

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. See "TAX MATTERS."



\$14,565,000
CITY OF ALAMEDA FINANCING AUTHORITY
2023 Lease Revenue Bonds
(Aquatic Center)

Dated: Date of Delivery

Due: May 1, as shown on inside cover

Authority for Issuance. The bonds captioned above (the "Bonds") are being issued by the City of Alameda Financing Authority (the "Authority") under a resolution adopted by the Board of Directors of the Authority on September 19, 2023, and an Indenture of Trust dated as of December 1, 2023 (the "Indenture") by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). See "THE BONDS – Authority for Issuance."

Use of Proceeds. The Bonds are being issued to (i) finance the acquisition, construction, and equipping of a new aquatic center in the City, and (ii) pay the costs of issuing the Bonds. See "FINANCING PLAN."

Security for the Bonds. Under the Indenture, the Bonds are payable from and secured by a first pledge of and lien on "Revenues" (as defined in this Official Statement) received by the Authority under the Lease Agreement dated as of December 1, 2023, by and between the Authority, as lessor, and the City of Alameda (the "City"), as lessee (the "Lease"), consisting primarily of lease payments (the "Lease Payments") made by the City under the Lease with respect to the lease of certain real property, as further described in this Official Statement. The Bonds are also secured by certain funds on deposit under the Indenture. See "SECURITY FOR THE BONDS."

No Reserve Fund. Neither the Authority nor the City will fund a reserve fund for the Bonds.

Bond Terms; Book-Entry Only. The Bonds will bear interest at the rates shown on the inside cover page, payable semiannually on May 1 and November 1 of each year, commencing May 1, 2024, and will be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple of \$5,000. The Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Payments of the principal of, premium, if any, and interest on the Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – General Provisions."

Redemption. The Bonds are subject to redemption prior to maturity. See "THE BONDS – Redemption."

NEITHER THE BONDS, NOR THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST THEREON, NOR THE OBLIGATION OF THE CITY TO MAKE THE LEASE PAYMENTS, CONSTITUTE A DEBT OR A LIABILITY OF THE AUTHORITY, THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE CITY.

MATURITY SCHEDULE
(see inside cover)

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE BONDS.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed upon for the Authority and the City by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the Authority and the City by the City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. It is anticipated that the Bonds will be delivered in book-entry form through the facilities of DTC on or about December 28, 2023.



MATURITY SCHEDULE

\$7,595,000 Serial Bonds (Base CUSIP†: 01078E)

<u>Maturity (May 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
2024	\$635,000	5.000%	2.890%	100.706	AA2
2025	225,000	5.000	2.740	102.953	AB0
2026	240,000	5.000	2.650	105.298	AC8
2027	250,000	5.000	2.560	107.763	AD6
2028	265,000	5.000	2.550	110.005	AE4
2029	275,000	5.000	2.540	112.212	AF1
2030	290,000	5.000	2.570	114.133	AG9
2031	305,000	5.000	2.580	116.088	AH7
2032	320,000	5.000	2.600	117.890	AJ3
2033	335,000	5.000	2.610	117.808 C	AK0
2034	355,000	5.000	2.630	117.644 C	AL8
2035	370,000	5.000	2.730	116.828 C	AM6
2036	390,000	5.000	2.870	115.697 C	AN4
2037	410,000	5.000	3.030	114.420 C	AP9
2038	430,000	5.000	3.130	113.631 C	AQ7
2039	450,000	5.000	3.240	112.770 C	AR5
2040	475,000	5.250	3.350	113.723 C	AS3
2041	500,000	5.250	3.430	113.101 C	AT1
2042	525,000	5.250	3.520	112.406 C	AU8
2043	550,000	5.250	3.580	111.946 C	AV6

\$3,140,000 - 4.000% Term Bonds due May 1, 2048; Yield: 4.110%; Price: 98.313;
CUSIP†: 01078E AW4

\$3,830,000 - 4.125% Term Bonds due May 1, 2053; Yield: 4.240%; Price: 98.074;
CUSIP†: 01078E AX2

C Priced to first optional redemption date of May 1, 2032 at par.

† CUSIP Global Services (CGS) is managed on behalf of American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Fiscal Agent or the Underwriter take any responsibility for the accuracy of the CUSIP data.

**CITY OF ALAMEDA FINANCING AUTHORITY/
CITY OF ALAMEDA
(ALAMEDA COUNTY, CALIFORNIA)**

**BOARD OF DIRECTORS OF THE AUTHORITY
AND MEMBERS OF THE CITY COUNCIL**

Marilyn Ezzy Ashcraft, *Mayor*
Tony Daysog, *Vice Mayor*
Tracy Jensen, *Council Member*
Trish Herrera Spencer, *Council Member*
Malia Vella, *Council Member*

AUTHORITY / CITY OFFICERS AND STAFF

Jennifer Ott, *City Manager*
Amy Wooldridge, *Assistant City Manager*
Kevin R. Kearney, *City Auditor*
Kevin Kennedy, *City Treasurer*
Margaret L. O'Brien, *Director of Finance*
Yibin Shen, *City Attorney*
Lara Weisiger, *City Clerk*

SPECIAL SERVICES

MUNICIPAL ADVISOR

Urban Futures, Inc.
Walnut Creek, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

TRUSTEE

U.S. Bank Trust Company, National Association
San Francisco, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the City since the date hereof.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Limited Scope of Information. The City has obtained certain information set forth herein from sources which are believed to be reliable, but such information is neither guaranteed as to accuracy or completeness, nor to be construed as a representation of such by the City. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. All summaries of or references to the documents referred to in this Official Statement are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. All capitalized terms used herein, unless noted otherwise, have the meanings given in the Indenture.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of Prices. In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

City Website Not Incorporated. The City maintains a website, which is not incorporated by reference herein.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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CITY OF ALAMEDA LOCATION MAP



OFFICIAL STATEMENT

\$14,565,000
CITY OF ALAMEDA FINANCING AUTHORITY
2023 Lease Revenue Bonds
(Aquatic Center)

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Capitalized terms used but not defined in this Official Statement have the meanings set forth in the Indenture (as defined below). See “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Authority for Issuance. The City of Alameda Financing Authority (the “**Authority**”) is issuing the bonds captioned above (the “**Bonds**”) under the following:

(a) the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the California Government Code (the “**Law**”),

(b) resolutions adopted by the Board of Directors (the “**Board**”) of the Authority on September 19, 2023 (the “**Authority Resolution**”), and by the City Council (the “**City Council**”) of the City of Alameda (the “**City**”) on September 19, 2023 (the “**City Resolution**”), and

(c) an Indenture of Trust (the “**Indenture**”) dated as of December 1, 2023, by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”).

The Authority. The Authority is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, dated as of July 31, 2012, by and between the City and the California Municipal Finance Authority. The governing body of the Authority consists of the same individuals who comprise the City Council of the City. The Authority was created for the purpose of financing and refinancing capital improvements projects of the City and to finance working capital for the City. See “THE AUTHORITY.”

The City. The City was founded in 1854 and incorporated in 1872. It is located in Alameda County, in the growing East Bay region of the San Francisco Bay Area. The City spans Alameda Island, Bay Farm Island, and a few minor islands. It is adjacent to and south of the City of Oakland and east of the City and County of San Francisco. The City is a charter city, rather than a general law city, and adopted a council-manager form of government in 1916. The City provides a range of municipal services to its citizens including public safety, public works, community development, community services and electric utility service through Alameda Municipal Power. The population as of January 2023 was estimated at 77,287. See “THE CITY.”

Form of Bonds; Book-Entry Only. The Bonds will be issued in fully registered form, registered in the name of The Depository Trust Company (“DTC”), or its nominee, which will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing the Bonds that are purchased. See “THE BONDS – Book-Entry Only System” and “APPENDIX E – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Purpose of the Bonds. The Bonds are being issued to (i) to finance the acquisition, construction, and equipping of a new aquatic center in the City, and (ii) to pay the costs of issuing the Bonds. See “FINANCING PLAN.”

Security for the Bonds and Pledge of Revenues. Under the Indenture, the Bonds are payable from and secured by a first pledge of and lien on “Revenues” (as defined in this Official Statement) received by the Authority under the Lease Agreement dated as of December 1, 2023, between the Authority, as lessor, and the City, as lessee (the “Lease”), consisting primarily of payments (the “Lease Payments”) made by the City under the Lease. The Bonds are also secured by certain funds on deposit under the Indenture. See “SECURITY FOR THE BONDS.”

The City and the Authority will also enter into a Site Lease dated as of December 1, 2023 (the “Site Lease”), under which the City will lease the City’s police department facility and its site located at 1555 Oak Street in the City (as described further herein, the “Leased Property”) to the Authority, in return for an upfront Site Lease Payment. Concurrently, the City and the Authority will enter into the Lease, under which the Authority will lease the Leased Property back to the City in return for the annual Lease Payments. See “SECURITY FOR THE BONDS” and “THE LEASED PROPERTY.”

No Reserve Fund. Neither the Authority nor the City will fund a reserve fund for the Bonds.

Redemption. The Bonds are subject to redemption prior to their stated maturity dates. See “THE BONDS – Redemption.”

Abatement. The Lease Payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the City’s use and possession of the Leased Property or any portion thereof. If the Lease Payments are abated under the Lease, the Bond Owners would receive less than the full amount of principal of and interest on the Bonds. To the extent proceeds of rental interruption insurance are available, Lease Payments (or a portion thereof) may be made from those proceeds during periods of abatement. See “SECURITY FOR THE BONDS – Abatement” and “BOND OWNERS’ RISKS.”

Risks of Investment. Debt service on the Bonds is payable only from Lease Payments and other amounts payable by the City to the Authority under the Lease. For a discussion of some of the risks associated with the purchase of the Bonds, see “BOND OWNERS’ RISKS.”

NEITHER THE BONDS, THE OBLIGATION OF THE AUTHORITY TO PAY PRINCIPAL OF OR INTEREST THEREON, NOR THE OBLIGATION OF THE CITY TO MAKE THE LEASE PAYMENTS, CONSTITUTE A DEBT OR A LIABILITY OF THE AUTHORITY, THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE CITY.

FINANCING PLAN

The Project

The net proceeds of the sale of the Bonds will be deposited into an Acquisition and Construction Fund, and available for use by the City to finance the acquisition, construction, and equipping of a new Aquatic Center in the City.

The Aquatic Center will be located in the western end of Jean Sweeney Park in the City, and include competitive and recreational pools, an associated building with locker rooms, office space and community room, and an associated lighted parking lot. Related improvements could include a community garden, tool and seed lending library and additional park infrastructure. The City hired Griffin Structures, Inc., as project manager, in July 2023. Design of the Aquatic Center is starting in winter 2023 and construction is anticipated to commence by summer 2025 and be completed by fall 2026. The anticipated cost of the project is approximately \$30 million, of which the Bond proceeds will fund \$15 million and the remainder will be funded by City general fund reserves.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds relating to the Bonds are as follows:

<u>Sources:</u>	
Principal Amount of Bonds	\$14,565,000.00
Plus: Net Original Issue Premium	806,409.75
<i>Total Sources</i>	<u>\$15,371,409.75</u>
 <u>Uses:</u>	
Acquisition and Construction Fund	\$15,000,000.00
Costs of Issuance ⁽¹⁾	371,409.75
<i>Total Uses</i>	<u>\$15,371,409.75</u>

(1) Includes Underwriter's discount, bond counsel and disclosure counsel fees, municipal advisor fees, printing costs, rating agency fees and other costs of issuing the Bonds.

THE LEASED PROPERTY

The Leased Property

Alameda Police Administration Building. The Leased Property consists of the City's Police Department building and site located at 1555 Oak Street in the City. The Police department building was constructed in 1978, as a two-story structure with basement, and has approximately 32,760-square feet of gross area. The facility includes a jail and police department administrative offices. The insured value of the building and its contents, not including any land value, is estimated at approximately \$15 million.

Additions and Improvements. Under the Lease, the City has the right, at its own expense, to make additions, modifications and improvements to the Leased Property or any portion thereof. All additions, modifications and improvements to the Leased Property will thereafter comprise part of the Leased Property and become subject to the provisions of the Lease. Such additions, modifications and improvements may not in any way damage the Leased Property, or cause the Leased Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

The City may install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items will remain the sole property of the City and may be modified or removed by the City at any time, provided that the City must repair all damage to the Leased Property resulting from the installation, modification or removal of any such items.

Substitution and Release of Lease Property

Substitution. Under the Lease, the City has the option at any time and from time to time, to substitute other real property (the "**Substitute Property**") for the Leased Property or any portion thereof (the "**Former Property**"), upon satisfaction of all of the conditions set forth in the Lease, which include (among others) the following:

- An Authorized Representative of the City must file with the Authority and the Trustee, and cause to be recorded in the office of the Alameda County Recorder sufficient memorialization of, an amendment of the Site Lease, Lease and Assignment Agreement that adds the legal description of the Substitute Property and deletes therefrom the legal description of the Former Property.
- An Authorized Representative of the City must obtain a CLTA or an ALTA policy of title insurance insuring the City's leasehold estate in the Substitute Property, subject only to Permitted Encumbrances.
- An Authorized Representative of the City must certify in writing to the Authority and the Trustee that the Substitute Property constitutes property which the City is permitted to lease under the laws of the State of California, and has been determined to be necessary to the operation of the City.

- An Authorized Representative of the City must file with the Authority and the Trustee a written certificate of the City or other written evidence stating that (1) the useful life of the Substitute Property at least extends to the final maturity of the Bonds, (2) the estimated value of the Leased Property, after substitution of the Substitute Property and release of the Former Property, is at least equal to the aggregate Outstanding principal amount of the Bonds, and (3) the fair rental value of the Leased Property, after substitution of the Substitute Property and release of the Former Property, is at least equal to the Lease Payments thereafter coming due and payable thereunder.

See “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Upon the satisfaction of all the conditions precedent contained in the Lease, the Term of the Lease will end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The City is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of any substitution of property under this provision of the Lease.

Release. Under the Lease, the City has the option at any time and from time to time to release any portion of the Leased Property from the Lease (the “**Released Property**”) provided that the City has satisfied all of the requirements under the Lease that are conditions precedent to such removal, which include (among others) the following:

- An Authorized Representative of the City must file with the Authority and the Trustee, and cause to be recorded in the office of the Alameda County Recorder sufficient memorialization of, an amendment of the Lease, the Site Lease and the Assignment Agreement that removes the Released Property from the Site Lease, the Lease and the Assignment Agreement.
- An Authorized Representative of the City must certify in writing to the Authority and the Trustee that (1) the value of the Leased Property which remains subject to the Lease following such release is at least equal to the aggregate Outstanding principal amount of the Bonds, and (2) the fair rental value of the Leased Property which remains subject to the Lease following such release is at least equal to the Lease Payments thereafter coming due and payable thereunder.

See “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Upon the satisfaction of all the conditions precedent set forth in the Lease, the term of the Lease will end as to the Released Property. The City is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release.

THE BONDS

This section provides summaries of the Bonds and certain provisions of the Indenture. See APPENDIX A for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

Authority for Issuance

The Bonds are being issued under the Law, the Indenture, the Authority Resolution (which was adopted by the Board of the Authority on September 19, 2023), and the City Resolution (which was adopted by the City Council on September 19, 2023).

General Provisions

Bond Terms. The Bonds will be dated their date of delivery and issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple of \$5,000. The Bonds will mature in the amounts and on the dates, and bear interest at the annual rates, set forth on the inside cover page of this Official Statement.

Payments of Principal and Interest. Interest on the Bonds will be payable on May 1 and November in each year, commencing May 1, 2024 (each an “**Interest Payment Date**”).

While the Bonds are subject to the book-entry system, the principal, interest and any redemption premium with respect to the Bonds will be paid by the Trustee to DTC for subsequent disbursement to beneficial owners of the Bonds. See “– Book-Entry Only System” below.

Interest is payable on each Interest Payment Date to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than 10 days prior to such special record date.

The Trustee will pay interest on the Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner.

The Trustee will pay principal of the Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

Calculation of Interest. Interest on the Bonds is payable from the Interest Payment Date next preceding the date of its authentication unless:

(a) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,

(b) a Bond is authenticated on or before 15 days prior to the first Interest Payment Date, in which event interest thereon will be payable from the Closing Date, or

(c) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest on the Bonds will be computed on the basis of a 360-day year composed of 12 months of 30 days each.

Record Date. Under the Indenture, “Record Date” means, with respect to any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

Transfer, Registration and Exchange

The following provisions regarding the exchange and transfer of the Bonds apply only during any period in which the Bonds are not subject to DTC’s book-entry system. While the Bonds are subject to DTC’s book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See “APPENDIX E – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Bond Register. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which will upon reasonable notice as agreed to by the Trustee, be open to inspection during regular business hours by the Authority; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as provided in the Indenture.

Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee will require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond is or Bonds are surrendered for transfer, the Authority will execute and the Trustee will authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The Authority will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

Exchange. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series,

interest rate and maturity. The Trustee will require the Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. The Authority will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

Limitations. The Trustee may refuse to transfer or exchange, under the provisions of the Indenture described above, any Bonds selected by the Trustee for redemption under the Indenture, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

Redemption

Optional Redemption. The Bonds maturing on or before May 1, 2032, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after May 1, 2033, are subject to redemption in whole, or in part at the election of the Authority among maturities on such basis as designated by the Authority and by lot within a maturity, at the option of the Authority, on any date on or after May 1, 2032, from any available source of funds, at a redemption price equal to 100% of the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing May 1, 2048 and May 1, 2053 (together, the “**Term Bonds**”) are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on May 1 in the respective years as set forth in the following tables; *provided, however*, that if some but not all of the Term Bonds of a maturity have been redeemed pursuant to an optional redemption or special mandatory redemption from insurance or condemnation proceeds, the total amount of all future sinking fund payments of such maturity shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Authority (as set forth in a schedule provided by the Authority to the Trustee).

Term Bonds Maturing May 1, 2048

Sinking Fund Redemption Date (May 1)	Principal Amount To Be Redeemed
2044	\$580,000
2045	605,000
2046	625,000
2047	650,000
2048 (Maturity)	680,000

Term Bonds Maturing May 1, 2053

Sinking Fund Redemption Date (May 1)	Principal Amount To Be Redeemed
2049	\$705,000
2050	735,000
2051	765,000
2052	795,000
2053 (Maturity)	830,000

Extraordinary Mandatory Redemption. The Bonds are subject to mandatory redemption prior to maturity in whole or in part, among maturities as determined by the Authority, on any date, at a redemption price equal to 100% of the principal amount thereof to be redeemed (plus accrued but unpaid interest to the redemption date), without premium, from Net Proceeds received under from amounts deposited in the Insurance and Condemnation Fund under the Indenture, and any other funds available under the Indenture for purposes of that fund.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of a single maturity, the Trustee will select the Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee will treat each Bond as consisting of separate \$5,000 portions and each such portion will be subject to redemption as if such portion were a separate Bond.

Notice of Redemption. The Trustee will give notice of redemption of the Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books and to one or more Securities Depositories and to the Municipal Securities Rulemaking Board.

Neither the failure to receive any notice nor any defect therein will affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds will be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

However, while the Bonds are subject to DTC's book-entry system, the Trustee will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the Authority and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the beneficial owners of the Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Indenture.

Rescission of Redemption Notice. The Authority has the right to rescind any notice of the redemption of Bonds under the Indenture by written notice to the Trustee on or prior to the dated fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of

Default. The Authority and the Trustee have no liability to the Bond Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Indenture.

Effect of Redemption. When notice of redemption has been duly given as set forth in the Indenture, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, including any applicable premium, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption will become due and payable, interest on the Bonds so called for redemption will cease to accrue, those Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of those Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

Book-Entry Only System

The Bonds will be issued as fully registered bonds in book-entry only form, registered in the name of Cede & Co. as nominee of DTC, and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple of \$5,000, under the book-entry system maintained by DTC. While the Bonds are subject to the book-entry system, the principal, interest and any redemption premium with respect to a Bond will be paid by the Trustee to DTC, which in turn is obligated to remit such payment to its DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds. Purchasers of the Bonds will not receive certificates representing their interests therein, which will be held at DTC.

See “APPENDIX E – DTC AND THE BOOK-ENTRY ONLY SYSTEM” for further information regarding DTC and the book-entry system.

DEBT SERVICE SCHEDULE

The table below shows annual debt service payments on the Bonds.

Period Ending May 1	Principal	Interest	Total Debt Service
2024	\$635,000.00	\$228,391.35	\$863,391.35
2025	225,000.00	636,712.50	861,712.50
2026	240,000.00	625,462.50	865,462.50
2027	250,000.00	613,462.50	863,462.50
2028	265,000.00	600,962.50	865,962.50
2029	275,000.00	587,712.50	862,712.50
2030	290,000.00	573,962.50	863,962.50
2031	305,000.00	559,462.50	864,462.50
2032	320,000.00	544,212.50	864,212.50
2033	335,000.00	528,212.50	863,212.50
2034	355,000.00	511,462.50	866,462.50
2035	370,000.00	493,712.50	863,712.50
2036	390,000.00	475,212.50	865,212.50
2037	410,000.00	455,712.50	865,712.50
2038	430,000.00	435,212.50	865,212.50
2039	450,000.00	413,712.50	863,712.50
2040	475,000.00	391,212.50	866,212.50
2041	500,000.00	366,275.00	866,275.00
2042	525,000.00	340,025.00	865,025.00
2043	550,000.00	312,462.50	862,462.50
2044	580,000.00	283,587.50	863,587.50
2045	605,000.00	260,387.50	865,387.50
2046	625,000.00	236,187.50	861,187.50
2047	650,000.00	211,187.50	861,187.50
2048	680,000.00	185,187.50	865,187.50
2049	705,000.00	157,987.50	862,987.50
2050	735,000.00	128,906.26	863,906.26
2051	765,000.00	98,587.50	863,587.50
2052	795,000.00	67,031.26	862,031.26
2053	830,000.00	34,237.50	864,237.50
Totals:	\$14,565,000.00	\$11,356,841.37	\$25,921,841.37

Source: Underwriter.

SECURITY FOR THE BONDS

The principal of and interest on the Bonds are not a debt of the Authority or the City, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of their respective property, or upon any of their income, receipts, or revenues except the Revenues and other amounts pledged under the Indenture.

This section provides summaries of the security for the Bonds and certain provisions of the Indenture, the Lease and the Site Lease. See "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" for a more complete summary of the Indenture, the Lease and the Site Lease. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

Revenues; Pledge of Revenues

Pledge of Revenues and Other Amounts. Under the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Revenues and all amounts (including proceeds of the sale of the Bonds) held in any fund or account established under the Indenture are pledged to secure the payment of the principal of and interest and premium (if any) on the Bonds in accordance with their terms and the provisions of the Indenture. This pledge constitutes a lien on and security interest in the Revenues and such amounts and will attach, be perfected and be valid and binding from and after the Closing Date, without the need for any physical delivery thereof or further act.

Definition of Revenues. "Revenues" are defined in the Indenture as follows:

(a) all amounts received by the Authority or the Trustee under or with respect to the Lease, including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), but excluding (i) any amounts described in the provisions of the Lease relating to permitted amendments that provide for additional rental to be pledged or assigned for the payment of bonds or obligations issued to finance or refinance projects for which the City is authorized to expend its funds, and (ii) any Additional Rental Payments; and

(b) all interest, profits or other income derived from the investment of amounts in any fund or account established under the Indenture.

Assignment to Trustee

Under the Assignment Agreement, the Authority will transfer to the Trustee all of the rights of the Authority in the Lease (other than the rights of the Authority under the provisions of the Lease regarding Additional Rental Payments, repayment of advances, indemnification, and the payment of attorneys' fees). The Trustee is entitled to collect and receive all of the Revenues, and any Revenues collected or received by the Authority will be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and will immediately be paid by the Authority to the Trustee. The Trustee is also entitled to and will, subject to the provisions of the Indenture regarding duties of the Trustee, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to

enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under the Lease.

Allocation of Revenues by Trustee; Application of Funds

Deposit of Revenues into Bond Fund. All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required under the Indenture or under the Lease to be deposited in the Redemption Fund or the Insurance and Condemnation Fund shall be promptly deposited in such funds. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. Any surplus remaining in the Bond Fund, after payment in full of (i) the principal of and interest on the Bonds or provision therefore under the Indenture, and (ii) any applicable fees and expenses to the Trustee, shall be withdrawn by the Trustee and remitted to the City.

Transfers from the Bond Fund. On or before each Interest Payment Date, the Trustee will transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee will establish and maintain within the Bond Fund), the following amounts in the following order of priority:

Deposit to Interest Account. The Trustee will deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding.

Deposit to Principal Account. The Trustee will deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such Interest Payment Date.

Application of Accounts within Bond Fund.

Application of Interest Account. All amounts in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it comes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

Application of Principal Account. All amounts in the Principal Account will be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at their respective maturity dates.

Application of Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit a portion of the Revenues received, in accordance with a Written Request of the Authority, amounts in which shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and premium (if any) of the Bonds to be redeemed under the Indenture.

Lease Payments

Requirement to Make Lease Payments. Under the Lease, subject to the provisions of the Lease concerning rental abatement and prepayment of Lease Payments, the City agrees to pay to the Authority, its successors and assigns, the Lease Payments in the respective amounts specified in the Lease, to be due and payable in immediately available funds on the Interest Payment Dates immediately following each of the respective Lease Payment Dates specified in the Lease, and to be deposited by the City with the Trustee on each of the Lease Payment Dates specified in the Lease (defined as the 6th Business Day immediately preceding each Interest Payment Date).

Any amount held in the Bond Fund, the Interest Account and the Principal Account on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole under the Lease, and amounts required for payment of past due principal or interest on any Bonds not presented for payment) will be credited towards the Lease Payment then required to be paid hereunder.

The City is not required to deposit any Lease Payment with the Trustee on any Lease Payment Date if the amounts then held in the Bond Fund, the Interest Account and the Principal Account are at least equal to the Lease Payment then required to be deposited with the Trustee.

The Lease Payments payable in any Rental Period are for the use of the Leased Property during that Rental Period.

Rate on Overdue Lease Payments. If the City fails to make any of the payments of Lease Payments required in the Lease, the payment in default will continue as an obligation of the City until the amount in default has been fully paid, and the City agrees to pay the same with interest thereon, from the date of default to the date of payment at the highest rate of interest on any Outstanding Bond.

Fair Rental Value. The aggregate amount of the Lease Payments and Additional Rental Payments coming due and payable during each Rental Period constitute the total rental for the Leased Property for such Rental Period, and are payable by the City in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during each Rental Period. The Authority and the City have agreed and determined that the total Lease Payments represent the fair rental value of the Leased Property. In making that determination, consideration has been given to the estimated value of the Leased Property, other obligations of the City and the Authority under the Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the City and the general public.

Additional Rental Payments. In addition to the Lease Payments, the City shall pay when due the following amounts of Additional Rental Payments in consideration of the lease of the Leased Property by the City from the Authority:

- (a) All fees and expenses incurred by the Authority in connection with or by reason of its leasehold estate in the Leased Property, when due;
- (b) All reasonable compensation to the Trustee for all services rendered under the Indenture and for all reasonable expenses, charges, costs, liabilities, legal fees

and other disbursements incurred in and about the performance of its powers and duties under the Indenture;

- (c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Lease or the Indenture;
- (d) Amounts coming due and payable as Excess Investment Earnings in accordance with Lease; and
- (e) The reasonable out-of-pocket expenses of the Authority in connection with the execution and delivery of the Lease or the Indenture, or in connection with the issuance of the Bonds, including but not limited to any and all expenses incurred in connection with the authorization, sale and delivery of the Bonds, or incurred by the Authority in connection with any litigation which may at any time be instituted involving the Lease, the Bonds, the Indenture or any of the other documents contemplated thereby, or otherwise incurred in connection with the administration of the Lease.

Limited Obligation

THE OBLIGATION OF THE CITY TO MAKE THE LEASE PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE CITY, THE AUTHORITY OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

No Additional Bonds

In the Indenture, the Authority covenants that no additional bonds, notes or other indebtedness will be issued or incurred which are payable out of the Revenues in whole or in part.

Source of Payments; Covenant to Budget and Appropriate Funds for Lease Payments

The Lease Payments are payable from any source of available funds of the City, subject to the provisions of the Lease regarding abatement.

Under the Lease, the City covenants to take all actions required to include the Lease Payments in each of its budgets during the Term of the Lease and to make the necessary appropriations for all Lease Payments and Additional Rental Payments. This covenant of the City constitutes a duty imposed by law and each and every public official of the City is required to take all actions required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in the Lease agreed to be carried out and performed by the City.

Abatement

Termination or Abatement Due to Eminent Domain. Under the Lease, if the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease thereupon ceases as of the day possession is taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, then:

(a) the Lease will continue in full force and effect with respect thereto and does not terminate by virtue of such taking, and the parties waive the benefit of any law to the contrary; and

(b) the Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

Abatement Due to Damage or Destruction. The Lease Payments are subject to abatement during any period in which by reason of damage or destruction (other than by eminent domain as described above) there is substantial interference with the use and occupancy by the City of the Leased Property or any portion thereof.

The Lease Payments are subject to abatement in an amount determined by the City such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction.

If any such damage or destruction occurs, the Lease continues in full force and effect and the City waives any right to terminate this Lease by virtue of any such damage and destruction.

Property Insurance

Liability and Property Damage Insurance. Under the Lease, the City is required to maintain or cause to be maintained throughout the Term of the Lease, but only if and to the extent available from reputable insurers at reasonable cost in the reasonable opinion of the City, a standard commercial general liability insurance policy or policies in protection of the Authority, the City, and their respective members, officers, agents, employees and assigns.

Such policy or policies must provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such policy or policies must provide coverage in such liability limits and be subject to such deductibles as the City deems adequate and prudent.

Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City, subject to the provisions of the Lease regarding self-insurance, or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance must be applied toward extinguishment or satisfaction of the liability with respect to which paid.

Casualty Insurance. Under the Lease, the City is required to procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease, casualty insurance against loss or damage to all buildings situated on the Leased Property, in an amount at least equal to the lesser of (a) 100% of the replacement value of the insured buildings, or (b) 100% of the aggregate principal amount of the Outstanding Bonds.

Such insurance must, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, fire and such other hazards as are normally covered by such insurance (and need not include earthquake insurance). Such insurance may be subject to such deductibles as the City deems adequate and prudent.

Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained by the City in the form of self-insurance. The Net Proceeds of such insurance must be applied as provided in the Lease.

Rental Interruption Insurance. Under the Lease, the City is required to procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any portion of the Leased Property constituting buildings or other improvements as a result of any of the hazards covered in the casualty insurance requirements described above, in an amount at least equal to the maximum such Lease Payments coming due and payable during any consecutive two Fiscal Years.

Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of the participation by the City in a joint powers agency or other program providing pooled insurance; provided that such insurance may not be maintained by the City in the form of self-insurance. The Net Proceeds of such insurance, if any, must be paid to the Trustee and deposited in the Bond Fund, to be applied as a credit towards the payment of the Lease Payments allocable to the insured improvements as they become due and payable.

Insurance Net Proceeds; Form of Policies. Each policy of casualty insurance, rental interruption insurance and title insurance maintained under the Lease must name the Trustee as loss payee so as to provide that all proceeds thereunder are payable to the Trustee. The City shall pay or cause to be paid when due the premiums for all insurance policies required by the Lease. All such policies shall provide that the Trustee is given 30 days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby.

The City must file with the Trustee annually, within 90 days following the close of each Fiscal Year, a certificate of the City stating that all policies of insurance required under the Lease are then in full force and effect. The Trustee has no responsibility for the sufficiency, adequacy or amount of any insurance or self-insurance herein required and is fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss.

If any liability and property damage insurance maintained under the Lease is provided in the form of self-insurance, the City must file with the Trustee annually, within 90 days following the close of each Fiscal Year, a statement of the risk manager of the City or an independent

insurance adviser engaged by the City identifying the extent of such self-insurance and stating the determination that the City maintains sufficient reserves with respect thereto. If any such insurance is provided in the form of self-insurance by the City, the City has no obligation to make any payment with respect to any insured event except from those reserves.

THE AUTHORITY

The Authority is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, dated as of July 31, 2012 (the “**Joint Powers Agreement**”), by and between the City and the California Municipal Finance Authority. The Joint Powers Agreement was entered into pursuant to the provisions of Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “**Act**”). The governing body of the Authority consists of the same individuals who comprise the City Council of the City. The Authority was created for the purpose of financing and refinancing capital improvements projects of the City and to finance working capital for the City. Pursuant to Article 1 of the Act, the Authority is qualified to assist in financing projects and certain public improvements and to issue bonds under Article 4 of the Act (being the Marks-Roos Local Bond Pooling Act of 1985).

The Authority has no taxing power. The Authority and the City are separate legal entities, and the debts and obligations of one such entity are not debts or obligations of the other entity.

THE CITY

General

The City was founded in 1854 and incorporated in 1872. It is located in Alameda County, in the growing East Bay region of the San Francisco Bay Area. The City spans Alameda Island, Bay Farm Island, and a few minor islands. It is adjacent to and south of the City of Oakland and east of the City and County of San Francisco. The City is a charter city, rather than a general law city, and adopted a council-manager form of government in 1916. The City provides a range of municipal services to its citizens including public safety, public works, community development, community services and electric utility service through Alameda Municipal Power. The population as of January 2023 was estimated at 77,287.

The City has a permanent staff of approximately 524 allocated full-time positions (including Alameda Municipal Power) as of July 31, 2023.

City Government

The City operates under 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, and subject to two elected term limits. 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 commissioners and committee members, as well as hiring the City Manager, City Attorney and City Clerk. The City Manager is responsible for implementing the Council’s policies, and overseeing the day-to-day operations and management of the City. Current City Council priorities include: preparing Alameda for the future; encouraging economic development across the island; supporting enhanced livability and quality of life; protecting core services; and ensuring effective and efficient operations.

City Council Members. The current members of the City Council are as follows:

<u>Name and Office</u>	<u>Current Term Expires</u>
Marilyn Ezzy Ashcraft, <i>Mayor</i>	December 2026
Tony Daysog, <i>Vice Mayor</i>	December 2026
Tracy Jensen, <i>Councilmember</i>	December 2026
Trish Herrera Spencer, <i>Councilmember</i>	December 2024
Malia Vella, <i>Councilmember</i>	December 2024

Key City Staff. The City Manager is appointed by the City Council, and oversees day-to-day operations of the City. The Director of Finance is appointed by the City Manager, and oversees the finances of the City. Below are brief biographies of the City Manager and the Director of Finance:

Jennifer Ott, City Manager. Ms. Ott has served as City Manager of the City since January 2023. From September 2018 until January 2023, Ms. Ott worked for the City of Hayward where she served as Assistant City Manager and Deputy City Manager. From 2005 to 2018, Ms. Ott worked for Alameda in various roles, including Redevelopment Manager, Chief Operating Officer of Alameda Point, and Base Reuse and Transportation Planning Director. She holds a B.A. from the University of California, Davis and a Masters in Public Policy from the University of California, Berkeley.

Amy Wooldridge, Assistant City Manager. Ms. Wooldridge has served as Assistant City Manager of the City since May 2023. She has more than 18 years of senior management experience, including over 11 years as the City's Recreation and Parks Director. She holds a Bachelor of Science degree from the University of California, Davis.

Margaret L. O'Brien, Director of Finance. Ms. O'Brien as served as Director of Finance of the City since April 2022. In that role, she brings nearly 20 years of progressively responsible leadership and successful strategic planning experience in public finance. Prior to her appointment as Director of Finance for the City, she served the cities of Oakland and Emeryville in areas of finance and public works. Ms. O'Brien is a certified mediator, holds a Masters of Organizational Leadership from Gonzaga University and an MBA from California State University-Dominguez Hills.

Population

The City's population was approximately 77,287 on January 1, 2023, according to the California State Department of Finance's estimates. The following table shows the estimated population growth for the City, the County and the State of California for the last ten years.

Table 1
City of Alameda
City, County and State Population Growth⁽¹⁾
Calendar Years 2014 through 2023

Calendar Year	City of Alameda	% Change from Prior Period	Alameda County	% Change from Prior Period	State of California	% Change from Prior Year
2014	77,500	0.8	1,590,729	1.3	38,556,731	--%
2015	78,381	1.1	1,613,319	1.4	38,865,532	0.8
2016	80,386	2.6	1,631,230	1.1	39,103,587	0.6
2017	80,947	0.7	1,644,303	0.8	39,352,398	0.6
2018	81,195	0.3	1,651,760	0.5	39,519,535	0.4
2019	81,457	0.3	1,659,608	0.5	39,605,361	0.2
2020	78,815	(3.2)	1,682,353	1.4	39,538,223	(0.2)
2021	78,250	(0.7)	1,663,371	(1.1)	39,286,510	(0.6)
2022	77,437	(1.0)	1,644,248	(1.1)	39,078,674	(0.5)
2023	77,287	(0.2)	1,636,194	(0.5)	38,940,231	(0.4)

(1) As of January 1 of each year.

Source: State of California Department of Finance.

Employment

The following table shows certain employment statistics for the City of Alameda Census Designated Place (CDP) and the County for calendar years 2017 through 2021.

Table 2
City of Alameda
City and County Employment Statistics
Calendar Years 2017 through 2021⁽¹⁾

Year	City (Census Designated Place)			County
	Labor Force	Employed	Unemployment Rate	Unemployment Rate
2017	41,700	40,200	3.5%	3.7%
2018	41,300	40,100	2.9	3.1
2019	41,400	40,300	2.6	2.9
2020	39,400	36,000	8.5	8.8
2021	39,900	37,700	5.5	6.1

(1) Not seasonally adjusted. Figures represent the 12-month average for each such year.

Source: State of California, Employment Development Department.

The unemployment rate in the Oakland-Hayward-Berkeley MD was 4.2 percent in June 2023, up from a revised 3.7 percent in May 2023, and above the year-ago estimate of 3.3 percent. This compares with an unadjusted unemployment rate of 4.9 percent for California and 3.8 percent for the nation during the same period. The unemployment rate was 4.2 percent in Alameda County, and 4.2 percent in Contra Costa County.

The following table summarizes the civilian labor force in the MD for the calendar years 2018 through 2022.

Table 3A
City of Alameda
Oakland-Hayward-Berkeley MD
Annual Average Employment by Industry
Calendar Years 2018 through 2022

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Civilian Labor Force ⁽¹⁾	1,401,900	1,404,000	1,367,100	1,357,000	1,377,100
Employment	1,358,100	1,361,500	1,244,600	1,272,800	1,330,500
Unemployment	43,800	42,500	122,500	84,200	46,600
Unemployment Rate	3.1%	3.0%	9.0%	6.2%	3.4%
Wage and Salary Employment ⁽²⁾					
Agriculture	1,300	1,400	1,500	1,700	1,900
Mining and Logging	200	200	200	200	200
Construction	74,900	75,600	71,100	74,300	75,200
Manufacturing	100,600	101,000	98,700	105,800	111,900
Wholesale Trade	47,500	45,400	42,100	41,100	41,500
Retail Trade	114,700	112,000	101,500	105,300	106,200
Transportation, Warehousing and Utilities	42,300	43,700	45,200	49,500	55,100
Information	27,600	27,600	25,600	24,700	24,900
Finance and Insurance	37,500	37,200	35,900	34,800	33,300
Real Estate and Rental and Leasing	17,800	18,100	16,800	17,200	18,700
Professional and Business Services	189,500	193,200	184,900	190,700	196,200
Educational and Health Services	194,300	198,400	191,300	198,500	207,000
Leisure and Hospitality	117,700	121,000	84,700	92,500	108,400
Other Services	41,000	41,200	33,100	35,600	39,300
Federal Government	13,400	13,400	14,200	13,400	13,100
State Government	39,400	39,600	38,200	35,900	32,700
Local Government	121,800	121,800	113,500	111,800	115,400
Total, All Industries ⁽³⁾	1,181,600	1,190,700	1,098,500	1,133,000	1,180,900

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

The following table provides monthly labor force data for cities and census designated places (CDP) in the County for June 2023.

Table 3B
City of Alameda
Monthly Labor Force Data for Cities and Census Designated Places (CDP)⁽¹⁾
June 2023 Preliminary
(Data Not Seasonally Adjusted)

Area Name	Labor Force	Employ- ment	Unemployment Number	Rate
Alameda County	824,300	790,000	34,300	4.2%
Alameda City	40,800	39,200	1,600	3.9%
Albany City	9,400	9,200	200	2.5%
Ashland CDP	11,300	10,600	600	5.4%
Berkeley City	62,000	59,500	2,400	3.9%
Castro Valley CDP	31,900	31,100	800	2.6%
Cherryland CDP	7,100	6,700	500	6.4%
Dublin City	33,700	32,300	1,300	3.9%
Emeryville City	8,300	8,000	300	3.7%
Fairview CDP	5,400	5,300	200	3.2%
Fremont City	116,800	112,200	4,700	4.0%
Hayward City	75,600	72,200	3,400	4.5%
Livermore City	48,000	46,400	1,600	3.3%
Newark City	25,500	24,500	1,000	3.9%
Oakland City	208,500	198,800	9,700	4.7%
Piedmont City	5,100	4,900	200	4.3%
Pleasanton City	39,300	37,800	1,500	3.9%
San Leandro City	45,100	43,300	1,800	4.0%
San Lorenzo CDP	14,500	13,800	700	4.9%
Sunol CDP	400	400	0	5.2%
Union City	36,200	34,700	1,600	4.3%

(1) CDP is "Census Designated Place" - a recognized community that was unincorporated at the time of the 2011-2015 5-Year American Community Survey (ACS).

Source: State of California Employment Development Department.

Principal Employers

The following table shows the top ten employers within the City, listed alphabetically, along with the approximate number of employees for each.

Table 4
City of Alameda
Top Ten Employers
Fiscal Year 2021-22

Company	Approx. No. Employees
Celera	554
Exelixis	954
Glycosan Biosystems	25
Health Diagnostics	750
PA Acquisition Corp	1,764
Penumbra, Inc.	1,839
Telecare Corp	3,817
UTStarcom Inc.	600
Voxify	84
Wind River Systems	1,800

Source: City of Alameda audited financial statements for fiscal year 2021-22; City of Alameda Finance Department.

Effective Buying Income. The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2019 through 2023. “Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income.

Table 5
City of Alameda, Alameda County,
State of California and the United States
Effective Buying Income
As of January 1, 2019 through 2023

Year	Area	Total Effective Buying Income (000s' Omitted)	Median Household Effective Buying Income
2019	City of Alameda	\$3,712,497	\$82,542
	Alameda County	67,609,653	79,446
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of Alameda	\$3,869,052	\$86,699
	Alameda County	72,243,436	84,435
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of Alameda	\$4,137,238	\$91,487
	Alameda County	77,794,202	88,389
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of Alameda	\$4,653,294	\$104,380
	Alameda County	85,225,529	99,940
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Alameda	\$4,348,166	\$99,969
	Alameda County	80,766,211	98,721
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326

Source: Claritas, LLC.

Construction Activity

The following table provides a summary of residential building permit valuations and nonresidential building permit valuations, and the total number of all building permit valuations in the City during the past five years.

Table 6
City of Alameda
Building Permit Activity
Fiscal Years 2018 through 2022
(Valuation in Thousands)

<u>Permit Valuation</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
New Single-family	\$1,629.7	\$10,863.7	\$16,099.8	\$41,345.7	\$25,426.7
New Multi-family	2,426.4	138,636.4	74,836.6	33,038.9	49,640.9
Res. Alterations/Additions	36,408.5	30,007.2	23,849.0	8,873.8	24,403.5
Total Residential	40,464.6	179,507.3	114,785.4	83,258.4	99,471.1
New Commercial	16,829.8	19,697.6	55,072.8	9,110.0	133.0
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	1,974.4	2,989.1	6,955.2	254.0	2,203.9
Com. Alterations/Additions	51,495.5	42,424.2	75,278.7	46,857.5	37,877.1
Total Nonresidential	70,299.7	65,110.9	137,306.7	56,221.5	40,214.0
<u>New Dwelling Units</u>					
Single Family	18	50	80	199	123
Multiple Family	11	622	249	445	150
TOTAL	29	672	329	644	273

Source: Construction Industry Research Board, Building Permit Summary.

Alameda Point Development

In June 2015, the City Council approved a Disposition and Development Agreement, as amended (collectively, “**DDA**”) related to development of a 68-acre mixed-use project at Alameda Point known as “Site A.” Site A is the first major public/private development since the former Naval Air Station closure in 1997. The 6th amendment to the DDA, executed in September 2022, substantially revised the planned development on a portion of “Phase 1” of Site A, as well as in “Phase 2” of Site A.

The proposed Site A development provides for:

- A high-quality mixed-use transit-oriented waterfront development that includes approximately 1,472 on-site permanent jobs and 2,570 construction jobs over the life of the project, retail amenities, a diversity of housing types for a wide range of income levels, and new waterfront parks;
- Future job creation at Alameda Point through the construction of amenities, gateway improvements into Alameda Point, and new utility infrastructure, all of which will help to support long-term employment-generation;

- Mitigation of traffic impacts by funding transit service to BART, the creation of a direct ferry service between Alameda Point and San Francisco, the extension of Cross Alameda bicycle trail, and a number of other alternative transportation programs;
- A contribution of \$18 million towards significant transportation infrastructure; and
- A commitment of over \$30 million to 10 acres of publicly accessible parks and open spaces, including the regional sports complex and eight acres of waterfront parks along the Seaplane Lagoon with a community kayak launch.

As of March 30, 2023, 454 housing units (128 of which are designated affordable) had been completed at Site A with an additional 830 units contemplated in the 6th Amendment to the DDA. Construction and capital cost increases have caused major constraints on the ability of the project to meet its original objectives and schedule. In addition to the housing units mentioned, two public parks and the new Seaplane Lagoon Ferry Terminal have been opened to the public at Site A.

A portion of the Alameda Point development is on manmade fill that is subject to greater damage in the event of an earthquake. See “BOND OWNERS’ RISKS – Natural Disasters – Seismic” herein.

CITY FINANCIAL INFORMATION

Fund Accounting and Budgeting

The City operates on a fiscal year basis that begins on July 1 of each year, and ends the following June 30. The City Manager’s Office and Finance Department manage the budget process. The City adopts two-year biennial budgets, as well as “mid-cycle” budget updates. The preparation of the budget takes place between January and June. Public hearings and community workshops are conducted on the proposed budgets to review all appropriations and sources of financing. Budgeted expenditures are then adopted through the passage of a resolution. The budget represents the maximum authorized expenditures for the year and cannot legally be exceeded except by subsequent amendments of the budget by the City Council. Any amendments or transfers of appropriations between object group levels within the same department must be authorized by the City Manager. Any amendments to the total level of appropriations for a fund or transfers between funds must be approved by the City Council.

Expenditures are controlled at the fund level for all budgeted departments within the City. This is the level at which expenditures may not legally exceed appropriations. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) in accordance with standards established by the Governmental Accounting Standards Board (GASB), California Society of Municipal Finance Officers (CSMFO) and Government Finance Officers Association (GFOA). For additional details, see APPENDIX A.

City General Fund Budgets

The General Fund’s major revenue sources are Property Taxes (including motor vehicle license fee in-lieu), Sales Taxes, Property Transfer Taxes, Utility Users Tax, and other local taxes. Together they comprise approximately 88% of the total budgeted General Fund revenues for Fiscal Year 2023-24 of \$124.0 million.

The General Fund's major expenditure categories are Police and Fire, which together represent approximately 77% of the total budgeted General Fund expenditures for Fiscal Year 2023-24 of \$125.5 million.

The revenue and expenditure projections were based on City staff's analysis of local conditions and reflect information received from a number of sources, including the City's Utility Users Tax, Sales and Use Tax, and Property Tax consultants.

The table on the following page shows the current and next succeeding year's adopted General Fund budgets for Fiscal Years 2023-24 and 2024-25. The City's Fiscal Year 2022-23 audited financial statements are not yet available; accordingly, unaudited actuals have been provided in the table. The final, audited numbers for Fiscal Year 2022-23 may differ.

Table 7
City of Alameda
General Fund Budget Summary
For Fiscal Years 2022-23 (Unaudited Actuals)
2023-24 & 2024-25 (Adopted Budget)

	2022-23 Unaudited Actuals	2023-24 Adopted Budget (as Amended)	2024-25 Adopted Budget
Revenues			
Property taxes	\$57,215,944	\$56,677,000	\$59,088,000
Sales taxes	11,608,040	11,700,000	12,000,000
Transfer taxes ⁽¹⁾	11,118,684	13,000,000	13,000,000
Utility user taxes	9,737,712	9,210,000	9,210,000
Other local taxes	18,786,281	18,627,000	18,868,000
Licenses and permits	2,482,113	2,760,800	2,760,800
Revenues from other agencies	1,052,761	1,416,100	2,951,000
Charges for current services	10,095,983	8,318,500	8,421,000
Fines and forfeitures	317,037	150,000	185,000
Use of money and property	3,110,918	1,867,412	1,892,960
Other revenues	3,000,665	272,024	15,745
Total Revenues	128,526,138	123,998,836	128,392,505
Expenditures			
Current:			
General government	8,304,087	9,868,076	8,638,766
Police	39,036,624	46,075,690	47,838,935
Fire	44,053,607	49,289,219	51,422,091
Public works	3,658,263	4,443,778	4,662,268
Community services	1,146,554	2,214,248	2,300,982
Recreation and Parks	12,208,714	12,297,234	12,113,155
Capital outlay	480,012	1,330,000	700,000
Debt service			
Principal	234,996	--	--
Interest	7,048	--	--
Total expenditures	109,129,905	125,518,245	127,676,197
Excess (deficiency) of revenues over (under) expenditures	19,396,233	(1,519,409)	716,308
Other financing sources(uses)			
Transfers In ⁽²⁾	15,386,595	7,038,000	5,866,622
Transfers Out ⁽³⁾	(12,807,038)	(31,256,302)	(10,496,395)
Total Other Financing Sources (Uses)	2,579,557	(24,221,302)	(4,629,773)
Net change in fund balance	21,975,790	(25,740,711)	(3,913,465)
Fund balance, beginning	90,028,277	112,004,067	86,263,356
Fund balance, ending	\$112,004,067	\$86,263,356	\$82,349,891

(1) A reduction in budgeted revenues from transfer taxes is responsible for the lower overall revenues to the General Fund in this category compared to Fiscal Year 2021-22. This is a result of fewer real properties being sold (and projected to be sold) in the City than in prior years.

(2) Transfers In primarily consist of transfers from Alameda Municipal Power Fund to General Fund per City Charter. In addition, in Fiscal Year 2022-23, American Rescue Plan Act (ARPA) funds were transferred into the General Fund.

(3) Transfers Out generally consist of transfers to Non-Major Governmental Funds and Internal Service Funds to fund recreation, deferred maintenance, pension and OPEB costs and/or to establish a new fund or move fund resources. Lease obligation payments related to the Bonds are also included in Transfers Out. For Fiscal Year 2021-22, for example, the transfer out to Non-Major Governmental Funds was \$4,088,798 and the transfer out to Internal Service Funds was \$8,974,000. In addition, in Fiscal Year 2023-24, it is anticipated that \$15,000,000 will be transferred out of the General Fund to the fund established for the Aquatic Center.

Source: City of Alameda – 2022-23 Unaudited Actuals and 2023-2025 Adopted Budget.

Financial Statements

Set forth in the following tables are the City's General Fund balance sheets and statements of revenues, expenditures and changes in General Fund Balance for fiscal years 2017-18 through 2021-22, which are based on the City's audited financial statements. The balance sheets and statements presented in this Official Statement are subject to the various notes attached to the City's financial statements for the respective years. The City's Annual Comprehensive Financial Report ("ACFR") for fiscal year ended June 30, 2022, which includes the City's 2021-22 audited financial statements, is set forth in Appendix B.

Table 8
City of Alameda
General Fund Balance Sheets
Fiscal Years 2017-18 through 2021-22 (Audited)

	2017-18	2018-19	2019-20	2020-21	2021-22
Assets					
Cash and investments	\$38,794,355	\$35,557,557	\$51,998,745	\$60,366,918	\$84,733,597
Restricted cash and investments	6,000	6,000	6,000	6,000	6,000
Accounts receivable	7,208,716	12,517,615	8,476,634	14,681,534	11,042,783
Prepays and deposits	89,833	4,255	2,355	40,832	3,470
Due from other funds	621,509	326,072	336,022	2,799,635	328,049
Loans receivable	--	--	--	--	2,000,000
Advances to other funds	692,607	1,596,527	1,008,802	896,713	1,134,624
Leases receivable	--	--	--	--	306,871
Total Assets	47,413,020	50,008,026	61,828,558	78,791,632	99,555,394
Liabilities					
Accounts payable	1,124,006	2,227,345	1,650,841	1,491,492	2,182,887
Accrued payroll	2,797,391	3,598,060	2,538,357	1,623,730	4,032,818
Due to other agencies	357,349	519,876	778,976	11,574	16,483
Unearned revenue	1,343,016	1,452,418	1,036,184	1,462,429	1,570,198
Refundable deposits	581,855	621,737	852,737	845,925	1,193,801
Advances from other funds	--	368,812	325,499	280,887	234,936
Total Liabilities	6,203,617	8,788,248	7,182,594	5,716,037	9,231,123
Deferred Inflow of Resources					
Unavailable revenue	--	8,970	--	--	295,994
Fund Balances					
Nonspendable	782,440	1,591,812	1,011,157	937,545	3,138,094
Committed	--	--	--	--	8,700,000
Assigned	15,354,029	16,173,757	18,220,882	15,544,000	13,929,791
Unassigned	25,072,934	23,445,239	35,413,925	56,594,050	64,260,392
Total Fund Balance	41,209,403	41,210,808	54,645,964	73,075,595	90,028,277
Total Liabilities & Fund Balance	\$47,413,020	\$50,008,026	\$61,828,558	\$78,791,632	\$99,555,394

Source: City Finance Department and City of Alameda audited financial statements for fiscal years 2017-18 through 2021-22.

Table 9
City of Alameda
Statements of Revenues, Expenditures and Changes in General Fund Balance
Fiscal Years 2017-18 through 2021-22 (Audited)

	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues					
Property taxes	\$38,726,740	\$42,037,930	\$45,733,244	\$49,310,946	\$51,486,500
Sales taxes	10,279,885	11,527,704	10,119,901	10,695,541	11,757,084
Transfer taxes	15,679,218	17,134,704	15,195,899	18,536,929	21,929,943
Utility user taxes	9,333,534	9,077,314	8,809,356	9,091,389	9,011,553
Other local taxes	8,140,640	10,131,804	14,538,786	16,314,309	18,402,540
Licenses and permits	2,380,610	2,253,419	2,574,325	2,253,884	2,387,072
Revenues from the other agencies	583,127	1,016,112	715,885	2,465,847	917,584
Charges for current services	9,787,559	3,840,788	5,549,602	4,396,888	7,838,029
Fines and forfeitures	886,188	778,060	700,314	670,398	320,669
Use of money and property	1,324,012	1,822,147	2,532,639	1,300,123	247,977
Other revenues	211,222	19,369	1,335	35,033	20,068
Total Revenues	97,332,735	99,639,351	106,471,286	115,071,287	124,319,019
Expenditures					
Current:					
General government	19,790,499	16,568,001	8,401,582	8,964,021	7,757,153
Police	38,139,431	33,904,701	34,219,570	34,272,471	37,243,422
Fire	36,203,540	34,541,826	35,017,614	36,459,313	39,276,941
Public works	1,943,893	2,179,896	2,437,812	2,330,924	3,308,954
Community services	2,660,447	3,044,836	3,749,130	3,608,347	733,855
Recreation and Parks	--	--	--	--	10,382,106
Capital outlay	2,541,094	391,455	253,304	111,213	120,969
Debt service					
Principal	201,385	208,790	215,054	221,506	228,151
Interest	--	14,564	11,064	9,765	8,427
Total expenditures	101,480,289	90,854,069	84,305,130	85,977,560	99,059,978
Excess (deficiency) of revenues over (under) expenditures	(4,147,554)	8,785,282	22,166,156	29,093,727	25,259,041
Other financing sources(uses)					
Transfers In	4,219,000	4,668,414	4,493,136	7,304,979	4,939,465
Transfers Out	(9,257,842)	(13,452,291)	(13,224,136)	(17,969,075)	(13,245,824)
Total Other Financing Sources (Uses)	(5,038,842)	(8,783,877)	(8,731,000)	(10,664,096)	(8,306,359)
Net change in fund balance	(9,186,396)	1,405	13,435,156	18,429,631	16,952,682
Fund balance, beginning	50,395,799	41,209,403	41,210,808	54,645,964	73,075,595
Fund balance, ending	\$41,209,403	\$41,210,808	\$54,645,964	\$73,075,595	\$90,028,277

Source: City of Alameda audited financial statements for fiscal years 2017-18 through 2021-22.

Reserve Policies

General Fund Balance. General Fund balance that is available at the close of any given fiscal year is estimated during the final stages of the budget development process for the following fiscal year. Fund balance is used to achieve and maintain the City's reserve goals, and to balance subsequent budgets only when recommended by the City Manager and approved by the City Council. It is the policy of the City Council to maintain available General Fund reserves of at least 20% of annual expenditures, plus 5% as an additional economic uncertainty reserve. In addition, the City should strive to reduce its reliance upon prior year's remaining fund balance to finance subsequent year operations.

Sewer Fund Reserves. In its Sewer Fund, the City shall strive to maintain a minimum of six months of operating revenues and \$2 million for future capital projects in its reserves, to account for delays in receipt of sewer charges placed on the County tax roll and to ensure sufficient available cash to pay operating and capital expenses.

Revenues Available for Lease Payments

The City will make Lease Payments from moneys held in the General Fund that are available for such purpose. The following table shows such revenues received by the City for the last three fiscal years.

Table 10
City of Alameda
General Fund Revenues by Revenue Source
Fiscal Years 2019-20 through 2021-22

Category	2019-20		2020-21		2021-22	
	Revenues	% of Total	Revenues	% of Total	Revenues	% of Total
Property taxes	\$45,733,244	43%	\$49,310,946	43%	\$51,486,500	41%
Transfer taxes	15,195,899	14	18,536,929	16	21,929,943	18
Other local taxes	14,538,786	14	16,314,309	14	18,402,540	15
Sales taxes	10,119,901	10	10,695,541	9	11,757,084	9
Utility user taxes	8,809,356	8	9,091,389	8	9,011,553	7
Charges for current services	5,549,602	5	4,396,888	4	7,838,029	6
Licenses and permits	2,574,325	2	2,253,884	2	2,387,072	2
Revenues from the other agencies	715,885	1	2,465,847	2	917,584	1
Fines and forfeitures	700,314	1	670,398	1	320,669	0
Use of money and property	2,532,639	2	1,300,123	1	247,977	0
Other revenues	1,335	0	35,033	0	20,068	0
Total	\$106,471,286	100%	\$115,071,287	100%	\$124,319,019	100%

Source: City of Alameda Finance Department.

Ad Valorem Property Taxes

Ad valorem property taxes represents the largest source of general fund revenue for the City. This section describes property tax levy and collection procedures and certain information regarding historical assessed values and major property taxpayers in the City.

General. In California, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” Secured and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The secured classification includes property on which any property tax levied by the County becomes a lien on that property sufficient, in the opinion of the County assessor, to secure payment of the taxes. Every tax which becomes a lien on secured property has priority over other liens (except certain federal claims) on the secured property, regardless of the time of the creation of other liens. A tax levied on unsecured property does not become a lien against the taxes on unsecured property, but may become a lien on certain other property owned by the taxpayer.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. If such taxes remain unpaid as of June 30 of the fiscal year in which the taxes are levied, the property securing the taxes may only be redeemed by a payment of the delinquent taxes and the delinquency penalty, plus costs and a redemption penalty of 1-1/2% per month from the original June 30th date to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted properties are thereafter subject to sale by the county tax collector as provided by law.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if unpaid by August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1-1/2% per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing of a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) secure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

Property Tax Levies and Collections; Teeter Plan. The County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds as provided for in the State Revenue and Taxation Code (the “**Teeter Plan**”), which requires the County to pay 100% of secured property taxes due to local agencies in the fiscal year such taxes are due, including the City. Under these provisions, the County has established a delinquency reserve and assumes responsibility for all secured delinquencies.

Under the Teeter Plan, the City is assured of 100% collection of its secured tax levies so long as the conditions established by the Teeter Plan are met. However, the City is not entitled to share in any penalties due on delinquent payments or in the interest which accrues on delinquent payments. The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors has received a petition for its discontinuance joined in by resolutions adopted by two thirds of the participating revenue districts in the County, in which event the Board of Supervisors is required to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year.

The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event that the Teeter Plan was terminated, the amount of the levy of *ad valorem* property taxes in the City would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the City. The City is not aware of any plans by the County to discontinue the Teeter Plan.

Proposition 8 Reductions in Assessed Valuation. The Alameda County Assessor (the “**County Assessor**”) assesses property as of its assessed valuation on January 1 of each year. If the market value as of January 1 is less than its base year value, annually adjusted by the inflation factor (generally 2 percent) pursuant to Article XIII A of the State Constitution, then Proposition 8, adopted in November, 1978, allows for a temporary reduction in assessed value. In these cases, the County Assessor may lower the assessed valuation of any such real property. See “RISK FACTORS – Appeals of Assessed Values” for additional information.

Assessed Valuation History. The following table shows historical assessed valuations of taxable property in the City since Fiscal Year 2017-18.

Table 11
City of Alameda
Assessed Value of Taxable Property
Fiscal Years 2017-18 through 2023-24

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2017-18	\$12,027,107,256	\$6,564,425	\$511,300,374	\$12,544,972,055	--%
2018-19	12,977,179,607	5,865,709	560,482,846	13,543,528,162	8.0
2019-20	13,942,219,641	5,865,709	632,158,585	14,580,243,935	7.7
2020-21	14,867,004,566	5,865,709	629,020,320	15,501,890,595	6.3
2021-22	15,537,748,566	5,410,469	616,058,325	16,159,217,360	4.2
2022-23	17,064,433,425	5,410,469	735,821,211	17,805,665,105	10.2
2023-24	18,495,715,794	4,993,649	846,515,235	19,347,224,678	8.7

Source: California Municipal Statistics, Inc.

Largest Taxpayers. The 20 largest secured property taxpayers for Fiscal Year 2023-24, are as follows:

**Table 12
City of Alameda
Largest Property Taxpayers
Fiscal Year 2023-24**

<u>No.</u>	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2023-24 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1.	G & I IX Marina Village Office Park LP	Office Building	\$ 414,257,114	2.24%
2.	SCG Harbor Bay Parkway Phase I & II LLC	Industrial	305,001,889	1.65
3.	BRE Alameda I MF Property Owner LLC	Apartments	252,059,599	1.36
4.	MGP XII South Shore Center LLC	Shopping Center	236,303,004	1.28
5.	Alameda Multifamily Owner LLC	Apartments	207,771,876	1.12
6.	Alta Buena Vista Owner LLC	Apartments	183,415,538	0.99
7.	Catellus Alameda Retail LLC	Shopping Center	116,118,935	0.63
8.	Alameda Block 9 LP	Apartments	105,385,385	0.57
9.	PR II BWG Launch Owner LLC	Apartments	90,574,680	0.49
10.	Harbor Bay CA LLC	Office Building	81,062,970	0.44
11.	Abbott Diabetes Care Inc.	Office Building	78,418,671	0.42
12.	CP VI Admirals Cove LLC	Apartments	64,752,242	0.35
13.	Woodstock Homes Corporation	Apartments	63,724,935	0.34
14.	Pulte Home Co LLC	Residential Properties	63,454,822	0.34
15.	1321 & 1351 Harbor Bay LLC	Office Building	61,710,000	0.33
16.	Vue Alameda Owner LP	Apartments	61,505,435	0.33
17.	PR II Bridgeside Retail LLC	Shopping Center	56,100,000	0.30
18.	North River Alameda LLC	Office Building	52,798,825	0.29
19.	Harbor Bay NLA LLC	Office Building	47,877,742	0.26
20.	LSVB Panomar LLC	Apartments	46,198,480	0.25
			<u>\$2,588,492,142</u>	<u>14.00%</u>

(1) 2023-24 Local Secured Assessed Valuation: \$18,495,715,794.

Source: California Municipal Statistics, Inc.

Proposition 13 and Proposition 8 Property Value Adjustments. Proposition 13, passed in 1978, established the base year value concept for property tax assessments. Under Proposition 13, the 1975-76 fiscal year serves as the original base year used in determining the assessment for real property. Thereafter, annual increases to the base year value are limited to the inflation rate, as measured by the California Consumer Price Index, or 2%, whichever is less. A new base year value, however, is established whenever a property, or portion thereof, has had a change in ownership or has been newly constructed.

Proposition 8, enacted in 1978, allows for a temporary reduction in assessed value when a property suffers a “decline-in-value.” As of the January 1st (lien date) each year, the Assessor must enroll either a property’s Proposition 13 value (adjusted annually for inflation by no more than 2%) or its current market value, whichever is less. When the current market value replaces the higher Proposition 13 value, the lower value is commonly referred to as a “Proposition 8 Value.” “Proposition 8 values” are temporary and, once enrolled, must be reviewed annually by the assessor until the Proposition 13 adjusted base year value is enrolled.

Real Property Transfer Taxes

In recent years, the City’s real property transfer tax has been the second largest source of general fund revenue, trailing only ad valorem property taxes. In accordance with its Alameda Real Property Conveyance Tax Regulation, City Code Section 3-58.1 et seq, the City imposes a tax of on each transfer, by deed, instrument or writing, by which any lands,

tenements or other real property sold, located in the City, are or is granted, assigned, transferred or otherwise conveyed to, or vested in, a purchaser thereof, or any other person at or by the direction of the purchaser, when the value of the consideration exceeds \$100, at a rate of \$12/\$1,000 of the value of the consideration paid or delivered in return for the transfer of real property. The tax is payable at the time of deed recordation, and in the event of non-payment, delinquency penalties attach and a lien on the property for collection is imposed.

Other Local Taxes

In recent years, the category of “Other Local Taxes” has been the third largest source of general fund revenue to the City. This category of revenues includes franchise fees, business license fees, and transient occupancy tax.

Franchise Fees. The City has franchise agreements with several utility companies, including the holder of the cable TV franchise and the solid waste franchise in the City. These companies pay the City a franchise fee based on a percentage of their revenue earned within the City limits. These fees serve as compensation for, among other things, wear and tear on City streets. Franchise fees can change when the customer base expands, when additional services are used, when weather impacts the use of the utility, and when rates change.

Business Licenses. The City imposes a business license tax on businesses operating within the City. The amount of the tax varies depending on the total annual gross receipts of the business and the type of business.

Transient Occupancy Tax. The City imposes a Transient Occupancy Tax (“TOT”) of 14% on hotel/motel/short-term rental guests in the City. The 14% rate was approved by the voters at the November 8, 2022 election as “Measure F”; prior to such election, the TOT was levied in the City at a rate of 10%. The tax proceeds may be used for any valid municipal government purpose, including, but not limited to, paying Lease Payments.

Utility Users Tax

The City imposes a utility users tax of 7.5% on all residential and commercial utility bills for properties within the City.

Electric System Revenue Transfer

The City Charter provides that the City’s non-for-profit electric municipal utility, Alameda Municipal Power (“AMP”), may transfer to the City General Fund certain excess earnings of the electric system after payment of bonds secured by electric system revenues and operating expenses (exclusive of depreciation) and certain amounts authorized to be retained by AMP from earnings of the electric system, all as provided in the Charter. In the absence of such transfer of excess earnings as determined under the Charter, the City’s Public Utilities Board has authorized by resolution certain contributions from the electric system to the City General Fund in accordance with the provisions of the Charter. See Note 2 to Table 7 above for amounts of recent transfers.

Sales Taxes

Sales and use taxes typically represent the fourth largest source of tax revenue to the City (approximately 9% of the governmental funds tax revenues in fiscal year 2021-22). This

section describes the current system for levying, collecting and distributing sales and use tax revenues in the State. The City received approximately \$11.8 million in sales tax revenue for fiscal year 2021-22 and has budgeted to receive \$19.0 million in sales tax revenue for fiscal year 2022-23.

The City collects a percentage of taxable sales in the City (minus certain administrative costs imposed by the California Department of Tax and Fee Administration (the “**CDTFA**”) pursuant to the Bradley-Burns Uniform Local Sales and Use Tax (the “**Sales Tax Law**”), as shown in the following table.

Taxable transactions in the City for fiscal year 2022-23 are subject to the following sales and use tax, of which the City’s share is only a portion. The State collects and administers the tax, and makes distributions on taxes collected within the City, as follows:

**Table 13
City of Alameda
Sales Tax Rate
Effective March 1, 2023**

Statewide Rate	7.25%
Alameda County Children’s Health and Child Care Trans. (ACCT)	0.50
Alameda County Essential Health Care Services Trans. (ACHC)	0.50
Alameda County Transactions and Use Tax (ACTU)	0.50
Alameda County Transportation Improvement Authority (ACTI)	0.50
Alameda County Transportation Commissions Tans. and Use Tax (ACTC)	0.50
Bay Area Rapid Transit District (BART)	0.50
City of Alameda Transactions and Use Tax (ALTG)	<u>0.50</u>
Total	10.75%

Sales and use taxes are complementary taxes; when one applies, the other does not. In general, the statewide sales tax applies to gross receipts of retailers from the sale of tangible personal property in the State. The use tax is imposed on the purchase (for storage, use or other consumption in the State) of tangible personal property from any retailer. The use tax generally applies to purchases of personal property from a retailer outside the State where the use will occur within the State. The sales tax is imposed upon the same transactions and items as the statewide sales tax and the statewide use tax.

Certain transactions are exempt from the State sales tax, including sales of the following products:

- food products for home consumption;
- prescription medicine;
- newspapers and periodicals;
- edible livestock and their feed;
- seed and fertilizer used in raising food for human consumption; and
- gas, electricity and water when delivered to consumers through mains, lines and pipes.

This is not an exhaustive list of exempt transactions. A comprehensive list can be found in the State Board of Equalization’s Publication No. 61 (February 2017) entitled “Sales and Use

Taxes: Exemptions and Exclusions,” which can be found on the State Board of Equalization’s website at <http://www.boe.ca.gov/>. *The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the City and is not incorporated in this Official Statement by reference.*

City of Alameda Sales Tax Overrides (Measure F). In 2018, voters in the City approved, Measure F, a transaction and sales use tax equal to 0.50%. It became effective on April 1, 2019 and does not have a sunset date. The tax proceeds are deposited into the City’s general fund and are available to support municipal services. Because this measure does not legally restrict the use of tax revenue to any specific purposes, it is classified as a “general tax,” not a “special tax.” The tax proceeds may be used for any valid municipal government purpose, including, but not limited to, paying Lease Payments.

Sales Tax Collection Procedures. Collection of the sales and use tax is administered by the CDTFA. This process was formerly administered by the State Board of Equalization. The Taxpayer Transparency and Fairness Act of 2017, which took effect July 1, 2017, restructured the State Board of Equalization and separated its functions among three separate entities: the State Board of Equalization, the CDTFA and the Office of Tax Appeals. The State Board of Equalization will continue to perform the duties assigned to it by the state Constitution, while all other duties will be transferred to the newly established CDTFA and the Office of Tax Appeals. CDTFA will handle most of the taxes and fees previously collected by the State Board of Equalization, including sales and use tax.

According to the CDTFA, it distributes quarterly tax revenues to cities, counties and special districts using the following method:

Using the prior year’s like quarterly tax allocation as a starting point, the CDTFA first eliminates nonrecurring transactions such as fund transfers, audit payments and refunds, and then adjusts for growth, in order to establish the estimated base amount. The CDTFA disburses 90% to each local jurisdiction in three monthly installments (advances) prior to the final computation of the quarter’s actual receipts. Ten percent is withheld as a reserve against unexpected occurrences that can affect tax collections (such as earthquakes, fire or other natural disaster) or distributions of revenue such as unusually large refunds or negative fund transfers. The first and second advances each represent 30% of the 90% distribution, while the third advance represents 40%. One advance payment is made each month, and the quarterly reconciliation payment (clean-up) is distributed in conjunction with the first advance for the subsequent quarter. Statements showing total collections, administrative costs, prior advances and the current advance are provided with each quarterly clean-up payment.

Under the Sales and Use Tax Law, all sales and use taxes collected by the CDTFA under a contract with any city, city and county, or county are required to be transmitted by the CDTFA to such city, city and county, or county periodically as promptly as feasible. These transmittals are required to be made at least twice in each calendar quarter.

Under its procedures, the CDTFA projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the City on a monthly basis. The amount of each monthly advance is based upon the CDTFA’s quarterly projection. During the last month of each quarter, the CDTFA adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter.

The CDTFA receives an administrative fee based on the cost of services provided by the CDTFA to the City in administering the City's sales tax, which is deducted from revenue generated by the sales and use tax before it is distributed to the City.

History of Taxable Transactions. A summary of historic taxable sales within the City for calendar years 2018 through 2022 are shown in the following table. Total taxable sales during the first quarter of calendar year 2023 in the City were reported to be \$230,004,412, a 2.27% increase over the total taxable sales of \$224,893,659 reported during the first quarter calendar year 2022.

Table 14
City of Alameda
Taxable Transactions
For Calendar Years 2018 Through 2022
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits as of July 1	Taxable Transactions	Number of Permits as of July 1	Taxable Transactions
2018	1,965	\$658,410	2,844	\$943,229
2019	1,948	674,445	2,891	987,653
2020	1,968	522,778	2,960	776,716
2021	1,742	602,654	2,618	923,823
2022	1,737	665,802	2,618	986,944

Source: State Department of Tax and Fee Administration.

Direct and Overlapping Debt

The ability of land-owners within the City to pay property tax installments as they come due could be affected by the existence of other taxes and assessments imposed upon the land.

The statement of direct and overlapping debt (the “**Debt Report**”) set forth below was prepared by California Municipal Statistics, Inc. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. The City takes no responsibility for its completeness or accuracy.

Table 15
City of Alameda
Direct and Overlapping Debt Statement
(as of September 1, 2023)

2023-24 Assessed Valuation: \$19,347,224,678

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 9/1/23</u>
Alameda County	4.825%	\$ 23,994,484
Bay Area Rapid Transit District	1.916	46,857,217
Peralta Community College District	13.006	56,473,353
Alameda Unified School District	100.000	219,881,968
East Bay Regional Park District	3.011	4,379,801
City of Alameda	100.000	5,185,000⁽¹⁾
City of Alameda Community Facilities District No. 13-1	100.000	36,835,000
City of Alameda Community Facilities District No. 22-1	100.000	<u>17,500,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$411,106,823
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Alameda County and Coliseum Authority General Fund Obligations	4.825%	\$34,108,094
Alameda-Contra Costa Transit District Certificates of Participation	5.680	591,856
Peralta Community College District Pension Obligation Bonds	13.006	14,976,415
Alameda Unified School District General Fund Obligations	100.000	4,813,000
City of Alameda General Fund Obligations	100.000	<u>4,430,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$58,919,365
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	100.000%	\$41,045,000
COMBINED TOTAL DEBT		\$511,071,188 ⁽²⁾

Ratios to 2023-24 Assessed Valuation:

Direct Debt (\$5,185,000)	0.03%
Total Direct and Overlapping Tax and Assessment Debt	2.12%
Total Direct Debt (\$9,615,000)	0.05%
Combined Total Debt	2.64%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$4,321,625,419):

Total Overlapping Tax Increment Debt	0.95%
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(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Long-Term Obligations Payable Out of General Fund

The City has certain long-term obligations payable from its General Fund, as described below. For additional details, see APPENDIX B.

2011 Fire Apparatus Lease Financing 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, with annual payments of \$147,127, which includes an interest rate of 3.05%, for fifteen years. Balance of the lease as of June 30, 2023, was \$546,214.

2011 Alameda County EMS Liability. From 2005 to 2010, the County of Alameda provided Emergency Medical Services, First Responder Advanced Life Support, and Ambulance Transport Services to the City of Alameda. During this time, the City incurred an obligation of \$3,621,887 to the County. On November 1, 2011, the County of Alameda and the City of Alameda entered into an agreement to repay this obligation using First Responder Advanced Life Support funding until the debt is fully repaid. As of June 30, 2023, the outstanding balance is \$1,071,215.52.

2012 Fire Truck Lease Financing 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, with annual payments of \$162,546, which includes an interest rate of 2.82%, for fifteen years. Balance of the lease as of June 30, 2023, was \$748,219.02.

2013 Certificates of Participation. On September 17, 2013, the 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 are collateralized by the leased Alameda City Hall over the term of the lease; the City may substitute alternative sites/facilities as collateral at its option over the same time period. The 2013 Certificates bear interest from 3% to 4%, which is payable semi-annually in May and November. Principal payments are due annually and commenced on May 1, 2014. The current principal amount outstanding as of June 30, 2023, was \$4,430,000.

2014 Fire Apparatus Lease Financing Payable. On July 1, 2014, the City entered into a lease agreement in the amount of \$673,799 with Oshkosh Capital to acquire one fire apparatus vehicle. The City agreed to pay the lease starting on August 5, 2015, with annual payments of \$66,926, which includes an interest rate of 2.81% for ten years. Balance of the lease as of June 30, 2023 was \$249,904.16.

2015 IBank Loan. On June 1, 2015, the City entered into an agreement to borrow \$3,000,000 from the California Infrastructure and Economic Development Bank. Loan proceeds were received in Fiscal Year 2015-16 and will be used to finance construction of a new fire station. Principal and interest payments are due semi-annually on February 1st and August 1st through 2034. The loan bears interest of 2.287%. The outstanding balance as of June 30, 2023 is \$2,132,205.96.

Investment Policy and Portfolio

On an annual basis, the City reviews and approves its Investment Policy to govern the investment of its funds. In accordance with the policy, the City administers a pooled investment program, except for those funds which are managed separately by trustees appointed under bond indentures. The primary objectives, in priority order, of the City's investment activities are:

- **Safety:** Safety of principal is the foremost objective of the City's investment program, followed by liquidity and yield. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the City's portfolio. To obtain this objective, the City will diversify its investments by investing funds among a variety of securities offering varying risk and return characteristics. Each investment transaction shall seek to first ensure that capital losses are avoided from securities default or erosion of market value. Investment decisions should not incur unreasonable investment risks in order to obtain current investment income.
- **Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. This need for investment liquidity may be tempered to the extent that the City is able to issue short-term notes to meet its operating requirements. Emphasis will be on marketable securities with low sensitivity to market risk. Maturities of investments for which there is limited opportunity for resale shall be staggered to maximize liquidity.
- **Return:** The City maintains an active investment strategy and its investment portfolio shall be designed to attain a rate of return which approximates benchmarks to be selected by the City's investment advisory committee throughout budgetary and economic cycles, taking into account the City's investment risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restricts the investment of funds.

The City's pooled investment portfolio as of June 30, 2023, had a market value of approximately \$334 million (including cash). The following table illustrates the current composition of investments.

Table 16
City of Alameda
Investment Portfolio as of June 30, 2023

Type	Amount
Money market mutual funds	\$189,064
CA Local Agency Investment Fund (LAIF)	51,698,903
CDs	1,421,205
Federal/Agency Issues	53,025,477
Municipal Issues	1,578,323
Medium Term Notes/Commercial Paper	23,824,950
Asset Backed Securities	13,727,702
Supranationals	4,695,807
Total Investments	149,972,366
Cash deposits with banks and on hand	183,799,210
Total Cash and Investments	\$333,780,276

Source: City of Alameda Finance Department.

Employee Relations

The City has a permanent staff of approximately 524 allocated full-time positions (including Alameda Municipal Power) as of July 31, 2023. The City believes its relations with its employees are good, and has not experienced a labor-related work stoppage in the past 5 years.

Table 17
City of Alameda
Negotiated Employee Agreements
As June 30, 2023

Labor Group	Contract Expiration
City Employees Association (ACEA)	June 30, 2025
Fire Chiefs Association (AFCA)	December 31, 2025
Municipal Power Unrepresented Employees (AMPU)	June 30, 2025
Police Management Association (APMA)	June 30, 2025
Police Officers Association (APOA)	June 30, 2025
Police Officers Association, Non-sworn (PANS)	June 30, 2025
Electrical Utility Professionals (EUPA)	June 30, 2025
Executive Management Employees (EXME)	June 30, 2025
International Association of Firefighters, Local 689 (IAFF)	December 18, 2023
International Brotherhood of Electrical Workers, Local 1245 (IBEW)	June 30, 2025
Management and Confidential Employees Association (MCEA)	June 30, 2025

Source: City of Alameda

Pension Plans

This caption contains certain information relating to California Public Employees' Retirement System ("CalPERS"). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City has not independently verified the information provided by CalPERS and makes no representations and expresses no opinion as to the accuracy of the information provided by CalPERS.

The annual comprehensive financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference in this Official Statement. None of the Authority, City or Underwriter can guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

Implementation of GASB Nos. 68 and 71. In June 2012 and November 2013, the Governmental Accounting Standards Board issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* ("**GASB**

Statement No. 68") and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* ("**GASB Statement No. 71**"), respectively. The primary objective of GASB Statement No. 68, as amended, is to improve accounting and financial reporting by state and local governments for pensions and improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

GASB Statement No. 68, as amended, revised the accounting treatment of defined benefit pension plans, changing the way expenses and liabilities are calculated and how state and local government employers report those expenses and liabilities in their financial statements. Major changes include: (i) the inclusion of unfunded pension liabilities on the government's balance sheet (previously, such unfunded liabilities were typically included as notes to the government's financial statements); (ii) pension expense incorporates more rapid recognition of actuarial experience and investment returns and is no longer based on the employer's actual contribution amounts; (iii) lower actuarial discount rates that are required to be used for underfunded plans in certain cases for purposes of the financial statements; (iv) closed amortization periods for unfunded liabilities that are required to be used for certain purposes of the financial statements; and (v) the difference between expected and actual investment returns to will be recognized over a closed five-year smoothing period. The reporting requirements took effect in fiscal year 2014-15. Based on the adoption of the new accounting standards, beginning with the fiscal year 2014-15 actuarial valuation, the annual required contribution and the annual pension expense will be different. GASB Statement No. 68, as amended, changes the reporting and disclosure requirements for financial statement accounting purposes, but it does not change the City's pension plan funding obligations and, therefore, had no effect on the City's General Fund.

Information shown in this section that has been sourced from a CalPERS Actuarial Valuation Report has not been prepared in accordance with GASB Statement No. 68, as amended.

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

PEPRA. On September 12, 2012, the California Governor signed AB 340, a bill that enacted the California Public Employees' Pension Reform Act of 2012 ("**PEPRA**") and that also amended various sections of the California Education and Government Codes, including the County Employees Retirement Law of 1937. Effective January 1, 2013, PEPRA: (i) requires public retirement systems and their participating employers to share equally with employees the normal cost rate for such retirement systems; (ii) prohibits employers from paying employer paid member contributions to such retirement systems for employees hired after January 1, 2013; (iii) establishes a compulsory maximum non safety benefit formula of 2.5% at age 67; (iv) defines final compensation as the highest average annual pensionable compensation earned during a 36 month period; and (v) caps pensionable income at \$110,100 (\$132,120 for employees not enrolled in Social Security) subject to Consumer Price Index increases. Other provisions reduce the risk of the City incurring additional unfunded liabilities, including prohibiting

retroactive benefits increases, generally prohibiting contribution holidays, and prohibiting purchases of additional non-qualified service credit.

Reduction of CalPERS Discount Rate. On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy approved by the CalPERS Board in 2015, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the CalPERS Board could make its final decision on the asset allocation in November 2021. On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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

The provisions and benefits of each Plan that were in effect at June 30, 2022, are summarized as follows:

Miscellaneous Plan

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2.0% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50 – 67+	52 – 67+
Monthly Benefits, As a % of Eligible Compensation	1.426% - 2.418%	1.000% - 2.500%
Required Employee Contribution Rates	8.868%	8.250%
Required Employer Contributions Rates	8.412%	10.280%
Required UAL contribution		\$6,818,696

Safety Plans

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit	3.0% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50 – 55+	50 – 57+
Monthly Benefits, As a % of Eligible Compensation	3.000%	2.000% to 2.700%
Required Employee Contribution Rates	15.000%	11.500%
Required Employer Contributions Rates	14.780%	20.780%
Required UAL contribution		\$12,045,264

Source: City of Alameda Audit Fiscal Year ended June 30, 2022.

Contributions. Section 20814(C) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1st following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30th by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. The employees pay a percentage of their salaries toward the City’s required contribution. Employees within the miscellaneous plan pay 1.868% of the employer’s contribution and employees within the safety plan pay 6.000% of the employer’s contribution, which are reflected in the rates above. Employer contribution rates may change if plan contracts are amended. Total employer required contribution amounts during the fiscal year ended June 30, 2022 were \$9,905,744 for the Miscellaneous Plan and \$16,533,892 for the Safety Plan. In addition, the City made an additional contribution of \$5.755 million toward the Safety Plan’s UAL.

Employees Covered. The following employees were covered by the benefit terms for each Plan as of the most recent actuarial valuation date of June 30, 2020 and measurement date of June 30, 2021:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	596	294
Inactive employees entitled to but not yet receiving benefits	343	77
Active employees	<u>330</u>	<u>177</u>
Total	1,269	548

Pension Expense. For the year ended June 30, 2022, the City recognized pension expense of \$551,132 and \$12,240,830 for the Miscellaneous and Safety Plans, respectively, and when combined with the pension expense of the 1079 and 1082 Plans (described below) the City recognized total pension expense of \$13,627,388 during the year ended June 30, 2022.

Net Pension Liability. As of June 30, 2022, the net pension liability for the Miscellaneous Plan was \$50,468,233 (calculated as total pension liability of \$323,438,359 less plan fiduciary net position of \$272,970,126), and the net pension liability for the Safety Plan was \$195,782,462 (calculated as total pension liability of \$831,726,679 less plan fiduciary net position of \$635,944,217).

See “APPENDIX B – Audited Financial Statements of the City for Fiscal Year Ended June 30, 2022 – Note 9 – Pension Plans – A. General Information About the CalPERS Pension Plans” for additional details, including the discount rate and other actuarial assumptions used to calculate net pension liability for the Miscellaneous Plan and the Safety Plan.

PERS Actuarial Reports; Plans Funding Status and Required Contributions. Each year, CalPERS provides the City a report (each, a “**CalPERS Report**”) providing the actuarial valuation (as of June 30 of the calendar year preceding the year of the PERS Report) for the City’s Miscellaneous Plan and its Safety Plan. *The following information is based on information available from CalPERS and the CalPERS Reports. The Authority and the City have not independently verified the information provided by CalPERS and express no opinion regarding the accuracy of such information. CalPERS’ actuarial assessments are based on various assumptions (including demographic assumptions and economic assumptions) made by CalPERS, its actuaries, accountants and other consultants. One or more assumptions may not materialize or be changed in the future. The Authority and the City express no opinion regarding the quality of such assumptions and cannot provide any guarantee as to the eventual results.*

Miscellaneous Plan – Per CalPERS Actuarial Report
Dated July 2023

	June 30, 2021	June 30, 2022
1. Present Value of Benefits	\$379,744,427	\$394,783,846
2. Entry Age Accrued Liability	333,670,103	344,831,306
3. Market Value of Assets (MVA)	272,953,415	246,688,189
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	\$60,716,688	\$98,143,117
5. Funded Ratio [(3) / (2)]	81.8%	71.5%

Safety Plan – Per CalPERS Actuarial Report
Dated July 2023

	June 30, 2021	June 30, 2022
1. Present Value of Benefits	\$613,330,128	\$642,151,400
2. Entry Age Accrued Liability	536,585,076	559,789,465
3. Market Value of Assets (MVA)	362,951,926	330,944,556
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	\$173,633,150	\$228,844,909
5. Funded Ratio [(3) / (2)]	67.6%	59.1%

Source: CalPERS Reports to City, dated July 2023.

The CalPERS Reports also set forth estimated total employer required contributions for the Plans. For the Miscellaneous Plan, projected total employer required contribution amounts were estimated at \$11,067,854 for Fiscal Year 2023-24 and \$12,192,579 for Fiscal Year 2024-25. For the Safety Plan, projected total employer required contribution amounts were estimated at \$20,067,238 for Fiscal Year 2023-24 and \$22,188,018 for Fiscal Year 2024-25.

Police and Fire Pension Plans. The City sponsors and administers two single employer defined benefit retirement plans for certain police and fire department retirees. Police and fire employees who entered service before 1953 participate in Plan 1079, a closed plan consisting of 9 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.

Police and fire employees who entered service on or before January 1, 1953 and did not transfer to CalPERS participate in Plan 1082, a closed plan which consists of one retired employee. At June 30, 2022, the monthly pension benefit was \$2,790, adjusted annually by a maximum of 2% per year cost-of-living adjustment. Upon the death of a retiree, the qualified spouse receives one-half of the retiree's monthly pension benefit for life or until remarriage.

The City recognizes its total pension liability, rather than a net pension liability for each of these plans. As of June 30, 2022, the City recognized a total pension liability for the 1079 Plan of \$3,652,375 and a total pension liability for the 1082 Plan of \$4,361,266.

See "APPENDIX B – Audited Financial Statements of the City for Fiscal Year Ended June 30, 2022 – Note 9 – Pension Plans – B. Police and Fire Pension Plans" for additional details, including the discount rate and other actuarial assumptions used to calculate total pension liability for the 1079 Plan and the 1082 Plan.

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, 2022, total contributions of \$275,264 were made based on a total amount of covered compensation of \$3,670,184.

One of the City's part-time employees elected to be covered under Social Security, which requires this employee and the City to each contribute 6.2% of the employee's pay. Total contributions to Social Security during the year ended June 30, 2022, amounted to \$3,684, of which the City paid 50%.

Pension Trust. On March 22, 2017, the City Council adopted resolution 15253 approving the adoption of an amendment to the Public Agencies Post-Employment Trust administered by PARS to establish a pension trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. The City elected a discretionary investment approach, which allows the City to maintain oversight of the investment management, control on target yield and the portfolio's risk tolerance, under the Balanced Index PLUS investment option. This pension trust is a secondary trust to the City's CalPERS Pension Plan; therefore, the assets are

reported in the City's Pension Stabilization Internal Service Fund. The assets in the Trust will eventually be used to fund pension plan obligations.

See "APPENDIX B – Audited Financial Statements of the City for Fiscal Year Ended June 30, 2022 - Note 9 – Pension Plans" for additional details on all of the foregoing.

Deferred Compensation

City employees may defer a portion of their compensation under three 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 Plans are part of public agency agent multiple-employer defined contribution plans that are administered by Mission Square Retirement (formerly ICMA RC), California Public Employees Retirement System and Nationwide Retirement Solutions, Inc. Benefit provisions under the Plans are established by City resolution.

The City has no liability for any losses incurred by the Plans and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has contracts with each company to manage and invest the assets of the Plans. The administrators pool the assets of each Plan with those of other participants and does not make separate investments for the City. The assets in each Plan are the sole property of the participants or their beneficiaries. Since the assets held under each Plan 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. The Plans require investments to be stated at fair value and it requires all gains and losses on Plan investments to accrue directly to participant accounts. Employer contributions to the three Plans for the year ended June 30, 2022 totaled \$98,157. See "APPENDIX B – Audited Financial Statements of the City for Fiscal Year Ended June 30, 2022 - Note 9 – Pension Plans" for additional details.

Other Post-Employment Benefits (OPEB)

Plan Description. The City provides medical and dental benefits to retirees through CalPERS as specified below under the City of Alameda Miscellaneous and Pre-1/1/2019 Safety OPEB Plan and the City of Alameda Post-1/1/2019 Safety OPEB Plan, single-employer defined benefit health care plans (the "**Plans**"). The City is responsible for establishing and amending the funding policy of the Plans. The Plans do not issue financial statements of the benefit Plans. Separately issued financial statements of the benefit Plans are available from CALPERS at P.O. Box 942709, Sacramento California 94229-2709.

Prior to July 1, 2018, the City had one OPEB Plan, but active Safety employees as of January 1, 2019 transferred to the new Post-1/1/2019 Safety OPEB Plan.

OPEB Trust. The City established an irrevocable trust for each Plan with PARS to fund its retiree health benefits, as described below and in APPENDIX B. Contributions to the trusts are made annually according to the City's OPEB Funding Policy (described below).

Eligibility Requirements and Benefits Provided. The following is a summary of Plan eligibility requirements and benefits by employee group as of June 30, 2022: Eligibility requires

retiring from the City under CalPERS typically on or after age 50 (52 for PEPRA employees) with at least 5 years of CalPERS service or disability retirement. The City's contribution for medical coverage for Miscellaneous employees is the Public Employees' Medical and Hospital Care Act (PEHMCA) minimum required contribution (MRC) - \$149 per month in 2022. The City's contribution for Safety employees varies depending on bargaining group, date of retirement and date of hire as follows:

Employees Retiring Prior to January 1, 2011. The City pays the full premium cost for the retiree and any covered spouse. If Alameda Police Officers Association (“**APOA**”) employee was hired prior to July 1, 1995, the employee was required to have at least 15 years of City service. If APOA, Alameda Police Management Association (“**APMA**”), International Association of Firefighters Local 689 (“**IAFF**”), or Alameda Fire Chiefs Association (“**AFCA**”) employee was hired on or after July 1, 1995, the employee was required to have at least 20 years of City service. Employees that do not meet the service requirement at the time of retirement receive the PEMHCA MRC.

Employees Retiring On or After January 1, 2011. If the employee was hired on or prior to June 7, 2011, the City pays up to the higher of the Kaiser or Blue Shield Bay Area two-party rate. Employees with less than 5 years of City service receive the PEMHCA MRC. If the employee was hired after June 7, 2011, the City pays up to the higher of the Kaiser or Blue Shield rate for single coverage if the employee has at least 10 years of City service. Employees with less than 10 years of City service at the time of retirement receive the PEMHCA MRC. Surviving spouses are eligible to continue coverage after the death of the retiree and receive a similar contribution.

Dental Benefits. Full dental benefits are provided to Safety employees including spouse coverage.

Employees Covered by Benefit Terms. Employees Covered by Benefit Terms – Membership in the Plans consisted of the following at the actuarial valuation date of June 30, 2020:

Miscellaneous and Pre-1/1/2019 Safety Plan Membership – Plan membership varies based on different employee bargaining groups. As of the June 30, 2020 valuation date, membership in the OPEB Plan consisted of the following:

	Miscellaneous
Active employees	333
Inactive employees or beneficiaries currently receiving benefits	376
Inactive employees entitled to but not yet receiving benefits	255
Total	964

Post-1/1/2019 Safety Plan Membership – As of the June 30, 2020 valuation date, membership in the Post-2018 Safety OPEB Plan consisted of the following:

	Safety
Active employees	177
Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	2
Total	193

Changes in the Net OPEB Liability. The changes in the Net OPEB liability for the Miscellaneous and Pre 1/1/2019 follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$84,202,764	\$5,234,250	\$78,968,514
Service Cost	1,301,935	--	1,301,935
Interest	2,579,151	--	2,579,151
Changes in benefit terms	--	--	--
Changes in assumptions	(14,950,435)	--	(14,950,435)
Differences between expected and actual experience	(3,925,906)	--	(3,925,906)
Contributions from employer	--	4,105,294	(4,105,294)
Net investment income	--	(590,348)	590,348
Administrative expense	--	(20,192)	20,192
Benefit payments	(4,105,294)	(4,105,294)	--
Net changes	(19,100,549)	(610,540)	(18,490,009)
Balance at June 30, 2022	<u>\$65,102,215</u>	<u>\$4,623,710</u>	<u>\$60,478,505</u>

The changes in the Net OPEB liability for the Post 1/1/2019 Safety Plan is as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$50,997,645	\$15,450,473	\$35,547,172
Service Cost	3,504,390	--	3,504,390
Interest	1,762,214	--	1,762,214
Changes in benefit terms	--	--	--
Changes in assumptions	(12,486,596)	--	(12,486,596)
Differences between expected and actual experience	(2,549,486)	--	(2,549,486)
Contributions from employer	--	1,403,907	(1,403,907)
Net investment income	--	(1,906,123)	1,906,123
Administrative expense	--	(564,625)	564,625
Benefit payments	(564,625)	(60,557)	(504,068)
Net changes	(10,334,103)	(1,127,398)	(9,206,705)
Balance at June 30, 2022	<u>\$40,663,542</u>	<u>\$14,323,075</u>	<u>\$26,340,467</u>

OPEB Expense. For the year ended June 30, 2022, the City recognized OPEB expense for the Miscellaneous and Pre-1/1/2019 Safety Plan of \$1,795,497 and recognized OPEB expense for the Post-1/1/2019 Safety Plan of \$2,942,361. See "APPENDIX B – Audited Financial Statements of the City for Fiscal Year Ended June 30, 2022 - Note 10 – Post-Employment Health Care Benefits" for additional details.

Pension Rate Stabilization Program and OPEB Funding Policy

The City has adopted a Pension Rate Stabilization Program and OPEB Funding Policy, most recently revised on June 6, 2017. The purpose of the policy is to establish a methodology and process for funding current and future pension and OPEB costs. The Policy provides that the City shall establish an IRS Code Section 115 approved irrevocable trust to achieve a higher rate of return on investments than that earned on the pooled investment portfolio or LAIF. This trust has been formed and funded, with PARS as administrator (see above).

Risk Management

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

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

Risk Coverage. The City is a member of the California Joint Powers Risk Management Authority ("**CJPRMA**"), which covers general liability claims. The City has a self-insured retention of \$750,000 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, 2022, the City contributed \$1,338,698 for coverage during the current year.

The City is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority ("**LAWCX**"), which covers workers' compensation claims up to statutory limits. The City has a self-insured retention of up to \$500,000 per claim. During the fiscal year ended June 30, 2022, the City contributed \$722,558, for current year coverage. In addition, the LAWCX Board of Directors approved the \$250,000 Pool Deficit Curing and Assessment Plan (Plan) on June 5, 2018. The Plan was implemented to collect additional contributions for prior program years from 1994 through 2004, and only impacted members who participated in those years. The assessments were billed on July 1, 2019. Members had two payment options: 1) pay the allocated assessment amount in ten (10) equal annual installments beginning July 1, 2019, or 2) receive a 10% discount off the allocated amount if the entire balance was paid in full by August 15, 2019. The City of Alameda's allocated assessment was \$452,731 and the City elected option one, with the first payment made in Fiscal Year 2020. The balance due as of June 30, 2022 is \$316,912. See "APPENDIX B - Audited Financial Statements of the City for Fiscal Year Ended June 30, 2022 - Note 11 - Risk Management" for additional details.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

The constitutional and statutory provisions discussed in this section have the potential to affect the ability of the City to levy taxes and spend tax proceeds for operating and other purposes.

Article XIII A of the State Constitution

Section 1(a) of Article XIII A of the State Constitution limits the maximum ad valorem tax on real property to 1% of full cash value (as defined in Section 2 of Article XIII A), to be collected by counties and apportioned according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to ad valorem taxes to pay interest or redemption charges on (1) indebtedness approved by the voters prior to June 1, 1978 or (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after June 1, 1978, by two thirds of the votes cast by the voters voting on the Proposition. Section 2 of Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIII A provides that notwithstanding any other law, local agencies may not levy any ad valorem property tax except to pay debt service on indebtedness approved by the voters as described above.

The voters of the State subsequently approved various measures that further amended Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first \$1,000,000 of the full cash value of other real property between parents and children, does not constitute a "purchase" or "change of ownership" triggering reassessment under Article XIII A. This amendment could serve to reduce the property-tax revenues of the City. Other amendments permitted the State Legislature to allow persons over 55 or "severely disabled homeowners" who sell their residences and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence.

In the November 1990 election, the voters approved the amendment of Article XIII A to permit the State Legislature to exclude from the definition of "newly constructed" the construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIII A has also been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, provided that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster.

Article XIII B of the State Constitution

Article XIII B of the State Constitution limits the annual appropriations of the State and of any city, county, school district, special district, authority or other political subdivision of the State to the appropriations limit for the prior Fiscal Year, as adjusted for changes in the cost of living, population and services for which the fiscal responsibility is shifted to or from the governmental entity. The “base year” for establishing this appropriations limit is the 1978–79 Fiscal Year. The appropriations limit may also be adjusted in emergency circumstances, subject to limitations.

Appropriations of an entity of local government subject to Article XIII B generally include authorizations to expend during a Fiscal Year the “proceeds of taxes” levied by or for the entity, exclusive of certain State subventions, refunds of taxes, and benefit payments from retirement, unemployment insurance and disability insurance funds. “Proceeds of taxes” include but are not limited to, all tax revenues, certain State subventions received by the local governmental entity and the proceeds to the local governmental entity from (1) regulatory licenses, user charges, and user fees (to the extent that such proceeds exceed the cost of providing the service or regulation) and (2) the investment of tax revenues. Article XIII B provides that if a governmental entity’s revenues in any year exceed the amounts permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIII B does not limit the appropriation of moneys to pay debt service on indebtedness existing or authorized as of January 1, 1979, or for bonded indebtedness approved thereafter by a vote of the electors of the issuing entity at an election held for that purpose, or appropriations for certain other limited purposes. Furthermore, Article XIII B was amended in 1990 to exclude from the appropriations limit “all qualified capital outlay projects, as defined by the Legislature” from proceeds of taxes. The Legislature has defined “qualified capital outlay project” to mean a fixed asset (including land and construction) with a useful life of 10 or more years and a value which equals or exceeds \$100,000. As a result of this amendment, the appropriations to pay the lease payments on the City’s long term General Fund lease obligations are generally excluded from the City’s appropriations limit.

The City has never exceeded its appropriations limit.

Articles XIII C and XIII D of the State Constitution

General. On November 5, 1996, the voters of the State approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 adds Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIII C define “taxes” that are subject to voter approval as “any levy, charge, or exaction of any kind imposed by a local government,” with certain exceptions.

Taxes. Article XIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City (“general taxes”) require a majority vote; taxes for specific purposes (“special taxes”), even if deposited in the City’s General Fund, require a two-thirds vote.

Property-Related Fees and Charges. Article XIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a “special benefit,” as defined in Article XIID, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Reduction or Repeal of Taxes, Assessments, Fees and Charges. Article XIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City’s General Fund. If such repeal or reduction occurs, the City’s ability to pay debt service on the Bonds could be adversely affected.

Burden of Proof. Article XIIC provides that local government “bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” Similarly, Article XIID provides that in “any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance” with Article XIID.

Judicial Interpretation of Proposition 218. The interpretation and application of Articles XIIC and XIID will ultimately be determined by the courts, and it is not possible at this time to predict with certainty the outcome of such determination.

Impact on City’s General Fund. The City does not believe that any material source of General Fund revenue is subject to challenge under Proposition 218 or Proposition 26.

The approval requirements of Articles XIIC and XIID reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that it may need to meet increased expenditure needs.

Proposition 1A; Proposition 22

Proposition 1A. Proposition 1A, proposed by the Legislature in connection with the State’s Fiscal Year 2004-05 Budget, approved by the voters in November 2004 and generally effective in Fiscal Year 2006-07, provided that the State may not reduce any local sales tax rate,

limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibited the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any Fiscal Year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county had to be approved by two-thirds of both houses of the Legislature.

Proposition 22. Proposition 22, entitled “The Local Taxpayer, Public Safety and Transportation Protection Act,” was approved by the voters of the State in November 2010. Proposition 22 eliminates or reduces the State’s authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization (“Unitary Property”), commencing with the 1988–89 Fiscal Year, are allocated as follows: (i) each jurisdiction will receive up to 102% of its prior-year State–assessed revenue; and (ii) if countywide revenues generated from Unitary Property are less than the previous year’s revenues or greater than 102% of the previous year’s revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State–assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

Possible Future Initiatives

Article XIII A, Article XIII B and Propositions 218, 26, IA and 22 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted, further affecting the City’s revenues or its ability to expend revenues.

BOND OWNERS' RISKS

The following describes certain special considerations and risk factors affecting the payment of and security for the Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any Bonds and the order in which such items are presented does not necessarily reflect the relative importance of the various risks. Potential investors in the Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the Bonds. There can be no assurance that other considerations will not materialize in the future.

No Pledge of Taxes

General. The obligation of the City to pay the Lease Payments and Additional Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Lease Payments and Additional Rental Payments does not constitute a debt or indebtedness of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

The City is currently liable on other obligations payable from general revenues, which are described above under "CITY FINANCIAL INFORMATION – Long-Term Obligations Payable Out of General Fund."

Limitations on Taxes and Fees. Certain taxes, assessments, fees and charges presently imposed by the City could be subject to the voter approval requirements of Article XIIC and Article XIID of the State Constitution. Based upon the outcome of an election by the voters, such fees, charges, assessments and taxes might no longer be permitted to be imposed, or may be reduced or eliminated and new taxes, assessments fees and charges may not be approved. The City has assessed the potential impact on its financial condition of the provisions of Article XIIC and Article XIID of the State Constitution respecting the imposition and increase of taxes, fees, charges and assessments and does not believe that an election by the voters to reduce or eliminate the imposition of certain existing fees, charges, assessments and taxes would substantially affect its financial condition. However, the City believes that if the initiative power was exercised so that all local taxes, assessments, fees and charges that may be subject to Article XIIC and Article XIID of the State Constitution are eliminated or substantially reduced, the financial condition of the City, including its General Fund, could be materially adversely affected.

Although the City does not currently anticipate that the provisions of Article XIIC and Article XIID of the State Constitution would adversely affect its ability to pay Lease Payments and its other obligations payable from the General Fund, no assurance can be given regarding the ultimate interpretation or effect of Article XIIC and Article XIID of the State Constitution on the City's finances. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS."

Additional Obligations of the City

General. The City has existing obligations payable from its General Fund. See "CITY FINANCIAL INFORMATION – Long-Term Obligations Payable Out of General Fund." In addition, the City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds, and may in the future be

subject to liabilities payable from the general fund (some of which are described below). To the extent that additional obligations are incurred by (or imposed upon) the City, the funds available to pay Lease Payments may be decreased.

The Lease Payments and other payments due under the Lease (including payment of costs of repair and maintenance of the Leased Property, taxes and other governmental charges levied against the Leased Property) are payable from funds lawfully available to the City. If the amounts that the City is obligated to pay in a fiscal year exceed the City's revenues for such year, the City may choose to make some payments rather than making other payments, including Lease Payments and Additional Rental Payments, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare.

Pension and OPEB Obligations. The City provides pension and OPEB benefits to its employees. Amounts owed to CalPERS for pension costs have increased in recent years and are expected to continue to increase, as CalPERS implements changes to its discount rate and other methodologies for calculating pension costs. Increases in OPEB contributions and costs are also expected. See "CITY FINANCIAL INFORMATION – Pension Plans" and "– Other Post-Employment Benefits (OPEB)."

No Reserve Fund

No reserve fund will be established and maintained with respect to the Bonds. As a result, in the event on non-appropriation or non-payment of the Lease Payments in full when due, no other source of funds will be available to make payments of debt service Bonds while remedial actions are taken with respect to such non-appropriation or non-payment.

Default

Whenever any event of default referred to in the Lease happens and continues, the Trustee (as assignee of the Authority) is authorized under the terms of the Lease to exercise any and all remedies available under law or granted under the Lease. See "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" for a detailed description of available remedies in the case of a default under the Lease.

If a default occurs, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease. The Trustee is not empowered to sell the Leased Property and use the proceeds of such sale to prepay the Bonds or pay debt service on the Bonds.

The City will be liable only for Lease Payments on an annual basis and, in the event of a default, the Trustee would be required to seek a separate judgment each year for that year's defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

Abatement

Under certain circumstances related to damage, destruction, condemnation or title defects which cause a substantial interference with the use and possession of the Leased

Property, the City's obligation to make Lease Payments will be subject to full or partial abatement and could result in the Trustee having inadequate funds to pay the principal and interest on the Bonds as and when due. See "SECURITY FOR THE BONDS – Abatement" and "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

Although the City is required under the Lease to maintain property and liability insurance with respect to the Leased Property, the required insurance coverage is subject to certain conditions and restrictions. See "SECURITY FOR THE BONDS – Property Insurance."

In addition, the City is required to use the proceeds of rental interruption insurance maintained under the Lease to make debt service payments on the Bonds during any period of abatement. See "SECURITY FOR THE BONDS – Property Insurance." However, there is no assurance that the City will receive proceeds of rental interruption insurance in time to make debt service payments on the Bonds when due.

Property Taxes

Levy and Collection. The City does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the City's property tax revenues, and accordingly, could have an adverse impact on the ability of the City to make Lease Payments. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the City's ability to pay principal of and interest on the Bonds when due.

Reduction in Inflationary Rate. Article XIII A of the California Constitution provides that the full cash value base of real property used in determining assessed value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS." Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2% limitation a limited number of times.

The City is unable to predict if any adjustments to the full cash value base of real property within the City, whether an increase or a reduction, will be realized in the future.

Appeals of Assessed Values. There are two types of appeals of assessed values that could adversely impact property tax revenues:

Proposition 8 Appeals. Most of the appeals that might be filed in the City would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application with the appropriate county board of

equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the “base year” value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the City’s property tax revenues.

Other Taxes Dependent on Economic Activity

For Fiscal Year 2021-22, real property transfer taxes represented the second largest source of general fund revenue to the City, other local taxes (including franchise fees and transient occupancy taxes) represented the third largest source of general fund revenue to the City, and sales taxes represented the fourth largest source of revenue to the City. All of these taxes are subject, in some respect, to the economic activity in the City. For example, real property transfer taxes are levied on the sale or transfer of real property (such as homes), which have been declining during Fiscal Years 2022-23 and 2023-24, and may continue to do so in future years. Similarly, transient occupancy taxes would decline if hotels and motels are not used as much in the City. Sales tax revenues are based upon the gross receipts of retail sales of tangible goods and products by retailers with taxable transactions in the City, which could be impacted by a variety of economic factors. See Table 7, above, for projected revenue amounts.

Before final maturity of the Bonds, the City may enter into an economic recession. In times of economic recession, the gross receipts of hoteliers and retailers often decline, and such a decline would cause the transient occupancy tax revenues and sales tax revenues received by the City to also decline.

In addition, changes or amendments in the laws applicable to the City’s receipt of real property transfer taxes, sales taxes and other local taxes, whether implemented by State legislative action, City Council action or voter initiative, could have an adverse effect on general fund tax revenues received by the City.

Natural Disasters

General. The financial stability of the City’s general fund could be materially adversely affected by a variety of natural disasters outside of its control. Earthquakes, flooding and other

natural disasters like landslides, wildland fires, and extreme heat are among the hazards that could have a material adverse impact on the City and its revenues.

Seismic. Earthquakes are the hazards that are most likely to cause extensive damage in the City. This damage can come from violent shaking and ground disturbances. Bay Farm Island and Alameda Island consist of central cores of higher ground that are relatively stable, and surrounding areas of manmade fill or “made-ground” that are subject to more violent shaking and ground disturbances.

The City’s worst-case scenario is a major earthquake along the southern portion of the Hayward Fault, because that is the closest fault line to the City, only four miles away. A major earthquake on any one of the faults in the Bay Area is predicted to cause at least some ground disturbance on the made-ground portions of Alameda. Made-ground is much more sensitive to shaking and ground disturbance. Shaking is likely to be felt all over the City, but more violently on made-ground.

The Bay Area has experienced about 20 strong earthquakes and one major earthquakes in the past 165 years, including the 1868 Hayward Fault quake (magnitude 6.9) and 1906 San Andreas quake (magnitude 7.8). Those two earthquakes occurred before the infilling of made-ground in the City, and when the majority of buildings in Alameda were relatively flexible wood construction. The most notable damage was to the brick tower at Alameda City Hall, built in 1895 and damaged by the San Francisco earthquake in 1906. The damage was extensive enough to warrant removal of the tower in 1937. The 1989 Loma Prieta earthquake (magnitude 6.9), occurred after the infilling of Alameda along South Shore, Bay Farm Island, and Alameda Point. This quake caused \$2.1 million damage to properties owned by the City, including broken water mains, broken sewer lines, street buckling, and bulkhead damage. There were documented liquefaction (mud boils) in the made ground at Alameda Point and Harbor Bay Business Park on Bay Farm Island. Several neighborhoods including South Shore experienced buckled streets and sidewalks, and subsidence that made the sanitary sewer pipes no longer flow downhill, requiring the City to build a new sanitary sewer pump station.

Earthquakes can cause ground disturbances include liquefaction and subsidence. Liquefaction occurs when the underlying wet sands and muds become softer during shaking and may even come to the surface as mud boils. Subsidence happens when small pockets or whole neighborhoods sink down permanently because of the loss of strength during liquefaction. During the Loma Prieta Earthquake for example, Franciscan Way, which was built on 40-year-old made-ground, sank slightly due to liquefaction. This caused difficulties with the sanitary sewer system and necessitated the construction of a sanitary sewer pump station to boost flows from the neighborhood to the main line. The storm drain lines, while still functional, were also impaired. Several residential streets needed emergency repair due to differential settlement. There is no mitigation to prevent liquefaction and subsidence, but the City is alert to the possibility that some areas may need temporary sanitary sewer and storm drainage assistance, as well as more permanent solutions to changes in elevation.

Flooding. Winter months are also when the City is likely to experience storms. During an extreme storm event, the level of the sea can temporarily rise several feet above the level predicted by tide tables. This is caused by storm set-up if the storm pushes and piles up water along the coast. Temporary sea level rise can also be caused by wind-caused waves, and by the seawater increasing in volume as its temperature rises (as happens during an El Niño year). During the El Niño event of 1997-98, for example, there was up to 2 feet of standing water on Main Street, due to higher sea levels (king tide plus weather related temporary sea level rises)

and heavy rainwater runoff. In 1981, storms eroded Crown Beach all the way to the edge of Shoreline Drive. In 2006 storm waves damaged the Harbor Bay Ferry Terminal, and washed away portions of the adjoining Coastal Trail. While these are relatively minor events in terms of damage, and none involved structures, there is potential for much more extensive flooding and erosion.

FEMA issued preliminary flood insurance rate maps in 2015, which show a much more extensive area designated in the 100 year flood plain than was previously mapped in 2009. Bay Farm Island is especially vulnerable to flooding. According to the new FEMA modeling, flood waters can over top various locations along the Oakland Airport shoreline and Doolittle Drive, which would then flood the low-lying areas of the golf course and homes surrounding the golf course on Island Drive and Maitland Drive. The floodwaters could potentially block Doolittle Drive, Harbor Bay Parkway, Ron Cowan Parkway and the approach to Bay Farm Island Bridge, rendering Bay Farm Island completely cut off from Oakland and the rest of Alameda for both emergency and recovery access.

In addition to the coastal flooding hazard of heavy storm and high tide flooding, there is the frequent but more minor hazard of flooding from intense rainstorms that can overtax or plug the storm drain system. Alameda is very flat, especially in areas of made-ground, and so the storm drain system cannot gravity drain all of the storm water to the Bay.

Tsunamis. Large underwater displacements from major earthquake fault ruptures or underwater landslides can lead to ocean waves called tsunamis. Tsunamis can result from off-shore earthquakes within the Bay Area, or from distant events. While it is most common for tsunamis to be generated by subduction faults such as those in Washington and Alaska, local tsunamis can be generated from strike-slip faults. The Bay Area faults that pass-through portions of the Pacific coastline or under portions of the Bay are not likely to produce significant tsunamis because they move side to side, rather than up and down, which is the displacement needed to create significant tsunamis. They may have slight vertical displacements, or could cause small underwater landslides, but overall there is a minimal risk of any significant tsunami occurring in the Bay Area from a local fault. The greatest risk to the Bay Area is from tsunamis generated by earthquakes elsewhere in the Pacific.

Since 1946, when record-keeping increased, there have been 30 tsunamis within the San Francisco Bay, and of those, about half have been recorded in cities of Alameda or Oakland.

Climate Change and Sea-Level Rise. Storm related hazards will occur more frequently and more extensively in the future due to climate change, which contributes to both sea level rise and more intense storms. A home located in a currently predicted 100-year flood level would have a 1% annual likelihood of being flooded in any one year. As the sea levels rise, the normal high tide will rise, so that smaller and smaller high tides and storms will have the same flooding capabilities. Related to the foregoing, there are several seawall-related projects currently ongoing in the City. No assurance can be given these projects will be completed in a timely manner or without material adverse impacts to the City's finances.

In addition, more violent storms than those currently predicted by FEMA are likely to occur as the climate changes. The more violent storms are likely to have more intense rainfall, more wind-driven waves and more storm set-up. More intense storms will be more likely to overtax the storm drain system, which would increase the likelihood of non-coastal flooding and damage if catch basins and pipes are not sized adequately to carry off the storm flow.

COVID-19 and Other Global Health Events

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. For example, in 2020 the WHO announced that COVID-19, an upper respiratory tract illness, was a pandemic as it spread across the globe, having significant adverse health and financial impacts throughout the world. The spread of the COVID-19 coronavirus pandemic, and responses intended to slow its spread, resulted in negative health and economic impacts to various communities, including the City (on a temporary basis).

Although the COVID-19 pandemic is now in decline, future pandemics may arise in the future with similar or even more adverse economic impacts. Uncertain too are the actions that may be taken by federal, State and local governmental authorities to contain or mitigate the effects of any such future outbreak.

Cyber Security

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, or the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of taxes, the trustee, and the dissemination agent. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Limitations on Remedies Available to Bond Owners

The ability of the City to comply with its covenants under the Lease may be adversely affected by actions and events outside of the control of the City, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" above. Furthermore, any remedies available to the owners of the Bonds upon the occurrence of an event of default under the Lease or the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondowner remedies contained in the Lease and the Indenture, the rights and obligations under the Bonds, the Lease and the Indenture may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and

interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City, and which could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have a priority of payment that is superior to that of Owners of the Bonds; and (iv) the possibility of the adoption of a plan (an “**Adjustment Plan**”) for the adjustment of the City’s various obligations over the objections of the Trustee or all of the Owners of the Bonds and without their consent, which Adjustment Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the bankruptcy court finds that such Adjustment Plan is “fair and equitable” and in the best interests of creditors. The Adjustment Plans approved by the Bankruptcy Courts in connection with the bankruptcies of the cities of Vallejo, San Bernardino and Stockton resulted in significant reductions in the amounts payable by the cities under lease revenue obligations that were substantially identical or similar to the Bonds. The City can provide no assurances about the outcome of the bankruptcy cases of other California municipalities or the nature of any Adjustment Plan if it were to file for bankruptcy.

The opinion to be delivered by Bond Counsel, concurrently with the issuance of the Bonds, will include a qualification that the rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture, the Lease and the Site Lease may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases. See “APPENDIX D – FORM OF OPINION OF BOND COUNSEL.”

Loss of Tax-Exemption

As discussed under the caption “TAX MATTERS,” interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Authority or the City in violation of their respective covenants in the Lease and the Indenture. Should such an event of taxability occur, the Bonds are not subject to special redemption and will remain Outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986 (the “**Tax Code**”) that must be satisfied subsequent to the issuance of the Bonds. The Authority has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect

to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

CERTAIN LEGAL MATTERS

Jones Hall, A Professional Law Corporation, Bond Counsel, will render an opinion with respect to the validity of the Bonds, the form of which is set forth in "APPENDIX D – FORM OF OPINION OF BOND COUNSEL." Certain legal matters will also be passed upon for the City and the Authority by Jones Hall, as Disclosure Counsel. Certain legal matters will be passed upon for the Authority and the City by the City Attorney.

NO LITIGATION

Except as may otherwise be set forth in this Official Statement, to the best knowledge of the City, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending and notice of which has been served on and received by the City or, to the knowledge of the City, threatened against or affecting the City or the assets, properties or operations of the City which, if determined adversely to the City or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Lease, the Site Lease or the Indenture, or upon the financial condition, assets, properties or operations of the City, and the City is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might

have consequences that would materially adversely affect the consummation of the transactions contemplated by the Lease, the Site Lease or the Indenture, or the financial conditions, assets, properties or operations of the City, including but not limited to the payment and performance of the City's obligations under the Lease.

RATING

S&P Global Ratings ("**S&P**"), a division of Standard & Poor's Financial Services LLC, has assigned its municipal bond rating of "AA+" to the Bonds.

This rating reflects only the views of S&P, and an explanation of the significance of this rating, and any outlook assigned to or associated with this rating, should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The City has provided certain additional information and materials to the rating agency (some of which does not appear in this Official Statement). There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating on the Bonds may have an adverse effect on the market price or marketability of the Bonds.

CONTINUING DISCLOSURE

The City will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the City by March 31 of each year for the prior fiscal year (each, an "**Annual Report**") and to provide notices of the occurrence of certain listed events. The first Annual Report, for Fiscal Year 2022-23, will be due by March 31, 2024.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events is set forth in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE."

In the previous five years, to the best of the City's knowledge, the City has not failed to comply, in all material respects, with any of its prior undertakings made pursuant to the Rule.

MUNICIPAL ADVISOR

The City and the Authority have retained Urban Futures, Inc., as municipal advisor (the "**Municipal Advisor**") in connection with the offering of the Bonds. All financial and other information presented in this Official Statement has been provided by the City and the Authority from their records, except for information expressly attributed to other sources. The Municipal Advisor takes no responsibility for the accuracy or completeness of the data provided by the City, Authority or others and has not undertaken to make an independent verification or does not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The fee of the Municipal Advisor is contingent upon the successful closing of the Bonds.

APPENDIX A

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

The following is a brief summary of the provisions of the Site Lease, Lease and the Indenture of Trust relating to the Bonds. Such summary is not intended to be definitive, and reference is made to the complete documents for the complete terms thereof.

DEFINITIONS

Except as otherwise defined in this summary, the terms previously defined in this Official Statement have the respective meanings previously given. In addition, the following terms have the following meanings when used in this summary:

“Acquisition and Construction Costs” means all costs of payment of, or reimbursement for, acquisition, construction, installation and equipping of the Project, including but not limited to, architect and engineering fees, construction contractor payments, costs of feasibility and other reports, inspection costs, performance bond premiums and permit fees.

“Acquisition and Construction Fund” means the fund by that name established and held by the Trustee under the Indenture.

“Additional Rental Payments” means the amounts of additional rental which are payable by the City under the Lease.

“Authorized Representative” means: (a) with respect to the Authority, its Chairperson, Executive Director, Treasurer, Secretary, General Counsel or any other person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by its Executive Director and filed with the City and the Trustee; and (b) with respect to the City, its Mayor, City Manager, Director of Finance, City Clerk or any other person designated as an Authorized Representative of the City by a Written Certificate of the City signed by its City Manager and filed with the Authority and the Trustee.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Fund” means the fund by that name established and held by the Trustee under the Indenture.

“Bond Year” means each twelve-month period extending from May 2 in one calendar year to May 1 of the succeeding calendar year, both dates inclusive; except that the first Bond Year commences on the Closing Date and extends to and including May 1, 2024.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the city in which the trust office of the Trustee is located.

“Closing Date” means the date of original issuance of the Bonds.

“Completion Date” means the date of completion of acquisition, construction, installation and equipping of the Project as evidenced by the filing with the Trustee of a Certificate of Completion.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to: printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and their respective counsel, including the Trustee’s first annual administrative fee; fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; fees and charges for preparation, execution and safekeeping of the Bonds; and any other cost, charge or fee in connection with the original issuance of the Bonds for the purposes specified herein.

“Excess Investment Earnings” means an amount required to be rebated to the United States of America under Section 148(f) of the Tax Code due to investment of gross proceeds of the Bonds at a yield in excess of the yield on the Bonds.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

“Independent Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the Authority or the City, and who, or each of whom (a) is in fact independent and not under domination of the Authority or the City; (b) does not have any substantial interest, direct or indirect, in the Authority or the City; and (c) is not connected with the Authority or the City as an officer or employee of the Authority or the City but who may be regularly retained to make annual or other audits of the books of or reports to the Authority or the City.

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee under the Indenture.

“Lease Payment Date” means, with respect to any Interest Payment Date, the sixth Business Day immediately preceding such Interest Payment Date.

“Lease Payments” means the amounts payable by the City under the Lease as rental for the Leased Property, including any prepayment thereof and including any amounts payable upon a delinquency in the payment thereof, but excluding Additional Rental Payments.

“Leased Property” means the real property described in Appendix A to the Lease, together with all improvements and facilities at any time situated thereon.

“Net Proceeds” means amounts derived from any policy of property insurance or title insurance with respect to the Leased Property, or the proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings (including sale under threat of such proceedings), to the extent remaining after payment therefrom of all expenses incurred in the collection and administration thereof.

“Office” means the corporate trust office of the Trustee in San Francisco, California, or such other or additional offices as the Trustee may designate in writing to the Authority from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted, initially in San Francisco, California.

“Original Purchaser” means Piper Sandler & Co., as original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

“Owner”, when used with respect to any Bond, means the person in whose name the ownership of such Bond is registered on the Bond registration books of the Trustee.

“Permitted Encumbrances” means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may permit to remain unpaid under the Lease; (b) the Site Lease, the Lease and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, material man, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy with respect to the Leased Property issued as of the Closing Date by Chicago Title Company; and (e) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the City certifies in writing will not materially impair the use of the Leased Property for its intended purposes.

“Permitted Investments” means any of the following:

- (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged.
- (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

- (c) Any direct or indirect obligations of an agency or department of the United States of America whose obligations represent the full faith and credit of the United States of America, or which are rated A or better by S&P at the time of purchase.
- (d) Interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by S&P at the time of purchase; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation.
- (e) Commercial paper rated "A-1+" or better by S&P at the time of purchase.
- (f) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating of "A-1+" or better by S&P at the time of purchase.
- (g) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAm or AAm at the time of purchase, which funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services.
- (h) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by S&P at the time of purchase, or (b) fully secured as to the payment of principal and interest by Permitted Investments described in clauses (a) or (b).
- (i) Obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P at the time of purchase.
- (j) Bonds or notes issued by any state or municipality which are rated A or better by S&P at the time of purchase.
- (k) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by S&P at the time of initial investment, by the terms of which all amounts invested thereunder are required to be withdrawn and paid to the Trustee in the event either of such ratings at any time falls below A.

- (l) The Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.
- (m) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State of California, provided the Trustee has access to, and control over withdrawals from and deposits to, such trust.

“Project” means the capital improvements associated with the aquatic center to be acquired, constructed, installed and/or equipped by the City within the geographical boundaries of the City with the proceeds of the Bonds deposited into the Acquisition and Construction Fund.

“Record Date” means, with respect to any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee under the Indenture.

“Registration Books” means the records maintained by the Trustee under the Indenture for the registration and transfer of ownership of the Bonds.

“Rental Period” means each six-month period extending from May 1 to October 31 and November 1 to April 30 in each calendar year; except that the first Rental Period commences on the Closing Date and extends to and including April 30, 2024.

“Revenues” means: (a) all amounts received by the Authority or the Trustee under or with respect to the Lease, including, without limiting the generality of the foregoing, all of the Lease Payments (including both timely and delinquent payments, any late charges, and whether paid from any source), but excluding (i) any amounts described in the provisions of the Lease relating to permitted amendments that provide for additional rental to be pledged or assigned for the payment of bonds or obligations issued to finance or refinance projects for which the City is authorized to expend its funds, (ii) any Additional Rental Payments; and (b) all interest, profits or other income derived from the investment of amounts in any fund or account established under this Indenture.

“S&P” means S&P Global Ratings, its successors and assigns.

“Supplemental Indenture” means any indenture duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized thereunder.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to

obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

“Term” means, with reference to the Lease, the time during which the Lease is in effect, as provided therein.

“Trustee” means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of United States of America, or its successor or successors, as trustee under the Indenture.

“Written Certificate,” “Written Request” and “Written Requisition” of the Authority or the City mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the City by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

SITE LEASE

Under the Site Lease, the City agrees to lease the Leased Property to the Authority in consideration of the payment by the Authority of the Site Lease Payment on the Closing Date. The Authority agrees to cause the full amount of the Site Lease Payment to be raised from the proceeds of the Bonds. No further rent payment is due by the Authority for the lease of the Leased Property under the Site Lease. The Site Lease is for a term commencing on the Closing Date and extending to the date on which no Bonds remain outstanding under the Indenture. In the event of any release or substitution of property under the Lease as described below, the description of the property leased under the Site Lease will be modified accordingly.

LEASE

Lease of Leased Property; Term

Under the Lease, the Authority leases the Leased Property back to the City. The Lease is for a term commencing on the Closing Date and extending to the date on which no Bonds remain outstanding under the Indenture.

Lease Payments

The City agrees to pay semiannual Lease Payments, subject to abatement as described below, as the rental for the use and occupancy of the Leased Property. On each Lease Payment Date, the City is obligated to deposit with the Trustee the full amount of the Lease Payments coming due and payable on the next Interest Payment Date, to the extent required to be paid by the City under the Lease. Any amount held in the Bond Fund, the Interest Account or the Principal Account on any Lease Payment Date (other than amounts specifically required to be credited to the prepayment of Lease Payments), will be credited towards the Lease Payment then coming due and payable.

Source of Payments; Covenant to Budget and Appropriate; Additional Rental Payments; Limited Obligation of City

These provisions are summarized in the main body of the Official Statement.

Fair Rental Value; Abatement of Lease Payments

These provisions are summarized in the main body of the Official Statement.

Option to Prepay

The City has the option to prepay the principal components of the Lease Payments in whole, or in part in any integral multiple of \$5,000, from any source of legally available funds, on any date on which the Bonds are subject to optional redemption, at a prepayment price equal to the aggregate principal components of the Lease Payments to be prepaid, together with the interest component of the Lease Payment required to be paid on such date, and together with a prepayment premium equal to the premium (if any) required to be paid on the corresponding redemption of Bonds under the Indenture.

Substitution of Property

The City has the option at any time and from time to time during the term of the Lease to substitute other real property (the "Substitute Property") for the Leased Property or portion thereof (the "Former Property") upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such substitution:

- (a) No Event of Default has occurred and is continuing.
- (b) An Authorized Representative of the City has filed with the Authority and the Trustee, and caused to be recorded in the office of the Alameda County Recorder sufficient memorialization of, an amendment hereof which adds the legal description of the Substitute Property to Appendix A of the Lease and deletes therefrom the legal description of the Former Property.
- (c) An Authorized Representative of the City has obtained a CLTA or an ALTA policy of title insurance insuring the City's leasehold estate hereunder in the Substitute Property, subject only to Permitted Encumbrances.
- (d) An Authorized Representative of the City has certified in writing to the Authority and the Trustee that the Substitute Property constitutes property which the City is permitted to lease under the laws of the State of California, and has been determined to be necessary to the operation of the City.

- (e) The leasing of the Substitute Property does not cause the City to violate any of its covenants, representations and warranties made therein.
- (f) An Authorized Representative of the City has filed with the Authority and the Trustee a written certificate of the City or other written evidence stating that (1) the useful life of the Substitute Property at least extends to the final maturity of the Bonds, (2) the estimated value of the Leased Property, after substitution of the Substitute Property and release of the Former Property, is at least equal to the aggregate Outstanding principal amount of the Bonds, and (3) the fair rental value of the Leased Property, after substitution of the Substitute Property and release of the Former Property, is at least equal to the Lease Payments thereafter coming due and payable thereunder.

Upon the satisfaction of all such conditions precedent, the term of the Lease will thereupon end as to the Former Property and commence as to the Substitute Property, and all references in the Site Lease and the Lease to the Former Property will apply with full force and effect to the Substitute Property. The City will not be entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such substitution.

Release of Property

The City has the option at any time and from time to time during the term of the Lease to release any portion of the Leased Property from the Lease (the "Released Property") provided that the City has satisfied all of the following requirements which are hereby declared to be conditions precedent to such release:

- (a) No Event of Default has occurred and is continuing.
- (b) An Authorized Representative of the City has filed with the Authority and the Trustee, and caused to be recorded in the office of the Alameda County Recorder sufficient memorialization of, an amendment hereof which removes the Released Property from the Site Lease and this Lease.
- (c) An Authorized Representative of the City has certified in writing to the Authority and the Trustee that (1) the value of the Leased Property which remains subject to this Lease following such release is at least equal to the aggregate Outstanding principal amount of the Bonds, and (2) the fair rental value of the Leased Property which remains subject to this Lease following such release is at least equal to the Lease Payments thereafter coming due and payable hereunder.

Notwithstanding the above, the foregoing provisions shall not be applicable in the event Leased Property released will be replaced by substitute property in accordance with the provisions described above under "– Substitution of Property."

Upon the satisfaction of all such conditions precedent, the Term of this Lease will thereupon end as to the Released Property. The City is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Authority and the City shall execute, deliver and cause to be recorded all documents required to discharge the Site Lease, the Lease and the Assignment Agreement of record against the Released Property.

Maintenance, Utilities, Taxes and Modifications

The City, at its own expense, has agreed to maintain or cause to be maintained the Leased Property in good repair; the Authority has no responsibility for such maintenance. The City is also obligated to pay all taxes and assessments charged to the Leased Property.

The City has the right under the Lease to remodel the Leased Property and to make additions, modifications and improvements to the Leased Property, provided that such additions, modifications and improvements do not in any way damage the Leased Property or cause the Leased Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of such additions, modifications and improvements, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

The City will not permit any mechanic's or other lien to be established or to remain against the Leased Property, except that the City has the right in good faith to contest any such lien.

Insurance

The Lease requires the City to maintain or cause to be maintained the following insurance against risk of physical damage to the Leased Property and other risks for the protection of the Bond Owners, the Authority and the Trustee:

Liability Insurance. These provisions are summarized in the main body of the Official Statement.

Casualty Insurance. These provisions are summarized in the main body of the Official Statement.

Rental Interruption Insurance. These provisions are summarized in the main body of the Official Statement.

Title Insurance. On or before the Closing Date the City shall, at its expense, (a) cause the Site Lease, the Assignment Agreement and the Lease, or a memorandum thereof or thereof in form and substance approved by Bond Counsel, to be recorded in the office of the Alameda County Recorder, and (b) obtain a CLTA title insurance policy insuring the City's leasehold estate in the Leased Property, subject only to Permitted Encumbrances, in an amount at least equal to the aggregate principal amount of the Bonds.

Assignment; Subleases

The Authority has assigned certain of its rights under the Lease to the Trustee under the Assignment Agreement. The City may not assign any of its rights in the Lease. The City may sublease all or a portion of the Property, but only under the conditions contained in the Lease, including the condition that such sublease not cause interest on the Bonds to become subject to federal or State of California personal income taxes.

Amendment of Lease

The Authority and the City may at any time amend or modify any of the provisions of the Lease, but only: (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the outstanding Bonds; or (b) without the consent of any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

- to add to the covenants and agreements of the City contained in the Lease, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power therein reserved to or conferred upon the City;
- to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained therein, to conform to the original intention of the City and the Authority;
- to modify, amend or supplement the Lease in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code;
- to amend the description of the Leased Property to reflect accurately the property originally intended to be included therein, or in connection with any substitution or release of property;
- to obligate the City to pay additional amounts of rental for the use and occupancy of the Leased Property, but only if (A) such additional amounts of rental are pledged or assigned for the payment of any bonds, notes, leases or other obligations issued to finance or refinance projects for which the City is authorized to expend its funds, (B) the City has obtained an appraisal or other evidence that the value of the Leased Property is at least equal to the aggregate principal amount of the Outstanding Bonds and all such other bonds, notes, leases or other obligations, and (C) the City has filed with the Trustee written evidence that the amendments made under this clause will not of themselves cause a reduction or withdrawal of any rating then assigned to the Bonds; or
- in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that, in the opinion of Bond

Counsel, such modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds.

Events of Default

Each of the following constitutes an Event of Default under and as defined in the Lease:

- Failure by the City to pay any Lease Payment or other payment required to be paid under the Lease at the time specified therein.
- Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Lease, other than as referred to in the preceding paragraph, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority or the Trustee; *provided, however*, that if in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such 30-day period, such failure will not constitute an Event of Default if the City commences to cure such failure within such 30-day period and thereafter diligently and in good faith cures such failure in a reasonable period of time.
- Certain events relating to the insolvency or bankruptcy of the City.

Remedies on Default

Upon the occurrence and continuance of any Event of Default, the Authority has the right to terminate the Lease or, with or without such termination, re-enter, take possession of and re-let the Leased Property. When the Authority does not elect to terminate the Lease, the City remains liable to pay all Lease Payments as they come due and liable for damages resulting from such Event of Default. Any amounts collected by the Authority from the reletting of the Leased Property will be credited towards the unpaid Lease Payments. Any net proceeds of re-leasing or other disposition of the Leased Property are required to be applied as set forth in the Indenture. Under the Assignment Agreement, the Authority assigns all of its rights with respect to remedies in an Event of Default to the Trustee, so that all such remedies will be exercised by the Trustee and by the Bond Owners as provided in the Indenture.

The Trustee has no right to accelerate Lease Payments and, due to the governmental nature of the Leased Property, it is uncertain whether a court would permit the exercise of the remedies of re-entry, repossession or re-letting.

INDENTURE OF TRUST

Establishment of Funds and Accounts; Flow of Funds

Costs of Issuance Fund. A portion of the proceeds of the Bonds will be deposited by the Trustee in the Costs of Issuance Fund on the Closing Date. The moneys in the Costs of Issuance Fund will be disbursed to pay costs of issuing the Bonds and other related financing costs from time to time upon receipt of written requests of the Authority. On 120 days following the date of issuance of the Bonds, or upon the earlier written request of the Authority, the Trustee shall transfer all amounts remaining in the Costs of Issuance Fund to the Interest Account and shall thereupon close the Costs of Issuance Fund.

Bond Fund; Deposit and Transfer of Amounts Therein. These provisions are summarized in the main body of the Official Statement.

Redemption Fund. These provisions are summarized in the main body of the Official Statement.

Insurance and Condemnation Fund; Application of Net Proceeds. Any Net Proceeds of insurance or condemnation awards with respect to the Leased Property will be deposited in the Insurance and Condemnation Fund. In the event of an insurance or eminent domain award, the Net Proceeds on deposit in the Insurance and Condemnation Fund will be used, as directed by the City, either:

- to replace, repair, restore, modify or improve the Leased Property if the City determines that such is economically feasible or in the best interests of the City, or
- to the extent not so used, to prepay the Lease Payments and thereby redeem outstanding Bonds.

If the City fails to determine and notify the Trustee in writing of its determination, within 45 days following the date of such deposit, to replace, repair, restore, modify or improve the Leased Property which has been damaged or destroyed, then such Net Proceeds shall be promptly transferred by the Trustee to the Redemption Fund and applied to the redemption of Bonds on the next available redemption date.

Notwithstanding the foregoing, however, in the event of damage or destruction of the Leased Property in full, the Net Proceeds of such insurance are required to be used by the City to rebuild or replace the Leased Property if such proceeds are not sufficient to redeem outstanding Bonds equal in aggregate principal amount to the unpaid Lease Payments.

Application of Eminent Domain Proceeds. If all or any part of the Leased Property is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Authority shall deposit or cause to be deposited with the Trustee the Net Proceeds therefrom, which the Trustee shall deposit in the Insurance and Condemnation Fund and which shall be applied and disbursed by the Trustee as follows:

- (i) If the City has not given written notice to the Trustee, within 45 days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for the replacement of the Leased Property or such portion thereof, the Trustee shall transfer such Net Proceeds to the Redemption Fund to be applied towards the redemption of the Bonds.
- (ii) If the City has given written notice to the Trustee, within 45 days following the date on which such Net Proceeds are deposited with the Trustee, of its determination that such Net Proceeds are needed for replacement of the Leased Property or such portion thereof, the Trustee shall pay to the City, or to its order, from said proceeds such amounts as the City may expend for such replacement, upon the filing of Written Requisitions of the City as agent for the Authority.

Investment of Funds; Determination of Value of Investments

All moneys in any of the funds or accounts held by the Trustee under the Indenture will be invested by the Trustee solely in Permitted Investments as directed by the Authority in advance of the making of such investments. In the absence of any such direction of the Authority, the Trustee will invest any such moneys in Permitted Investments consisting of money market funds. Obligations purchased as an investment of moneys in any fund will be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established under the Indenture will be deposited in the Bond Fund. For the purpose of determining the amount in any fund or account established under the Indenture, the value of investments credited to such fund will be calculated at the market value thereof, in accordance with the procedures specified in the Indenture.

Covenants of the Authority

Payment of Bonds. The Authority will punctually pay or cause to be paid the principal of and interest and premium (if any) on the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, but only out of the Revenues and other assets pledged for such payment as provided in the Indenture. The Authority will not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under the Indenture while any of the Bonds are outstanding, except the pledge and assignment created by the Indenture.

Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

Accounting Records and Financial Statements. The Trustee will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries will be made of all transactions relating to the proceeds of the Bonds, the Revenues, the Lease and all funds and accounts established pursuant to the Indenture. Such books of record and account will be available for inspection by the Authority and the City during regular business hours and upon reasonable prior notice.

No Additional Obligations. The Authority covenants that no additional bonds, notes or other indebtedness will be issued or incurred which are payable out of the Revenues in whole or in part.

Tax Covenants. The Authority will not take, nor permit nor suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of any of the Bonds which would cause any of the Bonds to be "arbitrage bonds" or "private activity bonds" within the meaning of the Tax Code. The Authority shall calculate or cause to be calculated all amounts of Excess Investment Earnings with respect to the Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code.

Lease. The Trustee will promptly collect all amounts due from the City pursuant to the Lease. Subject to the provisions of the Indenture governing the enforcement of remedies upon the occurrence of an Event of Default, the Trustee is required to enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority and for the enforcement of all of the obligations of the City under the Lease.

Obligations of the Trustee

The Trustee accepts the express trusts imposed upon it by the Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties or covenants shall be read into this Indenture against the Trustee. If an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by thereunder, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority may remove the Trustee at any time, unless an Event of Default has occurred and is then continuing, and shall remove the Trustee (a) if at any time requested to do so by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (b) if at any time the Trustee ceases to be eligible in accordance with the Indenture, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

(c) The Trustee may at any time resign and be discharged from its duties and obligations under the Indenture by giving written notice of such resignation to the Authority and the City, and by giving the Bond Owners notice of such resignation by electronic notice.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. In the event of the removal or resignation of the Trustee, the Authority shall promptly appoint a successor Trustee.

If no successor Trustee has been appointed and accepted appointment within 30 calendar days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee may petition, at the expense of the Authority, any court of competent jurisdiction for the appointment of a successor Trustee, or other appropriate relief and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee and grant other relief. Any successor Trustee appointed under this Indenture, must signify its acceptance of such appointment by executing and delivering to the Authority, to its predecessor Trustee a written acceptance thereof, and after payment by the Authority of all unpaid fees and expenses of the predecessor Trustee, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to the Leased Property held by such predecessor Trustee under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall promptly mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under the Indenture shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, shall be authorized under such laws to exercise corporate trust powers, shall have (or, in the case of a corporation or association that is a member of a bank holding company system, the related bank holding company has) a combined capital and surplus of at least \$50,000,000, and shall be subject to supervision or examination by a federal or state agency, so long as any Bonds are Outstanding. If such corporation or association publishes a report of condition at least annually under law or to the requirements of any supervising or

examining agency above referred to, then for the purpose of this provision, the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If the Trustee at any time ceases to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Merger or Consolidation of Trustee

Any bank, national banking association, federal savings association, or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, national banking association, federal savings association, or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association, federal savings association, or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association, federal savings association, or trust company shall be eligible under the Indenture shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Liability of Trustee

(a) The recitals of facts in the Indenture and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Bonds or the Lease (including any right to receive moneys thereunder or the value of or title to the premises upon which the Leased Property is located), nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations of Trustee herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence. The Trustee shall not be liable for any acts or omissions, except for such losses, damages or expenses which have been finally adjudicated by a court of competent jurisdiction to have directly resulted from and in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee undertakes to perform such duties and only such duties as are specifically and expressly set forth in this Indenture. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Indenture against the Trustee. The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee is not liable for any action taken or error of judgment made by it or any of its officers, employees or agents, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture or assigned to it under the Assignment Agreement.

(d) The Trustee is not liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until a responsible corporate trust officer shall have actual knowledge thereof, or a corporate trust officer shall have received written notice thereof at its Office from the City, the Authority or the Owners of at least 50% in aggregate principal amount of the Outstanding Bonds. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or the City of any of the terms, conditions, covenants or agreements herein, under the Lease or the Bonds or of any of the documents executed in connection with the Bonds, or as to the existence of a default or an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Trustee is not responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain or inquire as to the performance or observance by the City or the Authority of the terms, conditions, covenants or agreements set forth in the Lease, other than the covenants of the City to make Lease Payments to the Trustee when due and to file with the Trustee when due, such reports and certifications as the City is required to file with the Trustee thereunder.

(f) No provision of the Indenture requires the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, receivers or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, receiver or attorney appointed with due care by it hereunder.

(h) The Trustee has no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of the Bond Owners under this Indenture, unless such Owners have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities (including but not limited to fees and expenses of its attorneys) which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of the Indenture, and shall be applicable to the assignment of any rights under the Lease to the Trustee under the Assignment Agreement.

(j) The Trustee is not accountable to anyone for the subsequent use or application of any moneys which are released or withdrawn in accordance with the provisions of the Indenture.

(k) The Trustee makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or the City of the Leased Property. In no event shall the Trustee be liable for incidental, indirect, special, punitive or consequential damages of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(l) The Trustee has no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(m) The Trustee is authorized and directed to execute the Assignment Agreement in its capacity as Trustee under the Indenture.

(n) The Trustee shall be entitled to request and receive written instructions from the Authority and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with the written direction of the Authority. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail (provided, that for purposes of this Agreement, an e-mail does not constitute a notice, request or other communication hereunder but rather the portable document format or similar attachment attached to such e-mail shall constitute a notice, request or other communication hereunder), facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority or the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding the fact that such instructions conflict or are inconsistent with a subsequent written instruction. The Authority and the City agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(o) The Trustee shall not be liable to the parties hereto or deemed in breach or default under the Indenture if and to the extent its performance hereunder is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include, but not be limited to, acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, pandemics, hacking or similar unauthorized breach, or other similar occurrences.

(p) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Authority, or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other person.

Right to Rely on Documents

The Trustee shall be protected and shall incur no liability in acting or refraining from acting in reliance upon any notice, resolution, request, consent, order, judgment, decree, certificate, report, opinion, bonds, notes, debentures, other evidence of indebtedness, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. The Trustee is under no duty to make any investigation or inquiry as to any statements contained or matter referred to in any paper or document but may accept and conclusively rely upon the same as conclusive evidence of the truth and accuracy of any such statement or matter and shall be fully protected in relying thereon. The Trustee shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Trustee in accordance with the advice of counsel or other professionals retained or consulted by the Trustee. The Trustee may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care. The Trustee may consult with counsel of its selection, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate, Written Request or Written Requisition of the Authority or the City, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, Written Request or Written

Requisition, and the Trustee shall be fully protected in relying thereon, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

Amendment of Indenture

The Indenture may be modified or amended at any time by a supplemental indenture with the prior written consents of the Owners of a majority in aggregate principal amount of the Bonds then outstanding. No such modification or amendment may (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by the Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It is not necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it is sufficient if such consent approves the substance thereof.

The Indenture may also be modified or amended at any time by a supplemental indenture, without the consent of any Bond Owners, to the extent permitted by law, but only for any one or more of the following purposes:

- To add to the covenants and agreements of the Authority contained in the Indenture, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power therein reserved to or conferred upon the Authority.
- To cure any ambiguity, inconsistency or omission in the Indenture, or correct any defective provision in the Indenture, or in any other respect whatsoever as the Authority may deem necessary or desirable, so long as such modification or amendment does not materially adversely affect the interests of the Bond Owners in the opinion of Bond Counsel filed with the Trustee.
- To modify, amend or supplement the Indenture in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939 or any similar federal statute at any time in effect.
- To modify, amend or supplement the Indenture so as to cause interest on the Bonds to remain excludable from gross income under the Tax Code.

- to facilitate the issuance of additional obligations for which additional amounts of rental are pledged or assigned under the Lease as provided therein. See “LEASE – Amendment of Lease” above.

Events of Default

Events of Default Defined. The following events constitute events of default under the Indenture:

- Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.
- Failure to pay any installment of interest on the Bonds when due.
- Failure by the Authority to observe and perform any of the other covenants, agreements or conditions on its part contained in the Indenture or in the Bonds, if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the Authority by the Trustee; *provided, however*, if in the reasonable opinion of the Authority the failure stated in the notice can be corrected, but not within such 30-day period, such failure shall not constitute an Event of Default if the Authority institutes corrective action within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.
- The commencement by the Authority of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.
- The occurrence and continuation of any Event of Default under and as defined in the Lease. See “LEASE – Events of Default” above.

Remedies. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then outstanding, and upon being indemnified to its satisfaction therefor, the Trustee shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it deems most effectual to protect and enforce any such right, at law or in equity, including but not limited to enforcement of any and all rights granted to the Authority or the Trustee under the Lease.

No delay or omission to exercise any right or power accruing upon any Event of Default will impair any such right or power or will be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

Application of Revenues and Other Funds After Default. If an Event of Default has occurred and is continuing, all Revenues and any other funds then held or thereafter

received by the Trustee under any of the provisions of the Indenture will be applied by the Trustee as follows and in the following order:

- (1) To the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture;
- (2) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of the Indenture, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available is not sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Limitation on Bond Owners' Right to Sue. No Owner of any Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under the Indenture, unless:

- such Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;
- the Owners of a majority in aggregate principal amount of all the Bonds then outstanding have requested the Trustee in writing to exercise its powers under the Indenture;
- said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request;

- the Trustee has refused or failed to comply with such request for a period of 60 days after such written request has been received by the Trustee and said tender of indemnity is made to the Trustee; and
- no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority in aggregate principal amount of the Bonds then outstanding.

Discharge of Indenture

The Authority may pay and discharge the indebtedness on any or all of the outstanding Bonds in any one or more of the following ways:

- by paying or causing to be paid the principal of and interest on the Bonds, as and when the same become due and payable;
- by depositing with the Trustee, in trust, at or before maturity, cash and/or non-callable Federal Securities which, together with the investment earnings to be received thereon, have been verified by an independent accountant to be sufficient to pay or redeem such Bonds when and as the same become due and payable; or
- by delivering to the Trustee, for cancellation by it, all of such Bonds.

Upon such payment, and notwithstanding that any Bonds have not been surrendered for payment, the pledge of the Revenues and other funds provided for in the Indenture with respect to such Bonds, and all other obligations of the Authority under the Indenture with respect to such Bonds, will cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose. Any funds thereafter held by the Trustee, which are not required for said purposes, will be paid over to the Authority.

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE CITY
FOR FISCAL YEAR ENDING JUNE 30, 2022**

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City of Alameda, California
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022



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CITY OF ALAMEDA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY THE
FINANCE DEPARTMENT

MARGARET O'BRIEN
FINANCE DIRECTOR









City of Alameda, California
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022
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Finance Department
2263 Santa Clara Avenue, Room 220
Alameda, California 94501
(510) 747-4881

December 30, 2022

**Honorable Mayor and
Members of the City Council**

We are pleased to present the City of Alameda (City) Annual Comprehensive Financial Report for the year ending June 30, 2022. The information in this Annual Comprehensive Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and includes an unmodified opinion on the report by the City's independent certified public accountants. Although we rely on the standards and expertise of these external auditors, the responsibility for the accuracy and fairness of this report rests with the City.

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



City Profile

The City was incorporated in 1854 and is located in Alameda County, the growing East Bay region of the San Francisco Bay Area. The City has a permanent staff of 566 allocated full-time positions (including Alameda Municipal Power) and serves approximately 78,000 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 commissioners and committee members, as well as hiring the City Manager, City Attorney and City Clerk. The City Manager is responsible for implementing the Council's policies, and overseeing the day-to-day operations and management of the City. Current City Council priorities include: preparing Alameda for the future; encouraging economic development across the island; supporting enhanced livability and quality of life; protecting core services; and ensuring effective and efficient operations.

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

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

Finance Department provides strategic long-term financial planning, financial reporting, payroll services, budgeting, purchasing, accounts payable, accounts receivable, and business licenses.

Human Resources Department includes staff and activities associated with recruitment, training and development, employee and labor relations, disability management, safety administration, and policy and procedure development.

Information Technology Department provides internal support overseeing technology information and daily needs of City as well as collaborates with regional partners to advance tech related issues.

Community Services includes the City's Library Department and the Recreation and Parks Department, which also includes Senior Center operations and Corica Park Golf Course contract management.

Community Development provides oversight services and project management in the following areas: housing, social services, asset management, economic development and base reuse at the former Naval Air Station, known as Alameda Point.

Planning, Building, and Transportation includes the permit center, current and advance planning, transportation planning, and building inspection and code enforcement.

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

Public Works includes Engineering, Transportation Operations, Parking Enforcement, Streets and Sidewalk Maintenance, Tree Maintenance, and Storm Drains and Sewer Maintenance divisions.

Alameda Municipal Power includes staff and activities associated with operation and maintenance of the local electric distribution system.

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Economic Condition and Outlook

The City of Alameda is a community situated in the San Francisco Bay with residential neighborhoods and commercial areas. There are scenic views of Oakland, San Francisco, and other areas of the Bay shoreline and surrounding hills. The City has physical links to the City of Oakland to the north and east, and offers ferry services to San Francisco from three ferry terminal locations.

Between 2021 and 2022, the population of Alameda decreased by 3.8% from 80,884 residents to 77,784 residents, according to the California Department of Finance. It is anticipated that Alameda's population will increase as new housing units are constructed and occupied at the former Naval Station and elsewhere in the City.

Overall, the outlook for the City is generally stable. The local economy continues to recover from the COVID-19 pandemic due to strong demand for housing and consumer goods. Numerous City funding sources including sales, property, and real property transfer taxes increased year-over-year. Investors continue to demonstrate their faith in the strength of the community by continuing to make capital improvements and through continued development at Alameda Point and in other commercial and residential development elsewhere in the community. Overall, the General Fund ended the year with an 8.0% increase in revenues over the prior year.

Due to five years of a strong local real estate market, the City has been able to maintain generous General Fund reserves in excess of the City Council's established level of 25% of expenditures for more than a decade. Although the unemployment rate decreased from 8.5% in fiscal year (FY) 2020-21 to 5.5% in FY 2021-22, the economic impact of the COVID-19 pandemic and subsequent aftereffects are still being evaluated, particularly the credit implications of the City and its ability to access the capital markets.

The City received the final allocation of American Rescue Plan Act (ARPA) funds in June 2022 in the amount of \$14.34 million. The total \$28.68 million received will address the critical needs of residents and drive Alameda's economic recovery from the COVID-19 pandemic, just as an economic slowdown may be looming. The City's ARPA spending plan is focused on addressing housing, behavioral/mental health, investing and building broadband infrastructure, providing household and local small business assistance, and supplementing revenue loss – all with an emphasis on those in our community who were and continue to be disproportionately impacted by the pandemic. Working with community leaders and the City Council, the City of Alameda has put into place plans to use ARPA funding for:

- **The Midway Shelter of Alameda:** ARPA funds will replace three portable units that house the kitchen/community room, staff/children's room, and a 25-bed dormitory at this shelter for women and children who are unhoused or suffering from domestic violence.
- **The Alameda Food Bank:** ARPA funds will repair the Food Bank's disbursement facility and will keep volunteers dry, warm, and out of the elements.
- **Wireless Hotspot Lending Program:** ARPA funds will help bridge the digital divide for families by providing wireless hotspots lent out at the Alameda Free Library at no cost to borrowers. The lending program allows students, parents, teachers, and families working and studying remotely to access a free and reliable internet connection.
- **Transitional Housing:** ARPA funds, along with other grant funding, will be used to build and operate Dignity Village, a 46-unit modular housing project for individuals who are formerly unhoused.
- **Emergency Supportive Housing:** ARPA funds will be used to provide emergency housing for up to six months with wrap-around services to assist each person with individual challenges and locate permanent housing.

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- **Feed Alameda:** ARPA funds provided funding to Alameda’s local restaurants that were hit the hardest during the pandemic, who in turn provided hot meals to individuals who are unhoused and others who are food insecure. The program was initially launched with community support and was able to continue using ARPA funds.
- **Commercial Streets:** ARPA funds supported the survival of Alameda’s small businesses and the health and safety of people who live, work, and visit Alameda through the creation of an on-street parklet program, reconfiguring the main streets in our two downtown districts, and implementing parking improvements.

FY 2022-23 began in a period of economic uncertainty both in the US and abroad. The City lowered real property transfer tax projections from \$21.9 million received in FY 2021-22 to a projected \$13.0 million for FY 2022-23 due to Federal Reserve policies increasing interest rates. In the second quarter of FY 2021-22, the median sale price of a single-family residence was \$1,500,000, or an increase of 9.69% from the same quarter in the prior year. While domestic and global conditions and risks have created headwinds for the City’s economic outlook, the City deems itself in a solid position to weather the storm due to large cash reserves.

Internal Controls

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

Budgetary Controls

As part of the City’s internal controls, it maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. Every two years, departments work with the City Manager and Finance Department to submit operating budget requests for the next two fiscal years. The City Manager then makes recommendations to the City Council regarding the budget. After public discussion and evaluation of the recommendations, the City Council adopt 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 their 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.

City Council Goals and Objectives

As part of the budget preparation process, the City Council articulates goals and objectives for two years and evaluates the progress made on the goals established as part of the previous budget. The following

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represent some of the most significant goals established for FYs 2021-22 and 2022-23 as part of biennial budget process:

1. Preparing Alameda for the future
 - Take action on climate change and ensure our infrastructure needs are met, including adopting plans and policies that protect the community against sea-level rise and reduce greenhouse gas emissions and vehicle miles travelled, discussing infrastructure and storm water funding needs and possible sources, increasing the use of low-emissions vehicles within the City's fleet, and increasing electric vehicle (EV) chargers around town.
2. Encouraging economic development across the Island
 - Improve the local economy and attract jobs, including promoting policies and marketing efforts that help retain existing businesses and attract new businesses that provide stable economic opportunities for the City's local workforce.
3. Supporting enhanced livability and quality of life
 - Address housing and the unhoused, including implementing policies and programs that help to stabilize rents and increase the supply of housing for all income levels, updating the Land Use Element and Housing Element of the General Plan, and reviewing housing services and ensuring they are adapting to meet the changing needs of the community.
 - Mitigate traffic congestion and improve transportation safety, including producing a west-end crossing study, opening the Seaplane Lagoon ferry terminal, adopting a rideshare policy, completing the Central Avenue bike lane improvements, and increasing transit ridership.
4. Protecting core services
 - Maintain safety and quality of life, including adopting policies and programs that maintain a high-level of public safety and that maintain Alameda's high-quality City parks, libraries, streetscape, community services, and amenities.
5. Ensuring effective and efficient operations
 - Plan for fiscal and organizational stability, including exploring options for reducing the City's costs and liabilities, increasing City revenue and funding, and investing in technology and other measures that improve the City's efficiency and productivity.

Major Initiatives and Projects

Alameda Point Development - In June 2015, the City Council approved a Disposition and Development Agreement, as amended (collectively, DDA) related to development of a 68-acre mixed-use project at Alameda Point known as "Site A". Site A is the first major public/private development since the former Naval Air Station closure in 1997. The 6th amendment to the DDA, executed in September 2022, substantially revised the planned development on a portion of "Phase 1" of Site A, as well as in "Phase 2" of Site A.

The proposed Site A development provides for:

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1. A high-quality mixed-use transit-oriented waterfront development that includes approximately 1,472 on-site permanent jobs and 2,570 construction jobs over the life of the project, retail amenities, a diversity of housing types for a wide range of income levels, and new waterfront parks;
2. Future job creation at Alameda Point through the construction of amenities, gateway improvements into Alameda Point, and new utility infrastructure, all of which will help to support long-term employment-generation;
3. Mitigation of traffic impacts by funding transit service to BART, the creation of a direct ferry service between Alameda Point and San Francisco, the extension of Cross Alameda bicycle trail, and a number of other alternative transportation programs;
4. A contribution of \$18 million towards significant transportation infrastructure; and
5. A commitment of over \$30 million to 10 acres of publicly accessible parks and open spaces, including the regional sports complex and eight acres of waterfront parks along the Seaplane Lagoon with a community kayak launch.

Currently, 454 housing units (128 of which are designated affordable) have been completed at Site A with an additional 830 units contemplated in the 6th Amendment to the DDA. Construction and capital cost increases have caused major constraints on the ability of the project to meet its original objectives and schedule. In addition to the housing units mentioned, two public parks and the new Seaplane Lagoon Ferry Terminal have been opened to the public at Site A.

The Public Works Department has also made major headway in their water infrastructure replacement project with work starting in the Adaptive Reuse area in Q2 of 2022 and anticipate completion of Phases 1 and 2 in Q3 2024. Currently, water infrastructure work is ahead of schedule and under budget.

Fire Department - The City launched the Community Assessment Response and Engagement (CARE) team pilot program during FY 2021-22 in order to provide an alternative emergency response to nonviolent individuals facing a mental health crisis. This program is staffed by six Firefighter/ Emergency Medical Technicians (EMTs) and responds 24 hours a day, 7 days a week.

Affordable housing is still an area that needs greater emphasis in our City and was specifically addressed in October 2021, when the City Council approved *The Road Home: A 5 Year Plan to Prevent and Respond to Homelessness in Alameda*. The *Road Home* provides an achievable roadmap to addressing the unhoused in Alameda based on an evaluation of existing programs and systems, the latest available data and established best practices. Alameda's share of the Regional Housing Needs Allocation (RHNA) is 5,353 additional units from 2023-2031. The City has begun a number of efforts to facilitate development of affordable housing in Alameda. City staff has prepared a working draft of a site inventory and are considering a number of policy changes in order to ensure their RHNA goals can be satisfied.

Recreation and Parks:

- Significant park improvements completed include Godfrey Recreation Center's new restrooms, upgraded kitchen, office and storage, HVAC, ADA improvements and painting; a new space-themed playground at Bayport Park; and a nature-based play area at Chochenyo Park.
- With funding from a Community Development Block Grant, Woodstock Park was updated with a new picnic area and playground surfacing that has improved safety and ADA accessibility.
- Alameda Point Waterfront Park (now named Seaplane Lagoon Promenade) was opened across from the Alameda Naval Air Museum and features a concrete promenade along the water's edge with views of the Naval Ships. It was the first of multiple phases planned to build out the park.

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- Alameda Point Neighborhood Park (now named Whale Park) was opened and features a playground, picnic areas, basketball court, fitness center, restrooms and ping pong tables.
- Preparing to replace Lincoln Park, De-Pave Park and a dog park at Tilden Way.

Information Technology, Finance, and Human Resources Departments – Went live with the new Tyler Munis Enterprise Resource Planning (ERP) system for payroll and accounting, revenue collection, and human resources.

Pension and Post-Employment Benefits Liability

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

CAPITAL IMPROVEMENT PROGRAM

The City developed a Capital Improvement and Maintenance Plan (CIP) detailing specific budgeted capital projects. Each of the projects is consistent with the overall goals and principles of the City. Below are certain highlights of projects completed during the reporting period.

Cyclic 18 Sanitary Sewer Rehabilitation (\$5.8 million)

The project replaced 2.92 miles of sewer main in locations prioritized based on condition assessment and possible consequence of pipe failure. It furthers the objectives of the City's Sewer System Management Plan and Sewer Master Plan. The work also meets the annual work requirements per a federal consent decree the City is party to.

Group 4 Sewer Pump Station Rehabilitation (\$5.0 million)

The project completed upgrades of six pump stations, namely Catalina, Cola Ballena, Grand Otis, Harbor Bay Parkway 1, Marina Village, and Park Otis) that are a vital part of the City's sanitary sewer system. It furthers the objectives of the Sewer Master Plan.

Stormwater Pump Station Rehabilitation (\$0.4 million)

The project completed upgrades of 4 stormwater pump stations that are a vital part of the City's stormwater and flood control system. It furthers the objectives of the Storm Drain Master Plan and Storm Drain Pump Station Assessment of 2011.

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Repairing and Resurfacing of Certain Streets (\$0.2 million)

The City's Pavement Management Program awarded a contract to perform preventive maintenance treatments along approximately 3.5 miles of roadway and 7,100 square yards of parking lot (Chuck Corica Golf Course). The project was completed in August of 2021. The City's Pavement Management Index, issued by the Bay Area Metropolitan Transportation Commission is "Good".

Sidewalk Repair and Replacement (\$0.8 million)

The City's sidewalk program removed more than 6,100 tripping hazards and replaced over 12,400 square feet of deteriorated sidewalk. As conduits for pedestrian movement and access, sidewalks enhance connectivity and promote walking. Safe, accessible, and well maintained sidewalks are fundamental to mobility and a healthy community.

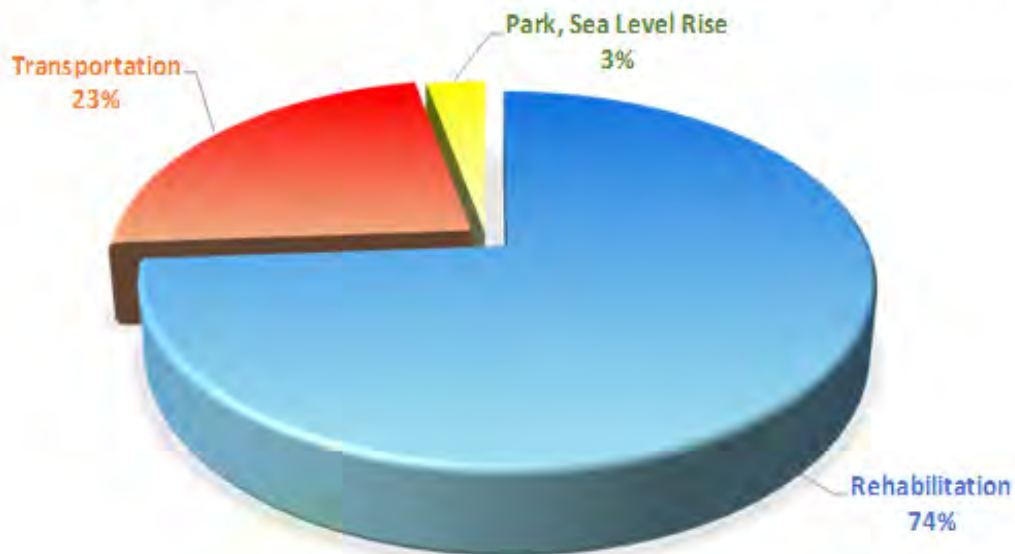
Park Maintenance (\$0.4 million)

The tennis courts lights were upgraded to LED lighting at Washington, Krusi and Leydecker Parks. The Washington tennis court complex and Lincoln Park pickleball courts were also fully resurfaced.

The FY 2021-22 adopted Capital Improvement Program Budget appropriated an additional \$31.9 million and was allocated to the following types of projects:

Category	Amount in Millions	Percent of Total
Rehabilitation	\$23.58	73.91%
Transportation	\$7.35	23.02%
Park, Sea Level Rise, Alameda Point	\$0.98	3.07%

21/22 CAPITAL IMPROVEMENT PROGRAM BY CATEGORY



Honorable Mayor and
Members of the City Council

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

The City received the GFOA's Distinguished Budget Presentation Award for its two-year budget document for FYs 2021-2023. 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 Annual Comprehensive Financial Report was prepared by the City's Finance Department staff, under the leadership of Margaret O'Brien, Finance Director. This report is representative of the staff's ongoing commitment to provide excellent service to Alameda residents.

Many thanks are also extended to the independent auditors of Maze & Associates for their review of this report, and to the City Council, City Treasurer, and City Auditor for their stewardship and commitment to assist in ensuring the long-term fiscal health of the City.

Respectfully submitted,

DocuSigned by:

21DC39E8C019480...

Erin Smith
Acting City Manager

DocuSigned by:

8668CA7AAECB4A9...

Margaret L. O'Brien
Finance Director



Mayor Marilyn Ezzy Ashcraft

Vice Mayor Malia Vella

Councilmember Tony Daysog

Councilmember Trish Herrera Spencer

Councilmember John Knox White

ELECTED OFFICIALS



Kevin Kearney, City Auditor



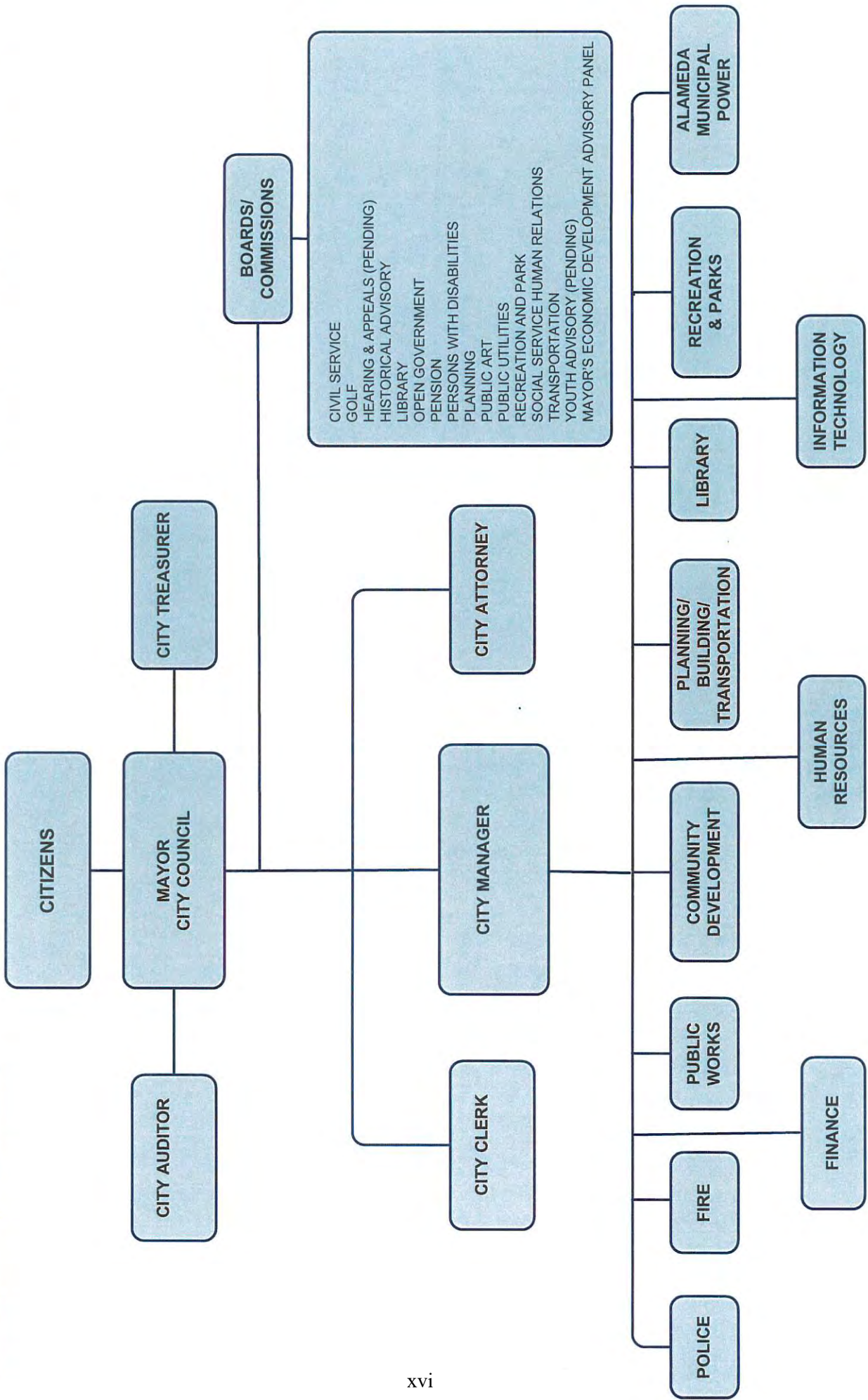
Kevin Kennedy, City Treasurer

CHARTER OFFICERS

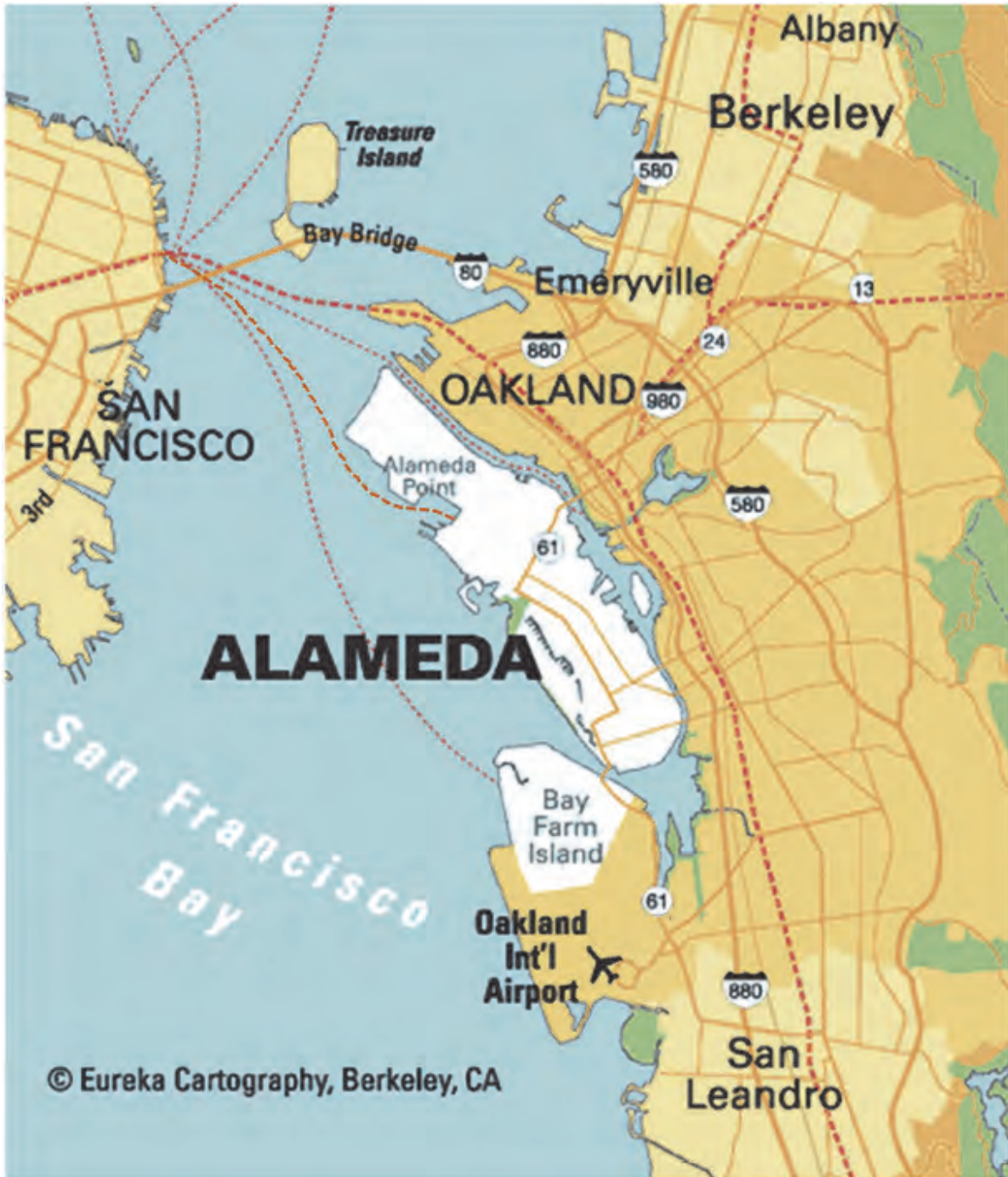
City Manager, Dirk Brazil
City Attorney, Yibin Shen
City Clerk, Lara Weisiger

EXECUTIVE MANAGEMENT TEAM

Assistant City Manager, Vacant
Finance Director, Margaret O'Brien
Chief of Police, Nishant Joshi
Community Development Director, Lisa Maxwell
Fire Chief, Nicolas Luby
General Manager, Alameda Municipal Power, Nicolas Procos
Human Resources Director, Nancy Bronstein
Information Technology Director, Carolyn Hogg
Library Director, Jane Chisaki
Planning, Building and Transportation Director, Andrew Thomas
Public Works Director, Erin Smith
Recreation and Park Director, Amy Wooldridge



The City of Alameda, incorporated April 19, 1854, is a 10.6 square mile city located in San Francisco Bay. Alameda has a population of 80,884. The City of Alameda is seven miles east of San Francisco, situated within San Francisco Bay, and less than one mile west of the City of Oakland, directly west of Interstate 880. Alameda is a brief drive north of Oakland International Airport, which borders the City on the southeast.





Government Finance Officers Association

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Presented to

**City of Alameda
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alameda (City), California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, which became effective during the year ended June 30, 2022 and required the restatement of fund balance and net position as discussed in Note 8D to the financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2022, 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 solely 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 the effectiveness of the City’s 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 "Maye & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California
December 29, 2022

Management's Discussion and Analysis (MD&A) provides an overview of the City of Alameda's activities and financial performance for the fiscal year ended June 30, 2022. To obtain a complete understanding of the City's financial condition, this document should be read in conjunction with the accompanying Transmittal Letter, Basic Financial Statements, and the notes to the basic financial statements.

Financial Highlights

- The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.
- The assets and deferred outflows of the governmental activities of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$270.0 million, of which unrestricted net position was a deficit \$191.2 million. Excluding the \$269.9 million net pension, total pension, and net OPEB liabilities, which are not claims on current year financial assets, \$78.7 million of unrestricted net position is available to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$56.6 million from the prior year, with \$13.2 million attributable to business-type activities and \$43.4 million to governmental activities.
- As of June 30, 2022, the City's governmental funds reported combined fund balances of \$224.5 million, an increase of \$21.7 million in comparison to the prior year. Of this amount, \$63.9 million of unassigned fund balance is available for spending at the City's discretion.
- At the close of the fiscal year, the General Fund reported total assets of \$99.6 million and a total fund balance of \$90.0 million. This represents an increase in fund balance of \$17.0 million, or 23.2% from prior fiscal year. Of the total fund balance, \$64.2 million, or 71.4%, was unassigned.

Overview of the Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report is presented in five sections:

- An introductory section that includes the Transmittal Letter and general information
- Management's Discussion and Analysis (MD&A)
- The Basic Financial Statements that include all of the financial activities of the City. There are three components: Government-Wide Financial Statements, Fund Financial Statements, and Notes to the Basic Financial Statements.
- Required and Other Supplemental Information
- Statistical Information

Government-Wide Financial Statements

The **Government-Wide Financial Statements** provide a long-term view of the City's activities as a whole. They also provide the overall financial condition of the City using accounting methods similar to those used by private-sector businesses. They include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources on a full accrual basis of accounting similar to that used by private-sector companies. Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities provides information about the City's revenues and expenses on a full accrual basis, with an emphasis on measuring net revenues or expenses for each of the City's programs. The Statement of Activities explains, in detail, the change in net position for the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The amount of the Statement of Net Position and the Statement of Activities are divided into two categories in order to provide a summary of each type of activity:

Governmental Activities – all of the City's basic services are reported in this category. Included in basic services are the City Council, City Manager, City Attorney, City Clerk, Human Resources, Finance, Police, Fire, Public Works, Building, Planning, Transportation, Community Development Services, Housing, Library, and Recreation and Parks. These services are supported by the City's general revenues such as taxes, state subventions, and by special program revenues such as fees and grants.

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

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds, or "major funds", not the City as a whole. Therefore, each major fund is presented individually, while all non-major funds are combined in a single column on each fund statement. Supplemental schedules display these non-major funds in more detail. The General Fund is always considered a major fund, but other funds may change from year-to-year as a result of changes in the pattern of City activities.

Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help control and manage funds for particular purposes or to show legal responsibilities for using certain taxes, grants or other monies are being met.

The Fund Financial Statement display the City's operations in more detail than the Government-Wide Financial Statements. All funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds – Most of the City's basic services are included in governmental funds, which focus on how money flows into and out of these funds and the balances left at fiscal year-end that are available for spending. Governmental Funds Financial Statements are prepared on the modified accrual basis of accounting, which means they measure only current financial resources and uses. Governmental Funds Financial Statements focus on near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's ability to meet its near-term financial requirements. Because the focus of governmental funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist the reader with this comparison between governmental funds and governmental activities. Capital assets and other long-term assets, along with long-term liabilities, are presented only in the Governmental-Wide Financial Statements.

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

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the Basic Financial Statements and accompanying notes, the Required Supplementary Information presents required supplementary information, including information on the City's pension and OPEB plans. Required supplementary information can be found immediately following the Notes to the Basic Financial Statements.

Financial Analysis of Government-Wide Financial Statements

This section focuses on the City's net position and changes in net position of its governmental and business-type activities. The net position, for the City as a whole, increased \$56.6 million or 14.3%, from \$395.0 million at June 30, 2021 to \$451.6 million at June 30, 2022. Of this \$56.6 million increase, \$22.0 million, or 38.9%, is directly related to the decrease in the City's net pension, total pension, net OPEB liabilities and related deferred outflows/inflows of resources. While a portion of these decreases can be attributed to changes in assumptions made by the actuaries, a majority of the decrease stems from better-than-expected investment returns. Another \$5.0 million of this City-wide increase in net position stems from principal payments on long-term debt. The remaining \$29.6 million relates to various items throughout the City, including additions to the purchased power balancing account in the Alameda Municipal Power enterprise fund, introduction of GASB Statement No. 87 regarding recognition of certain lease assets and liabilities, and stronger than normal general revenues.

Details of the net position are presented in the summary are as follows:

Condensed Statement of Net Position
as of June 30, 2022 and 2021
(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021**	2022	2021**	2022	2021**
Assets						
Current and other assets	\$ 416,238	\$ 301,440	\$ 141,801	\$ 144,344	\$ 558,039	\$ 445,784
Capital assets	342,719	337,031	139,953	131,187	482,672	468,218
Total assets	<u>758,957</u>	<u>638,471</u>	<u>281,754</u>	<u>275,531</u>	<u>1,040,711</u>	<u>914,002</u>
Deferred Outflows of Resources						
Deferred losses on refunding			377	438	377	438
Related to pensions	32,559	38,415	6,101	3,777	38,660	42,192
Related to OPEB	13,818	14,780	164	202	13,982	14,982
Total Deferred Outflows of Resources	<u>46,377</u>	<u>53,195</u>	<u>6,642</u>	<u>4,417</u>	<u>53,019</u>	<u>57,612</u>
Liabilities						
Long-term Liabilities	310,781	408,230	49,053	63,509	359,834	471,739
Other Liabilities	63,986	42,169	12,898	13,699	76,884	55,868
Total Liabilities	<u>374,767</u>	<u>450,399</u>	<u>61,951</u>	<u>77,208</u>	<u>436,718</u>	<u>527,607</u>
Deferred Inflows of Resources						
Related to pensions	52,175	1,072	8,004	327	60,179	1,399
Related to OPEB	39,123	13,600	411	9	39,534	13,609
Related to leases	69,222				69,222	
Balancing account			36,495	34,031	36,495	34,031
Total Deferred Inflows of Resources	<u>160,520</u>	<u>14,672</u>	<u>44,910</u>	<u>34,367</u>	<u>205,430</u>	<u>49,039</u>
Net Position:						
Net Investment in Capital Assets	316,665	306,331	113,134	110,041	429,799	416,372
Restricted	144,588	137,397	18,843	20,951	163,431	158,348
Unrestricted*	(191,206)	(217,133)	49,558	37,381	(141,648)	(179,752)
Total Net Position	<u>\$ 270,047</u>	<u>\$ 226,595</u>	<u>\$ 181,535</u>	<u>\$ 168,373</u>	<u>\$ 451,582</u>	<u>\$ 394,968</u>

* Unrestricted net position for June 30, 2022 affected by the balance of the City's \$195.8 million net pension liabilities and the \$86.8 million in net other post-employment benefits, which are not claims on current year financial assets.

** Not restated for the implementation of GASB Statement No. 87

At June 30, 2022, the City reported positive balances in all categories of net position except for unrestricted net position primarily due to the inclusion of the net pension liabilities and net OPEB liabilities. The largest portion of the City's net position, \$429.8 million, is its investment in capital assets less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide services to its residents and other stakeholders. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position, that portion of the City's net position subject to restrictions on how these resources may be used, increased \$5.1 million, or 3.0%, from \$158.3 million at June 30, 2021 to \$163.4 million at June 30, 2022. While most of the restricted funds increased or decreased slightly during the year, the majority of this difference can be attributed to the increase in lease income in the Base Reuse Special Revenue Fund. Use of money and property revenue in this fund increased from \$13.6 million in the prior year to \$17.9 million in the current year, an increase of \$4.3 million, or 31.6%. Strong economic growth in the local economy, including new tenants and lower vacancy rates, have attributed to this increase in lease revenues.

Total liabilities decreased by \$90.9 million from \$527.6 million at June 30, 2021 to \$436.7 million at June 30, 2022 due primarily to a decrease in the City's net pension liability and net OPEB liability discussed earlier. City-wide, the decreases in the net pension, total pension, and net OPEB liabilities lowered total liabilities by \$111.2 million. Unearned revenue, money received by the City for a service or product that has yet to be provided or delivered, increased liabilities by \$15.4 million as the City received its second tranche of the American Rescue Plan Act of 2021 (ARPA) stimulus package. While a majority of these funds have not been spent as of June 30, 2022, monies have been assigned to various projects for the benefit of City residents.

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

Condensed Statement of Activities
for the years ended June 30, 2022 and 2021
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022*	2021	2022*	2021	2022*	2021
Revenues						
Program revenues						
Charges for services	\$ 28,411	\$ 36,336	\$ 77,615	\$ 77,982	\$ 106,026	\$ 114,318
Operating grants and contributions	7,445	10,772			7,445	10,772
Capital grants and contributions	6,455	25,424			6,455	25,424
General revenues						
Property taxes	64,535	63,422			64,535	63,422
Sales taxes	22,756	19,440			22,756	19,440
Utility users tax	9,012	9,091			9,012	9,091
Other taxes	29,724	25,392			29,724	25,392
Gain on sale of capital assets	21				21	
Use of money and properties	16,739	5,775	(1,210)	442	15,529	6,217
Miscellaneous	472	665	2,329	422	2,801	1,087
Total revenues	<u>185,570</u>	<u>196,317</u>	<u>78,734</u>	<u>78,846</u>	<u>264,304</u>	<u>275,163</u>
Expenses						
General Government	9,320	16,170			9,320	16,170
Police	33,123	42,073			33,123	42,073
Fire	36,158	46,814			36,158	46,814
Public Works	24,751	23,596			24,751	23,596
Community Development	15,031	18,116			15,031	18,116
Community Services		11,360				11,360
Housing		4,942				4,942
Recreation and Parks	12,083				12,083	
Library	6,748				6,748	
Planning, Building and Transportation	8,179				8,179	
Interest on long-term debt	889	801			889	801
Sewer Services			4,249	5,861	4,249	5,861
Alameda Municipal Power			57,159	64,314	57,159	64,314
Total expenses	<u>146,282</u>	<u>163,872</u>	<u>61,408</u>	<u>70,175</u>	<u>207,690</u>	<u>234,047</u>
Change in Net Position Before Transfers	39,288	32,445	17,326	8,671	56,614	41,116
Transfers, Net	4,164	4,512	(4,164)	(4,512)		
Change in Net Position	<u>43,452</u>	<u>36,957</u>	<u>13,162</u>	<u>4,159</u>	<u>56,614</u>	<u>41,116</u>
Beginning Net Position	226,595	189,638	168,373	164,214	394,968	353,852
Ending Net Position	<u>\$ 270,047</u>	<u>\$ 226,595</u>	<u>\$ 181,535</u>	<u>\$ 168,373</u>	<u>\$ 451,582</u>	<u>\$ 394,968</u>

*The City expanded certain departmental reporting during fiscal year 2022. Prior year amounts have not been restated.

Total revenues decreased approximately \$10.9 million, or 3.9%, most of which is related to governmental activities. While the General Fund and Base Reuse Special Revenue Fund saw increases in revenues from prior year due to increased property, local, transfer tax revenues, and lease revenues, other governmental funds saw large decreases in developer and license and permit fees. Alameda Point Development Impact Fees (DIF) were repealed by the City Council in September 2020. This led to a decrease of roughly \$6.0 million in year-over-year revenue for the DIF Capital Projects Fund.

Expenses decreased approximately \$26.4 million, or 11.3%, compared to the prior year. \$8.8 million of this decrease can be attributed to the City’s Business-Type activities, most of which to the Alameda Municipal Power (AMP) enterprise fund. Operating expenses alone decreased \$7.1 million, a large portion of which can be attributed to the balancing account adjustment. This adjustment is used to help stabilize rates and combat unanticipated changes in sales levels by accumulating differences between actual costs and related revenues.

Governmental Activities – Expense and Program Revenue by Source

Program revenue associated with Governmental Activities total \$42.3 million, or 28.9%, of program expenses. Expenses not covered by program revenues must be funded from non-program sources such as general tax revenues. The table below illustrates the gap between program revenues and expenses by major activity. Public safety programs rely heavily on taxes to support operations. General government programs provide benefit to both business-type and governmental activities and receive some funding through internal indirect cost allocations to supplement program revenue and general tax revenue.

Expense and Program Revenue - Governmental Activities
for the year ended June 30, 2022
(in thousands)

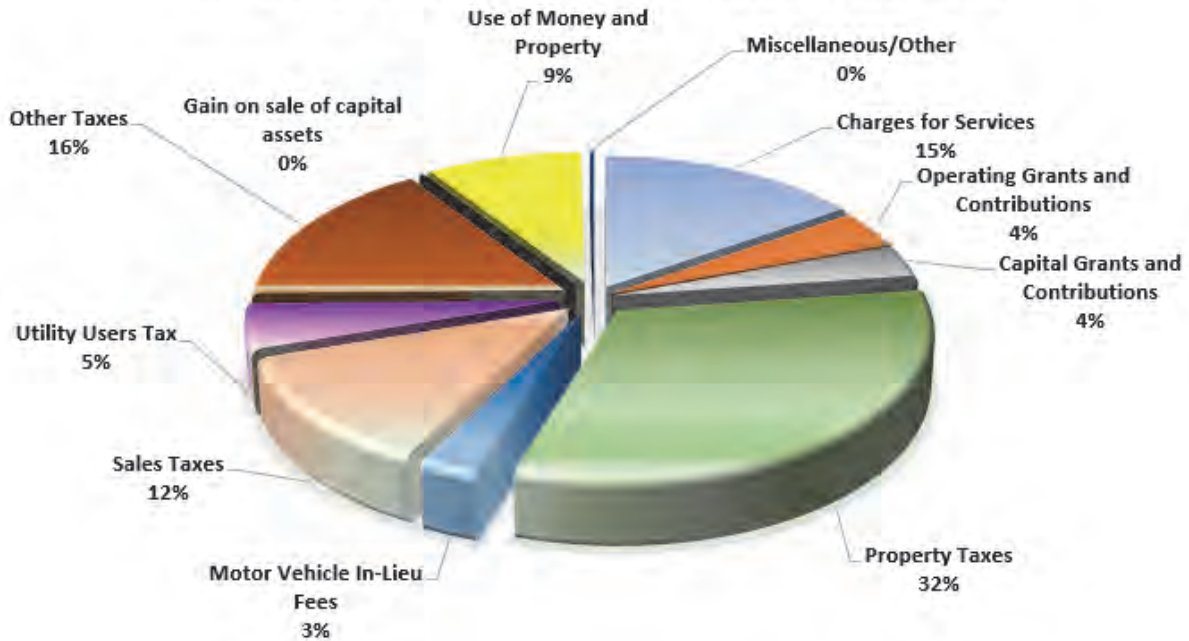
	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Governmental Activities			
General Government	\$ 9,320	\$ 2,820	\$ (6,500)
Police	33,123	737	(32,386)
Fire	36,158	5,169	(30,989)
Public Works	24,751	19,073	(5,678)
Community Development	15,031	3,810	(11,221)
Recreation and Parks	12,083	3,939	(8,144)
Library	6,748	58	(6,690)
Planning, Building and Transportation	8,179	6,706	(1,473)
Interest on Long-Term Debt	889		(889)
	<u>\$ 146,282</u>	<u>\$ 42,312</u>	<u>\$ (103,970)</u>

The pie chart on the next page illustrates the distribution of total revenue of \$185.6 million among its various sources. The largest revenue sources for governmental activities are property and related taxes of \$64.5 million, or 34.8%, and other taxes of \$29.7 million, or 16.0%, of total governmental revenues. “Other taxes” increased by 17.1% from the prior year. This increase in other taxes can be mostly attributed to a rise in transfer taxes. Transfer taxes came in roughly \$6.9 million over budget. These increases have to do with a strong, local real estate market – both in purchases and leasing. Charges for services approximated \$28.4 million, or 15.3% in 2022. Sales taxes and use of money and property are also significant individual revenue sources for the City’s governmental activities, amounting to 12.3% and 9.0%, respectively. The remaining 12.6% of revenue for governmental activities comes from capital and operating grants and contributions, utility users taxes and miscellaneous revenues. Overall, the city saw better-than-expected tax revenue streams for the fiscal year ended June 30, 2022. Other revenue sources, including charges for services and capital grants and contributions, decreased year-over-year. Capital grants and contributions saw the largest difference between FY 2020-21 and FY 2021-22 as the City completed large construction projects in the prior year, including the Alameda Seaplane Lagoon ferry terminal, and recognize revenues received from other governments. We anticipate a spike in capital grants and contribution revenue in FY 2022-23 as we approach the construction and deployment phases of the ARPA-funded capital projects.

Revenues by Source - Governmental Activities
for the years ended June 30, 2022 and 2021
(in thousands)

	2022	2021	Difference
Charges for Services	\$ 28,411	\$ 36,336	\$ (7,925)
Operating Grants and Contributions	7,445	10,772	(3,327)
Capital Grants and Contributions	6,455	25,424	(18,969)
Property Taxes	59,512	53,785	5,727
Motor Vehicle In-Lieu Fees	5,023	9,637	(4,614)
Sales Taxes	22,756	19,440	3,316
Utility Users Tax	9,012	9,091	(79)
Other Taxes	29,725	25,392	4,333
Gain on sale of capital assets	21		21
Use of Money and Property	16,739	5,775	10,964
Miscellaneous/Other	472	665	(193)
	\$ 185,571	\$ 196,317	\$ (10,746)

REVENUE BY SOURCE - GOVERNMENTAL ACTIVITIES



Business-Type Activities

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

**Program and General Revenue and Expense - Business-Type Activities
 for the year ended June 30, 2022**
 (in thousands)

	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>
Sewer Services	\$ 11,816	\$ 4,249	\$ 7,567
Alameda Municipal Power (AMP)	65,799	57,159	8,640
	<u>\$ 77,615</u>	<u>\$ 61,408</u>	<u>\$ 16,207</u>

Net position of the Sewer Services Fund at June 30, 2022 was \$106.1 million with the largest portion, \$92.2 million, invested in capital assets less any related outstanding debt that was used to acquire those assets. The remaining \$13.9 million is available to fund debt service, sewer operations, and future improvements and maintenance projects. The Sewer Services Fund generated operating income of \$11.8 million, very closely aligned with prior year operating income. This fund incurred \$3.1 million in operating expenses and \$1.4 million in non-operating expenses, for an overall increase in net position of \$7.3 million. The increase year-over-year change in net position stems from a \$0.5 million transfer out of the Sewer Services Fund in prior year that was not needed in the current year as well as a decrease in total operating expenses as a result of decreases in the net pension liability.

Net position of AMP at June 30, 2022 was \$75.4 million with the largest portion, \$49.6 million available to fund operations, maintenance projects and future capital improvements. Of the remaining \$25.8 million, \$4.9 million is restricted for debt service and \$20.9 million is invested in capital assets less any related outstanding debt that was used to acquire those assets. The cost of AMP operating activities this year was \$54.3 million, while the cost of non-operating activities and transfers out net another \$6.1 million in expenses. The largest source of operating revenue was user charges for services of \$65.8 million. The overall net increase in net position of AMP was \$5.9 million. For more information about the financial position of AMP, please visit their financial reports website at alamedamp.com/274/Financial-Reports.

Revenues by Source - Business-Type Activities
for the years ended June 30, 2022 and 2021
(in thousands)

	2022	2021	Difference
Charges for Services	\$ 77,615	\$ 77,982	\$ (367)
Investment Earnings/Rents	(1,210)	442	(1,652)
Miscellaneous Revenues	2,329	422	1,907
	\$ 78,734	\$ 78,846	\$ (112)

Financial Analysis of Governmental Funds

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

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Alameda’s financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government’s net resources available for discretionary use as it represents the portion of fund balance not yet limited to use for a particular purpose by either an external party, the City itself, or an entity that has been delegated authority by the City Council to assign resources for use at the end of the fiscal year.

As of June 30, 2022, the City’s governmental funds reported combined ending fund balances of \$224.5 million. Approximately \$64.2 million, or 28.6%, 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 *non-spendable*, *restricted*, *committed* or *assigned* to indicate that it is:

- 1) not in spendable form (\$3.1 million) as it has been committed to liquidate contracts and purchase orders from the prior fiscal period, pay debt service, or fund future needs;
- 2) restricted for particular purposes (\$121.7 million);
- 3) committed for particular purposes (\$21.5 million); or
- 4) assigned for particular purposes (\$13.9 million).

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

General Fund

The *General Fund* is the chief operating fund of the City. As of June 30, 2022, unassigned fund balance of the General Fund was \$64.2 million; the remaining fund balance, including non-spendable, restricted and committed resources, was \$25.7 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 57.2% of total General Fund expenditures and transfers out.

General Fund revenues increased \$9.2 million, or 8.0%, from the prior fiscal year to \$124.3 million in FY 2021-22. Property tax revenues for the fiscal year were \$51.5 million, an increase of \$2.2 million or 4.4% over the prior year. This increase is primarily due to the rise in median home sale prices in the City of Alameda, new housing developments, and the receipt of residual property tax distributions as a result of redevelopment dissolution. Real property transfer tax increased \$3.4 million, or 18.3%, compared to the prior year due mainly to an increase in home sales in an appreciating home value market.

Other local taxes and Sales tax, the third and fourth largest revenue sources, respectively, for the City's General Fund, increased by \$3.1 million, or 11.7%, over the prior year for a combined total of \$30.2 million. This was a result of a strong recovery after the onset and continuation of the pandemic in the two prior fiscal years.

General Fund expenditures totaled \$99.1 million for FY 2021-22 compared to \$86.0 million in the prior fiscal year. This amount excludes encumbrances outstanding at year end. The increase of \$13.1 million, or 15.2%, was mostly attributed to an increase in costs related to Police, Fire protection and Recreation and Parks projects in the City. While costs related to the Police and Fire Departments have increased during the fiscal year, neither department is at capacity with the amount of safety officers. As the City fills these roles, which it has been doing during Fiscal Year 2021-22, we expect to see slight increases in expenditures in these functions.

Transfers out for FY 2021-22 were \$13.2 million compared to \$18.0 million in the prior year. This decrease of \$4.7 million was due to a one-time transfer of \$9.0 million to the Pension Stabilization Internal Service Fund in the prior year to help with pension prepayments. The payment during FY 2021-22 was \$7.7 million. Increased allocation costs for IT services, General Liability insurance, and OPEB funding also attributed to this increase in transfers out.

The fund balance of the City's General Fund was \$90.0 million at June 30, 2022, which is a \$17.0 million, or 23.2%, increase from the prior fiscal year. Of this \$90.0 million, \$8.7 million has been committed to certain projects, namely \$7.5 million to the Emma Hood Swim Center and \$1.2 million to the Dignity Moves housing project. Revenues and transfers in of \$129.3 million were \$6.9 million, or 5.6% higher, than FY 2021-22. Expenditures and transfers out were \$112.3 million, which is \$8.4 million, or 8.0%, higher than FY 2020-21. These increases are explained above.

The *Base Reuse Special Revenue Fund* had an increase in fund balance from \$53.4 million in prior year to \$56.3 million in FY 2021-22, an increase of \$2.9 million, or 5.5%. This increase stems mainly from new leases and increases in year over year lease revenue. New GASB reporting statement number 87 requires lessors to recognize a lease receivable and a deferred inflow of resources. This change in accounting practice increased reportable revenue by roughly \$1.5 million if compared to the prior accounting practice. Transfers out to the Alameda Point Capital Project Fund increased \$6.0 million as more projects are being constructed.

The *Grants Special Revenue Fund* accounts for revenues received from federal, state, county, and private grants. This fund qualified under the reporting criteria of a major fund this year as the balance of the ARPA monies has been kept here. The fund balance of this account decreased from \$2.1 million in prior year to \$1.0 million in the current year, and the unearned revenue liability increased by \$29.4 million. While the first tranche of the ARPA funding was kept in the Capital Improvements Capital Projects Fund in the prior year, both the first and second tranches were moved to this fund during FY 2021-22. This was done to demonstrate what ARPA funding the City has at year-end more easily.

Financial Analysis of Proprietary Funds

The City of Alameda enterprise funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. During FY 2021-22, there were two enterprise funds, the Sewer Services Fund and the Alameda Municipal Power Fund.

Internal Service Funds

The City of Alameda maintains nine Internal Service Funds and has closed one during the fiscal year ended June 30, 2022. The following table presents each funds’ net position (deficit) as of June 30, 2022:

**Internal Service Fund Net Position
for the year ended June 30, 2022
(in thousands)**

	Net Position/ (Deficit)
IT Cable Replacement	\$ 1,459
Central Services	-
Fleet Maintenance	11,281
Technology Services	6,837
Facilities Replacement and Maintenance	5,846
Workers' Compensation Insurance	(88)
General Liability Insurance	(1,277)
Unemployment Insurance	375
OPEB/Vacation	7,587
Pension Stabilization	18,552
Total	<u>\$ 50,572</u>

The Workers' Compensation and General Liability Fund net position deficits reflect future claims liabilities maturing in five to ten years. The current deficit net position of the Worker's Compensation Fund decreased by \$2.8 million from the prior year, when changes to the confidence level of the current claims liabilities rose by 10% to 70%. As we gain confidence over our ability to cover claim costs as they arise, the liability of the expected claims costs increases. This increase in liability leads to a decrease in our net position. The Pension Stabilization Fund net position increased by \$1.3 million from the prior fiscal year as prepayments of \$7.7 million were made to the City's plan sponsor and trust funds dedicated to pension reduction from FY 2020-21 General Fund surplus. More information can be found in Note 9 (Pension Plans) of this report.

General Fund Budgetary Highlights

The FY 2021-22 revenue and transfers in budget increased by \$6.3 million, from an original budget of \$110.9 million to a final budget of \$117.2 million. The increase was primarily due to increased property, sales, and transfer tax revenues. There was an increase of \$2.0 million and \$3.0 million for property and transfer taxes, respectively, between the original and final budgets. Actual revenues and transfers in for the General Fund finished above both original and final budgeted amounts. Revenues totaled \$129.2 million compared to a budgeted final amount of \$117.2 million, which is \$12.0 million, or 10%, higher than the final budget. Transfer tax and sales tax came in substantially higher than budget due to rapid inflation, high gas prices, and one-time sale of high-value private properties resulting in transfer and sales tax receipts that were \$6.9 million and \$0.8 million over projections, respectively.

Actual expenditures and transfers out for the General Fund totaled \$112.3 million. This was \$14.8 million, or 11%, less than the final budget. This is a result of departments staying within allocated appropriations magnified by personnel vacancies in the Police, Finance and Public Works Departments.

Capital Assets and Debt Administration

Capital Assets - The capital assets of the City are those assets which are used in the performance of the City's functions. As of June 30, 2022, capital assets, net of accumulated depreciation, of the Governmental Activities totaled \$342.7 million. For FY 2021-22, additions to governmental activities capital assets included \$21.1 million for Parks projects such as Cross Alameda Trail (\$11.3 million) and Jean Sweeney Park (\$7.5 million) and \$12.6 million for Streets projects such as Pavement Management (\$3.9 million) and Traffic Signals and Systems (\$3.5 million). Capital assets, net of accumulated depreciation, of the Business-Type Activities totaled \$140.0 million. For FY 2021-22, additions to Business-Type Activities capital assets included \$10.6 million for Sewer projects such as Sewer Rehabilitation (\$8.2 million) and Sewer Pump Station upgrades (\$2.3 million). Depreciation on capital assets is recognized in the government-wide financial statements. Additional information about the City's capital assets can be found in Note 5 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 5,995	\$ 5,995	\$ 220	\$ 220	\$ 6,215	\$ 6,215
Construction in progress	20,757	62,162	3,729	32,778	24,486	94,940
Buildings and Plants	291,004	267,550	101,745	98,721	392,749	366,271
Machinery and equipment	40,018	39,202	21,851	21,592	61,869	60,794
Infrastructure	318,009	283,004	143,051	102,729	461,060	385,733
Total	<u>\$ 675,783</u>	<u>\$ 657,913</u>	<u>\$ 270,596</u>	<u>\$ 256,040</u>	<u>\$ 946,379</u>	<u>\$ 913,953</u>

Long-Term Debt - Long-term debt of Governmental Activities decreased in FY 2021-22 by \$3.1 million due to the current fiscal year’s principal payments. Long-term debt of Business-Type Activities decreased \$2.0 million during the year as a result of annual debt service payments made. In addition, per capita long-term debt outstanding decreased slightly from \$791 to \$758 in FY 2021-22. Additional information about the City’s long-term debt activity can be found in Note 6 of this report.

Long-Term Debt
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Certificates of Participation	\$ 5,214	\$ 6,150		\$	\$ 5,214	\$ 6,150
Revenue Bonds	8,100	8,600	30,468	32,357	38,568	40,957
General Obligation Bonds	6,073	6,483			6,073	6,483
HUD Section 108 Loan	3,572	4,104			3,572	4,104
Other Long-Term Debt	5,458	6,149	100	197	5,558	6,346
	<u>\$ 28,417</u>	<u>\$ 31,486</u>	<u>\$ 30,568</u>	<u>\$ 32,554</u>	<u>\$ 58,985</u>	<u>\$ 64,040</u>

Economic Outlook and Next Year’s Budget

Following the immediate business disruption and economic impacts from the onset of the COVID-19 pandemic in the last quarter of FY 2019-20, the City’s major revenue sources outperformed projections in the fiscal year ending June 30, 2022. Although the pandemic continued to impact brick-and-mortar businesses through FY 2021-22, growth in property values coupled with an increase in sales activity resulted in a boost to property tax revenues and transfer tax, and the continuing trend of consumer activity shifting to online transactions and rising inflation resulted in higher-than-expected receipts for sales tax and transaction and use tax.

The City expects steady growth in property tax revenues to continue at least through FY 2022-23 due to the inflation-driven increase in assessments and the growth in sales prices. The rate of growth is expected to slow due to the impact of higher interest rates on consumer demand and sales prices. Although a market correction is expected, property tax has historically been a stable revenue source for the City and is expected to remain stable.

The City's diverse revenue base allowed for minimal pandemic-related service disruptions, and program revenues most heavily impacted by the pandemic, such as parking and recreation fees, recovered beyond or near pre-pandemic levels in FY 2021-22.

Staff does not anticipate that major programming changes will be needed to balance expenditures with revenues in the FY 2023-25 budget cycle. In the long term, the City will continue to evaluate opportunities for new revenue sources and monitor cost changes that exceed revenue growth, particularly for liability insurance, employee health premiums, and pension obligations, in order to ensure that the City can avoid major service level cuts.

Significant Events and Accomplishments

The City is dedicated to meeting the social, cultural, and recreational needs of its residents and businesses.

- In FY 2021-22, the City launched the Community Assessment Response & Engagement (CARE) Team led by the Alameda Fire Department to provide a 24/7 alternative response to nonviolent individuals facing a mental health crisis.
- The City was awarded a \$12 million Project Homekey grant from the California Department of Housing and Community Development for developing the first transitional housing facility in Alameda.
- The City opened two new parks at Alameda Point: the Seaplane Lagoon Promenade and Whale Park.
- The City went live with a new Enterprise Resource Planning system including payroll, financials, and cash receipts modules.

Requests for Information

This Annual Comprehensive Financial Report is intended to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the City of Alameda's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the City of Alameda, Finance Department, located at 2263 Santa Clara Avenue, Room 220, Alameda, California 94501 or via email at Finance@alamedaca.gov. This report can also be viewed online at the City of Alameda's website: www.alamedaca.gov/Departments/Administration/Finance.





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

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

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

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



	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 302,904,032	\$ 81,068,476	\$ 383,972,508
Restricted cash and investments	14,167,601	5,702,955	19,870,556
Accounts receivable, net	15,028,600	7,293,258	22,321,858
Interest receivable		109,181	109,181
Loans receivable	12,411,137		12,411,137
Materials, parts and supplies		4,253,239	4,253,239
Prepays and deposits	377,045	40,000	417,045
Internal balances	328,049	(328,049)	
Leases receivable	71,021,431		71,021,431
Share of certain NCPA projects and reserve		6,656,515	6,656,515
Investments designated for special purposes		37,005,400	37,005,400
Capital assets:			
Non-depreciable	26,752,025	3,948,744	30,700,769
Depreciable, net of accumulated depreciation	315,967,123	136,004,511	451,971,634
Total Assets	758,957,043	281,754,230	1,040,711,273
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding		376,843	376,843
Related to pensions	32,559,150	6,101,046	38,660,196
Related to OPEB	13,817,793	163,868	13,981,661
Total Deferred Outflows of Resources	46,376,943	6,641,757	53,018,700
LIABILITIES			
Accounts payable	9,811,702	3,099,178	12,910,880
Accrued payroll	4,733,322	35,779	4,769,101
Interest payable	229,358	675,698	905,056
Unearned revenue	32,154,417		32,154,417
Refundable deposits	2,784,597	5,832,879	8,617,476
Due to other agencies	61,668		61,668
Claims payable:			
Due within one year	7,179,858	166,721	7,346,579
Due in more than one year	15,263,021	953,356	16,216,377
Compensated absences - due within one year	4,159,193	721,808	4,881,001
Lease liability - due within one year		251,431	251,431
Long-term liabilities due in more than one year:			
Net pension liability	180,440,119	15,342,343	195,782,462
Total pension liability	4,361,266		4,361,266
Net OPEB liability	85,171,610	1,647,362	86,818,972
Lease liability		2,657,081	2,657,081
Long-term debt:			
Due within one year	2,872,346	2,114,680	4,987,026
Due in more than one year	25,544,853	28,453,004	53,997,857
Total Liabilities	374,767,330	61,951,320	436,718,650
DEFERRED INFLOWS OF RESOURCES			
Purchased power balancing account		36,495,278	36,495,278
Related to pensions	52,175,010	8,003,534	60,178,544
Related to OPEB	39,123,155	411,335	39,534,490
Related to leases	69,221,844		69,221,844
Total Deferred Inflows of Resources	160,520,009	44,910,147	205,430,156
NET POSITION:			
Net investment in capital assets	316,665,168	113,133,574	429,798,742
Restricted for:			
Capital projects	28,852,820		28,852,820
Debt service	1,725,048	5,702,955	7,428,003
Housing	69,327,332		69,327,332
Public safety	1,375,267		1,375,267
Community development	4,439,321		4,439,321
Maintenance assessment districts	10,449,137		10,449,137
Transportation	15,103,804		15,103,804
Tidelands properties	2,360,111		2,360,111
Waste reduction	3,813,075		3,813,075
Community services	7,142,117		7,142,117
Sewer system replacement		13,140,197	13,140,197
Total Restricted Net Position	144,588,032	18,843,152	163,431,184
Unrestricted	(191,206,553)	49,557,794	(141,648,759)
Total Net Position	\$ 270,046,647	\$ 181,534,520	\$ 451,581,167

See accompanying notes to financial statements.



City of Alameda
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 9,320,442	\$ 2,772,718	\$ 47,347	\$ -
Police	33,123,049	583,063	153,534	
Fire	36,170,224	4,134,221	1,035,015	
Public works	24,738,562	8,818,755	3,953,024	6,301,382
Community development	15,030,618	2,083,815	1,726,115	
Recreation and parks	12,082,777	3,558,604	278,557	101,341
Library	6,748,033	14,781	42,738	
Planning, Building and Transportation	8,179,331	6,444,733	208,888	52,230
Interest on long-term debt	888,487			
Total Governmental Activities	146,281,523	28,410,690	7,445,218	6,454,953
Business-type Activities:				
Sewer services	4,249,245	11,815,658		
Alameda municipal power	57,159,221	65,799,230		
Total Business-type Activities	61,408,466	77,614,888		
Total Primary Government	\$ 207,689,989	\$ 106,025,578	\$ 7,445,218	\$ 6,454,953

General revenues:

Taxes:	
Property taxes	
Sales taxes	
Utility users tax	
Transfer taxes	
Franchise taxes	
Transient occupancy taxes	
Property tax in-lieu	
Other taxes	
Gain from sale of capital assets	
Use of money and property	
Miscellaneous	
Transfers	
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		
Governmental Activities	Business-type Activities	Total
\$ (6,500,377)	\$ -	\$ (6,500,377)
(32,386,452)		(32,386,452)
(31,000,988)		(31,000,988)
(5,665,401)		(5,665,401)
(11,220,688)		(11,220,688)
(8,144,275)		(8,144,275)
(6,690,514)		(6,690,514)
(1,473,480)		(1,473,480)
(888,487)		(888,487)
<u>(103,970,662)</u>		<u>(103,970,662)</u>
	7,566,413	7,566,413
	8,640,009	8,640,009
	<u>16,206,422</u>	<u>16,206,422</u>
<u>(103,970,662)</u>	<u>16,206,422</u>	<u>(87,764,240)</u>
64,534,572		64,534,572
22,755,698		22,755,698
9,011,553		9,011,553
21,929,943		21,929,943
3,373,794		3,373,794
2,555,336		2,555,336
1,551,000		1,551,000
314,674		314,674
21,457		21,457
16,738,842	(1,210,245)	15,528,597
471,713	2,329,389	2,801,102
4,164,456	(4,164,456)	
<u>147,423,038</u>	<u>(3,045,312)</u>	<u>144,377,726</u>
43,452,376	13,161,110	56,613,486
<u>226,594,271</u>	<u>168,373,410</u>	<u>394,967,681</u>
<u>\$ 270,046,647</u>	<u>\$ 181,534,520</u>	<u>\$ 451,581,167</u>





The funds described below were determined to be major funds of the City of Alameda in Fiscal Year 2021-22. Individual-non-major funds may be found in the Supplemental Information section.

General Fund

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

Base Reuse Special Revenue Fund

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

Grants Special Revenue Fund

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



**City of Alameda
Governmental Funds
Balance Sheet
June 30, 2022**

	General	Base Reuse Special Revenue	Grants Special Revenue
ASSETS			
Cash and investments	\$ 84,733,597	\$ 56,223,454	\$ 29,998,873
Restricted cash and investments	6,000	100,000	
Accounts receivable	11,042,783	897,229	472,397
Prepays and deposits	3,470		
Due from other funds	328,049		
Loans receivable	2,000,000		
Advances to other funds	1,134,624		
Leases receivable	306,871	59,343,502	
	<u>99,555,394</u>	<u>116,564,185</u>	<u>30,471,270</u>
Total Assets	<u>\$ 99,555,394</u>	<u>\$ 116,564,185</u>	<u>\$ 30,471,270</u>
LIABILITIES			
Accounts payable	\$ 2,182,887	\$ 313,270	\$ 32,485
Accrued payroll	4,032,818	51,854	24,307
Due to other funds			
Due to other agencies	16,483		
Unearned revenue	1,570,198		29,403,815
Refundable deposits	1,193,801	1,077,968	
Advances from other funds	234,936		
	<u>9,231,123</u>	<u>1,443,092</u>	<u>29,460,607</u>
Total Liabilities	<u>9,231,123</u>	<u>1,443,092</u>	<u>29,460,607</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - accounts receivable		897,229	
Unavailable revenue - revolving loans receivable			
Related to leases	295,994	57,874,715	
	<u>295,994</u>	<u>58,771,944</u>	
Total Deferred Inflows of Resources	<u>295,994</u>	<u>58,771,944</u>	
FUND BALANCES:			
Nonspendable	3,138,094		
Restricted		56,349,149	1,010,663
Committed	8,700,000		
Assigned	13,929,791		
Unassigned	64,260,392		
	<u>90,028,277</u>	<u>56,349,149</u>	<u>1,010,663</u>
Total Fund Balances	<u>90,028,277</u>	<u>56,349,149</u>	<u>1,010,663</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 99,555,394</u>	<u>\$ 116,564,185</u>	<u>\$ 30,471,270</u>

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 81,203,529	\$ 252,159,453
1,991,817	2,097,817
3,244,064	15,656,473
	3,470
	328,049
10,411,137	12,411,137
	1,134,624
<u>11,371,058</u>	<u>71,021,431</u>
<u>\$ 108,221,605</u>	<u>\$ 354,812,454</u>

\$ 6,262,496	\$ 8,791,138
518,419	4,627,398
45,185	61,668
1,180,404	32,154,417
501,414	2,773,183
<u>1,134,624</u>	<u>1,369,560</u>
<u>9,642,542</u>	<u>49,777,364</u>

	897,229
10,411,137	10,411,137
<u>11,051,135</u>	<u>69,221,844</u>
<u>21,462,272</u>	<u>80,530,210</u>

	3,138,094
64,678,280	122,038,092
12,804,312	21,504,312
	13,929,791
<u>(365,801)</u>	<u>63,894,591</u>
<u>77,116,791</u>	<u>224,504,880</u>
<u>\$ 108,221,605</u>	<u>\$ 354,812,454</u>





**City of Alameda
Reconciliation of
Governmental Funds Balance Sheet
with the Statement of Net Position
June 30, 2022**

Total fund balances reported on the governmental funds balance sheet \$ 224,504,880

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.

Land	\$	5,995,319	
Construction in Progress		20,756,706	
Buildings		289,362,171	
Machinery and equipment		24,290,738	
Infrastructure		318,008,533	
Less Accumulated Depreciation		<u>(322,305,953)</u>	
			336,107,514

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.

Net Position - All Internal Service Funds	50,570,271
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ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues that are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	10,411,137
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LONG-TERM ASSETS, LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

Long-term debt	(26,550,441)		
Interest payable	(188,304)		
Compensated absences	<u>(4,159,193)</u>		(30,897,938)
Net pension liability	(180,440,119)		
Deferred outflows of resources related to pension	26,804,150		
Deferred inflows of resources related to pension	<u>(52,175,010)</u>		(205,810,979)
Total pension liability			(4,361,266)
Net OPEB liability	(85,171,610)		
Deferred outflows of resources related to OPEB	13,817,793		
Deferred inflows of resources related to OPEB	<u>(39,123,155)</u>		<u>(110,476,972)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 270,046,647</u>
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See accompanying notes to financial statements.



**City of Alameda
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2022**

	General	Base Reuse Special Revenue	Grants Special Revenue
REVENUES			
Property taxes	\$ 51,486,500	\$ -	\$ -
Sales taxes	11,757,084		
Transfer taxes	21,929,943		
Utility user taxes	9,011,553		
Other local taxes	18,402,540		
Licenses and permits	2,387,072		7,500
Developer fees			
Revenues from other agencies	917,584		697,041
Charges for current services	7,838,029		44,700
Fines and forfeitures	320,669		
Use of money and property	247,977	17,948,355	(19,584)
Other revenues	20,068	129,879	6,483
	<u>124,319,019</u>	<u>18,078,234</u>	<u>736,140</u>
Total Revenues			
EXPENDITURES			
Current:			
General government	7,757,153		
Police	37,243,422		110,149
Fire	39,276,941		1,464,957
Public works	3,308,954	2,405,903	
Community development	733,855	6,791,557	130,186
Recreation and parks	10,382,106		
Library			
Planning, Building and Transportation			
Capital outlay	120,969		89,980
Debt service:			
Principal	228,151		
Interest	8,427		
	<u>99,059,978</u>	<u>9,197,460</u>	<u>1,795,272</u>
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>25,259,041</u>	<u>8,880,774</u>	<u>(1,059,132)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,939,465	9,038	183,026
Transfers (out)	(13,245,824)	(5,950,349)	(171,344)
	<u>(8,306,359)</u>	<u>(5,941,311)</u>	<u>11,682</u>
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES	16,952,682	2,939,463	(1,047,450)
BEGINNING FUND BALANCES (DEFICITS)	<u>73,075,595</u>	<u>53,409,686</u>	<u>2,058,113</u>
ENDING FUND BALANCES (DEFICITS)	<u>\$ 90,028,277</u>	<u>\$ 56,349,149</u>	<u>\$ 1,010,663</u>

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 13,336,704	\$ 64,823,204
	11,757,084
	21,929,943
	9,011,553
1,104,065	19,506,605
4,652,905	7,047,477
2,362,622	2,362,622
14,414,933	16,029,558
6,881,776	14,764,505
616,168	936,837
1,130,720	19,307,468
390,093	546,523
<u>44,889,986</u>	<u>188,023,379</u>
68,402	7,825,555
	37,353,571
	40,741,898
5,684,282	11,399,139
6,065,846	13,721,444
766,276	11,148,382
4,857,264	4,857,264
7,807,306	7,807,306
22,951,186	23,162,135
2,496,511	2,724,662
867,465	875,892
<u>51,564,538</u>	<u>161,617,248</u>
<u>(6,674,552)</u>	<u>26,406,131</u>
21,266,321	26,397,850
<u>(11,747,304)</u>	<u>(31,114,821)</u>
<u>9,519,017</u>	<u>(4,716,971)</u>
2,844,465	21,689,160
<u>74,272,326</u>	<u>202,815,720</u>
<u>\$ 77,116,791</u>	<u>\$ 224,504,880</u>



City of Alameda
Reconciliation of the
Net Change in Fund Balances - Governmental Funds
with the Change in Governmental Net Position
For the Year Ended June 30, 2022

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 \$ 21,689,160

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	23,162,135
Non-capitalized capital outlay expenditures were re-classified to various governmental activities	(5,400,372)
Retirements are deducted from fund balance	(471,905)
Depreciation expense is deducted from fund balance	(11,129,662)
(Depreciation expense is net of internal service fund depreciation of \$1,092,646 which has already been allocated to service funds)	

LONG-TERM DEBT ISSUANCE AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	2,724,662
Amortization of bond premium is added back to fund balance	30,986

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	(389,758)
Interest payable	12,800
Net pension liability, and related deferred outflows/ inflows of resources	9,369,645
Total pension liability	1,959,269
Net OPEB liability, and related deferred outflows/ inflows of resources	707,748
Compensated absences	36,127

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>1,151,541</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 43,452,376

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 48,365,000	\$ 50,365,000	\$ 51,486,500	\$ 1,121,500
Sales taxes	11,000,000	11,000,000	11,757,084	757,084
Transfer taxes	12,000,000	15,000,000	21,929,943	6,929,943
Utility user taxes	8,650,000	8,650,000	9,011,553	361,553
Other local taxes	13,518,500	14,718,500	18,402,540	3,684,040
Licenses and permits	2,200,850	2,200,850	2,387,072	186,222
Revenues from other agencies	1,219,100	1,303,900	917,584	(386,316)
Charges for current services	6,733,100	7,229,100	7,838,029	608,929
Fines and forfeitures	560,100	80,100	320,669	240,569
Use of money and property	2,273,311	2,273,311	247,977	(2,025,334)
Other revenue	12,500	12,500	20,068	7,568
Total Revenues	106,532,461	112,833,261	124,319,019	11,485,758
EXPENDITURES:				
Current:				
General government	9,907,240	10,229,393	7,757,153	2,472,240
Police	41,140,228	41,203,963	37,243,422	3,960,541
Fire	40,368,414	40,767,290	39,276,941	1,490,349
Public works	3,814,616	3,971,831	3,308,954	662,877
Community development	1,176,849	1,332,688	733,855	598,833
Recreation and parks	10,533,688	11,037,116	10,382,106	655,010
Capital outlay	318,480	323,780	120,969	202,811
Debt service:				
Principal	228,151	228,151	228,151	
Interest			8,427	(8,427)
Total Expenditures	107,487,666	109,094,212	99,059,978	10,034,234
EXCESS OF REVENUES OVER EXPENDITURES	(955,205)	3,739,049	25,259,041	21,519,992
OTHER FINANCING SOURCES (USES)				
Transfers in	4,355,000	4,387,000	4,939,465	552,465
Transfers (out)	(6,718,000)	(18,037,515)	(13,245,824)	4,791,691
Total other financing sources (uses)	(2,363,000)	(13,650,515)	(8,306,359)	5,344,156
NET CHANGE IN FUND BALANCE	\$ (3,318,205)	\$ (9,911,466)	16,952,682	\$ 26,864,148
Beginning fund balance			73,075,595	
Ending fund balance			\$ 90,028,277	

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ -	\$ -	\$ -	\$ -
Use of money and property	13,228,000	13,228,000	17,948,355	4,720,355
Other revenues			129,879	129,879
Total Revenues	13,228,000	13,228,000	18,078,234	4,850,234
EXPENDITURES:				
Current:				
Public works		2,405,452	2,405,903	(451)
Community development	9,895,543	8,236,487	6,791,557	1,444,930
Total Expenditures	9,895,543	10,641,939	9,197,460	1,444,479
EXCESS OF REVENUES OVER EXPENDITURES	3,332,457	2,586,061	8,880,774	6,294,713
OTHER FINANCING SOURCES (USES)				
Transfers in			9,038	9,038
Transfers (out)	(2,183,000)	(7,973,913)	(5,950,349)	2,023,564
Total other financing sources (uses)	(2,183,000)	(7,973,913)	(5,941,311)	2,032,602
NET CHANGE IN FUND BALANCE	\$ 1,149,457	\$ (5,387,852)	2,939,463	\$ 8,327,315
Beginning fund balance			53,409,686	
Ending fund balance			\$ 56,349,149	

See accompanying notes to financial statements.



City of Alameda
Grants Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 8,500	\$ 8,500	\$ 7,500	\$ (1,000)
Revenues from other agencies	2,329,052	8,178,371	697,041	(7,481,330)
Charges for current services	10,000	10,000	44,700	34,700
Use of money and property			(19,584)	(19,584)
Other revenue			6,483	6,483
Total Revenues	2,347,552	8,196,871	736,140	(7,460,731)
EXPENDITURES:				
Current:				
Police	33,500	171,347	110,149	61,198
Fire	2,397,947	2,397,947	1,464,957	932,990
Community development	1,117,530	1,403,297	130,186	1,273,111
Capital outlay	150,000	5,956,925	89,980	5,866,945
Total Expenditures	3,698,977	9,929,516	1,795,272	8,134,244
EXCESS OF REVENUES OVER EXPENDITURES	(1,351,425)	(1,732,645)	(1,059,132)	673,513
OTHER FINANCING SOURCES (USES)				
Transfers in	1,347,000	1,354,500	183,026	(1,171,474)
Transfers (out)	(60,000)	(1,015,187)	(171,344)	843,843
Total other financing sources (uses)	1,287,000	339,313	11,682	(327,631)
NET CHANGE IN FUND BALANCE	\$ (64,425)	\$ (1,393,332)	(1,047,450)	\$ 345,882
Beginning fund balance			2,058,113	
Ending fund balance			<u>\$ 1,010,663</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.

The concept of major funds extends to Enterprise Funds. The City's only enterprise funds are major funds in Fiscal Year 2021-22:

Sewer Services Fund

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

Alameda Municipal Power Fund

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



City of Alameda
 Proprietary Funds
 Statement of Net Position
 June 30, 2022

	Business-Type Activities			Governmental Activities- Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 15,126,684	\$ 37,546,391	\$ 52,673,075	\$ 50,744,579
Investments		28,395,401	28,395,401	
Accounts receivable, net	602,896	6,690,362	7,293,258	269,356
Interest receivable		109,181	109,181	
Materials and supplies		4,253,239	4,253,239	
Prepays and deposits		40,000	40,000	373,575
Total Current Assets	15,729,580	77,034,574	92,764,154	51,387,510
Noncurrent Assets				
Restricted investments	820,947	4,882,008	5,702,955	12,069,784
Share of certain NCPA projects and reserve		6,656,515	6,656,515	
Investments designated for special purposes		37,005,400	37,005,400	
Advances to other funds				234,936
Capital assets:				
Non-depreciable		3,948,744	3,948,744	
Depreciable, net of accumulated depreciation	104,173,005	31,831,506	136,004,511	6,611,634
Total Noncurrent Assets	104,993,952	84,324,173	189,318,125	18,916,354
Total Assets	120,723,532	161,358,747	282,082,279	70,303,864
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding		376,843	376,843	
Related to pensions	749,710	5,351,336	6,101,046	5,755,000
Related to OPEB	30,189	133,679	163,868	
Total Deferred Outflows of Resources	779,899	5,861,858	6,641,757	5,755,000
LIABILITIES				
Current Liabilities:				
Accounts payable	1,059,241	2,039,937	3,099,178	1,020,564
Due to other funds		328,049	328,049	
Accrued payroll and other liabilities	35,779		35,779	105,924
Interest payable	147,361	528,337	675,698	41,054
Refundable deposits	6,079	5,826,800	5,832,879	11,414
Compensated absences	75,083	646,725	721,808	
Claims payable		166,721	166,721	7,179,858
Lease liability - current		251,431	251,431	
Long-term debt - current	514,680	1,600,000	2,114,680	322,420
Total Current Liabilities	1,838,223	11,388,000	13,226,223	8,681,234
Noncurrent Liabilities:				
Claims payable		953,356	953,356	15,263,021
Net pension liability	1,095,161	14,247,182	15,342,343	
Net OPEB liability	303,493	1,343,869	1,647,362	
Lease liability		2,657,081	2,657,081	
Long-term debt	11,493,004	16,960,000	28,453,004	1,544,338
Total Noncurrent Liabilities	12,891,658	36,161,488	49,053,146	16,807,359
Total Liabilities	14,729,881	47,549,488	62,279,369	25,488,593
DEFERRED INFLOWS OF RESOURCES				
Purchased power balancing account		36,495,278	36,495,278	
Related to pensions	571,305	7,432,229	8,003,534	
Related to OPEB	75,780	335,555	411,335	
Total Deferred Inflows of Resources	647,085	44,263,062	44,910,147	
NET POSITION:				
Net investment in capital assets	92,165,321	20,968,253	113,133,574	4,744,876
Restricted				
Debt service	820,947	4,882,008	5,702,955	
Sewer system replacement	13,140,197		13,140,197	
Unrestricted		49,557,794	49,557,794	45,825,395
Total Net Position	\$ 106,126,465	\$ 75,408,055	\$ 181,534,520	\$ 50,570,271

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, 2022

	Business-Type Activities			Governmental Activities- Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
OPERATING REVENUES				
Charges for services	\$ 11,815,658	\$ 65,799,230	\$ 77,614,888	\$ 24,878,584
Greenhouse gas related sales				
Miscellaneous	502	499,947	500,449	159,152
Total Operating Revenues	11,816,160	66,299,177	78,115,337	25,037,736
OPERATING EXPENSES				
General administrative	508,525	698,303	1,206,828	1,419,326
Operations and maintenance		46,628,318	46,628,318	
Wages and benefits	(5,320)		(5,320)	8,184,987
Insurance and claims				10,884,586
Contractual services	304,305		304,305	6,954,494
Depreciation and amortization	1,685,266	4,553,893	6,239,159	1,092,646
Utilities	99,910		99,910	
Supplies and maintenance	526,289		526,289	2,074,924
Balancing account adjustment		2,464,533	2,464,533	
Total Operating Expenses	3,118,975	54,345,047	57,464,022	30,610,963
Operating Income (Loss)	8,697,185	11,954,130	20,651,315	(5,573,227)
NONOPERATING REVENUES (EXPENSES)				
Interest income	(294,443)	(916,627)	(1,211,070)	(2,121,735)
Interest income on restricted investments		825	825	
Interest (expense)	(359,270)	(1,209,429)	(1,568,699)	(56,381)
Payment in-lieu of taxes	(771,000)	(1,561,000)	(2,332,000)	
Miscellaneous non-operating revenue		1,828,940	1,828,940	
Miscellaneous non-operating expense				
Gain (loss) from sale of capital assets		(43,745)	(43,745)	21,457
Total Nonoperating Revenues (Expenses)	(1,424,713)	(1,901,036)	(3,325,749)	(2,156,659)
Income (Loss) Before Transfers	7,272,472	10,053,094	17,325,566	(7,729,886)
Transfers in				19,104,813
Transfers (out)		(4,164,456)	(4,164,456)	(10,223,386)
Change in net position	7,272,472	5,888,638	13,161,110	1,151,541
BEGINNING NET POSITION	98,853,993	69,519,417	168,373,410	49,418,730
ENDING NET POSITION	\$ 106,126,465	\$ 75,408,055	\$ 181,534,520	\$ 50,570,271

See accompanying notes to financial statements.



City of Alameda
 Proprietary Funds
 Statement of Cash Flows
 For the Year Ended June 30, 2022

	Business-Type Activities			Governmental Activities- Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 11,836,583	\$ 62,051,987	\$ 73,888,570	\$ 24,898,686
Receipts from Special Sales (C&T and REC)		5,638,830	5,638,830	
Payments to suppliers	(604,593)	(38,857,660)	(39,462,253)	(13,483,156)
Payments to employees	(1,868,055)	(17,009,878)	(18,877,933)	(10,337,536)
Insurance and claims paid				(4,606,501)
Net Cash Provided by (Used for) Operating Activities	<u>9,363,935</u>	<u>11,823,279</u>	<u>21,187,214</u>	<u>(3,528,507)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Payment in-lieu of taxes	(771,000)	(1,561,000)	(2,332,000)	
Interfund receipts		(1,986,844)	(1,986,844)	45,951
Transfers in				8,881,427
Transfers (out)		(4,164,456)	(4,164,456)	
Cash Flows from Noncapital Financing Activities	<u>(771,000)</u>	<u>(7,712,300)</u>	<u>(8,483,300)</u>	<u>8,927,378</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(10,640,218)	(1,266,146)	(11,906,364)	(1,086,320)
Proceeds from the sale of capital assets				21,457
Principal payments on capital debt	(500,751)	(1,485,000)	(1,985,751)	(313,304)
Principal payments on lease liability		(234,402)	(234,402)	
Interest paid	(364,590)	(1,036,678)	(1,401,268)	(63,289)
Cash Flows from Capital and Related Financing Activities	<u>(11,505,559)</u>	<u>(4,022,226)</u>	<u>(15,527,785)</u>	<u>(1,441,456)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales (purchases) of restricted investments	(711)	(75,360)	(76,071)	(577,451)
Sales (purchases) of unrestricted investments		(1,987,296)	(1,987,296)	
Sales (purchases) of investments reserved for special purposes		1,322,739	1,322,739	
Investment in certain NCPA projects and reserves		6,505,834	6,505,834	
Interest income	(294,443)	571,475	277,032	(2,121,735)
Cash Flows from Investing Activities	<u>(295,154)</u>	<u>6,337,392</u>	<u>6,042,238</u>	<u>(2,699,186)</u>
Net Cash Flows	<u>(3,207,778)</u>	<u>6,426,145</u>	<u>3,218,367</u>	<u>1,258,229</u>
Cash and cash equivalents at beginning of period	<u>18,334,462</u>	<u>31,120,246</u>	<u>49,454,708</u>	<u>49,486,350</u>
Cash and cash equivalents at end of period	<u>\$ 15,126,684</u>	<u>\$ 37,546,391</u>	<u>\$ 52,673,075</u>	<u>\$ 50,744,579</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income (loss)	\$ 8,697,185	\$ 11,954,130	\$ 20,651,315	\$ (5,573,227)
Adjustments to reconcile operating income to cash flows from operating activities:				
Depreciation and amortization	1,685,266	4,553,893	6,239,159	1,092,646
Pension related amounts	(1,346,440)	(7,812,679)	(9,159,119)	(755,000)
OPEB related amounts	(11,947)	(51,649)	(63,596)	
Change in assets and liabilities:				
(Increase) decrease in accounts receivable and refundable deposits	20,423	1,391,640	1,412,063	(131,485)
(Increase) decrease in materials and supplies		705,904	705,904	
(Increase) decrease in prepaids		55,412	55,412	(159,468)
Increase (decrease) in accounts payable	325,911	128,272	454,183	(407,967)
Increase (decrease) in balancing account		2,464,533	2,464,533	
Increase (decrease) in refundable deposits		(1,584,270)	(1,584,270)	(7,565)
Increase (decrease) in claims payable		(8,351)	(8,351)	2,396,198
Increase (decrease) in accrued payroll and others	(6,761)		(6,761)	17,361
Increase (decrease) in compensated absences	298	26,444	26,742	
Miscellaneous payments and receipts				
Cash Flows from Operating Activities	<u>\$ 9,363,935</u>	<u>\$ 11,823,279</u>	<u>\$ 21,187,214</u>	<u>\$ (3,528,507)</u>
Non Cash Transactions:				
Retirement of capital assets	\$ -	\$ (43,745)	\$ (43,745)	\$ -
Amortization of loss on refunding	\$ -	\$ 61,651	\$ 61,651	\$ -

See accompanying notes to financial statements.



City of Alameda, California

Fiduciary Funds

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

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

Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.



**City of Alameda
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022**

	Successor Agency Private-Purpose Trust Fund	Custodial Fund Assessment Districts
ASSETS		
Cash and investments	\$ 7,011,030	\$ 2,136,979
Restricted cash and investments	25	9,074,268
Accounts receivable		100,490
Interest receivable		14
Loans receivable	1,121,195	
Total Assets	<u>8,132,250</u>	<u>11,311,751</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	<u>2,983,819</u>	
LIABILITIES		
Accounts payable	1,446	75,000
Interest payable	672,302	529,655
Due to other governments	26,567	
Unearned revenue	11,219	
Long term debt:		
Due within one year	2,515,000	
Due in more than one year	45,659,953	
Total Liabilities	<u>48,886,487</u>	<u>604,655</u>
NET POSITION		
Restricted for:		
Assessment Districts		10,707,096
Held in trust for private purposes	<u>(37,770,418)</u>	
Total Net Position (Deficit)	<u>\$ (37,770,418)</u>	<u>\$ 10,707,096</u>

See accompanying notes to financial statements.



**City of Alameda
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Year Ended June 30, 2022**

	Successor Agency Private-Purpose Trust Fund	Custodial Fund Assessment Districts
ADDITIONS		
Property taxes	\$ 8,395,193	\$ 1,977,686
Use of money and property	(13,754)	(18,188)
Contribution from property owners		24,640,006
Total Additions	<u>8,381,439</u>	<u>26,599,504</u>
DEDUCTIONS		
Administration	103,255	463,308
Contractual services	6,316,219	16,749,394
Debt service:		
Interest and fiscal charges	<u>2,104,131</u>	<u>1,401,814</u>
Total Deductions	<u>8,523,605</u>	<u>18,614,516</u>
CHANGE IN NET POSITION	(142,166)	7,984,988
NET POSITION (DEFICIT), BEGINNING OF YEAR	<u>(37,628,252)</u>	<u>2,722,108</u>
NET POSITION (DEFICIT), END OF YEAR	<u><u>\$ (37,770,418)</u></u>	<u><u>\$ 10,707,096</u></u>

See accompanying notes to financial statements.





City of Alameda, California
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

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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; development services; public improvements; planning and zoning, community services (parks, recreation and library), sewer services, electricity, and general administration services.

A. *Reporting Entity*

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

Primary Government

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

Blended Component Units

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

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Major Funds

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

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

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

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

Grants Special Revenue Fund - This fund accounts for revenues received from Federal, State, County and private grants.

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

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

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

The City also reports the following fund types:

Internal Service Funds - The funds account for central stores, central garage, information technology projects, workers' compensation insurance and claims, general liability insurance and claims, unemployment insurance and post-employment benefits, all of which are provided to other departments on a cost-reimbursement basis.

Note 1 – Summary of Significant Accounting Policies (Continued)

Fiduciary Funds - Trust Funds and Custodial 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 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 this fund is excluded from the Government-wide financial statements, but is presented in separate Fiduciary Fund financial statements.

Custodial 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.

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.

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 sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on governmental long-term debt, including lease liabilities, as well as claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and financing through leases are reported as other financing sources.

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

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

All proprietary and fiduciary 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.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

E. *Budgets and Budgetary Accounting*

The City adopts a budget annually for all funds, except for the capital projects funds, which are budgeted on the project length basis. 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 capital projects funds. The capital projects funds are budgeted on a project length basis and, therefore, are not comparable on an annual basis.

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

F. *Materials, Parts and Supplies*

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

Enterprise Fund supplies are valued at average cost and are used primarily for internal purposes.

Note 1 – Summary of Significant Accounting Policies (Continued)

G. 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 for all funds except Alameda Municipal Power, which capitalizes all assets with an initial cost of more than \$5,000 and a useful life of at least three years. 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, except for intangible right to-use lease assets, the measurement of which is discussed in Note 1H below. Contributed assets are valued at their acquisition value on the date contributed.

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

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

Electric Plant	30 – 50 years
Building and Improvements	40 – 80 years
Machinery, Furniture and Equipment	4 – 40 years
Infrastructure	15 – 75 years
Right-to-Use Leased Buildings	10 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

H. Leases

A lease is defined as a contract that conveys control of the right to use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. The City recognizes lease receivables or liabilities for contracts with \$50,000 or more in total future lease payments from July 1, 2021 (or the date the lease begins if after July 1, 2021) to the end of the lease term, and AMP recognizes lease receivables or liabilities for contracts with \$10,000 or more in total future lease payments. Short-term leases and contracts that transfer ownership will be excluded.

Lessee – The City is a lessee for a noncancellable lease of a building. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements and in proprietary funds.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. The lease asset is amortized on a straight-line basis over its useful life.

Note 1 – Summary of Significant Accounting Policies (Continued)

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase options that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets.

Lessor – The City is a lessor for a noncancelable leases of commercial space, three cell towers, a golf complex, a preschool and four tidelands. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable as the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial lease amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease plus any extension periods in which the City is reasonably certain the lessee will exercise.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 1 – Summary of Significant Accounting Policies (Continued)

I. *Compensated Absences*

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

Compensated absences activity for the year ended June 30, 2022 is as follows:

	Primary Government		Total
	Governmental Activities	Business Type Activities	
Beginning Balance	\$ 4,195,320	\$ 695,066	\$ 4,890,386
Additions	4,368,749	712,180	5,080,929
Payments	(4,404,876)	(685,438)	(5,090,314)
Ending Balance	<u>\$ 4,159,193</u>	<u>\$ 721,808</u>	<u>\$ 4,881,001</u>
Current Portion	<u>\$ 4,159,193</u>	<u>\$ 721,808</u>	<u>\$ 4,881,001</u>

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

J. *Property Tax*

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

K. Purchased Power Balancing Account

The Purchased Power Balancing Account is used by Alameda Municipal Power to help stabilize rates. Specifically, the balancing account accumulates differences between the actual costs of providing a utility service with the related revenues designated for recovery of such costs. Deferred amounts are refunded to or recovered from customers through authorized rate adjustments, but can be reciprocally the beneficiaries of any temporary over-collection. 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 rates, because they are included in operating expenses when matched by revenues.

L. Deferred Inflows / Outflows of Resources

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

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the governmental funds, the City has one item which qualifies for reporting in this category (under the modified accrual basis of accounting). Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet and represents unavailable revenues from revolving notes receivable, grant reimbursements, and other miscellaneous revenues not yet received. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At the government-wide statements, this item is eliminated and recognized as revenue since "availability" of resources is not a criteria used in the government-wide statements. In addition, the City reports deferred inflows related to pensions, OPEB, leases and deferred inflows related to the Alameda Municipal Power Fund balancing account used to help stabilize rate discussed above.

Note 1 – Summary of Significant Accounting Policies (Continued)

M. *Fair Value Measurement*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

N. *Reserve Policies*

General Fund Balance General Fund balance that is available at the close of any given fiscal year is estimated during the final stages of the budget development process for the following fiscal year. Fund balance is used to achieve and maintain the City’s reserve goals, and to balance subsequent budgets only when recommended by the City Manager and approved by the City Council. It is the policy of the City Council to maintain available General Fund reserves of at least 20% of annual expenditures. In addition, the City should strive to reduce its reliance upon prior year’s remaining fund balance to finance subsequent year operations.

Sewer Fund Reserves In its Sewer Fund, the City shall strive to maintain a minimum of six months of operating revenues and \$2 million for future capital projects in its reserves, to account for delays in receipt of sewer charges placed on the County tax roll and to ensure sufficient available cash to pay operating and capital expenses.

O. *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.

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Implementation of New GASB Pronouncements

The GASB issued Statement No. 87 “*Leases.*” The objective of this statement is to improve guidelines related to the recognition of lease assets and liabilities that previously were classified as operating leases. The City implemented the provisions of Statement No. 87 in Fiscal Year 2022.

The GASB issued Statement No. 89 “*Accounting for Interest Cost Incurred Before the end of a Construction Period.*” The objective of this statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing and to simplify accounting for interest costs incurred before the end of the construction period. This statement became effective for the City’s Fiscal Year ending June 30, 2022, but did not have a material effect on the financial statements.

The GASB issued Statement No. 92 “*Omnibus 2020.*” The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions including reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan, the applicability of Statements No. 73 and No. 74, as amended, to reporting assets accumulated for postemployment benefits, the applicability of certain requirements of Statement No. 84 to postemployment benefit arrangements, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, among other requirements. Certain provisions of the Statement related to Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments were effective upon issuance of the Statement in January 2020, but did not have a material effect on the City’s financial statements and the rest of the provisions of the Statement are effective for the City’s Fiscal Year ending June 30, 2022.

The GASB issued Statement No. 93 “*Replacement of Interbank Offered Rates.*” Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. This statement became effective for the City’s Fiscal Year ending June 30, 2022, but did not have a material effect on the financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

The GASB issued Statement No. 97 “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.*” The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Certain provisions of the Statement are effective upon issuance in June 2020, but did not have a material effect on the City’s financial statements and application of the remaining provisions of Statement No. 97 are effective for periods beginning after June 15, 2021. The City implemented the provisions of Statement No. 97 in Fiscal Year 2022.

Q. Upcoming GASB Pronouncements

The City is analyzing the effects of the following pronouncements and the potential impact on the financial statements for the following GASBs by the effective dates:

The GASB issued Statement No. 91 “*Conduit Debt Obligations.*” The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of statement No. 91 is effective for the City’s Fiscal Year ending June 30, 2023.

The GASB issued Statement No. 94 “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements.*” The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Application of Statement No. 94 is effective for Fiscal Years beginning after June 15, 2022, and all reporting periods thereafter.

Note 1 – Summary of Significant Accounting Policies (Continued)

The GASB issued Statement No. 96 “*Subscription-Based Information Technology Arrangements*.” This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Application of Statement No. 96 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The GASB issued Statement No. 99, “*Omnibus 2022*”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The requirements of the statement are effective as follows: (1) the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance; (2) the requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter; and (3) the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The GASB issued GASB Statement No. 100, “*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*”. The requirements of this Statement are effective for fiscal years ending after June 15, 2023. The City has not determined the effect of this Statement.

The GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Note 1 – Summary of Significant Accounting Policies (Continued)

R. *New, Recategorized and Closed Funds*

The Open Space Improvement Special Revenue Fund was established during the year ended June 30, 2022. The activity in the fund was previously reported in the Capital Improvement Projects Fund.

The Vehicle and Equipment Replacement Internal Service Fund is now reported as the IT Cable Replacement Internal Service Fund, and the prior balances related to vehicles and equipment were transferred to the new Fleet Maintenance and Replacement Internal Service Fund.

The Fleet Maintenance Internal Service Fund is now reported as the Fleet Maintenance and Replacement Internal Service Fund.

The Parking Special Revenue Fund and the Central Services Internal Service Fund were closed as of June 30, 2022.

Note 2 – Cash, Cash Equivalents, and Investments

The City's dependence upon property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash with fiscal agents and the Alameda Municipal Power Fund so that it can be invested at the maximum yield, consistent with safety and liquidity. 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 fair 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, Cash Equivalents, and Investments (Continued)

B. Classification

Cash, cash equivalents, 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, 2022, as presented on the Statement of Net Position and Statement of Fiduciary Net Position are as follows:

Statement of Net Position:	
Cash and investments	\$ 383,972,508
Restricted cash and investments	19,870,556
Investments designated for special purposes	37,005,400
Fiduciary Funds:	
Cash and investments	9,148,009
Restricted cash and investments	9,074,293
Total cash and investments	<u>\$ 459,070,766</u>

Cash and investments as of June 30, 2022 are composed of the following categories:

Cash on hand (petty cash and change funds)	\$ 8,280
Deposits with financial institutions	202,208,717
Investments	<u>256,853,769</u>
Total cash and investments	<u>\$ 459,070,766</u>

Note 2 – Cash, Cash Equivalents, 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 Percentage of Portfolio	Maximum Investment In One Issuer
Bank/Time Deposits	5 Years	N/A	No Limit	No Limit
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%
Mutual Funds and Money Market Funds	5 Years	Highest rating by 2 NRSRO's	20%	10%
Bankers' Acceptances	180 Days	A1/P1 or equivalent	30%	5%
Commercial Paper	270 Days	A1/P1 (A rated issuer)	40% (B)	5%
Negotiable Certificates of Deposit (NCD)	5 Years	No rating for amount under FDIC insurance; A1/A for amounts greater than FDIC insurance	30% (Combined with CDARs)	5%
California Local Agency Investment Fund (LAIF)	N/A	N/A	\$75,000,000 per account	N/A
(CAMP)/CalTrust	N/A	N/A	No Limit	No Limit
Non-Negotiable Certificates of Deposit / CDARs	3 Years	N/A	30% (Combined with NCDs)	5%
Municipal Obligations	5 Years	A or equivalent (except City's own bonds)	30%	5%
Medium-Term Corporate Notes	5 Years	A or equivalent	30%	5%
Supranationals	5 Years	AA or equivalent	15% (US Dollar denominated)	10%
Asset backed securities	5 Years	AA or equivalent rated issue	20%	5%

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

(B) Under a provision sunsetting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the City’s investment assets under management are greater than \$100,000,000. After that date, no more than 25% of the portfolio may be invested in Commercial Paper.

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

D. Investments Authorized by the California Government Code and Alameda Municipal Power’s Investment Policy

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 interest rate risk, credit risk and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustees 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. Alameda Municipal Power’s investment policy and the California Government Code allow Alameda Municipal Power to invest in the investments in the table in the next section:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bank/Time Deposits	5 years	N/A	No Limit	No Limit
U.S. Treasury Obligations	5 years	N/A	No Limit	No Limit
U.S. Agency Securities	5 years	N/A	75%	25%
Mutual Funds and Money Market Funds	5 years	Highest rating by two NRSROs	20%	10%
Bankers Acceptances	180 days	A1/P1	30%	5%
Commercial Paper	270 days	A1/P1	25%	5%
Non-Negotiable Certificates of Deposit/CDARS	3 years	N/A	30% (combined with NCDs)	5%
Negotiable Certificates of Deposit (NCD)	5 years	No rating for amount under FDIC insurance; A-1 / A for amounts greater than FDIC insurance	30% (combined with CDARS)	5%
California Local Agency Investment Fund (LAIF)	N/A	N/A	\$75,000,000 per account	N/A
California Asset Management Program (CAMP) and CalTrust	Upon demand	N/A	No Limit	N/A
Municipal Obligations	5 years	A or equivalent (except City's own bonds)	30%	5%
Medium Term Corporate Notes	5 years	A or equivalent	30%	5%
Supranationals	5 years	AA or equivalent	15% (US Dollar denominated)	10%
Asset-Backed Securities	5 years	AA or equivalent rated issue (with issuer rated A or higher)	20%	5%

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

E. Public Agencies Post-Employment Trust

On March 22, 2017, the City Council adopted resolution 15253 approving the adoption of an amendment to the Public Agencies Post-Employment Trust administered by Public Agency Retirement Services (PARS) to establish a pension trust. The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code or the City's investment policy. This trust will assist the City in mitigating the CalPERS contribution rate volatility. The City elected a discretionary investment approach, which allows the City to maintain oversight of the investment management, control on target yield and the portfolio's risk tolerance, under the Balanced Index PLUS investment option. This pension trust is a secondary trust to the City's CalPERS Pension Plan; therefore, the assets are reported in the City's Pension Stabilization Internal Service Fund. The assets in the Trust will eventually be used to fund pension plan obligations.

F. 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:



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	30 days	Top Four Rating Categories	No Limit Per Account	No limit Per Account
U.S. Treasury Bonds, Notes and Bills	No Limit	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	No Limit	No Limit	No Limit	No Limit
State Obligations	No Limit	Not Lower Than Their Bond Rating	No Limit	No Limit
Commercial Paper	180 - 270 Days	A-1+	20% - No Limit	10% of outstanding issues (A rated issuer US organized and with operations in US with a total assets in excess of \$500 mil) - No limit
Negotiable Certificates of Deposit	No Limit	N/A	No Limit	No Limit
Time Certificates	No Limit	N/A	No Limit	No Limit
Corporate Notes and Bonds	No Limit	Not Lower Than Their Bond Rating	No Limit	No Limit
Guaranteed Investment Contracts	No Limit	AA - Not Lower Than Their Bond Rating	No Limit	No Limit
Shares of Beneficial Interest	No Limit	Top Rating Category Aam - Highest Rating	No Limit	No Limit
Money Market Mutual Funds	No Limit	Category	20%	No Limit
Bankers' Acceptances	365 days	A-1+	30%	30%
Municipal Bonds	No Limit	AAA	No Limit	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$75,000,000 per account	\$75,000,000 per account
Investment Agreements	No Limit	AA-	No Limit	No Limit
California State Warrants, Treasury Notes or Bonds	3 Years	Top Two Highest Short-Term or Long-Term Rating Categories	No Limit	No Limit

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	N/A	N/A	No Limit	No Limit
State Obligations	N/A	N/A	No Limit	No Limit
U.S. Agency Securities (A)	N/A	N/A	No Limit	No Limit
Commercial Paper	N/A	A1/P1/A	25%	5%
Certificates of Deposit	5 years	A1/A	30%	5%
Bankers Acceptances	180 days	A1/P1	30%	5%
Money Market Mutual Funds	N/A	A	20%	No Limit
California Local Agency Investment Fund (LAIF)	N/A	N/A	No Limit	LAIF Limit
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 (FFCB), 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.

G. 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, 2022:



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

Investment Type	12 Months or less	One to Five Years	Total
U.S. Government-Sponsored			
Enterprise Agencies			
Non-callable	\$ 4,541,003	\$ 21,542,227	\$ 26,083,230
Callable		1,535,143	1,535,143
Medium-Term Corporate Notes:			
Non-callable	910,093	12,553,826	13,463,919
Callable	722,353	16,306,219	17,028,572
Asset Backed Securities		12,795,848	12,795,848
Supranationals	636,321	1,609,447	2,245,768
U.S. Treasury Notes	449,122	30,176,052	30,625,174
U.S. Treasury Bonds		273,378	273,378
Money Market Mutual Funds	27,010,558		27,010,558
California Local Agency Investment Fund	107,631,417		107,631,417
Negotiable Certificates of Deposit	343,186	1,405,462	1,748,648
Time Certificates of Deposit	2,676,203	4,271,010	6,947,213
Municipal Bonds	877,792	8,587,109	9,464,901
Total Investments	\$ 145,798,048	\$ 111,055,721	256,853,769
Cash deposits with banks and on hand			202,216,997
Total Cash and Investments			\$ 459,070,766

The City and Alameda Municipal Power are 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, 2022, 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. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. 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, 2022, these investments had an average maturity of 311 days.



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

H. 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, 2022, for each City’s investment type as provided by Standard and Poor’s:

Investment Type	AAA/AAAm	AA+ to AA-	A+ to A-	BBB+ to BBB- (A)	Total
U.S. Government-Sponsored					
Enterprise Agencies					
Non-callable	\$ -	\$ 25,328,260	\$ -	\$ -	\$ 25,328,260
Callable		1,234,432			1,234,432
Medium Term Corporate Notes:					
Non-callable		2,420,446	10,382,730		12,803,176
Callable		3,748,999	12,211,145	883,486	16,843,630
Supranationals	2,245,768				2,245,768
Asset Backed Securities	12,795,848				12,795,848
Money Market Mutual Funds	27,010,558				27,010,558
Negotiable Certificates of Deposit			343,186		343,186
Municipal Bonds	807,395	5,798,002	2,859,504		9,464,901
Totals	\$ 42,859,569	\$ 38,530,139	\$ 25,796,565	\$ 883,486	108,069,759
<i>Not rated:</i>					
U.S. Government-Sponsored					
Enterprise Agencies					
Non-callable					754,970
Callable					300,711
California Local Agency Investment Fund					107,631,417
Medium Term Corporate Notes:					
Non-callable					660,743
Callable					184,942
Negotiable Certificates of Deposit					1,405,462
Time Certificates of Deposit					6,947,213
<i>Exempt:</i>					
US Treasury Notes					30,625,174
US Treasury Bonds					273,378
Total Investments					\$ 256,853,769

I. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As previously described, the City’s deposits are collateralized in accordance with California Government Code. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

As of June 30, 2022, Alameda Municipal Power's deposits with Hilltop Securities were insured up to \$250,000 by FDIC. Hilltop Securities also had Securities Investor Protection Corporation (SIPC) coverage which provided an additional \$500,000 coverage. Furthermore, Hilltop Securities had private insurance in excess of SIPC coverage with a \$1.9M per-client limit. As of June 30, 2022, Alameda Municipal Power's investments balance with Hilltop Securities was \$28,344,874, comprised of U.S. Government-Sponsored Enterprise Agencies of \$3,002,615, Medium Term Corporate Notes of \$8,471,942, U.S. Treasury Notes of \$979,550, U.S. Treasury Bonds of \$273,378, Time Certificates of Deposit of \$6,676,658, Negotiable Certificates of Deposit of \$1,405,462, and Municipal Bonds of \$7,535,269.

J. Fair Value Measurements

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

Level 1 – Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.

Level 2 – Investments whose values are based on inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly.

Level 3 – Investments whose values are based on unobservable inputs for an asset and may require a degree of professional judgment.

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

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

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2022. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

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

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

As of June 30, 2022, the City has the following recurring fair value measurements:

	Fair Value Measurements on a Recurring Basis Using		
	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value:			
U.S. Government-Sponsored Enterprise Agencies			
Non-callable	\$ 26,083,230	\$ -	\$ 26,083,230
Callable	1,535,143		1,535,143
Medium-Term Corporate Notes			
Non-callable	13,463,919		13,463,919
Callable	17,028,572		17,028,572
Asset Backed Securities	12,795,848		12,795,848
Supranationals	2,245,768		2,245,768
U.S. Treasury Notes	30,625,174	30,625,174	
U.S. Treasury Bonds	273,378	273,378	
Negotiable Certificates of Deposit	1,748,648		1,748,648
Time Certificates of Deposit	6,947,213		6,947,213
Municipal Bonds	9,464,901		9,464,901
Total Investments by Fair Value Level	<u>122,211,794</u>	<u>\$ 30,898,552</u>	<u>\$ 91,313,242</u>
Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy:			
Local Agency Investment Fund	107,631,417		
Money Market Mutual Funds	27,010,558		
Total Investments Not Measured at Fair Value	<u>134,641,975</u>		
Total Investments	<u>\$ 256,853,769</u>		

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

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

The City’s investments include corporate notes that have an embedded call feature. At June 30, 2022, those investments consisted of:

Issuer	Maturity Date	Callable Date	Reported Amount
3M Company Corporate Note	2/14/2023	1/14/2023	\$ 222,581
Abbott Labs	09/15/2025	06/15/2025	252,705
Amazon Com Inc.	12/03/2025	09/03/2025	157,384
Amazon Com Inc.	12/05/2024	09/05/2024	202,296
Amazon Inc Corporate Note	05/12/2026	04/12/2026	719,072
American Express Corporate Note	07/30/2024	06/30/2024	48,702
American Express Corporate Note	07/30/2024	06/30/2024	170,456
American Express Corporate Note	03/04/2025	08/04/2022	38,505
Apple Inc.	09/11/2026	07/11/2026	282,822
Apple Inc.	02/09/2024	12/09/2023	249,545
Bank of America Corporate Note	05/19/2024	05/19/2023	336,862
Bank of America Corporate Note	12/06/2025	12/06/2024	325,563
Bank of America Corporate Note	03/05/2024	03/05/2023	398,831
Bank of America Corporate Note	06/19/2026	06/19/2025	454,135
Bank of Montreal	10/29/2026	07/29/2022	184,942
Bank of New York Corporate Note	04/25/2025	03/25/2025	543,783
Barclays Bank PLC	05/29/2025	11/29/2022	237,502
Berkshire Hathaway Corporate Note	03/15/2027	02/15/2027	553,364
Capital Impact Partnership Invt.	05/15/2027	05/15/2024	497,320
Cintas Coporate Note	05/01/2025	04/01/2025	100,144
Citi Group Corporate Note	05/01/2025	04/01/2025	65,560
Citi Group Corporate Note	01/25/2026	01/25/2025	42,185
Citi Group Inc Corporate Note	10/30/2024	09/30/2024	176,336
Duke Energy Florida Corporate Note	01/15/2027	10/15/2026	488,484
Federal Farm Credit Bank	11/02/2023	11/02/2021	240,975
Federal Home Loan Bank	11/18/2024	08/18/2022	95,437
Federal Home Loan Bank	08/14/2023	11/14/2008	51,238
Federal Home Loan Mortgage Corp	12/29/2025	06/29/2023	397,412
Federal Home Loan Mortgage Corp	06/30/2025	09/30/2022	449,370
Florida Power Lt Co	12/01/2025	06/01/2025	261,901
Florida Power Lt Co	06/01/2024	12/01/2023	200,250
Goldman Sachs Group Corporate Note	11/17/2023	11/17/2022	172,987
Goldman Sachs Group Corporate Note	01/24/2025	01/24/2024	168,755
Home Depot Inc Corporate Note	04/15/2025	03/15/2025	34,254
Housing and Urban Development	08/01/2023	08/01/2022	300,711
JP Morgan Chase & Co Corporate Note	09/16/2024	09/16/2023	163,373
JP Morgan Chase & Co Corporate Note	02/16/2025	02/16/2024	84,822
JP Morgan Chase & Co Corporate Note	06/01/2025	06/01/2024	130,956
JP Morgan Chase & Co Corporate Note	04/26/2026	04/26/2025	221,705
JP Morgan Chase & Co Corporate Note	06/01/2025	06/01/2024	500,373

(Continued)



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

<u>Issuer</u>	<u>Maturity Date</u>	<u>Callable Date</u>	<u>Reported Amount</u>
JP Morgan Chase & Co Corporate Note	06/23/2025	06/23/2024	238,449
JP Morgan Chase & Co Corporate Note	04/22/2026	04/22/2025	157,233
Midamerican Energy Co	09/15/2023	06/15/2023	250,220
Morgan Stanley Corporate Note	04/05/2024	03/05/2024	24,379
Morgan Stanley Corporate Note	02/18/2026	02/18/2025	254,356
Morgan Stanley Corporate Note	04/28/2026	03/28/2026	234,248
Nestle Holdings Inc Corporate Note	09/14/2024	09/14/2023	309,963
Nothern TR Corporate Note	05/10/2027	04/10/2027	221,639
Public Storage	09/15/2022	08/15/2022	249,775
Public Storage	02/15/2026	01/15/2026	223,705
Roche Holdings Inc Corporate Note	03/10/2025	02/10/2025	569,458
Royal Bank Canada	12/30/2025	12/30/2023	130,598
San Diego Gas Electric Co	05/15/2026	02/15/2026	236,920
Schlumberger Investment	12/01/2023	09/01/2023	501,935
Schwab Charles Corporate Note	03/18/2024	02/18/2024	139,087
Schwab Charles Corporate Note	03/18/2024	02/18/2024	278,346
Schwab Charles Corporate Note	05/13/2026	04/13/2026	424,510
Sierra Pacific Power Co	05/01/2026	02/01/2026	285,663
Societe Generale	03/30/2026	09/30/2022	263,658
Societe Generale	10/02/2026	07/20/2022	243,980
Societe Generale	03/31/2026	09/30/2022	218,925
Southern California Gas Co	06/15/2025	03/15/2025	344,508
State Street Corporate Note	02/06/2026	02/06/2025	86,449
State Street Corporate Note	03/30/2026	03/30/2025	145,141
State Street Corporate Note	03/30/2026	03/30/2025	48,380
Suntrust Bank Atl	02/02/2023	01/02/2023	249,997
Target Corporate Note	01/15/2027	12/15/2026	269,391
Tha Bank of New Corporate Note	04/24/2025	03/24/2025	103,647
Truist Corporate Note	08/05/2025	07/03/2025	358,642
United Health Corporate Note	05/15/2026	04/15/2026	571,821
US Bank Corporate Note	01/21/2025	12/20/2024	591,276
Walmart Inc Corporate Note	09/17/2026	08/17/2026	113,818

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, 2022, the Alameda Municipal Power Enterprise Fund owed the General Fund \$328,049.

B. *Long-Term Advances*

Loan from Equipment Replacement Fund

In July 2014, the City Council authorized a long-term loan from the Equipment Replacement Internal Service Fund to the Fire Station 3/Emergency Operations Center Capital Projects Fund in the amount of \$809,000 for the construction of the new Fire Station. In October 2018, the amount of the loan was reduced to \$408,626 and the remaining \$307,305 of the loan was transferred to the General Fund. With the fund reorganization activity in fiscal year 2022, the loan receivable was transferred to the Fleet Maintenance and Replacement Internal Service Fund. The loan bears a 3% simple interest rate and will be due in full in 20 years. The advance is secured by a promissory note where the City's General Fund is pledged as security for the repayment of the loan. The outstanding loan balance at June 30, 2022 was \$234,936.

Loan from General Fund and Development Impact Fee Fund

In June 2019, the City Council authorized a loan of \$1,120,891 from the General Fund to the Development Impact Fee Fund. The advance bears no interest. The advance is secured by a promissory note where available funds from the Development Impact Fee Fund are pledged as security for the repayment of the loan. The loan is repayable in annual payments of \$112,089 through June 30, 2029. The outstanding balance of the loan at June 30, 2022 was \$784,624.

Loan From Recreation Fund

In fiscal year 2014, the Recreation Fund made a loan of \$350,000 to the Golf Fund. The principal balance of the loan does not bear interest and is repayable when funds are available. With the fund reorganization activity in fiscal year 2022, the loan receivable was transferred to the General Fund and the Athletic Recreation Fund. The outstanding balance of the loan at June 30, 2022 was \$350,000.

Note 3 – Interfund Transactions (Continued)

C. Transfers Between City Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between City funds during Fiscal Year 2021-22 were as follows:

Fund Receiving Transfers	Fund Making Transfer	Amount Transferred
General Fund	Non-Major Governmental Funds	\$ 775,009 A,B,C
	Alameda Municipal Power Enterprise Fund	4,164,456 D
Base Reuse Special Revenue Fund	Non-Major Governmental Funds	9,038 C
Grants Special Revenue Fund	General Fund	183,026 E
Non-Major Governmental Funds	General Fund	4,088,798 B,C
	Grants Special Revenue Fund	171,344 C
	Base Reuse Special Revenue Fund	5,950,349 F,G
	Internal Service Fund	92,573 C
	Non-Major Governmental Funds	10,963,257 B,C,F,H
Internal Service Funds	General Fund	8,974,000 B
	Internal Service Funds	10,130,813 C
Total		<u>\$ 45,502,663</u>

The reasons for these transfers are set forth below:

- (A) Transfer from CIP to General Fund to return unspent project funds
- (B) To fund recreation, deferred maintenance, pension and OPEB costs
- (C) Transfer to establish new fund or move fund resources
- (D) Transfer from Alameda Municipal Power Fund to the General Fund per Charter
- (E) To fund grant matching requirements
- (F) To fund capital projects
- (G) To fund debt service
- (H) 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

A. *Five Keys Loan Receivable*

In April 2022, the City executed a promissory note with Five Keys Schools and Programs to fund both hard and soft construction costs for the purpose of building an interim supportive housing development for unhoused individuals. The promissory note is for a sum of \$2.0 million and does not bear interest. The note expires 45 days after Five Keys receives Homekey Round 2 grant funds from the State of California Department of Housing and Community Development, which is expected in early Fiscal Year 2022-23. Five Keys will repay the note in its entirety within this 45-day window.

B. *Housing Rehabilitation and Affordable Housing Loans Receivable*

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

The City's remaining outstanding balance of the loans receivable from these programs at June 30, 2022 was \$10,411,137, which has been offset with unavailable revenue. Included in the outstanding balance are receivables totaling \$1,737,120 from the Alameda Housing Authority.



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

Note 5 – Capital Assets

A. Capital Asset Additions and Retirements

City capital asset activities for the year ended June 30, 2022, are as follows:

	Balance at June 30, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
<i>Governmental activities</i>					
Capital assets not being depreciated:					
Land	\$ 5,995,318	\$ -	\$ -	\$ -	\$ 5,995,318
Construction in progress	62,162,233	17,525,231	(471,905)	(58,458,852)	20,756,707
Total capital assets not being depreciated	68,157,551	17,525,231	(471,905)	(58,458,852)	26,752,025
Capital assets being depreciated:					
Buildings	267,550,122			23,454,067	291,004,189
Machinery and equipment	39,201,815	856,761	(40,097)		40,018,479
Infrastructure:					
Streets	183,987,404			12,594,706	196,582,110
Street Lights	6,085,118			1,154,726	7,239,844
Landscape	21,323,234				21,323,234
Storm drains	23,500,878			174,862	23,675,740
Potable water systems	1,353,939				1,353,939
Parks	17,536,055			21,080,491	38,616,546
Marina facilities	25,011,156				25,011,156
Golf improvements	4,205,963				4,205,963
Total capital assets being depreciated	589,755,684	856,761	(40,097)	58,458,852	649,031,200
Less accumulated depreciation:					
Buildings	(128,986,046)	(3,183,027)			(132,169,073)
Machinery and equipment	(28,820,213)	(1,687,151)	40,097		(30,467,267)
Infrastructure:					
Streets	(96,798,229)	(4,927,133)			(101,725,362)
Street Lights	(3,177,995)	(201,201)			(3,379,196)
Landscape	(18,888,609)	(141,078)			(19,029,687)
Storm drains	(11,994,994)	(448,393)			(12,443,387)
Potable water systems	(1,232,142)	(7,852)			(1,239,994)
Parks	(5,576,992)	(1,457,203)			(7,034,195)
Marina facilities	(21,488,200)	(83,136)			(21,571,336)
Golf improvements	(3,918,446)	(86,134)			(4,004,580)
Total accumulated depreciation	(320,881,866)	(12,222,308)	40,097		(333,064,077)
Net capital assets being depreciated	268,873,818	(11,365,547)		58,458,852	315,967,123
Governmental activity capital assets, net	\$ 337,031,369	\$ 6,159,684	\$ (471,905)	\$ -	\$ 342,719,148



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

Note 5 – Capital Assets (Continued)

	Balance at June 30, 2021 (as restated)	Additions	Retirements	Transfers	Balance at June 30, 2022
Business-type activities					
Capital assets, not being depreciated:					
Land and Rights	\$ 220,143	\$ -	\$ -	\$ -	\$ 220,143
Construction in progress	32,778,439	11,817,562		(40,867,400)	3,728,601
Total capital assets not being depreciated	32,998,582	11,817,562		(40,867,400)	3,948,744
Capital assets, being depreciated:					
Utility Plant	90,553,162		(495,010)	375,319	90,433,471
Service Center Building	8,168,069				8,168,069
Intangible right-to-use building	3,142,914				3,142,914
Machinery and equipment	10,349,295				10,349,295
Transportation equipment	3,846,642			169,900	4,016,542
Computer equipment	4,694,928				4,694,928
Furniture and fixtures	2,701,296	88,797			2,790,093
Sewer lines	102,729,243			40,322,181	143,051,424
Total capital assets being depreciated	226,185,549	88,797	(495,010)	40,867,400	266,646,736
Less accumulated depreciation for:					
Utility Plant	(63,527,137)	(3,617,155)	451,270		(66,693,022)
Service Center Building	(4,780,670)	(180,960)			(4,961,630)
Intangible right-to-use building		(319,618)			(319,618)
Machinery and equipment	(9,367,158)	(169,019)			(9,536,177)
Transportation equipment	(2,865,821)	(159,137)			(3,024,958)
Computer equipment	(4,232,635)	(62,377)			(4,295,012)
Furniture and fixtures	(2,119,540)	(124,229)			(2,243,769)
Sewer lines	(37,961,375)	(1,606,664)			(39,568,039)
Total accumulated depreciation	(124,854,336)	(6,239,159)	451,270		(130,642,225)
Net capital assets being depreciated	101,331,213	(6,150,362)	(43,740)	40,867,400	136,004,511
Business-type activity capital assets, net	\$ 134,329,795	\$ 5,667,200	\$ (43,740)	\$ -	\$ 139,953,255

B. Capital Asset Contributions

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

Note 5 – Capital Assets (Continued)

C. Depreciation Allocation

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

<i>Governmental Activities:</i>	
General government	\$ 170,066
Police	120,056
Fire	531,747
Public works	6,446,502
Recreation and parks	1,663,827
Library	472,108
Community development	1,696,081
Planning, building and transportation	29,275
Internal Service Funds	1,092,646
	<hr/>
Total Governmental Activities	\$ 12,222,308
	<hr/> <hr/>
<i>Business-Type Activities:</i>	
Sewer Services	\$ 1,685,266
Alameda Municipal Power	4,553,893
	<hr/>
Total Business-Type Activities	\$ 6,239,159
	<hr/> <hr/>

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.



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

Note 6 – Long-Term Debt (Continued)

A. City Long-Term Debt

The City’s long-term debt activities for the year ended June 30, 2022, are as follows:

	CUSIP Number	Balance June 30, 2021	Retirements	Balance June 30, 2022	Current Portion
Governmental Activities Debt:					
Loans and Leases From Direct Borrowing					
Lease Financings Payable	not applicable	\$ 2,180,062	\$ (313,304)	\$ 1,866,758	\$ 322,420
HUD Section 108 Loan Refinance, 2019 Series A	not applicable	4,104,000	(532,000)	3,572,000	562,000
i-Bank Loan	not applicable	2,434,646	(149,511)	2,285,135	152,930
Alameda County EMS Liability	not applicable	1,534,362	(228,151)	1,306,211	234,996
Total Loans and Leases from Direct Borrowing		<u>10,253,070</u>	<u>(1,222,966)</u>	<u>9,030,104</u>	<u>1,272,346</u>
Certificates of Participation					
2008 Refinancing Project	010762	345,000	(345,000)		
2013 Financing Project	010762	5,580,000	(565,000)	5,015,000	585,000
Plus: Unamortized bond premium		224,712	(25,519)	199,193	
Total Certificates of Participation		<u>6,149,712</u>	<u>(935,519)</u>	<u>5,214,193</u>	<u>585,000</u>
2003 ARRA Demand Revenue Bonds	010808	8,600,000	(500,000)	8,100,000	600,000
2013 General Obligation Refunding Bonds	010752	6,435,000	(405,000)	6,030,000	415,000
Plus: Unamortized bond premium		48,369	(5,467)	42,902	
Subtotal		<u>15,083,369</u>	<u>(910,467)</u>	<u>14,172,902</u>	<u>1,015,000</u>
Total Governmental Activities Debt		<u>31,486,151</u>	<u>(3,068,952)</u>	<u>28,417,199</u>	<u>2,872,346</u>
Business-Type Activities Debt:					
Loans From Direct Borrowing					
State Revolving Fund Loan, 2004	not applicable	196,836	(97,156)	99,680	99,680
Total Loans from Direct Borrowing		<u>196,836</u>	<u>(97,156)</u>	<u>99,680</u>	<u>99,680</u>
Sewer Revenue Bonds, 2012 Series A	010782	12,235,000	(400,000)	11,835,000	415,000
Plus: Unamortized bond premium		76,599	(3,595)	73,004	
Revenue Bonds, Series 2010A	010808	8,700,000		8,700,000	
Taxable Revenue Bonds, Series 2010B	010808	11,345,000	(1,485,000)	9,860,000	1,600,000
Subtotal		<u>32,356,599</u>	<u>(1,888,595)</u>	<u>30,468,004</u>	<u>2,015,000</u>
Total Business-Type Activities Debt		<u>32,553,435</u>	<u>(1,985,751)</u>	<u>30,567,684</u>	<u>2,114,680</u>
Total Debt		<u>\$ 64,039,586</u>	<u>\$ (5,054,703)</u>	<u>\$ 58,984,883</u>	<u>\$ 4,987,026</u>



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

Note 6 – Long-Term Debt (Continued)

B. Debt Service Requirements

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

For the Year Ending June 30,	Governmental Activities			
	Loans and Leases from Direct Borrowing		Certificates of Participation and Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 1,272,346	\$ 194,504	\$ 1,600,000	\$ 414,010
2024	1,318,273	166,733	1,640,000	377,535
2025	1,380,765	137,360	1,680,000	339,610
2026	1,454,837	105,970	1,715,000	299,741
2027	1,497,509	72,542	1,755,000	257,910
2028-2032	1,517,921	129,732	7,955,000	643,531
2033-2035	588,453	20,389	2,800,000	49,929
Subtotal	9,030,104	\$ 827,230	19,145,000	\$ 2,382,266
Plus unamortized bond premium			242,095	
Total	\$ 9,030,104		\$ 19,387,095	

For the Year Ending June 30,	Business-Type Activities			
	Loans from Direct Borrowing		Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 99,680	\$ 2,592	\$ 2,015,000	\$ 1,353,309
2024			2,135,000	1,233,016
2025			2,255,000	1,109,067
2026			2,385,000	975,173
2027			2,525,000	831,271
2028-2032			11,975,000	2,243,875
2033-2037			2,930,000	891,030
2038-2042			3,420,000	404,097
2043			755,000	12,269
Subtotal	99,680	\$ 2,592	30,395,000	\$ 9,053,107
Plus unamortized bond premium			73,004	
Total	\$ 99,680		\$ 30,468,004	

Note 6 – Long-Term Debt (Continued)

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

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

Governmental Activities Debt

Certificates of Participation – Some of the City's obligations are in the form of long-term leases between the City and the Alameda Public Financing Authority. Under these arrangements, the City enters into a legal agreement with the Authority to lease a specified City property to the Authority for an up-front, lump-sum lease payment. The City uses the lease proceeds to fund major capital improvements. The City furthermore continues to make use of the leased facility, and in return for that, agrees to pay the Authority regular lease payments. The Authority, in turn, sells shares of the City's lease payments to investors. The shares are called Certificates of Participation, or COPs. The City's lease payments are made to the certificate holders through the Trustee over the term of the agreement. The cost of the assets securing these leases and the balance of the debt evidenced by these Certificates of Participation have been included in the City's financial statements, as these leases are in essence financing arrangements with ownership of the financed assets reverting to the City at the conclusion of the lease term.

2008 Refinancing Project Certificates of Participation – In July 2008, the City Council entered into a lease agreement with the Alameda Public Financing Authority for the Police Administration Building. The Authority issued Certificates of Participation to investors (in the amount of \$4,575,000) to refinance and defease the 1996 Police Building and the 1996 Library and Golf Course Upgrade and Renovation Certificates of Participation. The 2008 Certificates are collateralized by the leased Police Administration Building over the term of the lease; the City may substitute alternative sites/facilities as collateral at its option over the same time period. The 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.

The City is obligated to make the necessary annual appropriations within its budget for all lease payments owed under the lease agreement. In the event of default on the payments, the City is obligated to take certain actions or consent to certain actions of a financial nature as more fully described in the lease and related documents contained [at the EMMA-MSRB website](#), but the trustee has no right to accelerate the lease payments.

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 are collateralized by the leased Alameda City Hall over the term of the lease; the City may substitute alternative sites/facilities as collateral at its option over the same time period. The 2013 Certificates bear interest from 3% to 4%, which is payable semi-annually in May and November. Principal payments are due annually and commenced on May 1, 2014.

Note 6 – Long-Term Debt (Continued)

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

The pledge of sublease revenues ends upon repayment of the \$8,640,632 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 2021-22, sublease revenues amounted to \$15,291,296, which represented coverage of 3,767% over the \$405,905 in debt service.

General Obligation Bonds

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

Leases and Loans Payable

Lease Financings Payable – At June 30, 2022, the City held the following leases payable. Under the lease agreements, ownership of the capital assets reverts to the City at the end of the lease terms. Since the leases are in essence financing arrangements, the costs of the capital assets and the amounts of the lease terms have been included in the City's financial statements.

2011 Fire Apparatus Lease Financing 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, with annual payments of \$147,127, which includes an interest rate of 3.05%, for fifteen years. Balance of the lease as of June 30, 2022, was \$672,816.

Note 6 – Long-Term Debt (Continued)

2012 Fire Truck Lease Financing 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, with annual payments of \$162,546, which includes an interest rate of 2.82%, for fifteen years. Balance of the lease as of June 30, 2022, was \$885,772.

2014 Fire Apparatus Lease Financing Payable – On July 1, 2014, the City entered into a lease agreement in the amount of \$673,799 with Oshkosh Capital to acquire one fire apparatus vehicle. The City agreed to pay the lease starting on August 5, 2015, with annual payments of \$66,926, which includes an interest rate of 2.81% for ten years. Balance of the lease as of June 30, 2022 was \$308,170.

The leased equipment had book values at June 30, 2022 as follows:

	2011	2012	2014
	<u>Fire Apparatus</u>	<u>Fire Trucks</u>	<u>Fire Apparatus</u>
Equipment	\$ 1,750,000	\$ 1,750,791	\$ 673,799
Less: Accumulated Depreciation	<u>(1,254,167)</u>	<u>(790,512)</u>	<u>(533,424)</u>
Book Value	<u>\$ 495,833</u>	<u>\$ 960,279</u>	<u>\$ 140,375</u>

HUD Section 108 Loan Refinance Series 2019-A – The City issued HUD Section Loan Refinancing Bonds of \$4,906,000 on January 24, 2019 to refinance the outstanding portion of the City’s HUD Section 108 Loan, maturing on 08/01/2026, and 08/01/2027 and also to pay the costs of issuance of the Refinancing Loan. Principal payments are payable annually on August 1, and semi-annual interest payments are payable on February 1st and August 1st of each fiscal year. The outstanding balance as of June 30, 2022 is \$3,572,000.

IBank Loan – On June 1, 2015, the City entered into an agreement to borrow \$3,000,000 from the California Infrastructure and Economic Development Bank. Loan proceeds were received in Fiscal Year 2015-16 and will be used to finance construction of a new fire station. Principal and interest payments are due semi-annually on February 1st and August 1st through 2034. The loan bears interest of 2.287%. The outstanding balance as of June 30, 2022 is \$2,285,135.

Alameda County EMS Liability – From 2005 to 2010, the County of Alameda provided Emergency Medical Services, First Responder Advanced Life Support, and Ambulance Transport Services to the City of Alameda. During this time, the City incurred an obligation of \$3,621,887 to the County. On November 1, 2011, the County of Alameda and the City of Alameda entered into an agreement to repay this obligation using First Responder Advanced Life Support funding until the debt is fully repaid. As of June 30, 2022, the outstanding balance is \$1,306,211.

Note 6 – Long-Term Debt (Continued)

D. Business-Type Activities Debt

Loan Payable

State Revolving Fund Loan 2004 – The City entered into a contract on August 12, 2004, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to correct infiltration and inflow. The maximum loan amount is \$1,840,292 and bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2022, was \$99,682.

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 \$16,065,453 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 2022, net revenues amounted to \$10,088,008, which represented coverage of 13.22 over the \$763,069 in debt service.

Revenue Bonds, Series 2010A/B (AMP Refinancing) – As described in an indenture agreement dated August 1, 2010, Revenue Bonds, Series 2010A/B were issued through Alameda Public Financing Authority on behalf of AMP 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 percent to 5.25 percent, payable January 1 and July 1 of each year. The Revenue Bonds, Series 2010B bear interest at 1.829 percent to 6.517 percent, payable January 1 and July 1 of each year.

Principal on the Series 2010B Bonds is payable beginning July 1, 2011 and each succeeding July 1 until final maturity in 2027. Principal on the Series 2010A Bonds will be payable beginning July 1, 2027 and each succeeding July 1 until final maturity 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 and Series 2010B was \$8,700,000 and \$22,985,000, respectively.

AMP does not have any debt that is direct borrowing or direct placement, and AMP does not have unused lines of credit for the year ended June 30, 2022.

Note 6 – Long-Term Debt (Continued)

Both revenue bonds contain a rate covenant that AMP will at all times fix, prescribe and collect rates, fees and charges for the services and facilities of AMP during each fiscal year that will be at least sufficient to yield:

Adjusted Annual Revenues for such fiscal year at least equal to the sum of the following for such fiscal year:

- a. Operating and Maintenance Cost
- b. Adjusted Annual Debt Service
- c. All other payments required to meet any other obligations of AMP which are charges, liens and encumbrances upon or payable from the Electric System Revenue Fund, including all amounts owed to any issuer of a Qualified Reserve Fund Credit Instrument then in effect and deposited in the Common Reserve Account under the terms of such Qualified Reserve Fund Credit Instrument and all amounts owing under subordinate debt, and Adjusted Annual Net Revenues for such fiscal year equal to at least 110% of Adjusted Annual Debt Service for such fiscal year.

If any event of default shall occur, then, and in each and every such case during the continuance of such event of default, the trustee may, and shall at the written direction of the owners of not less than a majority in aggregate principal amount of the bonds at the time outstanding, upon notice in writing to Alameda Municipal Power, declare the principal of all of the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the indenture or in the bonds contained to the contrary notwithstanding.

In October 2022, Fitch Ratings upgraded the ratings of the 2010 A /B bonds from AA- to AA.

Note 7 – Special Assessment Debt Without City’s Commitment

Special assessment districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by the districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included in general long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2022 is as follows:

Description	Maturity Date	June 30, 2022
Alameda Landing Community Facilities District No. 13-1	9/1/2046	\$ 15,295,000
Alameda Landing Community Facilities District No. 13-1 (2021 Special Tax Subordinate Bonds)	9/1/2051	21,920,000

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.

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.

The City's fund balances are classified in accordance with 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 represents 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.

Note 8 – Net Position and Fund Balances (Continued)

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, 2022

Note 8 – Net Position and Fund Balances (Continued)

Detailed classifications of the City’s Fund Balances, as of June 30, 2022, are below:

Classifications	General Fund	Base Reuse Special Revenue	Grants Special Projects	Other Governmental Funds	Total
Nonspendable:					
Prepays and deposits	\$ 3,470	\$ -	\$ -	\$ -	\$ 3,470
Advances	1,134,624				1,134,624
Loan receivable	2,000,000				2,000,000
Total Nonspendable	3,138,094				3,138,094
Restricted for:					
Commercial revitalization				2,368,304	2,368,304
Storm drainage system				3,174,846	3,174,846
Development activities		56,349,149		18,300,384	74,649,533
Streets and roads				13,592,857	13,592,857
Affordable housing				2,567,046	2,567,046
Public safety			1,010,663	14,814	1,025,477
Waste reduction				3,813,075	3,813,075
Assessment district				14,171,478	14,171,478
Tidelands				2,360,111	2,360,111
Transportation				2,590,317	2,590,317
Debt service				1,725,048	1,725,048
Total Restricted		56,349,149	1,010,663	64,678,280	122,038,092
Committed to:					
Capital projects				2,071,017	2,071,017
Development activities	1,200,000			1,672,283	2,872,283
Community development				58,158	58,158
Culture and recreation	7,500,000			1,672,092	9,172,092
Library operations				5,470,025	5,470,025
Parking meter/garage				1,860,737	1,860,737
Total Committed	8,700,000			12,804,312	21,504,312
Assigned:					
General government	1,201,213				1,201,213
Streets and sidewalks	1,637,465				1,637,465
Recreation and parks	1,489,786				1,489,786
Economic uncertainty	4,035,000				4,035,000
Long-term obligations	5,566,327				5,566,327
Total Assigned	13,929,791				13,929,791
Unassigned:					
Reserve policy	24,041,451				24,041,451
Residual fund balance in excess of policy or fund balance deficits	40,218,941			(365,801)	39,853,140
Total Unassigned	64,260,392			(365,801)	63,894,591
Total Fund Balances	\$ 90,028,277	\$ 56,349,149	\$ 1,010,663	\$ 77,116,791	\$ 224,504,880

Note 8 – Net Position and Fund Balances (Continued)

C. *Fund Deficits*

The Successor Agency Private Purpose Trust Fund had deficit net position in the amount of \$37,770,418 at June 30, 2022. Future revenues and repayment of long-term debt are expected to offset this deficit.

The Workers' Compensation Insurance Internal Service Fund had deficit net position in the amount of \$88,385 at June 30, 2022. The deficit arose from a change in the confidence level of claims liabilities and future charges for services are expected to offset this deficit.

The General Liability Insurance Internal Service Fund had deficit net position in the amount of \$1,277,440 at June 30, 2022. Future charges for services are expected to offset this deficit.

D. *Restatement of Fund Balance and Net Position*

The City implemented the provisions of the Statement No. 87 during the year ended June 30, 2022. As a result, the City determined that beginning the balances of leases receivable and deferred inflows of resources related to leases were \$74,950,242 and the balances of the leases payable and intangible right-to-use assets were \$3,142,914 as of July 1, 2021 and restated and increased the balances in those amounts, and the net effect on beginning net position and fund balance was zero. See the Leases disclosure in Note 13.

Note 9 – Pension Plans

A. *General Information About the CalPERS Pension Plans*

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

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

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

Note 9 – Pension Plans (Continued)

The Plans’ provisions and benefits in effect at June 30, 2022 are summarized below:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age (range)	50 - 67+	52 - 67+
Monthly benefits, as a % of annual salary	1.426% - 2.418%	1.000% - 2.500%
Required employee contribution rates	8.868%	8.250%
Required employer contribution rates	8.412%	10.280%
Required UAL contribution	\$6,818,696	

	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age (range)	50 - 55+	50 - 57+
Monthly benefits, as a % of annual salary	3.000%	2.000% - 2.700%
Required employee contribution rates	15.000%	11.500%
Required employer contribution rates	14.780%	20.780%
Required UAL contribution	\$12,045,264	

Beginning in Fiscal Year 2018, CalPERS collects employer contributions for the Plans as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on an annual basis. The City’s required contributions for the unfunded liability in the miscellaneous and safety plans for the year ended June 30, 2022 were \$6,818,696 and \$12,045,264, respectively, which were made under the lump sum payment option.

Contributions – Section 20814(C) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1st following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30th by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. The employees pay a percentage of their salaries toward the City’s required contribution. Employees within the miscellaneous plan pay 1.868% of the employer’s contribution and employees within the safety plan pay 6.000% of the employer’s contribution, which are reflected in the rates above. Employer contribution rates may change if plan contracts are amended. Total employer required contribution amounts during the fiscal year ended June 30, 2022 were \$9,905,744 for the miscellaneous plan and \$16,533,892 for the safety plan. In addition, the City made an additional contribution of \$5.755 million toward the Safety Plan’s UAL.

Note 9 – Pension Plans (Continued)

Employees Covered – The following employees were covered by the benefit terms for each Plan as of the most recent actuarial valuation date of June 30, 2020 and measurement date of June 30, 2021:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	596	294
Inactive employees entitled to but not yet receiving benefits	343	77
Active employees	330	177
Total	<u>1,269</u>	<u>548</u>

Net Pension Liability – The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the total pension liability is shown below.

Actuarial Assumptions – The total pension liabilities as of the June 30, 2021 measurement date were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.75%	2.75%
Projected Salary Increase	(1)	(1)
Investment Rate of Return	7.15% (2)	7.15% (2)
Mortality	Derived using CalPERS' Membership data for all funds (3)	Derived using CalPERS' Membership data for all funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter	The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

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

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

(3) The mortality table used was developed based on CalPERS’ specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website (www.CalPERS.ca.gov).

Note 9 – Pension Plans (Continued)

Discount Rate- The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contributions rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

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

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

The table below reflects long-term expected real rates of return by asset class:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Public Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	0%	-0.92%
Total	<u>100%</u>		

- (a) In the CalPERS Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.0% used for this period.
- (c) An expected inflation of 2.92% used for this period.

Note 9 – Pension Plans (Continued)

Changes in the Net Pension Liability – The Changes in the Net Pension Liability for each Plan measured as of June 30, 2022 is as follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 Measurement Date	\$ 311,747,182	\$ 226,451,119	\$ 85,296,063
Changes in the year:			
Service cost	5,631,496		5,631,496
Interest on the total pension liability	21,964,673		21,964,673
Differences between actual and expected experience	1,175,561		1,175,561
Changes of assumptions			
Net Plan to Plan Resource Movement			
Contributions - employer		9,307,781	(9,307,781)
Contributions - employees		2,801,576	(2,801,576)
Net investment income		51,716,414	(51,716,414)
Benefit payments, including refunds of employee contributions	(17,080,553)	(17,080,553)	
Administrative expense		(226,211)	226,211
Other Miscellaneous Income/(Expense)			
Net changes	<u>11,691,177</u>	<u>46,519,007</u>	<u>(34,827,830)</u>
Balance at June 30, 2021 Measurement Date	<u>\$ 323,438,359</u>	<u>\$ 272,970,126</u>	<u>\$ 50,468,233</u>

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020 Measurement Date	\$ 492,450,123	\$ 300,369,779	\$ 192,080,344
Changes in the year:			
Service cost	7,321,091		7,321,091
Interest on the total pension liability	34,630,972		34,630,972
Differences between actual and expected experience	2,591,031		2,591,031
Changes of assumptions			
Net Plan to Plan Resource Movement			
Contributions - employer		20,116,075	(20,116,075)
Contributions - employees		3,533,418	(3,533,418)
Net investment income		67,959,767	(67,959,767)
Benefit payments, including refunds of employee contributions	(28,704,897)	(28,704,897)	
Administrative expense		(300,051)	300,051
Other Miscellaneous Income/ (Expense)			
Net changes	<u>15,838,197</u>	<u>62,604,312</u>	<u>(46,766,115)</u>
Balance at June 30, 2021 Measurement Date	<u>\$ 508,288,320</u>	<u>\$ 362,974,091</u>	<u>\$ 145,314,229</u>
Total of Miscellaneous and Safety Plans	<u>\$ 831,726,679</u>	<u>\$ 635,944,217</u>	<u>\$ 195,782,462</u>

Note 9 – Pension Plans (Continued)

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

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 89,287,866	\$ 211,235,848
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 50,468,233	\$ 145,314,229
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 18,029,403	\$ 90,987,110

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

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension – For the year ended June 30, 2022, the City recognized pension expense of \$551,132 and \$12,240,830 for the Miscellaneous and Safety Plans, respectively, and when combined with the pension expense of the 1079 and 1082 Plans discussed in Note 9B below, the City recognized total pension expense of \$13,627,388 during the year ended June 30, 2022. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 9,905,744	\$ -
Changes in assumptions		
Differences between expected and actual experience	685,744	(215,831)
Net differences between projected and actual earnings on plan investments		(26,111,582)
Total	<u>\$ 10,591,488</u>	<u>\$ (26,327,413)</u>
	<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 22,288,892	\$ -
Changes in assumptions	5,779,816	
Differences between expected and actual experience		
Net differences between projected and actual earnings on plan investments		(33,851,131)
Total	<u>\$ 28,068,708</u>	<u>\$ (33,851,131)</u>

Note 9 – Pension Plans (Continued)

	Total - Both Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 32,194,636	\$ -
Changes in assumptions	5,779,816	
Differences between expected and actual experience	685,744	(215,831)
Net differences between projected and actual earnings on plan investments		(33,851,131) (26,111,582)
Total	<u>\$ 38,660,196</u>	<u>\$ (60,178,544)</u>

The amounts of \$9,905,744 and \$22,288,892 for the Miscellaneous and Safety Plans, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization		
	Miscellaneous	Safety	Total
2023	\$ (6,393,221)	\$ (4,866,680)	\$ (11,259,901)
2024	(5,862,702)	(6,433,032)	(12,295,734)
2025	(6,240,777)	(7,497,352)	(13,738,129)
2026	(7,144,969)	(9,274,251)	(16,419,220)
Total	<u>\$ (25,641,669)</u>	<u>\$ (28,071,315)</u>	<u>\$ (53,712,984)</u>

Subsequent Event - Reduction of CalPERS Discount Rate - On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy approved by the CalPERS Board in 2015, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Note 9 – Pension Plans (Continued)

B. Police and Fire Pension Plans

The City sponsors and administers two single employer defined benefit retirement plans for certain police and fire department retirees. Police and fire employees who entered service before 1953 participate in Plan 1079, a closed plan consisting of 9 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.

Police and fire employees who entered service on or before January 1, 1953 and did not transfer to CalPERS participate in Plan 1082, a closed plan which consists of one retired employee. At June 30, 2022, the monthly pension benefit was \$2,790, 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.

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

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

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

Note 9 – Pension Plans (Continued)

The City’s total pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 (the measurement date). Changes in the City’s total pension liability were as follows:

1079 Plan:

Total pension liability - June 30, 2021	\$ 5,409,372
Changes for the year	
Interest	105,696
Difference between expected and actual experience	(750,456)
Change of assumptions	(359,776)
Benefit payments	(752,461)
Net increase (decrease) in total pension liability	<u>(1,756,997)</u>
Total pension liability - June 30, 2022	<u>\$ 3,652,375</u>

1082 Plan:

Total pension liability - June 30, 2021	\$ 911,163
Changes for the year	
Interest	18,786
Difference between expected and actual experience	0
Change of assumptions	(187,896)
Benefit payments	(33,162)
Net increase (decrease) in total pension liability	<u>(202,272)</u>
Total pension liability - June 30, 2022	<u>\$ 708,891</u>

Total of 1079 & 1082 Plans	<u>\$ 4,361,266</u>
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Actuarial Assumptions – Actuarial assumptions used to determine the total pension liability for each Plan in the June 30, 2021 valuation applied to all periods included in the measurement, are as follows:

Actuarial cost method	N/A; all participants have retired
Inflation	2.75%
Discount Rate	3.75%
Cost of Living Increase	2.00%
Mortality	According to the pre-retirement mortality rates under the CalPERS pension plan updated to reflect the most recent experience study with mortality improvements using Mortality Improvement Scale MP 2014 with 15 year convergence to 2022

Note 9 – Pension Plans (Continued)

Discount Rate – A discount rate of 3.75% was applied in the measurement of the total pension liability. This discount rate is the average, rounded to 5 basis points, of the range of three 20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index.

Change of Assumptions – For the measurement date of June 30, 2022, the discount rate increased from 2.10% to 3.75% for both Plans, and for Plan 1079, the survivor benefit increased from 50% of the retiree’s benefit to 100% of the retiree’s benefit.

Sensitivity of the Total Pension Liability Calculated Using the Discount Rate – The following presents the total pension liability calculated using the discount rate of 3.75%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate at June 30, 2022:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability:			
1079 Plan	\$ 3,944,072	\$ 3,652,375	\$ 3,461,576
1082 Plan	830,850	708,891	622,972
Total both plans	<u>\$ 4,774,922</u>	<u>\$ 4,361,266</u>	<u>\$ 4,084,548</u>

Pension Expense – For the year ended June 30, 2022, the City recognized pension expense for Plan 1079 and Plan 1082 of (\$1,004,536) and (\$169,110), respectively.

C. 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, 2022, total contributions of \$275,264 were made based on a total amount of covered compensation of \$3,670,184.

One of the City’s part-time employees elected to be covered under Social Security, which requires this employee and the City to each contribute 6.2% of the employee’s pay. Total contributions to Social Security during the year ended June 30, 2022, amounted to \$3,684, of which the City paid 50%.

Note 9 – Pension Plans (Continued)

D. *Deferred Compensation Plans*

City employees may defer a portion of their compensation under three 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 Plans are part of public agency agent multiple-employer defined contribution plans that are administered by Mission Square Retirement (formerly ICMA RC), California Public Employees Retirement System and Nationwide Retirement Solutions, Inc. Benefit provisions under the Plans are established by City resolution.

The City has no liability for any losses incurred by the Plans and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has contracts with each company to manage and invest the assets of the Plans. The administrators pool the assets of each Plan with those of other participants and does not make separate investments for the City. The assets in each Plan are the sole property of the participants or their beneficiaries. Since the assets held under each Plan 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. The Plans require investments to be stated at fair value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

Employer contributions to the Plans are based on an employee's bargaining unit. The City will contribute 1% of the employee's base salary to the employee's deferred compensation plan account, if the employee meets the following criteria:

1. The employee is classified as part of the following Bargaining Units:
 - Alameda Municipal Power Unrepresented Management (AMPU)
 - Electric Utility Professionals of Alameda (EUPA)
 - Executive Management Employees (EXME)
 - Police Officers Non-Sworn (PANS)
2. The employee has at least one year of full-time service with the City. The one year of service must be current service, any separation from service with the City will restart the one year.
3. The employee must be enrolled in one of the City's three Deferred Compensation Plans.
4. The employee must contribute at least 0.5% of their base wage to the Deferred Compensation Plan.

In addition to the employees in the groups listed above, the Council Appointees, the City Manager and City Attorney, receive contributions to their Deferred Compensation Plan accounts based on the contract between the City and the individual filling the Council Appointee positions.

Employer contributions to the three Plans for the year ended June 30, 2022 totaled \$98,157.

Note 10 – Post-Employment Health Care Benefits

A. *General Information about the City’s Other Post-Employment Benefit (OPEB) Plans*

Plan Description – The City provides medical and dental benefits to retirees through CalPERS as specified below under the City of Alameda Miscellaneous and Pre-1/1/2019 Safety OPEB Plan and the City of Alameda Post-1/1/2019 Safety OPEB Plan, agent multiple-employer defined benefit health care plans. The City is responsible for establishing and amending the funding policy of the Plans. The Plans do not issue financial statements. Separately issued financial statements of the benefit Plans are available from CALPERS at P.O. Box 942709, Sacramento California 94229-2709.

Prior to July 1, 2018, the City had one OPEB Plan, but active Safety employees as of January 1, 2019 transferred to the new Post-1/1/2019 Safety OPEB Plan.

The City established an irrevocable trust for each Plan with Public Agency Retirement Services (PARS) to fund its retiree health benefits. On March 1, 2014, the City adopted the Public Agencies Post-Employment Benefits Trust (PARS) to prefund other post-employment benefits (OPEB). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code or the City’s investment policy. The City elected a discretionary investment approach, which allows the City to maintain oversight of the investment management, control on target yield and the portfolio’s risk tolerance, under the Moderate Index PLUS and Balanced Index PLUS investment options. Contributions to the trusts are made annually according to the City’s OPEB funding policy.

Note 10 – Post-Employment Health Care Benefits (Continued)

The City is the Plan administrator, while PARS administers the investment trusts. The City's OPEB Plans do not issue separate financial statements. PARS issues a separate annual financial report and copies of the report may be obtained by writing to PARS at 4350 Von Karman Ave., Suite 100, Newport Beach, CA 92660.

Eligibility Requirements and Benefits Provided – The following is a summary of Plan eligibility requirements and benefits by employee group as of June 30, 2022:

Eligibility requires retiring from the City under CalPERS typically on or after age 50 (52 for PEPRAs employees) with at least 5 years of CalPERS service or disability retirement.

The City's contribution for medical coverage for Miscellaneous employees is the Public Employees' Medical and Hospital Care Act (PEHMCA) minimum required contribution (MRC) - \$149 per month in 2022.

The City's contribution for Safety employees varies depending on bargaining group, date of retirement and date of hire as follows:

Employees Retiring Prior to January 1, 2011

The City pays the full premium cost for the retiree and any covered spouse. If Alameda Police Officers Association (APOA) employee was hired prior to July 1, 1995, the employee was required to have at least 15 years of City service. If APOA, Alameda Police Management Association (APMA), International Association of Firefighters Local 689 (IAFF), or Alameda Fire Chiefs Association (AFCA) employee was hired on or after July 1, 1995, the employee was required to have at least 20 years of City service. Employees that do not meet the service requirement at the time of retirement receive the PEMHCA MRC.

Employees Retiring On or After January 1, 2011

If the employee was hired on or prior to June 7, 2011, the City pays up to the higher of the Kaiser or Blue Shield Bay Area two-party rate. Employees with less than 5 years of City service receive the PEMHCA MRC. If the employee was hired after June 7, 2011, the City pays up to the higher of the Kaiser or Blue Shield rate for single coverage if the employee has at least 10 years of City service. Employees with less than 10 years of City service at the time of retirement receive the PEMHCA MRC. Surviving spouses are eligible to continue coverage after the death of the retiree and receive a similar contribution.

Dental Benefits - Full dental benefits are provided to Safety employees including spouse coverage.

Employees Covered by Benefit Terms – Membership in the Plans consisted of the following at the actuarial valuation date of June 30, 2020:

Note 10 – Post-Employment Health Care Benefits (Continued)

Miscellaneous and Pre-1/1/2019 Safety Plan Membership – As described in the table in Note 10A, Plan membership varies based on different employee bargaining groups. As of the June 30, 2020 valuation date, membership in the OPEB Plan consisted of the following:

Active employees	333
Inactive employees or beneficiaries currently receiving benefit payments	376
Inactive employees entitled to but not yet receiving benefit payments	<u>255</u>
Total	<u><u>964</u></u>

Post-1/1/2019 Safety Plan Membership – As of the June 30, 2020 valuation date, membership in the Post-2018 Safety OPEB Plan consisted of the following:

Active employees	177
Inactive employees or beneficiaries currently receiving benefit payments	14
Inactive employees entitled to but not yet receiving benefit payments	<u>2</u>
Total	<u><u>193</u></u>

B. Net OPEB Liability

Actuarial Methods and Assumptions – The total OPEB liability for each Plan was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2022 using standard update procedures.

The Miscellaneous and Pre-1/1/2019 Safety Plan valuation used the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

	<u>Actuarial Assumptions</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	3.09% in 2021 and 4.69% in 2022
Inflation	2.75%
Payroll Growth	2.75%, plus merit increases
Investment Rate of Return	5.89%
Mortality Rate	CalPERS 2014 experience study for the CalPERS pension plan projected fully generational Scale MP-2014 modified to converge to ultimate rates in 2022
Healthcare Trend Rates	6.50% in 2021, 6.0% in 2022 and will decline to 4.5% in 2025 and later years
Dental Trend Rate	3.00%

Note 10 – Post-Employment Health Care Benefits (Continued)

The Post-1/1/2019 Safety Plan valuation used the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

	Actuarial Assumptions
Valuation Date	June 30, 2020
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	3.25% in 2021 and 4.89% in 2022
Inflation	2.75%
Payroll Growth	2.75%, plus merit increases
Investment Rate of Return	6.22%
	CalPERS 2014 experience study for the CalPERS pension plan projected fully generational Scale MP-2014 modified to converge to ultimate rates in 2022
Mortality Rate	6.50% in 2021, 6.0% in 2022 and will decline to 4.5% in 2025 and later years
Healthcare Trend Rates	3.00%
Dental Trend Rate	3.00%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Miscellaneous and Pre-1/1/2019 Safety Plan

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<i>Moderate Plus</i>		
Equity	50.0%	7.08%
Fixed Income	45.0%	3.84%
Cash	5.0%	2.40%
Total	100.0%	

Post-1/1/2019 Safety Plan

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<i>Balanced Plus</i>		
Equity	60.0%	7.08%
Fixed Income	35.0%	3.84%
Cash	5.0%	2.40%
Total	100.0%	

Note 10 – Post-Employment Health Care Benefits (Continued)

Discount Rate – The discount rate used to measure the total OPEB liability was 4.69% for the Miscellaneous and Pre-1/1/2019 Safety Plan and 4.89% for the Post-1/1/2019 Safety Plan, based on a blended rate of asset expected rates of return using the average of three 20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer GO 20-Bond Municipal Bond Index, and Fidelity 20 Year GO Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Actuarial Assumptions – The assumptions for both Plans changed from the measurement date June 30, 2021 to the measurement date June 30, 2022 as follows:

- The discount rate was updated to reflect the results of the crossover test –
 - Miscellaneous and Pre-1/1/2019 Safety Plan increased from 3.09% to 4.69%
 - Post-1/1/2019 Safety Plan increased from 3.25% to 4.89%
- Medical trend rates were decreased from 6.50% to an initial trend rate of 6.0% trending down to 4.5%

C. Changes in Net OPEB Liability

The changes in the net OPEB liability for the Miscellaneous and Pre-1/1/2019 Safety Plan follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2021	\$ 84,202,764	\$ 5,234,250	\$ 78,968,514
Changes Recognized for the Measurement Period:			
Service Cost	1,301,935		1,301,935
Interest on the total OPEB liability	2,579,151		2,579,151
Changes of benefit terms			
Changes of assumptions	(14,950,435)		(14,950,435)
Differences between expected and actual experience	(3,925,906)		(3,925,906)
Contributions from the employer		4,105,294	(4,105,294)
Net investment income		(590,348)	590,348
Administrative expenses		(20,192)	20,192
Benefit payments	(4,105,294)	(4,105,294)	
Net changes	(19,100,549)	(610,540)	(18,490,009)
Balance at June 30, 2022 (Measurement Date)	\$ 65,102,215	\$ 4,623,710	\$ 60,478,505



City of Alameda
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

Note 10 – Post-Employment Health Care Benefits (Continued)

The changes in the net OPEB liability for the Post-1/1/2019 Safety Plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2021	\$ 50,997,645	\$ 15,450,473	\$ 35,547,172
Changes Recognized for the Measurement Period:			
Service Cost	3,504,390		3,504,390
Interest on the total OPEB liability	1,762,214		1,762,214
Changes of benefit terms			
Changes of assumptions	(12,486,596)		(12,486,596)
Differences between expected and actual experience	(2,549,486)		(2,549,486)
Contributions from the employer		1,403,907	(1,403,907)
Net investment income		(1,906,123)	1,906,123
Administrative expenses		(564,625)	564,625
Benefit payments	(564,625)	(60,557)	(504,068)
Net changes	(10,334,103)	(1,127,398)	(9,206,705)
Balance at June 30, 2022 (Measurement Date)	\$ 40,663,542	\$ 14,323,075	\$ 26,340,467
Total for Both Plans	\$ 105,765,757	\$ 18,946,785	\$ 86,818,972

Fiscal Year 2022 contributions for each Plan were comprised of the following:

	Miscellaneous and Pre-1/1/2019 Safety Plan	Post-1/1/2019 Safety Plan
Premium Payments	\$ 3,178,548	\$ 488,723
Prefunding Contributions		839,282
Implicit Subsidies	926,746	75,902
Total Contributions	\$ 4,105,294	\$ 1,403,907

Note 10 – Post-Employment Health Care Benefits (Continued)

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Miscellaneous and Pre-1/1/2019 Safety Plan:

Net OPEB Liability/(Asset)		
	Current	
Discount Rate -1%	Discount Rate	Discount Rate +1%
(3.69%)	(4.69%)	(5.69%)
\$ 69,510,073	\$ 60,478,505	\$ 53,604,854

Post-1/1/2019 Safety Plan:

Net OPEB Liability/(Asset)		
	Current	
Discount Rate -1%	Discount Rate	Discount Rate +1%
(3.89%)	(4.89%)	(5.89%)
\$ 29,290,652	\$ 26,340,467	\$ 17,705,225

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Miscellaneous and Pre-1/1/2019 Safety Plan:

Net OPEB Liability/(Asset)		
1% Decrease	Current Rate	1% Increase
(5.00% HMO/5.00% PPO decreasing to 3.50% HMO/3.50% PPO)	(6.00% HMO/6.00% PPO decreasing to 4.50% HMO/4.50% PPO)	(7.00% HMO/7.00% PPO decreasing to 5.50% HMO/5.50% PPO)
\$ 52,926,975	\$ 60,478,505	\$ 70,308,934

Post-1/1/2019 Safety Plan:

Net OPEB Liability/(Asset)		
1% Decrease	Current Rate	1% Increase
(5.00% HMO/5.00% PPO decreasing to 3.50% HMO/3.50% PPO)	(6.00% HMO/6.00% PPO decreasing to 4.50% HMO/4.50% PPO)	(7.00% HMO/7.00% PPO decreasing to 5.50% HMO/5.50% PPO)
\$ 16,401,282	\$ 26,340,467	\$ 31,252,346

Note 10 – Post-Employment Health Care Benefits (Continued)

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense for the Miscellaneous and Pre-1/1/2019 Safety Plan of \$1,795,497 and recognized OPEB expense for the Post-1/1/2019 Safety Plan of \$2,942,361. At June 30, 2022, the City reported deferred inflows of resources related to OPEB from the following sources:

Miscellaneous and Pre-1/1/2019 Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actuarial experiences on liability	\$ 3,150,564	\$ (3,140,725)
Net differences between projected and actual earnings on plan investments	437,362	
Changes of assumptions	2,428,055	(11,960,348)
Total	<u>\$ 6,015,981</u>	<u>\$ (15,101,073)</u>

Post-1/1/2019 Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actuarial experiences on liability.	\$ -	\$ (11,608,495)
Net differences between projected and actual earnings on plan investments	\$ 1,188,347	
Changes of assumptions	6,777,333	(12,824,922)
Total	<u>\$ 7,965,680</u>	<u>\$ (24,433,417)</u>
Total - Both Plans	<u>\$ 13,981,661</u>	<u>\$ (39,534,490)</u>

Note 10 – Post-Employment Health Care Benefits (Continued)

Amounts reported as deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Miscellaneous and Pre-1/1/2019 Safety Plan:

Year Ended June 30	Annual Amortization
2023	\$ (1,794,401)
2024	(1,839,068)
2025	(1,855,965)
2026	(3,595,658)
Total	<u>\$ (9,085,092)</u>

Post-1/1/2019 Safety Plan:

Year Ended June 30	Annual Amortization
2023	\$ (1,399,928)
2024	(1,343,682)
2025	(1,401,125)
2026	(1,006,762)
2027	(1,584,961)
Thereafter	(9,731,279)
Total	<u>\$ (16,467,737)</u>

Note 11 – Risk Management

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

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

Note 11 – Risk Management (Continued)

A. Risk Coverage

The City is a member of the California Joint Powers Risk Management Authority (CJPRMA), which covers general liability claims. The City has a self-insured retention of \$500,000 per claim. Once the self-insured retention is met, CJPRMA becomes responsible for payment of all claims up to the limit. During the fiscal year ended June 30, 2022, the City contributed \$1,338,698 for coverage during the current year.

The City is a member of the Local Agency Workers’ Compensation Excess Joint Powers Authority (LAWCX), which covers workers’ compensation claims up to statutory limits. The City has a self-insured retention of up to \$500,000 per claim. During the fiscal year ended June 30, 2022, the City contributed \$722,558, for current year coverage. In addition, the LAWCX Board of Directors approved the \$250,000 Pool Deficit Curing and Assessment Plan (Plan) on June 5, 2018. The Plan was implemented to collect additional contributions for prior program years from 1994 through 2004, and only impacted members who participated in those years. The assessments were billed on July 1, 2019. Members had two payment options: 1) pay the allocated assessment amount in ten (10) equal annual installments beginning July 1, 2019, or 2) receive a 10% discount off the allocated amount if the entire balance was paid in full by August 15, 2019. The City of Alameda’s allocated assessment was \$452,731 and the City elected option one, with the first payment made in Fiscal Year 2020. The balance due as of June 30, 2022 is \$316,912.

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
Liability	\$ 40,000,000
Government Crimes	\$ 75,000
Auto - Physical damage	\$ 10,000,000
Workers’ Compensation	Statutory Limits
Property Coverage - All Risk of Direct Physical Loss or Damage excluding earthquake and flood	\$ 400,000,000
Property Coverage - Boiler & Machinery	\$ 100,000,000
Computer Software	Self-Insured
Terrorism	\$ 12,500,000
Vessel	\$ 1,000,000
Information Security and Privacy, with Electronic Media Liability (Cyber)	\$ 10,000,000
Underground Storage Tank	\$ 1,000,000

B. Insurance Internal Service Funds

Generally accepted accounting principles require municipalities to record a liability for uninsured claims and to reflect the current portion of this liability as an expense in the financial statements. As discussed above, the City has coverage for such claims, but it has retained the risk for the self-insured retention, or uninsured portion of these claims.

Note 11 – Risk Management (Continued)

The City’s liability for uninsured general liability claims, including claims incurred but not reported, is reported in the City’s General Liability Insurance Internal Service Fund and the Alameda Municipal Power Enterprise Fund. The liability is based on an independent actuarial study prepared semi-annually and was computed using an 80% confidence level for the years ended June 30th as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Beginning balance	\$ 5,627,453	\$ 6,566,513
Increase (decrease) in estimated liability for prior year claims	4,474,024	(858,078)
Claims paid in current year	<u>(603,613)</u>	<u>(80,982)</u>
Ending balance	<u>\$ 9,497,864</u>	<u>\$ 5,627,453</u>
Current portion	<u>\$ 3,282,537</u>	<u>\$ 2,094,094</u>

The change in the Workers’ Compensation claims liability, including claims incurred but not reported, is reported in the City’s Workers’ Compensation Internal Service Fund and Alameda Municipal Power Enterprise Fund. The liability is based on an independent actuarial study prepared semi-annually and was computed using an 80% confidence level as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Beginning balance	\$ 15,547,656	\$ 16,132,924
Increase (decrease) in estimated liability for prior year claims	94,112	1,880,384
Claims paid in current year	<u>(1,576,676)</u>	<u>(2,465,652)</u>
Ending balance	<u>\$ 14,065,092</u>	<u>\$ 15,547,656</u>
Current portion	<u>\$ 4,064,042</u>	<u>\$ 4,573,560</u>

The Alameda Municipal Power Fund (AMP) accounts for \$1,120,077 of the total claims liability. The remainder of the liability is accounted for in the General Liability Insurance and Workers’ Compensation Insurance Internal Service Funds.

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

Note 12 – Alameda Municipal Power 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 15 public agencies (AMP, BART, Biggs, Gridley, Healdsburg, Lompoc, Palo Alto, Ukiah, Lodi, Port of Oakland, Redding, Roseville, Shasta Lake, Silicon Valley Power, Truckee-Donner PUD). Turlock Irrigation District withdrew from NCPA on April 1, 2011. The City of Shasta Lake was added as a new member in 2016. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, as well as to optimize the use of those facilities and the member’s position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

Amounts paid by AMP, net of refunds, to NCPA during the fiscal years ending June 30, 2022 and 2021 for purchased power were \$33,920,081 and \$30,296,114, respectively. Additionally, purchased power was reduced by a refund of \$30,370 and \$538,732 for power exchange distribution and budget settlement monies returned to the NCPA General Operating Reserve (GOR), for the fiscal years ended June 30, 2022 and 2021, respectively.

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

The changes in AMP’s share in NCPA projects and reserve are set forth below:

	<u>June 30, 2022</u>
Beginning balance	\$ 11,408,433
Increase (decrease) in equity in NCPA projects	(4,751,918)
Ending balance	<u>\$ 6,656,515</u>

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

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

General Operation Reserve	\$ 4,765
Purchased Power & Transmission	
Share of Scheduling Coordination Balancing Account	2,432,730
Share of Congestion Revenue Rights (CRR)	300,758
Share of ISO EAL Deposit	175,732
Associated Member Services	113,688
Market Purchase Program (MPP) Deposit	<u>25,536</u>
Subtotal	3,053,209
Alameda Municipal Power's share of NCPA	
Power Projects:	
Geothermal Projects/Power Line	2,686,209
Calaveras Hydroelectric Project No	312,712
Combustion Turbine Project No. 1	444,799
Combustion Turbine Project No. 2	<u>159,586</u>
Total	<u><u>\$ 6,656,515</u></u>

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

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

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

Geothermal Projects - A power purchase agreement with NCPA obligates AMP for 18.31469 percent of the debt service and the operating costs for two geothermal steam powered generating plants, Plant Number 1 and Plant Number 2, located in the Geysers area in Northern California. In conjunction with these payments, AMP is entitled to receive 16.8825 percent 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.

Calaveras Hydroelectric Project - NCPA contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, NCPA has the right to the electric output of the project for 50 years starting in February 1982 and also has an option to purchase power from the project in excess of the District’s requirements for the subsequent 50 years, subject to regulatory approval. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants. AMP is entitled to receive 10.0 percent of output from facility. The debt obligation increased to 11.582 percent as other members have opted out and a reallocation was done for the remaining members.

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

Combustion Turbine Project No. 1 - In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities including Alameda, began full commercial operation in June 1986 and provides reserve and peaking power. During August 2010, phase two of the first amendment to the NCPA power purchase agreement finalized the transfer of ownership of two NCPA electricity generating units to the City of Roseville due to a misalignment of ISO control areas. The transfer reduced the generation output of the project to 74 MW, and increased the entitlement share to 21.82 percent. Although AMP’s project percentage share increases, its resulting generating capacity entitlement remains constant at 16.05 MW.

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 percent of the debt service for the STIG project.

On December 20, 2019, NCPA issued Capital Facilities Revenue Bonds, 2019 Refunding Series A, in the amount of \$20,450,000 with an average interest rate of 5.0% to refund \$25,450,000 of outstanding Capital Facilities Revenue Bonds, 2010 Refunding Series A with an average interest rate of 5.1249%. The net proceeds were used to purchase US government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the old bonds are considered defeased. The outstanding 2010 Series A Bonds were called for redemption on February 1, 2020.

On April 2, 2019, NCPA issued Hydroelectric Project Number One Revenue Bonds, 2019 Refunding Series A, in the amount of \$39,250,000 with an average interest rate of 4.9126% to refund \$52,845,000 of outstanding Hydroelectric Project Number One Revenue Bonds, 2010 Refunding Series A with an average interest rate of 4.9003%. The net proceeds were used to purchase US government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. As a result, the old bonds are considered defeased.

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 percent.

NCPA’s notes from direct placement contain provisions that in an event of default, outstanding amounts become immediately due if (1) NCPA is unable to pay the principal or interest when due, (2) files bankruptcy or becomes insolvent, or (3) S&P issues a downgrade below “BBB-“.

NCPA outstanding revenue bonds contain provisions that in the event of a participant default, the project entitlement percentage of each non-defaulting project participant will increase on a prorated basis up to a maximum of 25% for Hydroelectric, Geothermal and Capital Facilities projects and 35% for the Lodi Energy Center project. AMP does not participate in the Lodi Energy Center project but would be obligated under the other projects.

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

As of June 30, 2022, AMP’s share of long-term debt for the Geothermal, Hydroelectric and Capital Facilities Projects are set forth below:

	Final Maturity	Total			AMP			
		Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Current Portion	AMP's Obligation %	\$
Geothermal Project								
2012A	7/1/2022	\$ 2,165,000	\$ -	\$ 1,440,000	\$ 725,000	\$ 1,440,000	16.8825%	\$ 122,398
2016A	7/1/2024	13,340,000		3,250,000	10,090,000	3,250,000	16.8825%	1,703,444
Total Geothermal Project		15,505,000		4,690,000	10,815,000	4,690,000		1,825,842
Hydroelectric Project								
2008A	7/1/2032	81,475,000		81,475,000			10.0000%	
2012A&B	7/1/2032	83,785,000		76,665,000	7,120,000		10.0000%	712,000
2018A&B (a)	7/1/2025	49,260,000		11,310,000	37,950,000	11,310,000	11.5821%	4,395,407
2019A	7/1/2023	30,480,000		8,185,000	22,295,000	8,185,000	10.0000%	2,229,500
2022A	7/1/2032		120,300,000		120,300,000	2,180,000	10.0000%	12,030,000
2022B	7/1/2025		12,010,000		12,010,000		11.5821%	1,391,010
Unamortized premium		10,822,613	25,095,000	7,100,000	28,817,613		10.0000%	
Total Hydroelectric Project		255,822,613	157,405,000	184,735,000	228,492,613	21,675,000		20,757,917
Capital Facilities (STIG)								
2019A	7/1/2025	17,875,000		4,080,000	13,795,000	4,080,000	19.0000%	2,621,050
Unamortized premium		1,440,661		533,723	906,938		19.0000%	
Total Capital Facilities		19,315,661		4,613,723	14,701,938	4,080,000		2,621,050
Total Long-Term Debt		\$ 290,643,274	\$ 157,405,000	\$ 194,038,723	\$ 254,009,551	\$ 30,445,000	\$ -	\$ 25,204,809

NCPA Geothermal (2009A & 2016A) and Hydroelectric bonds pay principal July 1. Geothermal 2012A bonds pay principal both January 1 and July 1.

(a) AMP's share is 10%, the above reflects the other member opt out allocation %.
NCPA Capital Facilities bonds pay principal August 1.

Defeased Debt - Various bond refundings were undertaken to defease debt and realize future debt service savings. Debt was defeased by using the proceeds of the refunding issues and other available monies to irrevocably place in trust cash and US Gov’t securities, which together with interest earned thereon, will be sufficient to pay both the interest and the appropriate maturity or redemption value of the refunded bonds as required.

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 percent of the power output from this small 440 kilowatt hydroelectric project.

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

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

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

Highwinds Project Power Purchase

In December 2004, AMP entered into a long-term power purchase agreement with PPM Energy, Inc. for power supplied by the Highwinds Project in Solano County, California. In 2008, Iberdrola Renewables succeeded PPM Energy as the seller counterparty for this power purchase agreement. AMP receives 6.17 percent of the output of the 162 megawatt project (nameplate rating) – 10 megawatts – as delivered 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 each of the first two 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. The final landfill facility, Butte, commenced operation at the end of 2012.

Silicon Valley Power Renewable Power Purchase - Since 2018, AMP has entered into a long-term power purchase agreement with Silicon Valley Power for winter only, renewable power. Silicon Valley Power supplies AMP with 10MW of baseload renewable energy production from various renewable energy generators for the months of October through February.

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

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

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

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

NCPA Financial Information - NCPA’s financial statements can be obtained from NCPA, 651 Commerce Drive, Roseville, California 95678.

Transmission Agency of Northern California (TANC)

AMP is a member of a joint powers agreement with fifteen other entities in TANC. TANC’s purpose is to provide electrical transmission or other facilities for the use of its members. While governed by its members, none of TANC’s obligations are those of its members unless expressly assumed by them. The California-Oregon Transmission Project (COTP) is one of three high voltage transmission lines connecting Oregon and California. The 500 kV line is able to transmit 1,600 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 1.2274 percent and AMP is obligated to pay 1.33 percent of the project’s operating costs.

AMP is obligated to pay 1.33 percent 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 percent. 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, 2022 and 2021, AMP’s share of this debt is \$0 and \$0, respectively.

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

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

In 2016, TANC issued \$173.9 million of tax-exempt 2016 Series A Revenue Refunding Bonds. The proceeds of the bonds were used to refund the certain outstanding bonds issued by TANC to finance or refinance a portion of the costs of the California – Oregon Transmission Project, fund the costs of terminating in full certain interest rate swap agreements relating to the variable rate Refunded Bonds, and fund a debt service reserve account for the 2016A bonds, and pay costs of the issuance of the 2016A Bonds. The 2016 Series A “small member” debt portion is \$2,517,565. AMP is obligated to pay \$52,970, or 2.104% of that debt.

TANC Financial Information - 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 – Leases

A. Leases Receivable

The balances related to leases receivable and deferred inflows of resources as of June 30, 2022 were:

<u>Leases Receivable (Lessor)</u>	<u>Leases Receivable</u>	<u>Deferred Inflows of Resources</u>
<i>Governmental Activities</i>		
Facilities Rentals	\$ 67,941,421	\$ 66,252,755
Communication Site Leases	2,250,737	2,164,206
Tidelands	829,273	804,883
Total	<u>\$ 71,021,431</u>	<u>\$ 69,221,844</u>

Facilities Rentals – The City leases commercial space to third parties. During the year ended June 30, 2022, the City had 20 leases at Alameda Point, a golf complex and a preschool that were subject to being recorded as a lease receivable under generally accepted accounting principles. The original lease terms were from five years to sixty years. As of June 30, 2022, the 20 leases had 0.5 to 55 years remaining. Fifteen of the leases had optional extension periods, ranging from five to twenty years. The City included extension periods that were reasonably certain to be exercised in the calculation of the lease receivable balances. The City recognized \$6,187,966 in lease revenue and \$1,577,474 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

Note 13 – Leases (Continued)

Communication Site Leases – The City leases three locations to third parties for the provisions of mobile/wireless communication services. As of June 30, 2022, the three leases had three to four years remaining. The City recognized \$174,535 in lease revenue and \$52,120 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

Tidelands – The City leases four tideland properties. Leases are for state tidelands properties delegated to local agencies for management and control. As of June 30, 2022, the four leases had 6 to 7 years remaining. The City recognized \$117,992 in lease revenue and \$60,118 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

B. Lease Payable

In March 2016, AMP entered into a property lease agreement with the 1835 Alameda Property, LLC for warehousing/distributing space. The lease terms for the agreement started on May 1, 2016 and will expire on April 30, 2031. The base rent is \$24,700 per month. The monthly lease payments are increased annually in the amount of 3% every May 1. AMP recorded an initial lease liability and intangible right-to-use asset in the amount of \$3,142,914, respectively, as of July 1, 2021. As of June 30, 2022, the balance of the lease liability was \$2,908,512 and the net value of the right-to-use asset was \$2,823,296, including accumulated amortization of \$319,618.

A summary of lease payable transactions for the fiscal year ended June 30, 2022, are as follows:

	Balance June 30, 2021 (as restated)	Retirements	Balance June 30, 2022	Current Portion
Lease Liability				
1835 Alameda Property, LLC	\$ 3,142,914	\$ (234,402)	\$ 2,908,512	\$ 251,431

The future principal and interest lease payments as of June 30, 2022, are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 251,431	\$ 83,838	\$ 335,269
2024	269,276	76,051	345,327
2025	287,969	67,718	355,687
2026	307,545	58,812	366,357
2027	328,042	49,306	377,348
2028-2031	1,464,249	89,249	1,553,498
Total	\$ 2,908,512	\$ 424,974	\$ 3,333,486

Note 14 – Commitments and Contingencies

A. City of Alameda

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

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

Encumbrances

Encumbrances outstanding as of June 30, 2022 are listed below:

	<u>Amount</u>
Major Governmental Funds:	
General Fund	\$ 963,915
Base Reuse Special Revenue Fund	241,513
Total Major Governmental Funds	<u>1,205,428</u>
Non-Major Governmental Funds:	
Special Revenue Funds	
Parking Meters	19,393
Commercial Revitalization	322,280
FISC Lease Revenue	37,361
Gas Tax	924
Housing	11,569
Maintenance Assessment District	14,378
Capital Improvement Projects Fund	58,737
Alameda Point	1,065,990
Total Non-Major Governmental Funds	<u>1,530,632</u>
Total Governmental Fund Encumbrances	<u><u>\$ 2,736,060</u></u>

Note 14 – Commitments and Contingencies (Continued)

B. Alameda Municipal Power Fund

i) Take or Pay Agreements

Under the terms of its NCPA and TANC joint venture agreements, AMP is liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Note 12. AMP’s estimated share of such debt outstanding at June 30, 2022 was \$25,204,809. Under certain circumstances, AMP may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, AMP may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants. These “step up” provisions are generally capped at a 25 percent increase.

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

Project	Debt Expiration	Entitlement Share %	Debt service %
NCPA - Geothermal Project (NGP)	July-2024	16.88250%	18.88250%
NCPA - Calaveras Hydroelectric Project (NCHP)	July-2032	10.00000%	10.00246%
NCPA - Capital Facilities Project (NCFP)	July-2026	19.00000%	17.82792%

As discussed in Note 12, as of July 1, 2014, AMP and other NCPA members executed a multiparty Long-Term Layoff Agreement that laid off their participating percentage share of the COTP to other TANC participants.

A summary of AMP’s “Take or Pay” contracts and related projects and its contingent liability for the debt service including principal and interest payments at June 30, 2022 is as follows:

Fiscal Year	NGP	NCHP	NCFP	Total
2023	\$ 680,364	\$ 2,489,471	\$ 829,350	\$ 3,999,185
2024	567,252	3,269,063	876,850	4,713,165
2025	578,226	2,972,092	914,850	4,465,168
2026		1,332,261		1,332,261
2027		1,638,369		1,638,369
2028-2032		8,344,661		8,344,661
2033		712,000		712,000
Total	\$ 1,825,842	\$ 20,757,917	\$ 2,621,050	\$ 25,204,809

Note 15 – Redevelopment Agency Dissolution and Successor Agency Activities

A. *Redevelopment Dissolution*

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

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

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

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

The City elected to become the Successor Agency and on February 1, 2012 the CIC's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established. The activities of the Successor Agency were subject to review and approval of the Oversight Board, which was comprised of seven members, including the City Manager and one former CIC employee appointed by the Mayor. On July 1, 2018, the duties of the Alameda Oversight Board transferred to a new Alameda County-wide Consolidated Oversight Board, which will now be responsible for overseeing the wind down of affairs of all Successor Agencies in Alameda County, including the Successor Agency to the CIC.

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, 2022 are discussed in Note 2. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2022.

Note 15 – 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

	Balance June 30, 2021	Retirements	Balance June 30, 2022	Due within one year
2014 A SA CIC Tax Exempt Bonds	\$ 23,495,000	\$ -	\$ 23,495,000	\$ -
Plus: Unamortized bond premium	2,318,159	(190,227)	2,127,932	
2014 B SA CIC Taxable Bonds	12,720,000	(2,145,000)	10,575,000	2,225,000
2017 SA CIC Taxable Bonds	12,380,000	(260,000)	12,120,000	290,000
Less: Unamortized bond discount	(150,430)	7,451	(142,979)	
Total Bonds	<u>\$ 50,762,729</u>	<u>\$ (2,587,776)</u>	<u>\$ 48,174,953</u>	<u>\$ 2,515,000</u>

2014 Community Improvement Commission Tax Allocation Bonds

On December 23, 2014, the Successor Agency issued Series 2014 A Subordinated Tax Allocation Refunding Bonds in the principal amount of \$23,495,000 and Series 2014 B Subordinated Taxable Allocation Refunding Bonds in the principal amount of \$25,080,000, for a total original principal amount of \$48,575,000, for the former agency’s merged improvement areas. Proceeds from the sale of the Bonds were used to (a) refund certain outstanding bonds issued by the former Community Improvement Commission of the City of Alameda (Former Agency), the proceeds of which were used to finance redevelopment and low and moderate income housing activities within and for the benefit of the redevelopment project areas of the Former Agency, (b) purchase a municipal bond insurance policy in lieu of funding a debt service reserve account for the Bonds, and (c) provide for the costs of issuing the bonds. The Series 2014 A and B Bonds are secured by a first lien on tax revenues. Principal and interest are payable annually on September 1 through 2034. The interest rates on the bonds vary from 0.553% to 5.0% The bonds were issued at a \$3,565,319 premium. The outstanding balance as of June 30, 2022 was \$36,197,932, including the premium.

2017 Community Improvement Commission Tax Allocation Refunding Bonds

On May 11, 2017, the Successor Agency issued Series 2017 Taxable Allocation Refunding Bonds in the principal amount of \$12,850,000 for the former agency’s merged improvement areas. Proceeds from the sale of the Bonds were used to (a) refund and defease certain outstanding bonds issued by the former Community Improvement Commission of the City of Alameda (Former Agency), the proceeds of which were used to finance redevelopment and low and moderate income housing activities within and for the benefit of the redevelopment project areas of the Former Agency, (b) purchase a debt service reserve insurance policy in lieu of funding a debt service reserve fund for the Bonds, and (c) pay the costs of issuing the Bonds. The Series 2017 Bonds are secured by a lien on tax revenues. Principal and interest are payable semiannually on March 1 and September 1 through 2042. The interest rates on the bonds vary from 1.5% to 4.2%. The bonds were issued at a \$180,706 discount. The outstanding balance as of June 30, 2022 was \$11,977,021, net of the discount.

Note 15 – Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

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 \$8,395,193 which represented coverage of 1.89 times the \$4,487,211 of debt service.

The outstanding balance of the defeased debt as of June 30, 2022 was \$10,630,000.

Debt Service Requirements

Annual debt service requirements are shown below:

For the Year Ending June 30,	Principal	Interest
2023	\$ 2,515,000	\$ 2,003,025
2024	2,630,000	1,915,187
2025	2,760,000	1,817,802
2026	2,910,000	1,710,444
2027	3,060,000	1,587,809
2028-2032	18,160,000	5,533,297
2033-2037	12,355,000	1,352,235
2038-2042	1,800,000	206,763
Subtotal	46,190,000	<u>\$ 16,126,562</u>
Plus unamortized bond premium	2,127,932	
Less unamortized bond discount	(142,979)	
Total	<u>\$ 48,174,953</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.

Note 16 – Subsequent Event

In October 2022, the City Council approved a motion to construct a new aquatic center at Jean Sweeney Park. The project will be funded by using up to 50% of the cost from General Fund Reserves and identifying financing options to cover the balance of project costs. Similar projects in the San Francisco Bay Area have been quoted at between \$25.0 and \$33.0 million.





City of Alameda
Required Supplementary Information
For the Year Ended June 30, 2022

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

Fiscal Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015
Measurement Period	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Total Pension Liability								
Service Cost	\$ 5,631,496	\$ 5,012,281	\$ 4,969,281	\$ 4,744,578	\$ 4,641,162	\$ 3,760,714	\$ 3,766,998	\$ 3,808,115
Interest on the total pension liability	21,964,673	21,185,528	20,619,356	19,883,808	19,356,195	18,828,640	18,158,298	17,592,705
Changes of assumptions				(1,729,391)	15,192,135		(4,194,628)	
Difference between expected and actual experience	1,175,561	(1,654,709)	895,766	(334,914)	271,870	163,395	(1,883,727)	
Benefit payments, including refunds of employee contributions	(17,080,553)	(16,491,161)	(15,582,694)	(15,115,521)	(14,095,607)	(13,711,596)	(12,934,211)	(12,081,658)
Net change in total pension liability	11,691,177	8,051,939	10,901,709	7,448,560	25,365,755	9,041,153	2,912,730	9,319,162
Total pension liability - beginning	311,747,182	303,695,243	292,793,534	285,344,974	259,979,219	250,938,066	248,025,336	238,706,174
Total pension liability - ending (a)	323,438,359	311,747,182	303,695,243	292,793,534	285,344,974	259,979,219	250,938,066	248,025,336
Plan fiduciary net position								
Contributions - employer	9,307,781	8,386,195	6,979,527	5,710,346	5,273,062	4,525,123	3,713,053	3,088,658
Contributions - employees	2,801,576	2,721,137	2,289,733	2,435,141	2,306,147	2,159,065	2,094,771	2,206,769
Net investment income	51,716,414	11,067,395	14,100,692	17,324,360	21,234,381	1,095,194	4,478,705	30,399,751
Benefit payments, including refunds of employee contributions	(17,080,553)	(16,491,161)	(15,582,694)	(15,115,521)	(14,095,607)	(13,711,596)	(12,934,211)	(12,081,658)
Plan to Plan Resource Movement				(497)			(2,433,966)	
Administrative expense	(226,211)	(311,667)	(152,318)	(317,906)	(279,892)	(119,223)	(222,927)	
Other Miscellaneous Income/(Expense)			497	(603,709)				
Net change in fiduciary net position	46,519,007	5,371,899	7,635,437	9,432,214	14,438,091	(6,051,437)	(5,304,575)	23,613,520
Plan fiduciary net position - beginning	226,451,119	221,079,220	213,443,783	204,011,569	189,573,478	195,624,915	200,929,490	177,315,970
Plan fiduciary net position - ending (b)	272,970,126	226,451,119	221,079,220	213,443,783	204,011,569	189,573,478	195,624,915	200,929,490
Net pension liability - ending (a)-(b)	\$ 50,468,233	\$ 85,296,063	\$ 82,616,023	\$ 79,349,751	\$ 81,333,405	\$ 70,405,741	\$ 55,313,151	\$ 47,095,846
Plan fiduciary net position as a percentage of the total pension liability	84.40%	72.64%	72.80%	72.90%	71.50%	72.92%	77.96%	81.01%
Covered payroll	\$ 33,404,342	\$ 32,362,652	\$ 29,336,402	\$ 28,387,102	\$ 27,176,983	\$ 26,437,131	\$ 25,612,255	\$ 24,479,720
Net pension liability as percentage of covered payroll	151.08%	263.56%	281.62%	279.53%	299.27%	266.31%	215.96%	192.39%
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

*Fiscal Year 2015 was the first year of implementation



City of Alameda
Required Supplementary Information
For the Year Ended June 30, 2022

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

Fiscal Year Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Measurement Period								
Total Pension Liability								
Service Cost	\$ 7,321,091	\$ 7,366,903	\$ 7,580,036	\$ 7,333,306	\$ 7,034,547	\$ 6,047,019	\$ 6,121,040	\$ 6,141,031
Interest on the total pension liability	34,630,972	33,476,100	32,199,260	30,481,692	29,313,329	28,386,449	27,178,001	25,739,517
Changes of assumptions				(1,858,258)	24,387,287		(6,618,407)	
Difference between expected and actual experience	2,591,031	3,083,875	9,115,231	3,224,389	248,108	2,256,432	5,283,538	
Benefit payments, including refunds of employee contributions	(28,704,897)	(25,813,263)	(23,984,124)	(22,079,185)	(20,966,135)	(20,335,284)	(19,108,175)	(17,814,345)
Net change in total pension liability	15,838,197	18,113,615	24,910,403	17,101,944	40,017,136	16,354,616	12,855,997	14,066,203
Total pension liability - beginning	492,450,123	474,336,508	449,426,105	432,324,161	392,307,025	375,952,409	363,096,412	349,030,209
Total pension liability - ending (a)	508,288,320	492,450,123	474,336,508	449,426,105	432,324,161	392,307,025	375,952,409	363,096,412
Plan fiduciary net position								
Contributions - employer	20,116,075	13,496,482	18,190,209	22,171,954	10,537,863	9,569,765	9,071,332	8,190,138
Contributions - employees	3,533,418	3,589,299	3,762,229	3,780,834	3,678,165	3,329,883	2,920,035	3,115,074
Net investment income	67,959,767	14,693,325	18,360,463	21,815,840	25,858,078	1,191,816	5,399,063	36,726,928
Benefit payments, including refunds of employee contributions	(28,704,897)	(25,813,263)	(23,984,124)	(22,079,185)	(20,966,135)	(20,335,284)	(19,108,175)	(17,814,345)
Plan to Plan Resource Movement				(651)				
Administrative expense	(300,051)	(415,623)	(198,878)	(396,033)	(347,534)	(147,352)	(272,101)	
Other Miscellaneous Income /(Expense)			651	(752,074)				
Net change in plan fiduciary net position	62,604,312	5,550,220	16,130,550	24,540,685	18,760,437	(6,391,172)	(1,989,846)	30,217,795
Plan fiduciary net position - beginning	300,369,779	294,819,559	278,689,009	254,148,324	235,387,887	241,779,059	243,768,905	213,551,110
Plan fiduciary net position - ending (b)	362,974,091	300,369,779	294,819,559	278,689,009	254,148,324	235,387,887	241,779,059	243,768,905
Net pension liability - ending (a)-(b)	\$ 145,314,229	\$ 192,080,344	\$ 179,516,949	\$ 170,737,096	\$ 178,175,837	\$ 156,919,138	\$ 134,173,350	\$ 119,327,507
Plan fiduciary net position as a percentage of the total pension liability	71.41%	60.99%	62.15%	62.01%	58.79%	60.00%	64.31%	67.14%
Covered payroll	\$ 25,441,316	\$ 24,808,549	\$ 25,333,206	\$ 25,275,362	\$ 24,303,190	\$ 25,965,660	\$ 25,200,216	\$ 23,779,986
Net pension liability as percentage of covered payroll	571.17%	774.25%	708.62%	675.51%	733.14%	604.33%	532.43%	501.80%
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

*Fiscal Year 2015 was the first year of implementation





City of Alameda
Required Supplementary Information
For the Year Ended June 30, 2022

CALPERS AGENT MULTIPLE EMPLOYER PLAN - MISCELLANEOUS
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*

Fiscal Year Ended June 30,	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 9,905,744	\$ 9,318,477	\$ 8,387,122
Contributions in relation to the actuarially determined contributions	<u>9,905,744</u>	<u>9,318,477</u>	<u>8,387,122</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 33,404,342	\$ 33,404,342	\$ 32,362,652
Contributions as a percentage of covered payroll	29.65%	27.90%	25.92%

Notes to Schedule

Valuation date:	6/30/2019	6/30/2018	6/30/2017
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Asset valuation method	Fair Value of Assets	Fair Value of Assets	Fair Value of Assets
Inflation	2.50%	2.50%	2.625%
Salary increase	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment rate of return	7.00% net of pension plan investment expense, including inflation.	7.00% net of pension plan investment expense, including inflation.	7.25% net of pension plan investment expense, including inflation.
Retirement age	50-67 years	50-67 years	50-67 years
Mortality	The probabilities of mortality are based on 2017 CalPERS experience study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.	The probabilities of mortality are based on 2017 CalPERS experience study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.	Retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

*Fiscal Year 2015 was the first year of implementation



City of Alameda
Required Supplementary Information
For the Year Ended June 30, 2022

2019	2018	2017	2016	2015
\$ 6,968,668	\$ 5,710,194	\$ 5,265,991	\$ 4,527,506	\$ 3,713,053
<u>6,968,668</u>	<u>5,710,194</u>	<u>5,265,991</u>	<u>4,527,506</u>	<u>3,713,053</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 29,336,402	\$ 28,387,102	\$ 27,176,983	\$ 26,437,131	\$ 25,612,255
23.75%	20.12%	19.38%	17.13%	14.50%
6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Entry Age Normal Cost Method Level percent of payroll	Entry Age Normal Cost Method Level percent of payroll	Entry Age Normal Cost Method Level percent of payroll	Entry Age Normal Cost Method Level percent of payroll	Entry Age Normal Cost Method Level percent of payroll
Fair Value of Assets	Fair Value of Assets	Fair Value of Assets	Actuarial value of assets	Actuarial value of assets
2.75%	2.75%	2.75%	2.75%	2.75%
3.3% to 14.2% depending on Age, Service, and type of employment	3.3% to 14.2% depending on Age, Service, and type of employment	3.3% to 14.2% depending on Age, Service, and type of employment	3.3% to 14.2% depending on Age, Service, and type of employment	3.3% to 14.2% depending on Age, Service, and type of employment
7.375% net of administrative expenses, includes inflation	7.375% net of administrative expenses, includes inflation	7.5% net of administrative expenses, includes inflation	7.5% net of administrative expenses, includes inflation	7.5% net of administrative expenses, includes inflation
50-67 years	50-67 years	50-67 years	50-67 years	50-67 years
The probabilities of retirement and mortality are based on 2014 CalPERS experience study for the period from 1997 to 2011. Pre- retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre- retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre- retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre- retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre- retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries



City of Alameda
Required Supplementary Information
For the Year Ended June 30, 2022

CALPERS AGENT MULTIPLE EMPLOYER PLAN - SAFETY
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*

Fiscal Year Ended June 30,	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 16,533,892	\$ 15,122,079	\$ 13,622,920
Contributions in relation to the actuarially determined contributions	<u>16,533,892</u>	<u>15,122,079</u>	<u>13,622,920</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 25,441,316	\$ 25,441,316	\$ 24,808,549
Contributions as a percentage of covered payroll	64.99%	59.44%	54.91%

Notes to Schedule

Valuation date: 6/30/2019 6/30/2018 6/30/2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Asset valuation method	Fair Value of Assets	Fair Value of Assets	Fair Value of Assets
Inflation	2.500%	2.500%	2.625%
Salary increase	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment rate of return	7.00% net of pension plan investment expense, including inflation	7.00% net of pension plan investment expense, including inflation	7.25% net of pension plan investment expense, including inflation
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study	The probabilities of Retirement are based on the CalPERS Experience Study	The probabilities of Retirement are based on the CalPERS Experience Study
Mortality	The probabilities of mortality are based on 2017 CalPERS experience study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.	The probabilities of mortality are based on 2017 CalPERS experience study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.	Retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries

*Fiscal Year 2015 was the first year of implementation



City of Alameda
Required Supplementary Information
For the Year Ended June 30, 2022

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 18,185,938	\$ 11,470,898	\$ 10,530,166	\$ 9,572,502	\$ 9,071,332
<u>18,185,938</u>	<u>11,470,898</u>	<u>10,530,166</u>	<u>9,572,502</u>	<u>9,071,332</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 25,333,206	\$ 25,275,362	\$ 24,303,190	\$ 25,965,660	\$ 25,200,216
71.79%	45.38%	43.33%	36.87%	36.00%
6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Entry Age Normal Cost Method Level percent of payroll	Entry Age Normal Cost Method Level percent of payroll	Entry Age Normal Cost Method Level percent of payroll	Entry Age Normal Cost Method Level percent of payroll	Entry Age Normal Cost Method Level percent of payroll
Fair Value of Assets	Fair Value of Assets	Fair Value of Assets	Actuarial value of assets	Actuarial value of assets
2.75%	2.75%	2.75%	2.75%	2.75%
3.3% to 14.2% depending on Age, Service, and type of employment	3.3% to 14.2% depending on Age, Service, and type of employment	3.3% to 14.2% depending on Age, Service, and type of employment	3.3% to 14.2% depending on Age, Service, and type of employment	3.3% to 14.2% depending on Age, Service, and type of employment
7.375% net of administrative expenses, includes inflation	7.5% net of administrative expenses, includes inflation	7.5% net of administrative expenses, includes inflation	7.5% net of administrative expenses, includes inflation	7.5% net of administrative expenses, includes inflation
50-57 years	50-57 years	50-57 years	50-57 years	50-57 years
The probabilities of retirement and mortality are based on 2014 CalPERS experience study for the period from 1997 to 2011. Pre- retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre- retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre- retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre- retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre- retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries



City of Alameda
Required Supplementary Information
For the Year Ended June 30, 2022

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

Fiscal Year Ended June 30,	2022	2021	2020	2019	2018	2017
Total Pension Liability						
Interest on the total pension liability	\$ 124,482	\$ 129,408	\$ 180,745	\$ 258,849	\$ 288,416	\$ 349,073
Difference between expected and actual experience	(750,456)	695,141		(983,223)	(46,556)	39,819
Changes of assumptions	(547,672)	639,890	248,890	131,138		
Benefit payments	(785,623)	(851,675)	(919,573)	(1,209,440)	(1,448,612)	(1,448,612)
Net change in total pension liability	(1,959,269)	612,764	(489,938)	(1,802,676)	(1,206,752)	(1,059,720)
Total pension liability - beginning	6,320,535	5,707,771	6,197,709	8,000,385	9,207,137	10,266,857
Total pension liability - ending	\$ 4,361,266	\$ 6,320,535	\$ 5,707,771	\$ 6,197,709	\$ 8,000,385	\$ 9,207,137
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Note to Schedule:

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

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

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

*Fiscal Year 2017 was the first year of implementation



City of Alameda
Required Supplementary Information
For the Year Ended June 30, 2022

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
 Agent Multiple-Employer Miscellaneous and Pre-1/1/2019 Safety Plan Defined Benefit OPEB Plans
 Last 10 fiscal years*

Measurement Date	6/30/2022	6/30/21	6/30/20	6/30/19	6/30/18
Total OPEB Liability					
Service Cost	\$ 1,301,935	\$ 644,219	\$ 555,320	\$ 4,213,531	\$ 4,193,392
Interest	2,579,151	2,704,008	2,909,360	4,658,311	4,316,741
Differences between expected and actual experience	(3,925,906)	5,250,940	(353,154)	(2,503,398)	
Changes of assumptions	(14,950,435)	4,046,759	4,987,068	(1,184,636)	(6,336,836)
Benefit payments	(4,105,294)	(4,132,821)	(3,917,329)	(3,825,122)	(3,715,083)
Plan to Plan Transfer (1)				(44,592,304)	
Net change in total OPEB liability	<u>(19,100,549)</u>	<u>8,513,105</u>	<u>4,181,265</u>	<u>(43,233,618)</u>	<u>(1,541,786)</u>
Total OPEB liability - beginning	<u>84,202,764</u>	<u>75,689,659</u>	<u>71,508,394</u>	<u>114,742,012</u>	<u>116,283,798</u>
Total OPEB liability - ending (a)	<u>\$ 65,102,215</u>	<u>\$ 84,202,764</u>	<u>\$ 75,689,659</u>	<u>\$ 71,508,394</u>	<u>\$ 114,742,012</u>
Plan fiduciary net position					
Contributions - employer	\$ 4,105,294	\$ 4,132,821	\$ 3,917,329	\$ 4,325,122	\$ 7,546,879
Net investment income	(590,348)	872,495	178,799	268,507	598,104
Administrative expense	(20,192)	(20,219)	(18,852)	(17,057)	(33,220)
Benefit payments	(4,105,294)	(4,132,821)	(3,917,329)	(3,825,122)	(3,715,083)
Other					703
Plan to Plan Transfer (1)				(8,314,828)	
Net change in plan fiduciary net position	<u>(610,540)</u>	<u>852,276</u>	<u>159,947</u>	<u>(7,563,378)</u>	<u>4,397,383</u>
Plan fiduciary net position - beginning	<u>5,234,250</u>	<u>4,381,974</u>	<u>4,222,027</u>	<u>11,785,405</u>	<u>7,388,022</u>
Plan fiduciary net position - ending (b)	<u>\$ 4,623,710</u>	<u>\$ 5,234,250</u>	<u>\$ 4,381,974</u>	<u>\$ 4,222,027</u>	<u>\$ 11,785,405</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 60,478,505</u>	<u>\$ 78,968,514</u>	<u>\$ 71,307,685</u>	<u>\$ 67,286,367</u>	<u>\$ 102,956,607</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.10%	6.22%	5.79%	5.90%	10.27%
Covered-employee payroll	<u>\$ 34,169,745</u>	<u>\$ 33,255,226</u>	<u>\$ 36,886,764</u>	<u>\$ 32,365,183</u>	<u>\$ 61,252,086</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>176.99%</u>	<u>237.46%</u>	<u>193.32%</u>	<u>207.90%</u>	<u>168.09%</u>

* Fiscal Year 2018 was the first year of implementation.



City of Alameda
Required Supplementary Information
For the Year Ended June 30, 2022

SCHEDULE OF CONTRIBUTIONS
 Miscellaneous and Pre-1/1/2019 Safety Plan
 Agent Multiple-Employer Defined Benefit OPEB Plan
 Last 10 fiscal years*

For the Year Ended June 30	2022	2021	2020	2019	2018
Contractually required contributions	\$ 4,105,294	\$ 4,132,821	\$ 3,917,329	\$ 3,825,122	\$ 3,715,083
Contributions in relation to the contractually required contributions	(4,105,294)	(4,132,821)	(3,917,329)	(3,825,122)	(3,715,083)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 34,169,745	\$ 33,255,226	\$ 36,886,764	\$ 32,365,183	\$ 61,252,086
Contributions as a percentage of covered-employee payroll	12.01%	12.43%	10.62%	11.82%	6.07%

* Fiscal Year 2018 was the first year of implementation.



City of Alameda
Required Supplementary Information
For the Year Ended June 30, 2022

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Post-1/1/2019 Safety Plan
Agent Multiple-Employer Defined Benefit OPEB Plan
Last 10 fiscal years*

Measurement Date	6/30/22	6/30/21	6/30/20	6/30/19
Total OPEB Liability				
Service Cost	\$ 3,504,390	\$ 3,959,737	\$ 3,090,491	\$ -
Interest	1,762,214	2,089,924	2,027,284	
Changes in benefit terms				143,210
Differences between expected and actual experience	(2,549,486)	(9,353,708)	(371,750)	(1,796,845)
Changes of assumptions	(12,486,596)	(1,654,652)	7,779,856	1,413,660
Benefit payments	(564,625)	(619,278)	(231,604)	(70,984)
Plan to Plan Transfer (1)				44,592,304
Net change in total OPEB liability	(10,334,103)	(5,577,977)	12,294,277	44,281,345
Total OPEB liability - beginning	50,997,645	56,575,622	44,281,345	
Total OPEB liability - ending (a)	\$ 40,663,542	\$ 50,997,645	\$ 56,575,622	\$ 44,281,345
Plan fiduciary net position				
Contributions - employer	\$ 1,403,907	\$ 2,470,986	\$ 1,109,102	\$ 963,680
Net investment income	(1,906,123)	2,710,975	348,653	568,341
Administrative expense	(60,557)	(52,928)	(41,310)	(19,988)
Benefit payments	(564,625)	(619,278)	(231,604)	(70,984)
Plan to Plan Transfer (1)				8,314,828
Net change in plan fiduciary net position	(1,127,398)	4,509,755	1,184,841	9,755,877
Plan fiduciary net position - beginning	15,450,473	10,940,718	9,755,877	
Plan fiduciary net position - ending (b)	\$ 14,323,075	\$ 15,450,473	\$ 10,940,718	\$ 9,755,877
Net OPEB liability - ending (a)-(b)	\$ 26,340,467	\$ 35,547,172	\$ 45,634,904	\$ 34,525,468
Plan fiduciary net position as a percentage of the total OPEB liability	35.22%	30.30%	19.34%	22.03%
Covered-employee payroll	\$ 31,615,830	\$ 30,769,664	\$ 30,782,274	\$ 29,946,145
Net OPEB liability as a percentage of covered-employee payroll	83.31%	115.53%	148.25%	115.29%

* Plan was established in Fiscal Year 2019.

SCHEDULE OF CONTRIBUTIONS
Post-1/1/2019 Safety Plan
 Agent Multiple-Employer Defined Benefit OPEB Plan
 Last 10 fiscal years*

For the Year Ended June 30	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 1,403,907	\$ 2,470,986	\$ 1,109,102	\$ 952,694
Contributions in relation to the contractually required contributions	<u>(1,403,907)</u>	<u>(2,470,986)</u>	<u>(1,109,102)</u>	<u>(952,694)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 31,615,830</u>	<u>\$ 30,769,664</u>	<u>\$ 30,782,274</u>	<u>\$ 29,946,145</u>
Contributions as a percentage of covered-employee payroll	<u>4.44%</u>	<u>8.03%</u>	<u>3.60%</u>	<u>3.18%</u>

* Plan was established in Fiscal Year 2019.

Special Revenue Funds:

Community Development

This fund accounts for the activities and services of the Planning, Building and Code Enforcement 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, 7360 and 2103.1. The allocations must be expended for street related maintenance and construction and a limited amount for engineering.

Asset Seizure/Traffic Safety

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

County Measure B/BB

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

Tidelands

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

Parking Meter

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

Commercial Revitalization

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

HOME Program

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

Community Development Block Grant

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

Housing

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

Garbage/Recycling Surcharge

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

Athletic Recreation

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

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.

Parking

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

FISC Lease Revenue

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

Open Space Improvement

This fund accounts for revenues collected from the proceeds of the sale of land for open space expansion within city limits.

Debt Service Funds:

City Hall and Library Bonds

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

Base Reuse

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

Capital Projects Funds:

Construction Impact Fee

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

Streets/Transportation

This fund accounts for expenditures for street and transportation projects.

Development Impact Fee

This fund accounts for revenues from 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.

Capital Improvement Projects

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

Alameda Point

This fund accounts for revenues and expenditures related to construction, improvements and capital maintenance projects within Alameda Point.



City of Alameda
 Non-Major Governmental Funds
 Combining Balance Sheets
 June 30, 2022

	SPECIAL REVENUE FUNDS			
	Community Development	Library	Gas Tax	Asset Seizure/ Traffic Safety
ASSETS				
Cash and investments	\$ 2,805,669	\$ 5,464,202	\$ 3,320,234	\$ 21,468
Restricted cash and investments				
Accounts receivable	29,122	165,477	419,802	
Loans receivable				
Leases receivable				
	<u>2,834,791</u>	<u>5,629,679</u>	<u>3,740,036</u>	<u>21,468</u>
Total Assets	<u>\$ 2,834,791</u>	<u>\$ 5,629,679</u>	<u>\$ 3,740,036</u>	<u>\$ 21,468</u>
LIABILITIES				
Accounts payable	\$ 247,701	\$ 62,555	\$ 103,388	\$ -
Accrued payroll	143,152	97,099	11,287	
Due to other agencies	22,059			
Unearned revenue				
Refundable deposits	350,862			6,654
Advances from other funds				
	<u>763,774</u>	<u>159,654</u>	<u>114,675</u>	<u>6,654</u>
Total Liabilities	<u>763,774</u>	<u>159,654</u>	<u>114,675</u>	<u>6,654</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable				
Unavailable revenue - revolving loans receivable				
Related to leases				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND EQUITY				
Fund balances				
Nonspendable				
Restricted			3,625,361	14,814
Committed	2,071,017	5,470,025		
Unassigned				
	<u>2,071,017</u>	<u>5,470,025</u>	<u>3,625,361</u>	<u>14,814</u>
Total Fund Balances	<u>2,071,017</u>	<u>5,470,025</u>	<u>3,625,361</u>	<u>14,814</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 2,834,791</u>	<u>\$ 5,629,679</u>	<u>\$ 3,740,036</u>	<u>\$ 21,468</u>

SPECIAL REVENUE FUNDS

County Measure B/BB	Tidelands	Parking Meter	Commercial Revitalization	HOME Program	Community Development Block Grant	Housing
\$ 8,046,554	\$ 2,371,311	\$ 1,874,972	\$ 2,399,840	\$ 43,632	\$ 458,568	\$ 3,343,689
1,571,152		48,728	618	12,753	144,135	310
	829,273		521,914	6,962,076	1,943,069	1,505,992
<u>\$ 9,617,706</u>	<u>\$ 3,200,584</u>	<u>\$ 1,923,700</u>	<u>\$ 2,922,372</u>	<u>\$ 7,018,461</u>	<u>\$ 2,545,772</u>	<u>\$ 4,849,991</u>
\$ -	\$ -	\$ 52,474	\$27,634	\$56,241	\$ 148,848	\$ 291,929
	9,228	10,489			1,011	18,476
	26,362		25,000			919,536
	35,590	62,963	52,634	56,241	149,859	1,229,941
	804,883		501,434	6,962,076	1,943,069	1,505,992
	804,883		501,434	6,962,076	1,943,069	1,505,992
9,617,706	2,360,111	1,860,737	2,368,304	144	452,844	2,114,058
<u>9,617,706</u>	<u>2,360,111</u>	<u>1,860,737</u>	<u>2,368,304</u>	<u>144</u>	<u>452,844</u>	<u>2,114,058</u>
<u>\$ 9,617,706</u>	<u>\$ 3,200,584</u>	<u>\$ 1,923,700</u>	<u>\$ 2,922,372</u>	<u>\$ 7,018,461</u>	<u>\$ 2,545,772</u>	<u>\$ 4,849,991</u>

(Continued)



City of Alameda
Non-Major Governmental Funds
Combining Balance Sheets
June 30, 2022

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>Garbage/ Recycling Surcharge</u>	<u>Athletic Recreation</u>	<u>Waste Reduction Surcharge</u>	<u>Maintenance Assessment Districts</u>
ASSETS				
Cash and investments	\$ 1,629,864	\$ 1,829,721	\$ 2,354,319	\$ 10,620,065
Restricted cash and investments				
Accounts receivable	19,014	9,453	99,074	91,211
Loans receivable				
Leases receivable		9,879,867		
Total Assets	<u>\$ 1,648,878</u>	<u>\$ 11,719,041</u>	<u>\$ 2,453,393</u>	<u>\$ 10,711,276</u>
LIABILITIES				
Accounts payable	\$ 26,121	\$ 56,372	\$ 104,153	\$ 243,254
Accrued payroll	2,712		9,660	18,885
Due to other agencies			20,271	
Unearned revenue		26,535	126,202	
Refundable deposits			77	
Advances from other funds		350,000		
Total Liabilities	<u>28,833</u>	<u>432,907</u>	<u>260,363</u>	<u>262,139</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable				
Unavailable revenue - revolving loans receivable				
Related to leases		9,614,042		
Total Deferred Inflows of Resources		<u>9,614,042</u>		
FUND EQUITY				
Fund balances				
Nonspendable				
Restricted	1,620,045		2,193,030	10,449,137
Committed		1,672,092		
Unassigned				
Total Fund Balances	<u>1,620,045</u>	<u>1,672,092</u>	<u>2,193,030</u>	<u>10,449,137</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,648,878</u>	<u>\$ 11,719,041</u>	<u>\$ 2,453,393</u>	<u>\$ 10,711,276</u>

SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS	
Vehicle Registration Fee	Parking	FISC Lease Revenue	Open Space Improvement	City Hall and Library Bonds	Base Reuse
\$ 296,008 53,782	\$ -	\$ 1,692,170	\$ 58,158	\$ - 1,363,077 30,811	\$ 331,830 4,089
<u>\$ 349,790</u>	<u>\$ -</u>	<u>\$ 1,692,170</u>	<u>\$ 58,158</u>	<u>\$ 1,393,888</u>	<u>\$ 335,919</u>
\$ -	\$ -	\$ 5,194 14,693	\$ -	\$ -	\$ 4,759
		19,887			4,759
349,790		1,672,283	58,158	1,393,888	331,160
<u>349,790</u>		<u>1,672,283</u>	<u>58,158</u>	<u>1,393,888</u>	<u>331,160</u>
<u>\$ 349,790</u>	<u>\$ -</u>	<u>\$ 1,692,170</u>	<u>\$ 58,158</u>	<u>\$ 1,393,888</u>	<u>\$ 335,919</u>

(Continued)



City of Alameda
Non-Major Governmental Funds
Combining Balance Sheets
June 30, 2022

	<u>CAPITAL PROJECTS FUNDS</u>			
	<u>Construction Impact Fee</u>	<u>Streets/ Transportation</u>	<u>Development Impact Fee</u>	<u>Urban Runoff Storm Drain Fee</u>
ASSETS				
Cash and investments	\$ 6,566,231	\$ 2,467,567	\$ 9,306,238	\$ 3,167,758
Restricted cash and investments				17,300
Accounts receivable	1,865	122,751		241,891
Loans receivable				
Leases receivable				
	<u>6,566,231</u>	<u>2,467,567</u>	<u>9,306,238</u>	<u>3,185,051</u>
Total Assets	<u>\$ 6,568,096</u>	<u>\$ 2,590,318</u>	<u>\$ 9,306,238</u>	<u>\$ 3,426,949</u>
LIABILITIES				
Accounts payable	\$ 350	\$ -	\$ -	\$ 155,109
Accrued payroll				44,282
Due to other agencies				
Unearned revenue				
Refundable deposits		1	1,500	52,712
Advances from other funds			784,624	
	<u>350</u>	<u>1</u>	<u>1,500</u>	<u>199,891</u>
Total Liabilities	<u>350</u>	<u>1</u>	<u>786,124</u>	<u>252,103</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable				
Unavailable revenue - revolving loans receivable				
Related to leases				
Total Deferred Inflows of Resources				
FUND EQUITY				
Fund balances				
Nonspendable				
Restricted	6,567,746	2,590,317	8,520,114	3,174,846
Committed				
Unassigned				
	<u>6,567,746</u>	<u>2,590,317</u>	<u>8,520,114</u>	<u>3,174,846</u>
Total Fund Balances	<u>6,567,746</u>	<u>2,590,317</u>	<u>8,520,114</u>	<u>3,174,846</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 6,568,096</u>	<u>\$ 2,590,318</u>	<u>\$ 9,306,238</u>	<u>\$ 3,426,949</u>

CAPITAL PROJECTS FUNDS

<u>Maintenance Assessment Districts</u>	<u>Capital Improvement Projects</u>	<u>Alameda Point</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 3,722,585	\$ 1,076,864 607,351 182,115 <u>140,004</u>	\$ 5,934,012	\$ 81,203,529 1,991,817 3,244,064 10,411,137 <u>11,371,058</u>
<u>\$ 3,722,585</u>	<u>\$ 2,006,334</u>	<u>\$ 5,934,012</u>	<u>\$ 108,221,605</u>
\$ - 244	\$1,347,575 137,201 2,855 108,131 38,246	\$3,328,839	\$ 6,262,496 518,419 45,185 1,180,404 501,414 <u>1,134,624</u>
<u>244</u>	<u>1,634,008</u>	<u>3,328,839</u>	<u>9,642,542</u>
	<u>130,776</u>		10,411,137 <u>11,051,135</u>
	<u>130,776</u>		<u>21,462,272</u>
3,722,341	607,351 <u>(365,801)</u>	2,605,173	64,678,280 12,804,312 <u>(365,801)</u>
<u>3,722,341</u>	<u>241,550</u>	<u>2,605,173</u>	<u>77,116,791</u>
<u>\$ 3,722,585</u>	<u>\$ 2,006,334</u>	<u>\$ 5,934,012</u>	<u>\$ 108,221,605</u>



City of Alameda
Non-Major Governmental Funds
Combining Statements of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2022

	SPECIAL REVENUE FUNDS			
	Community Development	Library	Gas Tax	Asset Seizure/ Traffic Safety
REVENUES				
Property taxes	\$ -	\$ 3,026,402	\$ -	\$ -
Other taxes				
Licenses and permits	4,037,942			
Developer fees				
Revenue from other agencies	261,118	42,738	3,633,073	
Charges for current services	2,065,844	14,781		
Fines and forfeitures	330,442			
Use of money and property	(13,847)	(75,734)	(56,761)	(974)
Other revenues	100	26,035	4,330	
Total Revenues	6,681,599	3,034,222	3,580,642	(974)
EXPENDITURES				
Current:				
General government				
Police				
Fire				
Public works			828,449	
Community Development	8			
Recreation and Parks				
Library		4,857,264		
Planning, Building and Transportation	7,607,414			
Community Services				
Housing				
Capital outlay				
Debt service:				
Principal				
Interest				
Total Expenditures	7,607,422	4,857,264	828,449	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(925,823)	(1,823,042)	2,752,193	(974)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,193,123	2,419,291		
Transfers (out)	(37)		(1,481,018)	
Total Other Financing Sources (Uses)	1,193,086	2,419,291	(1,481,018)	
NET CHANGE IN FUND BALANCE	267,263	596,249	1,271,175	(974)
BEGINNING FUND BALANCES	1,803,754	4,873,776	2,354,186	15,788
ENDING FUND BALANCES	\$ 2,071,017	\$ 5,470,025	\$ 3,625,361	\$ 14,814

SPECIAL REVENUE FUNDS

County Measure B/BB	Tidelands	Parking Meter	Commercial Revitalization	HOME Program	Community Development Block Grant	Housing
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	10,000		255,278			
6,135,116				18,067	1,537,784	1,787,713
(149,906)	812,111	666,786 259,656 (35,344) 16,000	793,290	54,554	295,452 90	26,070 (29,141) 6,500
<u>5,985,210</u>	<u>822,111</u>	<u>907,098</u>	<u>1,048,568</u>	<u>72,621</u>	<u>1,833,326</u>	<u>1,791,142</u>
						16,054
	603,914	1,083,966	281,667	72,621	1,781,676	2,497,712
	114,299					
	<u>718,213</u>	<u>1,083,966</u>	<u>281,667</u>	<u>72,621</u>	<u>1,781,676</u>	<u>2,513,766</u>
<u>5,985,210</u>	<u>103,898</u>	<u>(176,868)</u>	<u>766,901</u>		<u>51,650</u>	<u>(722,624)</u>
(4,317,170)	(12,904)	(250,883)	1,946,698 (1,214,481)			
<u>(4,317,170)</u>	<u>(12,904)</u>	<u>(250,883)</u>	<u>732,217</u>			
1,668,040	90,994	(427,751)	1,499,118		51,650	(722,624)
<u>7,949,666</u>	<u>2,269,117</u>	<u>2,288,488</u>	<u>869,186</u>	<u>144</u>	<u>401,194</u>	<u>2,836,682</u>
<u>\$ 9,617,706</u>	<u>\$ 2,360,111</u>	<u>\$ 1,860,737</u>	<u>\$ 2,368,304</u>	<u>\$ 144</u>	<u>\$ 452,844</u>	<u>\$ 2,114,058</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, 2022

	SPECIAL REVENUE FUNDS			
	Garbage/ Recycling Surcharge	Athletic Recreation	Waste Reduction Surcharge	Maintenance Assessment Districts
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 3,989,585
Other taxes	228,170		875,895	
Licenses and permits				
Developer fees				
Revenue from other agencies		99,269	160,098	
Charges for current services		79,718	597,964	
Fines and forfeitures				
Use of money and property	(27,097)	486,525	(29,103)	(161,706)
Other		52,602	1,026	
Total Revenues	201,073	718,114	1,605,880	3,827,879
EXPENDITURES				
Current:				
General government		52,348		
Police				
Fire				
Public works	215,076		886,570	2,113,595
Community Development				
Recreation and Parks		145,427		620,849
Library				
Planning, Building and Transportation				199,892
Community Services				
Housing				
Capital outlay				
Debt service:				
Principal				
Interest				
Total Expenditures	215,076	197,775	886,570	2,934,336
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,003)	520,339	719,310	893,543
OTHER FINANCING SOURCES (USES)				
Transfers in		56,373		263,090
Transfers (out)		(606,000)		(381,720)
Total Other Financing Sources (Uses)		(549,627)		(118,630)
NET CHANGE IN FUND BALANCE	(14,003)	(29,288)	719,310	774,913
BEGINNING FUND BALANCES	1,634,048	1,701,380	1,473,720	9,674,224
ENDING FUND BALANCES	\$ 1,620,045	\$ 1,672,092	\$ 2,193,030	\$ 10,449,137

SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS	
Vehicle Registration Fee	Parking	FISC Lease Revenue	Open Space Improvement	City Hall and Library Bonds	Base Reuse
\$ -	\$ -	\$ -	\$ -	\$ 605,426	\$ -
314,674					
(4,192)		(37,466) 90	23,623	(13,610)	9
<u>310,482</u>		<u>(37,376)</u>	<u>23,623</u>	<u>591,816</u>	<u>9</u>
		828,248			
		39,112			
				1,996,511 628,640	500,000 238,825
		<u>867,360</u>		<u>2,625,151</u>	<u>738,825</u>
<u>310,482</u>		<u>(904,736)</u>	<u>23,623</u>	<u>(2,033,335)</u>	<u>(738,816)</u>
(110,555)	(585,282)		34,535	1,944,200	783,000
<u>(110,555)</u>	<u>(585,282)</u>		<u>34,535</u>	<u>1,944,200</u>	<u>783,000</u>
199,927	(585,282)	(904,736)	58,158	(89,135)	44,184
<u>149,863</u>	<u>585,282</u>	<u>2,577,019</u>		<u>1,483,023</u>	<u>286,976</u>
<u>\$ 349,790</u>	<u>\$ -</u>	<u>\$ 1,672,283</u>	<u>\$ 58,158</u>	<u>\$ 1,393,888</u>	<u>\$ 331,160</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, 2022

	CAPITAL PROJECTS FUNDS			
	Construction Impact Fee	Streets/ Transportation	Development Impact Fee	Urban Runoff Storm Drain Fee
REVENUES				
Property taxes	\$ 2,429,340	\$ 829,216	\$ -	\$ 2,241,613
Other taxes				
Licenses and permits	50,855			
Developer fees			32,699	2,329,923
Revenue from other agencies				
Charges for current services		129,858		
Fines and forfeitures				
Use of money and property	(88,617)	(33,874)	(143,521)	(42,967)
Other revenues				16,999
Total Revenues	<u>2,391,578</u>	<u>925,200</u>	<u>(110,822)</u>	<u>4,545,568</u>
EXPENDITURES				
Current:				
General government				
Police				
Fire				
Public works		500,277		
Community Development				
Recreation and Parks				
Library				
Planning, Building and Transportation				
Community Services				
Housing				
Capital outlay				3,511,834
Debt service:				
Principal				
Interest				
Total Expenditures		<u>500,277</u>		<u>3,511,834</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,391,578</u>	<u>424,923</u>	<u>(110,822)</u>	<u>1,033,734</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		37		
Transfers (out)	(1,338,044)	(164,497)	(425,360)	(703,530)
Total Other Financing Sources (Uses)	<u>(1,338,044)</u>	<u>(164,460)</u>	<u>(425,360)</u>	<u>(703,530)</u>
NET CHANGE IN FUND BALANCE	1,053,534	260,463	(536,182)	330,204
BEGINNING FUND BALANCES	<u>5,514,212</u>	<u>2,329,854</u>	<u>9,056,296</u>	<u>2,844,642</u>
ENDING FUND BALANCES	<u>\$ 6,567,746</u>	<u>\$ 2,590,317</u>	<u>\$ 8,520,114</u>	<u>\$ 3,174,846</u>

CAPITAL PROJECTS FUNDS

<u>Maintenance Assessment District</u>	<u>Capital Improvement Projects</u>	<u>Alameda Point</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 215,122	\$ -	\$ -	\$ 13,336,704
	298,830		1,104,065
	425,283		4,652,905
	3,326,825		2,362,622
			14,414,933
			6,881,776
			616,168
(56,387)	(267,535)	(67,062)	1,130,720
<u>170,000</u>	<u>96,321</u>		<u>390,093</u>
<u>328,735</u>	<u>3,879,724</u>	<u>(67,062)</u>	<u>44,889,986</u>
			68,402
56,349			5,684,282
			6,065,846
			766,276
			4,857,264
			7,807,306
6,765	14,227,450	5,051,726	22,951,186
			2,496,511
			<u>867,465</u>
<u>63,114</u>	<u>14,227,450</u>	<u>5,051,726</u>	<u>51,564,538</u>
<u>265,621</u>	<u>(10,347,726)</u>	<u>(5,118,788)</u>	<u>(6,674,552)</u>
	7,574,248	5,051,726	21,266,321
(26,370)	(129,453)		(11,747,304)
<u>(26,370)</u>	<u>7,444,795</u>	<u>5,051,726</u>	<u>9,519,017</u>
239,251	(2,902,931)	(67,062)	2,844,465
<u>3,483,090</u>	<u>3,144,481</u>	<u>2,672,235</u>	<u>74,272,326</u>
<u>\$ 3,722,341</u>	<u>\$ 241,550</u>	<u>\$ 2,605,173</u>	<u>\$ 77,116,791</u>



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, 2022

	SPECIAL REVENUE FUNDS					
	COMMUNITY DEVELOPMENT			LIBRARY		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 2,900,000	\$ 3,026,402	\$ 126,402
Other taxes						
Licenses and permits	5,125,000	4,037,942	(1,087,058)			
Revenue from other agencies		261,118	261,118	87,000	42,738	(44,262)
Charges for current services	1,744,000	2,065,844	321,844	2,500	14,781	12,281
Fines and forfeitures	200,000	330,442	130,442			
Use of money and property	40,000	(13,847)	(53,847)	500	(75,734)	(76,234)
Other		100	100		26,035	26,035
Total Revenues	7,109,000	6,681,599	(427,401)	2,990,000	3,034,222	44,222
EXPENDITURES						
Current:						
General government						
Police						
Fire						
Public works						
Community Development		8	(8)			
Recreation and Parks						
Library				5,492,962	4,857,264	635,698
Planning, Building and Transportation	9,031,655	7,607,414	1,424,241			
Community Services						
Housing						
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures	9,031,655	7,607,422	1,424,233	5,492,962	4,857,264	635,698
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,922,655)	(925,823)	996,832	(2,502,962)	(1,823,042)	679,920
OTHER FINANCING SOURCES (USES)						
Issuance of debt						
Transfers in	1,551,500	1,193,123	(358,377)	2,400,000	2,419,291	19,291
Transfers (out)		(37)	(37)			
Total Other Financing Sources (Uses)	1,551,500	1,193,086	(358,414)	2,400,000	2,419,291	19,291
NET CHANGE IN FUND BALANCE	\$ (371,155)	267,263	\$ 638,418	\$ (102,962)	596,249	\$ 699,211
BEGINNING FUND BALANCES (DEFICITS)		1,803,754			4,873,776	
ENDING FUND BALANCES (DEFICITS)		\$ 2,071,017			\$ 5,470,025	

SPECIAL REVENUE FUNDS

GAS TAX			ASSET SEIZURE/TRAFFIC SAFETY			COUNTY MEASURE B/BB		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,558,500	3,633,073	74,573	500		(500)	4,982,000	6,135,116	1,153,116
	(56,761)	(56,761)	1,000	(974)	(1,974)		(149,906)	(149,906)
	4,330	4,330						
<u>3,558,500</u>	<u>3,580,642</u>	<u>22,142</u>	<u>1,500</u>	<u>(974)</u>	<u>(2,474)</u>	<u>4,982,000</u>	<u>5,985,210</u>	<u>1,003,210</u>
			10,550		10,550			
1,129,365	828,449	300,916						
<u>1,129,365</u>	<u>828,449</u>	<u>300,916</u>	<u>10,550</u>		<u>10,550</u>			
<u>2,429,135</u>	<u>2,752,193</u>	<u>323,058</u>	<u>(9,050)</u>	<u>(974)</u>	<u>8,076</u>	<u>4,982,000</u>	<u>5,985,210</u>	<u>1,003,210</u>
<u>(3,086,595)</u>	<u>(1,481,018)</u>	<u>1,605,577</u>				<u>(6,545,711)</u>	<u>(4,317,170)</u>	<u>2,228,541</u>
<u>(3,086,595)</u>	<u>(1,481,018)</u>	<u>1,605,577</u>				<u>(6,545,711)</u>	<u>(4,317,170)</u>	<u>2,228,541</u>
<u>\$ (657,460)</u>	1,271,175	<u>\$ 1,928,635</u>	<u>\$ (9,050)</u>	(974)	<u>\$ 8,076</u>	<u>\$ (1,563,711)</u>	1,668,040	<u>\$ 3,231,751</u>
	2,354,186			15,788			7,949,666	
	<u>\$ 3,625,361</u>			<u>\$ 14,814</u>			<u>\$ 9,617,706</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, 2022

	SPECIAL REVENUE FUNDS					
	TIDELANDS			PARKING METER		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes						
Licenses and permits		10,000	10,000			
Revenue from other agencies						
Charges for current services				1,250,000	666,786	(583,214)
Fines and forfeitures				700,000	259,656	(440,344)
Use of money and property	809,000	812,111	3,111		(35,344)	(35,344)
Other					16,000	16,000
Total Revenues	<u>809,000</u>	<u>822,111</u>	<u>13,111</u>	<u>1,950,000</u>	<u>907,098</u>	<u>(1,042,902)</u>
EXPENDITURES						
Current:						
General government						
Police						
Fire						
Public works				1,668,048	1,083,966	584,082
Community Development	843,328	603,914	239,414			
Recreation and Parks						
Library						
Planning, Building and Transportation						
Community Services						
Housing						
Capital outlay	75,000	114,299	(39,299)			
Debt service:						
Principal						
Interest						
Total Expenditures	<u>918,328</u>	<u>718,213</u>	<u>200,115</u>	<u>1,668,048</u>	<u>1,083,966</u>	<u>584,082</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(109,328)</u>	<u>103,898</u>	<u>213,226</u>	<u>281,952</u>	<u>(176,868)</u>	<u>(458,820)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt						
Transfers in						
Transfers (out)	(51,000)	(12,904)	38,096	(250,000)	(250,883)	(883)
Total Other Financing Sources (Uses)	<u>(51,000)</u>	<u>(12,904)</u>	<u>38,096</u>	<u>(250,000)</u>	<u>(250,883)</u>	<u>(883)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (160,328)</u>	<u>90,994</u>	<u>\$ 251,322</u>	<u>\$ 31,952</u>	<u>(427,751)</u>	<u>\$ (459,703)</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>2,269,117</u>			<u>2,288,488</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$ 2,360,111</u>			<u>\$ 1,860,737</u>	

SPECIAL REVENUE FUNDS

COMMERCIAL REVITALIZATION			HOME PROGRAM			COMMUNITY DEVELOPMENT BLOCK GRANT		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
151,000	255,278	104,278	554,074	18,067	(536,007)	3,166,135	1,537,784	(1,628,351)
450,300	793,290	342,990	50,000	54,554	4,554	80,400	295,452 90	215,052 90
<u>601,300</u>	<u>1,048,568</u>	<u>447,268</u>	<u>604,074</u>	<u>72,621</u>	<u>(531,453)</u>	<u>3,246,535</u>	<u>1,833,326</u>	<u>(1,413,209)</u>
1,102,242	281,667	820,575	604,070	72,621	531,449	3,508,718	1,781,676	1,727,042
<u>1,102,242</u>	<u>281,667</u>	<u>820,575</u>	<u>604,070</u>	<u>72,621</u>	<u>531,449</u>	<u>3,508,718</u>	<u>1,781,676</u>	<u>1,727,042</u>
<u>(500,942)</u>	<u>766,901</u>	<u>1,267,843</u>	<u>4</u>		<u>(4)</u>	<u>(262,183)</u>	<u>51,650</u>	<u>313,833</u>
20,000	1,946,698	1,926,698				169,600		(169,600)
<u>(329,000)</u>	<u>(1,214,481)</u>	<u>(885,481)</u>				<u>(250,000)</u>		<u>250,000</u>
<u>(309,000)</u>	<u>732,217</u>	<u>1,041,217</u>				<u>(80,400)</u>		<u>80,400</u>
<u>\$ (809,942)</u>	1,499,118	<u>\$ 2,309,060</u>	<u>\$ 4</u>		<u>\$ (4)</u>	<u>\$ (342,583)</u>	51,650	<u>\$ 394,233</u>
	<u>869,186</u>			<u>144</u>			<u>401,194</u>	
	<u>\$ 2,368,304</u>			<u>\$ 144</u>			<u>\$ 452,844</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, 2022

	SPECIAL REVENUE FUNDS					
	HOUSING			GARBAGE/RECYCLING SURCHARGE		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes				228,170	228,170	
Licenses and permits						
Revenue from other agencies						
Charges for current services	2,198,803	1,787,713	(411,090)			
Fines and forfeitures		26,070	26,070			
Use of money and property	102,000	(29,141)	(131,141)		(27,097)	(27,097)
Other	1,382,500	6,500	(1,376,000)			
Total Revenues	<u>3,683,303</u>	<u>1,791,142</u>	<u>(1,892,161)</u>	<u>228,170</u>	<u>201,073</u>	<u>(27,097)</u>
EXPENDITURES						
Current:						
General government		16,054	(16,054)			
Police						
Fire						
Public works				241,186	215,076	26,110
Community Development	3,333,332	2,497,712	835,620			
Recreation and Parks						
Library						
Planning, Building and Transportation						
Community Services						
Housing						
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures	<u>3,333,332</u>	<u>2,513,766</u>	<u>819,566</u>	<u>241,186</u>	<u>215,076</u>	<u>26,110</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>349,971</u>	<u>(722,624)</u>	<u>(1,072,595)</u>	<u>(13,016)</u>	<u>(14,003)</u>	<u>(987)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt						
Transfers in						
Transfers (out)				(500,000)		500,000
Total Other Financing Sources (Uses)				<u>(500,000)</u>		<u>500,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 349,971</u>	<u>(722,624)</u>	<u>\$ (1,072,595)</u>	<u>\$ (513,016)</u>	<u>(14,003)</u>	<u>\$ 499,013</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>2,836,682</u>			<u>1,634,048</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$ 2,114,058</u>			<u>\$ 1,620,045</u>	

SPECIAL REVENUE FUNDS

ATHLETIC RECREATION			WASTE REDUCTION SURCHARGE			MAINTENANCE ASSESSMENT DISTRICTS		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,862,443	\$ 3,989,585	\$ 127,142
			875,895	875,895				
10,000	99,269	89,269	251,000	160,098	(90,902)			
40,000	79,718	39,718	456,432	597,964	141,532			
304,225	486,525	182,300		(29,103)	(29,103)		(161,706)	(161,706)
50,000	52,602	2,602		1,026	1,026			
<u>404,225</u>	<u>718,114</u>	<u>313,889</u>	<u>1,583,327</u>	<u>1,605,880</u>	<u>22,553</u>	<u>3,862,443</u>	<u>3,827,879</u>	<u>(34,564)</u>
	52,348	(52,348)						
			1,339,636	886,570	453,066	3,146,401	2,113,595	1,032,806
211,041	145,427	65,614				1,129,847	620,849	508,998
						278,000	199,892	78,108
<u>211,041</u>	<u>197,775</u>	<u>13,266</u>	<u>1,339,636</u>	<u>886,570</u>	<u>453,066</u>	<u>4,554,248</u>	<u>2,934,336</u>	<u>1,619,912</u>
<u>193,184</u>	<u>520,339</u>	<u>327,155</u>	<u>243,691</u>	<u>719,310</u>	<u>475,619</u>	<u>(691,805)</u>	<u>893,543</u>	<u>1,585,348</u>
(256,000)	56,373	56,373	(318,000)		318,000	263,090	263,090	(14,000)
	(606,000)	(350,000)				(367,720)	(381,720)	
(256,000)	(549,627)	(293,627)	(318,000)		318,000	(104,630)	(118,630)	(14,000)
<u>\$ (62,816)</u>	<u>(29,288)</u>	<u>\$ 33,528</u>	<u>\$ (74,309)</u>	<u>719,310</u>	<u>\$ 793,619</u>	<u>\$ (796,435)</u>	<u>774,913</u>	<u>\$ 1,571,348</u>
	<u>1,701,380</u>			<u>1,473,720</u>			<u>9,674,224</u>	
	<u>\$ 1,672,092</u>			<u>\$ 2,193,030</u>			<u>\$ 10,449,137</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, 2022

	SPECIAL REVENUE FUNDS					
	VEHICLE REGISTRATION FEE			PARKING		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes						
Licenses and permits						
Revenue from other agencies	300,000	314,674	14,674			
Charges for current services						
Fines and forfeitures						
Use of money and property	5,000	(4,192)	(9,192)			
Other						
Total Revenues	<u>305,000</u>	<u>310,482</u>	<u>5,482</u>			
EXPENDITURES						
Current:						
General government						
Police						
Fire						
Public works						
Community Development						
Recreation and Parks						
Library						
Planning, Building and Transportation						
Community Services						
Housing						
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>305,000</u>	<u>310,482</u>	<u>5,482</u>			
OTHER FINANCING SOURCES (USES)						
Issuance of debt						
Transfers in						
Transfers (out)	(320,000)	(110,555)	209,445		(585,282)	(585,282)
Total Other Financing Sources (Uses)	<u>(320,000)</u>	<u>(110,555)</u>	<u>209,445</u>		<u>(585,282)</u>	<u>(585,282)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (15,000)</u>	199,927	<u>\$ 214,927</u>	<u>\$ -</u>	(585,282)	<u>\$ (585,282)</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>149,863</u>			<u>585,282</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$ 349,790</u>			<u>\$ -</u>	

SPECIAL REVENUE FUNDS						DEBT SERVICE FUND		
FISC LEASE REVENUE			OPEN SPACE IMPROVEMENT			CITY HALL AND LIBRARY BONDS		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 611,500	\$ 605,426	\$ (6,074)
10,000	(37,466)	(47,466)		23,623	23,623	15,000	(13,610)	(28,610)
175,000	90	(174,910)						
185,000	(37,376)	(222,376)		23,623	23,623	626,500	591,816	(34,684)
1,304,720	828,248	476,472						
85,000	39,112	45,888				1,997,000	1,996,511	489
						630,225	628,640	1,585
1,389,720	867,360	522,360				2,627,225	2,625,151	2,074
(1,204,720)	(904,736)	299,984		23,623	23,623	(2,000,725)	(2,033,335)	(32,610)
				34,535	34,535	2,001,200	1,944,200	(57,000)
			(50,000)		50,000			
			(50,000)	34,535	84,535	2,001,200	1,944,200	(57,000)
<u>\$ (1,204,720)</u>	<u>(904,736)</u>	<u>\$ 299,984</u>	<u>\$ (50,000)</u>	58,158	<u>\$ 108,158</u>	<u>\$ 475</u>	(89,135)	<u>\$ (89,610)</u>
	2,577,019						1,483,023	
	<u>\$ 1,672,283</u>			<u>\$ 58,158</u>			<u>\$ 1,393,888</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, 2022

<u>DEBT SERVICE FUND</u>			
<u>BASE REUSE DEBT SERVICE</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Other taxes			
Licenses and permits			
Revenue from other agencies			
Charges for current services			
Fines and forfeitures			
Use of money and property		9	9
Other			
Total Revenues		9	9
EXPENDITURES			
Current:			
General government			
Police			
Fire			
Public works			
Community Development			
Recreation and Parks			
Library			
Planning, Building and Transportation			
Community Services			
Housing			
Capital outlay			
Debt service:			
Principal	500,000	500,000	
Interest	343,000	238,825	104,175
Total Expenditures	843,000	738,825	104,175
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(843,000)	(738,816)	104,184
OTHER FINANCING SOURCES (USES)			
Transfers in	783,000	783,000	
Transfers (out)			
Total Other Financing Sources (Uses)	783,000	783,000	
NET CHANGE IN FUND BALANCE			
	\$ (60,000)	44,184	\$ 104,184
BEGINNING FUND BALANCES (DEFICITS)			
		286,976	
ENDING FUND BALANCES (DEFICITS)			
		\$ 331,160	

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 does not extend to internal service funds because they do not do business with outside parties. Generally accepted accounting principles require 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:

IT Cable Equipment

This fund accounts for revenues and expenditures related to the City's cable equipment, which broadcasts City meetings from City Hall and provides a public/educational cable broadcast studio in conjunction with the School District. The primary revenue source is additional charge to cable providers, which can only be used for Public, Educational, and Government (PEG) equipment expenditures.

Central Services

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

Fleet Maintenance and Replacement

This fund accounts for equipment replacement and maintenance for the City's Fleet Maintenance and Replacement programs for equipment with value greater than \$25,000 and/or a minimum useful life of 10 years.

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 Replacement and Maintenance

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

Workers' Compensation Insurance

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

General Liability Insurance

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

Unemployment Insurance

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

Other Post-Employment Benefits (OPEB)/Vacation

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

Pension Stabilization Fund

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



City of Alameda
 Internal Service Funds
 Combining Statements of Net Position
 June 30, 2022

	IT Cable Replacement	Central Services	Fleet Maintenance and Replacement	Technology Services
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 1,419,263	\$ -	\$ 8,226,341	\$ 6,770,575
Accounts receivable	39,448		147,676	
Prepays and deposits				73,575
Total Current Assets	1,458,711		8,374,017	6,844,150
Noncurrent Assets:				
Restricted investments				
Advances to other funds			234,936	
Capital assets:				
Non-depreciable				
Depreciable, net of accumulated depreciation			4,879,142	90,474
Total Non-current Assets			5,114,078	90,474
Total Assets	1,458,711		13,488,095	6,934,624
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions				
Current Liabilities:				
Accounts payable			274,539	60,023
Interest payable			41,054	
Accrued payroll			24,863	37,341
Refundable deposits				
Claims payable:				
Due within one year				
Equipment lease payable:				
Due within one year			322,420	
Total Current Liabilities			662,876	97,364
Long-Term Liabilities:				
Claims payable:				
Due in more than one year				
Equipment purchase agreement				
Due in more than one year			1,544,338	
Total Long-Term Liabilities			1,544,338	
Total Liabilities			2,207,214	97,364
NET POSITION				
Net investment in capital assets			3,012,384	90,474
Unrestricted	1,458,711		8,268,497	6,746,786
Total Net Position (Deficits)	\$ 1,458,711	\$ -	\$ 11,280,881	\$ 6,837,260

Facilities Replacement and Maintenance	Workers' Compensation Insurance	General Liability Insurance	Unemployment Insurance	OPEB/Vacation	Pension Stabilization Fund	Total
\$ 4,591,439 900	\$ 13,783,701 45,867 300,000	\$ 7,241,547 4,148	\$ 378,890 237	\$ 7,555,600 31,080	\$ 777,223	\$ 50,744,579 269,356 373,575
<u>4,592,339</u>	<u>14,129,568</u>	<u>7,245,695</u>	<u>379,127</u>	<u>7,586,680</u>	<u>777,223</u>	<u>51,387,510</u>
		50,000			12,019,784	12,069,784 234,936
<u>1,642,018</u>						<u>6,611,634</u>
<u>1,642,018</u>		<u>50,000</u>			<u>12,019,784</u>	<u>18,916,354</u>
<u>6,234,357</u>	<u>14,129,568</u>	<u>7,295,695</u>	<u>379,127</u>	<u>7,586,680</u>	<u>12,797,007</u>	<u>70,303,864</u>
					<u>5,755,000</u>	<u>5,755,000</u>
375,132	274,265	32,189	4,416			1,020,564 41,054
13,379	10,316	20,025 11,414				105,924 11,414
	3,932,321	3,247,537				7,179,858
						<u>322,420</u>
<u>388,511</u>	<u>4,216,902</u>	<u>3,311,165</u>	<u>4,416</u>			<u>8,681,234</u>
	10,001,051	5,261,970				15,263,021
						<u>1,544,338</u>
	<u>10,001,051</u>	<u>5,261,970</u>				<u>16,807,359</u>
<u>388,511</u>	<u>14,217,953</u>	<u>8,573,135</u>	<u>4,416</u>			<u>25,488,593</u>
1,642,018 4,203,828	(88,385)	(1,277,440)	374,711	7,586,680	18,552,007	4,744,876 45,825,395
<u>\$ 5,845,846</u>	<u>\$ (88,385)</u>	<u>\$ (1,277,440)</u>	<u>\$ 374,711</u>	<u>\$ 7,586,680</u>	<u>\$ 18,552,007</u>	<u>\$ 50,570,271</u>



City of Alameda
Internal Service Funds
Combining Statements of Revenues, Expenses and
Changes in Fund Net Position
For the Year Ended June 30, 2022

	IT Cable Replacement	Central Services	Fleet Maintenance and Replacement	Technology Services
OPERATING REVENUES				
Charges for services	\$ -	\$ -	\$ 4,771,753	\$ 2,993,603
Miscellaneous	157,943			
Total Operating Revenues	<u>157,943</u>		<u>4,771,753</u>	<u>2,993,603</u>
OPERATING EXPENSES				
General administrative			391,540	155,598
Wages and benefits			723,077	1,154,006
Insurance and claims				
Contractual services	9,734		350,284	2,302,227
Supplies and maintenance	22,509		1,299,031	323,459
Depreciation			1,029,458	63,188
Total Operating Expenses	<u>32,243</u>		<u>3,793,390</u>	<u>3,998,478</u>
Operating Income (Loss)	<u>125,700</u>		<u>978,363</u>	<u>(1,004,875)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	(21,937)		(117,383)	(122,381)
Interest expense			(56,381)	
Gain (loss) from sale of capital assets			21,457	
Total Nonoperating Revenues (Expenses)	<u>(21,937)</u>		<u>(152,307)</u>	<u>(122,381)</u>
Income (Loss) Before Transfers	<u>103,763</u>		<u>826,056</u>	<u>(1,127,256)</u>
Transfers in			10,130,813	
Transfers out	(10,130,813)	(92,573)		
Net Transfers	<u>(10,130,813)</u>	<u>(92,573)</u>	<u>10,130,813</u>	
Change in Net Position	(10,027,050)	(92,573)	10,956,869	(1,127,256)
BEGINNING NET POSITION	<u>11,485,761</u>	<u>92,573</u>	<u>324,012</u>	<u>7,964,516</u>
ENDING NET POSITION	<u>\$ 1,458,711</u>	<u>\$ -</u>	<u>\$ 11,280,881</u>	<u>\$ 6,837,260</u>

Facilities Replacement and Maintenance	Workers' Compensation Insurance	General Liability Insurance	Unemployment Insurance	OPEB/Vacation	Pension Stabilization Fund	Total
\$ 4,208,315 1,209	\$ 4,183,242	\$ 4,697,684	\$ 2,844	\$ 4,021,143	\$ -	\$ 24,878,584 159,152
4,209,524	4,183,242	4,697,684	2,844	4,021,143		25,037,736
542,941	12,816	66,431		250,000		1,419,326
452,718	190,890	632,582	31,714		5,000,000	8,184,987
	796,812	6,205,887		3,881,887		10,884,586
3,392,460	213,758	641,343	810		43,878	6,954,494
408,166	1,702	20,057				2,074,924 1,092,646
4,796,285	1,215,978	7,566,300	32,524	4,131,887	5,043,878	30,610,963
(586,761)	2,967,264	(2,868,616)	(29,680)	(110,744)	(5,043,878)	(5,573,227)
(72,524)	(208,165)	(84,237)	(7,125)	(127,382)	(1,360,601)	(2,121,735) (56,381) 21,457
(72,524)	(208,165)	(84,237)	(7,125)	(127,382)	(1,360,601)	(2,156,659)
(659,285)	2,759,099	(2,952,853)	(36,805)	(238,126)	(6,404,479)	(7,729,886)
800,000		500,000			7,674,000	19,104,813 (10,223,386)
800,000		500,000			7,674,000	8,881,427
140,715	2,759,099	(2,452,853)	(36,805)	(238,126)	1,269,521	1,151,541
5,705,131	(2,847,484)	1,175,413	411,516	7,824,806	17,282,486	49,418,730
\$ 5,845,846	\$ (88,385)	\$ (1,277,440)	\$ 374,711	\$ 7,586,680	\$ 18,552,007	\$ 50,570,271



City of Alameda
Internal Service Funds
Combining Statements of Cash Flows
For the Year Ended June 30, 2022

	IT Cable Replacement	Central Services	Fleet Maintenance and Replacement	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 158,716	\$ -	\$ 4,697,644	\$ 2,993,603
Payments to suppliers	(32,258)		(1,545,095)	(2,587,113)
Payments to employees			(1,113,591)	(1,301,887)
Insurance and claims paid				
Cash Flows from Operating Activities	<u>126,458</u>		<u>2,038,958</u>	<u>(895,397)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund receipts			45,951	
Transfers In (out)	(7,190,151)	(92,573)	7,190,151	
Cash Flows from Noncapital Financing Activities	<u>(7,190,151)</u>	<u>(92,573)</u>	<u>7,236,102</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net			(1,020,801)	
Proceeds from the sale of assets			21,457	
Principal payments on capital debt			(313,304)	
Interest payments on capital debt			(63,289)	
Cash Flows from Capital and Related Financing Activities			<u>(1,375,937)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales (purchases) of restricted investments				
Interest	(21,937)		(117,383)	(122,381)
Cash Flows from Investing Activities	<u>(21,937)</u>		<u>(117,383)</u>	<u>(122,381)</u>
Net Cash Flows	(7,085,630)	(92,573)	7,781,740	(1,017,778)
Cash and investments at beginning of period	<u>8,504,893</u>	<u>92,573</u>	<u>444,601</u>	<u>7,788,353</u>
Cash and investments at end of period	<u>\$ 1,419,263</u>	<u>\$ -</u>	<u>\$ 8,226,341</u>	<u>\$ 6,770,575</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ 125,700	\$ -	\$ 978,363	\$ (1,004,875)
Adjustments to reconcile operating income to cash flows from operating activities:				
Depreciation			1,029,458	63,188
Pension related amounts				
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	773		(74,109)	
(Increase) decrease in prepaids and deposits				140,532
Increase (decrease) accounts payable	(15)		104,220	(101,959)
Increase (decrease) accrued payroll			1,026	7,717
Increase (decrease) refundable deposits				
Claims payable				
Cash Flows from Operating Activities	<u>\$ 126,458</u>	<u>\$ -</u>	<u>\$ 2,038,958</u>	<u>\$ (895,397)</u>

Facilities Replacement and Maintenance	Workers' Compensation Insurance	General Liability Insurance	Unemployment Insurance	OPEB/Vacation	Pension Stabilization Fund	Total
\$ 4,208,624 (3,770,277) (992,769)	\$ 4,159,703 (756,273) (199,882) (2,158,049)	\$ 4,686,046 (847,939) (697,109) (2,448,452)	\$ 2,607 (810) (27,298)	\$ 3,991,743 (3,899,513) (250,000)	\$ - (43,878) (5,755,000)	\$ 24,898,686 (13,483,156) (10,337,536) (4,606,501)
<u>(554,422)</u>	<u>1,045,499</u>	<u>692,546</u>	<u>(25,501)</u>	<u>(157,770)</u>	<u>(5,798,878)</u>	<u>(3,528,507)</u>
800,000		500,000			7,674,000	45,951 8,881,427
800,000		500,000			7,674,000	8,927,378
(65,519)						(1,086,320) 21,457 (313,304) (63,289)
<u>(65,519)</u>						<u>(1,441,456)</u>
(72,524)	(208,165)	(50,000) (84,237)	(7,125)	(127,382)	(527,451) (1,360,601)	(577,451) (2,121,735)
<u>(72,524)</u>	<u>(208,165)</u>	<u>(134,237)</u>	<u>(7,125)</u>	<u>(127,382)</u>	<u>(1,888,052)</u>	<u>(2,699,186)</u>
107,535	837,334	1,058,309	(32,626)	(285,152)	(12,930)	1,258,229
4,483,904	12,946,367	6,183,238	411,516	7,840,752	790,153	49,486,350
<u>\$ 4,591,439</u>	<u>\$ 13,783,701</u>	<u>\$ 7,241,547</u>	<u>\$ 378,890</u>	<u>\$ 7,555,600</u>	<u>\$ 777,223</u>	<u>\$ 50,744,579</u>
\$ (586,761)	\$ 2,967,264	\$ (2,868,616)	\$ (29,680)	\$ (110,744)	\$ (5,043,878)	\$ (5,573,227)
(900)	(23,539) (300,000)	(4,073)	(237)	(29,400)	(755,000)	1,092,646 (755,000)
30,349 2,890	(240,813) 3,824	(186,539) 1,904 (7,565)	4,416	(17,626)		(131,485) (159,468) (407,967) 17,361 (7,565)
	<u>(1,361,237)</u>	<u>3,757,435</u>				<u>2,396,198</u>
<u>\$ (554,422)</u>	<u>\$ 1,045,499</u>	<u>\$ 692,546</u>	<u>\$ (25,501)</u>	<u>\$ (157,770)</u>	<u>\$ (5,798,878)</u>	<u>\$ (3,528,507)</u>







This section of the City's Annual Comprehensive 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 (BRI)

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
5. Alameda Municipal Power Electric Operating Revenues by Source
6. Alameda Municipal Power Customer Accounts
7. Alameda Municipal Power Pricing Changes
8. Alameda Municipal Power Top Ten Customers

Debt Capacity

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

1. Ratio of Outstanding Debt by Type
2. Ratio of General Bonded Debt Outstanding
3. Computation of Direct and Overlapping Debt
4. Computation of Legal Bonded Debt Margin
5. Sewer Services Fund Debt Coverage
6. Alameda Municipal Power Fund Debt Coverage

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 Annual Comprehensive Financial Reports for the relevant year.



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

	June 30,			
	2013	2014	2015	2016
Governmental activities				
Invested in capital assets, net of related debt	\$ 234,318,345	\$ 248,976,617	\$ 259,298,585	\$ 257,003,558
Restricted	65,063,180	64,148,556	47,340,040	49,089,375
Unrestricted	27,586,926	22,934,963	(132,097,358)	(128,732,691)
Total governmental activities net position	<u>\$ 326,968,451</u>	<u>\$ 336,060,136</u>	<u>\$ 174,541,267</u>	<u>\$ 177,360,242</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 32,309,753	\$ 36,408,147	\$ 72,843,612	\$ 77,527,656
Restricted	29,374,748	29,591,239	31,979,615	32,369,845
Unrestricted			17,235,250	23,848,220
Total business-type activities net position	<u>\$ 61,684,501</u>	<u>\$ 65,999,386</u>	<u>\$ 122,058,477</u>	<u>\$ 133,745,721</u>
Primary government				
Invested in capital assets, net of related debt	\$ 266,628,098	\$ 285,384,764	\$ 332,142,197	\$ 334,531,214
Restricted	94,437,928	93,739,795	79,319,655	81,459,220
Unrestricted	27,586,926	22,934,963	(114,862,108)	(104,884,471)
Total primary government net position	<u>\$ 388,652,952</u>	<u>\$ 402,059,522</u>	<u>\$ 296,599,744</u>	<u>\$ 311,105,963</u>

Source: City Finance Department

(a) The City implemented the provisions of GASB Statement No. 75 in Fiscal Year 2018.
 Prior year amounts have not been restated.

<u>2017</u>	<u>2018 (a)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 258,670,492	\$ 261,696,061	\$ 269,397,500	\$ 297,299,908	\$ 306,331,058	\$ 316,665,168
53,494,064	91,334,323	110,162,983	123,984,088	137,396,539	144,588,032
(138,357,430)	(218,481,489)	(214,617,059)	(231,645,513)	(217,133,326)	(191,206,553)
<u>\$ 173,807,126</u>	<u>\$ 134,548,895</u>	<u>\$ 164,943,424</u>	<u>\$ 189,638,483</u>	<u>\$ 226,594,271</u>	<u>\$ 270,046,647</u>
\$ 87,340,526	\$ 93,673,669	\$ 98,017,520	\$ 102,850,134	\$ 110,041,879	\$ 113,133,574
29,829,844	26,462,741	26,055,896	25,632,407	20,951,023	18,843,152
31,259,576	28,810,985	33,134,340	35,731,238	37,380,508	49,557,794
<u>\$ 148,429,946</u>	<u>\$ 148,947,395</u>	<u>\$ 157,207,756</u>	<u>\$ 164,213,779</u>	<u>\$ 168,373,410</u>	<u>\$ 181,534,520</u>
\$ 346,011,018	\$ 355,369,730	\$ 367,415,020	\$ 400,150,042	\$ 416,372,937	\$ 429,798,742
83,323,908	117,797,064	136,218,879	149,616,495	158,347,562	163,431,184
(107,097,854)	(189,670,504)	(181,482,719)	(195,914,275)	(179,752,818)	(141,648,759)
<u>\$ 322,237,072</u>	<u>\$ 283,496,290</u>	<u>\$ 322,151,180</u>	<u>\$ 353,852,262</u>	<u>\$ 394,967,681</u>	<u>\$ 451,581,167</u>



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

	For the Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Expenses				
Governmental Activities:				
General Government	\$ 13,569,619	\$ 15,040,701	\$ 15,566,704	\$ 17,312,864
Police	30,431,546	30,848,485	30,310,509	31,230,359
Fire	27,374,670	27,866,089	30,247,841	33,701,192
Public Works	12,664,895	14,344,311	20,576,356	21,611,732
Community Development	20,805,104	15,947,090	21,707,219	19,926,259
Community Services	8,296,495	6,995,080	6,808,162	8,192,325
Housing	1,222,077	2,004,958	1,883,617	2,298,345
Recreation and parks				
Library				
Planning, Building and Transportation				
Interest on Long-Term Debt	1,409,201	2,307,691	984,165	1,104,604
Total Governmental Activities Expenses	<u>115,773,607</u>	<u>115,354,405</u>	<u>128,084,573</u>	<u>135,377,680</u>
Business-Type Activities:				
Sewer Service	5,125,508	5,339,491	6,069,959	5,189,080
Alameda Municipal Power (B)			47,958,639	54,131,601
Total Business-Type Activities Expenses	<u>5,125,508</u>	<u>5,339,491</u>	<u>54,028,598</u>	<u>59,320,681</u>
Total Primary Government Expenses	<u>\$ 120,899,115</u>	<u>\$ 120,693,896</u>	<u>\$ 182,113,171</u>	<u>\$ 194,698,361</u>
Component Unit:				
Alameda Municipal Power	\$ 53,896,090	\$ 50,466,129		
Total Component Unit	<u>\$ 53,896,090</u>	<u>\$ 50,466,129</u>	<u>\$ -</u>	<u>\$ -</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 7,507,538	\$ 9,820,809	\$ 9,928,486	\$ 9,914,050
Police	1,125,359	1,772,066	1,557,542	1,461,077
Fire	2,625,040	2,242,200	2,902,627	3,161,928
Public Works	7,329,147	6,915,488	8,048,038	8,869,421
Community Development	9,717,218	10,267,249	10,900,322	11,261,739
Community Services	3,477,649	3,238,812	3,273,681	3,550,181
Housing	45		2,500	
Recreation and parks				
Library				
Planning, Building and Transportation				
Operating Grants and Contributions	7,434,721	6,416,506	5,806,249	5,209,502
Capital Grants and Contributions	3,504,228	3,188,964	6,156,043	6,270,247
Total Government Activities Program Revenues	<u>42,720,945</u>	<u>43,862,094</u>	<u>48,575,488</u>	<u>49,698,145</u>
Business-Type Activities:				
Charges for Services:				
Sewer Service	8,966,628	9,734,164	9,906,045	9,404,120
Alameda Municipal Power (B)			58,759,497	62,012,528
Operating Grants and Contributions				
Capital Grants and Contributions				546,768
Total Business-Type Activities Program Revenue	<u>8,966,628</u>	<u>9,734,164</u>	<u>68,665,542</u>	<u>71,963,416</u>
Total Primary Government Program Revenues	<u>\$ 51,687,573</u>	<u>\$ 53,596,258</u>	<u>\$ 117,241,030</u>	<u>\$ 121,661,561</u>
Component Unit:				
Charges for Services:				
Alameda Municipal Power	\$ 56,157,469	\$ 59,774,933		
Total Component Unit Program Revenues	<u>\$ 56,157,469</u>	<u>\$ 59,774,933</u>	<u>\$ -</u>	<u>\$ -</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (73,052,662)	\$ (71,492,311)	\$ (79,509,085)	\$ (85,679,535)
Business-Type Activities	3,841,120	4,394,673	14,636,944	12,642,735
Component Unit Activities	2,261,379	9,308,804	0	0
Total Primary Government Net Expense	<u>\$ (66,950,163)</u>	<u>\$ (57,788,834)</u>	<u>\$ (64,872,141)</u>	<u>\$ (73,036,800)</u>

(A) Reclassified as Enterprise Fund

(B) The City expanded certain departmental reporting during fiscal year 2022. Prior year amounts have not been restated.

Source: City Finance Department

2017	2018	2019	2020	2021	2022
\$ 22,613,362	\$ 27,567,933	\$ 19,673,640	\$ 16,958,175	\$ 24,018,435	\$ 9,320,442
34,249,563	38,203,293	45,109,592	45,157,133	40,102,074	33,123,049
34,380,486	39,616,964	47,372,705	47,027,551	44,780,248	36,170,224
22,493,921	21,305,228	16,185,664	25,410,099	22,362,750	24,738,562
20,854,357	19,124,858	16,626,697	17,247,041	17,476,605	15,030,618
7,825,636	10,785,609	4,172,503	11,591,599	9,388,765	(A)
1,955,239	3,343,039	2,868,235	3,987,655	4,941,615	(A)
					12,082,777 (A)
					6,748,033 (A)
					8,179,331 (A)
983,685	1,298,608	1,276,122	1,035,955	801,228	888,487
<u>145,356,250</u>	<u>161,245,532</u>	<u>153,285,158</u>	<u>168,415,208</u>	<u>163,871,720</u>	<u>146,281,523</u>
5,062,826	4,915,297	5,565,859	6,018,295	5,861,001	4,249,245
53,311,749	59,886,250	63,101,513	63,831,890	64,313,277	57,159,221
58,374,575	64,801,547	68,667,372	69,850,185	70,174,278	61,408,466
<u>\$ 203,730,825</u>	<u>\$ 226,047,079</u>	<u>\$ 221,952,530</u>	<u>\$ 238,265,393</u>	<u>\$ 234,045,998</u>	<u>\$ 207,689,989</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,400,449	\$ 9,068,963	\$ 3,289,980	\$ 3,562,474	\$ 3,692,675	\$ 2,772,718
1,378,632	1,228,935	1,121,616	973,227	816,240	583,063
3,134,509	3,306,867	3,494,527	3,961,473	4,457,369	4,134,221
9,955,286	9,280,689	10,023,569	10,727,879	11,023,739	8,818,755
13,523,363	13,044,105	13,541,107	13,119,155	12,037,359	2,083,815
3,671,588	4,423,440	4,564,276	4,224,548	4,308,651	(A)
					3,558,604 (A)
					14,781 (A)
					6,444,733 (A)
6,045,401	9,032,803	5,700,076	8,402,139	10,771,830	7,445,218
7,058,283	12,386,648	10,877,405	22,446,476	25,423,585	6,454,953
<u>56,167,511</u>	<u>61,772,450</u>	<u>52,612,556</u>	<u>67,417,371</u>	<u>72,531,448</u>	<u>42,310,861</u>
9,690,132	10,498,070	11,216,139	11,243,295	11,721,286	11,815,658
63,449,233	63,455,688	66,567,838	66,703,706	66,260,963	65,799,230
					0
489,751					0
<u>73,629,116</u>	<u>73,953,758</u>	<u>77,783,977</u>	<u>77,947,001</u>	<u>77,982,249</u>	<u>77,614,888</u>
<u>\$ 129,796,627</u>	<u>\$ 135,726,208</u>	<u>\$ 130,396,533</u>	<u>\$ 145,364,372</u>	<u>\$ 150,513,697</u>	<u>\$ 119,925,749</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ (89,188,739)	\$ (99,473,082)	\$ (100,672,602)	\$ (100,997,837)	\$ (91,340,272)	\$ (103,970,662)
15,254,541	9,152,211	9,116,605	8,096,816	7,807,971	16,206,422
0	0	0	0	0	0
<u>\$ (73,934,198)</u>	<u>\$ (90,320,871)</u>	<u>\$ (91,555,997)</u>	<u>\$ (92,901,021)</u>	<u>\$ (83,532,301)</u>	<u>\$ (87,764,240)</u>

(Continued)



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

	For the Fiscal Year Ended June 30,			
	2013	2014	2015	2016
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 26,937,823	\$ 38,088,577	\$ 39,057,776	\$ 43,665,977
Urban runoff special assessments	1,842,568			
Sales Taxes	5,932,043	6,260,057	9,340,828	10,187,902
Utility Users Tax	9,095,600	8,500,351	8,330,638	8,368,125
Transfer Tax	5,582,337	6,730,655	8,258,516	9,451,755
Franchise Tax	4,439,185	3,919,351	1,496,491	2,396,918
Transient Occupancy Tax	1,396,432	1,612,283	1,928,731	2,174,973
Property Tax In-Lieu	1,112,896	1,382,336	1,002,871	1,157,160
Other Taxes	2,788,444	4,175,348	4,460,633	1,831,805
Motor Vehicle In-Lieu, Unrestricted	5,897,923			
Use of Money and properties	4,039,370	5,068,924	4,465,916	5,136,494
Gain/Loss from disposal of capital assets				
Miscellaneous	1,531,218	4,428,117	2,787,194	1,160,517
Transfers	269,538	417,997	3,027,004	2,831,684
Extraordinary item			1,007,196	
Total Government Activities	70,865,377	80,583,996	85,163,794	88,363,310
Business-Type Activities:				
Use of Money and properties	33,149	337,908	279,817	685,463
Miscellaneous	5,495	301	90,277	1,190,730
Transfers	(269,538)	(417,997)	(3,027,004)	(2,831,684)
Total Business-Type Activities	(230,894)	(79,788)	(2,656,910)	(955,491)
Total Primary Government	\$ 70,634,483	\$ 80,504,208	\$ 82,506,884	\$ 87,407,819
Component Unit Activities:				
Use of Money and properties	\$ 98,920	\$ 86,293	\$ -	\$ -
Miscellaneous	176,225	1,548,129		
Increase in value of certain NPCA projects and reserves	1,447,092	(789,918)		
Total Component Unit Activities	\$ 1,722,237	\$ 844,504	\$ -	\$ -
Change in Net Position				
Governmental Activities	\$ (2,187,285)	\$ 9,091,684	\$ 5,654,709	\$ 2,683,775
Business-Type Activities	3,610,226	4,314,885	11,980,034	11,687,244
Total Primary Government	\$1,422,941	\$13,406,569	\$17,634,743	\$14,371,019
Changes in Net Position				
Component Unit Activities	\$ 3,983,616	\$ 10,153,308	\$ -	\$ -

Source: City Finance Department

(A) Reclassified as Enterprise Fund

(B) The City expanded certain departmental reporting during fiscal year 2022. Prior year amounts have not been restated.

2017	2018	2019	2020	2021	2022
\$ 45,651,646	\$ 48,745,491	\$ 52,886,048	\$ 56,814,066	\$ 63,421,779	\$ 64,534,572
10,740,580	10,967,955	14,072,162	17,601,220	19,439,879	22,755,698
9,061,296	9,336,326	9,080,200	8,809,356	9,091,389	9,011,553
10,333,813	15,679,218	17,134,704	15,195,899	18,536,929	21,929,943
2,473,634	2,473,040	2,481,408	2,346,930	2,706,949	3,373,794
2,126,612	2,146,038	2,292,350	1,952,077	1,996,230	2,555,336
1,167,072	1,203,862	1,227,585	1,210,667	1,362,667	1,551,000
1,500,155	1,339,471	1,239,629	1,173,089	789,190	314,674
6,957,802	5,300,785	9,009,003	12,672,608	5,774,634	16,738,842
	12,971,153	16,751,109			21,457
2,312,459	1,478,855	1,060,459	3,359,972	664,514	471,713
2,891,411	8,463,788	3,832,474	4,557,012	4,511,900	4,164,456
<u>95,216,480</u>	<u>120,105,982</u>	<u>131,067,131</u>	<u>125,692,896</u>	<u>128,296,060</u>	<u>147,423,038</u>
507,799	1,014,577	2,181,706	2,952,331	441,610	(1,210,245)
1,813,296	1,235,399	794,524	513,888	421,950	2,329,389
(2,891,411)	(8,463,788)	(3,832,474)	(4,557,012)	(4,511,900)	(4,164,456)
<u>(570,316)</u>	<u>(6,213,812)</u>	<u>(856,244)</u>	<u>(1,090,793)</u>	<u>(3,648,340)</u>	<u>(3,045,312)</u>
<u>\$ 94,646,164</u>	<u>\$ 113,892,170</u>	<u>\$ 130,210,887</u>	<u>\$ 124,602,103</u>	<u>\$ 124,647,720</u>	<u>\$ 144,377,726</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,027,741	\$ 20,632,900	\$ 30,394,529	\$ 24,695,059	\$ 36,955,788	\$ 43,452,376
14,684,225	2,938,399	8,260,361	7,006,023	4,159,631	13,161,110
<u>\$20,711,966</u>	<u>\$23,571,299</u>	<u>\$38,654,890</u>	<u>\$31,701,082</u>	<u>\$41,115,419</u>	<u>\$56,613,486</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

	June 30,			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 2,200,000	\$ 2,261,871	\$ 2,591,009	\$ 872,617
Restricted				
Committed				6,043,000
Assigned			3,000,000	6,281,684
Unassigned	21,293,014	29,071,830	30,165,670	27,284,395
Total General Fund	<u>\$ 23,493,014</u>	<u>\$ 31,333,701</u>	<u>\$ 35,756,679</u>	<u>\$ 40,481,696</u>
All Other Governmental Funds				
Nonspendable		\$ 9,395	\$ -	\$ -
Restricted	\$21,293,253	23,349,158	\$50,922,259	\$48,736,806
Committed	36,907,806	40,790,003	17,909,767	21,233,524
Assigned				
Unassigned	(657,163)		(14,081)	
Total all other governmental funds	<u>\$ 57,543,896</u>	<u>\$ 64,148,556</u>	<u>\$ 68,817,945</u>	<u>\$ 69,970,330</u>

Source: City of Alameda Finance Department

(a) The change in total fund balance for the General Fund and other government funds is explained in Management's Discussion and Analysis.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,575,550	\$ 782,440	\$ 1,591,812	\$ 1,011,157	\$ 937,545	\$ 3,138,094
11,568,004					8,700,000
8,525,868	15,354,029	16,173,757	18,220,882	15,544,000	13,929,791
28,726,377	25,072,934	23,445,239	35,413,925	56,594,050	64,260,392
<u>\$ 50,395,799</u>	<u>\$ 41,209,403</u>	<u>\$ 41,210,808</u>	<u>\$ 54,645,964</u>	<u>\$ 73,075,595</u>	<u>\$ 90,028,277</u> (a)
\$ -	\$ 1,115	\$ 2,784,114	\$ 2,878,114	\$ 1,200,533	\$ -
\$52,352,209	64,846,207	84,169,854	98,743,112	113,087,912	122,038,092
21,938,791	23,357,819	25,959,758	15,258,412	14,105,669	12,804,312
				1,346,011	
(2,519,632)	(831,560)	(510,884)	(1,780,179)		(365,801)
<u>\$ 71,771,368</u>	<u>\$ 87,373,581</u>	<u>\$ 112,402,842</u>	<u>\$ 115,099,459</u>	<u>\$ 129,740,125</u>	<u>\$ 134,476,603</u> (a)



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

	For the Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Revenues				
Property taxes	\$ 30,299,428	\$ 40,030,928	\$ 41,511,670	\$ 43,665,978
Other local taxes	29,441,266	31,532,635	34,307,623	36,600,031
Licenses and permits	3,220,082	3,649,220	4,834,523	4,599,669
Developer fees				
Revenue from other agencies	15,017,173	8,383,901	10,472,056	11,799,727
Charges for current services	16,992,163	16,881,772	16,601,934	18,801,604
Fines and forfeitures	1,712,558	1,940,326	1,579,608	1,505,913
Use of money and property	16,284,321	17,130,340	17,472,748	18,278,665
Other	1,366,611	4,638,439	2,898,060	1,088,097
Total Revenues	<u>114,333,602</u>	<u>124,187,561</u>	<u>129,678,222</u>	<u>136,339,684</u>
Expenditures				
Current:				
General government	13,996,654	14,807,500	17,213,207	22,246,735
Police	28,538,108	28,767,165	28,682,826	28,816,779
Fire	23,262,699	24,269,387	27,961,054	28,529,688
Public Works	4,320,452	4,432,334	4,558,311	4,742,674
Community Development	17,828,779	14,920,522	16,145,736	17,686,827
Recreation and Parks				
Library				
Planning, Building and Transportation				
Community Services	6,704,716	5,755,718	5,797,562	6,453,987
Culture and Recreation	1,178,313			
Housing	2,051,269	2,282,435	1,883,479	2,298,345
Capital outlay	13,306,766	12,836,513	16,402,343	17,408,895
Debt service:				
Principal repayment	1,710,214	17,866,047	1,906,000	2,149,564
Interest and fiscal charges	1,431,642	2,398,072	791,566	1,128,676
Total Expenditures	<u>114,329,612</u>	<u>128,335,693</u>	<u>121,342,084</u>	<u>131,462,170</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,990</u>	<u>(4,148,132)</u>	<u>8,336,138</u>	<u>4,877,514</u>
Other Financing Sources (Uses)				
Contribution from (to) other entities				
Transfers in	13,236,792	19,087,597	18,842,178	20,777,712
Transfers (out)	(14,172,654)	(19,626,956)	(19,093,145)	(22,913,024)
Sale of capital assets				
Payment to escrow agent				
Bond issuance premium (discount) on debt		512,838		
Issuance of long-term debt		18,620,000		3,000,000
Total other financing sources (uses)	<u>(935,862)</u>	<u>18,593,479</u>	<u>(250,967)</u>	<u>864,688</u>
Extraordinary item			1,007,196	
Net Change in fund balances	<u>\$ (931,872)</u>	<u>\$ 14,445,347</u>	<u>\$ 9,092,367</u>	<u>\$ 5,742,202</u>
Debt service as a percentage of noncapital expenditures	2.9% (a)	17.6% (a)	2.5% (a)	2.6% (a)

NOTE:

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

(b) The City implemented a new ERP system in fiscal year 2022 and revised the presentation of certain departmental activity.

Source: City Finance Department

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 45,651,646	\$ 48,681,491	\$ 52,452,829	\$ 56,775,439	\$ 63,421,779	\$ 64,823,204
38,995,559	43,717,400	48,515,927	48,919,948	54,861,864	62,205,185
5,353,671	5,435,030	5,824,270	6,790,077	7,036,885	7,047,477
		750,446	4,452,877	8,377,385	2,362,622
13,461,497	20,936,253	17,541,700	26,662,943	28,373,176	16,029,558
19,328,754	18,586,442	12,671,775	13,859,317	13,047,885	14,764,505
1,141,664	1,235,816	1,180,423	1,121,348	882,204	936,837
18,876,427	19,512,445	21,843,012	24,354,283	16,928,549	19,307,468
4,920,412	2,362,537	1,314,287	3,987,166	2,052,715	546,523
<u>147,729,630</u>	<u>160,467,414</u>	<u>162,094,669</u>	<u>186,923,398</u>	<u>194,982,442</u>	<u>188,023,379</u>
21,770,743	26,765,743	23,865,017	16,398,248	16,265,961	7,825,555
30,853,005	38,367,994	33,970,893	34,337,435	34,404,813	37,353,571
30,652,703	37,809,548	35,153,085	36,280,599	38,153,099	40,741,898
4,918,684	5,452,709	5,384,542	5,782,721	6,960,509	11,399,139
18,077,608	17,180,357	16,544,318	15,803,663	16,994,640	13,721,444
					11,148,382 (b)
					4,857,264 (b)
					7,807,306 (b)
6,382,003	7,584,297	8,522,259	9,521,485	9,053,756 (b)	(b)
1,955,239	4,056,097	2,828,691	3,941,148	5,392,053 (b)	
22,147,962	28,835,746	25,675,554	47,389,700	25,874,682	23,162,135
1,957,436	2,153,966	7,131,495	2,311,954	2,490,674	2,724,662
1,163,030	1,229,634	1,335,732	998,964	784,811	875,892
<u>139,878,413</u>	<u>169,436,091</u>	<u>160,411,586</u>	<u>172,765,917</u>	<u>156,374,998</u>	<u>161,617,248</u>
<u>7,851,217</u>	<u>(8,968,677)</u>	<u>1,683,083</u>	<u>14,157,481</u>	<u>38,607,444</u>	<u>26,406,131</u>
24,650,200	29,546,528	33,127,183	55,347,106	57,442,538	26,397,850
(22,300,789)	(27,133,187)	(31,436,709)	(53,372,814)	(62,979,685)	(31,114,821)
1,514,513	12,971,153	16,751,109			
		4,906,000			
<u>3,863,924</u>	<u>15,384,494</u>	<u>23,347,583</u>	<u>1,974,292</u>	<u>(5,537,147)</u>	<u>(4,716,971)</u>
<u>\$ 11,715,141</u>	<u>\$ 6,415,817</u>	<u>\$ 25,030,666</u>	<u>\$ 16,131,773</u>	<u>\$ 33,070,297</u>	<u>\$ 21,689,160</u>
2.3% (a)	2.2% (a)	5.9% (a)	2.4% (a)	2.3% (a)	2.5% (a)



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

Object Series	Revenue Type	Calendar Year 2022 Wage Increase (a)			% Change
		FY19-20	FY20-21	Value Change	
31100	General Fund Property Tax	\$ 45,733,246	\$ 49,310,947	\$ 3,577,701	7.82%
31310	Bradley Burns Sales Tax	10,119,901	10,695,541	575,640	5.69%
31600	Property Transfer Tax	15,195,899	18,536,929	3,341,030	21.99%
31400	Utility Users Tax	8,809,355	8,748,859	(60,496)	-0.69%
31700	Transient Occupancy Tax	1,952,077	1,996,230	44,153	2.26%
	TOTALS	\$ 81,810,477	\$ 89,288,506	\$ 7,478,029	9.14%
	50% Of Total Increase applicable to Wage Increases				4.57%
	Minimum/Maximum per MOUs			2.0% to 5.0%	
	BRI WAGE INCREASE EFFECTIVE JANUARY				4.57%

(a) City's safety groups memoranda of understanding provide for a minimum of 2% and a maximum of 5% wage increase in January 2022.

Calendar Year 2023 Wage Increase

FY21-22	Value Change	% Change
\$ 51,486,500	\$ 2,175,553	4.41%
11,757,084	1,061,543	9.93%
21,929,943	3,393,014	18.30%
9,011,553	262,694	3.00%
2,555,336	559,106	28.01%
\$ 96,740,417	\$ 7,451,911	8.35%

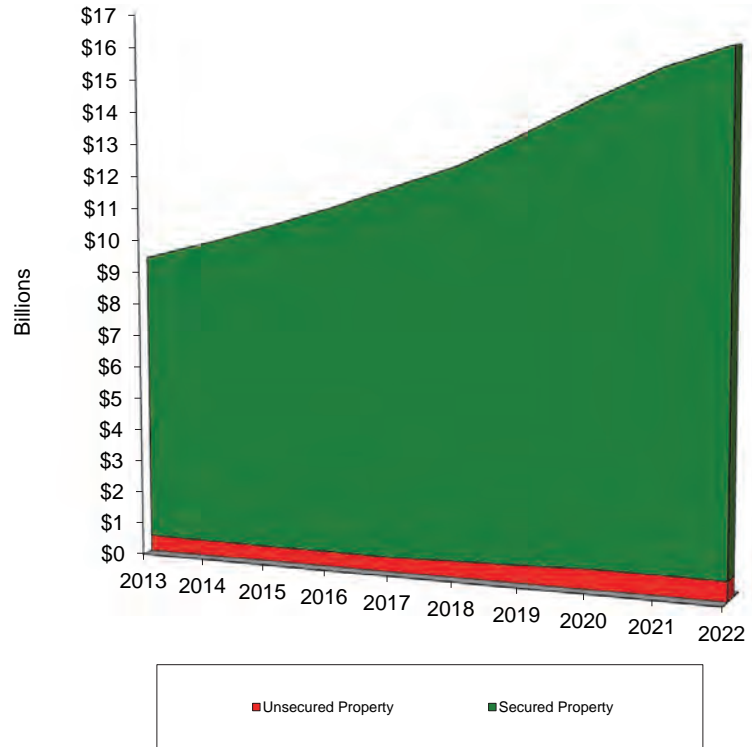
4.17%

1.0% to 2.0%

4.17%



**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
2013	\$ 8,927,046,504	0.85%	\$ 496,000,269	-5.45%	\$ 9,423,046,773
2014	9,472,636,207	6.11%	476,558,073	-3.92%	9,949,194,280
2015	10,074,322,282	6.35%	457,262,328	-4.05%	10,531,584,610
2016	10,688,573,728	6.10%	466,708,505	2.07%	11,155,282,233
2017	11,404,111,189	6.69%	454,198,686	-2.68%	11,858,309,875
2018	12,033,671,681	5.52%	511,300,374	12.57%	12,544,972,055
2019	12,983,045,316	7.89%	560,482,846	9.62%	13,543,528,162
2020	13,948,085,350	7.43%	632,158,585	12.79%	14,580,243,935
2021	14,872,870,275	6.63%	629,020,320	-0.50%	15,501,890,595
2022	15,543,159,035	4.51%	616,058,289	-2.06%	16,159,217,324

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

Source: Alameda County Auditor Controller Office Certificate of Assessed Valuations



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

Fiscal Year	Basic County Wide Levy (a)	City	Alameda Unified School Bonds	East Bay Regional Park	EBMUD Special District 1	Oakland Unified School Dist. Bonds	BART	Peralta College	County Go Bond	Total
2013	\$ 1.0000	\$ 0.0260	\$ 0.0553	\$ 0.0051	\$ 0.0068	0.0000	\$ 0.0043	\$ 0.0434	0.0000	\$ 1.1409
2014	1.0000	0.0260	0.0534	0.0078	0.0066	0.0000	0.0075	0.0419	0.0000	1.1432
2015	1.0000	0.0250	0.0503	0.0085	0.0047	0.0000	0.0045	0.0412	0.0000	1.1342
2016	1.0000	0.0240	0.1043	0.0067	0.0034	0.0000	0.0026	0.0337	0.0000	1.1747
2017	1.0000	0.0230	0.0967	0.0032	0.0028	0.0000	0.0080	0.0256	0.0000	1.1593
2018	1.0000	0.0225	0.0653	0.0021	0.0011	0.0000	0.0084	0.0310	0.0000	1.1304
2019	1.0000	0.0220	0.0974	0.0057	0.0000	0.0000	0.0070	0.0269	0.0112	1.1702
2020	1.0000	0.0215	0.1036	0.0060	0.0000	0.0000	0.0120	0.0257	0.0108	1.1796
2021	1.0000	0.0215	0.0737	0.0014	0.0000	0.0000	0.0139	0.0452	0.0036	1.1593
2022	1.0000	0.0210	0.0888	0.0020	0.0000	0.1202	0.0060	0.0407	0.0041	1.2888

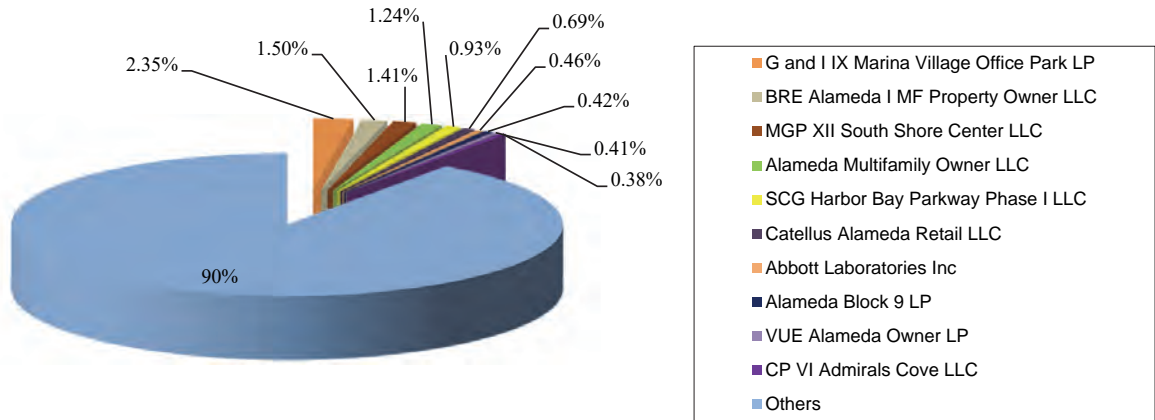
Source: Alameda County Assessors Office

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



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

Current Year Taxpayers

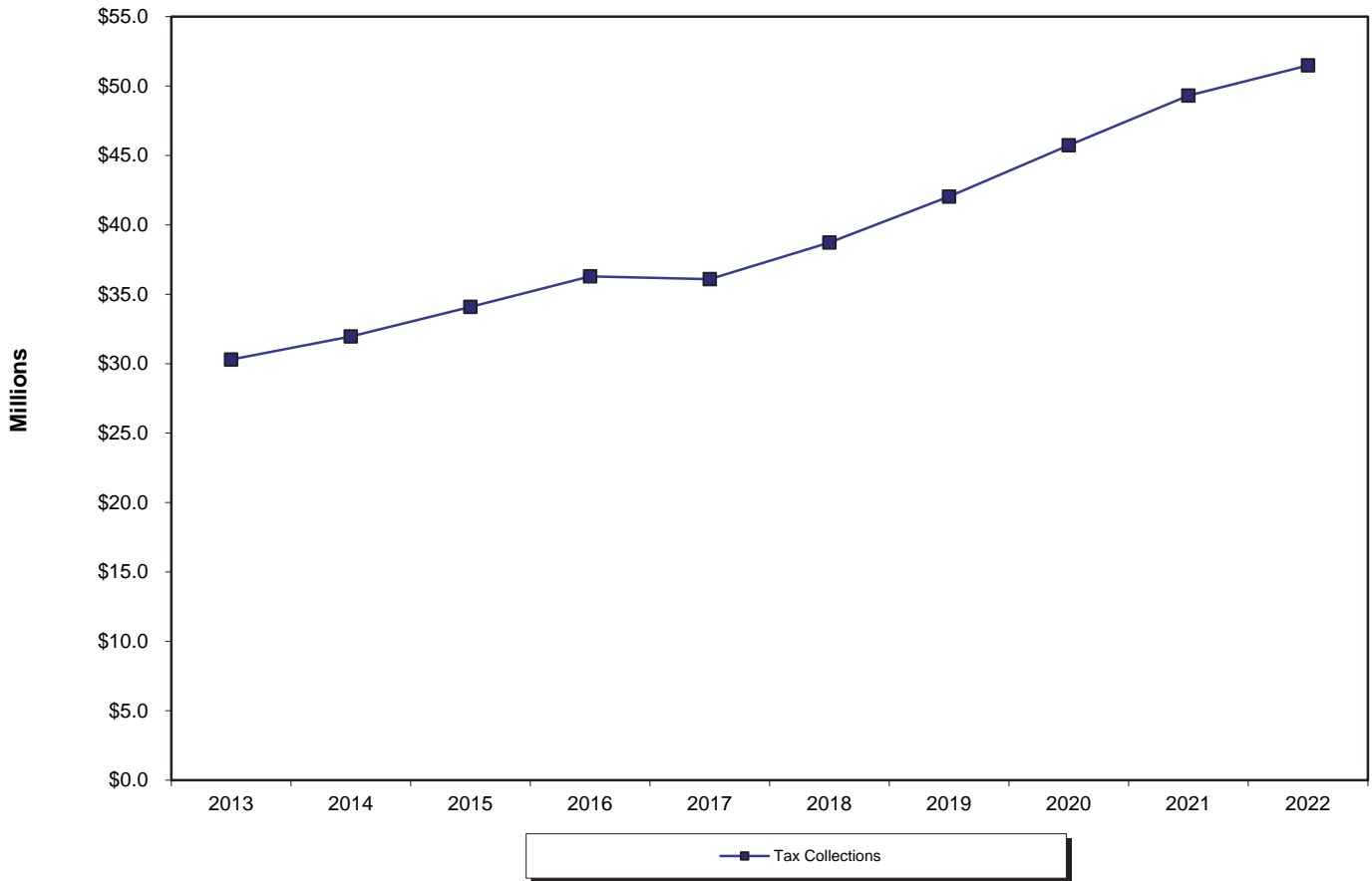


Taxpayer	2021-22			2012-13		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
G and I IX Marina Village Office Park LP	\$ 379,718,691	1	2.35%	\$ -		
BRE Alameda I MF Property Owner LLC	242,234,114	2	1.50%			
MGP XII South Shore Center LLC	227,150,811	3	1.41%			
Alameda Multifamily Owner LLC	199,665,618	4	1.24%			
SCG Harbor Bay Parkway Phase I LLC	150,105,365	5	0.93%			
Catellus Alameda Retail LLC	110,825,917	6	0.69%			
Abbott Laboratories Inc	73,963,355	7	0.46%	32,570,000	9	0.35%
Alameda Block 9 LP	67,291,168	8	0.42%			
VUE Alameda Owner LP	65,872,628	9	0.41%			
CP VI Admirals Cove LLC	62,087,769	10	0.38%			
Legacy Partners I Alameda LLC				210,468,676	1	2.23%
KW Alameda LLC				93,704,525	2	0.99%
Jamestown Harsch Alameda Towne Centre				79,150,291	3	0.84%
Amstar - 105, LLC				63,350,395	4	0.67%
Wind River Systems Inc				62,357,304	5	0.66%
SKS Harbor Bay Associates LLC				42,091,031	6	0.45%
Peet's Operating Company				39,788,459	7	0.42%
SRM Marina Investors LLC				33,287,601	8	0.35%
CREA BridgeSide LLC				31,749,208	10	0.34%
Subtotal	\$ 1,578,915,436		9.77%	\$ 688,517,490		7.31%
Total Net Assessed Valuation:						
Fiscal Year 2020-21	\$ 16,159,217,324					
Fiscal Year 2011-12	\$ 9,423,046,773					

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
2013	\$ 30,299,428	\$ 30,299,428	100%	\$ -	\$ 30,299,428	100%
2014	31,960,530	31,960,530	100%	-	31,960,530	100%
2015	34,093,132	34,093,132	100%	-	34,093,132	100%
2016	36,292,959	36,292,959	100%	-	36,292,959	100%
2017	36,090,128	36,090,128	100%	-	36,090,128	100%
2018	38,726,740	38,726,740	100%	-	38,726,740	100%
2019	42,037,930	42,037,930	100%	-	42,037,930	100%
2020	45,733,246	45,733,246	100%	-	45,733,246	100%
2021	49,310,946	49,310,946	100%	-	49,310,946	100%
2022	51,486,500	51,486,500	100%	-	51,486,500	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

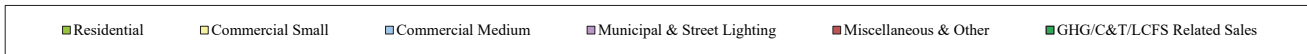
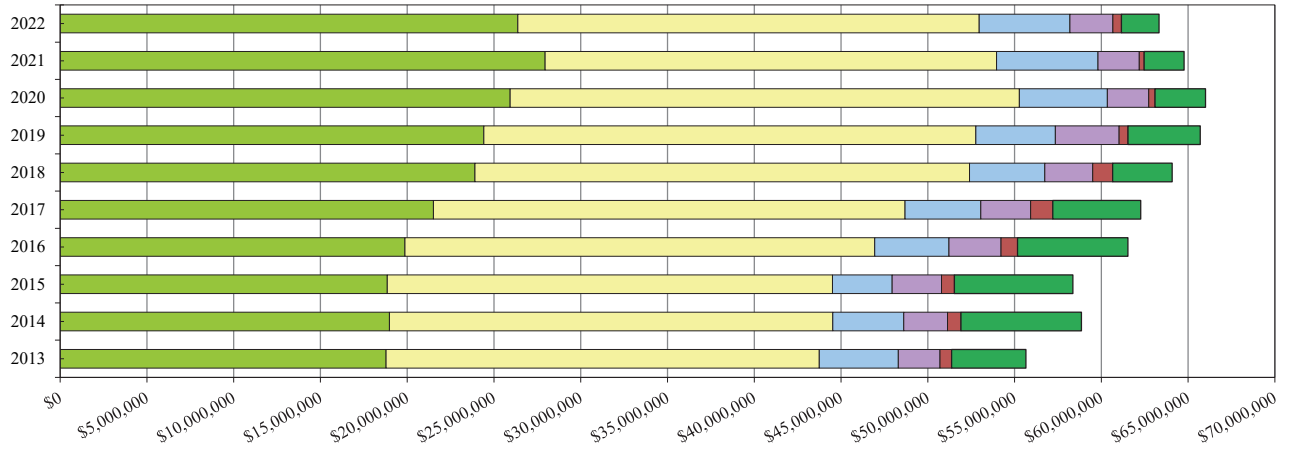
(a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement (Teeter Plan) which allows the County to keep all interest and delinquency charges collected.



City of Alameda
Alameda Municipal Power
Electric Operating Revenues by Source
Last Ten Fiscal Years

ELECTRIC OPERATIONS

Fiscal Year



Sales of Electricity

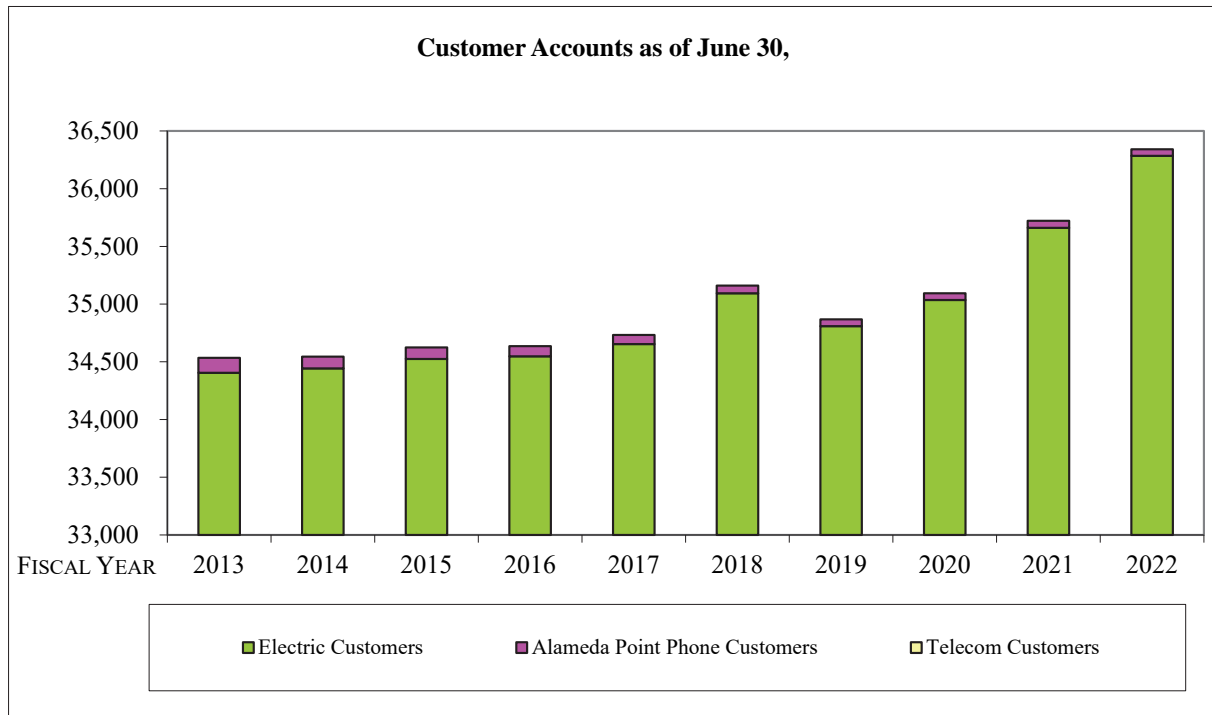
Fiscal Year	Residential	Commercial Small	Commercial Medium	Municipal	Street Lighting/ Other	Miscellaneous Services	Plant Lease & Jobbing Sales	GHG/C&T/LCFS Related Sales	Total
2013	\$ 18,781,411	\$ 24,967,214	\$ 4,552,958	\$ 1,779,313	\$ 623,308	\$ 666,112	\$ 390,500	\$ 4,283,423	\$ 56,044,239
2014	18,974,096	25,554,219	4,088,510	1,859,914	660,902	773,677	843,737	6,938,783	59,693,838
2015	18,849,656	25,660,869	3,435,518	2,047,549	797,198	742,071	402,567	6,824,069	58,759,497
2016	19,869,104	27,071,358	4,278,240	1,973,689	1,028,631	947,765	479,791	6,363,950	62,012,528
2017	21,510,126	27,177,335	4,366,885	1,958,154	913,248	1,275,191	1,177,119	5,071,175	63,449,233
2018	23,902,788	28,500,186	4,338,898	1,965,664	793,870	1,146,507	519,200	3,435,082	64,602,195
2019	24,414,010	28,354,299	4,580,711	2,225,142	1,453,471	510,524	1,380,846	4,159,358	67,078,362
2020	25,933,443	29,341,107	5,069,275	2,238,296	149,514	362,644	1,062,614	2,909,457	67,066,350
2021	27,946,417	26,015,342	5,845,303	2,058,753	320,052	284,931	1,778,194	2,296,903	66,545,895
2022	26,375,111	26,584,210	5,230,140	2,455,536	15,350	499,947	2,973,677	2,165,206	66,299,177

Kilowatt- Hour Sales

Fiscal Year	Residential	Commercial Small	Commercial Medium	Municipal	Street Lighting/ Other	Total KWH	Peak Demand (KW)
2013	135,924,914	176,259,228	35,487,830	12,585,314	3,186,846	363,444,132	68,100
2014	131,209,422	175,075,476	31,951,900	12,537,513	3,138,994	353,913,305	69,308
2015	125,431,220	174,257,771	26,587,830	12,809,590	3,116,374	342,202,785	63,372
2016	125,831,929	176,575,883	31,490,040	12,375,517	2,546,494	348,819,863	64,283
2017	126,850,402	172,520,353	30,127,960	11,428,198	2,838,825	343,765,738	63,738
2018	124,589,523	168,873,305	28,321,180	10,723,565	2,518,330	335,025,903	59,624
2019	125,510,907	164,807,447	28,712,440	11,064,274	2,034,011	332,129,079	54,362
2020	129,591,566	166,745,235	31,301,090	11,539,236	2,605,615	341,782,742	61,990
2021	138,607,950	146,664,721	35,641,270	10,470,953	2,548,136	333,933,030	62,664
2022	130,100,333	150,731,047	31,576,810	12,536,267	1,763,268	326,707,725	60,551



**City of Alameda
Alameda Municipal Power
Customer Accounts
Last Ten Fiscal Years**



Number of Electric Customer Accounts:

Fiscal Year	Number of Electric Customer Accounts:					Street Lighting & Other	Total Customer Accounts
	Residential	Commercial Small	Commercial Medium	Commercial Large	Municipal		
2013	30,260	3,538	243	9	343	12	34,405
2014	30,281	3,521	271	8	350	12	34,443
2015	30,307	3,558	276	8	365	11	34,525
2016	30,470	3,425	280	8	354	11	34,548
2017	30,495	3,437	327	12	365	18	34,654
2018	30,798	3,577	321	12	373	13	35,094
2019	30,650	3,479	303	7	356	14	34,809
2020	30,872	3,481	294	10	361	18	35,036
2021	31,349	3,627	283	9	378	15	35,661
2022	32,058	3,542	312	11	348	14	36,285

NOTE: Telecommunication operation was sold in November 2008 - 10 year historical data is zero for 2009 onwards

Fiscal Year	Telecommunications*			Alameda Point Telephone Customer Accounts
	Cable TV	Internet Data	Customer Accounts	
2013	-	-	-	130
2014	-	-	-	102
2015	-	-	-	100
2016	-	-	-	88
2017	-	-	-	79
2018	-	-	-	66
2019	-	-	-	59
2020	-	-	-	58
2021	-	-	-	61
2022	-	-	-	57

*Telecommunication operation was sold in November 2008



**City of Alameda
Alameda Municipal Power
Pricing Changes
Last Ten Fiscal Years**

Electric Rate Changes

<u>Date</u>	<u>Percent Change</u>	
July 1, 2013	3.25%	
July 1, 2014	2.00%	
July 1, 2015	4.60%	
July 1, 2016	5.00%	
July 1, 2017	5.00%	
July 1, 2018	1.00%	
July 1, 2019	2.50%	
July 1, 2020	0.00%	
July 1, 2021	0.00%	
July 1, 2022	5.00%	(Fiscal Year 2023)

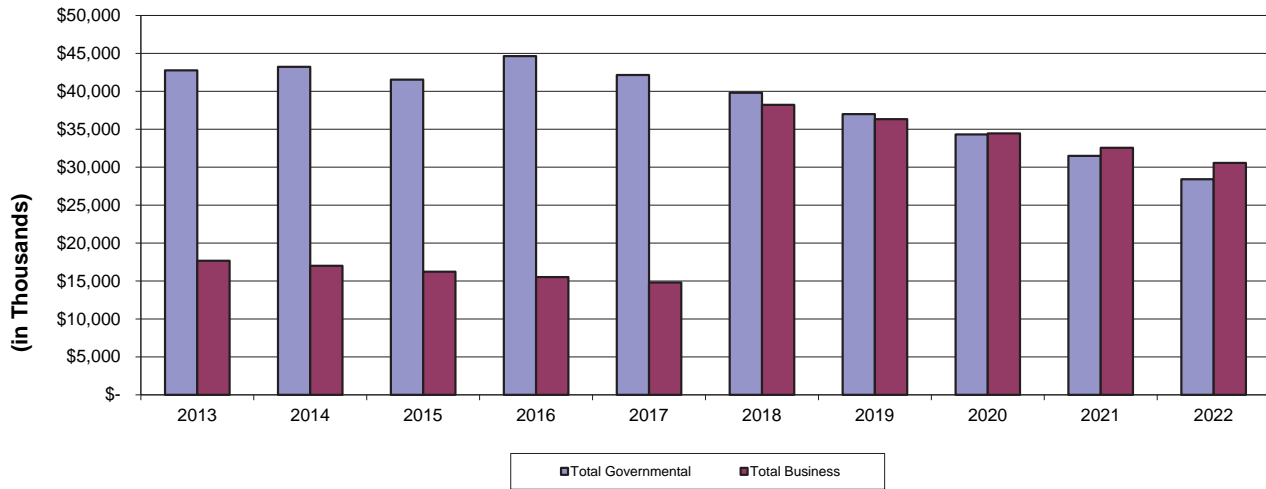


City of Alameda
Alameda Municipal Power
Top 10 Customers
For the Fiscal Year Ended June 30, 2022

2022				Percent of		Percent of
No.	Customer	Type of Business	KWHS	System Total	Revenues	System Total
1	U.S. Coast Guard	Regulation, Admin. of Transportation	17,527,415	5.36%	\$ 2,700,461	4.45%
2	City Of Alameda	Local Government	4,808,664	1.47%	958,777	1.58%
3	Safeway Inc.	Grocery Retailer	6,118,568	1.87%	943,833	1.56%
4	Penumbra, Inc.	Medical Devices Developer/Manufacturer	5,250,288	1.61%	839,468	1.38%
5	Maritime Administration	Regulation, Admin. of Transportation	5,311,805	1.63%	823,434	1.36%
6	Alameda Unified School District	Public School District	4,614,761	1.41%	784,900	1.29%
7	Alameda Commercial Properties	Real Estate Management	4,122,000	1.26%	763,553	1.26%
8	Peets Coffee & Tea	Coffee Roaster and Retailer	4,205,320	1.29%	698,449	1.15%
9	Wind River Systems Inc.	Computer Programming Services	3,906,901	1.20%	637,059	1.05%
10	College of Alameda	Community college of City of Alameda	3,296,880	1.01%	525,498	0.87%
	Top 10 Customers KWHS		<u>59,162,602</u>	<u>18.11%</u>	<u>\$ 9,675,432</u>	<u>15.95%</u>
	Total Kilowatt Hour Sales	System Totals	<u>326,707,725</u>	100%	<u>\$ 60,660,347</u>	100%



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



Governmental Activities

Fiscal Year	Certificates of Participation	General Obligation Bond	Revenue Bonds	Loans & Lease Purchases	Total
2013	\$ 10,700,000	\$ 8,925,000	\$ 11,700,000	\$ 11,440,764	\$ 42,765,764
2014	11,855,000	9,010,000	11,400,000	10,963,100	43,228,100
2015	10,930,000	8,610,000	11,000,000	10,995,218	41,535,218
2016	9,960,000	8,270,000	10,600,000	15,807,781	44,637,781
2017	9,210,000	7,925,000	10,200,000	14,812,439	42,147,439
2018	8,736,269	7,634,770	9,800,000	13,642,297	39,813,336
2019	7,905,750	7,264,303	9,400,000	12,427,012	36,997,065
2020	7,045,231	6,878,836	9,000,000	11,388,194	34,312,261
2021	6,149,712	6,483,369	8,600,000	10,253,070	31,486,151
2022	5,214,193	6,072,902	8,100,000	9,030,104	28,417,199

Business-Type Activities

Fiscal Year	COPS & Revenue Bonds	Loans & Lease Purchases	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2013	\$ 14,715,000	\$ 2,956,277	\$ 17,671,277	\$ 60,437,041	2.14%	\$ 804.48
2014	14,465,000	2,542,379	17,007,379	60,235,479	1.77%	788.29
2015	14,190,000	2,033,841	16,223,841	57,759,059	1.87%	760.38
2016	13,905,000	1,616,170	15,521,170	60,158,951	1.88%	758.84
2017	13,615,000	1,187,296	14,802,296	56,949,735	1.66%	712.51
2018	37,472,390 (b)	746,920	38,219,310	78,032,646	2.21%	989.47
2019	35,878,793 (b)	448,878	36,327,671	73,324,736	1.98%	924.46
2020	34,160,196 (b)	291,527	34,451,723	68,763,984	1.80%	845.68
2021	32,356,599 (b)	196,836	32,553,435	64,039,586	1.55%	791.75
2022	30,468,002 (b)	99,682	30,567,684	58,984,883	1.34%	758.32

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)

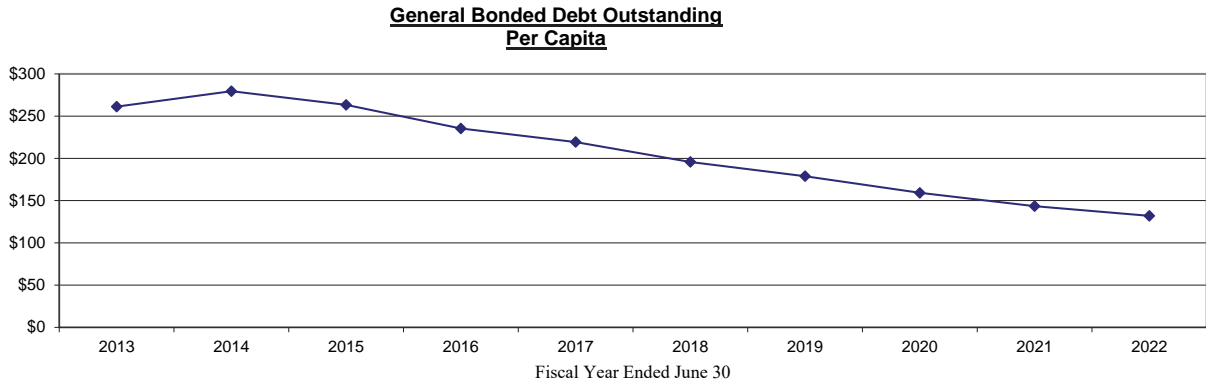
(a) See the Demographic Statistics for personal income and population data.

(b) Includes Alameda Municipal Power debt balances beginning in fiscal year 2018.

Prior year amounts have not been restated



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



General Bonded Debt Outstanding							Percentage of Actual Taxable Value of Property	Per Capita
Fiscal Year	Certificates of Participation	General Obligation Bond	Plus Unamortized Bond Premium	Less Cash and Investments Restricted for Repayment of Debt	Net Bonds Outstanding			
2013	\$ 10,700,000	\$ 8,925,000	\$ -	\$ -	\$ 19,625,000	0.21%	261.23	
2014	11,855,000	9,010,000	490,790	-	21,355,790	0.21%	279.48	
2015	10,930,000	8,610,000	459,812	-	19,999,812	0.19%	263.29	
2016	9,960,000	8,270,000	428,011	-	18,658,011	0.17%	235.35	
2017	9,210,000	7,925,000	397,025	-	17,532,025	0.15%	219.35	
2018	8,435,000	7,570,000	366,039	(930,503)	15,440,536	0.12%	195.79	
2019	7,630,000	7,205,000	335,053	(978,478)	14,191,575	0.10%	178.92	
2020	6,795,000	6,825,000	304,067	(978,860)	12,945,207	0.09%	159.20	
2021	5,925,000	6,435,000	273,081	(1,032,965)	11,600,116	0.07%	143.42	
2022	5,015,000	6,030,000	242,095	(1,019,139)	10,267,956	0.06%	132.01	

Source: City of Alameda Finance Department



City of Alameda
Computation of Direct and Overlapping Debt
June 30, 2022

2020-21 Assessed Valuation: \$16,159,217,324

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/21	% Applicable (a)	City's Share of Debt 6/30/21
Alameda County	\$183,745,000	4.662%	\$ 8,566,192
Bay Area Rapid Transit District	2,521,570,000	1.816%	45,791,711
Peralta Community College District	399,220,000	12.663%	50,553,229
Alameda Unified School District	192,268,516	100.00%	192,268,516
East Bay Regional Park District	184,590,000	2.900%	5,353,110
City of Alameda	6,030,000	100.00%	6,030,000
City of Alameda Facilities District No. 13-1	37,215,000	100.00%	37,215,000
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 345,777,758</u> (b)
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Alameda County and Coliseum Authority General Fund Obligations	\$742,688,000	4.662%	\$ 34,624,115
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	5.520%	643,356
Peralta Community College District Pension Obligations	128,004,633	12.663%	16,209,227
Alameda Unified School District General Fund Obligations	5,062,000	100%	5,062,000
City of Alameda General Fund Obligations	10,473,103	100%	10,473,103 (b)
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT			<u>\$ 67,011,800</u>
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 \$46,190,000	 100%	 \$ 46,190,000
 Total Direct Debt			 \$ 16,503,103
Total Overlapping Debt			<u>\$ 442,476,456</u>
COMBINED TOTAL DEBT			<u>\$ 458,979,559</u> (b)

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

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

Ratios to 2021-22 Assessed Valuation:

Direct Debt (\$6,030,000)	0.04%
Total Direct and Overlapping Tax and Assessment Debt	2.74%
Total Direct Debt (\$16,503,103)	0.10%
Combined Total Debt	2.84%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$3,210,798,924):

Total Overlapping Tax Increment Debt	1.44%
--------------------------------------	-------

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



City of Alameda
Computation of Legal Bonded Debt Margin
June 30, 2022

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$ 15,537,748,566</u>
---	--------------------------

BONDED DEBT LIMIT (15% OF ASSESSED VALUE) (a)	<u>\$ 2,330,662,285</u>
---	-------------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$ 49,855,097
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Less:

Revenue Bonds	38,568,002
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Certificates of Participation	<u>5,214,193</u>
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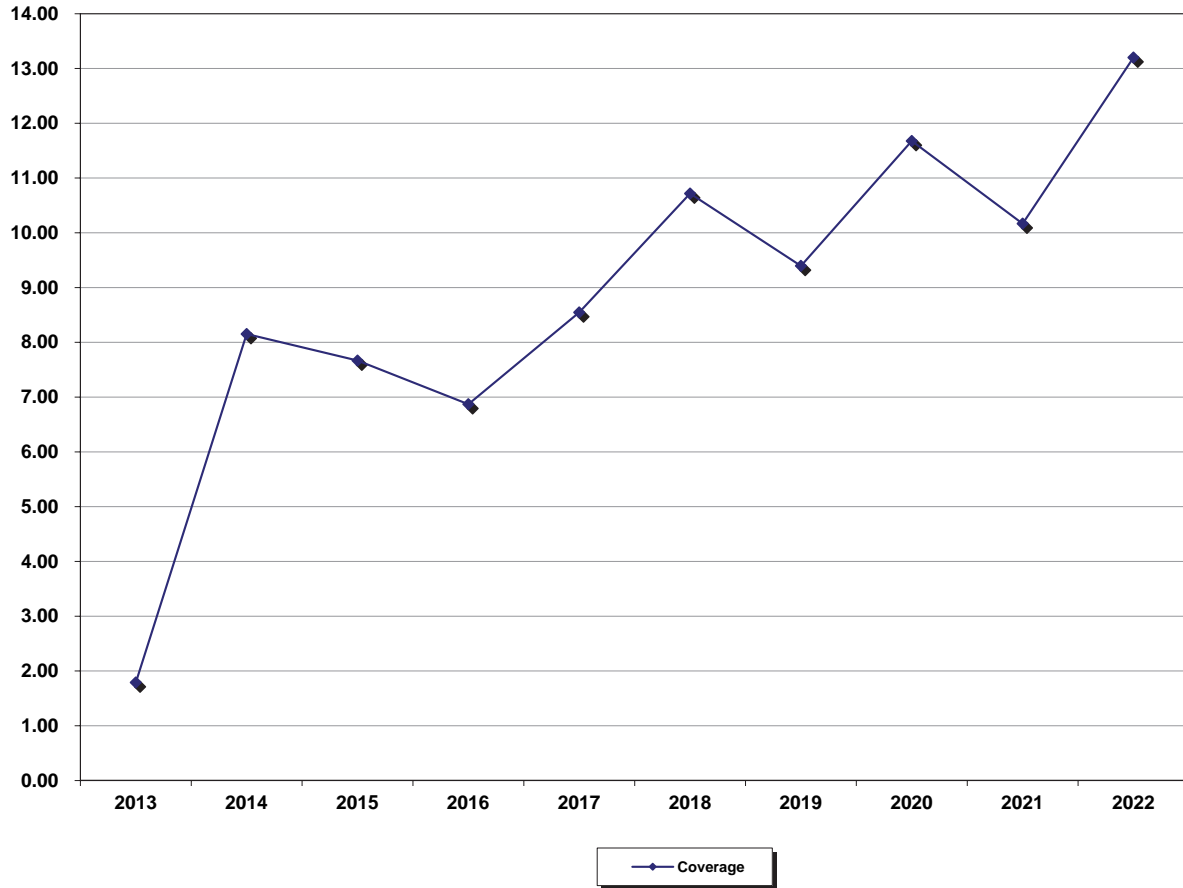
Amount of debt subject to limit	<u>6,072,902</u>
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LEGAL BONDED DEBT MARGIN	<u>\$ 2,324,589,383</u>
--------------------------	-------------------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2013	\$ 1,413,457,016	\$ 8,925,000	\$ 1,404,532,016	0.64%
2014	1,478,724,777	9,090,000	1,469,634,777	0.62%
2015	1,510,066,600	8,610,000	1,501,456,600	0.57%
2016	1,602,204,317	8,270,000	1,593,934,317	0.52%
2017	1,709,534,936	7,925,000	1,701,609,936	0.47%
2018	1,804,066,088	7,570,000	1,796,496,088	0.42%
2019	1,946,576,941	7,205,000	1,939,371,941	0.37%
2020	2,091,332,946	6,878,836	2,084,454,110	0.33%
2021	2,230,050,685	6,483,369	2,223,567,316	0.29%
2022	2,330,662,285	6,072,902	2,324,589,383	0.26%

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in being assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Source: City Finance Department



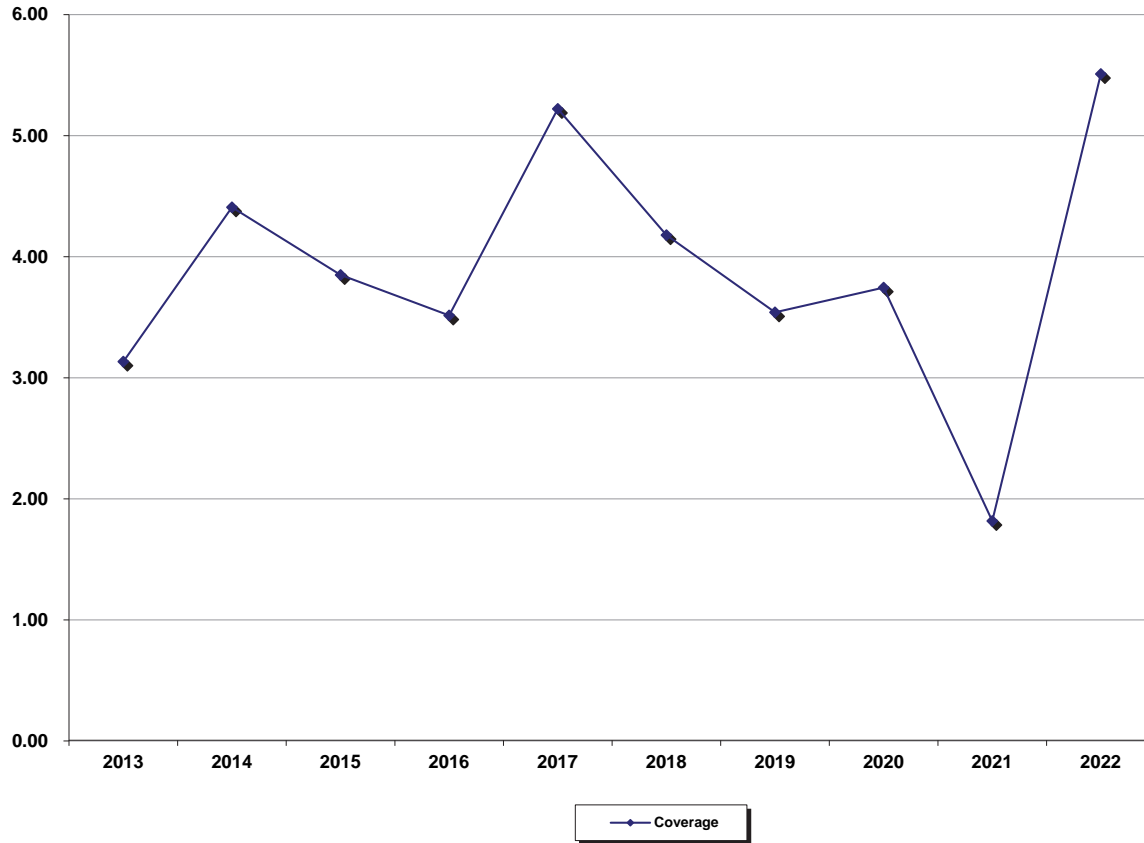
Fiscal Year	Gross Revenue (a)	Operating Expenses (b)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 8,972,123	\$ 3,748,512	\$ 5,223,611	\$ 2,571,399	\$ 346,976	\$ 2,918,375	1.79
2014	10,072,496	3,702,154	5,757,611	250,000	456,319	706,319	8.15
2015	10,011,701	4,475,317	5,536,384	275,000	447,069	722,069	7.67
2016	10,278,327	5,305,530	4,972,797	285,000	438,719	723,719	6.87
2017	10,197,953	4,043,407	6,154,546	290,000	430,069	720,069	8.55
2018	10,671,202	2,973,134	7,698,068	300,000	418,269	718,269	10.72
2019	11,495,009	4,720,299	6,774,710	315,000	405,969	720,969	9.40
2020	12,347,227	3,388,912	8,958,315	375,000	392,169	767,169	11.68
2021	11,694,525	3,897,775	7,796,750	390,000	376,869	766,869	10.17
2022	11,521,715	1,449,047	10,072,668	400,000	363,069	763,069	13.20

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

Source: City of Alameda Annual Financial Statements



City of Alameda
Alameda Municipal Power Fund Debt Coverage
Last Ten Fiscal Years



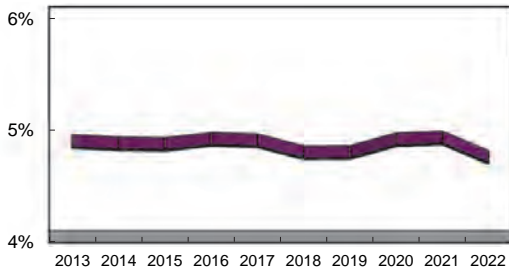
Fiscal Year	Gross Revenue (a)	Revenues Not Available for Debt Service (b)	Operating Expenses (c)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2013	\$ 57,875,814	\$ 4,283,423	\$ 44,964,882	\$ 8,627,509	\$ 1,101,205	\$ 1,651,892	\$ 2,753,097	3.13
2014	59,861,226	6,938,783	40,809,073	12,113,370	1,129,824	1,617,655	2,747,479	4.41
2015	59,022,915	6,824,069	41,755,514	10,443,332	1,158,581	1,554,056	2,712,637	3.85
2016	63,509,684	6,363,950	47,864,750	9,280,984	1,130,000	1,510,325	2,640,325	3.52
2017	65,735,599	5,071,175	46,926,046	13,738,378	1,170,000	1,461,044	2,631,044	5.22
2018	65,532,532	3,435,082	51,123,219	10,974,231	1,220,000	1,406,364	2,626,364	4.18
2019	69,044,773	4,159,358	55,616,579	9,268,836	1,275,000	1,342,703	2,617,703	3.54
2020	69,124,622	2,909,457	56,426,290	9,788,875	1,340,000	1,273,787	2,613,787	3.75
2021	64,305,751	2,296,903	57,265,781	4,743,067	1,410,000	1,199,156	2,609,156	1.82
2022	66,299,177	2,165,206	49,791,154	14,342,817	1,485,000	1,118,327	2,603,327	5.51

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

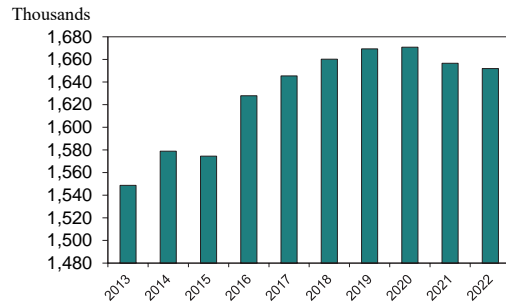
Source: City of Alameda Annual Financial Statements



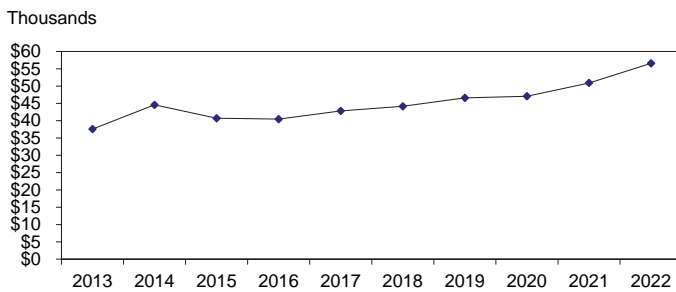
City of Alameda Demographic and Economic Statistics Last Ten Fiscal Years



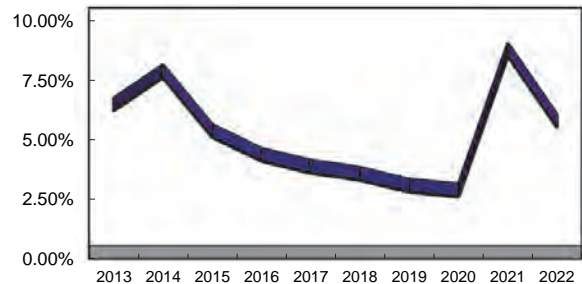
■ City Population % of County



■ Alameda 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
2013	75,126	\$ 2,824,096,775	\$ 37,591	6.2%	1,548,681	4.85%
2014	76,413	3,406,033,062	44,574	7.6%	1,578,891	4.83%
2015	75,961	3,092,904,037	40,717	5.1%	1,574,497	4.82%
2016	79,277	3,207,096,000	40,454	4.1%	1,627,865	4.87%
2017	79,928	3,423,524,000	42,832	3.6%	1,645,359	4.86%
2018	78,863	3,529,109,000	44,153	3.3%	1,660,202	4.75%
2019	79,316	3,695,508,000	46,592	2.8%	1,669,301	4.75%
2020	81,312	3,828,228,000	47,080	2.6%	1,670,834	4.87%
2021	80,884	4,118,360,000	50,916	8.5%	1,656,591	4.88%
2022	77,784	4,401,297,000	56,583	5.5%	1,651,979	4.71%

Source: California State Department of Finance



**City of Alameda
Principal Employers
Current Year and Nine Years Ago**

2021-22

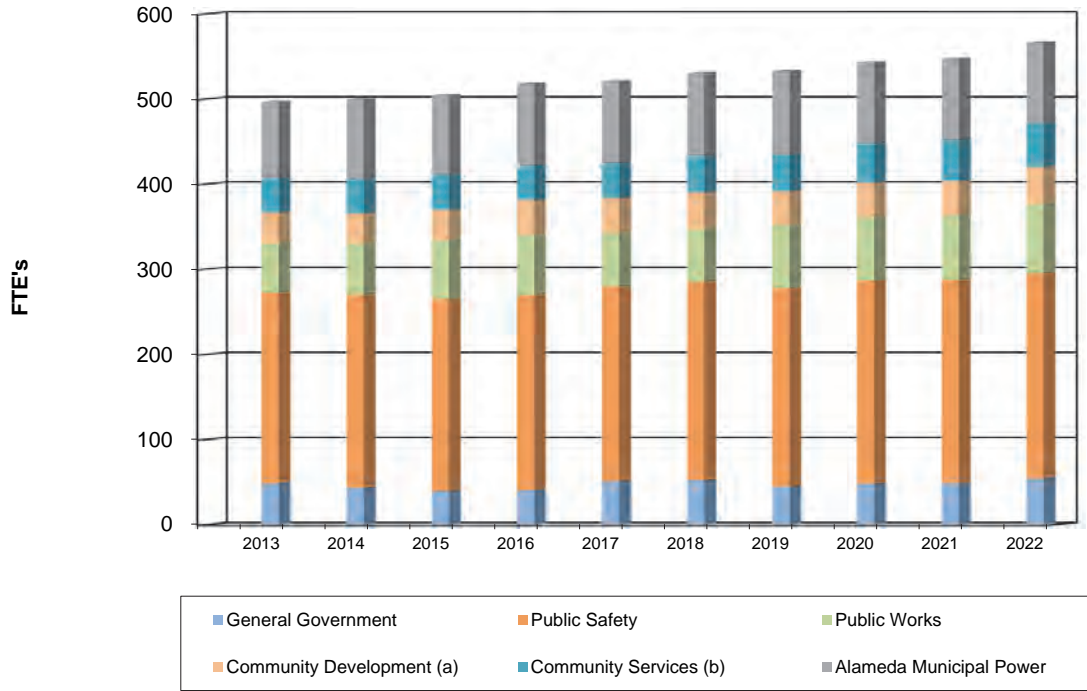
2012-13

<u>Principal Employers by Alphabetical Order</u>	<u>Principal Employers by Alphabetical Order</u>
Celera	Alameda Hospital
Exelixis	Alameda Unified School District
Glycosan Biosystems	Associated Third Party Administration
Health Diagnostics	Bay Ship & Yacht Co
PA Acquisition Corp	Celera Corp
Penumbra, Inc.	City of Alameda
Telecare Corp	Marriott
UTStarcom Inc.	The North Face
Voxify	USCG Base Alameda
Wind River Systems	VF Outdoor

Sources: City of Alameda Finance Department



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



	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Function										
General Government	48.55	43.00	39.35	40.62	50.47	51.97	44.70	47.75	48.75	54.00
Public Safety	224.00	227.00	226.00	229.00	229.00	233.00	233.00	239.00	239.00	241.00
Public Works	57.95	60.00	68.90	70.65	62.90	62.40	73.75	74.75	74.75	82.00
Community Development (a)	36.50	36.00	35.75	41.00	41.38	43.38	40.30	40.25	41.25	43.00
Community Services (b)	40.00	40.00	41.00	39.98	41.00	43.00	43.00	46.00	48.00	52.00
Alameda Municipal Power	90.00	93.50	93.50	96.75	96.25	97.25	98.25	95.25	95.25	94.25
Total	<u>497.00</u>	<u>499.50</u>	<u>504.50</u>	<u>518.00</u>	<u>521.00</u>	<u>531.00</u>	<u>533.00</u>	<u>543.00</u>	<u>547.00</u>	<u>566.25</u>

NOTE:
 (a) Community Development includes Planning, Building and Transportation
 (b) Community Services includes Library and Recreation

Source: City of Alameda





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

	Fiscal Years			
	2013	2014	2015	2016
General Information				
Area in square miles	22.7	22.7	22.7	22.7
Number of registered voters	44,444	44,271	44,006	46,055
Number of Hospitals	1	1	1	1
Education:				
Student enrollment	10,836	8,975	9,552	9,455
Elementary schools	11	10	10	10
Junior high schools	3	2	2	2
High schools	4	4	3	3
Continuation schools	1	1	1	1
Independent study	1	1	1	1
Teachers (full & part time)	381	613	549	626
Function/Program				
Fire:				
Fire calls for service	6,523	6,314	6,439	6,860
Primary fire inspections conducted	1,414	1,311	1,444	1,617
Police:				
Police calls for Service	70,360	75,920	69,347	74,517
Law violations:				
Part I and Part II crimes	4,582	4,957	4,383	4,494
Physical arrests (adult and juvenile)	2,396	2,583	2,332	2,127
Traffic violations	28,793	10,754	8,507	8,334
Sewer				
Storm drain inlets	2,300	2,951	2,951	2,951
Sewer service connections	20,590	19,432	19,454	19,454
Solid Waste				
Refuse Landfill (tons per year)	31,181.00	26,298.98	26,139.00	28,742.07
Recyclables Processed (tons per year)	18,240.00	10,682.52	22,859.00	17,016.32

Fiscal Years

2017	2018	2019	2020	2021	2022
22.7	22.7	22.7	22.7	22.7	22.7
48,074	47,367	49,036	52,339	50,162	50,108
1	1	1	1	1	1
9,481	9,502	9,380	9,504	9,952	8,981
10	9	9	9	9	9
2	4	4	4	4	4
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
713	610	686	548	531	502
7,410	7,378	7,027	7,274	6,990	7,963
1,058	1,814	1,685	1,071	903	1,873
67,832	68,074	74,369	67,141	51,259	60,615
4,638	5,133	4,816	4,814	4,487	5,135
2,024	1,674	1,370	1,249	776	1,002
9,058	7,807	6,248	4,486	569	3,655
2,951	2,951	4,914	4,914	4,994	4,969
19,454	19,454	19,926	19,965	21,164	21,235
28,420.00	27,170.35	27,240.21	25,858.95	25,648.18	26,580.71
24,303.00	24,736.97	25,309.57	24,754.42	25,886.59	24,947.21



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

	Fiscal Years			
	2013	2014	2015	2016
Planning & Building:				
Number of Building Permits issued	4,314	4,286	4,038	4,018
Recreation and Parks (b):				
Youth & Teens:				
Number of youth programs (c)	239	251	278	277
Number of youth attendees	146,191	34,121	32,259	29,920
Seniors:				
Number of senior programs	125	144	164	177
Number of senior attendees	145,795	144,607	148,520	137,143
Number of meals served	7,053	6,860	6,620	3,021
Library:				
Volumes in Collection (thousands)	211	211	214	215
Total Volumes Borrowed (thousands)	550	510	476	456
Finance:				
Number of Business Licenses issued	8,700	5,563	5,553	5,169
Alameda Municipal Power:				
Number of electric customers	34,405	34,482	34,525	34,494
Number of kilowatt hours sold	363,444,132	353,913,305	342,202,785	348,819,863
Reliability rate	99.99	- (a)	- (a)	- (a)

Source: City of Alameda

- NOTES: (a) AMP no longer compiled this data as of FY 2013
 (b) Programs and participants lower due to pandemic. Senior Center was closed and adult/youth drop-in programs cancelled.
 (c) Starting in 2021, the department is more accurately accounting for programs. For example, summer camp is not one program, rather each program site and each summer camp week is counted as distinct.

Fiscal Years

2017	2018	2019	2020	2021	2022
3,677	3,832	3,722	3,401	3,734	4,255
268	299	625	625	868	770
22,603	23,750	41,108	41,108	14,168	13,285
216	233	272	272	114	125
136,092	131,213	113,838	113,838	21,156	51,988
5,340	5,963	5,472	5,472	7,575	9,809
219	219	139	221	219	222
392	424	403	362	234	493
6,068	6,948	7,168	8,846	6,279	8,357
34,648	34,790	35,396	36,067	36,201	35,728
343,765,738	335,025,903	332,129,079	341,782,742	333,933,030	326,402,131
- (a)	- (a)	- (a)	- (a)	- (a)	- (a)



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

Function/Program	Fiscal Years			
	2013	2014	2015	2016
Fire:				
Fire stations	4	4	4	4
Police:				
Police stations	1	1	1	1
Public works:				
Miles of streets	145	140	140	138
Miles of bike lanes	15	13	15	15
Miles of on-street bikeways				
Miles of shared-use or separated bike/ped trails				
Street and parking lot fixtures				
Traffic Signals	82	87	87	87
Wastewater				
Miles of sanitary sewers	165	150	150	143
Miles of storm sewers	41	70	70	70
Recreation and Parks:				
City parks	33	33	32	32
City parks acreage	155	155	152	152
Playgrounds	7	7	12	12
City trails/Bike paths (a)	13	13	13	13
Community centers	13	13	13	13
Senior centers	1	1	1	1
Swimming pools (b)	5	5	2	2
Tennis/pickleball courts (c)	19	19	16	16
Baseball/softball grass fields	18	18	18	18
Multipurpose grass fields (d)	3	3	3	3
Synthetic Turf Multi-Purpose Field				
Synthetic Turf Challenger Baseball Field				
Golf Course (e)				
Library:				
City Libraries	3	3	3	3
Alameda Municipal Power:				
Miles of lines	267	269	263	263
Street lights	5,315	5,372	5,441	5,470

Source: City of Alameda

- NOTE: (a) Every park has asphalt trails throughout. There are few distinct and separated trails/paths in parks.
 (b) Owned by the City but operated and maintained by Alameda Swimming Pool Association.
 (c) Includes 4 pickleball courts that were not new, but were not included prior to 2021.
 (d) 7 multipurpose (soccer, football, lacrosse, etc.) fields in City Parks, plus 5 owned by the City at Alameda Point, but operated and maintained by Alameda Soccer Club.
 (e) 45-hole golf complex owned by City but operated and maintained by Greenway Golf.
 Includes separate concession agreement for onsite restaurant with Jim's on the Course
 Not a new facility, but included starting in 2021 to more accurately account for park facilities.
 (f) Street lights were transferred to Public Works per voter approval on November 2016 ballot.

2017	2018	2019	2020	2021	2022
4	4	4	4	4	4
1	1	1	1	1	1
120	125	125	125	125	147
26	28	49	31	50	19
					35
					18
	6,342	6,609	6,609	6,800	6,850
86	87	86	86	89	90
143	142	142	142	142	142
126	126	126	126	126	126
32	32	35	35	35	36
152	152	192	192	204	206
12	12	13	13	15	16
13	13	14	14	N/A	N/A
13	13	13	13	15	15
1	1	1	1	1	1
2	2	2	2	2	2
16	16	16	16	20	20
18	18	18	18	18	18
3	3	3	3	11	11
		1	1	1	1
		1	1	1	1
				1	1
3	3	3	3	3	3
264	273	273	280	282	286
5,470	(f)	(f)	(f)	(f)	(f)









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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$14,565,000
CITY OF ALAMEDA FINANCING AUTHORITY
2023 Lease Revenue Bonds
(Aquatic Center)

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the City of Alameda (the “City”) in connection with the issuance by the Authority of the bonds captioned above (the “Bonds”). The Bonds are being issued under an Indenture of Trust dated as of December 1, 2023 (the “Indenture”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means March 31 of each year.

“*Dissemination Agent*” means Digital Assurance Certification, LLC, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement, executed by the City and the Authority in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Piper Sandler & Co., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2024, with the report for Fiscal Year 2022-23, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certificate with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice to such effect.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the City prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding clause (a), the Annual Report shall contain information showing:

(i) The principal amount of Bonds outstanding as of June 30 preceding the filing of the Annual Report.

(ii) Updates as of June 30 preceding the filing of the Annual Report of the substance of the information contained in the following tables in the Official Statement:

- (1) General Fund Balance Sheets
- (2) Statements of Revenues, Expenditures and Changes in General Fund Balance
- (3) General Fund Revenues by Revenue Source, similar to Table 10
- (4) Assessed Value of Taxable Property, similar to Table 11
- (5) Largest Property Taxpayers (top 10 taxpayers only), similar to Table 12

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with

respect to the tax status of the security, or other material events affecting the tax status of the security.

- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material (for definition of "financial obligation," see clause (e)).
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties (for definition of "financial obligation," see clause (e)).

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes

of U.S. federal securities law. Whenever the City obtains knowledge of the occurrence of any of these Listed Events, the City will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the City will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be NBS Government Finance Group. Any Dissemination Agent may resign by providing 30 days’ written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule

at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and

liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond owners or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given as follows:

To the Issuer:	City of Alameda Financing Authority c/o City of Alameda 2263 Santa Clara Avenue Alameda, CA 94501
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To the Dissemination Agent:	Digital Assurance Certification LLC 315 East Robinson Street, Suite 300 Orlando, FL 32801-1674
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Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: December 28, 2023

CITY OF ALAMEDA

By: _____
Director of Finance

AGREED AND ACCEPTED:

Digital Assurance Certification, LLC,
as Dissemination Agent

By: _____
Name:
Title:

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

December 28, 2023

Board of Directors
City of Alameda Financing Authority
2263 Santa Clara Avenue
Alameda, CA 94501

OPINION: \$14,565,000 City of Alameda Financing Authority
 2023 Lease Revenue Bonds (Aquatic Center)

Members of the Board of the Directors:

We have acted as bond counsel to the City of Alameda Financing Authority (the "Authority") in connection with the issuance by the Authority of its City of Alameda Financing Authority 2023 Lease Revenue Bonds (Aquatic Center) in the aggregate principal amount of \$14,565,000 (the "Bonds"), under an Indenture of Trust dated as of December 1, 2023 (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association, as trustee, and under the provisions of Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the California Government Code (the "Bond Law"). The Bonds are secured by Revenues as defined in the Indenture, including certain lease payments made by the City of Alameda (the "City") under a Lease Agreement dated as of December 1, 2023 (the "Lease") between the Authority as lessor and the City as lessee. We have examined the Indenture, the Lease, the Bond Law and such certified proceedings, opinions, and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Authority and the City contained in the Indenture, the Lease and in the certified proceedings, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation. Based upon our examination, we are of the opinion, under existing law, as follows:

1. The Authority is a joint exercise of powers agency duly organized and existing under the laws of the State of California, with power to enter into the Indenture and the Lease, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Bonds constitute legal, valid and binding special obligations of the Authority enforceable in accordance with their terms and payable solely from the sources provided therefor in the Indenture.

3. The Indenture and the Lease have been duly approved by the Authority and constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

4. The Indenture establishes a valid first and exclusive lien on and pledge of the Revenues (as that term is defined in the Indenture) and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture.

5. The City is a municipal corporation duly organized and existing under the laws of the State of California, with power to enter into the Lease and to perform the agreements on its part contained therein. The Lease has been duly approved by the City and constitutes a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

6. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the Authority and the City comply with all requirements of the Internal Revenue Code of 1986, as amended, which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority and the City have covenanted in the Indenture, the Lease and in other instruments relating to the Bonds to comply with each of such requirements, and the Authority and the City have full legal authority to make and comply with such covenants. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

7. Interest on the Bonds is exempt from California personal income taxation.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Our engagement with respect to this matter has terminated as of the date hereof. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Bonds (the “Issuer”) nor the trustee appointed with respect to the Bonds (the “Agent”) take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is

the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC’s MMI

Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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