



City of Alameda, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018



CITY OF ALAMEDA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PREPARED BY THE
FINANCE DEPARTMENT









City of Alameda, California
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018
Table of Contents

Introductory Section:

Table of Contents i

Transmittal Letter v

City Council xi

Principal Officers..... xiii

Organizational Chart xiv

Regional Map xv

GFOA Certificate of Achievement for Excellence in Financial Reporting..... xvi

Financial Section:

Independent Auditor’s Report..... 1

Management’s Discussion and Analysis..... 5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position 19

Statement of Activities 20

Fund Financial Statements:

Governmental Funds:

Balance Sheet 24

Reconciliation of Governmental Funds Balance Sheet with the Statement of Net Position 27

Statement of Revenues, Expenditures, and Changes in Fund Balances 28

Reconciliation of the Net Change in Fund Balances – Governmental Funds
with the Change in Governmental Net Position..... 31

Financial Section (Continued):

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

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

Proprietary Funds:

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

Fiduciary Funds:

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

Notes to Basic Financial Statements.....	45
--	----

Required Supplementary Information:

Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Plan	110
Schedule of Changes in the Net Pension Liability and Related Ratios – Safety Plan	111
Schedule of Contributions – Miscellaneous Plan	112
Schedule of Contributions – Safety Plan	113
Police / Fire Pension Plan – Schedule of Changes in Total Pension Liability and Related Ratios.....	114
OPEB – Schedule of Changes in the Net OPEB Liability and Related Ratios.....	115
OPEB – Schedule of Contributions	116
Post-Retirement Health Care Defined Benefit OPEB Plan Schedule of Investment Returns	117

Combining and Individual Fund Financial Statements and Schedules:

Non-major Governmental Funds:

Combining Balance Sheets	122
Combining Statements of Revenues, Expenditures, and Changes in Fund Balance.....	128
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	134

Internal Service Funds:

Combining Statements of Net Position.....	144
Combining Statements of Revenues, Expenses and Changes in Fund Net Position.....	146
Combining Statements of Cash Flows.....	148

Fiduciary Funds:

Agency Funds – Statement of Changes in Assets and Liabilities	152
---	-----

Statistical Section:

Financial Trends:

Net Position by Component – Last Ten Fiscal Years.....	156
Changes in Net Position – Last Ten Fiscal Years.....	158
Fund Balances of Governmental Funds – Last Ten Fiscal Years	162
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	164
Balanced Revenue Index (BRI)	166

Revenue Capacity:

Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	168
Property Tax Rates - All Direct and Overlapping Governments – Last Ten Fiscal Years	169
Principal Property Taxpayers – Current Year and Ten Years Ago	170
Property Tax Levies and Collections – Last Ten Fiscal Years.....	171

Statistical Section (Continued):

Debt Capacity:

Ratio of Outstanding Debt by Type – Last Ten Fiscal Years.....	172
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	173
Computation of Direct and Overlapping Debt.....	174
Computation of Legal Bonded Debt Margin.....	175
Sewer Fund Debt Coverage – Last Ten Fiscal Years.....	176
Alameda Municipal Power Fund Debt Coverage – Last Ten Fiscal Years.....	177
Bonded Debt Pledged Revenue Coverage, CIC Revenue Bonds and Tax Allocation Bonds – Last Ten Fiscal Years.....	178

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Fiscal Years.....	179
Principal Employers – Current Year and Nine Years Ago.....	180

Operating Information:

Full-Time Equivalent City Government Employees By Function – Last Ten Fiscal Years.....	181
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	182
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	186



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

March 27, 2019

Honorable Mayor and
Members of the City Council

We are pleased to present the City of Alameda (City) Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2018. The information in this Comprehensive Annual Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and includes an unmodified opinion on the report by the City's independent certified public accountants. Although we rely on the standards and expertise of these external auditors, the responsibility for the accuracy and fairness of this report rests with the City.

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



City Profile

The City was incorporated in 1854 and is located in Alameda County, a growing region in the eastern portion of the San Francisco Bay Area. The City has a permanent staff of 531 Full-time Equivalent (FTE) (including Alameda Municipal Power) and serves approximately 79,000 residents in a land area of 10.61 square miles, plus 12.3 square miles of water.

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

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

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

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

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

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

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

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

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

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

Economic Condition and Outlook

Alameda has experienced continued growth in major tax revenue categories. Tax revenues have increased in aggregate and continue to exceed pre-recession levels. Current data indicates median home prices are \$1,118,000. The unemployment levels are low and declined from 3.4% in September 2017 to 2.8% in September 2018 (State of California, Employment Development Department). This rate is significantly lower the September 2018 California state-wide rate of 3.9%.



The City has been able to maintain General Fund reserves in excess of the City Council's established level of 25% of expenditures during the past few fiscal years and to present a balanced budget for the General Fund for FY 2018-19. This has been achieved through continued improvement in the regional and local economy, which had significant impact on the major tax categories: property taxes, sales taxes, utility users tax and real property transfer tax. Despite the strong economic conditions, we continue to expect General Fund budget deficits in the foreseeable future. The major factors contributing to those deficits include:

- Miscellaneous/Safety Public Employees Retirement System (PERS) rates that include the projected effect of the changes made by CalPERS to their actuarial assumption related to rate "smoothing assumptions" which increase employer contribution rates. CalPERS has implemented a 20-year rate amortization and a five-year phase-in beginning FY 2016-17 and are incorporated in the City's five-year projections. Furthermore, in December 2016, CalPERS Board approved lowering its projected rate of return on investments from 7.5% to 7.0% phased in over a three year period beginning FY 2018-19. If future rates of return are further lowered, the City will see additional increases to its contribution rates for both Safety and Miscellaneous employees;
- The rising cost of health care albeit at a slower pace than previous years;

- Agreed upon salary increases for safety and miscellaneous employees (with 3% for 2019 and 3% for 2020); and
- Impacts from deferred maintenance on the city-owned facilities and aging fleet.

To address the anticipated shortfalls, City Council approved placement of the half-cent transactions and use tax on the November 2018 ballot. The tax was approved by the majority of registered voters and will become effective in April 2019. The anticipated revenue of approximately \$5 million will be used to maintain the City services and aging fleet and infrastructure.

Internal Controls

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

Budgetary Control

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

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

Major Initiatives and Projects

As part of the budget preparation process, the City Council articulates goals and objectives for the next two years and evaluates the progress made on the goals established as part of the previous budget. The following represent some of the most significant goals established for Fiscal Years 2017-18 and 2018-19 as part of biennial budget process:

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

Fiscal Sustainability – Alameda voters approved the Essential Services Protection Measure, which is a half-cent transactions and use tax that will be collected together with the sales tax. The sales tax is the second largest general tax in the City. The passage of the measure is projected to generate approximately \$5 million annually in new revenue.

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

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

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 direct construction jobs over the life of the project, retail amenities, a diversity of housing types for a wide range of income levels, and waterfront parks for the entire Alameda community;
- 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, free bus passes for all residents and employees, car- and bike-share stations, and a number of other alternative transportation programs;
- A contribution of \$18 million towards significant transportation infrastructure; and
- A commitment of \$36 million to 15 acres of publicly accessible parks and open spaces, including the regional sports complex and eight acres of waterfront promenades and parks along the Seaplane Lagoon.

In the spring 2018, after twenty years in the works, the City held a ground-breaking ceremony for the \$1 billion Alameda Point Site A project. The project is the largest of multiple Alameda waterfront projects that is expected to add new homes to the island and help with the regional housing shortage. The Site A project will take up to a decade to complete.

Housing - Construction commenced on Everett Commons, a 20-unit project affordable to very low- and low-income families. In addition, construction was completed on Littlejohn Commons, a 32-unit project affordable to very low- and low-income seniors. The City is also exploring ways in which to provide middle-income housing, a segment of housing between affordable and market rate that is shrinking.

Recreation and Parks – In January 2018, the City completed the construction of Phase 1 of Estuary Park, which is eight acres of athletic fields and community park space for people of all ages and abilities. Phase 1 construction includes a synthetic turf baseball diamond and soccer field designed and prioritized for youth and adults of all physical and mental abilities, plus one lighted synthetic turf rectangular field. Phase 2 will include playgrounds, picnic areas, basketball courts and a dog park.

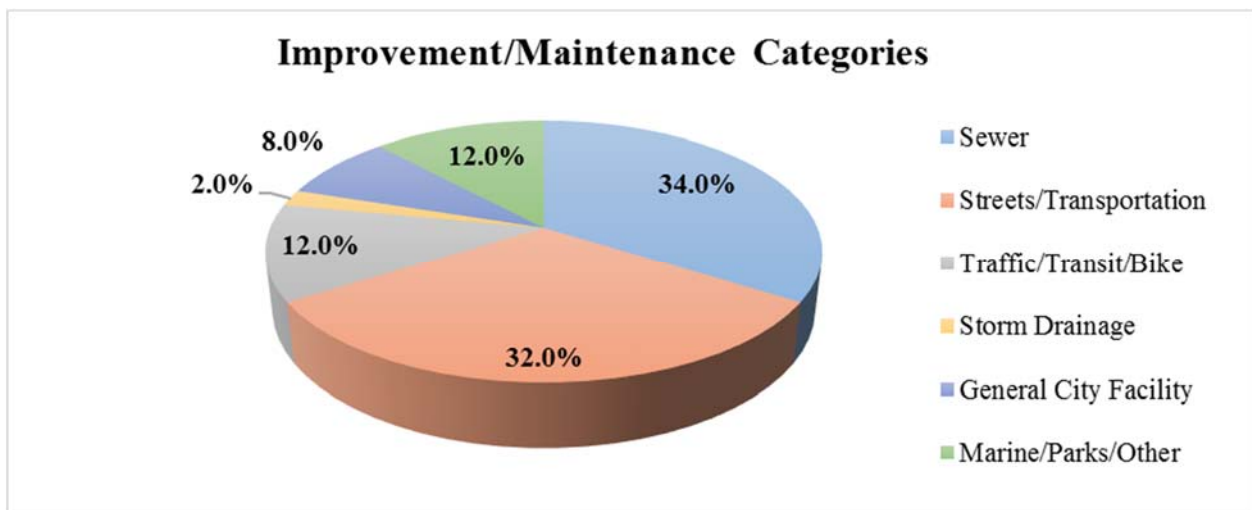
Jean Sweeney Open Space Park is a 25-acre park that was originally the Alameda Beltline Railroad switching yard. The park was opened to the public in December 2018. It includes playgrounds, picnic areas, open lawn, bicycle and pedestrian trails, and a section of the Cross Alameda Trail. Future phases will include a community garden and demonstration area, natural open space, and historical components.

Other business development highlights – The City completed its citywide Economic Development Strategic Plan (EDSP). The EDSP is the City’s long-term (five to ten years) roadmap for business attraction, retention and workforce development activities.

Exelixis, a bio-medical business, leased over 100,000 square feet at Harbor Bay Business Park, and at 300 employees, is now one of the City’s largest private employers. Construction will also begin on a hotel expansion that will add 70 new hotel rooms in the City.

In September 2018, as a culmination of extensive community engagement and outreach work, the City Council enacted a Minimum Wage Ordinance. The City’s minimum wage of \$13.50 per hour will go into effect in July 2019, and increase to \$15 per hour in July 2020. The Ordinance includes an annual increase that will keep the City’s minimum wage ahead of the state-passed legislation that provides for a \$15 an hour minimum wage to be paid in January 2022.

The City developed a Capital Improvement and Maintenance Plan detailing specific budgeted capital projects. Each of the projects is consistent with the overall goals and principles of the City. The FY 2017-18 adopted Capital Improvement Program Budget totaled \$33.7 million and was allocated to the following types of projects:



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

Some of the specific projects underway in Fiscal Year 2017-18 included the following:

- Cyclic sewer repair (\$11.4 million)
- Street pavement management and transportation (\$10.8 million)
- Traffic, transit and bike program (\$4.0 million)
- Storm drainage (\$0.6 million)
- City buildings maintenance (\$2.6 million)
- New parks, marine and other (\$4.3 million)

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the 28th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City was required to produce a report that met their high standards for reporting, as well as one that adhered to GAAP and other legal requirements. A Certificate of Achievement is valid for one year only. It is anticipated that the current CAFR will continue to meet the Certificate of Achievement Program's requirements.

The City also received the GFOA's Distinguished Budget Presentation Award for its two-year budget document for FY 2018 and 2019. In order to qualify for the Award, the City's budget document had to meet specific criteria as a policy document, a financial plan and a communications device.

This CAFR was prepared by the City's Finance Department staff, under the leadership of Assistant City Manager Liz Warmerdam, Finance Director Elena Adair and Finance Services Manager Edwin Gato. This report is representative of the staff's ongoing commitment to provide excellent service to Alameda residents. Thanks are also extended to the independent auditors of 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,



Amy Wooldridge
Interim City Manager



Mayor Trish Herrera Spencer

Vice Mayor Malia Vella

Councilmember Frank Matarrese

Councilmember Marilyn Ezzy Ashcraft

Councilmember Jim Oddie



ELECTED OFFICIALS



Kevin Kearney, City Auditor



Kevin Kennedy, City Treasurer

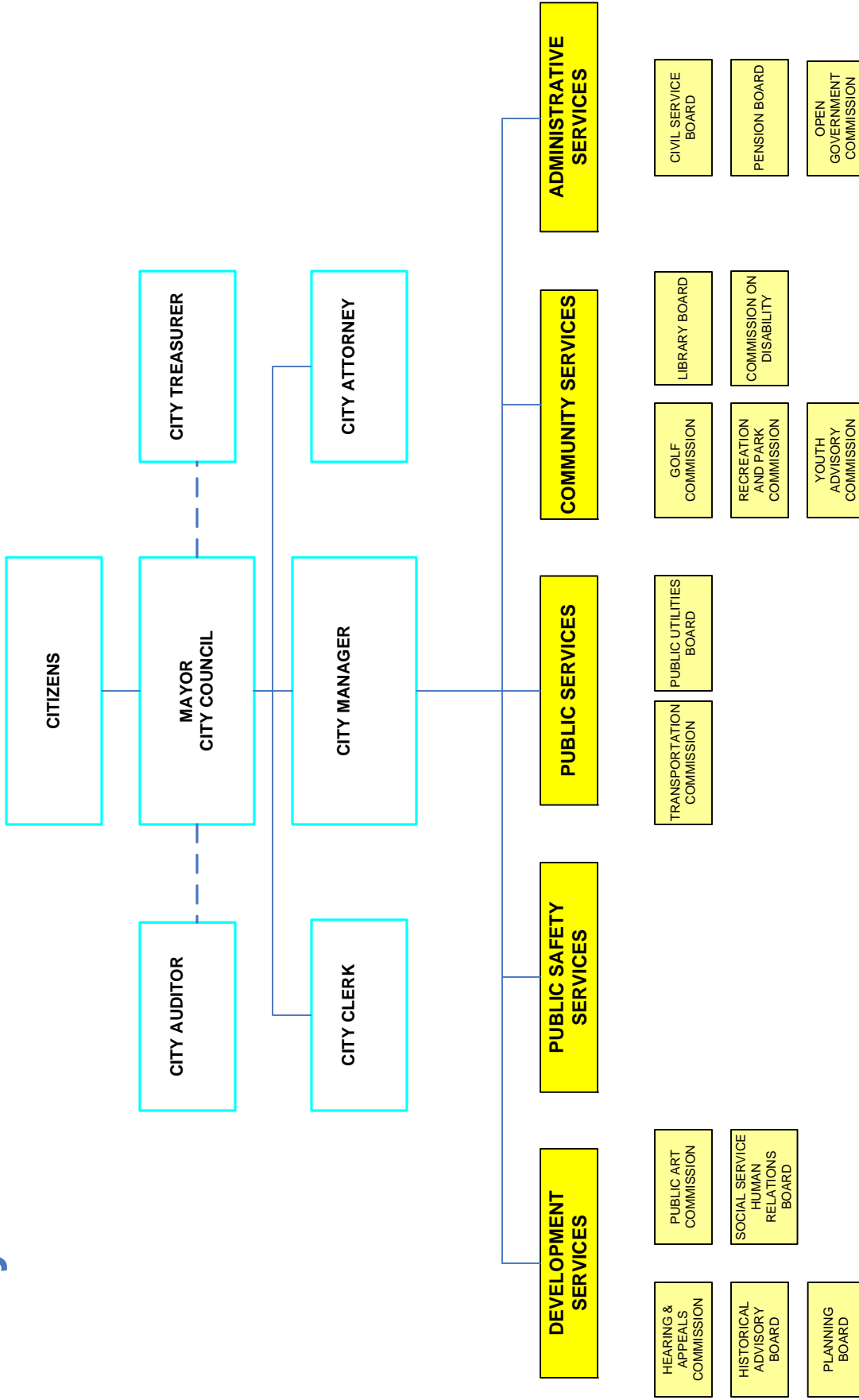
CHARTER OFFICERS

Interim City Manager, Elizabeth Warmerdam
City Attorney, Janet Kern
City Clerk, Lara Weisiger

EXECUTIVE MANAGEMENT TEAM

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

City of Alameda



The City of Alameda, incorporated April 19, 1854, is a 10.6 square mile island city located in San Francisco Bay. Alameda has a population of 78,863. The City of Alameda is seven miles east of San Francisco, situated within San Francisco Bay, and less than one mile west of the City of Oakland, directly west of Interstate 880. Alameda is a brief drive north of Oakland International Airport, which borders the City on the southeast.





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Alameda
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alameda (City), California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents. We did not audit the financial statements of the Alameda Municipal Power Enterprise Fund, which is both a major fund and 58.3%, 44.7% and 85.9%, respectively, of the assets, net position and revenues of the business-type activities.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the Alameda Municipal Power Enterprise Fund were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Alameda Municipal Power Enterprise Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, 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.

Emphasis of a Matter

As discussed in Note 8D, the City established an OPEB Trust in March 2014 and determined that the activities of the Trust should be reported in the OPEB Trust Fund and restated the beginning net position of the Fund.

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

Change in Accounting Principle

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which became effective during the year ended June 30, 2018 and required a prior period adjustment to the financial statements and the restatement of net position as discussed in Notes 8D and 10.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Mary & Associates".

Pleasant Hill, California
March 27, 2019



This management discussion and analysis of the City of Alameda's ("the City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the Letter of Transmittal, the basic financial statements and the accompanying notes to the basic financial statements.

Financial Highlights

- The City implemented GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other than Pensions*, effective July 1, 2017 and the balances were restated to reflect the impact. The City's net Other Post-Employment Benefits (OPEB) liability of \$103 million was allocated to Governmental Activities (\$100.6 million or 98%) and Business-Type Activities (\$2.4 million or 2%), which reduced their unrestricted net positions by a like amount.
- 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 \$135 million of which unrestricted net position was a deficit of \$218 million. Excluding the \$341 million net pension liability and net OPEB liability, which are not claims on current year financial assets, \$123 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 \$24 million from the prior year, with \$3 million attributable to business-type activities and \$21 million to governmental activities.
- As of June 30, 2018, the City's governmental funds reported combined fund balances of \$129 million, an increase of \$7 million in comparison to the prior year. Of this amount, \$24 million of unassigned fund balance is available for spending at the City's discretion.
- At the close of the fiscal year, the General Fund reported total assets of \$47 million and total fund balance of \$41 million. This represents a decrease in fund balance of \$9 million, or 18% from prior fiscal year. Of the total fund balance, \$25 million, or 61%, was unassigned.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

This section focuses on the City's net position and changes in net position of its governmental and business-type activities. The net position, for the City as a whole, decreased \$39 million or 12%, from \$322 million at June 30, 2017 to \$283 million at June 30, 2018. The decrease in net position is due to \$103 million in other post-employment benefits liabilities being recorded for the first time as a result of the GASB 75 implementation and \$33 million increase in pension liabilities as a result of actuarial assumption change in discount rate. These increases were mostly offset with write off of the prior year net OPEB obligation balance of \$40 million and a \$42 million increase in current and capital assets.

It should be noted that financial information in the following tables for the prior fiscal year ended June 30, 2017 was not adjusted for implementation of GASB 75 because not all of the information was available to adjust prior year amounts.

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

Statement of Net Position
as of June 30, 2018 and 2017
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 193,900	\$ 173,932	\$ 124,561	\$ 120,253	\$ 318,461	\$ 294,185
Capital assets	302,118	289,747	115,899	110,525	418,017	400,272
Total assets	<u>496,018</u>	<u>463,679</u>	<u>240,460</u>	<u>230,778</u>	<u>736,478</u>	<u>694,457</u>
Deferred Outflows of Resources						
Deferred losses on refunding	-	-	623	685	623	685
Related to pensions	58,290	38,186	5,883	5,451	64,173	43,637
Total Deferred Outflows of Resources	<u>58,290</u>	<u>38,186</u>	<u>6,506</u>	<u>6,136</u>	<u>64,796</u>	<u>44,322</u>
Liabilities						
Long-term Liabilities	387,318	300,118	66,730	62,575	454,048	362,693
Other Liabilities	25,668	23,871	9,719	7,166	35,387	31,037
Total Liabilities	<u>412,986</u>	<u>323,989</u>	<u>76,449</u>	<u>69,741</u>	<u>489,435</u>	<u>393,730</u>
Deferred Inflows of Resources						
Related to pensions and OPEB	6,773	4,069	100	94	6,873	4,163
Balancing account	-	-	21,470	18,649	21,470	18,649
Total Deferred Inflows of Resources	<u>6,773</u>	<u>4,069</u>	<u>21,570</u>	<u>18,743</u>	<u>28,343</u>	<u>22,812</u>
Net Position:						
Net Investment in Capital Assets	261,696	258,670	93,674	87,340	355,370	346,010
Restricted	91,334	53,494	26,462	29,830	117,796	83,324
Unrestricted*	(218,481)	(138,357)	28,811	31,260	(189,670)	(107,097)
Total Net Position	<u>\$ 134,549</u>	<u>\$ 173,807</u>	<u>\$ 148,947</u>	<u>\$ 148,430</u>	<u>\$ 283,496</u>	<u>\$ 322,237</u>

* Unrestricted net position for June 30, 2018 affected by the balance of the City's \$233 million net pension liabilities and the recording of \$101 million in net other post-employment benefits, which are not claims on current year financial assets.

At June 30, 2018, 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, \$355 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, 43%, subject to restrictions on how these resources may be used, increased \$35 million from \$83 million at June 30, 2017 to \$118 million at June 30, 2018. This was primarily a result of allocating funds to number of capital and transportation projects during the year. The corresponding increase is in the net investment in capital assets component of the net position.

Total liabilities increased by \$95 million from \$394 million at June 30, 2017 to \$489 million at June 30, 2018 due primarily to an increase in the City's net pension liability and the implementation of GASB 75.

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

Statement of Activities
for the years ended June 30, 2018 and 2017
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Charges for services	\$ 40,353	\$ 43,064	73,954	\$ 73,139	\$ 114,307	\$ 116,203
Operating grants and contributions	9,033	6,045	-	-	9,033	6,045
Capital grants and contributions	12,387	7,058	-	490	12,387	7,548
General revenues						
Property taxes	48,745	45,652	-	-	48,745	45,652
Sales taxes	10,968	10,094	-	-	10,968	10,094
Utility users tax	9,336	9,061	-	-	9,336	9,061
Other taxes	22,842	18,249	-	-	22,842	18,249
Gain on sale of capital assets	12,971	-	-	-	12,971	-
Use of money and properties	5,301	6,958	1,015	508	6,316	7,466
Miscellaneous	1,479	2,312	1,235	1,813	2,714	4,125
Total revenues	<u>173,415</u>	<u>148,493</u>	<u>76,204</u>	<u>75,950</u>	<u>249,619</u>	<u>224,443</u>
Expenses						
General Government	27,568	22,613	-	-	27,568	22,613
Police	38,203	34,250	-	-	38,203	34,250
Fire	39,617	34,380	-	-	39,617	34,380
Public Works	21,305	22,494	-	-	21,305	22,494
Community Development	19,125	20,854	-	-	19,125	20,854
Community Services	10,786	7,826	-	-	10,786	7,826
Housing	3,343	1,955	-	-	3,343	1,955
Interest on Long-Term Debt	1,299	984	-	-	1,299	984
Sewer Services	-	-	4,915	5,063	4,915	5,063
Alameda Municipal Power	-	-	59,887	53,312	59,887	53,312
Total expenses	<u>161,246</u>	<u>145,356</u>	<u>64,802</u>	<u>58,375</u>	<u>226,048</u>	<u>203,731</u>
Change in Net Position Before Transfers	12,169	3,137	11,402	17,575	23,571	20,712
Transfers, Net	8,464	2,891	(8,464)	(2,891)	-	-
Change in Net Position	<u>20,633</u>	<u>6,028</u>	<u>2,938</u>	<u>14,684</u>	<u>23,571</u>	<u>20,712</u>
Beginning Net Position, restated for 2018	113,916	167,779	146,009	133,746	259,925	301,525
Ending Net Position	<u>\$ 134,549</u>	<u>\$ 173,807</u>	<u>148,947</u>	<u>\$ 148,430</u>	<u>\$ 283,496</u>	<u>\$ 322,237</u>

Total revenues increased approximately \$25 million or 11%. The primary increases are in operating and capital grants and contributions of \$7.8 million and a \$13 million gain on sale of capital assets at Alameda Point. Both of the increases were recorded in the governmental activities.

Expenses increased approximately \$22 million or 11% compared to the prior year. This is primarily due to increases in General Government expenses by \$5 million and Public Safety by \$9 million. The General Government increase is related to pay down of the pension and OPEB

unfunded liabilities via contributions to the California Public Employee Retirement System and Internal Revenue Code Section 115 Trust. The Alameda Municipal Power expenses increase of \$6.6 million was related to higher purchased power expenses, pension and OPEB expenses and labor overtime expenses to cover for staffing shortages.

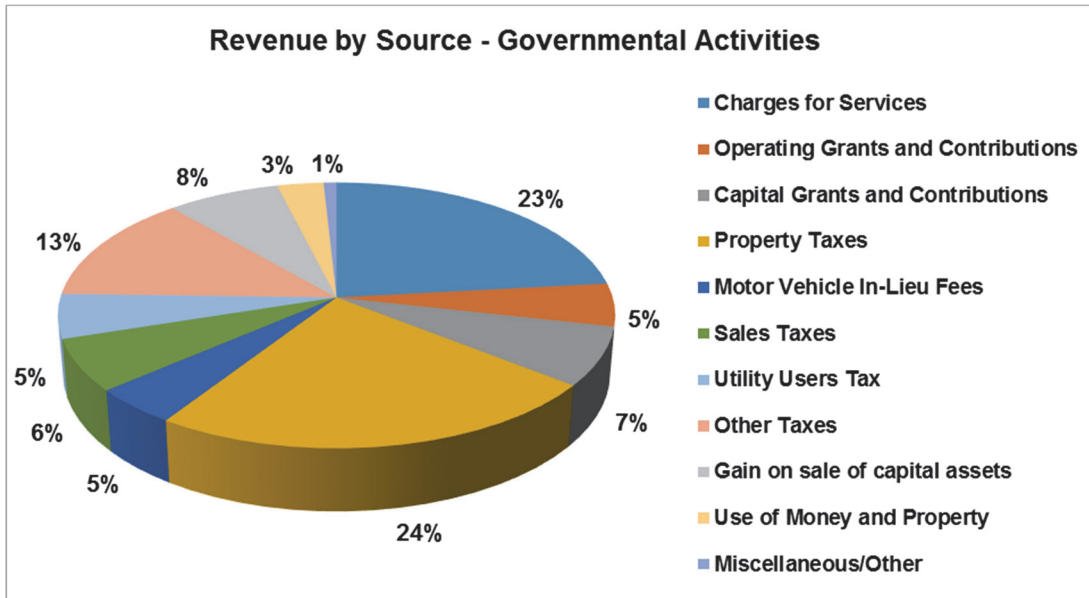
Governmental Activities

Program revenue associated with Governmental Activities total \$61.8 million, or 38% of program expenses. Expenses not covered by program revenues must be funded from non-program sources like general tax revenues. The table below illustrates the gap between program revenues and expenses by major activity. Public safety programs rely heavily on taxes to support operations. General government programs provide benefit to both business-type and governmental activities and receive some funding through internal indirect cost allocations to supplement program revenue and general tax revenue.

**Expense and Program Revenue - Governmental Activities
for the year ended June 30, 2018
(in thousands)**

Governmental Activities	Expenses	Program Revenues	Net Revenue (Expense) of Activities
General Government	\$ 27,568	\$ 9,069	\$ (18,499)
Police	38,203	1,641	(36,562)
Fire	39,617	4,897	(34,720)
Public Works	21,305	24,653	3,348
Community Development	19,125	14,783	(4,342)
Community Services	10,786	5,068	(5,718)
Housing	3,343	1,662	(1,681)
Interest on Long-Term Debt	1,299	-	(1,299)
	<u>\$ 161,246</u>	<u>\$ 61,773</u>	<u>\$ (99,473)</u>

The pie chart on the next page illustrates the distribution of total revenue of \$173 million among its various sources. The largest revenue sources for governmental activities are property and related taxes of \$49 million or 28% and charges for services of \$40 million or 23% of total governmental revenues. Sales taxes and utility users tax are also significant individual revenue sources for the City’s governmental activities, amounting to 6% and 5%, respectively. Other taxes category represents 13% of total revenues increased by 25% from prior year as a result of increase in property transfer tax, which realized a \$5 million bump from just three large transactions. The remaining 25% of revenue for governmental activities comes from operating and capital grants and contributions, franchise fee revenues, gain on sale of capital assets and other revenues.



Business-Type Activities

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

**Program and General Revenue and Expense - Business-Type Activity
 for the year ended June 30, 2018**
 (in thousands)

	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>
Sewer Services	\$ 10,498	\$ 4,915	\$ 5,583
Alameda Municipal Power	63,456	59,887	3,569
	<u>\$ 73,954</u>	<u>\$ 64,802</u>	<u>\$ 9,152</u>

Net position of the Sewer Services Fund at June 30, 2018 was \$82 million with the largest portion, \$61 million invested in capital assets less any related outstanding debt that was used to acquire those assets. The remaining \$22 million is available to fund debt service, sewer operations, and future improvements and maintenance projects. The Sewer Services Fund generated operating income of \$10.5 million, incurred \$4.5 million in operating expenses, and sustained a non-operating loss and transfers out of \$1.4 million for an overall net increase in net position of \$4.6 million.

Net position of AMP at June 30, 2018 was \$67 million with the largest portion, \$33 million invested in capital assets less any related outstanding debt that was used to acquire those assets. Of the remaining \$34 million, \$5 million is restricted for debt service and \$29 million is available to fund operations, maintenance projects and future capital improvements. The cost of AMP operating activities this year was \$54 million. The two largest sources of operating revenue of the enterprise were user charges for services of \$61 million and greenhouse gas related sales of \$2.4 million.

Revenues by Source - Business-Type Activities
for the years ended June 30, 2018 and 2017
 (in thousands)

	<u>2018</u>	<u>2017</u>	<u>Difference</u>
Charges for Services	\$ 73,954	\$ 73,139	\$ 815
Capital Grants and Contributions		490	(490)
Investment Earnings/Rents	1,015	508	507
Miscellaneous Revenues	1,235	1,813	(578)
	<u>\$ 76,204</u>	<u>\$ 75,950</u>	<u>\$ 254</u>

Financial Analysis of Governmental Funds

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

As of June 30, 2018, the City’s governmental funds reported combined ending fund balances of \$129 million. Approximately \$24 million, or 19%, of the combined ending fund balance constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remaining balance is either *nonspendable, restricted, committed or assigned* to indicate that it is not available for new spending because it has been committed to liquidate contracts and purchase orders from the prior fiscal period, pay debt service, or fund future needs.

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

The *General Fund* is the chief operating fund of the City. At June 30, 2018, unassigned fund balance of the General Fund was \$25 million; the total fund balance, including nonspendable, restricted and committed resources, was \$41 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 27% of total General Fund expenditures and transfers out, excluding expenditures related to pension and OPEB unfunded liability pay down.

The General Fund revenues increased \$7.7 million, or 8.6%, from the prior fiscal year to \$97.3 million in FY 2017-18. Property tax revenues for the fiscal year were \$38.7 million, an increase of \$2.6 million or 7.3% from prior year. This increase is primarily due to the rise in median home sale prices in the City of Alameda, new housing developments, and the receipt of residual property tax distributions as a result of redevelopment dissolution. Real property transfer tax increased \$5.3 million or 52% compared to the prior year due to home sales in an appreciating home value market. However, the largest increase of \$3.9 million was from the sale of three properties with individual tax payment of over \$500,000. These increases placed real property transfer tax to be the second largest revenue source in FY 2017-18.

Sales tax, the third largest revenue source for the City's General Fund, increased by \$0.2 million, or 2%, over the prior year for a total of \$10.3 million. This was a result of ongoing economic growth in the City as well as opening of new businesses.

General Fund expenditures totaled \$101 million for FY 2017-18 compared to \$75 million in the prior fiscal year. This amount excludes encumbrances outstanding at year end. The increase was \$26 million, or 35%, and was attributed to all functions primarily due to rising salary and benefit costs and a supplemental contribution for the pay down of the City's unfunded pension and other post-employment benefits. This additional contribution of \$16 million was paid out of General Fund reserves accumulated over a period of a few years.

Transfers out for FY 2017-18 were \$9.3 million compared to \$9.1 million in the prior year. This increase of \$0.2 million was due to one-time transfers to fund an investment into building facilities maintenance costs.

The fund balance of the City's General Fund decreased by approximately \$9 million, or 18% during the FY 2017-18, compared to an increase of \$10 million in prior fiscal year. Revenues and transfers in of \$102 million were \$7.2 million, or 8%, higher than FY 2016-17. Expenditures and transfers out were at \$111 million, which is \$26 million, or 31% higher than FY 2016-17. These increases are explained above.

The *Base Reuse Special Revenue Fund* had a restricted fund balance of \$21.5 million at June 30, 2018. Fund balance increased by \$13.5 million primarily due to increase in proceeds from the sale of properties.

The *HOME Program Special Revenue Fund* had a restricted fund balance of \$40 at June 30, 2018 and a Low and Moderate Income Housing Loans Receivable balance of \$6.6 million.

The *Capital Improvement Projects Fund* has a total fund balance of \$8.1 million as of June 30, 2018, all committed for current and future capital projects. The fund incurred expenditures of \$22.6 million for capital projects during FY 2017-18, including the following:

- Pavement Management
- Estuary Park Site Improvement
- Sidewalk Repair
- Urban Forest Management
- Jean Sweeney Open Space Park Construction
- Cross Alameda Trail Design and Construction

Financial Analysis of Proprietary Funds

The City of Alameda enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. During the FY 2017-18, 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. The following table presents each funds' net position (deficit) at June 30, 2018:

Internal Service Fund Net Position
for the year ended June 20, 2018
(in thousands)

	Net Position/ (Deficit)
Equipment Replacement	\$ 7,283
Central Services	87
Fleet Maintenance	110
Technology Services	4,668
Facilities Maintenance	5,031
Workers' Compensation Insurance	-
General Liability Insurance	-
Unemployment Insurance	691
OPEB/Vacation	5,575
Pension Stabilization	3,552
Total	\$ 26,997

The Workers’ Compensation Fund net position deficit reflects future claim liabilities maturing in five to ten years. The prior year fund deficit of \$0.7 million was cured through annual rate recoveries. In addition, the current claims liabilities for the workers’ compensation program are recorded at 70% confidence level, which is a 10% increase compared to the prior year. The claims liabilities for the General Liability program are recorded at 80% confidence level, which is a 10% increase from prior year. This represents a significant improvement in funding the City’s claims liabilities compared to three years ago when the confidence level was below 50%.

General Fund Budgetary Highlights

In comparing the FY 2017-18 original budget to the final budget, there was a \$7.0 million increase, from \$91 million to \$98 million, made to the revenues and transfers in. The increase was primarily due to increased tax revenues. There was an increase of \$6.4 million and \$1.6 million for services and transfers out, respectively, for total final appropriations of \$111 million. The \$6.4 million increase was mostly attributed to the implementation of the City Council’s established pension and OPEB funding policy by appropriating the General Fund unassigned fund balance and reserves established in previous years. Appropriations for the transfers out were increased during the year as a result of the City Council desire to allocate additional resources for public safety technology and Jean Sweeney Open Space park construction.

During the fiscal year, the total actual revenue and transfers in for the General Fund were \$101 million, exceeding projections by \$3.5 million, or 4%. The total actual expenditures and transfers out for the General Fund were \$111 million. This was \$0.6 million, or 1%, less than final budget.

Revenues exceeded budget primarily due to increased home values resulting in property tax and transfer tax exceeding budget by \$2.6 million, combined. Additionally, revenue from charges for services exceeded projections by \$0.5 million primarily due to higher than anticipated ambulance billing charges by the Fire Department. Overall, actual expenditures were \$1 million below appropriations. This is a result of departments staying within allocated appropriations magnified by personnel vacancies in Police, Finance and Public Works Departments.

The City Council established a 20% reserve policy and a 5% economic contingency reserve policy, measured in proportion to the budgeted expenditures and transfers out. At June 30, 2018, the General Fund available fund balance was \$25.1 million, or 27% of the year's appropriations, excluding the one-time appropriations for pay down of pension and OPEB unfunded liabilities, which is 2% higher than the City Council established reserves.

Capital Assets and Debt Administration

Capital Assets - The capital assets of the City are those assets which are used in the performance of the City's functions. At June 30, 2018, capital assets, net of accumulated depreciation, of the Governmental Activities totaled \$302 million. Capital assets, net of accumulated depreciation, of the Business-Type Activities totaled \$116 million. Depreciation on capital assets is recognized in the government-wide financial statements. Additional information about the City's capital assets can be found in Note 5 of this report.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land	\$ 5,995	\$ 5,995	\$ 154	\$ 154	\$ 6,149	\$ 6,149
Construction in progress	31,072	18,228	8,158	20,274	39,230	38,502
Buildings	144,780	143,821	35,984	33,710	180,764	177,531
Machinery and equipment	9,012	9,215	2,601	2,479	11,613	11,694
Infrastructure	111,259	112,488	69,003	53,907	180,262	166,395
Total	<u>\$ 302,118</u>	<u>\$289,747</u>	<u>\$115,900</u>	<u>\$110,524</u>	<u>\$418,018</u>	<u>\$400,271</u>

Long-Term Debt - Long-term debt of Governmental Activities decreased in FY 2017-18 by \$3 million due to the current fiscal year's principal payments. Long-term debt of Business-Type Activities decreased \$2 million during the year as a result of annual debt service payments made. Per capita long-term debt outstanding decreased slightly from \$1,043 to \$989 compared with the prior fiscal year. Additional information about the City's long-term debt activity can be found in Note 6 of this report.

Long-Term Debt
(in thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Certificates of Participation	\$8,736	\$9,537			\$ 8,736	\$ 9,537
Revenue Bonds	9,800	10,200	\$37,472	\$ 38,996	47,272	49,196
General Obligation Bonds	7,635	7,995			7,635	7,995
HUD Section 108 Loan	5,213	5,499			5,213	5,499
Other Long-Term Debt	8,429	9,313	747	1,187	9,176	10,500
Total	<u>\$ 39,813</u>	<u>\$ 42,544</u>	<u>\$ 38,219</u>	<u>\$ 40,183</u>	<u>\$ 78,032</u>	<u>\$ 82,727</u>

Economic Outlook and Next Year's Budget

The City's economy continues to grow after years of recession. Property values assessed by the Alameda County Assessor as of January 1, 2018 have increased by 8.0% over the prior year and are expected to grow as a result of new residential construction in the City, as well as continuing appreciation of property values. For FY 2018-19 Budget, the City forecasts taxable retail sales to remain flat within the City. However, in November 2018, Alameda voters approved a half cent Transactions and Use tax that is estimated to collect approximately \$4 to \$5 million annually in new revenue. The new tax will be effective on April 1, 2019. The City imposes a transfer tax on all real property sales that occur within the City limits. The revenue received from this tax is expected to increase between 0-2% due to construction of new residential homes as well as sale of the existing real properties. The City also imposes a Utility Users Tax (UUT) of 7.5% on all residential and commercial telephone, gas, electric and cable bills within the City. This revenue is expected to increase in the next five years. The growth is expected as a result of updating the City's UUT Ordinance for inclusion of modernized services and equipment.

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

The City used \$10 million to pay down its unfunded pension liabilities by contributing money directly to CalPERS. The entire amount was used for the City's safety plan, which as of June 2017 actuarial valuation was only 59% funded. This action is estimated to result in about \$1 million savings to the General Fund in the next year's City contribution.

Request for Information

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

The Statement of Net Position reports the difference between the City's total assets, deferred outflows of resources, 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		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and investments	\$164,852,236	\$63,384,152	\$228,236,388
Restricted cash and investments	5,583,412	5,453,149	11,036,561
Accounts receivable, net	11,901,308	8,304,485	20,205,793
Interest receivable		221,357	221,357
Greenhouse gas related sales receivable		984,502	984,502
Loans receivable	11,197,627		11,197,627
Materials, parts and supplies		3,776,486	3,776,486
Prepays and deposits	90,948	64,700	155,648
Internal balances	274,498	(274,498)	
Share of certain NCPA projects and reserve		9,670,766	9,670,766
Investments designated for special purposes		32,975,219	32,975,219
Capital assets:			
Non-depreciable	37,067,222	8,311,261	45,378,483
Depreciable, net of accumulated depreciation	265,050,579	107,588,273	372,638,852
Total Assets	496,017,830	240,459,852	736,477,682
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding related to pensions		623,445	623,445
	58,290,278	5,882,831	64,173,109
Total Deferred Outflows of Resources	58,290,278	6,506,276	64,796,554
LIABILITIES			
Accounts payable	5,632,942	2,437,644	8,070,586
Accrued payroll	3,198,186	22,586	3,220,772
Interest payable	397,900	848,031	1,245,931
Unearned revenue	1,849,086		1,849,086
Refundable deposits	2,321,170	3,694,244	6,015,414
Due to other agencies	466,391		466,391
Claims payable:			
Due within one year	5,584,601	195,000	5,779,601
Due in more than one year	9,202,566	1,021,097	10,223,663
Compensated absences:			
Due within one year	3,432,864	631,973	4,064,837
Long-term liabilities due in more than one year:			
Net pension liability	232,516,960	26,992,282	259,509,242
Total pension liability	8,000,385		8,000,385
Net OPEB liability	100,570,210	2,386,397	102,956,607
Long-term debt:			
Due within one year	2,785,286	1,888,043	4,673,329
Due in more than one year	37,028,050	36,331,267	73,359,317
Total Liabilities	412,986,597	76,448,564	489,435,161
DEFERRED INFLOWS OF RESOURCES			
Purchased power balancing account related to pensions		21,469,620	21,469,620
Related to OPEB	2,105,858		2,105,858
	4,666,758	100,549	4,767,307
Total Deferred Inflows of Resources	6,772,616	21,570,169	28,342,785
NET POSITION:			
Net investment in capital assets	261,696,061	93,673,669	355,369,730
Restricted for:			
Capital projects	22,191,022		22,191,022
Debt service	1,459,813	5,453,149	6,912,962
Housing	34,082,803		34,082,803
Public safety	1,593,688		1,593,688
Community development	2,019,376		2,019,376
Maintenance assessment districts	7,848,441		7,848,441
Transportation	9,698,110		9,698,110
Tidelands properties	2,864,297		2,864,297
Waste reduction	4,349,591		4,349,591
Community services	5,227,182		5,227,182
Sewer system replacement		21,009,592	21,009,592
Total Restricted Net Position	91,334,323	26,462,741	117,797,064
Unrestricted	(218,481,489)	28,810,985	(189,670,504)
Total Net Position	\$134,548,895	\$148,947,395	\$283,496,290

See accompanying notes to financial statements.



City of Alameda
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$27,567,933	\$9,068,963		
Police	38,203,293	1,228,935	\$412,279	
Fire	39,616,964	3,306,867	1,590,209	
Public works	21,305,228	9,280,689	2,984,449	\$12,386,648
Community development	19,124,858	13,044,105	1,738,614	
Community services	10,785,609	4,423,440	645,228	
Housing	3,343,039		1,662,024	
Interest on long-term debt	1,298,608			
Total Governmental Activities	161,245,532	40,352,999	9,032,803	12,386,648
Business-type Activities:				
Sewer services	4,915,297	10,498,070		
Alameda municipal power	59,886,250	63,455,688		
Total Business-type Activities	64,801,547	73,953,758		
Total Primary Government	\$226,047,079	\$114,306,757	\$9,032,803	\$12,386,648

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, as Restated

Ending Net Position

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
(\$18,498,970)		(\$18,498,970)
(36,562,079)		(36,562,079)
(34,719,888)		(34,719,888)
3,346,558		3,346,558
(4,342,139)		(4,342,139)
(5,716,941)		(5,716,941)
(1,681,015)		(1,681,015)
(1,298,608)		(1,298,608)
<u>(99,473,082)</u>		<u>(99,473,082)</u>
	\$5,582,773	5,582,773
	<u>3,569,438</u>	<u>3,569,438</u>
	9,152,211	9,152,211
<u>(99,473,082)</u>	<u>9,152,211</u>	<u>(90,320,871)</u>
48,745,491		48,745,491
10,967,955		10,967,955
9,336,326		9,336,326
15,679,218		15,679,218
2,473,040		2,473,040
2,146,038		2,146,038
1,203,862		1,203,862
1,339,471		1,339,471
12,971,153		12,971,153
5,300,785	1,014,577	6,315,362
1,478,855	1,235,399	2,714,254
8,463,788	(8,463,788)	
<u>120,105,982</u>	<u>(6,213,812)</u>	<u>113,892,170</u>
20,632,900	2,938,399	23,571,299
<u>113,915,995</u>	<u>146,008,996</u>	<u>259,924,991</u>
<u>\$134,548,895</u>	<u>\$148,947,395</u>	<u>\$283,496,290</u>



The funds described below were determined to be major funds of the City of Alameda in fiscal year 2017-18. 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.

HOME Program Special Revenue Fund

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

Capital Improvement Projects Fund

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



City of Alameda
Governmental Funds
Balance Sheet
June 30, 2018

	<u>General</u>	<u>Base Reuse Special Revenue</u>	<u>HOME Program Special Revenue</u>
ASSETS			
Cash and investments	\$38,794,355	\$23,218,583	
Restricted cash and investments	6,000		
Accounts receivable	7,208,716	7,687	\$157,789
Prepays and deposits	89,833		
Due from other funds	621,509		
Loans receivable			6,577,882
Advances to other funds	692,607		
	<u>692,607</u>	<u></u>	<u></u>
Total Assets	<u>\$47,413,020</u>	<u>\$23,226,270</u>	<u>\$6,735,671</u>
LIABILITIES			
Accounts payable	\$1,124,006	\$677,943	\$22,548
Accrued payroll	2,797,391	25,743	
Accrued interest			
Due to other funds			135,201
Due to other agencies	357,349		
Unearned revenue	1,343,016		
Refundable deposits	581,855	1,067,658	
Advances from other funds			
	<u>6,203,617</u>	<u>1,771,344</u>	<u>157,749</u>
Total Liabilities	<u>6,203,617</u>	<u>1,771,344</u>	<u>157,749</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - revolving loans receivable			6,577,882
	<u></u>	<u></u>	<u>6,577,882</u>
Total Deferred Inflows of Resources	<u></u>	<u></u>	<u>6,577,882</u>
FUND BALANCES:			
Nonspendable	782,440		
Restricted		21,454,926	40
Committed			
Assigned	15,354,029		
Unassigned	25,072,934		
	<u>41,209,403</u>	<u>21,454,926</u>	<u>40</u>
Total Fund Balances	<u>41,209,403</u>	<u>21,454,926</u>	<u>40</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$47,413,020</u>	<u>\$23,226,270</u>	<u>\$6,735,671</u>

See accompanying notes to financial statements.

Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
\$7,449,930	\$58,421,977	\$127,884,845
593,491	1,459,250	2,058,741
1,787,299	2,663,261	11,824,752
	1,115	90,948
		621,509
	4,619,745	11,197,627
	692,607	1,385,214
<u>\$9,830,720</u>	<u>\$67,857,955</u>	<u>\$155,063,636</u>
\$1,641,770	\$1,546,357	\$5,012,624
79,404	260,579	3,163,117
	3,226	3,226
	231,055	366,256
2,855	106,187	466,391
	506,070	1,849,086
38,246	633,411	2,321,170
	2,101,155	2,101,155
<u>1,762,275</u>	<u>5,388,040</u>	<u>15,283,025</u>
	<u>4,619,745</u>	<u>11,197,627</u>
	<u>4,619,745</u>	<u>11,197,627</u>
	1,115	783,555
	43,391,241	64,846,207
8,068,445	15,289,374	23,357,819
		15,354,029
	(831,560)	24,241,374
<u>8,068,445</u>	<u>57,850,170</u>	<u>128,582,984</u>
<u>\$9,830,720</u>	<u>\$67,857,955</u>	<u>\$155,063,636</u>





**City of Alameda
Reconciliation of
Governmental Funds Balance Sheet
with the Statement of Net Position
June 30, 2018**

Total fund balances reported on the governmental funds balance sheet \$128,582,984

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. 297,524,303

ALLOCATION OF INTERNAL SERVICE FUND POSITION ASSETS

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

Cash and cash equivalents	36,967,391
Restricted cash and investments	3,524,671
Accounts receivable	76,556
Due from other funds	19,245
Advances	715,941
Capital assets, net of accumulated depreciation	4,593,498
Accounts payable	(620,318)
Accrued payroll	(35,069)
Accrued interest	(71,722)
Claims payable	(14,787,167)
Long-term debt	(3,386,166)

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. 11,197,627

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:

Deferred outflows of resources related to pension	58,290,278
Interest payable	(322,952)
Long-term debt	(36,427,170)
Compensated absences	(3,432,864)
Net pension liability	(232,516,960)
Deferred inflows of resources related to pension	(2,105,858)
Total pension liability	(8,000,385)
Net OPEB liability	(100,570,210)
Deferred inflows of resources related to OPEB	(4,666,758)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$134,548,895

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, 2018

	<u>General</u>	<u>Base Reuse Special Revenue</u>	<u>HOME Program Special Revenue</u>
REVENUES			
Property taxes	\$38,726,740		
Sales taxes	10,279,885		
Transfer taxes	15,679,218		
Utility user taxes	9,333,534		
Other local taxes	8,140,640		
Licenses and permits	2,380,610		
Revenues from other agencies	583,127	\$1,500,000	\$162,596
Charges for current services	9,787,559		
Fines and forfeitures	886,188		
Use of money and property	1,324,012	14,864,383	26,433
Other revenues	211,222	641,814	
	<u>97,332,735</u>	<u>17,006,197</u>	<u>189,029</u>
EXPENDITURES			
Current:			
General government	19,790,499		
Police	38,139,431		
Fire	36,203,540		
Public works	1,943,893		
Community development		11,680,468	
Community services	2,660,447		
Housing			189,631
Capital outlay	2,541,094	733	
Debt service:			
Principal	201,385		
Interest			
	<u>101,480,289</u>	<u>11,681,201</u>	<u>189,631</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<u>(4,147,554)</u>	<u>5,324,996</u>	<u>(602)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,219,000		
Transfers (out)	(9,257,842)	(4,785,182)	
Proceeds from the sale of capital assets		12,971,153	
	<u>(5,038,842)</u>	<u>8,185,971</u>	
NET CHANGE IN FUND BALANCES			
	(9,186,396)	13,510,967	(602)
BEGINNING FUND BALANCES (DEFICITS)			
	<u>50,395,799</u>	<u>7,943,959</u>	<u>642</u>
ENDING FUND BALANCES (DEFICITS)			
	<u>\$41,209,403</u>	<u>\$21,454,926</u>	<u>\$40</u>

See accompanying notes to financial statements.

Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
	\$9,954,751	\$48,681,491
		10,279,885
		15,679,218
		9,333,534
	284,123	8,424,763
\$129,574	2,924,846	5,435,030
5,245,614	13,444,916	20,936,253
3,329,637	5,469,246	18,586,442
	349,628	1,235,816
25,411	3,272,206	19,512,445
162,045	1,347,456	2,362,537
<u>8,892,281</u>	<u>37,047,172</u>	<u>160,467,414</u>
	6,975,244	26,765,743
	228,563	38,367,994
	1,606,008	37,809,548
	3,508,816	5,452,709
	5,499,889	17,180,357
	4,923,850	7,584,297
	3,866,466	4,056,097
22,582,162	3,711,757	28,835,746
	1,952,581	2,153,966
	1,229,634	1,229,634
<u>22,582,162</u>	<u>33,502,808</u>	<u>169,436,091</u>
<u>(13,689,881)</u>	<u>3,544,364</u>	<u>(8,968,677)</u>
14,838,319	10,489,209	29,546,528
	(13,090,163)	(27,133,187)
		12,971,153
<u>14,838,319</u>	<u>(2,600,954)</u>	<u>15,384,494</u>
1,148,438	943,410	6,415,817
<u>6,920,007</u>	<u>56,906,760</u>	<u>122,167,167</u>
<u>\$8,068,445</u>	<u>\$57,850,170</u>	<u>\$128,582,984</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, 2018**

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 \$6,415,817

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	28,835,746
Non-capitalized capital outlay expenditures were re-classified to various governmental activities	(10,669,482)
Assets transferred from business-type activities are added to fund balance	4,375,447
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of \$1,000,165 which has already been allocated to service funds)	(9,481,064)

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	2,153,966
Amortization of bond premium is added back to fund balance	30,987

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	498,428
Interest payable	(134,203)
Net pension liability	(6,242,600)
Total pension liability	1,206,752
Net OPEB liability	(5,677,511)
Compensated absences	(51,730)

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>9,372,347</u>
---	------------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$20,632,900

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$36,134,000	\$37,784,000	\$38,726,740	\$942,740
Sales taxes	9,650,000	9,950,000	10,279,885	329,885
Transfer taxes	8,750,000	14,000,000	15,679,218	1,679,218
Utility user taxes	9,468,000	9,468,000	9,333,534	(134,466)
Other local taxes	8,325,000	8,125,000	8,140,640	15,640
Licenses and permits	2,359,855	2,359,855	2,380,610	20,755
Revenues from other agencies	437,100	437,100	583,127	146,027
Charges for current services	9,220,067	9,220,067	9,787,559	567,492
Fines and forfeitures	925,100	925,100	886,188	(38,912)
Use of money and property	1,536,464	1,536,464	1,324,012	(212,452)
Other revenue	3,424	3,424	211,222	207,798
	<u>86,809,010</u>	<u>93,809,010</u>	<u>97,332,735</u>	<u>3,523,725</u>
EXPENDITURES:				
Current:				
General government	17,763,943	21,196,545	19,790,499	1,406,046
Police	36,948,360	38,275,427	38,139,431	135,996
Fire	34,126,359	35,503,459	36,203,540	(700,081)
Public works	2,362,697	2,378,366	1,943,893	434,473
Community Services	2,695,000	2,772,798	2,660,447	112,351
Capital outlay	1,496,506	1,681,716	2,541,094	(859,378)
Debt service:				
Principal	233,325	233,325	201,385	31,940
Interest	223,820	223,820		223,820
	<u>95,850,010</u>	<u>102,265,456</u>	<u>101,480,289</u>	<u>785,167</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(9,041,000)</u>	<u>(8,456,446)</u>	<u>(4,147,554)</u>	<u>4,308,892</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,219,000	4,219,000	4,219,000	
Transfers (out)	(7,489,000)	(9,103,500)	(9,257,842)	(154,342)
	<u>(3,270,000)</u>	<u>(4,884,500)</u>	<u>(5,038,842)</u>	<u>(154,342)</u>
NET CHANGE IN FUND BALANCE	<u>(\$12,311,000)</u>	<u>(\$13,340,946)</u>	<u>(9,186,396)</u>	<u>\$4,154,550</u>
Beginning fund balance			<u>50,395,799</u>	
Ending fund balance			<u>\$41,209,403</u>	

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies			\$1,500,000	\$1,500,000
Use of money and property	\$11,615,000	\$12,163,000	14,864,383	2,701,383
Other			641,814	641,814
Total Revenues	11,615,000	12,163,000	17,006,197	4,843,197
EXPENDITURES:				
Current:				
Community development	11,603,000	12,265,871	11,680,468	585,403
Capital outlay			733	(733)
Total Expenditures	11,603,000	12,265,871	11,681,201	584,670
EXCESS OF REVENUES OVER EXPENDITURES	12,000	(102,871)	5,324,996	5,427,867
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets			12,971,153	12,971,153
Transfers (out)	(3,571,544)	(4,921,544)	(4,785,182)	136,362
Total other financing sources (uses)	(3,571,544)	(4,921,544)	8,185,971	13,107,515
NET CHANGE IN FUND BALANCE	(\$3,559,544)	(\$5,024,415)	13,510,967	\$18,535,382
Beginning fund balance			7,943,959	
Ending fund balance			<u>\$21,454,926</u>	

See accompanying notes to financial statements.



City of Alameda
HOME Program
Special Revenue Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$160,000	\$160,000	\$162,596	\$2,596
Use of money and property	20,000	20,000	26,433	6,433
Total Revenues	180,000	180,000	189,029	9,029
EXPENDITURES:				
Current:				
Housing	180,000	180,000	189,631	(9,631)
Total Expenditures	180,000	180,000	189,631	(9,631)
NET CHANGE IN FUND BALANCE			(602)	(\$602)
Beginning fund balance			642	
Ending fund balance			\$40	

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 2017-18:

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.

	Business-Type Activities			Governmental Activities- Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
ASSETS				
Current Assets				
Cash and cash equivalents	\$24,538,061	\$25,980,675	\$50,518,736	\$36,967,391
Investments		12,865,416	12,865,416	
Accounts receivable, net	535,108	7,769,377	8,304,485	76,556
Interest receivable		221,357	221,357	
Greenhouse gas related sales receivable		984,502	984,502	
Materials and supplies		3,776,486	3,776,486	
Due from other funds				19,245
Prepays and deposits		64,700	64,700	
Total Current Assets	25,073,169	51,662,513	76,735,682	37,063,192
Noncurrent Assets				
Restricted cash and investments	791,646	4,661,503	5,453,149	3,524,671
Share of certain NCPA projects and reserve		9,670,766	9,670,766	
Investments designated for special purposes		32,975,219	32,975,219	
Advances to other funds				715,941
Capital assets:				
Non-depreciable	5,284,945	3,026,316	8,311,261	
Depreciable, net of accumulated depreciation	69,408,644	38,179,629	107,588,273	4,593,498
Total Noncurrent Assets	75,485,235	88,513,433	163,998,668	8,834,110
Total Assets	100,558,404	140,175,946	240,734,350	45,897,302
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding		623,445	623,445	
Related to pensions	580,078	5,302,753	5,882,831	
Total Deferred Outflows of Resources	580,078	5,926,198	6,506,276	
LIABILITIES				
Current Liabilities:				
Accounts payable	1,509,107	928,537	2,437,644	620,318
Due to other funds		274,498	274,498	
Accrued payroll and other liabilities	22,586		22,586	35,069
Interest payable	175,675	672,356	848,031	71,722
Refundable deposits	6,079	3,688,165	3,694,244	
Compensated absences	71,404	560,569	631,973	
Claims payable		195,000	195,000	5,584,601
Long-term debt - current	613,043	1,275,000	1,888,043	559,791
Total Current Liabilities	2,397,894	7,594,125	9,992,019	6,871,501
Noncurrent Liabilities:				
Claims payable		1,021,097	1,021,097	9,202,566
Net pension liability	2,435,056	24,557,226	26,992,282	
Net OPEB liability	406,616	1,979,781	2,386,397	
Long-term debt	13,536,267	22,795,000	36,331,267	2,826,375
Total Noncurrent Liabilities	16,377,939	50,353,104	66,731,043	12,028,941
Total Liabilities	18,775,833	57,947,229	76,723,062	18,900,442
DEFERRED INFLOWS OF RESOURCES				
Purchased power balancing account		21,469,620	21,469,620	
Related to pensions				
Related to OPEB	17,132	83,417	100,549	
Total Deferred Inflows of Resources	17,132	21,553,037	21,570,169	
NET POSITION:				
Net investment in capital assets	60,544,279	33,129,390	93,673,669	1,207,332
Restricted				
Debt service	791,646	4,661,503	5,453,149	
Sewer system replacement	21,009,592		21,009,592	
Unrestricted		28,810,985	28,810,985	25,789,528
Total Net Position	\$82,345,517	\$66,601,878	\$148,947,395	\$26,996,860

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, 2018**

	Business-Type Activities			Governmental Activities- Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
OPERATING REVENUES				
Charges for services	\$10,498,070	\$61,064,782	\$71,562,852	\$14,755,800
Greenhouse gas related sales		2,390,906	2,390,906	
Miscellaneous	9,573	1,146,507	1,156,080	18,575,668
Total Operating Revenues	10,507,643	64,602,195	75,109,838	33,331,468
OPERATING EXPENSES				
General administrative	668,090	10,527,575	11,195,665	856,884
Operations and maintenance		37,774,557	37,774,557	
Wages and benefits	1,608,899		1,608,899	11,981,417
Insurance				9,364,247
Contractual services	435,865		435,865	2,307,457
Depreciation	1,523,803	3,340,263	4,864,066	1,000,165
Utilities	99,573		99,573	
Supplies and maintenance	160,707		160,707	206,521
Balancing account adjustment		2,821,087	2,821,087	
Total Operating Expenses	4,496,937	54,463,482	58,960,419	25,716,691
Operating Income (Loss)	6,010,706	10,138,713	16,149,419	7,614,777
NONOPERATING REVENUES (EXPENSES)				
Interest income	163,559	826,098	989,657	182,531
Interest income on restricted investments		24,920	24,920	
Interest (expense)	(418,360)	(1,406,368)	(1,824,728)	(99,961)
Payment in-lieu of taxes	(726,996)	(1,445,575)	(2,172,571)	
Miscellaneous non-operating revenue		79,319	79,319	
Miscellaneous non-operating expense		(1,138,482)	(1,138,482)	
Gain (loss) from sale of capital assets		(705,347)	(705,347)	
Total Nonoperating Revenues (Expenses)	(981,797)	(3,765,435)	(4,747,232)	82,570
Income (Loss) Before Transfers	5,028,909	6,373,278	11,402,187	7,697,347
Transfers in				1,675,000
Transfers (out)	(388,341)	(8,075,447)	(8,463,788)	
Change in net position	4,640,568	(1,702,169)	2,938,399	9,372,347
BEGINNING NET POSITION, AS RESTATED	77,704,949	68,304,047	146,008,996	17,624,513
ENDING NET POSITION	\$82,345,517	\$66,601,878	\$148,947,395	\$26,996,860

See accompanying notes to financial statements.

	Business-Type Activities			Governmental Activities- Internal Service Funds
	Sewer Services	Alameda Municipal Power	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$10,457,782	\$62,932,704	\$73,390,486	\$33,260,534
Receipts from Special Sales (C&T and REC)		3,321,526	3,321,526	
Payments to suppliers	(463,846)	(39,218,602)	(39,682,448)	(5,684,100)
Payments to employees	(2,070,519)	(6,143,403)	(8,213,922)	(12,735,232)
Miscellaneous non-operating receipts		65,714	65,714	
Due to City		(12,307)	(12,307)	
Claims paid				(2,929,113)
Net Cash Provided by (Used for) Operating Activities	<u>7,923,417</u>	<u>20,945,632</u>	<u>28,869,049</u>	<u>11,912,089</u>
CASH FLOWS FROM NON-CAPITAL				
FINANCING ACTIVITIES				
Payment in-lieu of taxes	(726,996)	(1,445,575)	(2,172,571)	
Interfund receipts				31,940
Interfund payments				(19,245)
Transfers in				1,675,000
Transfers (out)	(388,341)	(8,075,447)	(8,463,788)	
Cash Flows from Noncapital Financing Activities	<u>(1,115,337)</u>	<u>(9,521,022)</u>	<u>(10,636,359)</u>	<u>1,687,695</u>
CASH FLOWS FROM CAPITAL AND RELATED				
FINANCING ACTIVITIES				
Acquisition of capital assets	(8,420,894)	(1,818,633)	(10,239,527)	(310,185)
Proceeds from disposition of capital assets		(705,347)	(705,347)	
Principal payments on capital debt	(743,972)	(1,220,000)	(1,963,972)	(546,177)
Interest paid	(431,434)	(1,372,056)	(1,803,490)	
Cash Flows from Capital and Related Financing Activities	<u>(9,596,300)</u>	<u>(5,116,036)</u>	<u>(14,712,336)</u>	<u>(856,362)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales (purchases) of restricted investments	(8,662)	(52,580)	(61,242)	(3,524,671)
Sales (purchases) of investments reserved for special purposes		(2,516,117)	(2,516,117)	
Investment in certain NCPA projects and reserves		(975,953)	(975,953)	
Interest income	163,559	733,918	897,477	82,571
Cash Flows from Investing Activities	<u>154,897</u>	<u>(2,810,732)</u>	<u>(2,655,835)</u>	<u>(3,442,100)</u>
Net Cash Flows	<u>(2,633,323)</u>	<u>3,497,842</u>	<u>864,519</u>	<u>9,301,322</u>
Cash and cash equivalents at beginning of period	<u>27,171,384</u>	<u>22,482,833</u>	<u>49,654,217</u>	<u>27,666,069</u>
Cash and cash equivalents at end of period	<u>\$24,538,061</u>	<u>\$25,980,675</u>	<u>\$50,518,736</u>	<u>\$36,967,391</u>
Reconciliation of Operating Income (Loss) to Cash Flows				
from Operating Activities:				
Operating income (loss)	\$6,010,706	\$10,138,713	\$16,149,419	\$7,614,777
Adjustments to reconcile operating income to cash flows				
from operating activities:				
Depreciation and amortization	1,523,803	3,340,263	4,864,066	1,000,165
Pension related amounts	197,357	3,150,979	3,348,336	
OPEB related amounts	4,560	61,436	65,996	
Change in assets and liabilities:				
(Increase) decrease in accounts receivable and refundable deposits	(49,861)	(805,894)	(855,755)	(70,934)
(Increase) decrease in materials and supplies		(28,400)	(28,400)	
(Increase) decrease in prepaids				(99,407)
Increase (decrease) in accounts payable	232,299	(58,383)	173,916	
Increase (decrease) in balancing account		2,821,087	2,821,087	
Increase (decrease) in refundable deposits		2,457,930	2,457,930	
Increase (decrease) in claims payable		(125,861)	(125,861)	3,432,419
Increase (decrease) in accrued payroll and others	(943)	(21,833)	(22,776)	35,069
Increase (decrease) in due general fund		(12,307)	(12,307)	
Increase (decrease) in compensated absences	5,496	(37,811)	(32,315)	
Miscellaneous non-operating revenue		79,318	79,318	
Miscellaneous non-operations expense		(13,605)	(13,605)	
Cash Flows from Operating Activities	<u>\$7,923,417</u>	<u>\$20,945,632</u>	<u>\$28,869,049</u>	<u>\$11,912,089</u>

See accompanying notes to financial statements.

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

Other Post-Employment Benefit (OPEB) Plan Trust Fund is used to account for the medical benefits for former employees of the City.

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

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



City of Alameda
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2018

	OPEB Trust Fund	Successor Agency Private-Purpose Trust Fund	Agency Funds
ASSETS			
Cash and investments	\$3,944	\$10,526,763	\$4,176,877
Restricted cash and investments		706	2,332,535
Restricted investments - mutual funds	11,781,461		
Accounts receivable			6,803
Interest receivable			14
Loans receivable		1,405,511	
	<u>11,785,405</u>	<u>11,932,980</u>	<u>\$6,516,229</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding		3,901,303	
LIABILITIES			
Accounts payable		2,874	
Interest payable		750,251	\$287,371
Payable to the Housing Authority		2,301,567	
Due to bondholders			6,228,858
Long term debt:			
Due within one year		2,045,000	
Due in more than one year		55,826,057	
		<u>60,925,749</u>	<u>\$6,516,229</u>
NET POSITION			
Restricted for:			
Employees' OPEB benefits	11,785,405		
Held in trust for private purposes		(45,091,466)	
	<u>\$11,785,405</u>	<u>(\$45,091,466)</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, 2018

	OPEB Trust Fund	Successor Agency Private-Purpose Trust Fund
ADDITIONS		
Net investment income:		
Interest income	\$603,696	
Net increase (decrease) in the fair value of investment	(5,592)	
Investment management fees	(32,517)	
Employer contributions	7,546,879	
Property taxes		\$11,199,854
Use of money and property		109,304
	<u>8,112,466</u>	<u>11,309,158</u>
DEDUCTIONS		
Administration		100,832
Retirement and other benefits	3,715,083	
Contractual services		7,465,754
Debt service:		
Interest and fiscal charges		2,364,187
	<u>3,715,083</u>	<u>9,930,773</u>
Total Deductions	<u>3,715,083</u>	<u>9,930,773</u>
CHANGE IN NET POSITION	4,397,383	1,378,385
NET POSITION (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>7,388,022</u>	<u>(46,469,851)</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$11,785,405</u>	<u>(\$45,091,466)</u>

See accompanying notes to financial statements.



1.	Summary of Significant Accounting Policies.....	45
2.	Cash and Investments	55
3.	Interfund Transactions	66
4.	Housing Rehabilitation and Affordable Housing Loans Receivable	68
5.	Capital Assets.....	69
6.	Long-Term Debt	71
7.	Special Assessment Debt Without City’s Commitment.....	77
8.	Net Position and Fund Balances	77
9.	Pension Plans	80
10.	Post-Employment Health Care Benefits	90
11.	Risk Management	95
12.	Alameda Municipal Power Joint Ventures.....	97
13.	Commitments and Contingencies	103
14.	Redevelopment Agency Dissolution and Successor Agency Activities	106
15.	Subsequent Event.....	109



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 Authority does not issue separate financial statements.

The City of Alameda Financing Authority (CAFA) is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. 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 Authority 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 revenues from leasing activities revenues and grants. Expenditures are made for base reuse activities.

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

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

The City reported 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.

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

D. Basis of Accounting

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

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, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

E. Budgets and Budgetary Accounting

The City adopts a budget annually for all funds, 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.

The following funds incurred expenditures in excess of budget for the year ended June 30, 2018:

Fund Name	Amount
HOME Program Special Revenue Fund	\$9,631
Asset Seizure / Traffic Safety Special Revenue Fund	8,554
City Hall and Library Bonds Debt Service Fund	30,610
Base Reuse Debt Service Fund	76,025

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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. 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

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

H. *Compensated Absences*

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

Note 1 – Summary of Significant Accounting Policies (Continued)

Compensated absences activity for the year ended June 30, 2018 is as follows:

	Primary Government		Total
	Governmental Activities	Business Type Activities	
Beginning Balance	\$3,381,134	\$664,288	\$4,045,422
Additions	4,088,715	676,040	4,764,755
Payments	(4,036,985)	(708,355)	(4,745,340)
Ending Balance	<u>\$3,432,864</u>	<u>\$631,973</u>	<u>\$4,064,837</u>
Current Portion	<u>\$3,432,864</u>	<u>\$631,973</u>	<u>\$4,064,837</u>

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

I. Property Tax

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.

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

J. *Purchased Power Balancing Account*

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

K. *Deferred Inflows / Outflows of Resources*

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

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

L. *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.

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

M. 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.

N. Implementation of New GASB Pronouncements

During the year ended June 30, 2018, the City implemented the following GASB Statements:

The GASB issued Statement No. 75 "Accounting and Financial Reporting for Postemployments Benefits Plans Other Than Pension Plans." The objective of this statement is to address reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This statement becomes effective for periods beginning after June 15, 2017. This standard was adopted for fiscal year ending June 30, 2018. Please refer to the financial statements and Note 10 for details concerning the fiscal materiality of this pronouncement.

The GASB issued Statement No. 81 "Irrevocable Split-Interest Agreements." The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which government is a beneficiary of the agreement. This statement becomes effective for periods beginning after December 15, 2016. The City does not have any Irrevocable Split Interest Agreements to disclose.

The GASB issued Statement No. 85 "Omnibus." The objective of this statement is to address practice issues regarding the implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending components units, goodwill, fair value measurement and application and postemployment benefits. This statement becomes effective for periods beginning after June 15, 2017. Please refer to OPEB required supplementary information for details concerning the fiscal materiality of this pronouncement.

The GASB issued Statement No. 86 "Advance Refunding Resulting in Defeasance of Debt." The objective of this statement is to improve consistency in for in-substance defeasance of debt, improve reporting for prepaid insurance on extinguished debt and financial statements notes regarding defeased debt. This statement becomes effective for periods beginning after June 15, 2017. Please refer to the Note 6 for details concerning the reporting of debt.

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Upcoming GASB Pronouncements

The City is analyzing the effects of the following pronouncements and plans to adopt them by the effective dates:

The GASB issued Statement No. 83 "*Certain Asset Retirement Obligations.*" The objective of this statement is to address accounting and financial reporting for certain asset retirement obligations. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. This statement becomes effective for periods beginning after June 15, 2018. The City is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 84 "*Fiduciary Activities.*" The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement becomes effective for periods beginning after December 15, 2018. The City is currently evaluating the impact on the financial statements.

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. This statement becomes effective for periods beginning after December 15, 2019. The City is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 88 "*Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placement.*" The objective of this statement is to improve guidelines related to debt disclosure. This statement becomes effective for periods beginning after June 15, 2018. The City is currently evaluating the impact on the financial statements.

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 account for interest cost. This statement becomes effective for periods beginning after December 15, 2019. The City is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 90 "*Majority Equity Interest - An Amendment of GASB Statements No. 14 and No. 61.*" The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement becomes effective for periods beginning after December 15, 2018. The City is currently evaluating the impact on the financial statements.

P. New and Renamed Funds

The Alameda Point Capital Projects Fund was established during the year ended June 30, 2018 to account for revenues and expenditures related to construction, improvements and capital maintenance projects within Alameda Point.

Note 1 – Summary of Significant Accounting Policies (Continued)

During the fiscal year 2018, the City determined that the OPEB Trust Fund established on March 1, 2014 should be reported as an OPEB Plan Trust Fund. This fund accounts for the medical benefits for former employees of the City.

The Citywide Development Fee Capital Projects Fund was renamed to the Development Impact Fee Capital Projects Fund.

Note 2 – Cash and Investments

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

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

A. Policies

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

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

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

Cash and cash equivalents are considered to be liquid assets for purposes of measuring cash flows. Restricted cash and investments are not included for cash flow purposes.

Note 2 – Cash and Investments (Continued)

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not use is restricted under the terms of City debt instruments or agency agreements. Cash and investments as of June 30, 2018, as presented on the Statement of Net Position and Statement of Fiduciary Net Position are as follows:

Statement of Net Position:	
Cash and investments	\$228,236,388
Restricted cash and investments	11,036,561
Investments designated for special purposes	32,975,219
Fiduciary Funds:	
Cash and investments	14,707,584
Restricted cash and investments	14,114,702
Total cash and investments	<u><u>\$301,070,454</u></u>

Cash and investments as of June 30, 2018 are composed of the following categories:

Cash on hand (petty cash and change funds)	\$14,125
Deposits with financial institutions	97,699,534
Investments	203,356,795
Total cash and investments	<u><u>\$301,070,454</u></u>

Note 2 – Cash and Investments (Continued)

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

The City’s investment policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City, and approved percentages and maturities are not exceeded. The table also identifies certain provisions of the California Government Code, or the City’s Investment Policy where the City’s Investment Policy is more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

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

Authorized Investment Type	Maximum Maturity (A)	Minimum Credit Quality	Maximum 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 an Money Market Funds	5 Years	Highest rating by 2 NRSRO's	20%	10%
Bankers' Acceptances	180 Days	A1/P1	30%	5%
Commercial Paper	270 Days	A1/P1 (A rated issuer)	25%	5%
Negotiable Certificates of Deposit (NCD)	5 Years	No rating for amount under FDIC insurance; A1/A for amounts greater that FDIC	30% (Combined with CDARs)	5%
California Local Agency Investment Fund (LAIF)	N/A	N/A	\$65,000,000 per account	\$65,000,000 per account
(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 (except City's own bonds)	30%	5%
Medium-Term Corporate Notes	5 Years	A	30%	5%
Supranationals	5 Years	AA	10% (US Dollar denominated)	No Limit
Asset backed securities	5 Years	AA or higher(with issuer rated A or higher)	15%	No Limit

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

Note 2 – Cash and Investments (Continued)

D. Investments Authorized by 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 Obligations	5 years	N/A	75%	25%
Mutual Funds and Money Market Funds	5 years	Top rating category	20%	10%
Bankers Acceptances	180 days	A1 or equivalent	30%	5%
Commercial Paper	270 days	A1 or equivalent, A rated issuer or its equivalent	25%	5%
Negotiable Certificates of Deposit	5 years	No rating for amount under FDIC insurance; A-1 / A for amounts greater than FDIC insurance	30% (combined with CDARS) \$65,000,000	5%
California Local Agency Investment Fund (LAIF)	Upon demand	N/A	per account	N/A
California Asset Management Program (CAMP) and CalTrust	Upon demand	N/A	No Limit	N/A
Non-Negotiable Certificates of Deposit/CDARS	3 years	N/A	30% (combined with NCDs)	5%
Municipal Obligations	5 years	A (except City's own bonds)	30%	5%
Medium Term Corporate Notes	5 years	A	30%	5%
Supranationals	5 years	AA (with issuer rated A or higher)	10% (US Dollar denominated)	No Limit
Asset-Backed Securities	5 years		15%	No Limit

Note 2 – Cash and Investments (Continued)

E. Public Agencies Post-Employment Trust

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' risk tolerance, under the Moderate Index PLUS and Balanced Index PLUS investment options. The assets in the OPEB trust are reported in the OPEB Trust Fund.

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' 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.

Note 2 – Cash and Investments (Continued)

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:

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) Investment Agreements	Upon Demand No Limit	N/A AA-	\$65,000,000 per account No Limit	\$65,000,000 per account No Limit
California State Warrants, Treasury Notes or Bonds	3 Years	Top Two Highest Short-Term or Long-Term Rating Categories	No Limit	No Limit

Note 2 – Cash and Investments (Continued)

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

Authorized Investment Type	Maximum Maturity	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	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	No 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.

Note 2 – Cash and Investments (Continued)

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, 2018:

Investment Type	12 Months or less	One to Five Years	Total
U.S. Government-Sponsored			
Enterprise Agencies		\$15,906,036	\$15,906,036
Medium-Term Corporate Notes:			
Non-callable	\$2,724,868	12,977,902	15,702,770
Callable	825,588	7,973,418	8,799,006
Asset Backed Securities	260,960	9,637,780	9,898,740
Supranationals	1,041,945	5,539,061	6,581,006
U.S. Treasury Notes		24,181,451	24,181,451
Money Market Mutual Funds	9,121,258		9,121,258
California Local Agency Investment Fund	94,725,133		94,725,133
Negotiable Certificates of Deposit	4,406,628	4,872,763	9,279,391
Time Certificates of Deposit	8,688,134		8,688,134
Municipal Bonds		473,870	473,870
Total Investments	\$121,794,514	\$81,562,281	203,356,795
Cash deposits with banks and on hand			97,713,659
Total Cash and Investments			\$301,070,454

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, 2018, 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 \$65 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, 2018, these investments had an average maturity of 193 days.

Note 2 – Cash 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, 2018, for each City’s investment type as provided by Standard and Poor’s:

Investment Type	AAA/AAAm	AA+ to AA-	A+ to A-	A-1+ to A-1	BBB+	Total
U.S. Government-Sponsored						
Enterprise Agencies		\$15,906,036				\$15,906,036
Medium Term Corporate Notes:						
Non-callable	\$403,946	4,116,048	\$10,785,681		\$397,095	15,702,770
Callable	629,115	1,668,277	5,580,850	\$297,503	623,261	8,799,006
Supranationals	6,581,006					6,581,006
Asset Backed Securities	5,573,854					5,573,854
Money Market Mutual Funds	3,175,884	5,945,374				9,121,258
Negotiable Certificates of Deposit		1,704,346	3,168,417	4,406,628		9,279,391
Municipal Bonds		473,870				473,870
Totals	<u>\$16,363,805</u>	<u>\$29,813,951</u>	<u>\$19,534,948</u>	<u>\$4,704,131</u>	<u>\$1,020,356</u>	<u>71,437,191</u>
<i>Not rated:</i>						
California Local Agency Investment Fund						94,725,133
Asset Backed Securities						4,324,886
Time Certificates of Deposit						8,688,134
Money Market Mutual Funds						
<i>Exempt:</i>						
US Treasury Notes						24,181,451
Total Investments						<u>\$203,356,795</u>

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.

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:

Note 2 – Cash and Investments (Continued)

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2018. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

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

Note 2 – Cash and Investments (Continued)

As of June 30, 2018, the City has the following recurring fair value measurements:

	Fair Value Measurements on a Recurring Basis Using		
	Balance at June 30, 2018	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	\$15,906,036		\$15,906,036
Medium-Term Corporate Notes Non-callable	15,702,770		15,702,770
Callable	8,799,006		8,799,006
Asset Backed Securities	9,898,740		9,898,740
Supranationals	6,581,006		6,581,006
U.S. Treasury Notes	24,181,451	\$24,181,451	
Negotiable Certificates of Deposit	9,279,391		9,279,391
Time Certificates of Deposit	8,688,134		8,688,134
Municipal Bonds	473,870		473,870
Total Investments by Fair Value Level	<u>99,510,404</u>	<u>\$24,181,451</u>	<u>\$75,328,953</u>
Investments Not Measured at Fair Value or Subject to Fair Value Hierarchy			
Local Agency Investment Funds	94,725,133		
Money Market Mutual Funds	9,121,258		
Total Investments Not Measured at Fair Value	<u>103,846,391</u>		
Total Investments	<u>\$203,356,795</u>		

Note 2 – Cash 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, 2018, those investments consisted of:

Issuer	Maturity Date	Callable Date	Reported Amount
American Express Credit Corp	10/30/2019	7/30/2019	\$531,626
American Express Credit Note	3/3/2020	2/1/2020	251,654
Goldman Sachs Group Inc Bonds	12/13/2019	11/13/2019	415,620
Bank of New York Mellon NT	9/11/2019	8/11/2019	551,997
BNY Mellon Corp Note	8/17/2020	7/17/2020	297,008
Branch Banking & Trust Corp Notes	9/3/2021	8/3/2021	154,510
Costco Wholesale Corp Notes	5/18/2021	4/18/2021	220,073
Citigroup Inc Corp Note	1/10/2020	12/10/2019	207,641
EXXON Mobile Corp Note	3/6/2020	2/6/2020	197,189
EXXON Mobile Corp Note	3/1/2021	2/1/2021	613,497
JPMorgan Chase & Co Corp Notes	6/18/2022	6/18/2021	425,327
JPMorgan Chase & Co Corp Notes	1/15/2023	1/15/2022	486,980
Microsoft Corp Notes	11/3/2020	10/3/2020	226,374
Microsoft Corp Notes	8/8/2021	7/8/2021	402,741
Occidental Petroleum Corp Note	4/15/2022	3/15/2022	537,727
ORACLE Corp Note	9/15/2021	8/15/2021	552,403
PNC Bank NA Bank Note	7/28/2022	6/28/2022	617,761
US Bancorp Corp Notes	4/25/2019	3/25/2019	458,233
US Bancorp Notes	11/15/2018	10/15/2018	69,852
US Bancorp Notes	1/24/2022	12/23/2021	273,955

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, 2018, the amounts of current interfund balances were as follows:

Due From Other Funds	Due To Other Funds	Amount
General Fund	HOME Program Special Revenue Fund	\$135,201
	Non-Major Governmental Funds	231,055
	Alameda Municipal Power Enterprise Fund	255,253
General Liability Insurance Internal Service Fund	Alameda Municipal Power Enterprise Fund	19,245
		\$640,754

Note 3 – Interfund Transactions (Continued)

B. Long-Term Advances

Loan from Equipment Replacement Fund

In July 2014, the City Council authorized a long-term loan from the Equipment Replacement Internal Service Fund to the Fire Station 3/Emergency Operations Center Capital Projects Fund in the amount of \$809,000 for the construction of the new Fire Station. The note bears 3% simple interest rate and will be due in full in 20 years. The advance is secured by a promissory note where the City’s General Fund is pledged as security for the repayment of the loan. The outstanding loan balance at June 30, 2018 was \$715,941.

Loan from General Fund and FISC Lease Revenue Fund

In June 2017, the City Council authorized a long-term loan from the General Fund (\$700,000) and FISC Lease Revenue Fund (\$700,000) to the Development Impact Fee Fund for the construction of Estuary Park. The principal balances of the loans bear simple interest at a simple annual rate equivalent to the LAIF rate in effect at the time. The advances are secured by a promissory note where available funds from the Development Impact Fee Fund are pledged as security for the repayment of the loan. The outstanding loan balance at June 30, 2018 was \$1,385,214.

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 2017-18 were as follows:

Fund Receiving Transfers	Fund Making Transfer	Amount Transferred
General Fund	Non-Major Governmental Funds	\$519,000 A
	Alameda Municipal Power	3,700,000 B
Capital Improvement Fund	General Fund	1,906,475 C
	Base Reuse Fund	4,244,544 C
	Non-Major Governmental Funds	8,298,959 C
	Sewer Services Enterprise Fund	388,341 C
Non-Major Governmental Funds	General Fund	5,676,367 A,C,D
	Base Reuse Fund	540,638 C
	Non-Major Governmental Funds	4,272,204 A,C,D
Internal Service Funds	General Fund	1,675,000 A
Total		<u>\$31,221,528</u>

The reasons for these transfers are set forth below:

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

In addition to the transfers above, during fiscal year 2018, the Alameda Municipal Power Enterprise Fund transferred street lights with a net book value of \$4,375,447 to governmental activities.

Note 3 – Interfund Transactions (Continued)

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 – 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, 2018 was \$11,197,627, which has been offset with unavailable revenue. Included in the outstanding balance are receivables totaling \$1,744,791 from the Alameda Housing Authority.

Note 5 – Capital Assets

A. Capital Asset Additions and Retirements

City capital asset activities for the year ended June 30, 2018, are as follows:

	Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
Governmental activities					
Capital assets not being depreciated:					
Land	\$5,995,318				\$5,995,318
Construction in progress	18,228,164	\$17,178,044		(\$4,334,304)	31,071,904
Total capital assets not being depreciated	24,223,482	17,178,044		(4,334,304)	37,067,222
Capital assets being depreciated:					
Buildings	259,610,366			4,334,304	263,944,670
Machinery and equipment	34,212,017	1,298,405	(\$16,404)		35,494,018
Infrastructure:					
Streets	166,286,431				166,286,431
Street Lights				5,361,683	5,361,683
Landscape	21,323,234				21,323,234
Storm drains	22,638,842				22,638,842
Potable water systems	1,353,939				1,353,939
Parks	7,421,547				7,421,547
Marina facilities	25,011,156				25,011,156
Golf improvements	4,205,963				4,205,963
Total capital assets being depreciated	542,063,495	1,298,405	(16,404)	9,695,987	553,041,483
Less accumulated depreciation:					
Buildings	(115,788,647)	(3,375,315)			(119,163,962)
Machinery and equipment	(24,997,000)	(1,501,886)	16,404		(26,482,482)
Infrastructure:					
Streets	(78,456,792)	(4,283,547)			(82,740,339)
Street Lights				(986,236)	(986,236)
Landscape	(18,324,297)	(141,079)			(18,465,376)
Storm drains	(10,217,394)	(435,339)			(10,652,733)
Potable water systems	(1,200,736)	(7,851)			(1,208,587)
Parks	(3,443,299)	(268,614)			(3,711,913)
Marina facilities	(20,826,400)	(308,188)			(21,134,588)
Golf improvements	(3,285,278)	(159,410)			(3,444,688)
Total accumulated depreciation	(276,539,843)	(10,481,229)	\$16,404	(986,236)	(287,990,904)
Net capital assets being depreciated	265,523,652	(9,182,824)		8,709,751	265,050,579
Governmental activity capital assets, net	\$289,747,134	\$7,995,220		\$4,375,447	\$302,117,801

Note 5 – Capital Assets (Continued)

	Balance at June 30, 2017	Additions	Retirements	Transfers	Balance at June 30, 2018
<i>Business-type activities</i>					
Capital assets, not being depreciated:					
Land and Rights	\$153,643				\$153,643
Construction in progress	20,274,090	\$15,472,234	(\$9,745,070)	(\$17,843,636)	8,157,618
Total capital assets not being depreciated	20,427,733	15,472,234	(9,745,070)	(17,843,636)	8,311,261
Capital assets, being depreciated:					
Utility Plant	84,654,593	9,050,238	(3,295,878)	(4,285,144)	86,123,809
Service Center Building	8,071,667			58,958	8,130,625
Machinery and equipment	9,510,378	437,255		70,387	10,018,020
Transportation equipment	3,240,419	101,960	(24,223)		3,318,156
Computer equipment	4,158,116		(2,751)	13,547	4,168,912
Furniture and fixtures	2,314,383			64,132	2,378,515
Sewer lines	85,512,568			16,560,073	102,072,641
Easements	185,500				185,500
Total capital assets being depreciated	197,647,624	9,589,453	(3,322,852)	12,481,953	216,396,178
Less accumulated depreciation for:					
Utility Plant	(54,962,477)	(2,652,387)	2,595,612	986,236	(54,033,016)
Service Center Building	(4,055,335)	(182,175)			(4,237,510)
Machinery and equipment	(8,772,875)	(132,549)			(8,905,424)
Transportation equipment	(2,466,690)	(179,145)	24,222		(2,621,613)
Computer equipment	(3,615,156)	(171,879)	1,375		(3,785,660)
Furniture and fixtures	(1,888,028)	(81,935)			(1,969,963)
Sewer lines	(31,671,723)	(1,463,996)			(33,135,719)
Easement	(119,000)				(119,000)
Total accumulated depreciation	(107,551,284)	(4,864,066)	2,621,209	986,236	(108,807,905)
Total depreciable assets	90,096,340	4,725,387	(701,643)	13,468,189	107,588,273
Business-type activity capital assets, net	\$110,524,073	\$20,197,621	(\$10,446,713)	(\$4,375,447)	\$115,899,534

During fiscal year 2018, the Alameda Municipal Power Enterprise Fund transferred street lights with a net book value of \$4,375,447 to governmental activities.

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	\$168,382
Police	108,676
Fire	310,443
Public works	5,418,146
Community development	1,083,266
Community services	2,392,151
Internal Service Funds	<u>1,000,165</u>
Total Governmental Activities	<u><u>\$10,481,229</u></u>
 <i>Business-Type Activities:</i>	
Sewer services	\$1,523,803
Alameda Municipal Power	<u>3,340,263</u>
Total Business-Type Activities	<u><u>\$4,864,066</u></u>

Note 6 – Long-Term Debt

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

Note 6 – Long-Term Debt (Continued)

A. City Long-Term Debt

The City's long-term debt activities for the year ended June 30, 2018, are as follows:

	CUSIP Number	Balance June 30, 2017	Retirements	Balance June 30, 2018	Current Portion
Governmental Activities Debt:					
Certificates of Participation					
2008 Refinancing Project	010762	\$1,580,000	(\$290,000)	\$1,290,000	\$300,000
2013 Financing Project	010762	7,630,000	(485,000)	7,145,000	505,000
Plus: Unamortized bond premium		326,789	(25,520)	301,269	
Total Certificates of Participation		<u>9,536,789</u>	<u>(800,520)</u>	<u>8,736,269</u>	<u>805,000</u>
2003 ARRA Demand Revenue Bonds	010808	10,200,000	(400,000)	9,800,000	400,000
2013 General Obligation Refunding Bonds	010752	7,925,000	(355,000)	7,570,000	365,000
Plus: Unamortized bond premium		70,237	(5,467)	64,770	
Leases Payable	not applicable	3,932,342	(546,176)	3,386,166	559,791
HUD Section 108 Loan	not applicable	5,499,000	(286,000)	5,213,000	307,000
I-Bank Loan	not applicable	3,000,000	(136,581)	2,863,419	139,705
Alameda County EMS Liability	not applicable	2,381,097	(201,385)	2,179,712	208,790
Subtotal		<u>33,007,676</u>	<u>(1,930,609)</u>	<u>31,077,067</u>	<u>1,980,286</u>
Total Governmental Activities Debt		<u>42,544,465</u>	<u>(2,731,129)</u>	<u>39,813,336</u>	<u>2,785,286</u>
Business-Type Activities Debt:					
State Water Resources Control Board	not applicable	149,946	(149,946)		
State Revolving Fund Loan, 1998	not applicable	285,673	(141,003)	144,670	144,670
State Revolving Fund Loan, 1999	not applicable	190,232	(61,753)	128,479	63,420
State Revolving Fund Loan, 2004	not applicable	561,445	(87,674)	473,771	89,953
Sewer Revenue Bonds, 2012 Series A	010782	13,615,000	(300,000)	13,315,000	315,000
Revenue Bonds, Series 2010A	010808	8,700,000		8,700,000	
Taxable Revenue Bonds, Series 2010B	010808	16,590,000	(1,220,000)	15,370,000	1,275,000
Plus: Unamortized bond premium		90,986	(3,596)	87,390	
Total Business-Type Activities Debt		<u>40,183,282</u>	<u>(1,963,972)</u>	<u>38,219,310</u>	<u>1,888,043</u>
Total Debt		<u>\$82,727,747</u>	<u>(\$4,695,101)</u>	<u>\$78,032,646</u>	<u>\$4,673,329</u>

Note 6 – Long-Term Debt (Continued)

B. Debt Service Requirements

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

For the Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$2,785,286	\$1,125,623	\$1,888,043	\$1,738,400
2020	2,653,818	1,043,239	1,872,351	1,650,572
2021	2,795,123	958,283	1,894,692	1,559,269
2022	3,037,967	866,919	1,982,154	1,465,277
2023	2,872,345	769,363	2,114,680	1,355,901
2024-2028	15,034,294	2,477,904	11,975,000	4,842,502
2029-2033	8,456,744	683,359	9,850,000	1,762,706
2034-2038	1,811,720	28,924	3,020,000	801,380
2039-2043			3,535,000	293,160
Subtotal	39,447,297	\$7,953,614	38,131,920	\$15,469,167
Plus unamortized bond premium	366,039		87,390	
Total	\$39,813,336		\$38,219,310	

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

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

Governmental Activities Debt

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

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

Note 6 – Long-Term Debt (Continued)

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

General Obligation and Revenue Bonds

2013 General 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 1 and August 1 through August 1, 2033.

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

The pledge of sublease revenues ends upon repayment of the \$11,266,502 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 2017-18, sublease revenues amounted to \$12,854,937, which represented coverage of 2,478% over the \$518,720 in debt service.

Leases and Loans Payable

Leases Payable – At June 30, 2018, the City held the following leases payable. Under the lease agreements, ownership of the capital assets reverts to the City at the end of the lease terms. Since the leases are in essence financing arrangements, the costs of the capital assets and the amounts of the lease terms have been included in the City’s financial statements.

2011 Fire Apparatus Lease Payable – On October 19, 2011, the City entered into a lease agreement in the amount of \$1,750,000 with Oshkosh Capital to acquire two fire apparatus vehicles. The City agreed to pay the lease starting on October 19, 2012, 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, 2018, was \$1,142,842.

Note 6 – Long-Term Debt (Continued)

2011 Radio Lease Payable – On October 1, 2011, the City entered into a lease agreement in the amount of \$1,507,194 with Holman Capital Corporation to acquire 206 hand-held radios and 124 vehicle radios. The City agreed to pay the lease starting on October 11, 2012, with annual payments of \$231,896, which includes an interest rate of 1.89%, for seven years. Balance of the lease as of June 30, 2018, was \$227,594.

2012 Fire Truck Lease Payable – On September 26, 2012, the City entered into a lease agreement in the amount of \$1,965,726 with Oshkosh Capital to acquire two fire apparatus vehicles. The City agreed to pay the lease starting on September 26, 2013, 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, 2018, was \$1,399,253.

2013 Ambulance Lease Payable – On April 23, 2013, the City entered into a lease agreement in the amount of \$199,348 with Oshkosh Capital to acquire an ambulance vehicle. The City agreed to pay the lease starting on April 24, 2013, with annual payments of \$25,584 which includes an interest rate of 2.90%, for eight years. Balance of the lease as of June 30, 2018, was \$49,026.

2013 Ambulance Lease Payable – On August 14, 2013, the City entered into a lease agreement in the amount of \$140,000 with US Bancorp to acquire an ambulance vehicle. The City agreed to pay the lease starting on October 24, 2013, with annual payments of \$21,779, which includes an interest rate of 2.94% for seven years. Balance of the lease as of June 30, 2018, was \$41,710.

2014 Fire Apparatus Lease 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, 2018 was \$525,741.

The leased equipment had book values at June 30, 2018 as follows:

	2011 Fire Apparatus	2011 Radios	2012 Fire Trucks	2013 Ambulance	2013 Ambulance	2014 Fire Apparatus
Equipment	\$1,750,000	\$1,523,271	\$1,750,791	\$197,288	\$140,037	\$673,799
Less: Accumulated Depreciation	(787,500)	(1,523,271)	(440,354)	(174,271)	(105,028)	(263,905)
Book Value	<u>\$962,500</u>	<u>\$0</u>	<u>\$1,310,437</u>	<u>\$23,017</u>	<u>\$35,009</u>	<u>\$409,894</u>

HUD Section 108 Loan – On January 5, 2006, the City entered into an agreement to borrow \$7,000,000 from the Housing and Urban Development Department. In September 2006, the City drew down \$4,000,000 for the construction of the Alameda Theater Garage Project. In August 2007, the City drew down an additional \$3,000,000 for the same project. Principal and interest payments of both loans are due semi-annually on August and February through 2027. The loan carries a variable interest rate of 20 points above the LIBOR rate. Repayments of the loans are funded by a BEDI (Brownfields Economic Development Initiative) grant, parking garage and retail and cinema lease revenues. The outstanding balance as of June 30, 2018 is \$5,213,000.

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 1 and August 1 through 2034. The loan bears interest of 2.287%. The outstanding balance as of June 30, 2018 is \$2,863,419.

Note 6 – Long-Term Debt (Continued)

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, 2018, the outstanding balance is \$2,179,712.

D. Business-Type Activities Debt

Loans Payable

State Water Resources Control Board – On February 8, 1996, the City entered into a loan with the California State Water Resources Control Board for up to \$2,324,502 at 2.8% interest, of which all has been drawn down. The purpose of the loan is to provide funding to install sanitary sewer facilities. The loan is payable from Sewer Service Fund operating revenues. The City agreed to make annual payments of \$154,144 through August 5, 2017. The loan was repaid during fiscal year 2018.

State Revolving Fund Loan 1998 – The City entered into a contract on July 1, 1998, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to correct infiltration and inflow. The maximum loan amount is \$2,292,025, of which all has been drawn down. This loan bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2018 was \$144,670.

State Revolving Fund Loan 1999 – The City entered into a contract on September 29, 1999, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to correct infiltration and inflow. The maximum loan amount is \$1,193,529 and bears interest at 2.7% per year for a term of twenty years. The balance as of June 30, 2018, was \$128,479.

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, 2018, was \$473,771.

Revenue Bonds

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

The pledge of sublease revenues ends upon repayment of the \$19,083,529 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 2018, net revenues amounted to \$7,698,068, which represented coverage of 10.72 over the \$718,269 in debt service.

Note 6 – Long-Term Debt (Continued)

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% to 5.25%, payable January 1 and July 1 of each year. The Revenue Bonds, Series 1010B bear interest at 1.829% to 6.517%, payable January 1 and July 1 of each year.

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

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, 2018 is as follows:

<u>Description</u>	<u>Maturity Date</u>	<u>June 30, 2018</u>
Harbor Bay Community Facilities District #1	9/1/2019	\$2,940,000
Alameda Landing Community Facilities District No. 13-1	9/1/2046	15,415,000

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.

Note 8 – Net Position and Fund Balances (Continued)

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.

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.

Note 8 – Net Position and Fund Balances (Continued)

Detailed classifications of the City’s Fund Balances, as of June 30, 2018, are below:

Classifications	General Fund	Base Reuse Special Revenue	HOME Program Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total
Nonspendable:						
Prepays and deposits	\$89,833				\$1,115	\$90,948
Advances	692,607					692,607
Total Nonspendable	<u>782,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,115</u>	<u>783,555</u>
Restricted for:						
Development activities		\$21,454,926			12,640,065	34,094,991
Streets and roads					6,668,297	6,668,297
Affordable housing			\$40		1,430,210	1,430,250
Public safety					781,969	781,969
Waste reduction					4,349,591	4,349,591
Assessment district					10,390,171	10,390,171
Tidelands					2,864,297	2,864,297
Transportation					2,806,828	2,806,828
Debt service					1,459,813	1,459,813
Total Restricted	<u>-</u>	<u>21,454,926</u>	<u>40</u>	<u>-</u>	<u>43,391,241</u>	<u>64,846,207</u>
Committed to:						
Capital projects				\$8,068,445		8,068,445
Development activities					4,687,513	4,687,513
Community development					2,019,376	2,019,376
Culture and recreation					2,018,270	2,018,270
Library operations					3,207,797	3,207,797
Parking meter/garage					3,356,418	3,356,418
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,068,445</u>	<u>15,289,374</u>	<u>23,357,819</u>
Assigned:						
General government	347,287					347,287
Public safety	1,236,932					1,236,932
Capital Projects	2,110,000					2,110,000
Economic uncertainty	3,460,500					3,460,500
Long-term obligations	8,199,310					8,199,310
Total Assigned	<u>15,354,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,354,029</u>
Unassigned:						
Reserve policy	20,428,506					20,428,506
Residual fund balance in excess of policy or fund balance deficits	4,644,428				(831,560)	3,812,868
Total Unassigned	<u>25,072,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(831,560)</u>	<u>24,241,374</u>
Total Fund Balances	<u>\$41,209,403</u>	<u>\$21,454,926</u>	<u>\$40</u>	<u>\$8,068,445</u>	<u>\$57,850,170</u>	<u>\$128,582,984</u>

Note 8 – Net Position and Fund Balances (Continued)

C. Fund Deficits

The funds below had fund balance or net position in the amounts shown at June 30, 2018. Future revenues and repayment of long-term debt are expected to offset these deficits.

Non-major Fund:	
Emergency Operation Center/ Fire Station #3	\$831,560
Private Purpose Trust Fund:	
Successor Agency	45,091,466

D. Restatements of Net Position

Management adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB), which became effective during the year ended June 30, 2018. In June 2015, GASB issued Statement No. 75 and the intention of this Statement is to improve the usefulness of information for decisions made by the various users of the financial reports of governments whose employees – both active employees and inactive employees – are provided with post-employment benefits other than pensions by requiring recognition of the entire net OPEB liability and a more comprehensive measure of OPEB expense. The implementation of the above Statement required the City to make prior period adjustments. As a result, the beginning net positions of the Governmental Activities, Sewer Enterprise Fund and Alameda Municipal Power Enterprise Fund were restated and reduced by \$59,891,131, \$419,188 and \$2,001,762, respectively. See Note 10 for additional information.

In addition, during fiscal year 2018, the City determined that the OPEB Trust established March 1, 2014 should be reported as an OPEB Plan Trust Fund. As a result, beginning net position of the Trust Fund has been restated and increased in the amount of \$7,388,022.

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.

Note 9 – Pension Plans (Continued)

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Plans’ provisions and benefits in effect at June 30, 2018 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 - 63	52 - 67
Monthly benefits, as a % of annual salary	1.426% - 2.418%	1.000% - 2.500%
Required employee contribution rates	8.868%	6.750%
Required employer contribution rates	7.132%	9.000%
Required UAL contribution	\$3,579,547	

	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	50 - 57
Monthly benefits, as a % of annual salary	3.000%	2.00% - 2.700%
Required employee contribution rates	15.000%	10.750%
Required employer contribution rates	12.910%	18.910%
Required UAL contribution	\$8,023,653	

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 for miscellaneous and safety plans were \$3,579,547 and \$8,023,653, respectively, in fiscal year 2018, as shown in the table above.

Note 9 – Pension Plans (Continued)

Contributions – Section 20814(C) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. The employees pay a percentage of their salaries toward the City’s required contribution. Employees within the miscellaneous plan pay 1.868% of the employers’ contribution and employees within the safety plan pay 6.000% of the employers’ contribution, which are reflected in the rates above. Total employer required contribution amounts during the fiscal year ended June 30, 2018 were \$5,710,194 for the miscellaneous plan and \$11,470,898 for the safety plan. In addition, the City contributed an additional \$10,695,052 to pay down the unfunded liability of the safety plan and reduce the required contribution rates in fiscal year 2019.

Employees Covered – At the June 30, 2017 measurement date, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	541	257
Inactive employees entitled to but not yet receiving benefits	367	52
Active employees	301	174
Total	<u>1,209</u>	<u>483</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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Metho
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.0%
Projected Salary Increase	3.2% - 12.2% (1)	3.4% - 20.0% (1)
Investment Rate of Return	7.15% (2)	7.15% (2)
Mortality	Society of Actuaries Scale BB (3)	Society of Actuaries Scale BB (3)

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The mortality table used was developed based on CalPERS’ specific data.

Note 9 – Pension Plans (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

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

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

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

Asset Class	Current Target Allocation	Real Return Years 1 - 10¹	Real Return Years 11+²
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	(0.40%)	(0.90%)
Total	<u>100%</u>		

1 - An expected inflation of 2.5% used for this period.

2 - An expected inflation of 3.0% used for this period.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

Note 9 – Pension Plans (Continued)

Change of Assumptions – In 2017, the accounting discount rate was reduced from 7.65% to 7.15%.

Changes in the Net Pension Liability – The Changes in the Net Pension Liability for each Plan measured as of June 30, 2017 is as follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016 Measurement Date	<u>\$259,979,219</u>	<u>\$189,573,478</u>	<u>\$70,405,741</u>
Changes in the year:			
Service cost	4,641,162		4,641,162
Interest on the total pension liability	19,356,195		19,356,195
Differences between actual and expected experience	271,870		271,870
Changes of assumptions	15,192,135		15,192,135
Contributions - employer		5,273,062	(5,273,062)
Contributions - employees		2,306,147	(2,306,147)
Net investment income		21,234,381	(21,234,381)
Benefit payments, including refunds of employee contributions	(14,095,607)	(14,095,607)	
Administrative expense		(279,892)	279,892
Net changes	<u>25,365,755</u>	<u>14,438,091</u>	<u>10,927,664</u>
Balance at June 30, 2017 Measurement Date	<u>\$285,344,974</u>	<u>\$204,011,569</u>	<u>\$81,333,405</u>

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016 Measurement Date	<u>\$392,307,025</u>	<u>\$235,387,887</u>	<u>\$156,919,138</u>
Changes in the year:			
Service cost	7,034,547		7,034,547
Interest on the total pension liability	29,313,329		29,313,329
Differences between actual and expected experience	248,108		248,108
Changes of assumptions	24,387,287		24,387,287
Contributions - employer		10,537,863	(10,537,863)
Contributions - employees		3,678,165	(3,678,165)
Net investment income		25,858,078	(25,858,078)
Benefit payments, including refunds of employee contributions	(20,966,135)	(20,966,135)	
Administrative expense		(347,534)	347,534
Net changes	<u>40,017,136</u>	<u>18,760,437</u>	<u>21,256,699</u>
Balance at June 30, 2017 Measurement Date	<u>\$432,324,161</u>	<u>\$254,148,324</u>	<u>\$178,175,837</u>
Total of Miscellaneous and Safety Plans	<u>\$717,669,135</u>	<u>\$458,159,893</u>	<u>\$259,509,242</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	\$117,598,844	\$237,023,567
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$81,333,405	\$178,175,837
1% Increase	8.15%	8.15%
Net Pension Liability	\$51,224,108	\$129,928,786

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, 2018, the City recognized pension expense of \$14,971,063 and \$22,496,016 for the Miscellaneous and Safety Plans respectively. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$5,710,194	
Changes in assumptions	8,286,619	
Differences between expected and actual experience	163,148	
Net differences between projected and actual earnings on plan investments	2,493,916	
Total	<u>\$16,653,877</u>	
	<u>Safety</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$22,165,950	
Changes in assumptions	18,580,790	(\$2,105,858)
Differences between expected and actual experience	3,025,895	
Net differences between projected and actual earnings on plan investments	3,746,597	
Total	<u>\$47,519,232</u>	<u>(\$2,105,858)</u>

Note 9 – Pension Plans (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$27,876,144	
Changes in assumptions	26,867,409	(\$2,105,858)
Differences between expected and actual experience	3,189,043	
Net differences between projected and actual earnings on plan investments	6,240,513	
Total	\$64,173,109	(\$2,105,858)

The amounts of \$5,710,194 and \$22,165,950 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous	Safety	Total
2019	\$6,785,116	\$6,047,992	\$12,833,108
2020	4,625,381	10,424,644	15,050,025
2021	1,123,080	7,460,983	8,584,063
2022	(1,589,894)	(686,195)	(2,276,089)
Total	\$10,943,683	\$23,247,424	\$34,191,107

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 19 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, 2018, the monthly pension benefit was \$2,503, adjusted annually by a maximum of 2% per year cost-of-living adjustment. Upon the death of a retiree, the qualified spouse receives one-half of the retiree's monthly pension benefit for life or until remarriage.

Note 9 – Pension Plans (Continued)

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.

The City’s total pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 (the measurement date). Changes in the City’s total pension liability were as follows:

1079 Plan:

Total pension liability - June 30, 2017	\$8,445,154
Changes for the year	
Interest	263,019
Difference between expected and actual experience	
Change of assumptions	(35,195)
Benefit payments	(1,418,576)
Net increase (decrease) in total pension liability	<u>(1,190,752)</u>
Total pension liability - June 30, 2018	<u>\$7,254,402</u>

1082 Plan:

Total pension liability - June 30, 2017	\$761,983
Changes for the year	
Interest	25,397
Difference between expected and actual experience	
Change of assumptions	(11,361)
Benefit payments	(30,036)
Net increase (decrease) in total pension liability	<u>(16,000)</u>
Total pension liability - June 30, 2018	<u>\$745,983</u>

Total of 1079 & 1082 Plans	<u>\$8,000,385</u>
---------------------------------------	--------------------

Note 9 – Pension Plans (Continued)

Actuarial Assumptions – Actuarial assumptions used to determine the total pension liability for each Plan in the June 30, 2017 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	3.50%
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

Discount Rate – A discount rate of 3.5% was applied in the measurement of the total pension liability. This discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index.

Sensitivity of the Total Pension Liability Calculated Using the Discount Rate – The following presents the total pension liability calculated using the discount rate of 3.5%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1% lower (2.5%) or 1% higher (4.5%) than the current rate at June 30, 2018:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability:			
1079 Plan	\$7,602,627	\$7,254,402	\$6,897,880
1082 Plan	858,542	745,983	631,085
Total both plans	<u>\$8,461,169</u>	<u>\$8,000,385</u>	<u>\$7,528,965</u>

Pension Expense – For the year ended June 30, 2018, the City recognized pension expense for Plan 1079 and Plan 1082 of \$227,824 and \$14,036, respectively.

Note 9 – Pension Plans (Continued)

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, 2018, total contributions of \$214,894 were made based on a total amount of covered compensation of \$2,865,262.

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, 2018, amounted to \$3,642 of which the City paid 50%.

D. *Deferred Compensation Plans*

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

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

Note 10 – Post-Employment Health Care Benefits

A. *General Information about the City’s Other Post-Employment Benefit (OPEB) Plan*

Plan Description – The City provides medical and dental benefits to retirees as specified below under the City of Alameda Other Post-Employment Benefit (OPEB) Plan, a single-employer defined benefit health care plan. The City is responsible for establishing and amending the funding policy of the Plan. The Plan does not issue financial statements of the benefit Plan. Separately issued financial statements of the benefit Plan are available from CALPERS at P.O. Box 942709, Sacramento California 94229-2709.

The City established an irrevocable trust with Public Agency Retirement Services (PARS) to fund its retiree health benefits Contributions to the trust are made annually according to the City’s OPEB funding policy.

The City is the Plan administrator, while PARS administers the investment trust. The City’s OPEB Plan does 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, 2018:

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 minimum required contribution (MRC) - \$133 per month in 2018.

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.

Note 10 – Post-Employment Health Care Benefits (Continued)

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2018:

Active employees	493
Inactive employees or beneficiaries currently receiving benefit payments	199
Inactive employees entitled to but not yet receiving benefit payments	0
Total	692

B. Net OPEB Liability

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2016 that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2018, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2016
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	3.98%
Inflation	2.75%
Payroll Growth	3.00%, plus merit increases
Investment Rate of Return	6.25%
Mortality Rate	CalPERS recent study projected fully generational Scale MP-2014
Healthcare Trend Rate:	
PPO	6.5% in 2019 and will decline to 5.0% in 2022 and later years
HMO	6.0% in 2019 and will decline to 5.0% in 2022 and later years

The underlying mortality assumptions were based on the mortality table published by CalPERS in their 2014 study, adjusted to back out 20 years of Scale BB to central year 2008 and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a June 30, 2016 actuarial experience study for the period 1997 to 2011, except for a different basis used to project future mortality improvements.

Note 10 – Post-Employment Health Care Benefits (Continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<i>Balanced Plus</i>		
Equity	60.0%	4.25%
Fixed Income	35.0%	2.25%
Cash	5.0%	0.00%
Total	100.0%	
<i>Moderate Plus</i>		
Equity	50.0%	4.25%
Fixed Income	45.0%	2.25%
Cash	5.0%	0.00%
Total	100.0%	

Discount Rate – The discount rate used to measure the total OPEB liability was 3.98%, based on a blended rate of asset expected rate of return and 3.4% using the average of 3 - 20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index. 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.

Rate of Return – For the year ended June 30, 2018, the annual money-weighted rate of return on OPEB Trust Fund investments, net of OPEB plan investment expense, was 6.49%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 10 – Post-Employment Health Care Benefits (Continued)

C. Changes in Net OPEB Liability

The changes in the net OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2017	\$116,283,798	\$7,388,022	\$108,895,776
Changes Recognized for the Measurement Period:			
Service Cost	4,193,392		4,193,392
Interest on the total OPEB liability	4,316,741		4,316,741
Changes of assumptions	(6,336,836)		(6,336,836)
Contributions from the employer		7,546,879	(7,546,879)
Net investment income		598,104	(598,104)
Administrative expenses		(33,220)	33,220
Benefit payments	(3,715,083)	(3,715,083)	
Other		703	(703)
Net changes	(1,541,786)	4,397,383	(5,939,169)
Balance at June 30, 2018 (Measurement Date)	<u>\$114,742,012</u>	<u>\$11,785,405</u>	<u>\$102,956,607</u>

Fiscal year 2018 contributions were comprised of premium payments of \$3,044,343, prefunding contributions of \$3,831,796, and implicit subsidies of \$670,740.

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:

Net OPEB Liability/(Asset)		
Current		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(2.98%)	(3.98%)	(4.98%)
\$123,286,712	\$102,956,607	\$87,103,959

Note 10 – Post-Employment Health Care Benefits (Continued)

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 healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
1% Decrease	Current Rate	1% Increase
(5.00% HMO/5.50% PPO)	(6.00% HMO/6.50% PPO)	(7.00% HMO/7.50% PPO)
decreasing to	decreasing to	decreasing to
4.00% HMO/4.00% PPO)	5.00% HMO/5.00% PPO)	6.00% HMO/6.00% PPO)
\$83,855,077	\$102,956,607	\$127,875,130

E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$5,704,276. At June 30, 2018, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	(\$14,680)
Changes of assumptions	(4,752,627)
Total	(\$4,767,307)

Amounts reported as deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2019	(\$1,587,879)
2020	(1,587,879)
2021	(1,587,879)
2022	(3,670)
Total	(\$4,767,307)

Note 11 – Risk Management

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

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

A. Risk Coverage

The City is a member of the California Joint Powers Risk Management Authority (CJPRMA), which covers general liability claims. The City has a self-insured retention of \$500,000 per claim. Once the self-insured retention is met, CJPRMA becomes responsible for payment of all claims up to the limit. During the fiscal year ended June 30, 2018, the City contributed \$524,821 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 \$350,000 per claim. During the fiscal year ended June 30, 2018, the City contributed \$432,801, for current year coverage.

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

Type of Coverage	Coverage Limits
Liability	\$40,000,000
Auto - Physical damage	\$5,000,000
Workers’ Compensation	\$500,000
All Risk Fire & Property except earthquake and flood	Replacement Cost
Boiler & Machinery	\$21,250,000
Computer Software	Self-Insured
Terrorism	\$10,000,000
Vessel	\$2,000,000

Note 11 – Risk Management (Continued)

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.

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 annually and was computed using an 80% confidence level for the year ended June 30, 2018 and a 70% confidence level for the year ended June 30, 2017 as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Beginning balance	\$3,810,620	\$3,601,309
Increase (decrease) in estimated liability for prior year claims	3,847,543	432,987
Claims paid in current year	<u>(1,492,569)</u>	<u>(223,676)</u>
Ending balance	<u>\$6,165,594</u>	<u>\$3,810,620</u>
Current portion	<u>\$2,870,803</u>	<u>\$1,499,414</u>

Included in the liability above is the outstanding balance of the settlement payable to the former City Manager of \$766,616.

The change in the Workers’ Compensation claims liability, including claims incurred but not reported, as estimated by the City’s Risk Manager, as reported in the City’s Workers’ Compensation Internal Service Fund and Alameda Municipal Power Enterprise Fund, is based on historical trend information provided by third party administrators and was computed using a 70% for the year ended June 30, 2018 and a 60% confidence level for the year ended June 30, 2017 as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Beginning balance	\$8,886,086	\$8,261,599
Increase (decrease) in estimated liability	2,114,267	2,569,574
Claims paid in current year	<u>(1,162,683)</u>	<u>(1,945,087)</u>
Ending balance	<u>\$9,837,670</u>	<u>\$8,886,086</u>
Current portion	<u>\$2,908,798</u>	<u>\$2,833,177</u>

The Alameda Municipal Power Fund (AMP) accounts for \$1,216,097 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 14 public agencies (AMP, BART, Biggs, Gridley, Healdsburg, Lompoc, Palo Alto, Ukiah, Lodi, Port of Oakland, Redding, Roseville, Silicon Valley Power, Truckee-Donner PUD). Turlock Irrigation District withdrew from NCPA on April 1, 2011. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, as well as to optimize the use of those facilities and the member's position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

Amounts paid by AMP, net of refunds, to NCPA during the fiscal years ending June 30, 2018 and 2017 for purchased power were \$28,618,484 and \$28,201,607 respectively. Additionally, purchased power was reduced by a refund of \$787,417 and \$656,325 for power exchange distribution and budget settlement monies returned to the NCPA General Operating Reserve (GOR), for the fiscal year ended June 30, 2018 and 2017, 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, 2018</u>
Beginning balance	\$9,819,690
Increase (decrease) in equity in NCPA projects	(148,924)
Ending balance	<u><u>\$9,670,766</u></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	\$4,550,080
Purchased Power & Transmission	3,590
Share of Scheduling Coordination Balancing Account	2,053,478
Share of Congestion Revenue Rights (CRR)	130,746
Associated Member Services	108,845
Market Purchase Program (MPP) Deposit	<u>127,670</u>
	<u>\$6,974,409</u>
Alameda Municipal Power's share of NCPA Power Projects	\$1,999,937
Geothermal Projects/Power Line	755,172
Calaveras Hydroelectric Project No. 1	(136,975)
Combustion Turbine Project No. 2	<u>78,223</u>
	<u>\$2,696,357</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 17.05407 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.

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. At June 30, 2018, the book value of this Project's plant, equipment and other assets was \$2,280,252 while its long-term debt totaled \$0, and other liabilities totaled \$2,906,243. AMP's share of the Project's long-term debt and other liabilities amounted to \$634,142 on that date.

Combustion Turbine Project No. 2 (Steam Injected Gas Turbine Project) - AMP is a participant in NCPA's 49.8 megawatt Steam Injected Gas Turbine (STIG) project which was built under turnkey contract near the City of Lodi and declared substantially complete on April 23, 1996. In 2010, the NCPA issued 2010 Refunding Series A Bonds for \$55,120,000 for the purpose of providing funds to refund all of the Refunded 1999 Bonds, to fund a deposit to the 2010 Series debt service reserve account and to pay cost of issuance of the 2010 Series A Bonds. Under the NCPA power purchase agreement, AMP is obligated to pay 19.00 percent of the debt service and operating costs for the STIG project.

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

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

As of June 30, 2018, 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, 2017	Additions	Retirements	Balance June 30, 2018	Current Portion	AMP's Obligation %	\$
Geothermal Project								
2009A	7/1/2024	\$7,640,000	-	\$2,420,000	\$5,220,000	\$2,545,000	16.8825%	\$881,267
2012A	7/1/2022	7,595,000	-	1,310,000	6,285,000	1,340,000	16.8825%	1,061,065
2016A	7/1/2024	17,530,000	-	265,000	17,265,000	365,000	16.8825%	2,914,763
Total Geothermal Project		32,765,000	-	3,995,000	28,770,000	4,250,000		4,857,095
Hydroelectric Project								
1992A	7/1/2018	23,595,000	-	11,440,000	12,155,000	12,155,000	10.0000%	1,215,500
2008A	7/1/2032	85,160,000	-	-	85,160,000	-	10.0000%	8,516,000
2008B	7/1/2020	1,540,000	-	305,000	1,235,000	325,000	10.0000%	123,500
2008C	7/1/2024	77,130,000	-	77,130,000	-	-	0.0000%	- ^a
2010A	7/1/2023	72,615,000	-	9,640,000	62,975,000	10,130,000	10.0000%	6,297,500
2012A	7/1/2032	76,665,000	-	-	76,665,000	-	10.0000%	7,666,500
2012B	7/1/2024	7,120,000	-	-	7,120,000	-	10.0000%	712,000
2018A	7/1/2025	-	\$68,875,000	-	68,875,000	-	10.9775%	7,560,753 ^a
2018B	7/1/2025	-	1,340,000	-	1,340,000	-	10.9775%	147,099 ^a
Total Hydroelectric Project		343,825,000	70,215,000	98,515,000	315,525,000	22,610,000		32,238,852
Capital Facilities (STIG)								
2010A	8/1/2025	37,400,000	-	3,760,000	33,640,000	3,995,000	19.0000%	6,391,600
Unamortized premium		763,000	-	181,000	582,000	-	0.0000%	-
Total Capital Facilities		38,163,000	-	3,941,000	34,222,000	3,995,000	-	6,391,600
Total Long-Term Debt		\$414,753,000	\$70,215,000	\$106,451,000	\$378,517,000	\$30,855,000	-	\$43,487,547

^a Increased % reflects Roseville and Healdsburg opt-out of the 2022A&B bonds, which were later defeased, along with the 2003 A&B bonds, by the 2008C&D bonds. The 2008C&B bonds were later defeased by the 2018A&B bonds.

NCPA Geothermal (2009A & 2016A) and Hydroelectric bonds pay principal July 1. Geothermal 2012A bonds pay principal both January 1 and July 1. NCPA Capital Facilities bond 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.

In March 2018, NCPA issued Hydroelectric Project Number One Revenue Bonds 2018 Refunding Series A and B (\$70,215,000) to refund Hydroelectric Project Number One Revenue Bond 2008 Refunding Series C. The refunding was completed through the issuance of \$70,215,000 fixed rate debt (2018 Series A & B) with a yield of 2.01% with varying principal maturities ranging from \$839,850 to \$14,957,250 through July 1, 2024. AMP's share for this debt obligation is \$1,708,200 as of June 30, 2018. The Hydroelectric defeased debt issue has been considered extinguished for financial reporting purposes. At year-end, the defeased debt remained outstanding for Project One, 2008 Series C is \$77,130,000.

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.

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

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

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

Highwinds Project Power Purchase

In December 2004, AMP entered into a long-term power purchase agreement with PPM Energy, Inc. for power supplied by the Highwinds Project in Solano County, California. In 2008, Iberdrola Renewables succeeded PPM Energy as the seller counterparty for this power purchase agreement. AMP receives 6.17 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.

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, 2018 and 2017, 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 \$2,576,451. AMP is obligated to pay \$54,209, 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 – Commitments and Contingencies

A. City of Alameda

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

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

Note 13 – Commitments and Contingencies (Continued)

Encumbrances

Encumbrances outstanding as of June 30, 2018, were listed below:

	<u>Amount</u>
Major Governmental Funds:	
General Fund	\$417,548
Base Reuse Special Revenue	384,110
Capital Improvement Projects	10,963,431
Total Major Governmental Funds	<u>11,765,089</u>
Non-Major Governmental Funds:	
Special Revenue Funds	
Tidelands	370
Parking Meters	227,471
Commercial Revitalization	196,400
Community Development Block Grants	217,038
FISC Lease Revenue	63,992
Waste Reduction Surcharge	62,231
Maintenance Assessment District	4,548
Athletic Recreation	23,339
Capital Projects Funds	
Construction Impact Fee	7,500
Streets/Transportation	89,192
Emergency Operation Center	25,659
Urban Runoff Storm Drain Fee	78,160
Total Non-Major Governmental Funds	<u>995,900</u>
Total Governmental Fund Encumbrances	<u>\$12,760,989</u>

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, 2018 was \$56,979,972. Under certain circumstances, AMP may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, AMP may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants. These "step up" provisions are generally capped at a 25 percent increase.

Note 13 – Commitments and Contingencies (Continued)

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

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

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, 2018 is as follows:

Fiscal Year	NGP	NCHP	NCFP	Total
2019	\$833,277	\$3,744,031	\$1,081,655	\$5,658,963
2020	833,471	3,649,589	1,086,174	5,569,234
2021	834,962	3,653,259	1,101,320	5,589,541
2022	835,761	3,638,470	1,074,019	5,548,250
2023	836,267	3,641,932	1,085,784	5,563,983
2024-2028	1,174,263	14,347,662	2,474,217	17,996,142
2029-2033	-	11,053,859	-	11,053,859
Total	\$5,348,001	\$43,728,802	\$7,903,169	\$56,979,972

Note 13 – Commitments and Contingencies (Continued)

ii) Lease Agreement with 1835 Alameda Property, LLC

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

Fiscal Year	
2019	\$297,882
2020	306,818
2021	316,023
2022	325,504
2023	335,269
2024-2028	1,833,387
2029-2033	1,164,830
Total	<u>\$4,579,713</u>

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities

A. Redevelopment Dissolution

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

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

In addition, Abx1 26 and AB1484 direct the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between the agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency.

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

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

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

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

Cash and investments of the Successor Agency as of June 30, 2018 are discussed in Note 2. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2018.

B. Long-Term Debt

The Successor Agency assumed long-term debt from the Redevelopment Agency consisted of the following:

Current Year Transaction and Balances

	CUSIP Number	Balance June 30, 2017	Retirements	Balance June 30, 2018	Due within one year
2014 A SA CIC Tax Exempt Bonds	010775	\$23,495,000		\$23,495,000	
Plus: Unamortized bond premium		3,079,067	(\$190,227)	2,888,840	
2014 B SA CIC Taxable Bonds	010775	20,730,000	(1,920,000)	18,810,000	\$1,980,000
2017 SA CIC Taxable Bonds	010775	12,850,000		12,850,000	65,000
Less: Unamortized bond discount		(180,236)	7,453	(172,783)	
Total Bonds		<u>\$59,973,831</u>	<u>(\$2,102,774)</u>	<u>\$57,871,057</u>	<u>\$2,045,000</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 will be used to (a) refund certain outstanding bonds issued by the former Community Improvement Commission of the City of Alameda (Former Agency), the proceeds of which were used to finance redevelopment and low and moderate income housing activities within and for the benefit of the redevelopment project areas of the Former Agency, (b) purchase a municipal bond insurance policy in lieu of finding 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, 2018 was \$45,193,840, including the premium.

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

2017 Community Improvement Commission Tax Allocation Refunding Bonds

On May 11, 2017, the Successor Agency issued Series 2017 Taxable Allocation Refunding Bonds in the principal amount of \$12,850,000 for the former agency’s merged improvement areas. Proceeds from the sale of the Bonds will be used to (a) refund 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 an \$180,706 discount. The outstanding balance as of June 30, 2018 was \$12,677,217, net of the discount.

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 \$11,199,854 which represented coverage of 2.74 times the \$4,087,970 of debt service.

The outstanding balance of the defeased debt as of June 30, 2018 was \$10,740,000.

Debt Service Requirements

Annual debt service requirements are shown below:

For the Year Ending June 30,	Principal	Interest
2019	\$2,045,000	\$2,260,169
2020	2,200,000	2,210,941
2021	2,315,000	2,151,516
2022	2,405,000	2,082,211
2023	2,515,000	2,003,025
2024-2028	14,585,000	8,476,273
2029-2033	19,245,000	4,635,325
2034-2038	8,335,000	875,514
2039-2042	1,510,000	136,425
Subtotal	55,155,000	<u>\$24,831,399</u>
Plus unamortized bond premium	2,888,840	
Less unamortized bond discount	(172,783)	
Total	<u>\$57,871,057</u>	

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

C. *State Approval of Enforceable Obligations*

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

D. *Alameda County-wide Consolidated Oversight Board*

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 winddown affairs of all Successor Agencies in Alameda County, including the Successor Agency to the CIC.

Note 15 – Subsequent Event

In February 2019, the City began the process of refinancing the HUD Section 108 loans. The first step in the refinancing process was completed on February 1, 2019, when the loans were redeemed from the proceeds of a new promissory note that was issued by the City and was purchased by the Section 108 interim lender. The final step in the process is to provide permanent financing for the new note in a public offering that will be conducted by the Section 108 underwriting group. This offering was to have been conducted on February 13, 2019, but the Department of Housing and Urban Development postponed it due to the Federal Government shutdown.

The public offering is now scheduled for March 28, 2019, and the City must pay accrued interest on the temporary financing from February 1, 2019 to the date of the public offering, March 28, 2019. The new loan terms will be known after refinancing is finalized.

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

Fiscal Year Ended June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement Period	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Total Pension Liability				
Service Cost	\$4,641,162	\$3,760,714	\$3,766,998	\$3,808,115
Interest on the total pension liability	19,356,195	18,828,640	18,158,298	17,592,705
Changes of assumptions	15,192,135		(4,194,628)	
Difference between expected and actual experience	271,870	163,395	(1,883,727)	
Benefit payments, including refunds of employee contributions	<u>(14,095,607)</u>	<u>(13,711,596)</u>	<u>(12,934,211)</u>	<u>(12,081,658)</u>
Net change in total pension liability	<u>25,365,755</u>	<u>9,041,153</u>	<u>2,912,730</u>	<u>9,319,162</u>
Total pension liability - beginning	<u>259,979,219</u>	<u>250,938,066</u>	<u>248,025,336</u>	<u>238,706,174</u>
Total pension liability - ending (a)	<u>285,344,974</u>	<u>259,979,219</u>	<u>250,938,066</u>	<u>248,025,336</u>
Plan fiduciary net position				
Contributions - employer	5,273,062	4,525,123	3,713,053	3,088,658
Contributions - employees	2,306,147	2,159,065	2,094,771	2,206,769
Net investment income	21,234,381	1,095,194	4,478,705	30,399,751
Benefit payments, including refunds of employee contributions	<u>(14,095,607)</u>	<u>(13,711,596)</u>	<u>(12,934,211)</u>	<u>(12,081,658)</u>
Plan to Plan resource movement			(2,433,966)	
Administrative expense	<u>(279,892)</u>	<u>(119,223)</u>	<u>(222,927)</u>	
Net change in fiduciary net position	<u>14,438,091</u>	<u>(6,051,437)</u>	<u>(5,304,575)</u>	<u>23,613,520</u>
Plan fiduciary net position - beginning	<u>189,573,478</u>	<u>195,624,915</u>	<u>200,929,490</u>	<u>177,315,970</u>
Plan fiduciary net position - ending (b)	<u>204,011,569</u>	<u>189,573,478</u>	<u>195,624,915</u>	<u>200,929,490</u>
Net pension liability - ending (a)-(b)	<u>\$81,333,405</u>	<u>\$70,405,741</u>	<u>\$55,313,151</u>	<u>\$47,095,846</u>
Plan fiduciary net position as a percentage of the total pension liability	71.50%	72.92%	77.96%	81.01%
Covered payroll	\$27,176,983	\$26,437,131	\$25,612,255	\$24,479,720
Net pension liability as percentage of covered payroll	299.27%	266.31%	215.96%	192.39%
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

*Fiscal year 2015 was the 1st year of implementation

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

Fiscal Year Ended June 30,	2018	2017	2016	2015
Measurement Period	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Total Pension Liability				
Service Cost	\$7,034,547	\$6,047,019	\$6,121,040	\$6,141,031
Interest on the total pension liability	29,313,329	28,386,449	27,178,001	25,739,517
Changes of assumptions	24,387,287		(6,618,407)	
Difference between expected and actual experience	248,108	2,256,432	5,283,538	
Benefit payments, including refunds of employee contributions	<u>(20,966,135)</u>	<u>(20,335,284)</u>	<u>(19,108,175)</u>	<u>(17,814,345)</u>
Net change in total pension liability	40,017,136	16,354,616	12,855,997	14,066,203
Total pension liability - beginning	<u>392,307,025</u>	<u>375,952,409</u>	<u>363,096,412</u>	<u>349,030,209</u>
Total pension liability - ending (a)	<u>432,324,161</u>	<u>392,307,025</u>	<u>375,952,409</u>	<u>363,096,412</u>
Plan fiduciary net position				
Contributions - employer	10,537,863	9,569,765	9,071,332	8,190,138
Contributions - employees	3,678,165	3,329,883	2,920,035	3,115,074
Net investment income	25,858,078	1,191,816	5,399,063	36,726,928
Benefit payments, including refunds of employee contributions	(20,966,135)	(20,335,284)	(19,108,175)	(17,814,345)
Administrative expense	<u>(347,534)</u>	<u>(147,352)</u>	<u>(272,101)</u>	
Net change in plan fiduciary net position	18,760,437	(6,391,172)	(1,989,846)	30,217,795
Plan fiduciary net position - beginning	<u>235,387,887</u>	<u>241,779,059</u>	<u>243,768,905</u>	<u>213,551,110</u>
Plan fiduciary net position - ending (b)	<u>254,148,324</u>	<u>235,387,887</u>	<u>241,779,059</u>	<u>243,768,905</u>
Net pension liability - ending (a)-(b)	<u>\$178,175,837</u>	<u>\$156,919,138</u>	<u>\$134,173,350</u>	<u>\$119,327,507</u>
Plan fiduciary net position as a percentage of the total pension liability	58.79%	60.00%	64.31%	67.14%
Covered payroll	\$24,303,190	\$25,965,660	\$25,200,216	\$23,779,986
Net pension liability as percentage of covered payroll	733.14%	604.33%	532.43%	501.80%
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

*Fiscal year 2015 was the 1st year of implementation

CALPERS AGENT MULTIPLE EMPLOYER PLAN - MISCELLANEOUS
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*

Fiscal Year Ended June 30,	2018	2017	2016	2015
Actuarially determined contribution	\$ 5,710,194	\$ 5,265,991	\$ 4,527,506	\$ 3,713,053
Contributions in relation to the actuarially determined contributions	5,710,194	5,265,991	4,527,506	3,713,053
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 28,387,102	\$ 27,176,983	\$ 26,437,131	\$ 25,612,255
Contributions as a percentage of covered payroll	-20.12%	19.38%	17.13%	14.50%

Notes to Schedule

Valuation date:	6/30/2015	6/30/2014	6/30/2013	6/30/2012
-----------------	-----------	-----------	-----------	-----------

Methods and assumptions used to determine contribution rates:

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

*Fiscal year 2015 was the 1st year of implementation

CALPERS AGENT MULTIPLE EMPLOYER PLAN - SAFETY
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*

Fiscal Year Ended June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 11,470,898	\$ 10,530,166	\$ 9,572,502	\$ 9,071,332
Contributions in relation to the actuarially determined contributions	<u>11,470,898</u>	<u>10,530,166</u>	<u>9,572,502</u>	<u>9,071,332</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 25,275,362	\$ 24,303,190	\$ 25,965,660	\$ 25,200,216
Contributions as a percentage of covered payroll	-45.38%	43.33%	36.87%	36.00%

Notes to Schedule

Valuation date: 6/30/2015 6/30/2014 6/30/2013 6/30/2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll
Asset valuation method	Market value	Market value	Actuarial value of assets	Actuarial value of assets
Inflation	2.75%	2.75%	2.75%	2.75%
Salary increase	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment	3.3% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50% net of administrative expenses, includes inflation	7.50% net of administrative expenses, includes inflation	7.50% net of administrative expenses, includes inflation	7.50% net of administrative expenses, includes inflation
Retirement age	50-57 years	50-57 years	50-57 years	50-57 years
Mortality	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries	The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries

*Fiscal year 2015 was the 1st year of implementation

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

Fiscal Year Ended June 30,	<u>2018</u>	<u>2017</u>
Total Pension Liability		
Interest on the total pension liability	\$288,416	\$349,073
Difference between expected and actual experience	(46,556)	39,819
Benefit payments	<u>(1,448,612)</u>	<u>(1,448,612)</u>
Net change in total pension liability	<u>(1,206,752)</u>	<u>(1,059,720)</u>
Total pension liability - beginning	<u>9,207,137</u>	<u>10,266,857</u>
Total pension liability - ending	<u><u>\$8,000,385</u></u>	<u><u>\$9,207,137</u></u>
 Measurement date	 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

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
 Single-Employer Defined Benefit OPEB Plan
 Last 10 fiscal years*

Measurement Date	<u>6/30/18</u>
Total OPEB Liability	
Service Cost	\$4,193,392
Interest	4,316,741
Changes in benefit terms	
Differences between expected and actual experience	
Changes of assumptions	(6,336,836)
Benefit payments	(3,715,083)
Net change in total OPEB liability	<u>(1,541,786)</u>
Total OPEB liability - beginning	<u>116,283,798</u>
Total OPEB liability - ending (a)	<u><u>\$114,742,012</u></u>
 Plan fiduciary net position	
Contributions - employer	\$7,546,879
Contributions - employee	
Net investment income	598,104
Administrative expense	(33,220)
Benefit payments	(3,715,083)
Other	703
Net change in plan fiduciary net position	<u>4,397,383</u>
Plan fiduciary net position - beginning	<u>7,388,022</u>
Plan fiduciary net position - ending (b)	<u><u>\$11,785,405</u></u>
 Net OPEB liability - ending (a)-(b)	<u><u>\$102,956,607</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	10.27%
 Covered-employee payroll	<u><u>\$74,110,195</u></u>
 Net OPEB liability as a percentage of covered-employee payroll	<u><u>138.92%</u></u>

* Fiscal year 2018 was the first year of implementation.

SCHEDULE OF CONTRIBUTIONS
 Single-Employer Defined Benefit OPEB Plan
 Last 10 fiscal years*

For the Year Ended June 30	2018
Contractually required contributions	\$3,715,083
Contributions in relation to the contractually required contributions	<u>(3,715,083)</u>
Contribution deficiency (excess)	<u>\$0</u>
Covered-employee payroll	<u>\$74,110,195</u>
Contributions as a percentage of covered-employee payroll	<u>5.01%</u>

* Fiscal year 2018 was the first year of implementation.

OPEB TRUST FUND
POST - RETIREMENT HEALTH CARE DEFINED BENEFIT OPEB PLAN
SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years (1)

For the Fiscal Year End June 30	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	6.49%

Notes:

(1) Fiscal year 2017 was the first year of implementation.



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.

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.

Grants

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

Waste Reduction Surcharge

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

Maintenance Assessment Districts

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

Vehicle Registration Fee

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

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.

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.

Emergency Operation Center/Fire Station #3

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

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, 2018

SPECIAL REVENUE FUNDS

	Community Development	Library	Gas Tax	Asset Seizure/ Traffic Safety
ASSETS				
Cash and investments	\$1,271,526	\$3,185,685	\$1,927,893	\$55,328
Restricted cash and investments				
Accounts receivable	34,028	157,871	169,406	
Prepays and deposits				
Loans receivable				
Advances to other funds				
Total Assets	\$1,305,554	\$3,343,556	\$2,097,299	\$55,328
LIABILITIES				
Accounts payable	\$151,705	\$85,147	\$27,826	
Accrued payroll	59,876	50,612	2,886	
Accrued interest				
Due to other funds				
Due to other agencies	2,269			\$12,068
Unearned revenue				
Refundable deposits	450,745			
Advances from other funds				
Total Liabilities	664,595	135,759	30,712	12,068
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - revolving loans receivable				
Total Deferred Inflows of Resources				
FUND EQUITY				
Fund balances				
Nonspendable				
Restricted			2,066,587	43,260
Committed	640,959	3,207,797		
Unassigned				
Total Fund Balances	640,959	3,207,797	2,066,587	43,260
Total Liabilities, Deferred Inflows and Fund Balances	\$1,305,554	3,343,556	\$2,097,299	\$55,328

SPECIAL REVENUE FUNDS

County Measure B/BB	Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Housing
\$3,494,969	\$2,870,787	\$3,376,155	\$1,395,377	\$51,040	\$1,609,105
780,136		38,779	1,484	194,579	22,284
				2,963,228	1,656,517
<u>\$4,275,105</u>	<u>\$2,870,787</u>	<u>\$3,414,934</u>	<u>\$1,396,861</u>	<u>\$3,208,847</u>	<u>\$3,287,906</u>
	\$2,453	\$55,660	\$18,444	\$155,588	\$203,342
	4,037	2,856		267	3,635
				3,226	
					80,740
	6,490	58,516	18,444	159,081	287,717
				2,963,228	1,656,517
				2,963,228	1,656,517
\$4,275,105	2,864,297	3,356,418	1,378,417	86,538	1,343,672
<u>4,275,105</u>	<u>2,864,297</u>	<u>3,356,418</u>	<u>1,378,417</u>	<u>86,538</u>	<u>1,343,672</u>
<u>\$4,275,105</u>	<u>\$2,870,787</u>	<u>\$3,414,934</u>	<u>\$1,396,861</u>	<u>\$3,208,847</u>	<u>\$3,287,906</u>

(Continued)



City of Alameda
 Non-Major Governmental Funds
 Combining Balance Sheets
 June 30, 2018

	SPECIAL REVENUE FUNDS			
	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund	Waste Reduction Surcharge
ASSETS				
Cash and investments	\$1,460,751	\$2,477,375	\$346,680	\$2,937,618
Restricted cash and investments				
Accounts receivable	16,761	93,690	710,807	108,440
Prepays and deposits		1,115		
Loans receivable				
Advances to other funds				
Total Assets	<u>\$1,477,512</u>	<u>\$2,572,180</u>	<u>\$1,057,487</u>	<u>\$3,046,058</u>
LIABILITIES				
Accounts payable	\$9,101	\$284,297	\$21,103	\$65,365
Accrued payroll	1,802	69,859	10,095	5,861
Accrued interest				
Due to other funds				
Due to other agencies				91,850
Unearned revenue		137,750	287,580	
Refundable deposits		60,889		
Advances from other funds				
Total Liabilities	<u>10,903</u>	<u>552,795</u>	<u>318,778</u>	<u>163,076</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - revolving loans receivable				
Total Deferred Inflows of Resources				
FUND EQUITY				
Fund balances				
Nonspendable		1,115		
Restricted	1,466,609		738,709	2,882,982
Committed		2,018,270		
Unassigned				
Total Fund Balances	<u>1,466,609</u>	<u>2,019,385</u>	<u>738,709</u>	<u>2,882,982</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$1,477,512</u>	<u>\$2,572,180</u>	<u>\$1,057,487</u>	<u>\$3,046,058</u>

SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS	
Maintenance Assessment Districts	Vehicle Registration Fee	Parking	FISC Lease Revenue	City Hall and Library Bonds	Base Reuse
\$7,605,517 361,672 81,052	\$268,598 58,007	\$512,214	\$4,076,393	\$452,602 930,503 44,862	\$31,846
			692,607		
<u>\$8,048,241</u>	<u>\$326,605</u>	<u>\$512,214</u>	<u>\$4,769,000</u>	<u>\$1,427,967</u>	<u>\$31,846</u>
\$194,994 4,806			\$34,199 6,823		
		\$27,100	40,465		
<u>199,800</u>		<u>27,100</u>	<u>81,487</u>		
7,848,441	\$326,605	485,114	4,687,513	\$1,427,967	\$31,846
<u>7,848,441</u>	<u>326,605</u>	<u>485,114</u>	<u>4,687,513</u>	<u>1,427,967</u>	<u>31,846</u>
<u>\$8,048,241</u>	<u>\$326,605</u>	<u>\$512,214</u>	<u>\$4,769,000</u>	<u>\$1,427,967</u>	<u>\$31,846</u>

(Continued)



City of Alameda
 Non-Major Governmental Funds
 Combining Balance Sheets
 June 30, 2018

	CAPITAL PROJECTS FUNDS			
	Construction Impact Fee	Streets/ Transportation	Development Impact Fee	Urban Runoff Strom Drain Fee
ASSETS				
Cash and cash equivalents	\$2,805,085	\$2,344,291	\$2,622,613	\$5,138,595
Restricted cash and investments				17,300
Accounts receivable	739	36,202		111,822
Prepays and deposits				
Loans receivable				
Advances to other funds				
Total Assets	<u><u>\$2,805,824</u></u>	<u><u>\$2,380,493</u></u>	<u><u>\$2,622,613</u></u>	<u><u>\$5,267,717</u></u>
LIABILITIES				
Accounts payable	\$35,000	\$51,508		\$120,641
Accrued payroll		7,271		29,893
Accrued interest				
Due to other funds				
Due to other agencies				
Unearned revenue				
Refundable deposits			\$1,500	52,712
Advances from other funds			1,385,214	
Total Liabilities	<u><u>35,000</u></u>	<u><u>58,779</u></u>	<u><u>1,386,714</u></u>	<u><u>203,246</u></u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - revolving loans receivable				
Total Deferred Inflows of Resources				
FUND EQUITY				
Fund balances				
Nonspendable				
Restricted	2,770,824	2,321,714	1,235,899	5,064,471
Committed				
Unassigned				
Total Fund Balances	<u><u>2,770,824</u></u>	<u><u>2,321,714</u></u>	<u><u>1,235,899</u></u>	<u><u>5,064,471</u></u>
Total Liabilities, Deferred Inflows and Fund Balances	<u><u>\$2,805,824</u></u>	<u><u>\$2,380,493</u></u>	<u><u>\$2,622,613</u></u>	<u><u>\$5,267,717</u></u>

CAPITAL PROJECTS FUNDS

Maintenance Assessment Districts	Emergency Operation Center / Fire Station #3	Alameda Point	Total Nonmajor Governmental Funds
\$2,539,418		\$3,596,362	\$58,421,977
2,312	\$117,929		1,459,250
			2,663,261
			1,115
			4,619,745
			692,607
<u>\$2,541,730</u>	<u>\$117,929</u>	<u>\$3,596,362</u>	<u>\$67,857,955</u>
	\$2,493	\$27,491	\$1,546,357
			260,579
	231,055		3,226
			231,055
			106,187
			506,070
			633,411
	<u>715,941</u>		<u>2,101,155</u>
	<u>949,489</u>	<u>27,491</u>	<u>5,388,040</u>
			4,619,745
			4,619,745
\$2,541,730		3,568,871	1,115
			43,391,241
	(831,560)		15,289,374
			(831,560)
<u>2,541,730</u>	<u>(831,560)</u>	<u>3,568,871</u>	<u>57,850,170</u>
<u>\$2,541,730</u>	<u>\$117,929</u>	<u>\$3,596,362</u>	<u>\$67,857,955</u>



City of Alameda
Non-Major Governmental Funds
Combining Statements of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2018

	SPECIAL REVENUE FUNDS			
	Community Development	Library	Gas Tax	Asset Seizure/ Traffic Safety
REVENUES				
Property taxes		\$2,394,286		
Other taxes				
Licenses and permits	\$2,525,094			
Revenue from other agencies		63,433	\$2,057,052	\$4,324
Charges for current services	1,254,388	56,217	1,000	
Fines and forfeitures	288,628			
Use of money and property	8,263	20,085	11,016	409
Other revenues		8,267	100,004	
Total Revenues	4,076,373	2,542,288	2,169,072	4,733
EXPENDITURES				
Current:				
General government				8,896
Police				
Fire				
Public works			826,686	
Community Development	4,541,807			
Community Services		4,226,335		
Housing				
Capital outlay	1,711	48,771		9,658
Debt service:				
Principal				
Interest				
Total Expenditures	4,543,518	4,275,106	826,686	18,554
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(467,145)	(1,732,818)	1,342,386	(13,821)
OTHER FINANCING SOURCES (USES)				
Transfers in	203,000	2,097,000		
Transfers (out)			(598,053)	
Total Other Financing Sources (Uses)	203,000	2,097,000	(598,053)	
NET CHANGE IN FUND BALANCE	(264,145)	364,182	744,333	(13,821)
BEGINNING FUND BALANCES	905,104	2,843,615	1,322,254	57,081
ENDING FUND BALANCES	\$640,959	\$3,207,797	\$2,066,587	\$43,260

SPECIAL REVENUE FUNDS

County Measure B/BB	Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Housing
\$4,927,648		\$1,358,507		\$1,488,146	\$1,361,094
39,488	\$842,346	60,000			1,000
		19,582	\$54,250	159,766	32,893
		44,000	238,614	200	11,327
4,967,136	842,346	1,482,089	292,864	1,648,112	1,406,314
	430,076	741,536			
		1,029	265,497	2,284,641	1,155,398
	430,076	742,565	265,497	2,284,641	1,155,398
4,967,136	412,270	739,524	27,367	(636,529)	250,916
(6,444,320)	(254,676)	(677,812)			
(6,444,320)	(254,676)	(677,812)			
(1,477,184)	157,594	61,712	27,367	(636,529)	250,916
5,752,289	2,706,703	3,294,706	1,351,050	723,067	1,092,756
\$4,275,105	\$2,864,297	\$3,356,418	\$1,378,417	\$86,538	\$1,343,672

(Continued)



City of Alameda
Non-Major Governmental Funds
Combining Statements of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2018

	SPECIAL REVENUE FUNDS			
	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund	Waste Reduction Surcharge
REVENUES				
Property taxes				
Other taxes	\$217,331	\$2,792		
Licenses and permits			\$2,500	
Revenue from other agencies		82,678	1,947,456	\$292,438
Charges for current services		2,259,307	750	457,398
Fines and forfeitures				
Use of money and property	8,781	811,663	5,403	18,308
Other		1,305	15,797	113,470
Total Revenues	226,112	3,157,745	1,971,906	881,614
EXPENDITURES				
Current:				
General government	166,205	5,002,080		
Police			228,563	
Fire			1,606,008	
Public works				929,264
Community Development			7,412	
Community Services				
Housing			160,930	
Capital outlay			105,568	318
Debt service:				
Principal				
Interest				
Total Expenditures	166,205	5,002,080	2,108,481	929,582
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	59,907	(1,844,335)	(136,575)	(47,968)
OTHER FINANCING SOURCES (USES)				
Transfers in		1,801,992	118,992	
Transfers (out)		(399,000)	(13,000)	(50,000)
Total Other Financing Sources (Uses)		1,402,992	105,992	(50,000)
NET CHANGE IN FUND BALANCE	59,907	(441,343)	(30,583)	(97,968)
BEGINNING FUND BALANCES	1,406,702	2,460,728	769,292	2,980,950
ENDING FUND BALANCES	\$1,466,609	\$2,019,385	\$738,709	\$2,882,982

SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS	
Maintenance Assessment Districts	Vehicle Registration Fee	Parking	FISC Lease Revenue	City Hall and Library Bonds	Base Reuse
\$2,643,377				\$685,330	
43,992	\$335,047		\$101,068		
43,358	3,305	\$354,884	663,534 800,000	4,725 797	
<u>2,730,727</u>	<u>338,352</u>	<u>354,884</u>	<u>1,564,602</u>	<u>690,852</u>	
516,191					
1,252,866			950,670		
1,029					
				1,552,581	\$400,000
				1,043,029	130,025
<u>1,770,086</u>			<u>950,670</u>	<u>2,595,610</u>	<u>530,025</u>
<u>960,641</u>	<u>338,352</u>	<u>354,884</u>	<u>613,932</u>	<u>(1,904,758)</u>	<u>(530,025)</u>
2,538 (48,996)	(469,272)	(324,000)	(90,000)	1,940,514 (23,050)	540,638
<u>(46,458)</u>	<u>(469,272)</u>	<u>(324,000)</u>	<u>(90,000)</u>	<u>1,917,464</u>	<u>540,638</u>
914,183	(130,920)	30,884	523,932	12,706	10,613
<u>6,934,258</u>	<u>457,525</u>	<u>454,230</u>	<u>4,163,581</u>	<u>1,415,261</u>	<u>21,233</u>
<u>\$7,848,441</u>	<u>\$326,605</u>	<u>\$485,114</u>	<u>\$4,687,513</u>	<u>\$1,427,967</u>	<u>\$31,846</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, 2018

	CAPITAL PROJECTS FUNDS			
	Construction Impact Fee	Streets/ Transportation	Development Impact Fee	Urban Runoff Strom Drain Fee
REVENUES				
Property taxes	\$996,753	\$566,799		\$2,472,576
Other taxes		64,000		
Licenses and permits	10,000		\$387,252	
Revenue from other agencies		34,395		
Charges for current services		37,687		
Fines and forfeitures				
Use of money and property	20,484	11,910	44,396	32,545
Other revenues				1,809
Total Revenues	<u>1,027,237</u>	<u>714,791</u>	<u>431,648</u>	<u>2,506,930</u>
EXPENDITURES				
Current:				
General government	43,160	67,100		
Police				
Fire				
Public works		500,000		
Community Development				
Community Services		697,515		
Housing				
Capital outlay		8,532		2,845,095
Debt service:				
Principal				
Interest			56,580	
Total Expenditures	<u>43,160</u>	<u>1,273,147</u>	<u>56,580</u>	<u>2,845,095</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>984,077</u>	<u>(558,356)</u>	<u>375,068</u>	<u>(338,165)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,996	735,572		66,996
Transfers (out)	(1,135,458)	(11,800)	(2,160,895)	(324,827)
Total Other Financing Sources (Uses)	<u>(1,125,462)</u>	<u>723,772</u>	<u>(2,160,895)</u>	<u>(257,831)</u>
NET CHANGE IN FUND BALANCE	(141,385)	165,416	(1,785,827)	(595,996)
BEGINNING FUND BALANCES	<u>2,912,209</u>	<u>2,156,298</u>	<u>3,021,726</u>	<u>5,660,467</u>
ENDING FUND BALANCES	<u>\$2,770,824</u>	<u>\$2,321,714</u>	<u>\$1,235,899</u>	<u>\$5,064,471</u>

CAPITAL PROJECTS FUNDS

<u>Maintenance Assessment District</u>	<u>Emergency Operation Center / Fire Station #3</u>	<u>Alameda Point</u>	<u>Total Nonmajor Governmental Funds</u>
\$195,630			\$9,954,751 284,123 2,924,846
		\$750,137	13,444,916 5,469,246 349,628
17,206	\$11,866	43,606	3,272,206 1,347,456
<u>212,836</u>	<u>11,866</u>	<u>793,743</u>	<u>37,047,172</u>
			6,975,244 228,563 1,606,008 3,508,816 5,499,889 4,923,850 3,866,466 3,711,757
132,928	437,702	119,416	1,952,581 1,229,634
<u>132,928</u>	<u>437,702</u>	<u>119,416</u>	<u>33,502,808</u>
<u>79,908</u>	<u>(425,836)</u>	<u>674,327</u>	<u>3,544,364</u>
(65,004)	77,427	2,894,544	10,489,209 (13,090,163)
<u>(65,004)</u>	<u>77,427</u>	<u>2,894,544</u>	<u>(2,600,954)</u>
14,904	(348,409)	3,568,871	943,410
<u>2,526,826</u>	<u>(483,151)</u>	<u>3,568,871</u>	<u>56,906,760</u>
<u>\$2,541,730</u>	<u>(\$831,560)</u>	<u>\$3,568,871</u>	<u>\$57,850,170</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, 2018

	SPECIAL REVENUE FUNDS					
	COMMUNITY DEVELOPMENT			LIBRARY		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes				\$2,141,143	\$2,394,286	\$253,143
Other taxes						
Licenses and permits	\$3,220,000	\$2,525,094	(\$694,906)			
Revenue from other agencies				130,000	63,433	(66,567)
Charges for current services	1,434,500	1,254,388	(180,112)	50,000	56,217	6,217
Fines and forfeitures	400,500	288,628	(111,872)			
Use of money and property	3,000	8,263	5,263	18,000	20,085	2,085
Other					8,267	8,267
Total Revenues	<u>5,058,000</u>	<u>4,076,373</u>	<u>(981,627)</u>	<u>2,339,143</u>	<u>2,542,288</u>	<u>203,145</u>
EXPENDITURES						
Current:						
General government						
Police						
Fire						
Public works						
Community Development	5,186,500	4,541,807	644,693			
Community Services				4,523,250	4,226,335	296,915
Housing						
Capital outlay	29,500	1,711	27,789	62,750	48,771	13,979
Debt service:						
Principal						
Interest						
Total Expenditures	<u>5,216,000</u>	<u>4,543,518</u>	<u>672,482</u>	<u>4,586,000</u>	<u>4,275,106</u>	<u>310,894</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(158,000)</u>	<u>(467,145)</u>	<u>(309,145)</u>	<u>(2,246,857)</u>	<u>(1,732,818)</u>	<u>514,039</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	203,000	203,000		2,097,000	2,097,000	
Transfers (out)						
Total Other Financing Sources (Uses)	<u>203,000</u>	<u>203,000</u>		<u>2,097,000</u>	<u>2,097,000</u>	
NET CHANGE IN FUND BALANCE	<u>\$45,000</u>	<u>(264,145)</u>	<u>(\$309,145)</u>	<u>(\$149,857)</u>	<u>364,182</u>	<u>\$514,039</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>905,104</u>			<u>2,843,615</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$640,959</u>			<u>\$3,207,797</u>	

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)
\$1,664,040	\$2,057,052 1,000	\$393,012 1,000	\$1,000	\$4,324	\$3,324	\$4,331,905	\$4,927,648	\$595,743
4,591	11,016	6,425		409	409	4,200	39,488	35,288
548,369	100,004	(448,365)				(105)		105
<u>2,217,000</u>	<u>2,169,072</u>	<u>(47,928)</u>	<u>1,000</u>	<u>4,733</u>	<u>3,733</u>	<u>4,336,000</u>	<u>4,967,136</u>	<u>631,136</u>
				8,896	(8,896)			
887,000	826,686	60,314						
			10,000	9,658	342			
<u>887,000</u>	<u>826,686</u>	<u>60,314</u>	<u>10,000</u>	<u>18,554</u>	<u>(8,554)</u>			
<u>1,330,000</u>	<u>1,342,386</u>	<u>12,386</u>	<u>(9,000)</u>	<u>(13,821)</u>	<u>(4,821)</u>	<u>4,336,000</u>	<u>4,967,136</u>	<u>631,136</u>
<u>(1,955,038)</u>	<u>(598,053)</u>	<u>1,356,985</u>				<u>(12,700,391)</u>	<u>(6,444,320)</u>	<u>6,256,071</u>
<u>(1,955,038)</u>	<u>(598,053)</u>	<u>1,356,985</u>				<u>(12,700,391)</u>	<u>(6,444,320)</u>	<u>6,256,071</u>
<u>(\$625,038)</u>	744,333	<u>\$1,369,371</u>	<u>(\$9,000)</u>	(13,821)	<u>(\$4,821)</u>	<u>(\$8,364,391)</u>	(1,477,184)	<u>\$6,887,207</u>
	<u>1,322,254</u>			<u>57,081</u>			<u>5,752,289</u>	
	<u>\$2,066,587</u>			<u>\$43,260</u>			<u>\$4,275,105</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, 2018

	SPECIAL REVENUE FUNDS					
	TIDELANDS			PARKING METER		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services				\$1,440,000	\$1,358,507	(\$81,493)
Fines and forfeitures				60,000	60,000	
Use of money and property	\$799,000	\$842,346	\$43,346	6,000	19,582	13,582
Other					44,000	44,000
Total Revenues	<u>799,000</u>	<u>842,346</u>	<u>43,346</u>	<u>1,506,000</u>	<u>1,482,089</u>	<u>(23,911)</u>
EXPENDITURES						
Current:						
General government	806,580	430,076	376,504	1,555,089	741,536	813,553
Police						
Fire						
Public works						
Community Development						
Community Services						
Housing						
Capital outlay					1,029	(1,029)
Debt service:						
Principal						
Interest						
Total Expenditures	<u>806,580</u>	<u>430,076</u>	<u>376,504</u>	<u>1,555,089</u>	<u>742,565</u>	<u>812,524</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,580)</u>	<u>412,270</u>	<u>419,850</u>	<u>(49,089)</u>	<u>739,524</u>	<u>788,613</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	(254,676)	(254,676)		(1,907,589)	(677,812)	1,229,777
Total Other Financing Sources (Uses)	<u>(254,676)</u>	<u>(254,676)</u>		<u>(1,907,589)</u>	<u>(677,812)</u>	<u>1,229,777</u>
NET CHANGE IN FUND BALANCE	<u>(\$262,256)</u>	<u>157,594</u>	<u>\$419,850</u>	<u>(\$1,956,678)</u>	<u>61,712</u>	<u>\$2,018,390</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>2,706,703</u>			<u>3,294,706</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$2,864,297</u>			<u>\$3,356,418</u>	

SPECIAL REVENUE FUNDS								
COMMERCIAL REVITALIZATION			COMMUNITY DEVELOPMENT BLOCK GRANT			HOUSING		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			\$2,376,565	\$1,488,146	(\$888,419)	\$1,792,000	\$1,361,094	(\$430,906)
\$44,000	\$54,250	\$10,250	150,000	159,766	9,766	103,000	1,000	1,000
170,000	238,614	68,614		200	200		32,893	(70,107)
							11,327	11,327
214,000	292,864	78,864	2,526,565	1,648,112	(878,453)	1,895,000	1,406,314	(488,686)
503,512	265,497	238,015	3,250,067	2,284,641	965,426	2,197,816	1,155,398	1,042,418
503,512	265,497	238,015	3,250,067	2,284,641	965,426	2,197,816	1,155,398	1,042,418
(289,512)	27,367	316,879	(723,502)	(636,529)	86,973	(302,816)	250,916	553,732
<u>(\$289,512)</u>	27,367	<u>\$316,879</u>	<u>(\$723,502)</u>	(636,529)	<u>\$86,973</u>	<u>(\$302,816)</u>	250,916	<u>\$553,732</u>
	<u>1,351,050</u>			<u>723,067</u>			<u>1,092,756</u>	
	<u>\$1,378,417</u>			<u>\$86,538</u>			<u>\$1,343,672</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, 2018

	SPECIAL REVENUE FUNDS					
	GARBAGE/RECYCLING SURCHARGE			ATHLETIC RECREATION		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes	\$175,000	\$217,331	\$42,331		\$2,792	\$2,792
Licenses and permits						
Revenue from other agencies				\$65,000	82,678	17,678
Charges for current services				2,268,000	2,259,307	(8,693)
Fines and forfeitures						
Use of money and property	4,000	8,781	4,781	1,011,800	811,663	(200,137)
Other				28,200	1,305	(26,895)
Total Revenues	<u>179,000</u>	<u>226,112</u>	<u>47,112</u>	<u>3,373,000</u>	<u>3,157,745</u>	<u>(215,255)</u>
EXPENDITURES						
Current:						
General government	370,560	166,205	204,355	5,117,475	5,002,080	115,395
Police						
Fire						
Public works						
Community Development						
Community Services						
Housing						
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures	<u>370,560</u>	<u>166,205</u>	<u>204,355</u>	<u>5,117,475</u>	<u>5,002,080</u>	<u>115,395</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(191,560)</u>	<u>59,907</u>	<u>251,467</u>	<u>(1,744,475)</u>	<u>(1,844,335)</u>	<u>(99,860)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				1,802,000	1,801,992	(8)
Transfers (out)				(438,767)	(399,000)	39,767
Total Other Financing Sources (Uses)				<u>1,363,233</u>	<u>1,402,992</u>	<u>39,759</u>
NET CHANGE IN FUND BALANCE	<u>(\$191,560)</u>	<u>59,907</u>	<u>\$251,467</u>	<u>(\$381,242)</u>	<u>(441,343)</u>	<u>(\$60,101)</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>1,406,702</u>			<u>2,460,728</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$1,466,609</u>			<u>\$2,019,385</u>	

SPECIAL REVENUE FUNDS

GRANTS FUND			WASTE REDUCTION SURCHARGE			MAINTENANCE ASSESSMENT DISTRICTS		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
						\$3,187,037	\$2,643,377	(\$543,660)
\$1,000	\$2,500	\$1,500						
2,141,530	1,947,456	(194,074)	\$220,000	\$292,438	\$72,438			
	750	750	430,000	457,398	27,398		43,992	43,992
1,000	5,403	4,403	6,981	18,308	11,327	22,878	43,358	20,480
11,273	15,797	4,524	110,019	113,470	3,451	2,922		(2,922)
<u>2,154,803</u>	<u>1,971,906</u>	<u>(182,897)</u>	<u>767,000</u>	<u>881,614</u>	<u>114,614</u>	<u>3,212,837</u>	<u>2,730,727</u>	<u>(482,110)</u>
						917,000	516,191	400,809
245,000	228,563	16,437						
1,886,000	1,606,008	279,992	1,195,327	929,264	266,063	2,190,563	1,252,866	937,697
40,000	7,412	32,588						
164,000	160,930	3,070	8,000	318	7,682		1,029	(1,029)
57,203	105,568	(48,365)						
<u>2,392,203</u>	<u>2,108,481</u>	<u>283,722</u>	<u>1,203,327</u>	<u>929,582</u>	<u>273,745</u>	<u>3,107,563</u>	<u>1,770,086</u>	<u>1,337,477</u>
<u>(237,400)</u>	<u>(136,575)</u>	<u>100,825</u>	<u>(436,327)</u>	<u>(47,968)</u>	<u>388,359</u>	<u>105,274</u>	<u>960,641</u>	<u>855,367</u>
119,000	118,992	(8)					2,538	2,538
(13,000)	(13,000)		(225,000)	(50,000)	175,000	(49,000)	(48,996)	4
106,000	105,992	(8)	(225,000)	(50,000)	175,000	(49,000)	(46,458)	2,542
<u>(\$131,400)</u>	<u>(30,583)</u>	<u>\$100,817</u>	<u>(\$661,327)</u>	<u>(97,968)</u>	<u>\$563,359</u>	<u>\$56,274</u>	<u>914,183</u>	<u>\$857,909</u>
	<u>769,292</u>			<u>2,980,950</u>			<u>6,934,258</u>	
	<u>\$738,709</u>			<u>\$2,882,982</u>			<u>\$7,848,441</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, 2018

	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	\$333,000	\$335,047	\$2,047			
Charges for current services						
Fines and forfeitures						
Use of money and property	1,000	3,305	2,305	\$382,000	\$354,884	(\$27,116)
Other						
Total Revenues	<u>334,000</u>	<u>338,352</u>	<u>4,352</u>	<u>382,000</u>	<u>354,884</u>	<u>(27,116)</u>
EXPENDITURES						
Current:						
General government						
Police						
Fire						
Public works						
Community Development						
Community Services						
Housing						
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>334,000</u>	<u>338,352</u>	<u>4,352</u>	<u>382,000</u>	<u>354,884</u>	<u>(27,116)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)	<u>(793,272)</u>	<u>(469,272)</u>	<u>324,000</u>	<u>(324,000)</u>	<u>(324,000)</u>	
Total Other Financing Sources (Uses)	<u>(793,272)</u>	<u>(469,272)</u>	<u>324,000</u>	<u>(324,000)</u>	<u>(324,000)</u>	
NET CHANGE IN FUND BALANCE	<u>(\$459,272)</u>	<u>(130,920)</u>	<u>\$328,352</u>	<u>\$58,000</u>	<u>30,884</u>	<u>(\$27,116)</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>457,525</u>			<u>454,230</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$326,605</u>			<u>\$485,114</u>	

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS					
FISC LEASE REVENUE			CITY HALL AND LIBRARY BONDS			BASE REUSE DEBT SERVICE		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			\$600,000	\$685,330	\$85,330			
\$240,000	\$101,068	(\$138,932)						
929,000	663,534	(265,466)	7,000	4,725	(2,275)	\$200		(\$200)
615,000	800,000	185,000		797	797			
1,784,000	1,564,602	(219,398)	607,000	690,852	83,852	200		(200)
2,579,853	950,670	1,629,183						
7,000		7,000						
			1,552,581	1,552,581		400,000	\$400,000	
			1,012,419	1,043,029	(30,610)	54,000	130,025	(76,025)
2,586,853	950,670	1,636,183	2,565,000	2,595,610	(30,610)	454,000	530,025	(76,025)
(802,853)	613,932	1,416,785	(1,958,000)	(1,904,758)	53,242	(453,800)	(530,025)	(76,225)
			1,942,000	1,940,514	(1,486)	452,000	540,638	88,638
(90,000)	(90,000)			(23,050)	(23,050)			
(90,000)	(90,000)		1,942,000	1,917,464	(24,536)	452,000	540,638	88,638
(\$892,853)	523,932	\$1,416,785	(\$16,000)	12,706	\$28,706	(\$1,800)	10,613	\$12,413
	4,163,581			1,415,261			21,233	
	\$4,687,513			\$1,427,967			\$31,846	



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.

Equipment Replacement

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

Central Services

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

Fleet Maintenance

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

Technology Services

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

Facilities Maintenance

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

Workers' Compensation Insurance

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

General Liability Insurance

This fund accounts for the administration of the City's risk management program, payment of general liability 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, 2018

	<u>Equipment Replacement</u>	<u>Central Services</u>	<u>Fleet Maintenance</u>	<u>Technology Services</u>
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$5,575,429	\$86,756	\$122,853	\$4,654,322
Accounts receivable	48,086			
Due from other funds				
	<u>5,623,515</u>	<u>86,756</u>	<u>122,853</u>	<u>4,654,322</u>
Total Current Assets				
Noncurrent Assets:				
Restricted cash and investments				
Advances to other funds	715,941			
Capital assets, depreciable, net	4,548,916			44,582
	<u>5,264,857</u>			<u>44,582</u>
Total Non-current Assets				
Total Assets	<u>10,888,372</u>	<u>86,756</u>	<u>122,853</u>	<u>4,698,904</u>
LIABILITIES:				
Current Liabilities:				
Accounts payable	147,372			9,186
Interest payable	71,722			
Accrued payroll			13,168	21,901
Claims payable:				
Due within one year				
Equipment lease payable:				
Due within one year	559,791			
	<u>778,885</u>		<u>13,168</u>	<u>31,087</u>
Total Current Liabilities				
Long-Term Liabilities:				
Claims payable:				
Due in more than one year				
Equipment purchase agreement				
Due in more than one year	2,826,375			
	<u>2,826,375</u>			
Total Long-Term Liabilities				
Total Liabilities	<u>3,605,260</u>		<u>13,168</u>	<u>31,087</u>
NET POSITION				
Net investment in capital asset	1,162,750			44,582
Unrestricted	6,120,362	86,756	109,685	4,623,235
	<u>\$7,283,112</u>	<u>\$86,756</u>	<u>\$109,685</u>	<u>\$4,667,817</u>
Total Net Position (Deficits)				

<u>Facilities Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>General Liability Insurance</u>	<u>Unemployment Insurance</u>	<u>OPEB/Vacation</u>	<u>Pension Stabilization Fund</u>	<u>Total</u>
\$5,100,365	\$9,708,553 20,800	\$5,364,793 143 19,245	\$691,480	\$5,635,604 7,527	\$27,236	\$36,967,391 76,556 19,245
<u>5,100,365</u>	<u>9,729,353</u>	<u>5,384,181</u>	<u>691,480</u>	<u>5,643,131</u>	<u>27,236</u>	<u>37,063,192</u>
					3,524,671	3,524,671 715,941 4,593,498
					3,524,671	8,834,110
<u>5,100,365</u>	<u>9,729,353</u>	<u>5,384,181</u>	<u>691,480</u>	<u>5,643,131</u>	<u>3,551,907</u>	<u>45,897,302</u>
68,988	138,742	255,625	405			620,318 71,722 35,069
	2,748,798	2,767,803		68,000		5,584,601 559,791
<u>68,988</u>	<u>2,887,540</u>	<u>3,023,428</u>	<u>405</u>	<u>68,000</u>		<u>6,871,501</u>
	6,841,813	2,360,753				9,202,566 2,826,375
	6,841,813	2,360,753				12,028,941
<u>68,988</u>	<u>9,729,353</u>	<u>5,384,181</u>	<u>405</u>	<u>68,000</u>		<u>18,900,442</u>
5,031,377			691,075	5,575,131	3,551,907	1,207,332 25,789,528
<u>\$5,031,377</u>			<u>\$691,075</u>	<u>\$5,575,131</u>	<u>\$3,551,907</u>	<u>\$26,996,860</u>



City of Alameda
Internal Service Funds
Combining Statements of Revenues, Expenses and
Changes in Fund Net Position
For the Year Ended June 30, 2018

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
OPERATING REVENUES				
Charges for services				\$2,418,956
Miscellaneous	\$2,335,875			2,088,241
Total Operating Revenues	<u>2,335,875</u>			<u>4,507,197</u>
OPERATING EXPENSES				
General administrative	169,195			362,629
Wages and benefits			\$13,168	979,453
Insurance				
Contractual services	288,339			300,000
Supplies and maintenance	83,701			87,430
Depreciation	947,706			52,459
Total Operating Expenses	<u>1,488,941</u>		<u>13,168</u>	<u>1,781,971</u>
Operating Income (Loss)	<u>846,934</u>		<u>(13,168)</u>	<u>2,725,226</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	51,205	\$528	749	16,659
Interest expense	(99,961)			
Total Nonoperating Revenues (Expenses)	<u>(48,756)</u>	<u>528</u>	<u>749</u>	<u>16,659</u>
Income (Loss) Before Transfers	<u>798,178</u>	<u>528</u>	<u>(12,419)</u>	<u>2,741,885</u>
Transfers in	<u>265,000</u>			
Net Transfers	<u>265,000</u>			
Change in Net Position	1,063,178	528	(12,419)	2,741,885
BEGINNING NET POSITION (DEFICITS)	<u>6,219,934</u>	<u>86,228</u>	<u>122,104</u>	<u>1,925,932</u>
ENDING NET POSITION	<u><u>\$7,283,112</u></u>	<u><u>\$86,756</u></u>	<u><u>\$109,685</u></u>	<u><u>\$4,667,817</u></u>

<u>Facilities Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>General Liability Insurance</u>	<u>Unemployment Insurance</u>	<u>OPEB/Vacation</u>	<u>Pension Stabilization Fund</u>	<u>Total</u>
	\$3,687,351	\$4,070,756		\$4,578,737		\$14,755,800
<u>\$791,484</u>					<u>\$13,360,068</u>	<u>18,575,668</u>
<u>791,484</u>	<u>3,687,351</u>	<u>4,070,756</u>		<u>4,578,737</u>	<u>13,360,068</u>	<u>33,331,468</u>
6,749		311		318,000		856,884
11,584			\$57,290	224,870	10,695,052	11,981,417
	2,924,603	3,368,929		3,070,715		9,364,247
762,985	134,797	815,276	1,620		4,440	2,307,457
32,050		3,340				206,521
						<u>1,000,165</u>
<u>813,368</u>	<u>3,059,400</u>	<u>4,187,856</u>	<u>58,910</u>	<u>3,613,585</u>	<u>10,699,492</u>	<u>25,716,691</u>
<u>(21,884)</u>	<u>627,951</u>	<u>(117,100)</u>	<u>(58,910)</u>	<u>965,152</u>	<u>2,660,576</u>	<u>7,614,777</u>
<u>29,511</u>	<u>46,814</u>	<u>21,453</u>	<u>4,432</u>	<u>29,849</u>	<u>(18,669)</u>	<u>182,531</u> <u>(99,961)</u>
<u>29,511</u>	<u>46,814</u>	<u>21,453</u>	<u>4,432</u>	<u>29,849</u>	<u>(18,669)</u>	<u>82,570</u>
<u>7,627</u>	<u>674,765</u>	<u>(95,647)</u>	<u>(54,478)</u>	<u>995,001</u>	<u>2,641,907</u>	<u>7,697,347</u>
<u>575,004</u>				<u>174,996</u>	<u>660,000</u>	<u>1,675,000</u>
<u>575,004</u>				<u>174,996</u>	<u>660,000</u>	<u>1,675,000</u>
<u>582,631</u>	<u>674,765</u>	<u>(95,647)</u>	<u>(54,478)</u>	<u>1,169,997</u>	<u>3,301,907</u>	<u>9,372,347</u>
<u>4,448,746</u>	<u>(674,765)</u>	<u>95,647</u>	<u>745,553</u>	<u>4,405,134</u>	<u>250,000</u>	<u>17,624,513</u>
<u>\$5,031,377</u>			<u>\$691,075</u>	<u>\$5,575,131</u>	<u>\$3,551,907</u>	<u>\$26,996,860</u>



City of Alameda
 Internal Service Funds
 Combining Statements of Cash Flows
 For the Year Ended June 30, 2018

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$2,339,897			\$4,507,197
Payments to suppliers	(268,473)			(462,609)
Payments to employees	(169,195)			(1,320,181)
Claims paid				
Cash Flows from Operating Activities	<u>1,902,229</u>			<u>2,724,407</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund receipts	31,940			
Interfund payments				
Transfers In (out)	<u>265,000</u>			
Cash Flows from Noncapital Financing Activities	<u>296,940</u>			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	(288,643)			(21,542)
Principal payments on capital debt	<u>(546,177)</u>			
Cash Flows from Capital and Related Financing Activities	<u>(834,820)</u>			<u>(21,542)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales (purchases) of restricted investments				
Interest	<u>(48,755)</u>	\$528	\$749	16,659
Cash Flows from Capital and Related Investing Activities	<u>(48,755)</u>	528	749	16,659
Net Cash Flows	1,315,594	528	749	2,719,524
Cash and investments at beginning of period	<u>4,259,835</u>	<u>86,228</u>	<u>122,104</u>	<u>1,934,798</u>
Cash and investments at end of period	<u><u>\$5,575,429</u></u>	<u><u>\$86,756</u></u>	<u><u>\$122,853</u></u>	<u><u>\$4,654,322</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$846,934		(\$13,168)	\$2,725,226
Adjustments to reconcile operating income to cash flows from operating activities:				
Depreciation	947,706			52,459
Change in assets and liabilities:				
(Increase) decrease in accounts receivable and refundable deposits	4,022			
Increase (decrease) accounts payable	103,567			(75,179)
Increase (decrease) accrued payroll			13,168	21,901
Claims payable				
Cash Flows from Operating Activities	<u><u>\$1,902,229</u></u>			<u><u>\$2,724,407</u></u>

<u>Facilities Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>General Liability Insurance</u>	<u>Unemployment Insurance</u>	<u>OPEB/Vacation</u>	<u>Pension Stabilization Fund</u>	<u>Total</u>
\$791,484	\$3,629,631	\$4,059,261		\$4,572,996	\$13,360,068	\$33,260,534
(897,547)	(98,064)	(877,955)	(\$1,620)	(3,073,392)	(4,440)	(5,684,100)
(18,333)		(311)	(57,290)	(474,870)	(10,695,052)	(12,735,232)
	<u>(1,570,795)</u>	<u>(1,358,318)</u>				<u>(2,929,113)</u>
<u>(124,396)</u>	<u>1,960,772</u>	<u>1,822,677</u>	<u>(58,910)</u>	<u>1,024,734</u>	<u>2,660,576</u>	<u>11,912,089</u>
						31,940
		(19,245)				(19,245)
<u>575,004</u>				<u>174,996</u>	<u>660,000</u>	<u>1,675,000</u>
<u>575,004</u>		<u>(19,245)</u>		<u>174,996</u>	<u>660,000</u>	<u>1,687,695</u>
						(310,185)
						<u>(546,177)</u>
						<u>(856,362)</u>
					(3,524,671)	(3,524,671)
<u>29,511</u>	<u>46,814</u>	<u>21,453</u>	<u>4,432</u>	<u>29,849</u>	<u>(18,669)</u>	<u>82,571</u>
<u>29,511</u>	<u>46,814</u>	<u>21,453</u>	<u>4,432</u>	<u>29,849</u>	<u>(3,543,340)</u>	<u>(3,442,100)</u>
480,119	2,007,586	1,824,885	(54,478)	1,229,579	(222,764)	9,301,322
<u>4,620,246</u>	<u>7,700,967</u>	<u>3,539,908</u>	<u>745,958</u>	<u>4,406,025</u>	<u>250,000</u>	<u>27,666,069</u>
<u>\$5,100,365</u>	<u>\$9,708,553</u>	<u>\$5,364,793</u>	<u>\$691,480</u>	<u>\$5,635,604</u>	<u>\$27,236</u>	<u>\$36,967,391</u>
(21,884)	\$627,951	(\$117,100)	(\$58,910)	\$965,152	\$2,660,576	\$7,614,777
						1,000,165
	(57,720)	(11,495)		(5,741)		(70,934)
(102,512)	36,733	(59,339)		(2,677)		(99,407)
	1,353,808	2,010,611		68,000		35,069
						<u>3,432,419</u>
<u>(\$124,396)</u>	<u>\$1,960,772</u>	<u>\$1,822,677</u>	<u>(\$58,910)</u>	<u>\$1,024,734</u>	<u>\$2,660,576</u>	<u>\$11,912,089</u>



Agency Funds

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

Assessment Districts

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



City of Alameda
Agency Funds
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Assessment Districts				
Assets:				
Cash and cash equivalents:				
Cash and investments	\$3,900,629	\$2,576,270	\$2,300,022	\$4,176,877
Restricted cash and investments	2,401,596		69,061	2,332,535
Accounts receivable	21,966	6,803	21,966	6,803
Interest receivable	15	14	15	14
	<u>15</u>	<u>14</u>	<u>15</u>	<u>14</u>
Total Assets	<u>\$6,324,206</u>	<u>\$2,583,087</u>	<u>\$2,391,064</u>	<u>\$6,516,229</u>
Liabilities:				
Accounts payable	\$2,471		\$2,471	
Interest payable	305,957	\$287,371	305,957	\$287,371
Due to bondholders	6,015,778	2,295,716	2,082,636	6,228,858
	<u>6,015,778</u>	<u>2,295,716</u>	<u>2,082,636</u>	<u>6,228,858</u>
Total Liabilities	<u>\$6,324,206</u>	<u>\$2,583,087</u>	<u>\$2,391,064</u>	<u>\$6,516,229</u>





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

Financial Trends

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

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

Debt Capacity

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

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

Demographic and Economic Information

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

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

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

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

Sources

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



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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<i>Governmental activities</i>				
Invested in capital assets, net of related debt	\$169,927,104	\$179,200,175	\$173,302,089	\$249,436,223
Restricted	86,483,930	81,018,431	81,525,686	57,906,023
Unrestricted	<u>16,106,522</u>	<u>17,744,797</u>	<u>21,985,164</u>	<u>17,632,805</u>
Total governmental activities net position	<u><u>\$272,517,556</u></u>	<u><u>\$277,963,403</u></u>	<u><u>\$276,812,939</u></u>	<u><u>\$324,975,051</u></u>
<i>Business-type activities</i>				
Invested in capital assets, net of related debt	\$44,928,147	\$45,131,483	\$39,458,176	\$44,169,706
Restricted				
Unrestricted	<u>17,184,286</u>	<u>18,336,223</u>	<u>19,025,625</u>	<u>18,085,254</u>
Total business-type activities net position	<u><u>\$62,112,433</u></u>	<u><u>\$63,467,706</u></u>	<u><u>\$58,483,801</u></u>	<u><u>\$62,254,960</u></u>
<i>Primary government</i>				
Invested in capital assets, net of related debt	\$214,855,251	\$224,331,658	\$213,414,695	\$293,605,929
Restricted	86,483,930	81,018,431	81,525,686	57,906,023
Unrestricted	<u>33,290,808</u>	<u>36,081,020</u>	<u>39,344,911</u>	<u>35,718,059</u>
Total primary government net position	<u><u>\$334,629,989</u></u>	<u><u>\$341,431,109</u></u>	<u><u>\$334,285,292</u></u>	<u><u>\$387,230,011</u></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.

2013	2014	2015	2016	2017	2018 (a)
\$234,318,345	\$248,976,617	\$259,298,585	\$257,003,558	\$258,670,492	\$261,696,061
65,063,180	64,148,556	47,340,040	49,089,375	53,494,064	91,334,323
27,586,926	22,934,963	(132,097,358)	(128,732,691)	(138,357,430)	(218,481,489)
<u>\$326,968,451</u>	<u>\$336,060,136</u>	<u>\$174,541,267</u>	<u>\$177,360,242</u>	<u>\$173,807,126</u>	<u>\$134,548,895</u>
\$32,309,753	\$36,408,147	\$72,843,612	\$77,527,656	\$87,340,526	\$93,673,669
29,374,748	29,591,239	31,979,615	32,369,845	29,829,844	26,462,741
		17,235,250	23,848,220	31,259,576	28,810,985
<u>\$61,684,501</u>	<u>\$65,999,386</u>	<u>\$122,058,477</u>	<u>\$133,745,721</u>	<u>\$148,429,946</u>	<u>\$148,947,395</u>
\$266,628,098	\$285,384,764	\$332,142,197	\$334,531,214	\$346,011,018	\$355,369,730
94,437,928	93,739,795	79,319,655	81,459,220	83,323,908	117,797,064
27,586,926	22,934,963	(114,862,108)	(104,884,471)	(107,097,854)	(189,670,504)
<u>\$388,652,952</u>	<u>\$402,059,522</u>	<u>\$296,599,744</u>	<u>\$311,105,963</u>	<u>\$322,237,072</u>	<u>\$283,496,290</u>



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

	For the Fiscal Year Ended June 30,			
	2009	2010	2011	2012
Expenses				
Governmental Activities:				
General Government	\$11,725,432	\$15,456,715	\$18,188,575	\$15,237,357
Police	26,137,009	26,798,928	26,889,284	25,904,606
Fire	22,123,701	22,861,254	24,532,288	23,970,035
Public Works	18,746,655	10,939,983	18,950,456	13,738,143
Community Development	22,163,130	19,248,260	16,550,661	5,718,100
Community Services	8,125,339	8,749,436	9,296,269	8,741,325
Housing	7,415,214	7,975,615	7,261,310	14,452,825
Interest on Long-Term Debt	6,100,624	5,764,642	5,677,260	4,142,152
Total Governmental Activities Expenses	<u>122,537,104</u>	<u>117,794,833</u>	<u>127,346,103</u>	<u>111,904,543</u>
Business-Type Activities:				
Ferry Services	3,756,857	4,200,933	3,357,896	
Golf Course	4,380,267	3,914,763	3,917,153	3,814,979
Sewer Service	4,726,773	4,359,415	4,598,661	3,864,222
Alameda Municipal Power (a)				
Total Business-Type Activities Expenses	<u>12,863,897</u>	<u>12,475,111</u>	<u>11,873,710</u>	<u>7,679,201</u>
Total Primary Government Expenses	<u>\$135,401,001</u>	<u>\$130,269,944</u>	<u>\$139,219,813</u>	<u>\$119,583,744</u>
Component Units:				
Housing Authority	\$26,750,656	\$30,114,145	\$31,077,746	
Alameda Municipal Power	61,522,873	56,686,475	50,902,652	\$54,520,590
Total Component Units	<u>\$88,273,529</u>	<u>\$86,800,620</u>	<u>\$81,980,398</u>	<u>\$54,520,590</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$6,202,753	\$7,065,225	\$8,378,706	\$6,899,450
Police	1,211,316	1,196,533	1,248,344	1,181,455
Fire	2,528,403	2,459,169	1,875,008	2,156,989
Public Works	7,135,253	5,234,368	6,743,825	6,694,970
Community Development	12,050,332	9,628,742	9,628,742	9,261,637
Community Services	2,328,111	2,600,886	2,643,386	2,771,489
Housing				
Operating Grants and Contributions	6,816,299	7,401,177	7,753,440	9,898,631
Capital Grants and Contributions	4,307,127	6,703,662	8,305,292	5,111,573
Total Government Activities Program Revenues	<u>42,579,594</u>	<u>42,289,762</u>	<u>46,576,743</u>	<u>43,976,194</u>
Business-Type Activities:				
Charges for Services:				
Ferry Services			222	
Golf Course	4,161,463	3,768,555	3,546,251	3,958,933
Sewer Service	5,901,599	6,068,908	6,936,223	7,447,477
Operating Grants and Contributions	2,356,878	2,245,111	2,245,111	
Capital Grants and Contributions				
Alameda Municipal Power (a)				
Total Business-Type Activities Program Revenue	<u>12,419,940</u>	<u>12,082,574</u>	<u>12,727,807</u>	<u>11,406,410</u>
Total Primary Government Program Revenues	<u>\$54,999,534</u>	<u>\$54,372,336</u>	<u>\$59,304,550</u>	<u>\$55,382,604</u>
Component Units:				
Charges for Services:				
Housing Authority	\$3,369,634	\$2,957,381	\$2,959,697	
Alameda Municipal Power	54,987,323	49,284,110	51,237,727	\$51,526,195
Operating Grants and Contributions	21,595,495	28,796,857	29,390,234	
Total Component Units Program Revenues	<u>\$79,952,452</u>	<u>\$81,038,348</u>	<u>\$83,587,658</u>	<u>\$51,526,195</u>
Net (Expense)/Revenue				
Governmental Activities	(\$79,957,511)	(\$75,505,071)	(\$75,504,996)	(\$67,928,349)
Business-Type Activities	(443,957)	(392,537)	1,027,225	3,727,584
Component Units Activities	(8,321,077)	(5,762,272)	1,607,260	
Total Primary Government Net Expense	<u>(\$88,722,545)</u>	<u>(\$81,659,880)</u>	<u>(\$72,870,511)</u>	<u>(\$64,200,765)</u>

(a) Reclassified as Enterprise Fund

Source: City Finance Department

2013	2014	2015	2016	2017	2018
\$13,569,619	\$15,040,701	\$15,566,704	\$17,312,864	\$22,613,362	\$27,567,933
30,431,546	30,848,485	30,310,509	31,230,359	34,249,563	38,203,293
27,374,670	27,866,089	30,247,841	33,701,192	34,380,486	39,616,964
12,664,895	14,344,311	20,576,356	21,611,732	22,493,921	21,305,228
20,805,104	15,947,090	21,707,219	19,926,259	20,854,357	19,124,858
8,296,495	6,995,080	6,808,162	8,192,325	7,825,636	10,785,609
1,222,077	2,004,958	1,883,617	2,298,345	1,955,239	3,343,039
1,409,201	2,307,691	984,165	1,104,604	983,685	1,298,608
<u>115,773,607</u>	<u>115,354,405</u>	<u>128,084,573</u>	<u>135,377,680</u>	<u>145,356,250</u>	<u>161,245,532</u>
5,125,508	5,339,491	6,069,959	5,189,080	5,062,826	4,915,297
		47,958,639	54,131,601	53,311,749	59,886,250
<u>5,125,508</u>	<u>5,339,491</u>	<u>54,028,598</u>	<u>59,320,681</u>	<u>58,374,575</u>	<u>64,801,547</u>
<u>\$120,899,115</u>	<u>\$120,693,896</u>	<u>\$182,113,171</u>	<u>\$194,698,361</u>	<u>\$203,730,825</u>	<u>\$226,047,079</u>
\$53,896,090	\$50,466,129				
<u>\$53,896,090</u>	<u>\$50,466,129</u>				
\$7,507,538	\$9,820,809	\$9,928,486	\$9,914,050	\$11,400,449	\$9,068,963
1,125,359	1,772,066	1,557,542	1,461,077	1,378,632	1,228,935
2,625,040	2,242,200	2,902,627	3,161,928	3,134,509	3,306,867
7,329,147	6,915,488	8,048,038	8,869,421	9,955,286	9,280,689
9,717,218	10,267,249	10,900,322	11,261,739	13,523,363	13,044,105
3,477,649	3,238,812	3,273,681	3,550,181	3,671,588	4,423,440
45		2,500			
7,434,721	6,416,506	5,806,249	5,209,502	6,045,401	9,032,803
3,504,228	3,188,964	6,156,043	6,270,247	7,058,283	12,386,648
<u>42,720,945</u>	<u>43,862,094</u>	<u>48,575,488</u>	<u>49,698,145</u>	<u>56,167,511</u>	<u>61,772,450</u>
8,966,628	9,734,164	9,906,045	9,404,120	9,690,132	10,498,070
			546,768	489,751	
		58,759,497	62,012,528	63,449,233	63,455,688
<u>8,966,628</u>	<u>9,734,164</u>	<u>68,665,542</u>	<u>71,963,416</u>	<u>73,629,116</u>	<u>73,953,758</u>
<u>\$51,687,573</u>	<u>\$53,596,258</u>	<u>\$117,241,030</u>	<u>\$121,661,561</u>	<u>\$129,796,627</u>	<u>\$135,726,208</u>
\$56,157,469	\$59,774,933				
<u>\$56,157,469</u>	<u>\$59,774,933</u>				
(\$73,052,662)	(\$71,492,311)	(\$79,509,085)	(\$85,679,535)	(\$89,188,739)	(\$99,473,082)
3,841,120	4,394,673	14,636,944	12,642,735	15,254,541	9,152,211
<u>(\$69,211,542)</u>	<u>(\$67,097,638)</u>	<u>(\$64,872,141)</u>	<u>(\$73,036,800)</u>	<u>(\$73,934,198)</u>	<u>(\$90,320,871)</u>



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

	For the Fiscal Year Ended June 30,			
	2009	2010	2011	2012
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$28,056,019	\$30,779,575	\$30,205,060	\$27,965,276
Incremental property tax	15,634,394	11,631,272	11,868,722	5,748,695
Urban runoff special assessments	1,857,611	1,897,652	1,886,557	1,844,180
Sales Taxes	5,412,461	4,880,379	5,077,031	6,035,950
Utility Users Tax	9,049,473	8,822,075	9,182,248	8,787,016
Transfer Tax	3,124,066	4,647,057	5,896,294	4,921,032
Franchise Tax	1,626,089	4,403,092	4,451,081	4,477,426
Transient Occupancy Tax	1,178,705	1,084,850	1,118,732	1,294,691
Property Tax In-Lieu	1,672,842	1,278,940	1,255,240	1,271,253
Other Taxes	1,956,106	891,109	1,197,746	1,489,036
Motor Vehicle In-Lieu, Unrestricted	5,994,956	6,041,729	6,120,156	5,874,386
Use of Money and properties	6,843,179	3,836,073	5,059,361	617,852
Gain/Loss from disposal of capital assets				
Miscellaneous	4,090,462	742,404	4,080,095	5,803,134
Transfers	1,101,353	(1,114,750)	(1,628,137)	207,258
Extraordinary item				40,764,726
Total Government Activities	87,597,716	79,821,457	85,770,186	117,101,911
Business-Type Activities:				
Use of Money and properties	730,441	348,032		192,687
Miscellaneous	93,294	285,028	(230,894)	58,146
Transfers	(1,101,353)	1,114,750	1,628,137	(207,258)
Total Business-Type Activities	(277,618)	1,747,810	1,397,243	43,575
Total Primary Government	\$87,320,098	\$81,569,267	\$87,167,429	\$117,145,486
Component Units Activities:				
Use of Money and properties	\$1,744,742	\$356,673	\$1,965,040	\$119,699
Miscellaneous		506,590	249,207	54,142
Increase in value of certain NPCA projects and reserves				
Net Extraordinary Items	25,251,400			
Total Component Units Activities	\$26,996,142	\$863,263	\$2,214,247	\$173,841
Change in Net Position				
Governmental Activities	\$7,640,205	\$4,316,386	\$2,828,006	\$49,173,562
Business-Type Activities	(721,575)	1,355,273	3,473,803	3,771,159
Total Primary Government	\$6,918,630	\$5,671,659	\$6,301,809	\$52,944,721
Changes in Net Position				
Component units Activities	\$18,675,065	(\$4,899,009)	\$3,821,507	(\$2,820,554)

Source: City Finance Department

2013	2014	2015	2016	2017	2018
\$26,937,823	\$38,088,577	\$39,057,776	\$43,665,977	\$45,651,646	\$48,745,491
1,842,568					
5,932,043	6,260,057	9,340,828	10,187,902	10,740,580	10,967,955
9,095,600	8,500,351	8,330,638	8,368,125	9,061,296	9,336,326
5,582,337	6,730,655	8,258,516	9,451,755	10,333,813	15,679,218
4,439,185	3,919,351	1,496,491	2,396,918	2,473,634	2,473,040
1,396,432	1,612,283	1,928,731	2,174,973	2,126,612	2,146,038
1,112,896	1,382,336	1,002,871	1,157,160	1,167,072	1,203,862
2,788,444	4,175,348	4,460,633	1,831,805	1,500,155	1,339,471
5,897,923					
4,039,370	5,068,924	4,465,916	5,136,494	6,957,802	5,300,785
					12,971,153
1,531,218	4,428,117	2,787,194	1,160,517	2,312,459	1,478,855
269,538	417,997	3,027,004	2,831,684	2,891,411	8,463,788
		1,007,196			
70,865,377	80,583,996	85,163,794	88,363,310	95,216,480	120,105,982
33,149	337,908	279,817	685,463	507,799	1,014,577
5,495	301	90,277	1,190,730	1,813,296	1,235,399
(269,538)	(417,997)	(3,027,004)	(2,831,684)	(2,891,411)	(8,463,788)
(230,894)	(79,788)	(2,656,910)	(955,491)	(570,316)	(6,213,812)
\$70,634,483	\$80,504,208	\$82,506,884	\$87,407,819	\$94,646,164	\$113,892,170
\$98,920	\$86,293				
176,225	1,548,129				
1,447,092	(789,918)				
\$1,722,237	\$844,504				
(\$2,187,285)	\$9,091,684	\$5,654,709	\$2,683,775	\$6,027,741	\$20,632,900
3,610,226	4,314,885	11,980,034	11,687,244	14,684,225	2,938,399
\$1,422,941	\$13,406,569	\$17,634,743	\$14,371,019	\$20,711,966	\$23,571,299
\$3,983,616	\$10,153,308				



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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund				
Pre-GASB 54 Classifications:				
Reserved	\$6,152,052	\$5,426,061		
Unreserved	15,362,069	16,223,164		
GASB 54 Classifications:				
Nonspendable				\$2,685,205
Restricted			\$400,000	
Committed			603,629	400,000
Assigned			16,693,535	315,045
Unassigned				<u>19,618,518</u>
Total General Fund	<u>\$21,514,121</u>	<u>\$21,649,225</u>	<u>\$17,697,164</u>	<u>\$23,018,768</u>
All Other Governmental Funds				
Pre-GASB 54 Classifications:				
Reserved	\$31,746,036	\$33,900,970		
Unreserved, reported in:				
Special revenue funds	36,849,864	32,037,363		
Capital project funds	17,242,412	14,178,257		
GASB 54 Classifications:				
Nonspendable			\$45,639,192	\$8,894
Restricted			36,594,620	24,442,662
Committed			10,965	35,055,243
Assigned			(9,200)	
Unassigned				<u>(1,600,776)</u>
Total all other governmental funds	<u>\$85,838,312</u>	<u>\$80,116,590</u>	<u>\$82,235,577</u>	<u>\$57,906,023</u>

Source: City of Alameda Finance Department

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$2,200,000	\$2,261,871	\$2,591,009	\$872,617	\$1,575,550	\$782,440
			6,043,000	11,568,004	
		3,000,000	6,281,684	8,525,868	15,354,029
<u>21,293,014</u>	<u>29,071,830</u>	<u>30,165,670</u>	<u>27,284,395</u>	<u>28,726,377</u>	<u>25,072,934</u>
<u>\$23,493,014</u>	<u>\$31,333,701</u>	<u>\$35,756,679</u>	<u>\$40,481,696</u>	<u>\$50,395,799</u>	<u>\$41,209,403 (a)</u>
	\$9,395				\$1,115
\$21,293,253	23,349,158	\$50,922,259	\$48,736,806	\$52,352,209	64,846,207
36,907,806	40,790,003	17,909,767	21,233,524	21,938,791	23,357,819
<u>(657,163)</u>		<u>(14,081)</u>		<u>(2,519,632)</u>	<u>(831,560)</u>
<u>\$57,543,896</u>	<u>\$64,148,556</u>	<u>\$68,817,945</u>	<u>\$69,970,330</u>	<u>\$71,771,368</u>	<u>\$87,373,581 (a)</u>



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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues				
Property taxes	\$45,548,024	\$44,308,500	\$44,304,076	\$36,215,189
Other local taxes	24,588,234	27,032,505	29,209,243	28,731,775
Licenses and permits	3,361,091	3,172,848	3,389,609	2,962,194
Revenue from other agencies	19,408,936	19,354,972	18,584,868	15,017,173
Charges for current services	10,264,260	12,252,283	12,102,124	16,992,163
Fines and forfeitures	1,463,269	1,434,684	1,350,974	1,498,967
Use of money and property	20,329,314	17,208,171	17,595,184	16,284,321
Other	4,516,237	791,233	5,454,018	3,716,012
Total Revenues	<u>129,479,365</u>	<u>125,555,196</u>	<u>131,990,096</u>	<u>121,417,794</u>
Expenditures				
Current:				
General government	13,114,355	9,756,226	4,130,188	8,505,007
Police	25,770,329	26,749,247	27,612,111	27,697,939
Fire	22,932,133	22,589,195	24,297,287	23,735,534
Public Works	10,198,469	4,682,917	6,324,136	5,045,594
Community Development	19,673,992	19,288,336	22,899,662	17,959,889
Community Services	7,006,083	7,738,644	8,292,609	8,358,813
Culture and recreation				
Housing	8,117,536	10,060,973	8,460,735	14,513,011
Capital outlay	11,212,641	15,527,159	17,392,517	12,969,550
Debt service:				
Principal repayment	7,479,565	2,569,040	3,169,360	2,844,360
Interest and fiscal charges	6,099,165	5,675,982	5,732,593	3,700,852
Total Expenditures	<u>131,604,268</u>	<u>124,637,719</u>	<u>128,311,198</u>	<u>125,330,549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,124,903)</u>	<u>917,477</u>	<u>3,678,898</u>	<u>(3,912,755)</u>
Other Financing Sources (Uses)				
Contribution from (to) other entities			(1,347,013)	
Transfers in	39,525,272	16,789,896	20,625,790	22,598,326
Transfers (out)	(38,281,393)	(23,293,991)	(24,690,492)	(25,611,556)
Sale of capital assets	21,507		735,000	8,213
Payment to escrow agent			(985,000)	
Bond issuance premium (discount) on debt	118,725		(125,326)	
Issuance of long-term debt	4,575,000		11,035,000	
Total other financing sources (uses)	<u>5,959,111</u>	<u>(6,504,095)</u>	<u>5,247,959</u>	<u>(3,005,017)</u>
Extraordinary item				<u>(20,454,496)</u>
Net Change in fund balances	<u>\$3,834,208</u>	<u>(\$5,586,618)</u>	<u>\$8,926,857</u>	<u>(\$27,372,268)</u>
Debt service as a percentage of noncapital expenditures	10.9% (a)	7.4% (a)	7.6% (a)	6.2% (a)

NOTE:

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

Source: City Finance Department

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$30,299,428	\$40,030,928	\$41,511,670	\$43,665,978	\$45,651,646	\$48,681,491
29,441,266	31,532,635	34,307,623	36,600,031	38,995,559	43,717,400
3,220,082	3,649,220	4,834,523	4,599,669	5,353,671	5,435,030
15,017,173	8,383,901	10,472,056	11,799,727	13,461,497	20,936,253
16,992,163	16,881,772	16,601,934	18,801,604	19,328,754	18,586,442
1,712,558	1,940,326	1,579,608	1,505,913	1,141,664	1,235,816
16,284,321	17,130,340	17,472,748	18,278,665	18,876,427	19,512,445
1,366,611	4,638,439	2,898,060	1,088,097	4,920,412	2,362,537
<u>114,333,602</u>	<u>124,187,561</u>	<u>129,678,222</u>	<u>136,339,684</u>	<u>147,729,630</u>	<u>160,467,414</u>
13,996,654	14,807,500	17,213,207	22,246,735	21,770,743	26,765,743
28,538,108	28,767,165	28,682,826	28,816,779	30,853,005	38,367,994
23,262,699	24,269,387	27,961,054	28,529,688	30,652,703	37,809,548
4,320,452	4,432,334	4,558,311	4,742,674	4,918,684	5,452,709
17,828,779	14,920,522	16,145,736	17,686,827	18,077,608	17,180,357
6,704,716	5,755,718	5,797,562	6,453,987	6,382,003	7,584,297
1,178,313					
2,051,269	2,282,435	1,883,479	2,298,345	1,955,239	4,056,097
13,306,766	12,836,513	16,402,343	17,408,895	22,147,962	28,835,746
1,710,214	17,866,047	1,906,000	2,149,564	1,957,436	2,153,966
1,431,642	2,398,072	791,566	1,128,676	1,163,030	1,229,634
<u>114,329,612</u>	<u>128,335,693</u>	<u>121,342,084</u>	<u>131,462,170</u>	<u>139,878,413</u>	<u>169,436,091</u>
<u>3,990</u>	<u>(4,148,132)</u>	<u>8,336,138</u>	<u>4,877,514</u>	<u>7,851,217</u>	<u>(8,968,677)</u>
13,236,792	19,087,597	18,842,178	20,777,712	24,650,200	29,546,528
(14,172,654)	(19,626,956)	(19,093,145)	(22,913,024)	(22,300,789)	(27,133,187)
				1,514,513	12,971,153
	512,838				
	18,620,000		3,000,000		
<u>(935,862)</u>	<u>18,593,479</u>	<u>(250,967)</u>	<u>864,688</u>	<u>3,863,924</u>	<u>15,384,494</u>
		1,007,196			
<u>(\$931,872)</u>	<u>\$14,445,347</u>	<u>\$9,092,367</u>	<u>\$5,742,202</u>	<u>\$11,715,141</u>	<u>\$6,415,817</u>

2.9% (a)

17.6% (a)

2.5% (a)

2.6% (a)

2.3% (a)

2.2% (a)

Calendar Year 2018 Wage Increase
Value

Object Series	Revenue Type	FY15-16	FY16-17	Change	% Change
31000/36801	General Fund Property Tax	\$ 34,388,154	\$ 36,090,128	\$ 1,701,974	4.95%
32100	Bradley Burns Sales Tax	9,565,291	10,094,100	528,809	5.53%
32200	Property Transfer Tax	9,451,755	10,333,813	882,058	9.33%
32300	Utility Users Tax	8,368,124	9,061,296	693,172	8.28%
32400	Transient Occupancy Tax	2,174,973	2,126,612	(48,361)	-2.22%
	TOTALS	\$63,948,297	\$67,705,949	\$3,757,652	5.88%

50% Of Total Increase applicable to Wage Increases 2.94%

Minimum/Maximum per MOUs 2.0% to 5%

BRI WAGE INCREASE EFFECTIVE JANUARY 2.94%

(a) City's safety groups memoranda of understanding provide for zero percent wage increase in January 2019.

Calendar Year 2019 Value Change (a)

FY17-18	Value Change	% Change
\$ 38,726,739	\$ 2,636,611	7.31%
10,279,885	185,785	1.84%
15,679,218	5,345,405	51.73%
9,333,533	272,237	3.00%
2,146,038	19,426	0.91%
<u>\$76,165,413</u>	<u>\$8,459,464</u>	<u>12.49%</u>

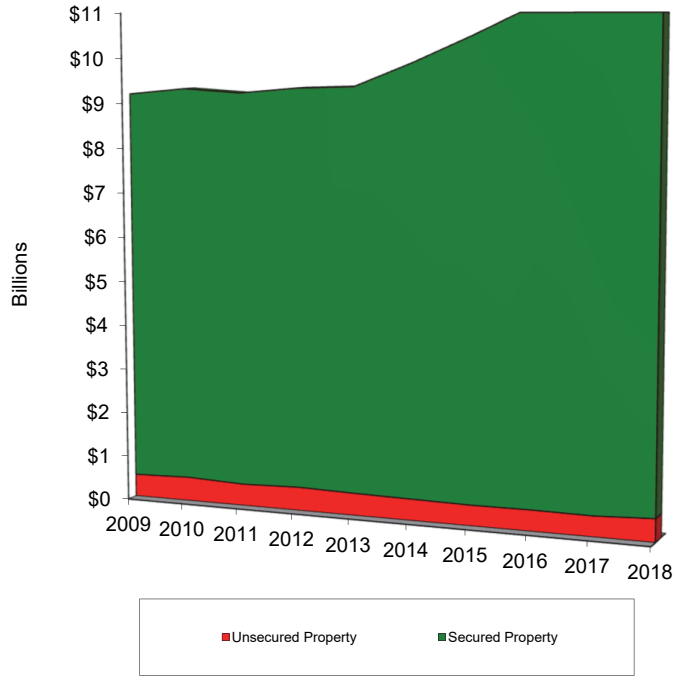
6.25%

0%

6.25%



**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	Total Direct Tax Rate (a)
2009	\$8,699,660,252	4.82%	\$501,285,753	5.05%	\$9,226,664,742	1%
2010	8,796,462,645	1.11%	536,786,045	7.08%	9,436,632,497	1%
2011	8,767,561,741	-0.33%	486,282,942	-9.41%	9,284,599,251	1%
2012	8,851,986,300	0.96%	524,614,003	2.00%	9,387,095,373	1%
2013	8,927,046,504	0.85%	496,000,269	-5.45%	9,423,046,773	1%
2014	9,472,636,207	6.11%	476,558,073	-3.92%	9,949,194,280	1%
2015	10,074,322,282	6.35%	457,262,328	-4.05%	10,531,584,610	1%
2016	10,688,573,728	6.10%	466,708,505	2.07%	11,155,282,233	1%
2017	11,404,111,189	6.69%	454,198,686	-2.68%	11,858,309,875	1%
2018	12,033,671,681	5.52%	511,300,374	12.57%	12,544,972,055	1%

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

Source: Alameda County Auditor Controller Office Certificate of Assessed Valuations



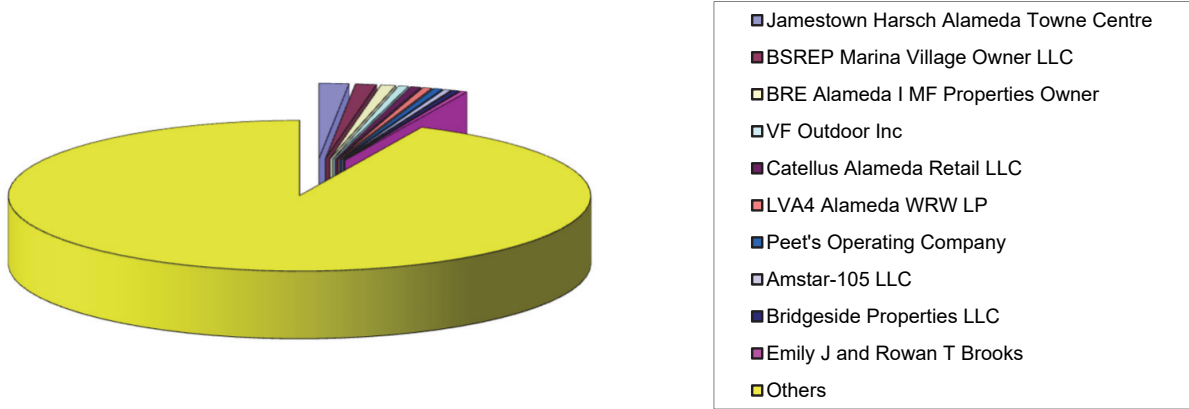
City of Alameda
Property Tax Rates
All Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Basic County Wide Levy (a)	City	Alameda Unified School Bonds	East Bay Regional Park	EBMUD Special District 1	Oakland Unified School Dist. Bonds	BART	Peralta College	Total
2009	1.0000	0.0245	0.0479	0.0100	0.0064	0.0835	0.0090	0.0362	1.2175
2010	1.0000	0.0245	0.0498	0.0108	0.0065	0.1259	0.0057	0.0430	1.2662
2011	1.0000	0.0244	0.0520	0.0084	0.0067	0.0000	0.0031	0.0430	1.1376
2012	1.0000	0.0249	0.0527	0.0071	0.0067	0.0000	0.0041	0.0436	1.1391
2013	1.0000	0.0260	0.0553	0.0051	0.0068	0.0000	0.0043	0.0434	1.1409
2014	1.0000	0.0260	0.0534	0.0078	0.0066	0.0000	0.0075	0.0419	1.1432
2015	1.0000	0.0250	0.0503	0.0085	0.0047	0.0000	0.0045	0.0412	1.1342
2016	1.0000	0.0240	0.1043	0.0067	0.0034	0.0000	0.0026	0.0337	1.1747
2017	1.0000	0.0230	0.0967	0.0032	0.0028	0.0000	0.0080	0.0256	1.1593
2018	1.0000	0.0225	0.0653	0.0021	0.0011	0.0000	0.0084	0.0310	1.1304

Source: Alameda County Assessors Office

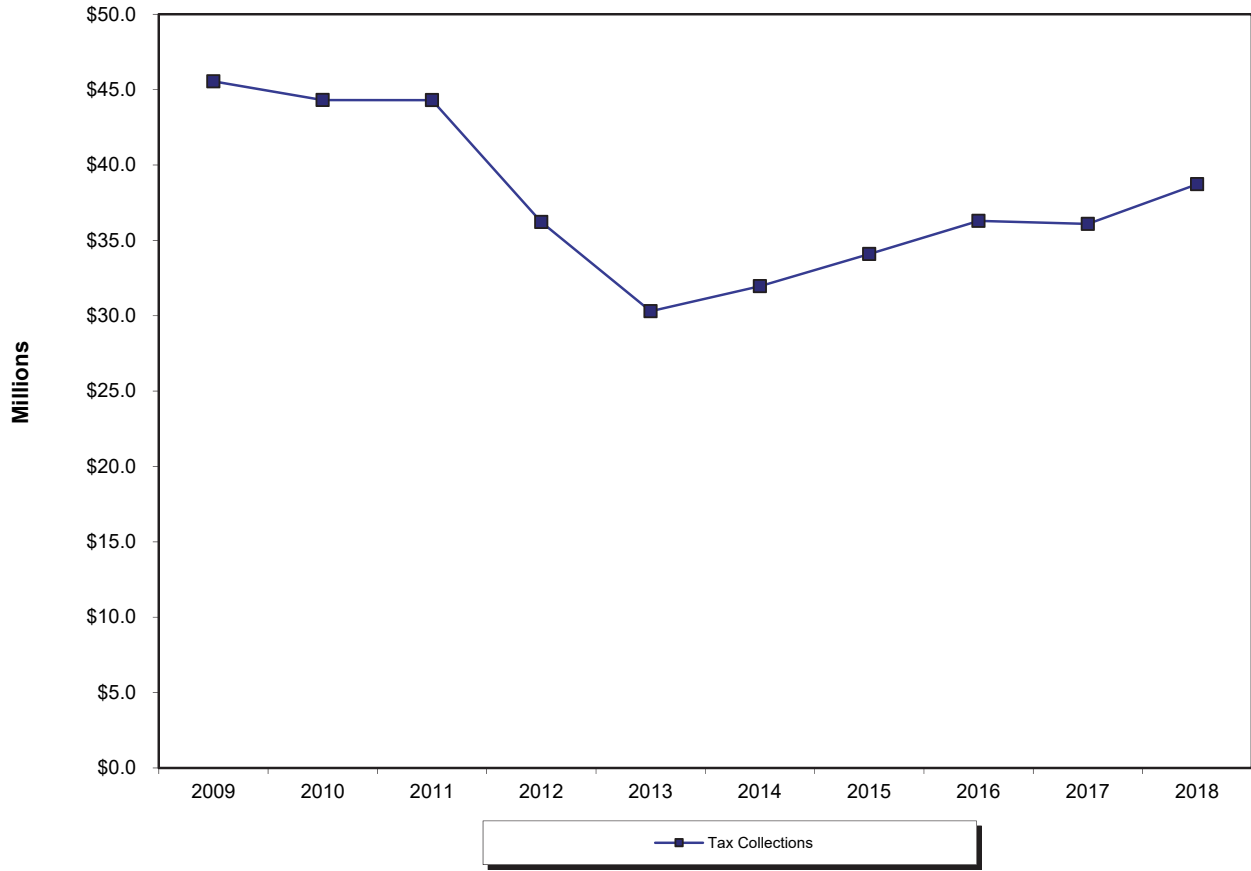
(a) The City of Alameda is .3331, Alameda County is .3293, Alameda USD is .1956 and other government agencies represent .142 of the basic county wide levy

Current Year Taxpayers



Taxpayer	2017-18			2008-09		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Jamestown Harsch Alameda Towne Centre	\$205,491,098	1	1.64%			
BSREP Marina Village Owner LLC	145,807,910	2	1.16%			
BRE Alameda I MF Properties Owner	101,172,585	3	0.81%			
VF Outdoor Inc	69,611,810	4	0.55%			
Catellus Alameda Retail LLC	68,421,860	5	0.55%			
LVA4 Alameda WRW LP	64,412,715	6	0.51%			
Peet's Operating Company	61,208,600	7	0.49%	\$37,885,608	7	0.41%
Amstar-105 LLC	49,825,295	8	0.40%			
Bridgeside Properties LLC	47,168,831	9	0.38%			
Emily J and Rowan T Brooks	44,524,181	10	0.35%			
Legacy Partners I Alameda LLC				211,947,132	1	2.30%
KW Alameda LLC				90,253,636	2	0.98%
Alameda Waterfront Investors LLC				65,805,300	3	0.71%
Wind River Systems Inc				64,833,515	4	0.70%
Harsch Investment Realty LLC				57,405,214	5	0.62%
CREA Bridgeside LLC				41,666,000	6	0.45%
SKS Harbor Bay Associates LLC				36,897,189	8	0.40%
SRM Marina Investors LLC				34,545,859	9	0.37%
Comcast of California				30,920,424	10	0.34%
Subtotal	\$857,644,885		6.84%	\$672,159,877		7.28%
Total Net Assessed Valuation:						
Fiscal Year 2017-18	\$12,544,972,055					
Fiscal Year 2008-09	\$9,226,664,742					

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls.



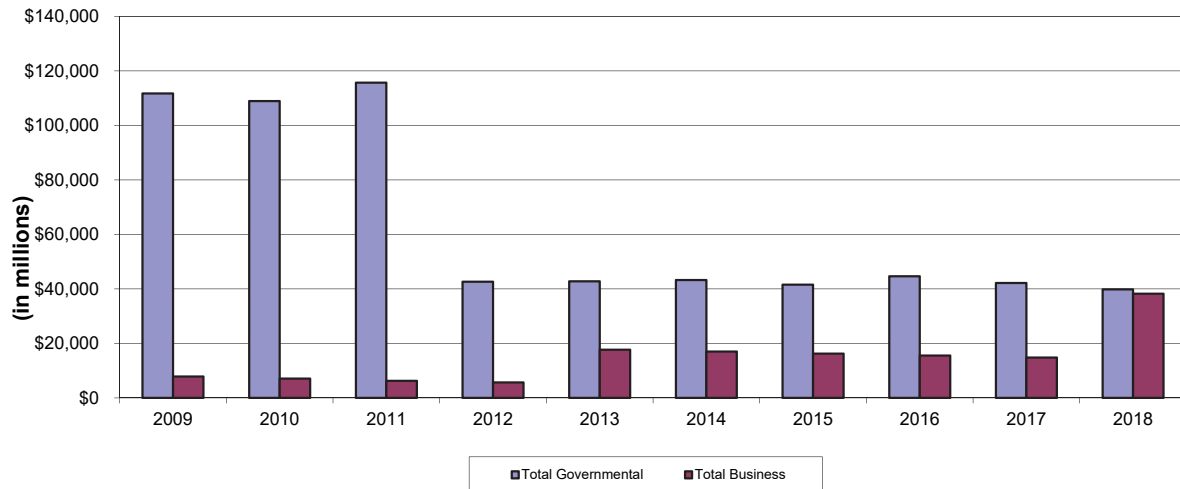
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2009	\$45,548,024	\$45,548,024	100%	0	\$45,548,024	100%
2010	44,308,500	44,308,500	100%	0	44,308,500	100%
2011	44,304,076	44,304,076	100%	0	44,304,076	100%
2012 (b)	36,215,189	36,215,189	100%	0	36,215,189	100%
2013	30,299,428	30,299,428	100%	0	30,299,428	100%
2014	31,960,530	31,960,530	100%	0	31,960,530	100%
2015	34,093,132	34,093,132	100%	0	34,093,132	100%
2016	36,292,959	36,292,959	100%	0	36,292,959	100%
2017	36,090,128	36,090,128	100%	0	36,090,128	100%
2018	38,726,740	38,726,740	100%	0	38,726,740	100%

Source: City of Alameda Records

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

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

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



Governmental Activities

Fiscal Year	Tax Allocation Bonds	Certificates of Participation	General Obligation Bond	Revenue Bonds	Loans & Lease Purchases	Total
2009	\$65,900,000	\$13,715,000	\$9,775,000	\$14,195,000	\$8,139,871	\$111,724,871
2010	64,685,000	13,305,000	9,580,000	13,745,000	7,620,380	108,935,380
2011	74,254,674	12,470,000	9,375,000	12,300,000	7,291,020	115,690,694
2012	-	(b) 11,600,000	9,155,000	12,000,000	9,878,854	42,633,854
2013	-	(b) 10,700,000	8,925,000	11,700,000	11,440,764	42,765,764
2014	-	(b) 11,855,000	9,010,000	11,400,000	10,963,100	43,228,100
2015	-	(b) 10,930,000	8,610,000	11,000,000	10,995,218	41,535,218
2016	-	(b) 9,960,000	8,270,000	10,600,000	15,807,781	44,637,781
2017	-	(b) 9,210,000	7,925,000	10,200,000	14,812,440	42,147,440
2018	-	(b) 8,736,269	7,634,770	9,800,000	13,642,297	39,813,336

Business-Type Activities

Fiscal Year	COPS & Revenue Bonds	Loans & Lease Purchases	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2009	\$3,030,000	\$4,813,515	\$7,843,515	\$119,568,386	3.82%	\$1,615.09
2010	2,755,000	4,304,311	7,059,311	115,994,691	3.73%	1,552.06
2011	2,465,000	3,776,678	6,241,678	121,932,372	4.48%	1,645.93
2012	2,160,000	3,498,778	5,658,778	48,292,632	1.78%	647.01
2013	14,715,000	2,956,277	17,671,277	60,437,041	2.14%	804.48
2014	14,465,000	2,542,379	17,007,379	60,235,479	1.77%	788.29
2015	14,190,000	2,033,841	16,223,841	57,759,059	1.87%	760.38
2016	13,905,000	1,616,170	15,521,170	60,158,951	1.88%	758.84
2017	13,615,000	1,187,296	14,802,296	56,949,736	1.66%	712.51
2018	37,472,390 (c)	746,920	38,219,310	78,032,646	2.28%	989.47

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

Sources: City of Alameda

State of California, Department of Finance (population)

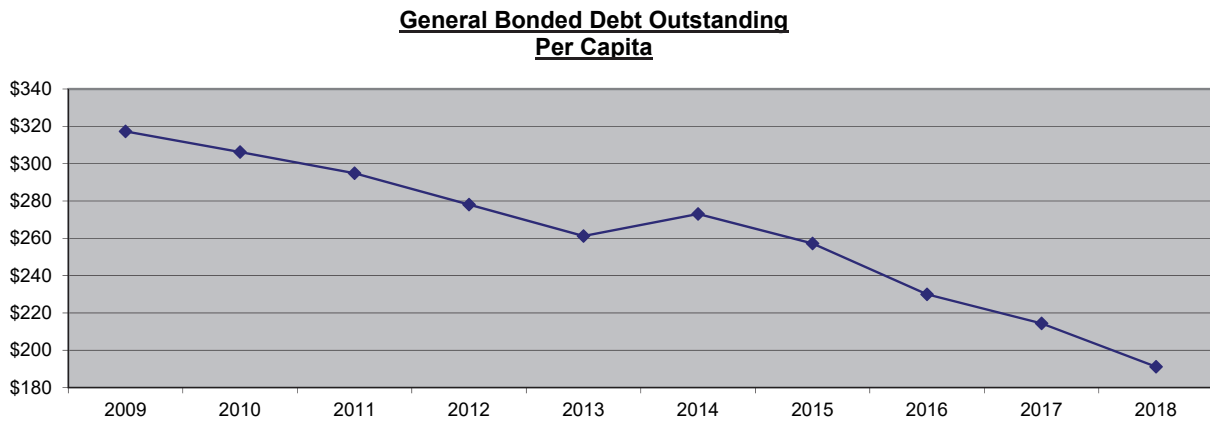
U.S. Department of commerce, Bureau of the Census (income)

(a) See page 179 (Demographic Statistics) for personal income and population data.

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

(c) 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



Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	Certificates of Participation	General Obligation Bond	Less Cash and Investments Restricted for Repayment of Debt		
2009	\$13,715,000	\$9,775,000		0.25%	\$317.30
2010	13,305,000	9,580,000		0.24%	306.21
2011	12,470,000	9,375,000		0.24%	294.88
2012	11,600,000	9,155,000		0.22%	278.07
2013	10,700,000	8,925,000		0.21%	261.23
2014	11,855,000	9,010,000		0.21%	273.06
2015	10,930,000	8,610,000		0.19%	257.24
2016	9,960,000	8,270,000		0.16%	229.95
2017	9,210,000	7,925,000		0.14%	214.38
2018	8,435,000	7,570,000	(\$930,503)	0.12%	188.60

Source: City of Alameda Finance Department



City of Alameda
Computation of Direct and Overlapping Debt
June 30, 2018

2017-18 Assessed Valuation: \$12,544,972,055

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u> <u>6/30/18</u>	<u>% Applicable (a)</u>	<u>City's Share of</u> <u>Debt 6/30/18</u>
Alameda County	\$240,000,000	4.629%	\$11,109,600
Bay Area Rapid Transit District	837,820,000	1.803%	15,105,895
Peralta Community College District	380,170,000	12.940%	49,193,998
Alameda Unified School District	153,197,996	100.000%	153,197,996
East Bay Regional Park District	187,800,000	2.820%	5,295,960
City of Alameda	7,634,770	100.000%	7,634,770
City of Alameda Facilities District No. 1	2,940,000	100.000%	2,940,000
City of Alameda Facilities District No. 13-1	15,415,000	100.000%	15,415,000
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$259,893,219

Ratios to 2017-18 Assessed Valuation:
Direct Debt (\$7,634,770) 0.06%
 Total Direct and Overlapping Tax Assessment Debt 2.07%

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Alameda County and Coliseum Authority General Fund Obligations	\$905,132,500	4.629%	\$41,898,583
Alameda County Pension Obligations	8,937,324	4.629%	413,709
Alameda-Contra Costa Transit District Certificates of Participation	13,795,000	5.478%	755,690
Peralta Community College District Pension Obligations	153,944,246	12.940%	19,920,385
City of Alameda General Fund Obligations	24,800,336	100%	24,800,336 (b)
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$87,788,704
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$55,155,000	100%	\$55,155,000

Total Direct Debt	\$32,435,106
Total Overlapping Debt	370,401,817
COMBINED TOTAL DEBT	\$402,836,923 (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 2017-18 Assessed Valuation:
Total Direct Debt (\$32,435,106) 0.26%
 Combined Total Debt 3.21%

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, 2018**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$12,027,107,256
--	------------------

BONDED DEBT LIMIT (15% OF ASSESSED VALUE)	\$1,804,066,088
---	-----------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt (a)	\$63,643,429
-----------------------	--------------

Less:

Revenue Bonds	47,272,390
---------------	------------

Certificates of Participation	8,736,269
-------------------------------	-----------

Amount of debt subject to limit	7,634,770
---------------------------------	-----------

LEGAL BONDED DEBT MARGIN	\$1,796,431,318
--------------------------	-----------------

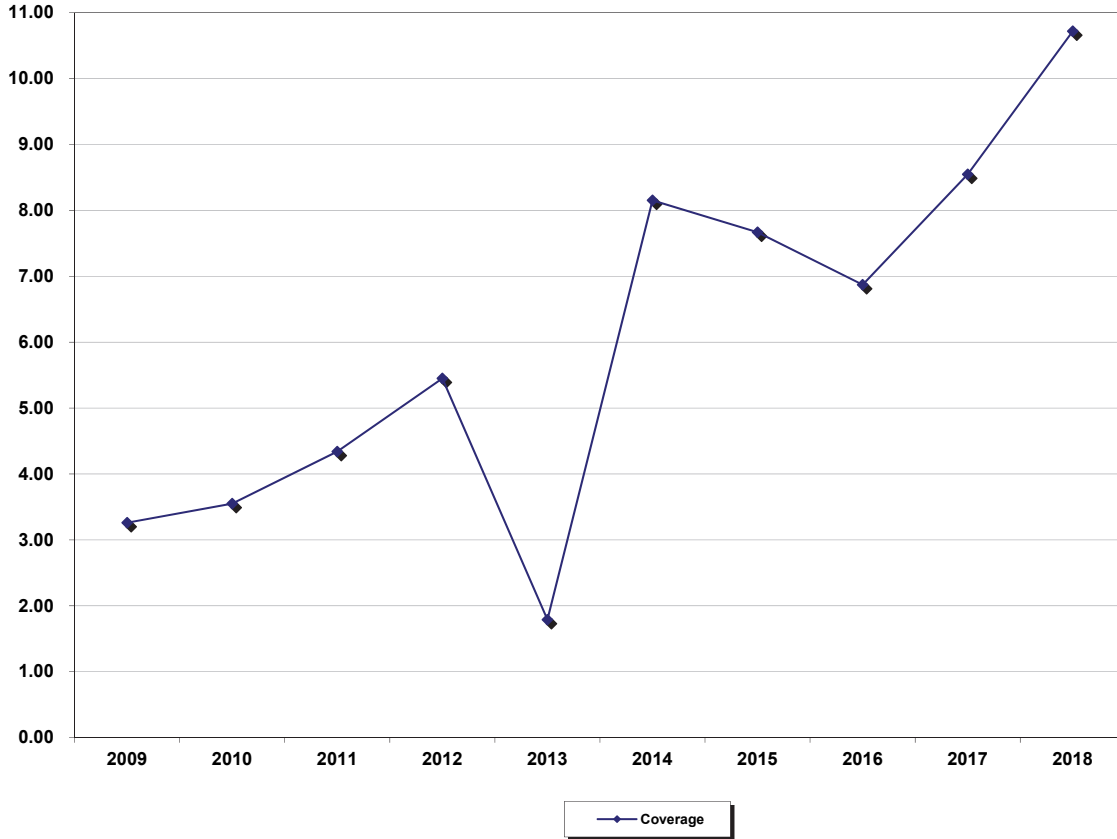
Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2008	\$1,244,922,492	\$9,960,000	\$1,234,962,492	0.81%
2009	1,304,949,038	9,775,000	1,295,174,038	0.75%
2010	1,319,469,397	9,580,000	1,309,889,397	0.73%
2011	1,315,134,261	9,375,000	1,276,577,544	3.02%
2012	1,327,797,945	9,155,000	1,318,642,945	0.69%
2013	1,413,457,016	8,925,000	1,404,532,016	0.64%
2014	1,478,724,777	9,090,000	1,469,634,777	0.62%
2015	1,510,066,600	8,610,000	1,501,456,600	0.57%
2016	1,602,204,317	8,270,000	1,501,456,600	0.55%
2017	1,709,534,936	7,925,000	1,701,609,936	0.47%
2018	1,804,066,088	7,570,000	1,796,496,088	0.42%

Source: City Finance Department

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



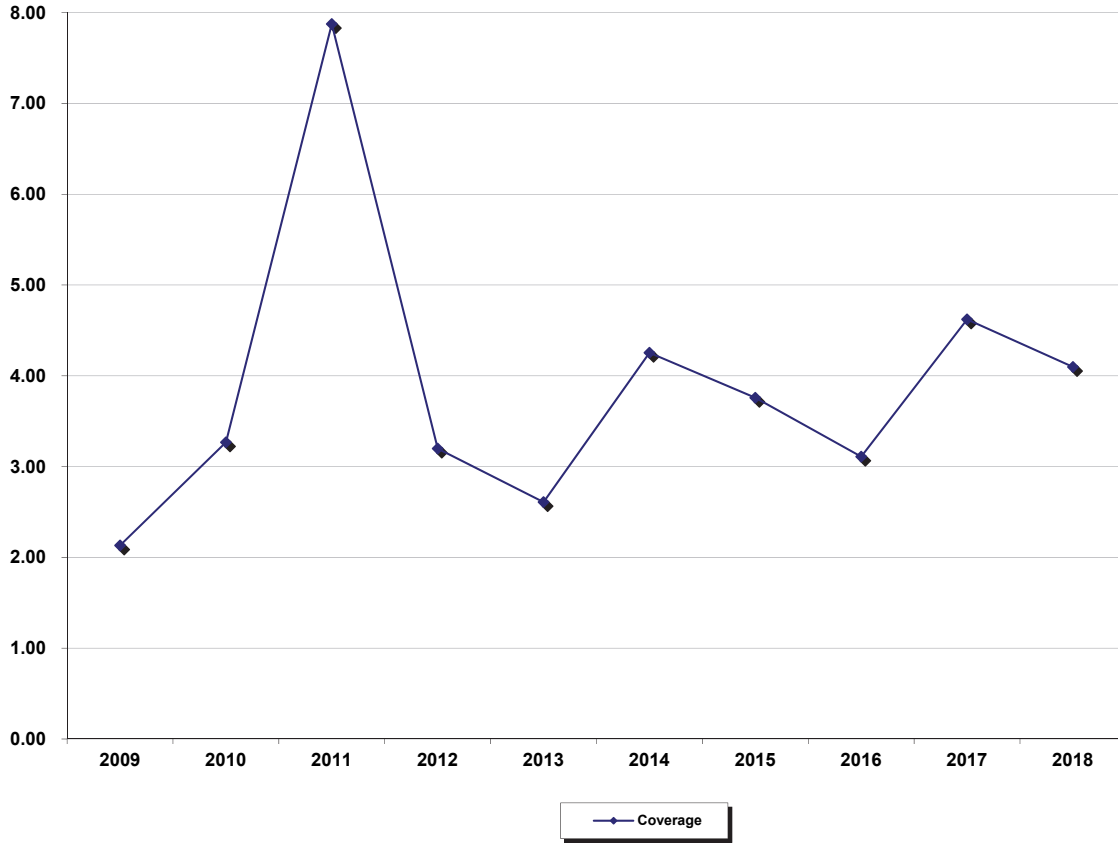
City of Alameda
Sewer Fund Debt Coverage
Last Ten Fiscal Years



Fiscal Year	Gross Revenue (a)	Operating Expenses (b)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$6,540,313	\$3,432,587	\$3,107,726	\$632,247	\$322,293	\$954,540	3.26
2010	6,362,273	3,075,856	3,286,417	652,237	272,959	925,196	3.55
2011	7,322,938	3,328,747	3,994,191	677,500	242,891	920,391	4.34
2012	7,638,530	2,609,730	5,028,800	703,047	219,274	922,321	5.45
2013	8,972,123	3,748,512	5,223,611	2,571,399	346,976	2,918,375	1.79
2014	10,072,496	3,702,154	5,757,611	250,000	456,319	706,319	8.15
2015	10,011,701	4,475,317	5,536,384	275,000	447,069	722,069	7.67
2016	10,278,327	5,305,530	4,972,797	285,000	438,719	723,719	6.87
2017	10,197,953	4,043,407	6,154,546	290,000	430,069	720,069	8.55
2018	10,671,202	2,973,134	7,698,068	300,000	418,269	718,269	10.72

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



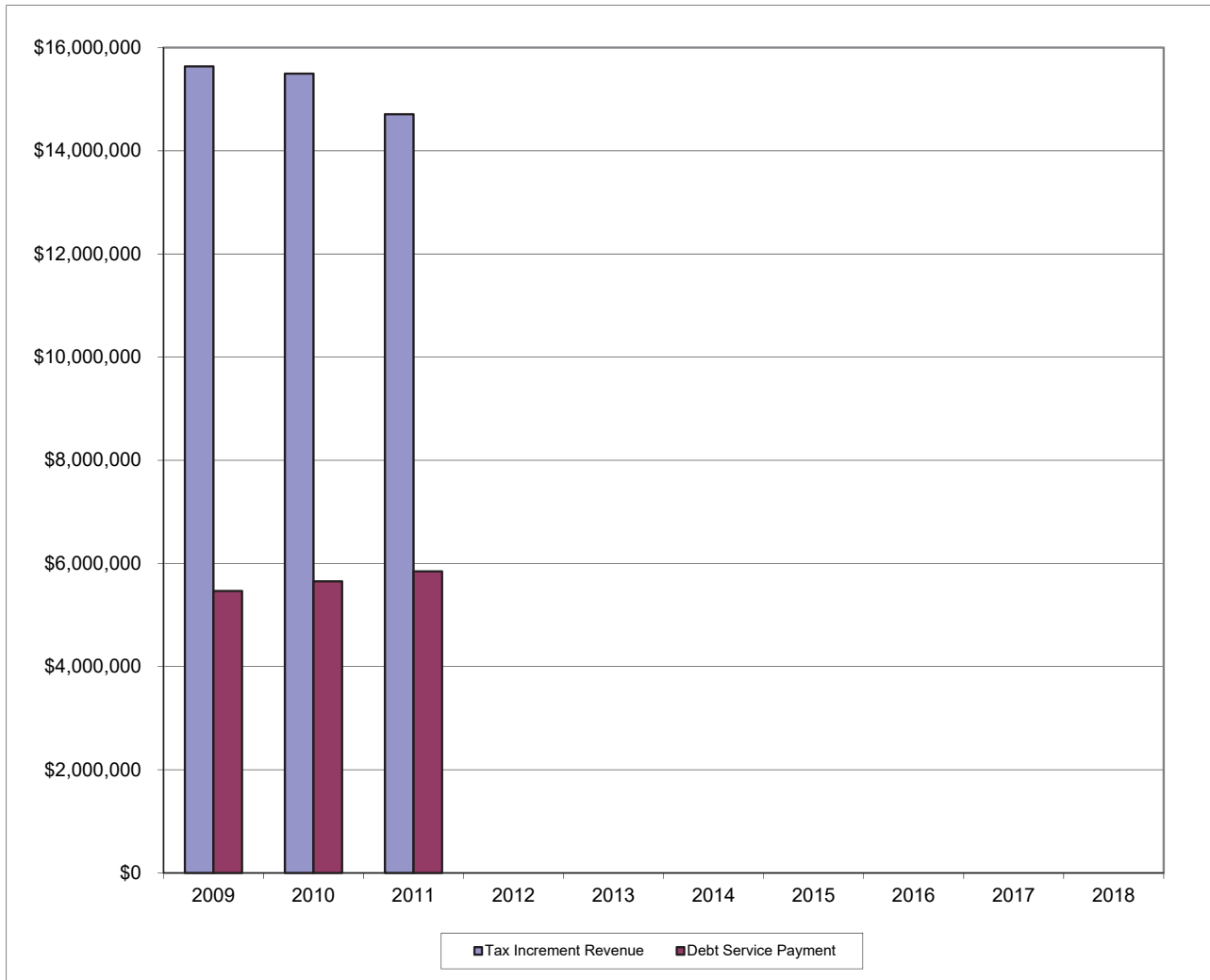
Fiscal Year	Gross Revenue (a)	Revenues Not Available for Debt Service (b)	Operating Expenses (c)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2009	\$51,552,840		\$45,315,677	\$6,237,163	\$48,603	\$2,877,163	\$2,925,766	2.13
2010	49,540,502		39,750,159	9,790,343	51,495	2,945,095	2,996,590	3.27
2011	50,482,874		37,590,949	12,891,925	54,526	1,582,668	1,637,194	7.87
2012	51,698,976		43,284,441	8,414,535	952,770	1,677,854	2,630,624	3.20
2013	56,431,462	\$4,283,423	44,964,882	7,183,157	1,101,205	1,651,892	2,753,097	2.61
2014	59,435,371	6,938,783	40,809,073	11,687,515	1,129,824	1,617,655	2,747,479	4.25
2015	59,005,393	6,824,069	41,987,012	10,194,312	1,158,581	1,554,056	2,712,637	3.76
2016	62,437,408	6,362,947	47,864,751	8,209,710	1,130,000	1,510,325	2,640,325	3.11
2017	64,156,296	5,071,175	46,926,046	12,159,075	1,170,000	1,461,044	2,631,044	4.62
2018	64,813,580	3,435,082	50,616,373	10,762,125	1,220,000	1,406,364	2,626,364	4.10

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

Source: City of Alameda Annual Financial Statements



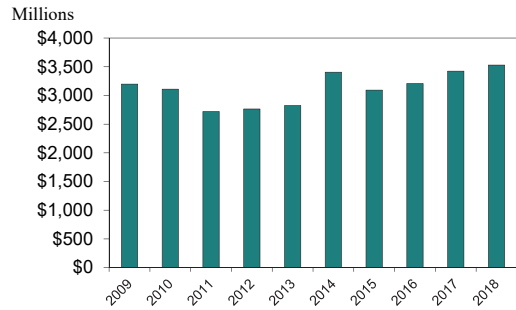
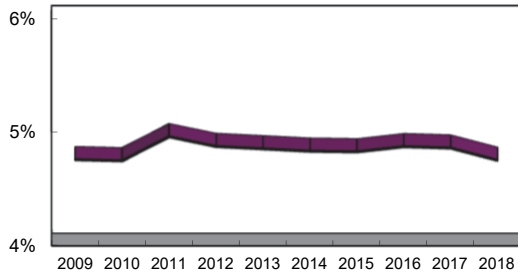
City of Alameda
Bonded Debt Pledged Revenue Coverage
CIC Revenue Bonds and Tax Allocation Bonds
Last Ten Fiscal Years



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2009	\$15,634,394	\$1,300,000	\$4,165,670	\$5,465,670	2.86
2010	15,494,892	1,582,000	4,070,898	5,652,898	2.74
2011	14,708,012	1,722,000	4,124,257	5,846,257	2.52
2012	-	(a)	(a)	(a)	(a)
2013	-	(a)	(a)	(a)	(a)
2014	-	(a)	(a)	(a)	(a)
2015	-	(a)	(a)	(a)	(a)
2016	-	(a)	(a)	(a)	(a)
2017	-	(a)	(a)	(a)	(a)
2018	-	(a)	(a)	(a)	(a)

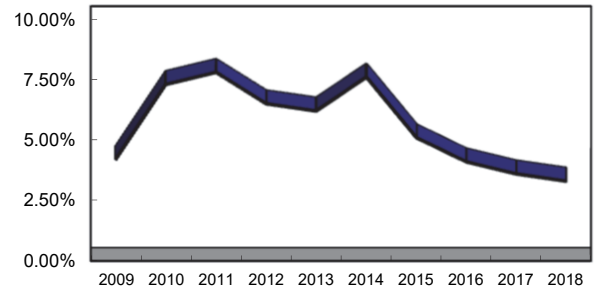
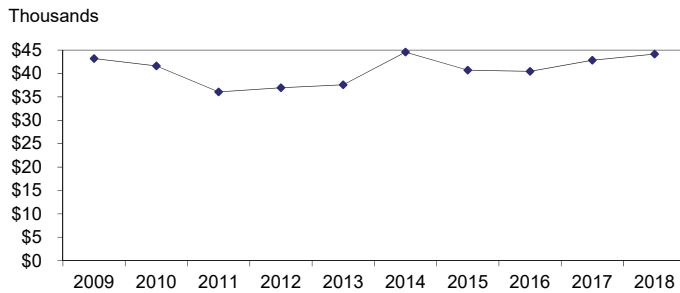
(a) Upon the dissolution of the Community Improvement Commission effective January 31, 2012, a Successor Agency assumed the liabilities of the former Community Improvement Commission, including the Tax Allocation Bonds.

Source: City of Alameda Annual Financial Statements



■ Graph City Population

■ Graph County Population



◆ Per Capita Personal Income

■ Unemployment Rate (%)

Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Alameda County Population	City Population % of County
2009	74,032	\$3,197,344,000	\$43,189	4.2%	1,556,657	4.76%
2010	74,736	3,110,554,000	41,621	7.3%	1,574,857	4.75%
2011	74,081	2,719,701,000	36,066	7.8%	1,521,157	4.96%
2012	74,640	2,763,776,399	36,962	6.5%	1,532,137	4.87%
2013	75,126	2,824,096,775	37,591	6.2%	1,548,681	4.85%
2014	76,413	3,406,033,062	44,574	7.6%	1,578,891	4.83%
2015	75,961	3,092,904,037	40,717	5.1%	1,574,497	4.82%
2016	79,277	3,207,096,000	40,454	4.1%	1,627,865	4.87%
2017	79,928	3,423,524,000	42,832	3.6%	1,645,359	4.86%
2018	78,863	3,529,109,000	44,153	3.3%	1,660,202	4.75%

Source: California State Department of Finance



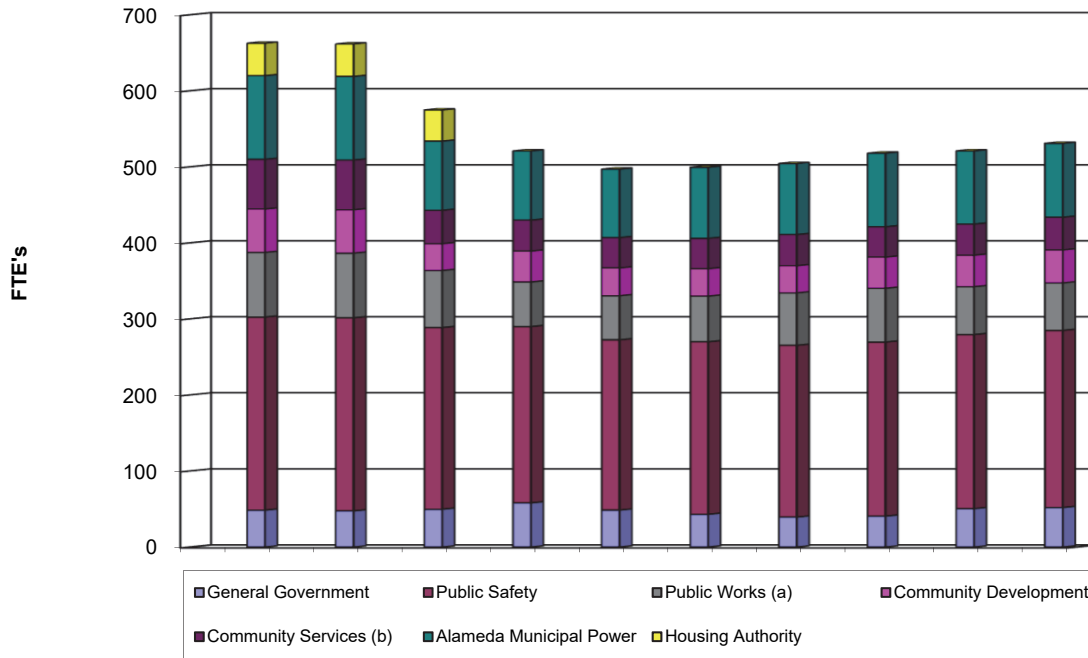
**City of Alameda
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2017-18</u>			<u>2008-09</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Penumbra, Inc	1,754	1	2.22%			
Alameda Unified School District	1,025	2	1.30%	1,068	2	1.39%
VF Outdoor	813	3	1.03%			
Alameda Hospital	754	4	0.96%	692	4	0.90%
Oakland Raiders	640	5	0.81%			
Abbott Diabetes Care Inc.	531	6	0.67%	900	3	1.17%
City of Alameda	531	6	0.67%	620	5	0.81%
U.S. Department of Transportation	440	8	0.56%			
Kaiser Foundation Health Plan	425	9	0.54%			
Cost Plus Corporate Headquarters	410	10	0.52%			
U.S. Coast Guard				2,200	1	2.86%
Wind River Systems				400	6	0.52%
Bay Ship and Yacht				370	7	0.48%
College of Alameda				358	8	0.47%
Safeway Stores				345	9	0.45%
Celera				330	10	0.43%
Subtotal	<u>7,323</u>		<u>9.29%</u>	<u>7,283</u>		<u>9.48%</u>
Total City Day Population	<u>78,863</u>			<u>76,824</u>		

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



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



	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function										
General Government	48.50	47.50	49.70	58.00	48.55	43.00	39.35	40.62	50.47	51.97
Public Safety	254.00	254.00	239.00	232.00	224.00	227.00	226.00	229.00	229.00	233.00
Public Works (a)	85.00	85.00	75.00	58.60	57.95	60.00	68.90	70.65	62.90	62.40
Community Development	57.00	57.00	35.20	40.60	36.50	36.00	35.75	41.00	41.38	43.38
Community Services (b)	65.50	65.50	44.00	40.75	40.00	40.00	41.00	39.98	41.00	43.00
Alameda Municipal Power	110.00	110.00	91.00	91.00	90.00	93.50	93.50	96.75	96.25	97.25
Housing Authority	42.70	42.70	41.00	(c)	(c)	(c)	(c)	(c)	(c)	(c)
Total	<u>662.70</u>	<u>661.70</u>	<u>574.90</u>	<u>520.95</u>	<u>497.00</u>	<u>499.50</u>	<u>504.50</u>	<u>518.00</u>	<u>521.00</u>	<u>531.00</u>

NOTE:

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

Source: City of Alameda



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

	2009	2010	2011	2012
General Information				
Area in square miles	22.7	22.7	22.7	22.7
Number of registered voters	42,547	42,547	41,665	42,547
Number of Hospitals	1	1	1	1
Education:				
Student enrollment	9,770	8,704	8,704	8,704
Elementary schools	10	10	10	10
Junior high schools	3	3	3	3
High schools	3	4	4	4
Continuation schools	1	1	1	1
Independent study	1	1	1	1
Teachers (full & part time)	638	628	628	628
Function/Program				
Fire:				
Fire calls for service	4,360	6,100	6,100	6,100
Primary fire inspections conducted	2,485	1,991	1,991	1,991
Police:				
Police calls for Service	69,061	65,963	65,963	65,963
Law violations:				
Part I and Part II crimes	5,705	5,141	5,141	5,141
Physical arrests (adult and juvenile)	3,461	3,103	3,103	3,103
Traffic violations	12,265	12,000	12,000	12,000
Sewer				
Storm drain inlets	2,280	2,300	2,300	2,300
Sewer service connections	30,525	20,590	20,590	20,590
Solid Waste				
Refuse Landfill (tons per year)	31,485.53	33,280.00	33,280.00	33,280.00
Recyclables Processed (tons per year)	18,864.14	17,777.00	17,777.00	17,777.00

2013	2014	2015	2016	2017	2018
22.7	22.7	22.7	22.7	22.7	22.7
44,444	44,271	44,006	46,055	48,074	47,367
1	1	1	1	1	1
10,836	8,975	9,552	9,455	9,481	9,502
11	10	10	10	10	9
3	2	2	2	2	4
4	4	3	3	4	4
1	1	1	1	1	1
1	1	1	1	1	1
381	613	549	626	713	610
6,523	6,314	6,439	6,860	7,410	7,378
1,414	1,311	1,444	1,617	1,058	1,814
70,360	75,920	69,347	74,517	67,832	68,074
4,582	4,957	4,383	4,494	4,638	5,133
2,396	2,583	2,332	2,127	2,024	1,674
28,793	10,754	8,507	8,334	9,058	7,807
2,300	2,951	2,951	2,951	2,951	2,951
20,590	19,432	19,454	19,454	19,454	19,454
31,181.00	26,298.98	26,139.00	28,742.07	28,420.00	27,170.35
18,240.00	10,682.52	22,859.00	17,016.32	24,303.00	24,736.97



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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Planning & Building:				
Number of Building Permits issued	5,231	4,575	4,575	4,575
Recreation and Parks:				
Youth & Teens:				
Number of youth programs	148	151	151	151
Number of youth attendees	29,596	153,056	153,056	153,056
Seniors:				
Number of senior programs	110	114	114	114
Number of senior attendees	151,065	153,056	153,056	153,056
Number of meals served	9,512	9,672	9,672	9,672
Number of Mastick Senior Center attendees	151,065	153,056	153,056	153,056
Library:				
Volumes in Collection (thousands)	200	216	216	216
Total Volumes Borrowed (thousands)	591	630	630	630
Finance:				
Number of Business Licenses issued	9,462	8,638	8,638	8,638
Alameda Municipal Power:				
Number of electric customers	34,272	34,231	34,231	34,231
Number of kilowatt hours sold	387,847,929	383,119,780	383,119,780	383,119,780
Reliability rate	99.99	99.99	99.99	99.99
Number of telecom customers	- (b)	- (b)	- (b)	- (b)

Source: City of Alameda

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

2013	2014	2015	2016	2017	2018
4,314	4,286	4,038	4,018	3,677	3,832
239	251	278	277	268	299
146,191	34,121	32,259	29,920	22,603	23,750
125	144	164	177	216	233
145,795	144,607	148,520	137,143	136,092	131,213
7,053	6,860	6,620	3,021	5,340	5,963
145,795	144,607	148,520	137,143	136,092	131,213
211	211	214	215	219	219
550	510	476	456	392	424
8,700	5,563	5,553	5,169	6,068	6,948
34,338	34,482	34,525	34,494	34,648	34,799
373,787,288	353,913,305	342,202,785	348,819,863	343,765,738	335,025,906
99.99	- (c)	- (c)	- (c)	- (c)	- (c)
- (b)	- (b)	- (b)	- (b)	- (b)	- (b)



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

	2009	2010	2011	2012
Function/Program				
Fire:				
Fire stations	4	3	3	3
Police:				
Police stations	1	1	1	1
Public works:				
Miles of streets	141	141	141	141
Miles of bike lanes	15	15	15	15
Street and parking lot fixtures				
Traffic Signals	78	78	78	78
Wastewater				
Miles of sanitary sewers	165	165	165	165
Miles of storm sewers	41	41	41	41
Recreation and Parks:				
City parks	32	32	32	32
City parks acreage	156	156	156	156
Playgrounds	11	13	13	13
City trails/Bike paths	13	13	13	13
Community centers	13	13	13	13
Senior centers	1	1	1	1
Swimming pools (a)	5	5	5	5
Tennis courts (b)	19	19	19	19
Baseball/softball diamonds	15	18	18	18
Soccer/football fields (c)	3	3	3	3
Library:				
City Libraries	3	3	3	3
Alameda Municipal Power:				
Miles of lines	257	257	257	257
Street lights	6,440	6,069	6,069	6,069

Source: City of Alameda

NOTE: (a) Owned by Alameda Unified School District but operated jointly by City and District
 (b) 16 courts are owned by the City
 (c) 1 Dedicated soccer field in City Parks with one not owned by City at Alameda Point
 (d) Street lights were transferred to Public Works per voter approval on November 2016 ballot

Fiscal Years

2013	2014	2015	2016	2017	2018
4	4	4	4	4	4
1	1	1	1	1	1
145	140	140	138	120	125
15	13	15	15	26	28
82	87	87	87	86	87
165	150	150	143	143	142
41	70	70	70	126	126
33	33	32	32	32	32
155	155	152	152	152	152
7	7	12	12	12	12
13	13	13	13	13	13
13	13	13	13	13	13
1	1	1	1	1	1
5	5	2	2	2	2
19	19	16	16	16	16
18	18	18	18	18	18
3	3	3	3	3	3
3	3	3	3	3	3
259	260	263	263	264	273
5,593	5,372	5,441	5,470	5,470	(d)

