\$1,452,999</u>

<u>Facilities Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>Risk Management Insurance</u>	<u>Unemployment Insurance</u>	<u>OPEB/Vacation</u>	<u>Total</u>
	\$2,744,074	\$1,964,264	\$252,310	\$3,495,399	\$8,718,823
\$744,024				17,394	2,062,452
744,024	2,744,074	1,964,264	252,310	3,512,793	10,781,275
					261,467
	39		105,228	101,290	206,557
	2,407,858	771,726		2,632,241	5,811,825
	137,850	681,344	1,620	34,712	925,642
1,012		60,850			74,683
					957,252
1,012	2,545,747	1,513,920	106,848	2,768,243	8,237,426
743,012	198,327	450,344	145,462	744,550	2,543,849
10,760	(2,807)	(1,866)	(216)	13,816	64,647
10,760	(2,807)	(1,866)	(216)	13,816	64,647
753,772	195,520	448,478	145,246	758,366	2,608,496
				941,004	1,134,008
					(176,652)
				941,004	957,356
753,772	195,520	448,478	145,246	1,699,370	3,565,852
1,192,155	(2,980,054)	273,234	222,488	1,843,060	6,520,396
\$1,945,927	(\$2,784,534)	\$721,712	\$367,734	\$3,542,430	\$10,086,248



City of Alameda
 Internal Service Funds
 Combining Statement of Cash Flows
 For the year ended June 30, 2014

	<u>Equipment Replacement</u>	<u>Central Services</u>	<u>Fleet Maintenance</u>	<u>Technology Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$1,282,549		\$17,983	\$262,776
Payments to suppliers	(21,876)			(16,955)
Payments to employees	(207,607)			(53,860)
Claims paid				
	<u>1,053,066</u>		<u>17,983</u>	<u>191,961</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund payments				
Transfers In (out)	193,004		(96,996)	(79,656)
	<u>193,004</u>		<u>(96,996)</u>	<u>(79,656)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	(894,952)			
Equipment purchase agreement proceeds	140,000			
Principal payments on capital debt	(453,663)			
	<u>(1,208,615)</u>			
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in restricted investments	246,610			
Interest income	30,065	\$452	2,882	11,561
	<u>276,675</u>	<u>452</u>	<u>2,882</u>	<u>11,561</u>
Net Cash Flows	314,130	452	(76,131)	123,866
Cash and investments at beginning of period	<u>3,209,847</u>	<u>84,121</u>	<u>251,976</u>	<u>1,235,518</u>
Cash and investments at end of period	<u>\$3,523,977</u>	<u>\$84,573</u>	<u>\$175,845</u>	<u>\$1,359,384</u>
Reconciliation of operating income (loss) to net cash flows				
Operating income (loss)	\$156,174			\$105,980
Adjustments to reconcile operating income to cash flows from operating activities:				
Depreciation	920,635			36,617
Change in assets and liabilities:				
Accounts receivable and refundable deposits	(18,494)		\$17,983	
Accounts payable	(5,258)			49,364
Compensated absences				
Claims payable				
Deferred revenue	9			
	<u>9</u>			
Cash Flows from Operating Activities	<u>\$1,053,066</u>	<u>\$ -</u>	<u>\$17,983</u>	<u>\$191,961</u>

<u>Facilities Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>Risk Management Insurance</u>	<u>Unemployment Insurance</u>	<u>OPEB/Vacation</u>	<u>Total</u>
\$744,024	\$2,818,122	\$2,056,505	\$255,980	\$3,522,881	\$10,960,820
(1,012)	(151,033)	(629,751)	(1,620)	(2,664,741)	(3,486,988)
	(39)		(105,228)	(101,290)	(468,024)
	<u>(2,217,319)</u>	<u>(498,152)</u>			<u>(2,715,471)</u>
<u>743,012</u>	<u>449,731</u>	<u>928,602</u>	<u>149,132</u>	<u>756,850</u>	<u>4,290,337</u>
				(3,079)	(3,079)
				941,004	957,356
				937,925	954,277
					(894,952)
					140,000
					<u>(453,663)</u>
					(1,208,615)
		(50,000)		(25,000)	171,610
10,760	<u>(2,807)</u>	<u>(1,866)</u>	<u>(216)</u>	<u>13,816</u>	<u>64,647</u>
10,760	<u>(2,807)</u>	<u>(51,866)</u>	<u>(216)</u>	<u>(11,184)</u>	<u>236,257</u>
753,772	446,924	876,736	148,916	1,683,591	4,272,256
1,192,155	4,287,939	2,270,418	218,818	1,837,439	14,588,231
<u>\$1,945,927</u>	<u>\$4,734,863</u>	<u>\$3,147,154</u>	<u>\$367,734</u>	<u>\$3,521,030</u>	<u>\$18,860,487</u>
\$743,012	\$198,327	\$450,344	\$145,462	\$744,550	\$2,543,849
					957,252
	74,048	92,241	3,670	10,088	179,536
	(13,183)	112,443		2,212	145,578
	190,539	273,574			464,113
					9
<u>\$743,012</u>	<u>\$449,731</u>	<u>\$928,602</u>	<u>\$149,132</u>	<u>\$756,850</u>	<u>\$4,290,337</u>



GASB Statement 34 requires that Private Purpose, Pension Funds and Agency Funds be presented separately from the Government-wide and Fund financial statements.

Private Purpose Trust Funds

Successor Agency Special Revenue Fund

This fund accounts for the operations of the agency.

Successor Agency Capital Projects Fund

This fund accounts for capital projects of the agency.

Successor Agency Debt Service Fund

This fund accounts for the debt service related payments of the agency.

Pension Trust Funds

Pension Trust Funds are used to report and account for resources that are required to be held in trust for the members and beneficiaries of the City's defined benefit pension plan.

Police and Fire Pension #1079

This fund accounts for the resources accumulated for the payment of pension benefits enacted under Plan 1079.

Police and Fire Pension #1082

This fund accounts for the resources accumulated for the payment of pension benefits enacted under Plan 1082.

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.

Mastick Senior Center Trust Fund

This fund accounts for assets held for the Mastick Senior Center Advisory Board to provide services and facilities which enhance the quality of life for senior citizens. This fund was closed in fiscal year 2013-14.



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>
ASSETS			
Restricted cash and investments	<u>\$74,755</u>	<u>\$182</u>	<u>\$74,937</u>
Total Assets	<u>\$74,755</u>	<u>\$182</u>	<u>\$74,937</u>
NET POSITION			
Restricted for:			
Employees' pension benefits	<u>\$74,755</u>	<u>\$182</u>	<u>\$74,937</u>
Net Position	<u>\$74,755</u>	<u>\$182</u>	<u>\$74,937</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	1,840,595	46,069	1,886,664
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><u>\$74,755</u></u>	<u><u>\$182</u></u>	<u><u>\$74,937</u></u>



City of Alameda
 Successor Agency Private Purpose Trust Funds
 Combining Statements Of Net Position
 June 30, 2014

	PRIVATE PURPOSE TRUST FUNDS			Total
	Successor Agency Special Revenue	Successor Agency Debt Service	Successor Agency Capital Project	
ASSETS				
Cash and cash equivalents	\$10,742,317			\$10,742,317
Restricted cash and investments	8,158,595			8,158,595
Total Assets	\$18,900,912	\$ -	\$ -	\$18,900,912
LIABILITIES				
Accounts payable	\$810,251			\$810,251
Accrued payroll	228			228
Interest payable	1,418,185			1,418,185
Payable to the Housing Authority	26,567			26,567
Long term debt:				
Due within one year	1,850,000			1,850,000
Due in more than one year	67,567,207			67,567,207
Total Liabilities	71,672,438			71,672,438
NET POSITION				
Held in trust for private purpose	(\$52,771,526)	\$ -	\$ -	(\$52,771,526)



City of Alameda
 Successor Agency Private Purpose Trust Funds
 Combining Statements of Changes in Net Position
 For the year ended June 30, 2014

	PRIVATE PURPOSE TRUST FUNDS			TOTALS
	Successor Agency Special Revenue	Successor Agency Debt Service	Successor Agency Capital Project	
ADDITIONS				
Property taxes	\$8,076,432			\$8,076,432
Use of money and property	125,044	\$24		125,068
Transfer from Successor Agency Special Revenue Fund		64,455,574		64,455,574
Other	1			1
Total Additions	8,201,477	64,455,598		72,657,075
DEDUCTIONS				
Administration	148,142			148,142
Contractual services	4,450,781			4,450,781
Transfer to Successor Agency Debt Service Fund	64,445,685			64,445,685
Transfer to Successor Agency Capital Projects Fund			\$9,889	9,889
Community development expense	500,000			500,000
Debt service:				
Interest and fiscal charges	4,203,094	39		4,203,133
Total Deductions	73,747,702	39	9,889	73,757,630
CHANGES IN NET POSITION	(65,546,225)	64,455,559	(9,889)	(1,100,555)
NET POSITION				
Beginning of year	12,774,699	(64,455,559)	9,889	(51,670,971)
End of year	<u>(\$52,771,526)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$52,771,526)</u>



City of Alameda
 Agency Funds
 Statement of Changes in Assets and Liabilities
 For the year ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>Assessment Districts</u>				
<u>Assets</u>				
Restricted cash and investments	\$8,548,193	\$2,090,551	\$4,091,228	\$6,547,516
Accounts receivable	15,908	17,459	15,908	17,459
Interest receivable		14		14
Total Assets	<u>\$8,564,101</u>	<u>\$2,108,024</u>	<u>\$4,107,136</u>	<u>\$6,564,989</u>
<u>Liabilities</u>				
Accounts payable	\$511,674	\$1,696	\$511,674	\$1,696
Interest payable		127,500		127,500
Due to bondholders	8,052,427	1,978,828	3,595,462	6,435,793
Total Liabilities	<u>\$8,564,101</u>	<u>\$2,108,024</u>	<u>\$4,107,136</u>	<u>\$6,564,989</u>
<u>Mastick Senior Center</u>				
<u>Assets</u>				
Restricted cash and investments	\$432,308		\$432,308	
Total Assets	<u>\$432,308</u>		<u>\$432,308</u>	
<u>Liabilities</u>				
Due to members	\$432,308		\$432,308	
Total Liabilities	<u>\$432,308</u>		<u>\$432,308</u>	
<u>Totals All Agency Funds</u>				
<u>Assets</u>				
Restricted cash and investments	\$8,980,501	\$2,090,551	\$4,523,536	\$6,547,516
Accounts receivable	15,908	17,459	15,908	17,459
Interest receivable		14		14
Total Assets	<u>\$8,996,409</u>	<u>\$2,108,024</u>	<u>\$4,539,444</u>	<u>\$6,564,989</u>
<u>Liabilities</u>				
Accounts payable	\$511,674	\$1,696	\$511,674	\$1,696
Interest payable		127,500		127,500
Due to members	432,308		432,308	
Due to bondholders	8,052,427	1,978,828	3,595,462	6,435,793
Total Liabilities	<u>\$8,996,409</u>	<u>\$2,108,024</u>	<u>\$4,539,444</u>	<u>\$6,564,989</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. Basic 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 Fund Debt Coverage
6. 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)



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	\$124,741,406	\$149,626,890	\$158,716,508	\$169,776,636	\$169,927,104	\$179,200,175	\$173,302,089	\$249,436,223	\$234,318,345	\$248,976,617
Restricted	116,647,178	102,723,054	79,816,104	86,336,351	86,483,930	81,018,431	81,525,686	57,906,023	65,063,180	64,148,556
Unrestricted	(40,784,740)	(18,104,392)	13,312,902	8,764,362	16,106,522	17,744,797	21,985,164	17,632,805	27,586,926	22,934,963
Total governmental activities net assets	\$200,603,844	\$234,245,552	\$251,845,514	\$264,877,349	\$272,517,556	\$277,963,403	\$276,812,939	\$324,975,051	\$326,968,451	\$336,060,136
Business-type activities										
Invested in capital assets, net of related debt	\$41,430,248	\$41,606,226	\$41,973,568	\$42,515,505	\$44,928,147	\$45,131,483	\$39,458,176	\$44,169,706	\$32,309,753	\$36,408,147
Restricted	1,106,890	1,145,471							29,374,748	29,591,239
Unrestricted	19,470,915	19,401,658	19,774,563	20,318,503	17,184,286	18,336,223	19,025,625	18,085,254		
Total business-type activities net assets	\$62,008,053	\$62,153,355	\$61,748,131	\$62,834,008	\$62,112,433	\$63,467,706	\$58,483,801	\$62,254,960	\$61,684,501	\$65,999,386
Primary government										
Invested in capital assets, net of related debt	\$166,171,654	\$191,233,116	\$200,690,076	\$212,292,141	\$214,855,251	\$224,331,658	\$213,414,695	\$293,605,929	\$266,628,098	\$285,384,764
Restricted	117,754,068	103,868,525	79,816,104	86,336,351	86,483,930	81,018,431	81,525,686	57,906,023	94,437,928	\$93,739,795
Unrestricted	(21,313,825)	1,297,266	33,087,465	29,082,865	33,290,808	36,081,020	39,344,911	35,718,059	27,586,926	\$22,934,963
Total primary government net assets	\$262,611,897	\$296,398,907	\$313,593,645	\$327,711,357	\$334,629,989	\$341,431,109	\$334,285,292	\$387,230,011	\$388,652,952	\$402,059,522

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,			
	2005	2006	2007	2008
Expenses				
Governmental Activities:				
General Government	\$15,395,113	\$17,477,965	\$20,160,089	\$13,942,578
Police	22,074,065	25,255,793	25,632,978	26,769,167
Fire	19,667,256	20,520,453	23,911,788	24,645,039
Public Works	13,990,352	5,374,200	4,465,955	12,628,974
Community Development	17,920,317	14,093,939	22,986,738	19,189,329
Community Services	6,758,918	7,114,677	7,730,394	8,275,998
Housing	4,687,684	3,395,317	5,802,261	6,668,775
Interest on Long-Term Debt	6,429,215	5,918,480	6,307,727	6,351,470
Total Governmental Activities Expenses	<u>106,922,920</u>	<u>99,150,824</u>	<u>116,997,930</u>	<u>118,471,330</u>
Business-Type Activities:				
Ferry Services	3,539,277	3,478,994	3,274,613	4,469,475
Golf Course	4,400,252	4,508,404	4,645,595	5,009,337
Sewer Service	3,632,512	3,756,084	4,244,145	4,320,760
Total Business-Type Activities Expenses	<u>11,572,041</u>	<u>11,743,482</u>	<u>12,164,353</u>	<u>13,799,572</u>
Total Primary Government Expenses	<u>\$118,494,961</u>	<u>\$110,894,306</u>	<u>\$129,162,283</u>	<u>\$132,270,902</u>
Component Units:				
Housing Authority	\$25,742,559	\$23,458,406	\$25,890,669	\$25,717,763
Power & Telecom	57,956,365	60,987,054	63,267,230	61,075,579
Total Component Units	<u>\$83,698,924</u>	<u>\$84,445,460</u>	<u>\$89,157,899</u>	<u>\$86,793,342</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$13,294,972	\$13,804,737	\$13,697,081	\$5,244,071
Police	190,052	217,551	179,212	918,369
Fire	90,640	79,718		1,917,703
Public Works	782,578	848,390	1,488,380	7,149,848
Community Development	11,891,979	12,395,013	13,265,740	12,520,166
Community Services	2,581,142	2,926,120	1,940,528	2,396,147
Housing				438,278
Operating Grants and Contributions	8,170,805	16,571,222	14,350,320	12,969,596
Capital Grants and Contributions	10,946,725	15,576,210	11,063,279	5,535,687
Total Government Activities Program Revenues	<u>47,948,893</u>	<u>62,418,961</u>	<u>55,984,540</u>	<u>49,089,865</u>
Business-Type Activities:				
Charges for Services:				
Ferry Services			17,726	
Golf Course	4,259,968	3,859,518	4,226,422	4,187,705
Sewer Service	5,356,564	5,252,893	5,667,296	5,826,652
Operating Grants and Contributions	6,683,481	2,279,492	1,990,515	3,000,763
Total Business-Type Activities Program Revenue	<u>16,300,013</u>	<u>11,391,903</u>	<u>11,884,233</u>	<u>13,015,120</u>
Total Primary Government Program Revenues	<u>\$64,248,906</u>	<u>\$73,810,864</u>	<u>\$67,868,773</u>	<u>\$62,104,985</u>
Component Units:				
Charges for Services:				
Housing Authority	\$3,366,326	\$3,162,738	\$3,368,311	\$3,294,371
Power & Telecom	58,103,776	61,937,553	60,552,680	61,857,720
Operating Grants and Contributions	22,357,796	24,594,124	27,623,882	21,419,640
Total Component Units Program Revenues	<u>\$83,827,898</u>	<u>\$89,694,415</u>	<u>\$91,544,873</u>	<u>\$86,571,731</u>
Net (Expense)/Revenue				
Governmental Activities	(\$58,974,027)	(\$36,731,863)	(\$61,013,390)	(\$69,381,465)
Business-Type Activities	4,727,972	(351,579)	(262,394)	(784,452)
Component Units Activities	128,974	5,248,955	2,386,974	(221,611)
Total Primary Government Net Expense	<u>(\$54,246,055)</u>	<u>(\$31,834,487)</u>	<u>(\$58,888,810)</u>	<u>(\$70,387,528)</u>

Source: City Finance Department

2009	2010	2011	2012	2013	2014
\$11,725,432	\$15,456,715	\$18,188,575	\$15,237,357	\$13,569,619	\$15,040,701
26,137,009	26,798,928	26,889,284	25,904,606	30,431,546	30,848,485
22,123,701	22,861,254	24,532,288	23,970,035	27,374,670	27,866,089
18,746,655	10,939,983	18,950,456	13,738,143	12,664,895	14,344,311
22,163,130	19,248,260	16,550,661	5,718,100	20,805,104	15,947,090
8,125,339	8,749,436	9,296,269	8,741,325	8,296,495	6,995,080
7,415,214	7,975,615	7,261,310	14,452,825	1,222,077	2,004,958
6,100,624	5,764,642	5,677,260	4,142,152	1,409,201	2,307,691
122,537,104	117,794,833	127,346,103	111,904,543	115,773,607	115,354,405
3,756,857	4,200,933	3,357,896			
4,380,267	3,914,763	3,917,153	3,814,979		
4,726,773	4,359,415	4,598,661	3,864,222	5,125,508	5,339,491
12,863,897	12,475,111	11,873,710	7,679,201	5,125,508	5,339,491
\$135,401,001	\$130,269,944	\$139,219,813	\$119,583,744	\$120,899,115	\$120,693,896
\$26,750,656	\$30,114,145	\$31,077,746			
61,522,873	56,686,475	50,902,652	\$54,520,590	\$53,896,090	\$50,466,129
\$88,273,529	\$86,800,620	\$81,980,398	\$54,520,590	\$53,896,090	\$50,466,129
\$6,202,753	\$7,065,225	\$8,378,706	\$6,899,450	\$7,507,538	\$9,820,809
1,211,316	1,196,533	1,248,344	1,181,455	1,125,359	1,772,066
2,528,403	2,459,169	1,875,008	2,156,989	2,625,040	2,242,200
7,135,253	5,234,368	6,743,825	6,694,970	7,329,147	6,915,488
12,050,332	9,628,742	9,628,742	9,261,637	9,717,218	10,267,249
2,328,111	2,600,886	2,643,386	2,771,489	3,477,649	3,238,812
6,816,299	7,401,177	7,753,440	9,898,631	7,434,721	6,416,506
4,307,127	6,703,662	8,305,292	5,111,573	3,504,228	3,188,964
42,579,594	42,289,762	46,576,743	43,976,194	42,720,945	43,862,094
		222			
4,161,463	3,768,555	3,546,251	3,958,933		
5,901,599	6,068,908	6,936,223	7,447,477	8,966,628	9,734,164
2,356,878	2,245,111	2,245,111			
12,419,940	12,082,574	12,727,807	11,406,410	8,966,628	9,734,164
\$54,999,534	\$54,372,336	\$59,304,550	\$55,382,604	\$51,687,573	\$53,596,258
\$3,369,634	\$2,957,381	2,959,697			
54,987,323	49,284,110	51,237,727	\$51,526,195	\$56,157,469	\$59,774,933
21,595,495	28,796,857	29,390,234			
\$79,952,452	\$81,038,348	\$83,587,658	\$51,526,195	\$56,157,469	\$59,774,933
(\$79,957,511)	(\$75,505,071)	(\$75,504,996)	(\$67,928,349)	(\$73,052,662)	(\$71,492,311)
(443,957)	(392,537)	1,027,225	3,727,584	3,841,120	4,394,673
(8,321,077)	(5,762,272)	1,607,260			
(\$88,722,545)	(\$81,659,880)	(\$72,870,511)	(\$64,200,765)	(\$69,211,542)	(\$67,097,638)



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

	For the Fiscal Year Ended June 30,			
	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property Taxes	\$19,007,465	\$21,332,157	\$26,137,534	\$27,413,398
Incremental property tax	8,956,569	11,178,320	12,266,563	14,043,703
Urban runoff special assessments	894,930	851,005	2,668,301	1,738,422
Sales Taxes	4,756,425	4,580,600	4,967,130	5,140,774
Utility Users Tax		8,328,131	8,702,101	9,301,200
Transfer Tax		6,601,412	4,177,736	3,389,197
Franchise Tax				1,605,512
Transient Occupancy Tax				1,088,342
Property Tax In-Lieu				1,654,175
Other Taxes	18,780,327	7,200,067	7,184,959	2,392,876
Motor Vehicle In-Lieu, Unrestricted	5,083,751	5,982,971	5,479,921	5,748,775
Use of Money and properties	2,898,323	2,695,888	5,897,661	8,066,247
Gain/Loss from disposal of capital assets				
Miscellaneous	3,435,857	1,215,942	345,906	1,427,356
Transfers	293,188	407,078	1,293,540	(596,677)
Extraordinary item				
Total Government Activities	64,106,835	70,373,571	79,121,352	82,413,300
Business-Type Activities:				
Use of Money and properties	486,455	646,149	1,004,169	1,126,277
Miscellaneous	2,008	257,810	146,541	147,375
Transfers	(293,188)	(407,078)	(1,293,540)	596,677
Total Business-Type Activities	195,275	496,881	(142,830)	1,870,329
Total Primary Government	\$64,302,110	\$70,870,452	\$78,978,522	\$83,009,977
Component Units Activities:				
Use of Money and properties	\$2,369,805	\$2,315,772	\$2,804,872	\$2,974,858
Miscellaneous				
Increase in value of certain NPCA projects and reserves				
Net Extraordinary Items				(32,097,496)
Total Component Units Activities	\$2,369,805	\$2,315,772	\$2,804,872	(\$29,122,638)
Change in Net Assets				
Governmental Activities	\$5,132,808	\$33,641,708	\$18,107,962	\$13,031,835
Business-Type Activities	4,923,247	145,302	(405,224)	1,085,877
Total Primary Government	\$10,056,055	\$33,787,010	\$17,702,738	\$14,117,712
Changes in Net Assets				
Component units Activities	\$2,498,779	\$7,564,727	\$5,191,846	(\$29,344,249)

Source: City Finance Department

2009	2010	2011	2012	2013	2,014
\$28,056,019	\$30,779,575	\$30,205,060	\$27,965,276	\$26,937,823	\$38,088,577
15,634,394	11,631,272	11,868,722	5,748,695		
1,857,611	1,897,652	1,886,557	1,844,180	1,842,568	
5,412,461	4,880,379	5,077,031	6,035,950	5,932,043	6,260,057
9,049,473	8,822,075	9,182,248	8,787,016	9,095,600	8,500,351
3,124,066	4,647,057	5,896,294	4,921,032	5,582,337	6,730,655
1,626,089	4,403,092	4,451,081	4,477,426	4,439,185	3,919,351
1,178,705	1,084,850	1,118,732	1,294,691	1,396,432	1,612,283
1,672,842	1,278,940	1,255,240	1,271,253	1,112,896	1,382,336
1,956,106	891,109	1,197,746	1,489,036	2,788,444	4,175,348
5,994,956	6,041,729	6,120,156	5,874,386	5,897,923	
6,843,179	3,836,073	5,059,361	617,852	4,039,370	5,068,924
4,090,462	742,404	4,080,095	5,803,134	1,531,218	4,428,117
1,101,353	(1,114,750)	(1,628,137)	207,258	269,538	417,997
			40,764,726		
<u>87,597,716</u>	<u>79,821,457</u>	<u>85,770,186</u>	<u>117,101,911</u>	<u>70,865,377</u>	<u>80,583,996</u>
730,441	348,032		192,687	33,149	337,908
93,294	285,028	(230,894)	58,146	5,495	301
(1,101,353)	1,114,750	1,628,137	(207,258)	(269,538)	(417,997)
<u>(277,618)</u>	<u>1,747,810</u>	<u>1,397,243</u>	<u>43,575</u>	<u>(230,894)</u>	<u>(79,788)</u>
<u>\$86,496,363</u>	<u>\$80,936,207</u>	<u>\$87,167,429</u>	<u>\$117,145,486</u>	<u>\$70,634,483</u>	<u>\$80,504,208</u>
\$1,744,742	\$356,673	\$1,965,040	\$119,699	\$98,920	\$86,293
	506,590	249,207	54,142	176,225	1,548,129
				1,447,092	(789,918)
25,251,400					
<u>\$26,996,142</u>	<u>\$863,263</u>	<u>\$2,214,247</u>	<u>\$173,841</u>	<u>\$1,722,237</u>	<u>\$844,504</u>
\$7,640,205	\$4,316,386	\$2,828,006	\$49,173,562	(\$2,187,285)	\$9,091,685
(721,575)	1,355,273	3,473,803	3,771,159	3,610,226	4,314,885
<u>\$6,918,630</u>	<u>\$5,671,659</u>	<u>\$6,301,809</u>	<u>\$52,944,721</u>	<u>\$1,422,941</u>	<u>\$13,406,570</u>
\$18,675,065	(\$4,899,009)	\$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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Pre-GASB 54 Classifications:										
Reserved	\$6,065,209	\$6,626,345	\$6,649,640	\$9,441,392	\$6,152,052	\$5,426,061				
Unreserved	16,048,586	17,947,381	16,171,215	10,252,721	15,362,069	16,223,164				
GASB 54 Classifications:										
Nonspendable							\$400,000	\$2,685,205	\$2,200,000	\$2,261,871
Restricted										
Committed							603,629	400,000		
Assigned							16,693,535	315,045		
Unassigned								19,618,518	21,293,014	29,071,830
Total General Fund	\$22,113,795	\$24,573,726	\$22,820,855	\$19,694,113	\$21,514,121	\$21,649,225	\$17,697,164	\$23,018,768	\$23,493,014	\$31,333,701
All Other Governmental Funds										
Pre-GASB 54 Classifications:										
Reserved	\$26,759,167	\$29,578,391	\$32,799,457	\$34,104,927	\$31,746,036	\$33,900,970				
Unreserved, reported in:										
Special revenue funds	40,171,866	38,923,405	31,494,061	20,831,848	36,849,864	32,037,363				
Capital project funds	18,531,330	14,420,484	13,068,955	28,887,337	17,242,412	14,178,257				
GASB 54 Classifications:										
Nonspendable							\$45,639,192	\$8,894	\$21,293,253	\$9,395
Restricted							36,594,620	24,442,662	36,907,806	23,349,158
Committed							10,965	35,055,243		40,790,003
Assigned							(9,200)		(657,163)	
Unassigned								(1,600,776)		
Total all other governmental funds	\$85,462,363	\$82,922,280	\$77,362,473	\$83,824,112	\$85,838,312	\$80,116,590	\$82,235,577	\$57,906,023	\$57,543,896	\$64,148,556

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)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues				
Property taxes	\$32,976,420	\$37,320,071	\$39,938,739	\$43,189,504
Other local taxes	24,120,443	27,682,138	26,125,551	25,463,825
Licenses and permits	3,664,147	4,316,809	4,281,863	3,792,899
Revenue from other agencies	22,233,324	35,629,270	29,797,193	24,321,452
Charges for current services	9,291,266	10,705,681	9,952,910	11,987,586
Fines and forfeitures	907,001	941,793	992,593	1,239,607
Use of money and property	15,444,762	15,791,585	18,624,311	20,264,478
Other	<u>3,550,257</u>	<u>1,168,243</u>	<u>1,437,521</u>	<u>1,795,035</u>
Total Revenues	<u>112,187,620</u>	<u>133,555,590</u>	<u>131,150,681</u>	<u>132,054,386</u>
Expenditures				
Current:				
General government	15,208,034	15,161,220	13,761,022	11,315,409
Police	21,986,900	24,563,122	25,244,920	26,544,338
Fire	18,898,538	22,795,320	23,634,196	24,338,086
Public Works	7,382,093	7,120,517	7,892,558	9,255,632
Community Development	15,319,311	12,677,375	28,512,408	24,230,719
Community Services	6,177,938	6,331,629	6,621,934	7,258,611
Culture and recreation				
Housing	6,400,799	4,369,609	6,249,589	7,075,267
Capital outlay	18,907,960	39,505,003	23,667,913	11,845,020
Debt service:				
Principal repayment	1,560,568	1,564,295	1,918,623	2,533,420
Interest and fiscal charges	<u>6,283,053</u>	<u>6,033,431</u>	<u>6,255,397</u>	<u>6,375,793</u>
Total Expenditures	<u>118,125,194</u>	<u>140,121,521</u>	<u>143,758,560</u>	<u>130,772,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,937,574)</u>	<u>(6,565,931)</u>	<u>(12,607,879)</u>	<u>1,282,091</u>
Other Financing Sources (Uses)				
Contribution from (to) other entities				
Transfers in	24,240,787	41,355,020	42,858,538	29,641,624
Transfers (out)	(24,244,606)	(41,077,819)	(41,588,363)	(30,614,587)
Sale of capital assets	23,443	5,176,704	25,026	25,769
Payment to escrow agent				
Bond issuance premium (discount) on debt				
Issuance of long-term debt	<u>84,200</u>	<u>1,031,874</u>	<u>4,000,000</u>	<u>3,000,000</u>
Total other financing sources (uses)	<u>103,824</u>	<u>6,485,779</u>	<u>5,295,201</u>	<u>2,052,806</u>
Extraordinary item				
Net Change in fund balances	<u>(\$5,833,750)</u>	<u>(\$80,152)</u>	<u>(\$7,312,678)</u>	<u>\$3,334,897</u>
Debt service as a percentage of noncapital expenditures	7.9%	7.6%	6.8%	8.0% (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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$45,548,024	\$44,308,500	\$44,304,076	\$36,215,189	\$30,299,428	\$40,030,928
24,588,234	27,032,505	29,209,243	28,731,775	29,441,266	31,532,635
3,361,091	3,172,848	3,389,609	2,962,194	3,220,082	3,649,220
19,408,936	19,354,972	18,584,868	15,017,173	15,017,173	8,383,901
10,264,260	12,252,283	12,102,124	16,992,163	16,992,163	16,881,772
1,463,269	1,434,684	1,350,974	1,498,967	1,712,558	1,940,326
20,329,314	17,208,171	17,595,184	16,284,321	16,284,321	17,130,340
4,516,237	791,233	5,454,018	3,716,012	1,366,611	4,638,439
<u>129,479,365</u>	<u>125,555,196</u>	<u>131,990,096</u>	<u>121,417,794</u>	<u>114,333,602</u>	<u>124,187,561</u>
13,114,355	9,756,226	4,130,188	8,505,007	13,996,654	14,807,500
25,770,329	26,749,247	27,612,111	27,697,939	28,538,108	28,767,165
22,932,133	22,589,195	24,297,287	23,735,534	23,262,699	24,269,387
10,198,469	4,682,917	6,324,136	5,045,594	4,320,452	4,432,334
19,673,992	19,288,336	22,899,662	17,959,889	17,828,779	14,920,522
7,006,083	7,738,644	8,292,609	8,358,813	6,704,716	5,755,718
				1,178,313	
8,117,536	10,060,973	8,460,735	14,513,011	2,051,269	2,282,435
11,212,641	15,527,159	17,392,517	12,969,550	13,306,766	12,836,513
7,479,565	2,569,040	3,169,360	2,844,360	1,710,214	17,866,048
6,099,165	5,675,982	5,732,593	3,700,852	1,431,642	2,398,071
<u>131,604,268</u>	<u>124,637,719</u>	<u>128,311,198</u>	<u>125,330,549</u>	<u>114,329,612</u>	<u>128,335,693</u>
<u>(2,124,903)</u>	<u>917,477</u>	<u>3,678,898</u>	<u>(3,912,755)</u>	<u>3,990</u>	<u>(4,148,132)</u>
		(1,347,013)			
39,525,272	16,789,896	20,625,790	22,598,326	13,236,792	19,087,597
(38,281,393)	(23,293,991)	(24,690,492)	(25,611,556)	(14,172,654)	(19,626,956)
21,507		735,000	8,213		
		(985,000)			
118,725		(125,326)			512,838
4,575,000		11,035,000			18,620,000
<u>5,959,111</u>	<u>(6,504,095)</u>	<u>5,247,959</u>	<u>(3,005,017)</u>	<u>(935,862)</u>	<u>18,593,479</u>
			(20,454,496)		
<u>\$3,834,208</u>	<u>(\$5,586,618)</u>	<u>\$8,926,857</u>	<u>(\$27,372,268)</u>	<u>(\$931,872)</u>	<u>\$14,445,347</u>

10.9% (a)

7.4% (a)

7.6% (a)

5.5% (a)

2.9% (a)

17.5% (a)



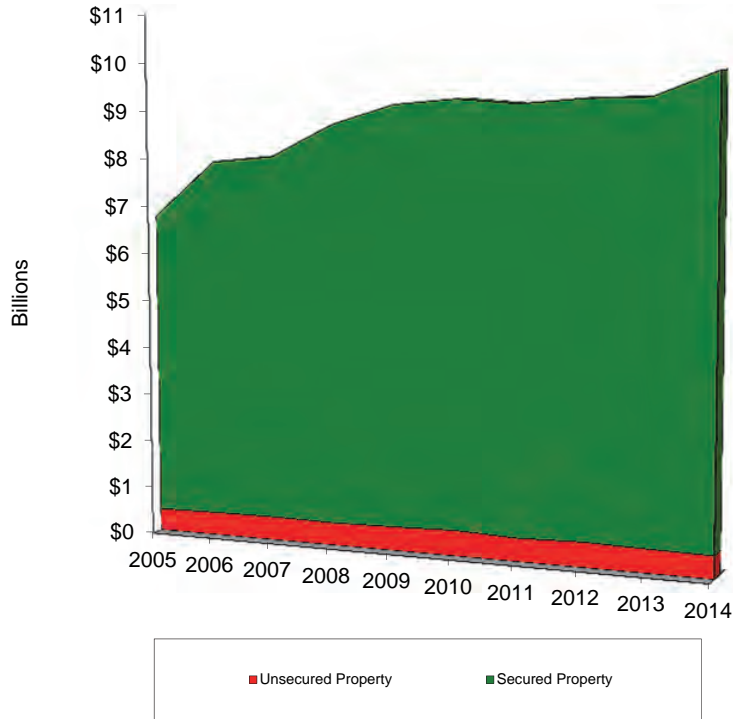
**City of Alameda
Basic Revenue Index (BRI)**

Object Series	Revenue Type	Calendar Year 2014 Wage Increase			Calendar Year 2015 Wage Increase			
		FY11-12	FY12-13	Value Change	FY13-14	Value Change	% Change	
31000/36801	General Fund Property Tax	\$ 28,107,415	\$ 28,932,041	\$ 824,626	\$ 31,960,530	\$ 3,028,489	2.9%	10.5%
32100	Bradley Burns Sales Tax	5,532,940	5,384,713	(148,227)	5,686,143	301,430	-2.7%	5.6%
32200	Property Transfer Tax	4,921,022	5,582,337	661,315	6,730,655	1,148,318	13.4%	20.6%
32300	Utility Users Tax	8,783,216	9,091,448	308,232	8,500,351	(591,097)	3.5%	-6.5%
32400	Transient Occupancy Tax	1,294,691	1,396,432	101,741	1,612,283	215,851	7.9%	15.5%
	TOTALS	\$48,639,284	\$50,386,971	\$1,747,687	\$54,489,962	\$4,102,991	3.6%	8.1%
	50% Of Total Increase applicable to Wage Increases						1.8%	4.1%
	Minimum/Maximum per MOUs			1.5% to 4.0%		2.0% to 5%		4.1%

BRI WAGE INCREASE EFFECTIVE JANUARY



**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
2005	\$6,316,942,645	7.70%	\$460,263,932	-5.13%	\$6,777,206,577
2006	7,469,413,342	18.24%	482,582,523	4.85%	7,432,630,955
2007	7,600,603,000	1.76%	493,333,000	2.23%	7,951,995,865
2008	8,299,483,280	9.20%	477,194,312	-3.27%	8,776,677,592
2009	8,699,660,252	4.82%	501,285,753	5.05%	9,226,664,742
2010	8,796,462,645	1.11%	536,786,045	7.08%	9,436,632,497
2011	8,767,561,741	-0.33%	486,282,942	-9.41%	9,284,599,251
2012	8,851,986,300	0.96%	524,614,003	2.00%	9,387,095,373
2013	8,927,046,504	0.85%	496,000,269	-5.45%	9,423,046,773
2014	9,472,636,207	6.11%	476,558,073	-3.92%	9,949,194,280

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



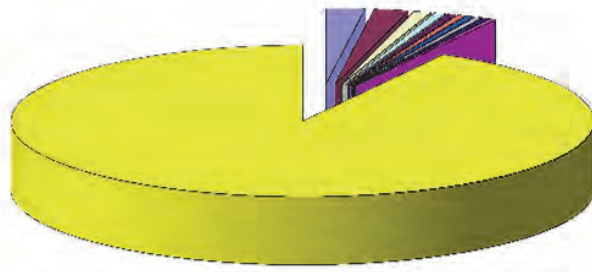
**City of Alameda
Property Tax Rates
All Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	Basic County Wide Levy (a)	City	Alameda Unified School Bonds	Alameda Unified School District	BART	Peralta College	Total
2005	1.0000	0.3330	0.0549	0.1960	0.0058	0.0280	1.2847
2006	1.0000	0.0255	0.0496	N/A	0.0050	0.0272	1.1073
2007	1.0000	0.0255	0.0496	N/A	0.0050	0.0272	1.1073
2008	1.0000	0.0247	0.0469	N/A	0.0076	0.0223	1.1015
2009	1.0000	0.0245	0.0479	N/A	0.0090	0.0362	1.1176
2010	1.0000	0.0245	0.0498	N/A	0.0057	0.0430	1.1230
2011	1.0000	0.0244	0.0520	N/A	0.0031	0.0430	1.1225
2012	1.0000	0.0249	0.0527	N/A	0.0041	0.0436	1.1253
2013	1.0000	0.0260	0.0553	0.0119	0.0043	0.0434	1.1409
2014	1.0000	0.0260	0.0534	0.0144	0.0075	0.0419	1.1432

Source: Alameda County Assessors Office

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

Current Year Taxpayers



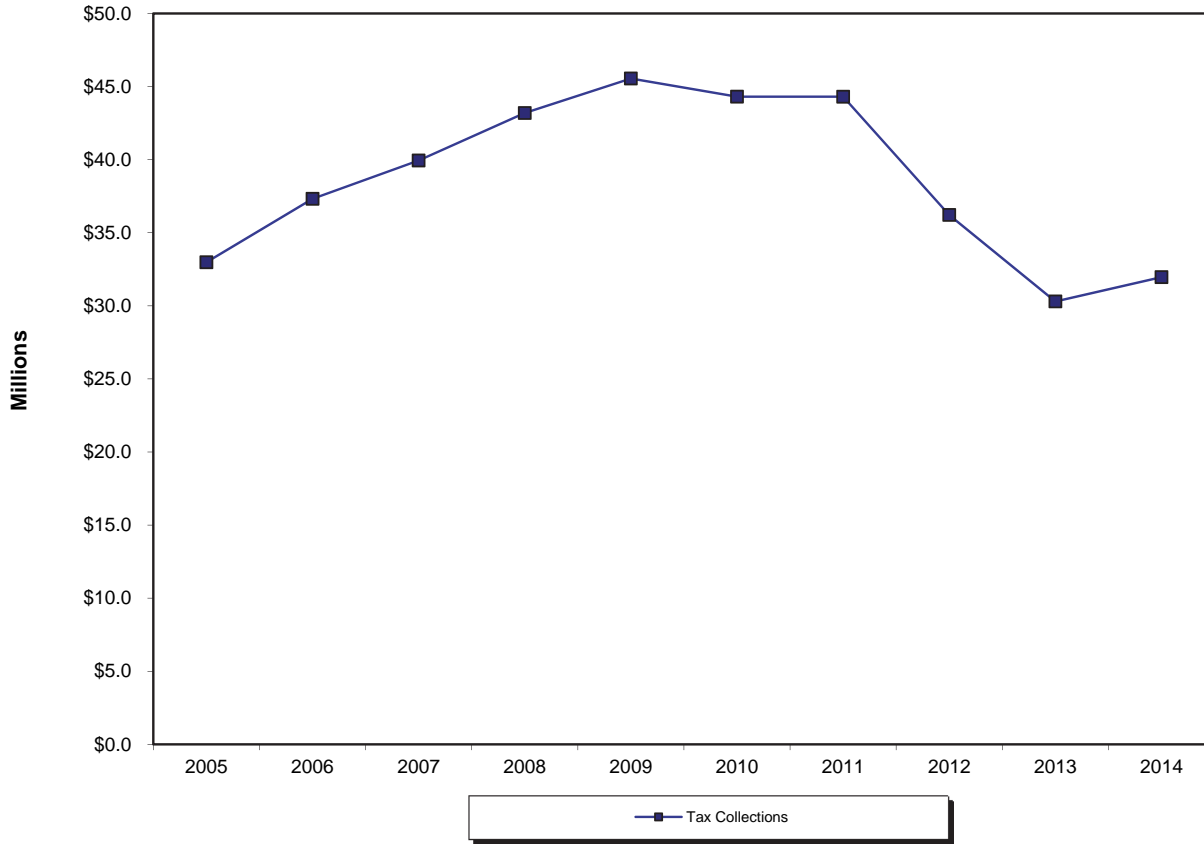
- Legacy Partners I Alameda LLC
- Jamestown Harsch Alameda
- KW Alameda LLC
- Wind River Systems Inc.
- Amstar-105 LLC
- SKS Harbor Bay Associates LLC
- Peet's Operating Company
- VF Outdoor Inc
- Crea Bridgeside LLC
- Whitney Equipment LLC
- Others

Taxpayer	2013-14			2004-05		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Legacy Partners I Alameda LLC	\$214,675,882	1	2.16%			
Jamestown Harsch Alameda	187,849,352	2	1.89%			
KW Alameda LLC	95,795,578	3	0.96%			
Wind River Systems Inc.	64,495,955	4	0.65%			
Amstar-105 LLC	46,920,000	5	0.47%	\$58,788,866	3	0.86%
SKS Harbor Bay Associates LLC	42,932,659	6	0.43%			
Peet's Operating Company	42,675,624	7	0.43%			
VF Outdoor Inc	39,035,127	8	0.39%			
Crea Bridgeside LLC	34,100,000	9	0.34%			
Whitney Equipment LLC	31,431,716	10	0.32%			
Alameda Real Estate Investment				212,941,134	1	3.10%
Harbor Way Acquisition LLC				72,083,400	2	1.05%
Limar Realty Corporation				50,127,837	4	0.73%
Harsch Investment Realty LLC				42,465,263	5	0.62%
Ballena Village LLC				27,298,172	6	0.40%
Comcast of California IX Inc				26,553,548	7	0.39%
SRM-PCCP Harbor Associates LLC				25,782,233	8	0.38%
South Shore Beach and Tennis Club				25,554,103	9	0.37%
ARE-1431 Harbor Bay LLC				22,632,814	10	0.33%
Subtotal	\$799,911,893		8.04%	\$564,227,370		8.22%
Total Net Assessed Valuation:						
Fiscal Year 2013-14	\$9,949,194,280					
Fiscal Year 2004-05	\$6,865,099,420					

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls.



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



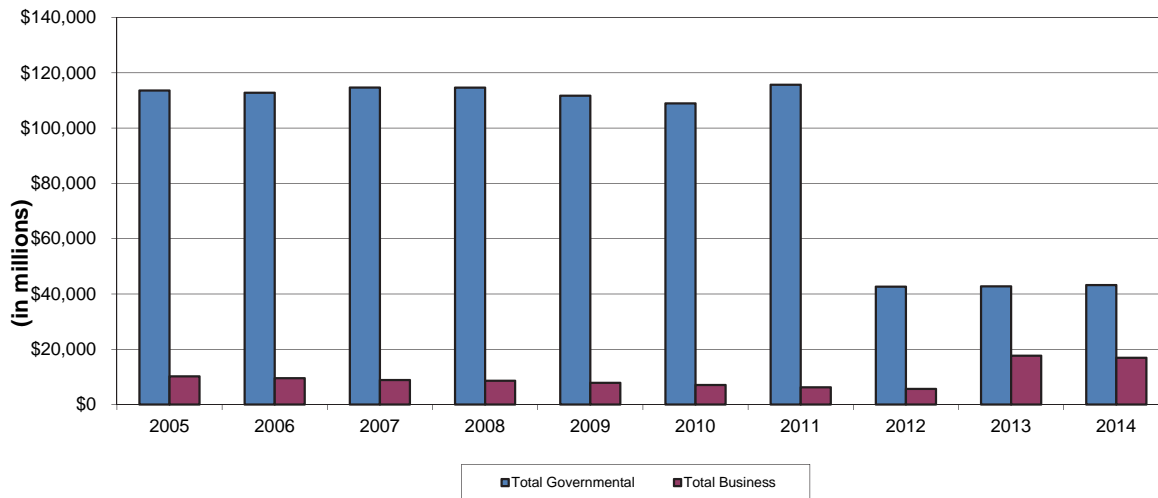
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2005	\$32,976,420	\$32,976,420	100%	0	\$32,976,420	100%
2006	37,320,071	37,320,071	100%	0	37,320,071	100%
2007	39,938,739	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%

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
2005	\$69,225,000	\$16,605,000	\$10,455,000	\$15,225,000	\$2,071,962	\$113,581,962
2006	68,700,000	15,960,000	10,300,000	15,110,000	2,724,932	112,794,932
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	114,644,787
2009	65,900,000	13,715,000	9,775,000	14,195,000	8,139,871	111,724,871
2010	64,685,000	13,305,000	9,580,000	13,745,000	7,620,380	108,935,380
2011	74,254,674	12,470,000	9,375,000	12,300,000	7,291,020	115,690,694
2012	- (b)	11,600,000	9,155,000	12,000,000	9,878,854	42,633,854
2013	- (b)	10,700,000	8,925,000	11,700,000	11,440,764	42,765,764
2014	- (b)	11,855,000	9,010,000	11,400,000	10,963,100	43,228,100

Business-Type Activities

Fiscal Year	COPS & Revenue Bonds	Loans & Lease Purchases	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2005	\$4,010,000	\$6,182,578	\$10,192,578	\$123,774,540	4.85%	1,700.62
2006	3,785,000	5,750,127	9,535,127	122,330,059	4.51%	1,681.26
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	123,513,227	3.94%	1,683.68
2009	3,030,000	4,813,515	7,843,515	119,568,386	3.82%	1,629.91
2010	2,755,000	4,304,311	7,059,311	115,994,691	3.73%	1,552.06
2011	2,465,000	3,776,678	6,241,678	121,932,372	4.48%	1,616.95
2012	2,160,000	3,498,778	5,658,778	48,292,632	1.78%	640.41
2013	14,715,000	2,956,277	17,671,277	60,437,041	2.14%	804.48
2014	14,465,000	2,440,603	16,905,603	60,133,703	1.77%	786.96

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)

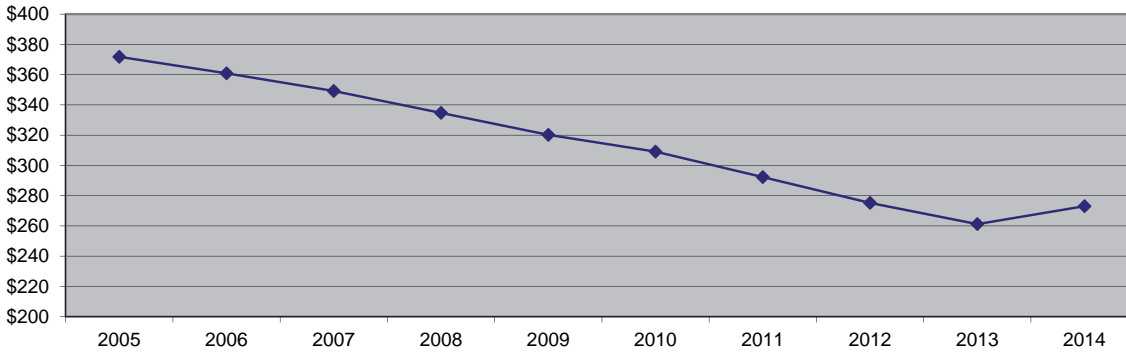
(a) See page 161 (Demographic Statistics) for personal income and population data.

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



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

**General Bonded Debt Outstanding
Per Capita**



General Bonded Debt Outstanding

<u>Fiscal Year</u>	<u>Certificates of Participation Governmental Activities</u>	<u>General Obligation Bond</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2005	\$16,605,000	\$10,455,000	\$27,060,000	0.40%	\$371.80
2006	15,960,000	10,300,000	26,260,000	0.35%	360.91
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%	320.21
2010	13,305,000	9,580,000	22,885,000	0.24%	309.12
2011	12,470,000	9,375,000	21,845,000	0.24%	292.30
2012	11,600,000	9,155,000	20,755,000	0.22%	275.23
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

Source: City of Alameda Finance Department



City of Alameda
Computation of Direct and Overlapping Debt
June 30, 2014

2013-14 Assessed Valuation: \$9,949,194,280

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u> <u>6/30/14</u>	<u>% Applicable (a)</u>	<u>City's Share of</u> <u>Debt 6/30/14</u>
Bay Area Rapid Transit District	\$648,275,013	1.893%	\$12,271,846
Peralta Community College District	401,375,000	13.412%	53,832,415
Alameda Unified School District	63,105,326	100.000%	63,105,326
East Bay Regional Park District	202,209,993	2.922%	5,908,576
East Bay Municipal Utility District, Special District No. 1	14,159,997	12.524%	1,773,398
City of Alameda	9,010,000	100.000%	9,010,000
City of Alameda Facilities District No. 1	7,785,000	100.000%	7,785,000
City of Alameda 1915 Act Bonds	2,225,000	100.000%	2,225,000
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			155,911,561

Ratios to 2013-14 Assessed Valuation:

Direct Debt (\$9,010,000)	0.091%
Total Direct and Overlapping Tax Assessment Debt	1.57%

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Alameda County and Coliseum Authority General Fund Obligations	\$893,799,498	4.782%	42,741,492
Alameda County Pension Obligations	87,787,432	4.782%	4,197,995
Alameda-Contra Costa Transit District Certificates of Participation	28,155,006	5.663%	1,594,418
Peralta Community College District Pension Obligations	167,209,089	13.412%	22,426,083
Alameda Unified School District Certificates of Participation	920,000	100%	920,000
City of Alameda General Fund Obligations	11,855,000	100%	11,855,000
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT			83,734,988

COMBINED TOTAL DEBT \$239,646,549 (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 (\$20,865,000)	0.21%
Combined Total Debt	2.41%

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



**City of Alameda
Computation of Legal Bonded Debt Margin
June 30, 2014**

ASSESSED VALUATION:

Secured property assessed value, net of
exempt real property \$9,858,165,180

BONDED DEBT LIMIT (15% OF ASSESSED VALUE) \$1,478,724,777

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt (a) \$47,314,000

Less:

Revenue Bonds 25,966,000

Certificates of Participations 12,258,000

Amount of debt subject to limit 9,090,000

LEGAL BONDED DEBT MARGIN \$1,469,634,777

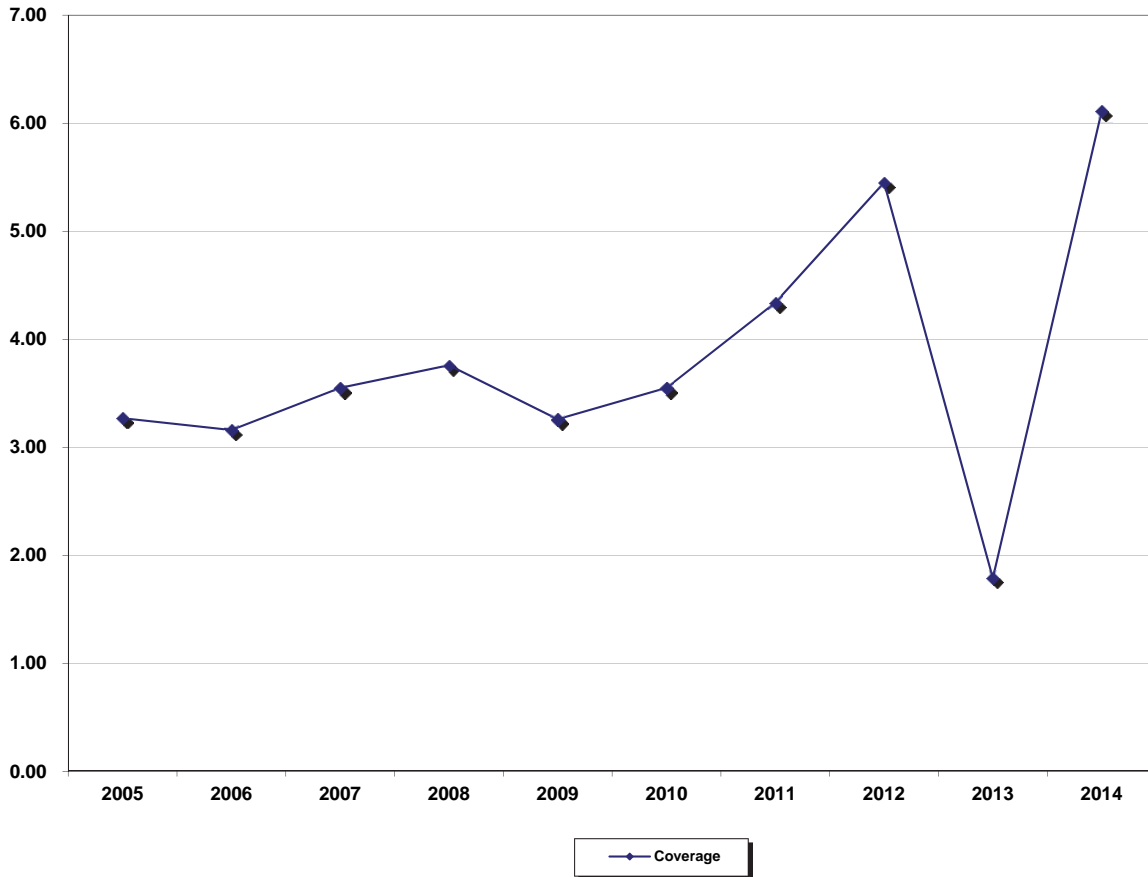
Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2005	\$1,016,580,986	\$93,934,540	\$922,646,446	10.18%
2006	1,140,090,450	42,126,174	1,097,964,276	3.84%
2007	1,140,090,450	42,466,779	1,097,623,671	3.87%
2008	1,244,922,492	9,960,000	1,234,962,492	0.81%
2009	1,304,949,038	9,775,000	1,295,174,038	0.75%
2010	1,319,469,397	9,580,000	1,309,889,397	0.73%
2011	1,315,134,261	9,375,000	1,276,577,544	3.02%
2012	1,327,797,945	9,155,000	1,318,642,945	0.69%
2013	1,413,457,016	8,925,000	1,404,532,016	0.64%
2014	1,478,724,777	9,090,000	1,469,634,777	0.62%

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.



City of Alameda
Sewer Fund Debt Coverage
Last Ten Fiscal Years



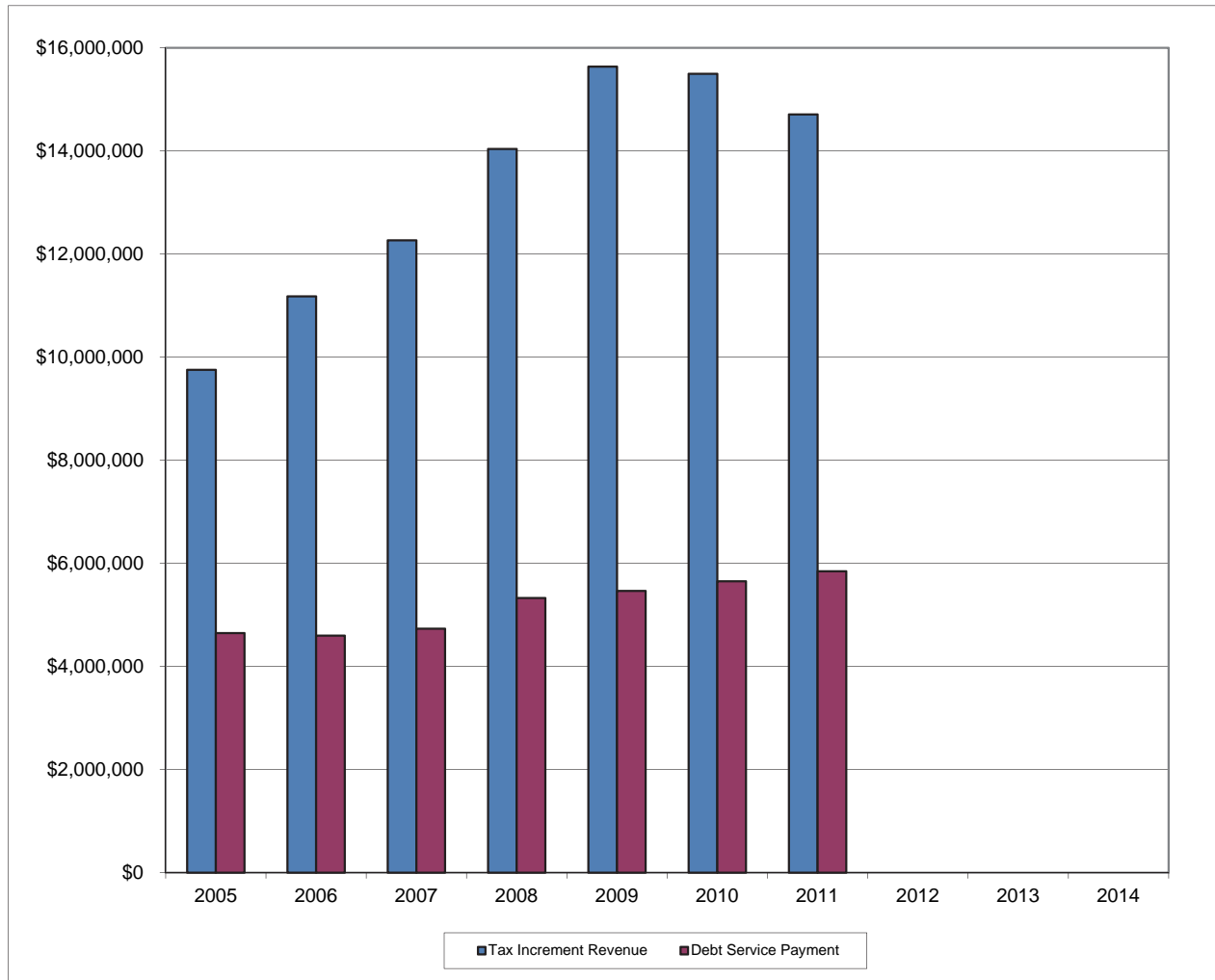
Fiscal Year	Gross Revenue (a)	Operating Expenses (b)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$5,358,572	\$2,352,626	\$3,005,946	\$557,150	\$361,729	\$918,879	3.27
2006	5,510,703	2,610,725	2,899,978	563,839	354,612	918,451	3.16
2007	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	5,757,611	4,314,885	250,000	456,319	706,319	6.11

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



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



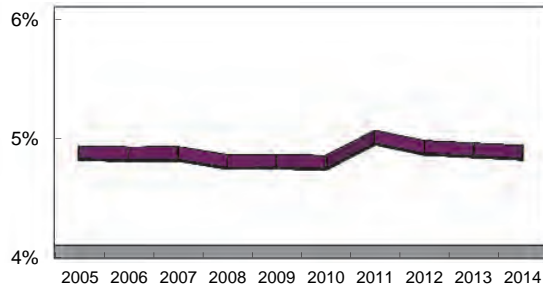
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2005	\$9,753,286	\$650,000	\$3,997,104	\$4,647,104	2.10
2006	11,178,320	640,000	3,957,871	4,597,871	2.43
2007	12,266,563	805,000	3,928,195	4,733,195	2.59
2008	14,037,684	1,190,000	4,137,493	5,327,493	2.63
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) -	(a) -
2013	-	(a) -	(a) -	(a) -	(a) -
2014	-	(a) -	(a) -	(a) -	(a) -

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

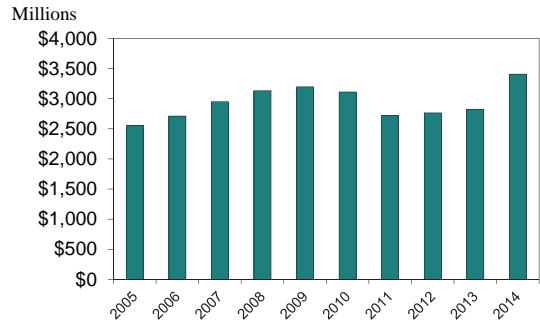
Source: City of Alameda Annual Financial Statements



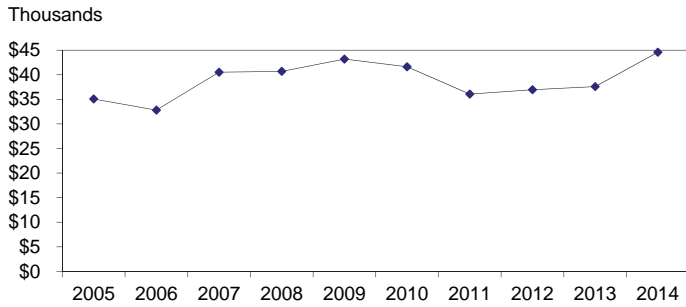
City of Alameda
Demographic and Economic Statistics
Last Ten Fiscal Years



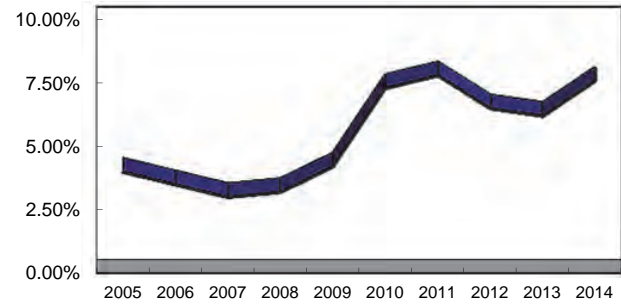
■ Graph City Population



■ Graph County Population



◆ Per Capita Personal Income



■ Unemployment Rate (%)

Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Alameda County Population	City Population % of County
2005	72,782	\$ 2,552,837,000	\$35,075	4.0%	1,507,500	4.83%
2006	72,761	2,711,584,000	32,802	3.5%	1,510,303	4.82%
2007	72,808	2,950,462,000	40,524	3.0%	1,509,981	4.82%
2008	73,359	3,131,575,000	40,688	3.2%	1,543,000	4.75%
2009	74,032	3,197,344,000	43,189	4.2%	1,556,657	4.76%
2010	74,736	3,110,554,000	41,621	7.3%	1,574,857	4.75%
2011	74,081	2,719,701,000	36,066	7.8%	1,521,157	4.96%
2012	74,640	2,763,776,399	36,962	6.5%	1,532,137	4.87%
2013	75,126	2,824,096,775	37,591	6.2%	1,548,681	4.85%
2014	76,413	3,406,033,062	44,574	7.6%	1,578,891	4.83%

Source: California State Department of Finance



**City of Alameda
Principal Employers
Current Year and Eight Years Ago (a)**

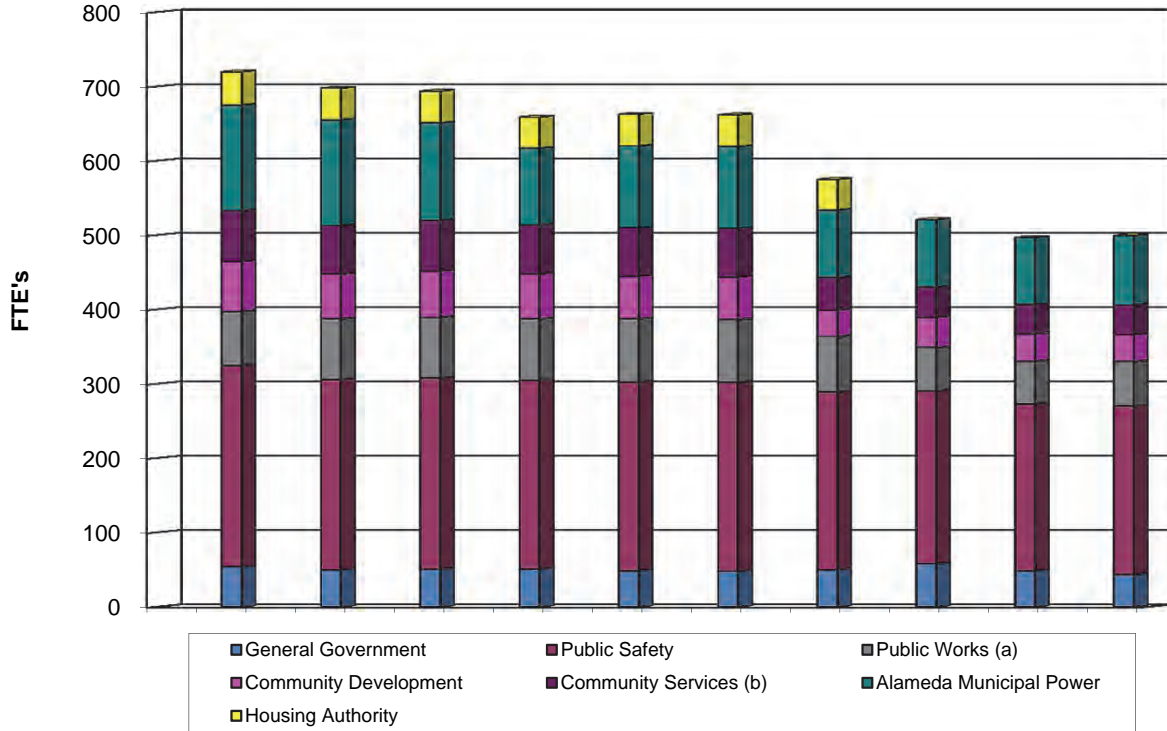
<u>Employer</u>	<u>2013-14</u>			<u>2005-06</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Telecare Corp	2,100	1	2.75%			
Wind River Systems Inc	1,800	2	2.36%	417	5	0.54%
Alameda Unified School District	863	3	1.13%	647	2	0.83%
VF Outdoor	600	4	0.79%			
City of Alameda	500	5	0.65%	697	1	0.90%
Alameda Hospital	492	6	0.64%	456	4	0.59%
Celera Corp	490	7	0.64%			
A G Ferrari Foods	275	8	0.36%			
ATPA	250	9	0.33%			
Bay Ship & Yacht Co	250	10	0.33%			
Abbott Diabetes Care, Inc.				435	3	0.56%
College of Alameda				278	6	0.36%
UT Starcom Inc.				237	7	0.30%
Golden State Overnight				232	8	0.30%
Associated Third Party Administration				207	9	0.27%
Kaiser Foundation Health Plan				205	10	0.26%
Subtotal	<u>7,620</u>		<u>9.972%</u>	<u>3,811</u>		<u>4.961%</u>
Total City Day Population	<u>76,413</u>			<u>76,824</u>		

Sources: City of Alameda, Infousa.com

(a) Employment information not available for fiscal years prior to 2005-2006



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



	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Function										
General Government	53.50	49.50	50.50	50.50	48.50	47.50	49.70	58.00	48.55	43.00
Public Safety	271.00	256.00	257.00	254.00	254.00	254.00	239.00	232.00	224.00	227.00
Public Works (a)	73.00	82.00	82.00	83.00	85.00	85.00	75.00	58.60	57.95	60.00
Community Development	67.00	60.00	62.00	60.00	57.00	57.00	35.20	40.60	36.50	36.00
Community Services (b)	68.50	65.50	68.50	66.50	65.50	65.50	44.00	40.75	40.00	40.00
Alameda Municipal Power	142.00	142.00	131.00	103.00	110.00	110.00	91.00	91.00	90.00	93.50
Housing Authority	44.70	42.70	42.70	41.70	42.70	42.70	41.00	(c)	(c)	(c)
Total	<u>719.70</u>	<u>697.70</u>	<u>693.70</u>	<u>658.70</u>	<u>662.70</u>	<u>661.70</u>	<u>574.90</u>	<u>520.95</u>	<u>497.00</u>	<u>499.50</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Information				
Area in square miles	22.7	22.7	22.7	22.7
Number of registered voters	40,968	41,755	37,307	40,238
Number of Hospitals	1	1	1	1
Education:				
Student enrollment	10,383	9,975	9,975	10,260
Elementary schools	12	10	11	10
Junior high schools	3	3	3	3
High schools	2	3	3	3
Continuation schools	1	1	1	1
Independent study	1	1	1	1
Teachers (full & part time)	650	621	650	514
Function/Program				
Fire:				
Fire calls for service	-	(a)	-	(a)
Primary fire inspections conducted	3,050	3,215	3,215	-
Police:				
Police calls for Service	66,634	67,816	6,883	69,272
Law violations:				
Part I and Part II crimes	6,128	6,479	5,824	5,705
Physical arrests (adult and juvenile)	4,036	4,441	3,574	3,661
Traffic violations	16,154	16,205	11,721	12,058
Sewer				
Storm drain inlets	-	(a)	2,100	2,280
Sewer service connections	-	(a)	29,789	29,789
Solid Waste				
Refuse Landfill (tons per year)	-	(a)	35,504	39,584
Recyclables Processed (tons per year)	-	(a)	10,936	14,354

2009	2010	2011	2012	2013	2014
22.7	22.7	22.7	22.7	22.7	22.7
42,547	42,547	41,665	42,547	44,444	44,271
1	1	1	1	1	1
9,770	8,704	8,704	8,704	10,836	8,975
10	10	10	10	11	10
3	3	3	3	3	2
3	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
638	628	628	628	381	613
4,360	6,100	6,100	6,100	6,523	6,314
2,485	1,991	1,991	1,991	1,414	1,311
69,061	65,963	65,963	65,963	70,360	75,920
5,705	5,141	5,141	5,141	4,582	4,957
3,461	3,103	3,103	3,103	2,396	2,583
12,265	12,000	12,000	12,000	28,793	10,754
2,280	2,300	2,300	2,300	2,300	2,951
30,525	20,590	20,590	20,590	20,590	19,432
31,485.53	33,280.00	33,280.00	33,280.00	31,181.00	26,298.98
18,864.14	17,777.00	17,777.00	17,777.00	18,240.00	10,682.52



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

	2005	2006	2007	2008
Planning & Building:				
Number of Building Permits issued	7,011	6,197	5,979	5,297
Recreation and Parks:				
Youth & Teens:				
Number of youth programs	92	98	102	110
Number of youth attendees	33,550	22,915	23,831	26,766
Seniors:				
Number of senior programs	81	84	96	101
Number of senior attendees	160,762	167,269	166,788	169,552
Number of meals served	12,154	12,209	11,203	51,962
Number of Mastick Senior Center attendees	160,762	167,269	166,788	169,352
Library:				
Volumes in Collection (thousands)	198	193	224	203
Total Volumes Borrowed (thousands)	499	494	483	573
Finance:				
Number of Business Licenses issued	9,038	9,283	10,251	- (a)
Alameda Power and Telecom:				
Number of electric customers	33,188	33,869	33,892	34,030
Number of kilowatt hours sold	378,328,730	377,792,038	389,286,575	392,955,223
Reliability rate	99.99	99.99	99.99	99.99
Number of telecom customers	15,462	16,770	16,374	16,316

Source: City of Alameda

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

2009	2010	2011	2012	2013	2014
5,231	4,575	4,575	4,575	4,314	4,286
148	151	151	151	239	251
29,596	153,056	153,056	153,056	146,191	34,121
110	114	114	114	125	144
151,065	153,056	153,056	153,056	145,795	144,607
9,512	9,672	9,672	9,672	7,053	6,860
151,065	153,056	153,056	153,056	145,795	144,607
200	216	216	216	211	211
591	630	630	630	550	510
9,462	8,638	8,638	8,638	8,700	5,563
34,272	34,231	34,231	34,231	34,338	34,482
387,847,929	383,119,780	383,119,780	383,119,780	373,787,288	353,913,305
99.99	99.99	99.99	99.99	99.99	- (c)
- (b)	- (b)	- (b)	- (b)	- (b)	- (b)



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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function/Program				
Fire:				
Fire stations	5	5	5	5
Police:				
Police stations	1	1	1	1
Public works:				
Miles of streets	135	135	138	141
Miles of bike lanes	10	10	10	12
Traffic Signals	78	78	78	78
Wastewater				
Miles of sanitary sewers	-	(a)	160	165
Miles of storm sewers	-	(a)	41	41
Recreation and Parks:				
City parks	31	31	31	31
City parks acreage	149	149	149	152
Playgrounds	11	11	11	11
City trails/Bike paths	12	12	12	13
Community centers	12	12	12	13
Senior centers	1	1	1	1
Swimming pools (b)	5	5	5	5
Tennis courts (c)	19	19	19	19
Baseball/softball diamonds (d)	15	15	15	15
Soccer/football fields (e)	2	2	2	2
Library:				
City Libraries	3	3	3	3
Alameda Power and Telecom:				
Miles of lines	245	147	256	257
Street lights	-	(a)	6,359	6,365

Source: City of Alameda

- NOTE: (a) Information not available
 (b) Owned by Alameda Unified School District but operated jointly by City and District
 (c) 16 courts are owned by the City, 3 owned by Alameda Unified School District but operated jointly by City and District
 (d) 14 baseball fields in City parks with three owned by College of Alameda
 (e) 1 Dedicated soccer field in City Parks with one not owned by City at Alameda Point

Fiscal Years					
2009	2010	2011	2012	2013	2014
4	3	3	3	4	4
1	1	1	1	1	1
141	141	141	141	145	140
15	15	15	15	15	13
78	78	78	78	82	87
165	165	165	165	165	150
41	41	41	41	41	70
32	32	32	32	33	33
156	156	156	156	155	155
11	13	13	13	7	7
13	13	13	13	13	13
13	13	13	13	13	13
1	1	1	1	1	1
5	5	5	5	5	5
19	19	19	19	19	19
15	18	18	18	18	18
3	3	3	3	3	3
3	3	3	3	3	3
257	257	257	257	259	260
6,440	6,069	6,069	6,069	5,593	5,372