

# **City of Alameda California**



## **Comprehensive Annual Financial Report**

**For The Fiscal Year  
Ended June 30, 2011**



**CITY OF ALAMEDA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**PREPARED BY THE**  
**FINANCE DEPARTMENT**





City of Alameda

People and Places in the City

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# INTRODUCTORY SECTION

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City of Alameda

People and Places in the City





City of Alameda, California

Comprehensive Annual Financial Report  
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**City of Alameda**  
**Finance Department**  
**2263 Santa Clara Avenue, Room 220**  
**Alameda, California 94501**  
**(510) 747-4881**

December 5, 2011

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 ended June 30, 2011. The information in this Comprehensive Annual Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and includes an unqualified opinion on the report by the City's independent certified public accountants. Although we rely on the standards and expertise of these external authorities, the responsibility for the accuracy and fairness of this report rests with the City Management.

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

### **City Profile**

The City was incorporated in 1854 and is located in Alameda County, a growing region in the eastern portion of the San Francisco Bay Area. The City has a permanent staff of approximately 562 City employees (including the Alameda Housing Authority and Alameda Municipal Power) and serves approximately 74,000 residents in a land area of 19.45 square miles.

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 the annual budget, appointing commissions and committees, and hiring the City Manager, City Attorney and City Clerk. The City Manager is responsible for implementing the Council's policies, overseeing the day-to-day operations of the City, and appointing the directors of the City's departments.



City departments and areas of responsibility comprise of the following:

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

*Administrative Services* includes Finance and Human Resources.

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

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



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

*Public Services* includes Engineering, Transportation Operations, Building/Street Maintenance, Fleet Maintenance, as well as Storm Drains and Sewer Maintenance.

The City also oversees the Community Improvement Commission and Alameda Reuse and Redevelopment Authority, both of which have been incorporated into this CAFR. The City does not provide water utilities; these services are provided by a separate special district.

### **Economic Condition and Outlook**

The City has continued to focus on the long-term benefits of recruiting consumer retail uses to complement its residential communities, and strive for a jobs-housing balance. During the past four years, however, the local, regional and statewide business economies have stagnated and have been significantly impacted by a decline in the real estate and investment markets. Residential home values and related sales continued to decline during Fiscal Year (FY) 10-11. Future forecasts project minimal growth during the next several fiscal years, based upon a delayed recovery of the business economy.

In spite of the effects of the economy, the City is able to maintain General Fund reserves at the City Council's established level of 20% of expenditures, and present a balanced budget for the General Fund for FY 11-12. This has been achieved through a combination of structural budget reductions, use of one-time funds, and the use of a small portion of available General Fund reserves. Unfortunately, the City's difficult fiscal challenges do not end with the passage of the FY 11-12 budget. Thus, as part of the budget study sessions for FY 11-12, the City Council directed staff to immediately begin working on steps to tackle the structural deficits that the City will be facing in FY 12-13 and beyond. As part of this process, the City Council directed staff to begin negotiations with employee bargaining units regarding such cost-saving measures as furloughs; cost-sharing for Public Employees Retirement System (PERS) retirement, health premiums, and other benefits; a cap on City Other Post-Employment Benefits (OPEB) contributions for future retirees, and a two-tier system for future employees for PERS, health, and OPEB, and reductions in pay and staffing.



On the revenue side, the City will implement the results from a fee and cost allocation study that the Finance Department will conduct during FY 11-12. Staff will also hire a professional polling firm to conduct a survey of residents to determine their willingness to support various types of revenue ballot measures, including increases in sales and property taxes, transient occupancy and property transfer taxes, utility user taxes, and business license taxes.

### **Accounting System And Budgetary Control**

Note 1 in the Basic Financial Statements provides a detailed explanation of the City's significant accounting policies. Internal accounting controls are designed to provide reasonable assurance regarding safeguarding of assets against loss, accuracy and reliability of accounting data, and adherence to prescribed policies. The concept of reasonable assurance recognizes that the cost of a

control measure should not exceed benefits likely to be derived and that the evaluation of costs and benefits require estimates and judgments by management.

Each year, departments work with the City Manager and Finance departments to submit operating budget requests for the next fiscal year. The City Manager and Assistant City Manager then make recommendations to the City Council regarding the budget for the next fiscal year. After public discussion and evaluation of their recommendations, the City Council adopts the budget for the next fiscal year.

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 generally accepted accounting principles (GAAP). Any amendments to the total level of appropriations for a fund or transfers between funds must be approved by the City Council.

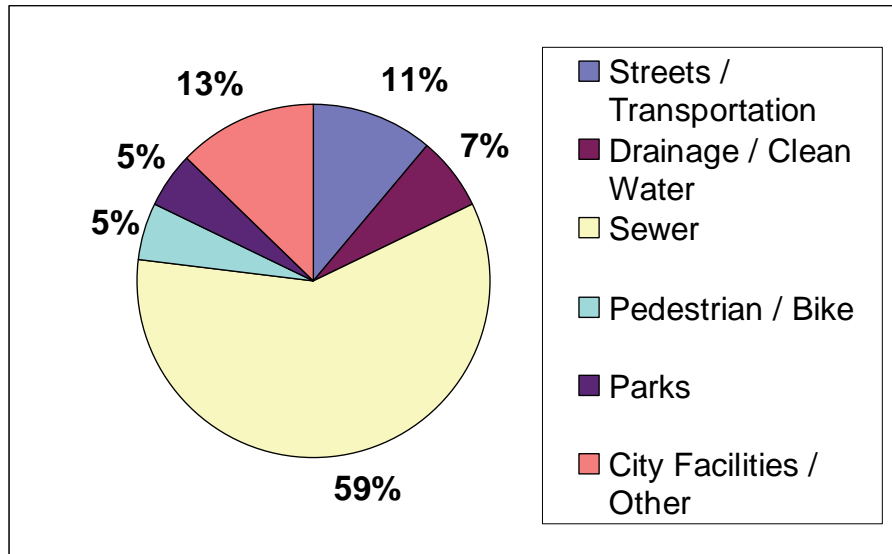
### **Major Initiatives and Projects**

As part of the budget preparation process, the City Council adopts goals and objectives for the next year 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 both Fiscal Year 2011-12 and 2012-13:

- Continue to focus on the redevelopment of Alameda Point.
- Implement a revised cost allocation and fee study.
- Work to transition the Chuck Corica Golf Complex from a City operated facility to a facility operating under a long-term lease with a private golf management company.
- Conduct and complete negotiations for fiscally responsible successor agreements with labor organizations whose contracts have or will soon expire.
- Implement a number of facility improvements through the use of Measure WW Bond Act funds.
- Provide funding and technical assistance through the Commercial Façade Assistance Program to approximately 20 businesses to revitalize the City's historic commercial districts.
- Develop solutions to enhance emergency medical service delivery within the city.
- Increase efforts in traffic enforcement to reduce the number of pedestrian-related accidents.



Public Works is recommending capital projects totaling approximately \$13 million and maintenance projects totaling approximately \$4 million for FY 11-12, which include a variety of street, building, sewer, park, and traffic projects, as summarized on the graph on the next page. The majority (59%) of the costs of the capital projects relate to sewer improvements required as a result of new wet weather sewer overflow mandates and Clean Water Permit requirements. The General Fund is scheduled to contribute over \$1 million during FY 11-12 towards these capital and maintenance programs.



The Capital Improvement Section of the budget provides additional details regarding the projects to be funded in FY 11-12.

### 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, 2010. This was the 21st 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 2012 and 2013. In order to qualify for the Award, the City's budget document had to meet specific criteria as a policy document, a financial plan, an operations guide and a communications device.

This CAFR was prepared by the City's Controller and the Finance Department staff. This report is representative of the staff's ongoing commitment to provide excellent services and products to Alameda citizens. Thanks are also extended to the independent auditors of Maze and Associates for their review of this report, and to the City Council, City Manager, City Treasurer and City Auditor for their stewardship and commitment to assist in ensuring the long-term fiscal health of the City.

Respectfully submitted,

Lisa K. Goldman  
Assistant City Manager





## City Council

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Marie Gilmore  
Mayor



Rob Bonta  
Vice Mayor



Doug deHaan  
Council member



Beverly Johnson  
Council member



Lena Tam  
Council member



# City of Alameda Budget and Forecast

## Principal Officers

### ELECTED OFFICIALS



Kevin Kearney, City Auditor



Kevin Kennedy, City Treasurer

### CHARTER OFFICERS

City Manager, John A. Russo  
Acting City Attorney, Donna Mooney  
City Clerk, Lara Weisiger

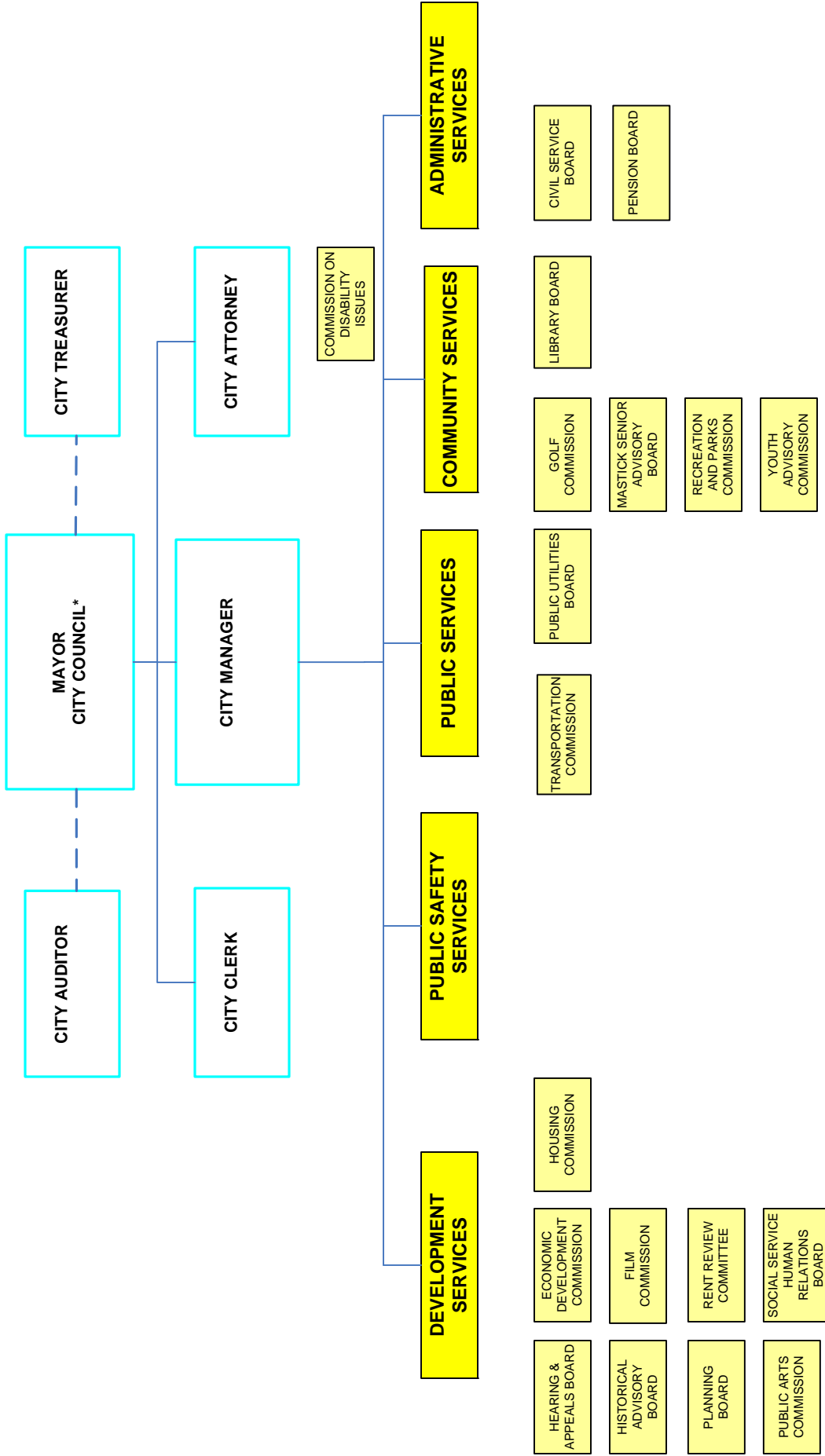
### EXECUTIVE MANAGEMENT TEAM

Assistant City Manager, Lisa K. Goldman  
Deputy City Manager, Alex Nguyen

Chief Operating Officer, Alameda Point – Jennifer Ott  
Community Development Director, Lori Taylor  
Fire Chief, Mike D'Orazi  
Human Resources Director, Karen Willis  
Library Director, Jane Chisaki  
Police Chief, Michael Noonan  
Public Works Director, Matthew T. Naclerio  
Recreation and Park Director, Dale Lillard

Executive Director, Housing Department, Michael T. Pucci  
General Manager, Alameda Municipal Power, Girish Balachandran

# City of Alameda

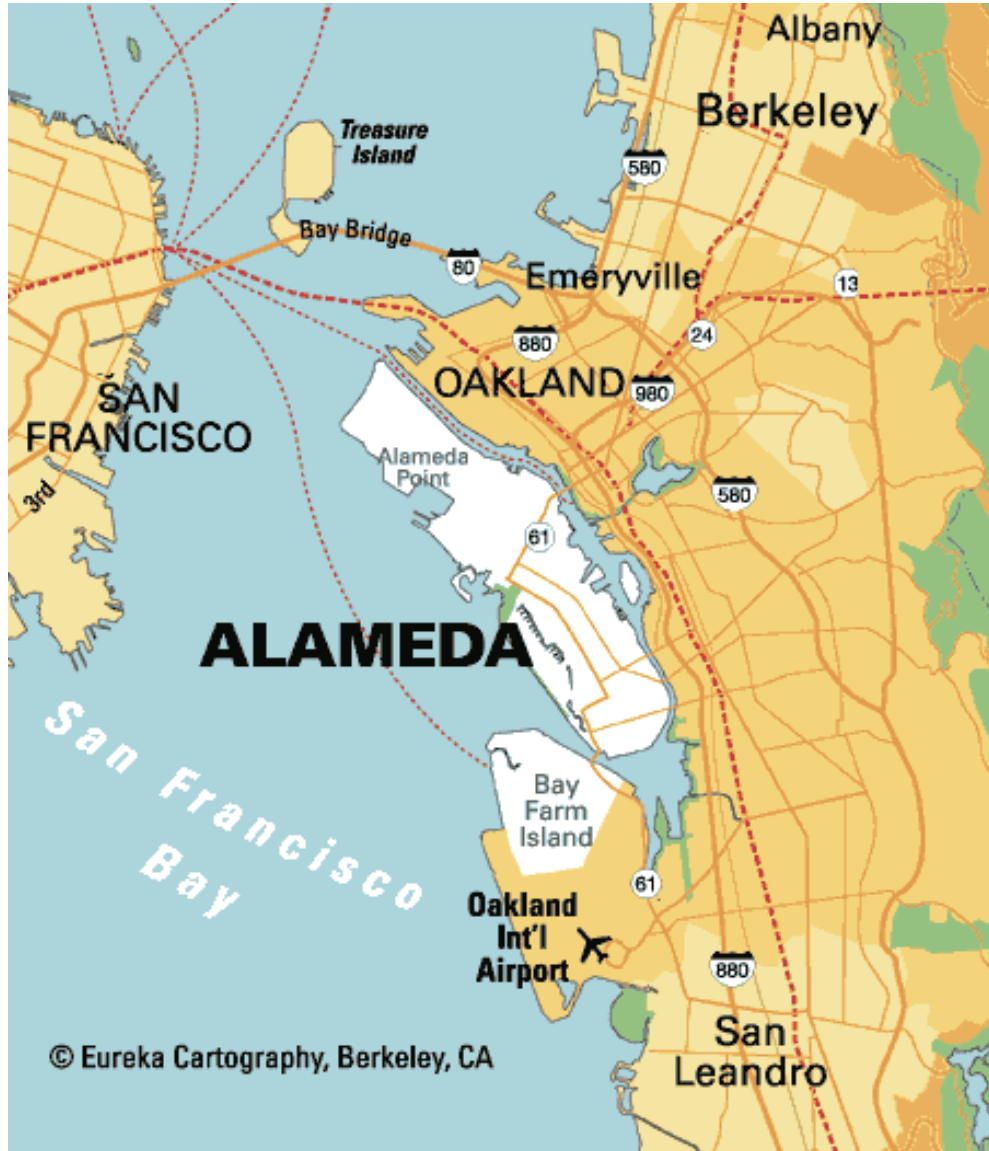


\*Alameda Reuse & Redevelopment Authority (ARRA)  
 \*Community Improvement Commission (CIC) and  
 \*Housing Authority Board of Commissioners (HABOC)





# CITY OF ALAMEDA, CALIFORNIA REGIONAL MAP



# 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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



# City of Alameda

## People and Places in the City

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# FINANCIAL SECTION

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City of Alameda

People and Places in the City

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the City Council, and City Auditor of the  
 City of Alameda,  
 Alameda, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alameda, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the following component-unit financial statements. These component-unit financial statements were audited by other auditors, whose reports thereon have been furnished to us. Our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of these other auditors.

	Represent Percentage of Total Amounts			
	Assets	Capital Assets	Long-term Obligations	Revenue
Blended Component Units:				
Community Improvement Commission of the City of Alameda	8%	5%	42%	7%
Alameda Reuse and Redevelopment Authority	13%	18%	7%	5%
Discretely Presented Component Units:				
Housing Authority of the City of Alameda	7%	8%	10%	15%
Alameda Municipal Power	16%	10%	18%	22%

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for 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 as to whether the basic financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the basic financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alameda, California at June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 15 to the financial statements the State of California adopted ABx1 26 in June 2011, which suspends all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies effective October 1, 2011. The State simultaneously adopted ABx1 27 which allows redevelopment agencies to avoid dissolution by opting into an "alternative voluntary redevelopment program" requiring specified substantial annual contributions to local schools and special districts. However, on August 11, 2011, the California Supreme Court issued a partial stay of ABx1 26 and a full stay of ABx1 27, but the partial stay did not include the section of ABx1 26 that suspends all new redevelopment activities. The activities of the Commission are included in the Community Improvement Commission Special Revenue Fund, Community Improvement Commission Debt Service Fund and Community Improvement Commission Capital Projects Fund of these financial Statements.

As of July 1, 2010, the City adopted the provisions of Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. As discussed in Note 8 to the financial statements, the provisions of this statement affect the classification of fund balances reported in the financial statements.

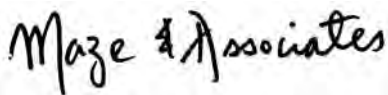
As discussed in Note 13 to the financial statements, the ferry service of the City of Alameda was transferred to the San Francisco Bay Area Water Emergency Transportation Authority on April 29, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2011, on our consideration of the City of Alameda'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Alameda. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section listed in the table of contents were not audited by us and we do not express an opinion on this information.

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

November 29, 2011



## City Of Alameda, California Management's Discussion And Analysis For The Fiscal Year Ended June 30, 2011

This management overview and analysis of the City's financial activities and performance is being presented for the fiscal year ended June 30, 2011. The information presented herein should be considered in conjunction with that presented in the Transmittal Letter contained within the Introductory Section of this report, and the Basic Financial Statements for the City.

### **Overview of the City's Financial Statements**

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

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



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

### **Financial Highlights**

- The City had net assets at June 30, 2011, of \$334 million. Of this amount, \$39 million is unrestricted and represents assets available for future uses, including projected future equipment replacement needs and insurance claims. The balance relates to the City's investment in its fixed assets or is legally restricted for specific activities and projects.
- As of June 30, 2011, the City's governmental funds reported combined ending fund balances of \$105.3 million. Of the total fund balance, 79% of this amount is either restricted, committed or assigned, indicating it is not available for new expenditures as it has been legally committed to or otherwise set aside for future uses. The remaining amount constitutes fund balances accounted for in the City's General and other special funds, available for future programs, projects, and services, subject to any spending restrictions imposed by those funds.
- At the close of FY10-11, the General Fund fund balance was \$22.7 million. The City Council has established a policy for cash reserves at a minimum of 20% of General Fund expenditures for costs associated with economic and other uncertainties. At June 30, 2011, the unreserved, undesignated fund balance (i.e. available funds) is \$16.7 million.



## City of Alameda, California Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

### **Government-wide Financial Statements**

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

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

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

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

*Business-type Activities* – includes the golf complex, the sewer system and the ferry service, where fees for service principally finance the activity. Note that the ferry service was transferred to another governmental entity during Fiscal Year 2010-11, as described in more detail in the notes to the financials.

*Discretely Presented Component Units* – such as the Housing Authority and Alameda Municipal Power, are legally separate reporting entities, but are important because the City is financially accountable for these entities.



### **Fund Financial Statements**

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

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financial requirements.



## City of Alameda, California Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist the reader with this comparison between governmental funds and governmental activities.

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

- General Fund
- Community Improvement Commission (CIC) Special Revenue Fund
- FISC Lease Revenue
- Alameda Reuse and Redevelopment Authority
- Housing Special Revenue
- Capital Improvement Projects



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

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

*Proprietary funds.* The major proprietary funds the City uses are Golf Course, Sewer Services and Ferry Services. These are used to account for activities financed and operated in a manner similar to a private enterprise. Proprietary funds provide the same type of information as the government-wide financial statements, but with more detail.

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

### **Government Activities Financial Analysis**

Net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$334.3 million at the close of FY10-11, a decrease of \$7.1 million or 2% from FY09-10. Information on net assets is presented in the summary table on the following page:





**City of Alameda, California  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**June 30, 2011 and 2010  
(000's)**

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current / Other Assets	146,042	132,571	\$19,711	\$19,202	\$165,753	\$151,773
Capital Assets	289,648	286,911	45,700	52,191	335,348	339,102
<b>Total Assets</b>	<b>\$435,690</b>	<b>\$419,482</b>	<b>\$65,411</b>	<b>\$71,393</b>	<b>\$501,101</b>	<b>\$490,875</b>
Long-term Liabilities	115,690	108,935	6,242	7,059	121,932	115,994
Other Liabilities	44,199	32,584	685	866	44,884	33,450
<b>Total Liabilities</b>	<b>\$159,889</b>	<b>\$141,519</b>	<b>\$6,927</b>	<b>\$7,925</b>	<b>\$166,816</b>	<b>\$149,444</b>
Net Assets:						
Invested in Capital Assets, Net of Debt	173,957	179,200	39,458	45,132	213,415	224,332
Restricted	81,526	80,875			81,526	80,875
Unrestricted	20,319	17,888	19,026	18,336	39,345	36,224
<b>Total Net Assets</b>	<b>\$275,802</b>	<b>\$277,963</b>	<b>\$58,484</b>	<b>\$63,468</b>	<b>\$334,286</b>	<b>\$341,431</b>

The largest portion of the City's net assets (64%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to the community. Net assets invested in capital assets, net of debt, decreased less than 1% during the year.

The amount of net assets invested in capital assets, net of related debt, is reported as a distinct component of net assets because this amount is not available for future spending. In addition, although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, because the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets, that portion of the City's net assets (25%) subject to restrictions on how they may be used, increased \$507,000 this year. Unrestricted net assets, the portion of the City's net assets (11%) available for use, increased \$3.3 million this year.

Other liabilities increased a total of \$17.3 million, largely due to the increase recognized in Other Post Employment Benefits (OPEB) obligations related to the future payment of retiree health care costs, and an increase in pass-through obligations of tax increment revenue of the Community Improvement Commission. The City's total net assets decreased less than 2% for the year.



**City of Alameda, California**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**

Summary of Changes in Net Assets  
 June 30, 2011 and 2010  
 (dollars in thousands)

	Governmental Activities		Business-Type		Totals	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Services	\$28,319	\$28,184	\$10,483	\$9,837	\$38,802	\$38,021
Operating Grants & Contributions	7,828	7,402	2,418	2,245	10,246	9,647
Capital Grants and Contributions	5,578	6,704			5,578	6,704
General Revenues						0
Property Taxes	30,205	30,780			30,205	30,780
Incremental Property Taxes	11,869	11,632			11,869	11,632
Special Assessments	1,887	1,898			1,887	1,898
Sales Taxes	5,077	4,880			5,077	4,880
Utility Users Tax	9,182	8,822			9,182	8,822
Other Taxes	13,918	12,305			13,918	12,305
Motor Vehicle in Lieu Fees	6,120	6,042			6,120	6,042
Investment Earnings	5,059	3,836	398	348	5,457	4,184
Other	6,507	741	420	286	6,927	1,027
Total Revenues	<u>\$131,549</u>	<u>\$123,226</u>	<u>\$13,719</u>	<u>\$12,716</u>	<u>\$145,268</u>	<u>\$135,942</u>
Expenses						
General Government	\$10,498	\$15,457			\$10,498	\$15,457
Police Services	26,854	25,669			26,854	25,669
Fire Services	24,532	22,861			24,532	22,861
Public Works	17,323	10,940			17,323	10,940
Community Development	25,148	20,378			25,148	20,378
Community Services	9,262	8,749			9,262	8,749
Housing	7,925	7,976			7,925	7,976
Interest on Long-Term Debt	5,148	5,765			5,148	5,765
Ferry Services			3,358	4,201	3,358	4,201
Golf Course			3,688	3,915	3,688	3,915
Sewer Services			4,599	4,359	4,599	4,359
Total Expenses	<u>\$126,690</u>	<u>\$117,795</u>	<u>\$11,645</u>	<u>\$12,475</u>	<u>\$138,335</u>	<u>\$130,270</u>
Change in Net Assets Before Transfers	\$4,859	\$5,431	\$2,074	\$241	\$6,933	\$5,672
Transfers, Net	-1,628	-1,115	1,628	1,115	0	0
Change, Net	3,231	4,316	3,702	1,356	6,933	5,672
Beginning Net Assets	277,963	272,517	63,468	62,112	341,431	334,629
Transfer to Other Governments			-8,686		-8,686	0
Restatement	-5,392	1,130			-5,392	1,130
Ending Net Assets	<u>275,802</u>	<u>277,963</u>	<u>58,484</u>	<u>63,468</u>	<u>334,286</u>	<u>341,431</u>



**City of Alameda, California  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

Decreases in charges for services of \$2.7 million (7%), CIC property tax increment of \$3.7 million (24%), and investment earnings of \$2.1 million (28%), contributed to an overall decrease in revenues. Program expenses decreased overall by \$2.9 million (2%).

**Fiscal Year 2010-2011**

(dollars in thousands)

	<u>Expense</u>	<u>Revenue</u>	<u>Net Difference</u>
General Government	\$10,498	\$8,450	(\$2,048)
Police	26,853	\$1,794	(\$25,059)
Fire	24,532	\$2,767	(\$21,765)
Public Works	17,323	\$13,293	(\$4,030)
Community Development	25,149	\$9,404	(\$15,745)
Community Services	9,262	\$3,703	(\$5,559)
Housing	7,925	\$2,312	(\$5,613)
Interest on Long-Term Debt	5,148	\$0	(5,148)
	<u>\$126,690</u>	<u>\$41,723</u>	<u>(\$84,967)</u>

**Revenues by Source - Governmental Activities**

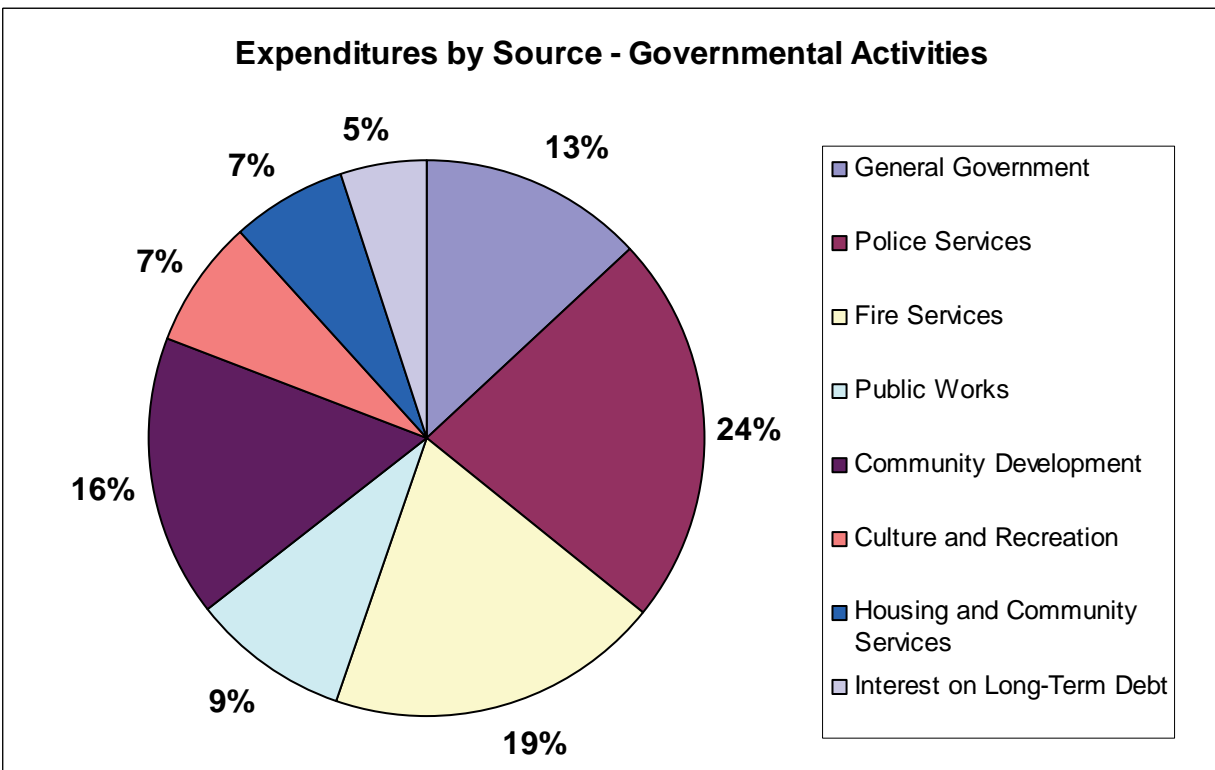
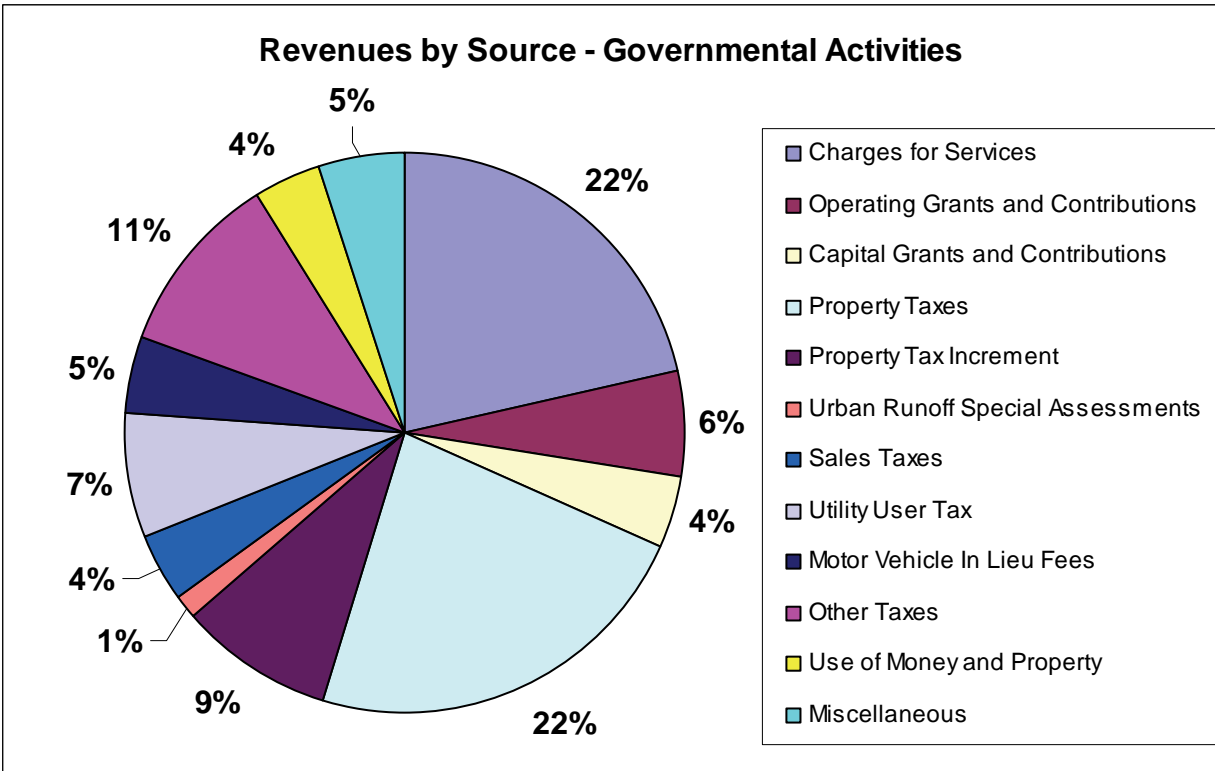
(dollars in thousands)

	<u>2011</u>	<u>2010</u>	<u>Difference</u>
Charges for Services	\$28,319	\$28,185	\$134
Operating Grants and Contributions	7,828	7,401	427
Capital Grants and Contributions	5,578	6,704	(1,126)
Property Taxes	30,205	30,780	(575)
Property Tax Increment	11,869	11,631	238
Urban Runoff Special Assessments	1,887	1,898	(11)
Sales Taxes	5,077	4,880	197
Utility User Tax	9,182	8,822	360
Motor Vehicle In Lieu Fees	6,120	6,042	78
Other Taxes	13,918	12,305	1,613
Use of Money and Property	5,059	3,836	1,223
Miscellaneous	6,507	742	5,765
	<u>\$131,549</u>	<u>\$123,226</u>	<u>\$8,323</u>





**City of Alameda, California  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**





**City of Alameda, California  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Business-type Activities Financial Analyses**

These activities increased the City's net assets by \$5 million overall. Key elements of this overall increase are as follows:

*Ferry Services.* Grants and transfers of \$3.6 million comprise the major funding for ferry services. Including other miscellaneous income, total revenues and transfers in for Ferry Services were \$3.7 million for the fiscal year. Operating expenses, including depreciation, totaled \$3.4 million. The City transferred ownership of the ferry services to the Water Emergency Transportation Authority (WETA) during FY10-11.

*Golf Course.* Net assets of the Golf Course Fund at June 30, 2011, were \$4.1 million, comprised of capital assets, net of related debt of \$3.3 million, and unrestricted assets of \$815,000 available to fund operations and improvements to the golf complex. Golf Course revenues totaled \$3.8 million, generated primarily from user fees. Operating expenses totaled \$3.7 million including depreciation. The Fund transferred \$0.1 million to the General Fund and Internal Service Funds for services provided, resulting in no change in net assets.



*Sewer Services.* Net assets of the Sewer Service Fund at June 30, 2011, were \$54 million, consisting primarily of net assets invested in capital assets, net of related debt of \$36.1 million. The remaining \$18.2 million includes a \$3 million advance for a capital improvement balance and the remaining balance of \$15.2 million, which is available to fund operations and future sewer related improvement and maintenance projects. The Sewer Services fund generated income and transfers in of \$8.2 million and incurred \$4.9 of expenditures for a net increase in assets of \$3.3 million.

**Expense and Program Revenue**

**Business-type Activity**

**Fiscal Year 2010-2011**

(dollars in thousands)

	Revenue	Expense	Difference
Ferry Services	\$3,780	\$3,357	\$423
Golf Course	3,839	3,834	\$5
Sewer Services	8,246	4,971	\$3,275
	<u>\$15,865</u>	<u>\$12,162</u>	<u>\$3,703</u>

**Revenues by Source**

**Business-type Activities**

(dollars in thousands)

	2011	2010	Difference
Charges for Services	\$10,483	\$9,837	\$646
Operating Grants and Contributions	2,418	2,245	\$173
Unrestricted Investment Earnings/Rents	448	348	\$100
Miscellaneous Revenues	370	285	\$85
	<u>\$13,719</u>	<u>\$12,715</u>	<u>\$1,004</u>





## City of Alameda, California Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

### **Financial Analysis of the Government's Funds**

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

**Governmental Funds.** The focus of the City of Alameda's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Alameda's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for expenditures at the end of the fiscal year.



As of June 30, 2011, the City of Alameda's governmental funds reported combined ending fund balances of \$105.3 million, an increase of \$3.5 million from the prior fiscal year. Approximately \$17 million or 16% of the combined ending fund balance constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remaining balance is either *restricted*, *committed* or *assigned* to indicate that it is *not* available for new spending because it has been committed to liquidate contracts and purchase orders from the prior fiscal period; pay debt service; or fund future uses.

The General Fund is the chief operating fund of the City. At June 30, 2011, unreserved, undesignated fund balance (cash reserve) of the General Fund was \$16.7 million; the total fund balance, including restricted, committed and assigned resources, was \$22.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24% of total General Fund expenditures and transfers. The fund balance of the City of Alameda's General Fund increased approximately \$1 million from the prior fiscal year (6%), due to one-time property transfer taxes received from the sale of a local shopping center by a private developer.

The Community Improvement Commission Special Revenue Fund had a restricted fund balance of \$5.6 million. Fund balance decreased \$2.8 million during the year, primarily as of result of expenditures for development services, housing, and pass-through obligations to other governmental agencies.

The FISC Lease Revenue Special Revenue Fund had a restricted fund balance of \$1.0 million at June 30, 2011. Fund balance decreased \$.1 million primarily due to one-time expenditures incurred in the project area.

The Alameda Reuse and Redevelopment Authority Special Revenue Fund had a restricted fund balance of \$7.2 million at June 30, 2011. Fund balance decreased \$.4 million primarily due to one-time expenditures incurred in the project area.

The Housing Special Revenue Fund had a committed fund balance of \$2.0 million at June 30, 2011. Fund balance decreased \$.6 million primarily due to one-time expenditures incurred for affordable housing projects.



**City of Alameda, California  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

The Capital Improvement Projects Capital Project Fund has a total fund balance of \$7.1 million as of June 30, 2011, all committed for current and future capital projects. The fund incurred \$10.2 million for capital projects during FY10-11, including the following:

- Stargell Extension
- Traffic Sign LED Replacement
- Park Street Streetscape Phase 2
- Bay Farm Island Storm Drain Upgrade
- Southshore Lagoon Dredging
- Krusi Park
- Sewer Infrastructure Improvements
- Harbor Bay Barge Replacement
- Street Resurfacing



**Proprietary Funds.** The City of Alameda's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets at June 30, 2011, are as follows by fund: Ferry, \$0; Golf, \$.8 million, Sewer, \$18.2 million.

**Internal Service Funds.** The Internal Service Funds net asset deficit reflects the Risk Management and Workers' Compensation Insurance Funds' future claims liabilities maturing in five to ten years. Other Internal Service Funds have net assets to partially offset these deficits.

Unrestricted net assets (deficits) at June 30, 2011, are as follows by fund (reported in thousands):

<u>Internal Service Fund</u>	<u>Net Assets</u>
Equipment Replacement	3,007
Central Services	40
Fleet Maintenance	88
Technology Services	746
Facilities Maintenance	294
Worker's Compensation Insurance	(5,461)
Risk Management Insurance	(384)
Unemployment Insurance	4
OPEB	-



**City of Alameda, California  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011**

**Capital Assets and Long Term Debt**

*Capital Assets*

The City of Alameda's investment in capital assets for its governmental and business-type activities as of June 30, 2011, totals \$335 million (net of accumulated depreciation), a decrease of approximately \$3 million from the prior period. Investment in capital assets includes land, buildings and systems improvements, machinery and equipment, sewer lines, golf improvements, park facilities and streets. The ferry boats held by the City during FY09-10 were transferred to the Water Emergency Transportation Authority (WETA), as described in additional detail in Note 5 of this report. Additional information about the City's capital assets can be found in Note 5 of this report.

**Capital Assets (net of depreciation)  
(dollars in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land	\$5,871	\$5,871	\$177	\$177	\$6,048	\$6,048
Buildings and systems	156,965	159,792	869	886	157,834	160,678
Infrastructure	64,592	64,250	41,597	42,777	106,189	107,027
Construction in progress	55,977	50,145	2,728	134	58,705	50,279
Machinery and equipment	6,242	6,852	329	154	6,571	7,006
Ferry Boats				8,063		8,063
<b>Total</b>	<b>\$289,647</b>	<b>\$286,910</b>	<b>\$45,700</b>	<b>\$52,191</b>	<b>\$335,347</b>	<b>\$339,101</b>

*Long-term Debt*

At June 30, 2011, the City had \$122 million in outstanding debt, including \$74.3 million in tax allocation bonds issued for redevelopment purposes, \$12.5 million in Certificates of Participation, and \$9.4 million in General Obligation Bonds.

The City's total debt increased \$6 million during FY10-11. The CIC issued \$11 million of tax allocation bonds, in addition to bond repayments totaling \$5 million. The schedule below is a summary schedule of outstanding debt as of June 30, 2011.



**Outstanding Debt  
(dollars in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Certificates of Participation	\$12,470	\$13,305	\$2,465	\$2,755	\$14,935	\$16,060
Revenue Bonds	12,300	13,745			12,300	13,745
Tax Allocation Bonds	74,255	64,685			74,255	64,685
General Obligation Bonds	9,375	9,580			9,375	9,580
HUD Section 108 Loan	6,691	6,848			6,691	6,848
Other Long Term Obligations	600	772	3,777	4,304	4,377	5,076
<b>Total</b>	<b>\$115,691</b>	<b>\$108,935</b>	<b>\$6,242</b>	<b>\$7,059</b>	<b>\$121,933</b>	<b>\$115,994</b>



## City of Alameda, California Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

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

### **Economic Outlook**

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

- At December 31, 2011, a number of the City's employment agreements for miscellaneous employees will expire. Negotiations are in progress, but there is no available projection on costs resulting from these negotiations. Outcomes of these negotiations are unknown at this writing.
- The City offers post-employment health benefits to its retirees. The type and value of this benefit is a bargained benefit. Miscellaneous employees receive the minimum payment required by the Public Employees Medical Coverage Health Agreement (PEMCHA); whereas public safety employees receive the full cost of the PEMCHA provided health insurance and dental insurance for retirees and spouses. The City had a third party prepare an actuarial study of these benefits and their future costs, which projected the City's future liability to be approximately \$86 million, based on a 4.5% return and a 30 year period. Should the City experience returns lower than 4.5%, this liability could rise in the future.
- Alameda Point and its final conveyance from the Navy to the City will have a positive impact on future economic development in the City. The timing of the development process, however, cannot be determined at this point.
- Note 15 to the financial statements discusses recent changes in California Legislation that could affect the continued existence of redevelopment agencies within the State, including the City's CIC.



### **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.cityofalamedaca.gov](http://www.cityofalamedaca.gov)). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Alameda, Attention: Finance Department, 2263 Santa Clara Avenue, Room 220, Alameda, California 94501.





**CITY OF ALAMEDA, California**  
**Statement of Net Assets**  
**and Statement of Activities**

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The Statement of Net Assets reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term obligations. The Statement of Net Assets summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City. This column is followed by two individual columns, which display each discretely presented component unit.

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

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

Both these Statements include the financial activities of the City, the blended component units: Community Improvement Commission of the City of Alameda, the Alameda Public Financing Authority, and the Alameda Reuse and Redevelopment Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for the activities of these entities. The balances and the activities of the discretely presented component units of Alameda Municipal Power and the Housing Authority of the City of Alameda are included in these statements as separate columns.





City of Alameda

People and Places in the City

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City of Alameda  
Statement of Net Assets  
June 30, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Housing Authority	Alameda Municipal Power
<b>ASSETS</b>					
Cash and cash equivalents (Note 2)	\$100,092,951	\$15,572,271	\$115,665,222	\$12,324,924	\$36,120,828
Restricted cash and investments (Note 2)	23,095,040	429,300	23,524,340	614,135	4,378,747
Accounts receivable	6,776,796	392,276	7,169,072	95,778	5,226,493
Interest receivable	445,236		445,236	12,734	26,504
Internal balances (Note 3)	(2,972,722)	2,972,722			
Due from other governments				527	
Loans receivable (Note 4)	17,882,544		17,882,544	243,109	65,300
Materials, parts and supplies		67,299	67,299	9,646	2,476,817
Prepays, deposits, bond discounts and issue costs	723,463	277,261	1,000,724	138,499	391,229
Share of certain NCPA projects and reserve (Note 12)					15,998,430
Capital assets (Note 5):					
Non-depreciable	61,848,698	2,905,116	64,753,814	13,412,054	1,873,134
Depreciable, net of accumulated depreciation	227,798,515	42,794,738	270,593,253	18,922,741	37,113,403
<b>Total Assets</b>	<b>435,690,521</b>	<b>65,410,983</b>	<b>501,101,504</b>	<b>45,774,147</b>	<b>103,670,885</b>
<b>LIABILITIES</b>					
Accounts payable	4,109,887	451,294	4,561,181	392	3,933,613
Accrued payroll	2,307,814	42,089	2,349,903	376,645	
Interest payable	1,104,186	77,062	1,181,248	665,658	798,352
Unearned revenue	993,552	27,262	1,020,814		
Refundable deposits	2,310,328		2,310,328	464,056	517,704
Due to other agencies	38,634		38,634		
Pass-through obligations	9,398,496		9,398,496		
Claims payable (Note 11):					
Due within one year	3,806,339		3,806,339		245,000
Due in more than one year	3,624,796		3,624,796		639,847
Compensated absences (Note 1H):					
Due within one year	2,750,703	87,797	2,838,500	67,059	627,221
Due in more than one year	1,485,068		1,485,068	88,893	16,312
Net pension obligation (Note 9)	548,000		548,000		
Net OPEB obligation, due in more than one year (Note 10)	11,720,533		11,720,533		
Long-term debt (Note 6):					
Due within one year	3,489,360	821,894	4,311,254	374,867	3,090,727
Due in more than one year	112,201,334	5,419,784	117,621,118	16,346,773	29,986,652
Purchased power balancing account (Note 1J)					12,396,276
<b>Total Liabilities</b>	<b>159,889,030</b>	<b>6,927,182</b>	<b>166,816,212</b>	<b>18,384,343</b>	<b>52,251,704</b>
<b>NET ASSETS (Note 8):</b>					
Invested in capital assets, net of related debt	173,956,519	39,458,176	213,414,695	15,613,155	30,928,840
<b>Restricted for:</b>					
Capital projects	25,075,126		25,075,126		
Debt service	10,423,665		10,423,665	2,267,987	
Redevelopment and housing	22,814,252		22,814,252		
Public safety	123,857		123,857		
Planning and building	1,110,053		1,110,053		
Recycling	4,615,100		4,615,100		
Culture and recreation	1,740,894		1,740,894		
Maintenance Assessment Districts	3,550,480		3,550,480		
Transportation	9,122,788		9,122,788		
Tidelands properties	2,205,286		2,205,286		
Other special purpose projects	744,185		744,185		
NCPA projects and reserve					4,378,747
<b>Total Restricted Net Assets</b>	<b>81,525,686</b>		<b>81,525,686</b>	<b>2,267,987</b>	<b>4,378,747</b>
Unrestricted	20,319,286	19,025,625	39,344,911	9,508,662	16,111,594
<b>Total Net Assets</b>	<b>\$275,801,491</b>	<b>\$58,483,801</b>	<b>\$334,285,292</b>	<b>\$27,389,804</b>	<b>\$51,419,181</b>

See accompanying notes to financial statements.



City of Alameda  
Statement of Activities  
For the year ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$10,498,198	\$8,378,706	\$71,687	
Police	26,854,488	1,248,344	519,171	\$27,776
Fire	24,532,288	2,203,063	563,356	
Public works	17,323,429	4,816,090	2,982,763	5,495,216
Community development	25,148,496	9,029,490	374,467	
Community services	9,262,175	2,643,386	1,005,079	55,470
Housing	7,925,272		2,311,417	
Interest on long-term debt	5,147,907			
<b>Total Governmental Activities</b>	<b>126,692,253</b>	<b>28,319,079</b>	<b>7,827,940</b>	<b>5,578,462</b>
Business-type Activities:				
Ferry services	3,357,896	222	2,417,804	
Golf course	3,688,399	3,546,251	435	
Sewer services	4,598,661	6,936,223		
<b>Total Business-type Activities</b>	<b>11,644,956</b>	<b>10,482,696</b>	<b>2,418,239</b>	
<b>Total Primary Government</b>	<b>\$138,337,209</b>	<b>\$38,801,775</b>	<b>\$10,246,179</b>	<b>\$5,578,462</b>
<b>Component Units:</b>				
Housing Authority	\$31,077,746	\$2,959,697	\$29,390,234	
Alameda Municipal Power	50,902,652	51,237,727		
<b>Total Component Units</b>	<b>\$81,980,398</b>	<b>\$54,197,424</b>	<b>\$29,390,234</b>	
General revenues:				
Taxes:				
Property taxes				
Property tax increment				
Urban runoff special assessments				
Sales taxes				
Utility users tax				
Transfer tax				
Franchise tax				
Transient occupancy tax				
Property tax in-lieu				
Other taxes				
Motor vehicle in-lieu, unrestricted				
Use of money and properties				
Miscellaneous				
<b>Total general revenues</b>				
Transfers (Note 3C)				
<b>Total general revenues and transfers</b>				
Change in Net Assets				
Special item:				
Transfers to other governments (Note 13)				
Beginning Net Assets, as restated (Note 16)				
Ending Net Assets				

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Assets Primary Government			Net (Expense) Revenue and Changes in Net Assets Component Units	
Governmental Activities	Business-type Activities	Total	Housing Authority	Alameda Municipal Power
(\$2,047,805)		(\$2,047,805)		
(25,059,197)		(25,059,197)		
(21,765,869)		(21,765,869)		
(4,029,360)		(4,029,360)		
(15,744,539)		(15,744,539)		
(5,558,240)		(5,558,240)		
(5,613,855)		(5,613,855)		
(5,147,907)		(5,147,907)		
<u>(84,966,772)</u>		<u>(84,966,772)</u>		
	(\$939,870)	(939,870)		
	(141,713)	(141,713)		
	2,337,562	2,337,562		
	<u>1,255,979</u>	<u>1,255,979</u>		
<u>(84,966,772)</u>	<u>1,255,979</u>	<u>(83,710,793)</u>		
			\$1,272,185	
				\$335,075
			<u>1,272,185</u>	<u>335,075</u>
30,205,060		30,205,060		
11,868,722		11,868,722		
1,886,557		1,886,557		
5,077,031		5,077,031		
9,182,248		9,182,248		
5,896,294		5,896,294		
4,451,081		4,451,081		
1,118,732		1,118,732		
1,255,240		1,255,240		
1,197,746		1,197,746		
6,120,156		6,120,156		
5,059,361	398,293	5,457,654	1,804,151	160,889
6,507,242	420,148	6,927,390	249,207	
<u>89,825,470</u>	<u>818,441</u>	<u>90,643,911</u>	<u>2,053,358</u>	<u>160,889</u>
<u>(1,628,137)</u>	<u>1,628,137</u>			
<u>88,197,333</u>	<u>2,446,578</u>	<u>90,643,911</u>	<u>2,053,358</u>	<u>160,889</u>
3,230,561	3,702,557	6,933,118	3,325,543	495,964
	(8,686,462)	(8,686,462)		
<u>272,570,930</u>	<u>63,467,706</u>	<u>336,038,636</u>	<u>24,064,261</u>	<u>50,923,217</u>
<u>\$275,801,491</u>	<u>\$58,483,801</u>	<u>\$334,285,292</u>	<u>\$27,389,804</u>	<u>\$51,419,181</u>





# City of Alameda

## People and Places in the City

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**City of Alameda, California  
Fund Financial Statements  
Major Governmental Funds**

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The funds described below were determined to be Major Funds of the City of Alameda in FY10-11. 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.

***Community Improvement Commission Project Area Special Revenue Fund***

This fund accounts for the general activities of the Commission (i.e. Redevelopment Agency) of the City of Alameda not accounted for in other funds.

***FISC Lease Revenue Special Revenue Fund***

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

***Alameda Reuse And Redevelopment Authority Special Revenue Fund***

This fund accounts for the general operating fund of the ARRA. It is used to account for all financial resources which are not accounted for in the other ARRA funds. The major revenue sources for this Fund are leasing activities revenues and grants. Expenditures are made for base reuse activities.

***Housing Special Revenue Fund***

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

***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, 2011

	General	Community Improvement Commission Special Revenue	FISC Lease Revenue Special Revenue	Alameda Reuse and Redevelopment Authority Special Revenue
<b>ASSETS</b>				
Cash and cash equivalents (Note 2)	\$16,593,282	\$16,236,905	\$2,024,793	\$9,428,977
Restricted cash and investments (Note 2)	6,000	3,339,086		
Accounts receivable	4,116,075	27,800		27,080
Interest receivable	444,877			
Due from other funds (Note 3A)	136,796			
Advances to other funds (Note 3B)	2,218,995			
Loans receivable (Note 4)	2,200,000	6,087,223		
Prepays and deposits	580,835			
<b>Total Assets</b>	<b>\$26,296,860</b>	<b>\$25,691,014</b>	<b>\$2,024,793</b>	<b>\$9,456,057</b>
<b>LIABILITIES</b>				
Accounts payable	\$971,111	\$285,207	\$9,625	\$684,391
Accrued payroll	1,721,524	23,860	4,175	33,005
Due to other funds (Note 3A)				
Due to other agencies	11,972			
Advances from other funds (Note 3B)		4,258,995	960,000	
Deferred revenue	637,850	6,087,223		
Pass-through obligations		9,398,496		
Refundable deposits	257,409	33,113	96,905	1,550,351
<b>Total Liabilities</b>	<b>3,599,866</b>	<b>20,086,894</b>	<b>1,070,705</b>	<b>2,267,747</b>
<b>FUND BALANCES (Note 8):</b>				
Nonspendable	4,999,830			
Restricted		5,604,120	954,088	7,188,310
Committed	400,000			
Assigned	603,629			
Unassigned	16,693,535			
<b>Total Fund Balances</b>	<b>22,696,994</b>	<b>5,604,120</b>	<b>954,088</b>	<b>7,188,310</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$26,296,860</b>	<b>\$25,691,014</b>	<b>\$2,024,793</b>	<b>\$9,456,057</b>

See accompanying notes to financial statements.

<u>Housing Special Revenue</u>	<u>Capital Improvement Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$2,040,789	\$6,831,865	\$40,560,119	\$93,716,730
19,142	574,576	19,175,378	23,095,040
	411,807	2,008,381	6,610,285
		359	445,236
			136,796
			2,218,995
9,595,321			17,882,544
		7,628	588,463
<u>\$11,655,252</u>	<u>\$7,818,248</u>	<u>\$61,751,865</u>	<u>\$144,694,089</u>
\$19,544	\$572,109	\$867,591	\$3,409,578
	80,887	369,510	2,232,961
		108,802	108,802
	2,855	23,807	38,634
			5,218,995
9,595,321	68,497	287,205	16,676,096
	38,246	334,304	9,398,496
			2,310,328
<u>9,614,865</u>	<u>762,594</u>	<u>1,991,219</u>	<u>39,393,890</u>
		7,628	5,007,458
		31,892,674	45,639,192
2,029,422	7,055,654	27,869,544	37,354,620
10,965		(9,200)	614,594
			16,684,335
<u>2,040,387</u>	<u>7,055,654</u>	<u>59,760,646</u>	<u>105,300,199</u>
<u>\$11,655,252</u>	<u>\$7,818,248</u>	<u>\$61,751,865</u>	<u>\$144,694,089</u>



City of Alameda

People and Places in the City

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City of Alameda  
Reconciliation of  
Governmental Funds -- Fund Balances  
with Governmental Net Assets  
June 30, 2011

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Total fund balances reported on the governmental funds balance sheet \$105,300,199

Amounts reported for Governmental Activities in the Statement of Net Assets 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. 288,992,783

**ALLOCATION OF INTERNAL SERVICE FUND NET 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 Assets.

Cash and cash equivalents	6,376,221
Accounts receivable	166,511
Prepays and deposits	135,000
Capital assets	654,430
Internal balances	(716)
Accounts payable	(700,309)
Accrued payroll	(74,853)
Claims payable	(7,431,135)
Compensated absences	(136,597)

**ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES**

Revenues are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 15,682,544

**LONG-TERM ASSETS AND LIABILITIES**

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

Interest payable	(1,104,186)
Net pension obligation	(548,000)
Long-term debt	(115,690,694)
Compensated absences	(4,099,174)
Net OPEB obligation	(11,720,533)

**NET ASSETS OF GOVERNMENTAL ACTIVITIES \$275,801,491**

See accompanying notes to financial statements.





City of Alameda  
 Governmental Funds  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 For the year ended June 30, 2011

	General	Community Improvement Commission Special Revenue	FISC Lease Revenue Special Revenue
<b>REVENUES</b>			
Property taxes	\$22,369,653	\$14,708,012	
Other local taxes	28,639,941		
Licenses and permits	1,800,703		
Revenues from other agencies	6,418,223		
Charges for current services	7,805,962		
Fines and forfeitures	622,478		
Use of money and property	2,376,021	472,978	\$1,118,228
Contributions from property owners			
Other	29,228	103,993	
<b>Total Revenues</b>	<b>70,062,209</b>	<b>15,284,983</b>	<b>1,118,228</b>
<b>EXPENDITURES</b>			
Current:			
General government	4,105,299		
Police	26,916,481		
Fire	24,297,287		
Public works	1,834,869		
Community development		2,922,739	221,616
Pass-through obligations/ERAF		5,470,422	
Community Services	4,588,404		
Housing		2,396,566	
Capital outlay	37,414	52,965	
Debt service:			
Principal	67,360	382,000	
Interest	19,028	321,348	86,400
<b>Total Expenditures</b>	<b>61,866,142</b>	<b>11,546,040</b>	<b>308,016</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>8,196,067</b>	<b>3,738,943</b>	<b>810,212</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from debt issuance (Note 6)			
Discount on issuance of debt			
Payment to bond escrow agent			
Sale of capital assets			
Transfers to other governments			
Transfers in (Note 3C)	286,886		185,569
Transfers (out) (Note 3C)	(7,435,184)	(6,561,519)	
<b>Total Other Financing Sources (Uses)</b>	<b>(7,148,298)</b>	<b>(6,561,519)</b>	<b>185,569</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,047,769</b>	<b>(2,822,576)</b>	<b>995,781</b>
<b>BEGINNING FUND BALANCES (DEFICITS), as restated (Note 16)</b>	<b>21,649,225</b>	<b>8,426,696</b>	<b>(41,693)</b>
<b>ENDING FUND BALANCES (DEFICITS)</b>	<b>\$22,696,994</b>	<b>\$5,604,120</b>	<b>\$954,088</b>

See accompanying notes to financial statements.

Alameda Reuse and Redevelopment Authority Special Revenue	Housing Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
			\$7,226,411	\$44,304,076
			569,302	29,209,243
\$25,838		\$51,718	1,537,188	3,389,609
		2,824,543	9,316,264	18,584,868
		63,479	4,232,683	12,102,124
			728,496	1,350,974
11,132,972	\$351,213	153,781	1,989,991	17,595,184
			2,726,830	2,726,830
772,363	26,772	657,051	1,137,781	2,727,188
<u>11,931,173</u>	<u>377,985</u>	<u>3,750,572</u>	<u>29,464,946</u>	<u>131,990,096</u>
			24,889	4,130,188
			695,630	27,612,111
				24,297,287
			4,489,267	6,324,136
11,070,571			3,214,314	17,429,240
				5,470,422
			3,704,205	8,292,609
	596,837		5,467,332	8,460,735
		10,238,457	7,063,681	17,392,517
	157,000		2,563,000	3,169,360
	358,592		4,947,225	5,732,593
<u>11,070,571</u>	<u>1,112,429</u>	<u>10,238,457</u>	<u>32,169,543</u>	<u>128,311,198</u>
<u>860,602</u>	<u>(734,444)</u>	<u>(6,487,885)</u>	<u>(2,704,597)</u>	<u>3,678,898</u>
			11,035,000	11,035,000
			(125,326)	(125,326)
			(985,000)	(985,000)
		735,000		735,000
			(1,347,013)	(1,347,013)
307,635	431,043	8,795,943	10,618,714	20,625,790
(1,576,672)	(268,404)	(259,889)	(8,588,824)	(24,690,492)
<u>(1,269,037)</u>	<u>162,639</u>	<u>9,271,054</u>	<u>10,607,551</u>	<u>5,247,959</u>
(408,435)	(571,805)	2,783,169	7,902,954	8,926,857
7,596,745	2,612,192	4,272,485	51,857,692	96,373,342
<u>\$7,188,310</u>	<u>\$2,040,387</u>	<u>\$7,055,654</u>	<u>\$59,760,646</u>	<u>\$105,300,199</u>



City of Alameda  
 Reconciliation of the  
 Net Change in Fund Balance - Governmental Funds  
 with the Change in Governmental Net Assets  
 For the year ended June 30, 2011

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 Assets 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 \$8,926,857

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	17,392,517
Non-capitalized capital outlay expenditures were re-classified to various governmental activities	(5,624,063)
Proceeds from sale of capital assets are deducted from fund balance	(735,000)
Loss on retirement of capital assets is deducted from fund balance	(313,268)
Depreciation expense is deducted from fund balance	(8,219,909)
(Depreciation expense is net of internal service fund depreciation of 181,204 which has already been allocated to service funds)	

LONG-TERM DEBT PROCEEDS AND PAYMENTS

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

Proceeds from debt issuance is deducted from fund balance	(11,035,000)
Discount on issuance of debt is added back to fund balance	125,326
Payment to bond escrow agent is added back to fund balance	985,000
Repayment of debt principal is added back to fund balance	3,169,360

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):

Deferred revenue	48,681
Interest payable	584,686
Net pension obligation	(5,000)
Net OPEB obligation	(3,937,961)
Compensated absences	63,349

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 Assets - All Internal Service Funds	1,804,986
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$3,230,561

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$22,497,670	\$22,497,670	\$22,369,653	(\$128,017)
Other local taxes	25,765,050	26,325,770	28,639,941	2,314,171
Licenses and permits	1,944,500	1,944,500	1,800,703	(143,797)
Revenues from other agencies	9,095,200	6,325,150	6,418,223	93,073
Charges for current services	7,792,430	7,792,430	7,805,962	13,532
Fines and forfeitures	559,500	559,500	622,478	62,978
Use of money and property	3,255,415	3,229,280	2,376,021	(853,259)
<b>Total Revenues</b>	<b>70,909,765</b>	<b>68,674,300</b>	<b>70,062,209</b>	<b>1,387,909</b>
<b>EXPENDITURES:</b>				
Current:				
General government	6,834,075	6,726,525	4,105,299	2,621,226
Police	26,881,475	28,409,410	26,916,481	1,492,929
Fire	22,015,000	24,025,855	24,297,287	(271,432)
Public works	2,216,505	2,289,864	1,834,869	454,995
Community Services	4,476,520	4,582,070	4,588,404	(6,334)
Capital outlay		18,380	37,414	(19,034)
Debt service:				
Principal		110,360	67,360	43,000
Interest		23,030	19,028	4,002
<b>Total Expenditures</b>	<b>62,423,575</b>	<b>66,185,494</b>	<b>61,866,142</b>	<b>4,319,352</b>
<b>NET CHANGE IF FUND REVENUES</b>	<b>8,486,190</b>	<b>2,488,806</b>	<b>8,196,067</b>	<b>5,707,261</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 3C)	149,550	2,469,965	286,886	(2,183,079)
Transfers (out) (Note 3C)	(8,636,690)	(6,770,040)	(7,435,184)	(665,144)
<b>Total other financing sources (uses)</b>	<b>(8,487,140)</b>	<b>(4,300,075)</b>	<b>(7,148,298)</b>	<b>(2,848,223)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(\$950)</b>	<b>(\$1,811,269)</b>	<b>1,047,769</b>	<b>\$2,859,038</b>
Beginning fund balance			21,649,225	
Ending fund balance			<b>\$22,696,994</b>	

See accompanying notes to financial statements.



City of Alameda  
 Community Improvement Commission  
 Special Revenue Fund  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 Budget and Actual  
 For the year ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Property taxes	\$15,379,055	\$15,379,055	\$14,708,012	(\$671,043)
Use of money and property	600,545	599,545	472,978	(126,567)
Other	1,598,620	1,598,620	103,993	(1,494,627)
Total Revenues	<u>17,578,220</u>	<u>17,577,220</u>	<u>15,284,983</u>	<u>(2,292,237)</u>
<b>EXPENDITURES:</b>				
Current:				
Community Development	4,714,935	4,900,750	2,922,739	1,978,011
Pass-through obligations/ERAF	2,363,880	2,878,334	5,470,422	(2,592,088)
Housing	2,726,415	4,107,250	2,396,566	1,710,684
Capital outlay			52,965	(52,965)
Debt service:				
Principal	65,000	65,000	382,000	(317,000)
Interest	241,070	256,274	321,348	(65,074)
Total Expenditures	<u>10,111,300</u>	<u>12,207,608</u>	<u>11,546,040</u>	<u>661,568</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>7,466,920</u>	<u>5,369,612</u>	<u>3,738,943</u>	<u>(1,630,669)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 3C)				
Transfers (out) (Note 3C)	<u>(5,081,695)</u>	<u>(6,799,610)</u>	<u>(6,561,519)</u>	<u>238,091</u>
Total other financing sources (uses)	<u>(5,081,695)</u>	<u>(6,799,610)</u>	<u>(6,561,519)</u>	<u>238,091</u>
NET CHANGE IN FUND BALANCE	<u>\$2,385,225</u>	<u>(\$1,429,998)</u>	<u>(2,822,576)</u>	<u>(\$1,392,578)</u>
Beginning fund balance			<u>8,426,696</u>	
Ending fund balance			<u>\$5,604,120</u>	

See accompanying notes to financial statements.





City of Alameda  
 FISC Lease Revenue  
 Special Revenue Fund  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 Budget and Actual  
 For the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenues from other agencies	\$379,500	\$379,500		(\$379,500)
Use of money and property	<u>1,116,400</u>	<u>1,116,400</u>	<u>\$1,118,228</u>	<u>1,828</u>
Total Revenues	<u>1,495,900</u>	<u>1,495,900</u>	<u>1,118,228</u>	<u>(377,672)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	897,211	897,211	221,616	675,595
Debt service:				
Interest	<u>86,400</u>	<u>86,400</u>	<u>86,400</u>	
Total Expenditures	<u>983,611</u>	<u>983,611</u>	<u>308,016</u>	<u>675,595</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>512,289</u>	<u>512,289</u>	<u>810,212</u>	<u>297,923</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 3C)			185,569	185,569
Transfers (out) (Note 3C)	<u>(153,400)</u>	<u>(153,400)</u>		<u>153,400</u>
Total other financing sources (uses)	<u>(153,400)</u>	<u>(153,400)</u>	<u>185,569</u>	<u>338,969</u>
NET CHANGE IN FUND BALANCE	<u>\$358,889</u>	<u>\$358,889</u>	995,781	<u>\$636,892</u>
Beginning fund balance (deficit)			<u>(41,693)</u>	
Ending fund balance (deficit)			<u>\$954,088</u>	

See accompanying notes to financial statements.



City of Alameda  
 Alameda Reuse and Redevelopment Area  
 Special Revenue Fund  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 Budget and Actual  
 For the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Revenue from other agencies			\$25,838	\$25,838
Use of money and property	\$11,650,000	\$11,650,000	11,132,972	(517,028)
Other	493,780	493,780	772,363	278,583
Total Revenues	<u>12,143,780</u>	<u>12,143,780</u>	<u>11,931,173</u>	<u>(212,607)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>15,839,069</u>	<u>15,839,069</u>	<u>11,070,571</u>	<u>4,768,498</u>
Total Expenditures	<u>15,839,069</u>	<u>15,839,069</u>	<u>11,070,571</u>	<u>4,768,498</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(3,695,289)</u>	<u>(3,695,289)</u>	<u>860,602</u>	<u>4,555,891</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 3C)	3,000	310,635	307,635	(3,000)
Transfers (out) (Note 3C)	<u>(1,566,040)</u>	<u>(1,661,218)</u>	<u>(1,576,672)</u>	<u>84,546</u>
Total other financing sources (uses)	<u>(1,566,040)</u>	<u>(1,350,583)</u>	<u>(1,269,037)</u>	<u>81,546</u>
NET CHANGE IN FUND BALANCE	<u>(\$5,261,329)</u>	<u>(\$5,045,872)</u>	<u>(408,435)</u>	<u>\$4,637,437</u>
Beginning fund balance			<u>7,596,745</u>	
Ending fund balance			<u>\$7,188,310</u>	

See accompanying notes to financial statements.



City of Alameda  
Housing  
Special Revenue Fund  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Budget and Actual  
for the year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$263,360	\$263,360	\$351,213	\$87,853
Other	20,000	20,000	26,772	6,772
Total Revenues	283,360	283,360	377,985	94,625
<b>EXPENDITURES:</b>				
Current:				
Housing	755,885	755,885	596,837	159,048
Debt service:				
Principal	157,000	157,000	157,000	
Interest	358,590	358,590	358,592	(2)
Total Expenditures	1,271,475	1,271,475	1,112,429	159,046
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(988,115)	(988,115)	(734,444)	253,671
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 3C)	599,605	599,605	431,043	(168,562)
Transfers (out) (Note 3C)	(623,388)	(623,388)	(268,404)	354,984
Total other financing sources (uses)	(23,783)	(23,783)	162,639	186,422
NET CHANGE IN FUND BALANCE	<u>(\$1,011,898)</u>	<u>(\$1,011,898)</u>	(571,805)	<u>\$440,093</u>
Beginning fund balance			2,612,192	
Ending fund balance			<u>\$2,040,387</u>	

See accompanying notes to financial statements.



City of Alameda

People and Places in the City

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## CITY OF ALAMEDA, California

### Major Proprietary Funds

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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.

#### ***Ferry Services Fund***

This fund accounts for all financial transactions relating to the City's ferry services including, but not limited to the contractual payments to the operators and ferry vessel acquisition and maintenance. The operations for this program were transferred to the San Francisco Bay Area Water Emergency Transportation Authority on April 29, 2011.

#### ***Golf Course Fund***

The City operates two 18-hole and one 9-hole municipal golf courses. This fund accounts for all financial transactions relating to these golf facilities including, but not limited to operations and maintenance.

#### ***Sewer Services Fund***

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





City of Alameda  
 Proprietary Funds  
 Statement of Net Assets  
 June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Ferry Services	Golf Course	Sewer Services	Totals	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents (Note 2)		\$779,846	\$14,792,425	\$15,572,271	\$6,376,221
Accounts receivable	\$30,827	15,796	345,653	392,276	166,511
Due from other governments					
Materials, parts and supplies		67,299		67,299	
Prepays, deposits and bond discounts			277,261	277,261	135,000
<b>Total Current Assets</b>	<b>30,827</b>	<b>862,941</b>	<b>15,415,339</b>	<b>16,309,107</b>	<b>6,677,732</b>
<b>Noncurrent Assets</b>					
Restricted cash and investments (Note 2)			429,300	429,300	
Advances to other funds (Note 3B)			3,000,000	3,000,000	
<b>Capital assets (Note 5):</b>					
Non-depreciable		176,899	2,728,217	2,905,116	
Depreciable, net		3,261,582	39,533,156	42,794,738	654,430
<b>Total Non-current assets</b>		<b>3,438,481</b>	<b>45,690,673</b>	<b>49,129,154</b>	<b>654,430</b>
<b>Total Assets</b>	<b>30,827</b>	<b>4,301,422</b>	<b>61,106,012</b>	<b>65,438,261</b>	<b>7,332,162</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	2,680	7,773	440,841	451,294	700,309
Claims payable (Note 11)					3,806,339
Accrued payroll		1,418	40,671	42,089	74,853
Interest payable			77,062	77,062	
Due to other funds (Note 3A)	27,278			27,278	716
Deferred revenue	869	26,393		27,262	
Compensated absences (Note IH)		12,588	75,209	87,797	136,597
Long-term debt - current (Note 6)		118,850	703,044	821,894	
<b>Total Current Liabilities</b>	<b>30,827</b>	<b>167,022</b>	<b>1,336,827</b>	<b>1,534,676</b>	<b>4,718,814</b>
Claims payable - noncurrent (Note 11)					3,624,796
Long-term debt - noncurrent (Note 6)			5,419,784	5,419,784	
<b>Total Liabilities</b>	<b>30,827</b>	<b>167,022</b>	<b>6,756,611</b>	<b>6,954,460</b>	<b>8,343,610</b>
<b>NET ASSETS (Note 8):</b>					
Invested in capital assets, net of related debt		3,319,631	36,138,545	39,458,176	654,430
Unrestricted		814,769	18,210,856	19,025,625	(1,665,878)
<b>Total Net Assets (Deficit)</b>		<b>\$4,134,400</b>	<b>\$54,349,401</b>	<b>\$58,483,801</b>	<b>(\$1,011,448)</b>

See accompanying notes to financial statements.



City of Alameda  
 Proprietary Funds  
 Statement of Revenues, Expenses  
 and Changes in Fund Net Assets  
 For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Ferry Services	Golf Course	Sewer Services	Totals	
<b>OPERATING REVENUES</b>					
Charges for services	\$222	\$3,546,251	\$6,936,223	\$10,482,696	\$9,422,740
Miscellaneous	130,875	234,569	4,626	370,070	1,377,434
<b>Total Operating Revenues</b>	<b>131,097</b>	<b>3,780,820</b>	<b>6,940,849</b>	<b>10,852,766</b>	<b>10,800,174</b>
<b>OPERATING EXPENSES</b>					
General administrative	139,564	618,113	1,064,782	1,822,459	197,602
Wages and benefits	112,014	38,447	1,193,825	1,344,286	2,189,085
Insurance					5,244,105
Contractual services	2,608,235	2,772,667	868,390	6,249,292	2,201,344
Depreciation	488,689	221,608	1,028,886	1,739,183	181,204
Utilities	4,773	11	58,927	63,711	239,179
Supplies and maintenance	1,339	25,565	142,823	169,727	1,287,578
<b>Total Operating Expenses</b>	<b>3,354,614</b>	<b>3,676,411</b>	<b>4,357,633</b>	<b>11,388,658</b>	<b>11,540,097</b>
<b>Operating Income (Loss)</b>	<b>(3,223,517)</b>	<b>104,409</b>	<b>2,583,216</b>	<b>(535,892)</b>	<b>(739,923)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Operating grants and contributions	2,417,804	435		2,418,239	
Interest income	3,876	7,702	386,715	398,293	108,344
Rent and other		50,078		50,078	
Interest (expense)	(3,282)	(11,988)	(241,028)	(256,298)	
<b>Total Nonoperating Revenues (Expenses)</b>	<b>2,418,398</b>	<b>46,227</b>	<b>145,687</b>	<b>2,610,312</b>	<b>108,344</b>
<b>Income (Loss) Before Transfers</b>	<b>(805,119)</b>	<b>150,636</b>	<b>2,728,903</b>	<b>2,074,420</b>	<b>(631,579)</b>
Transfers in (Note 3C)	1,228,493		918,100	2,146,593	2,436,565
Transfers (out) (Note 3C)		(146,132)	(372,324)	(518,456)	
<b>Change in net assets</b>	<b>423,374</b>	<b>4,504</b>	<b>3,274,679</b>	<b>3,702,557</b>	<b>1,804,986</b>
Transfers to other governments (Note 13)	(8,686,462)			(8,686,462)	
<b>BEGINNING NET ASSETS (DEFICITS)</b>	<b>8,263,088</b>	<b>4,129,896</b>	<b>51,074,722</b>	<b>63,467,706</b>	<b>(2,816,434)</b>
<b>ENDING NET ASSETS (DEFICITS)</b>		<b>\$4,134,400</b>	<b>\$54,349,401</b>	<b>\$58,483,801</b>	<b>(\$1,011,448)</b>

See accompanying notes to financial statements.



City of Alameda  
 Proprietary Funds  
 Statement of Cash Flows  
 For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Ferry Services	Golf Course	Sewer Services	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$427,809	\$3,781,147	\$6,882,054	\$11,091,010	\$10,858,135
Payments to suppliers	(2,749,030)	(2,988,784)	(721,561)	(6,459,375)	(5,638,835)
Payments to employees	(262,702)	(660,336)	(2,257,905)	(3,180,943)	(2,385,210)
Claims paid					(3,014,714)
<b>Cash Flows from Operating Activities</b>	<b>(2,583,923)</b>	<b>132,027</b>	<b>3,902,588</b>	<b>1,450,692</b>	<b>(180,624)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Operating grants and contributions	2,535,462	435		2,535,897	
Interfund payments	(69,180)	300,000		230,820	(633,403)
Transfer to other agencies	(1,111,471)			(1,111,471)	
Transfers in	1,228,493		918,100	2,146,593	2,436,565
Transfers (out)		(146,132)	(372,324)	(518,456)	
<b>Cash Flows from Noncapital Financing Activities</b>	<b>2,583,304</b>	<b>154,303</b>	<b>545,776</b>	<b>3,283,383</b>	<b>1,803,162</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets, net		(228,754)	(2,594,480)	(2,823,234)	(416,004)
Principal payments on capital debt		(140,133)	(677,500)	(817,633)	
Interest paid	(3,282)	(11,988)	(256,533)	(271,803)	
<b>Cash Flows from Capital and Related Financing Activities</b>	<b>(3,282)</b>	<b>(380,875)</b>	<b>(3,528,513)</b>	<b>(3,912,670)</b>	<b>(416,004)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Decrease (increase) in restricted investments			(426,360)	(426,360)	
Interest income	3,876	7,702	386,715	398,293	108,344
Rent and other revenue received		50,078		50,078	
<b>Cash Flows from Investing Activities</b>	<b>3,876</b>	<b>57,780</b>	<b>(39,645)</b>	<b>22,011</b>	<b>108,344</b>
<b>Net Cash Flows</b>	<b>(25)</b>	<b>(36,765)</b>	<b>880,206</b>	<b>843,416</b>	<b>1,314,878</b>
<b>Cash and investments at beginning of period</b>	<b>25</b>	<b>816,611</b>	<b>13,912,219</b>	<b>14,728,855</b>	<b>5,061,343</b>
<b>Cash and investments at end of period</b>		<b>\$779,846</b>	<b>\$14,792,425</b>	<b>\$15,572,271</b>	<b>\$6,376,221</b>
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>					
Operating income (loss)	(\$3,223,517)	\$104,409	\$2,583,216	(\$535,892)	(\$739,923)
Adjustments to reconcile operating income to cash flows from operating activities:					
Depreciation	488,689	221,608	1,028,886	1,739,183	181,204
Change in assets and liabilities:					
Accounts receivable and refundable deposits	296,712	327	(58,795)	238,244	57,961
Materials, parts and supplies		47,637		47,637	
Prepays and deposits	83,931		42,658	126,589	
Accounts payable	(202,480)	(17,411)	305,921	86,030	344,305
Claims payable					(25,648)
Accrued payroll	(4,364)	139	708	(3,517)	4,025
Deferred revenue	(16,134)	(220,767)		(236,901)	
Compensated absences	(6,760)	(3,915)	(6)	(10,681)	(2,548)
<b>Cash Flows from Operating Activities</b>	<b>(\$2,583,923)</b>	<b>\$132,027</b>	<b>\$3,902,588</b>	<b>\$1,450,692</b>	<b>(\$180,624)</b>

See accompanying notes to financial statements.



## City Of Alameda, California

### Fiduciary Funds

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

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

***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 Assets  
June 30, 2011

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Restricted cash and investments (Note 2)	\$477	\$21,447,540
Accounts receivable		<u>27,395,212</u>
Total Assets	<u>477</u>	<u>48,842,752</u>
<b>LIABILITIES</b>		
Due to members		323,538
Due to bondholders		<u>48,519,214</u>
Total Liabilities		<u><u>\$48,842,752</u></u>
<b>NET ASSETS</b>		
Restricted for:		
Employees' pension benefits	<u>477</u>	
Total Net Assets	<u><u>\$477</u></u>	

See accompanying notes to financial statements.





City of Alameda  
Fiduciary Funds  
Statement of Changes in Fiduciary Net Assets  
for the year ended June 30, 2011

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	<u>Pension Trust Funds</u>
ADDITIONS	
Employer contributions	<u>\$2,076,650</u>
Total Additions	<u>2,076,650</u>
DEDUCTIONS	
Retirements and other benefits	2,067,364
Contractual services	<u>8,809</u>
Total Deductions	<u>2,076,173</u>
CHANGE IN NET ASSETS	477
NET ASSETS, BEGINNING OF YEAR	<u>                    </u>
NET ASSETS, END OF YEAR	<u><u>\$477</u></u>

See accompanying notes to financial statements.



# City of Alameda

## People and Places in the City

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City of Alameda  
Notes to Basic Financial Statements  
For the year ended June 30, 2011

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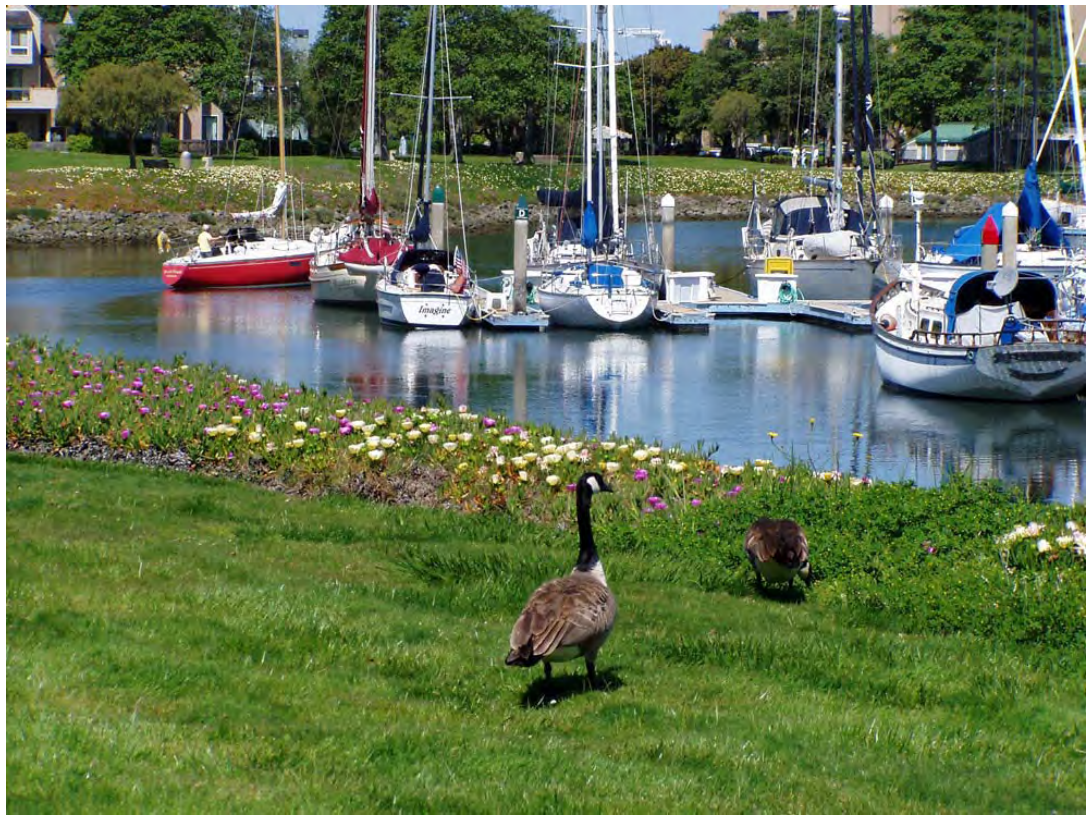




# City of Alameda

## People and Places in the City

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City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 1 – Summary Of Significant Accounting Policies**

The City of Alameda, California, occupies the island of Alameda situated in the San Francisco Bay. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire); streets and related improvements; sanitation; development services; public improvements; planning and zoning and general administration services.

**A. Reporting Entity**

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

**Primary Government**

The financial statements of the primary government of the City of Alameda include the activities of the City as well as the Community Improvement Commission of the City of Alameda, Alameda Public Financing Authority (APFA), and the Alameda Reuse and Redevelopment Authority, each of which is controlled by and dependent upon the City. While these 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 Community Improvement Commission of the City of Alameda (CIC)** was established to assist in the clearance and rehabilitation of City areas determined to be in a declining condition. The Commission has the same governing board as the City, all accounting and administrative functions are performed by City staff, and the Commission receives advances from the City to finance operations. The financial activities of the Commission have been included in the Community Improvement Commission Special Revenue Fund, Community Improvement Commission Debt Service Fund, and Community Improvement Commission Capital Projects Fund.

**The Alameda Public Financing Authority (APFA)** is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Community Improvement Commission Debt Service Fund.

**The Alameda Reuse and Redevelopment Authority (ARRA)** is a separate government entity whose purpose is to ensure the effective transition of the Alameda Naval Air Station from federal ownership to local ownership. The ARRA is responsible for the development of an Interim Reuse Strategy, taking title to base lands, and implementation of the Community Reuse Plan. The ARRA is recognized by the Department of Defense as the responsible entity for submitting and completing the Community Reuse Plan for the 1997 decommissioning of the Naval Air Station. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Alameda Reuse and Redevelopment Authority Special Revenue Fund.





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 1 - Summary Of Significant Accounting Policies (Continued)**

***Discretely Presented Component Units***

The two component units below are legally separate from the City. However, City Council appoints the members of their governing boards, approves their budgets and, in the case of the Housing Authority of the City of Alameda, provides financial assistance.

**The Housing Authority of the City of Alameda, California** was established to provide housing for the City's low-and-moderate income residents. The financial activities of the Authority have been included discretely in the Housing Authority Component Unit columns of the Statement of Net Assets and Statement of Activities.

**Alameda Municipal Power** was established to provide electricity to the City of Alameda. The Charter was amended in 1998 to allow provision of telecommunications services as well. The telecommunications services were sold off during FY09-10. The financial activities of the Alameda Municipal Power are discretely included in the Alameda Municipal Power Component Unit columns of the Statement of Net Assets and Statement of Activities.

Component unit financial statements for the Housing Authority may be obtained from the Housing Authority of Alameda, 701 Atlantic Avenue, Alameda, CA 94501. Component unit financial statements for the Alameda Municipal Power may be obtained from the City of Alameda Municipal Power, 2000 Grand Street, Alameda, CA 94501. Component unit financial statements for all other component units may be obtained from the City of Alameda, Finance Division, 2263 Santa Clara Avenue, Room 220, Alameda, CA 94501.

**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 U.S.

These Standards require that the financial statements described below be presented.

**Government-wide Statements:** The Statement of Net Assets 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.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 1 - Summary Of Significant Accounting Policies (Continued)**

**Fund Financial Statements:** The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category — *governmental*, *proprietary*, and *fiduciary* — are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. *Operating* revenues, such as charges for services, and expenses, such as contractual services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as investment earnings, and expenses, such as interest expenses, result from nonexchange transactions or ancillary activities.

**C. Major Funds**

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

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.

**Community Improvement Commission Special Revenue Fund** - This fund accounts for the general activities of the Commission of the City not accounted for in other funds.

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

**Alameda Reuse And Redevelopment Authority Special Revenue Fund** - This fund accounts for the general operating fund of the ARRA. It is used to account for all financial resources which are not accounted for in the other ARRA funds. The major revenue sources for this Fund are leasing activities revenues and grants. Expenditures are made for base reuse activities.

**Housing Special Revenue Fund** - This fund accounts for funds to be used for affordable housing programs in the City.

**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.

The City reported all enterprise funds as major funds in the accompanying financial statements:

**Ferry Services Fund** - This fund accounts for all financial transactions relating to the City's ferry services, including but not limited to the contractual payments to the operators and ferry vessel acquisition and maintenance. The operations for this program were transferred to the San Francisco Bay Area Water Emergency Transportation Authority on April 29, 2011.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 1 - Summary Of Significant Accounting Policies (Continued)**

**Golf Course Fund** - The City operates two 18-hole and one 9-hole municipal golf courses. This fund accounts for all financial transactions relating to these golf facilities, including but not limited to operations and maintenance.

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

The City also reports the following fund types:

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

**Fiduciary Funds** - Pension Trust Funds and Agency Funds are used to account for assets held by the City as an agent for the closed Police and Fire Pension Plans, certain assessment districts in the City, the Waste Management Joint Refuse Rate Review Committee, and the Mastick Senior Center, which provides services and facilities to enhance the quality of lives for senior citizens. 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 and proprietary financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are generally collected within forty-five days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on governmental long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

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

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



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 1 – Summary Of Significant Accounting Policies (Continued)**

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary. Certain indirect costs are included in program expenses reported for individual functions and activities.

All proprietary and similar trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned, and their expenses are recognized when incurred, except for revenues from electricity and sewer customers, which are recognized based on cycle billings. Revenues for services provided, but not billed at the end of a fiscal period, are not material and thus not accrued.

The City follows those Financial Accounting Standard Board Statements issued on or before November 30, 1989 unless they conflict with Governmental Accounting Standards Board Statements.

**E. Budgets and Budgetary Accounting**

The City adopts a budget annually for all funds, except for the Capital Improvement Projects Fund. 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 department 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 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 Project Funds, which are budgeted at total cost in the budget year they are approved. Unexpended balances of these funds are reappropriated in the subsequent year as necessary to complete the project.

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end lapse and must be reappropriated as part of the following year budget.

**F. Materials, Parts and Supplies**

Materials, parts and supplies are held for consumption and are valued at average cost. Enterprise fund supplies consist of materials and supplies for the golf shop, which are held for resale to the public. General fund supplies are recorded as expenditures at the time individual supply items are purchased.

**G. Deferred Compensation Plans**

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



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 1 – Summary Of Significant Accounting Policies (Continued)**

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

**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 Assets. Proprietary funds' liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually.

Compensated absences activity for the year ended June 30, 2011, is as follows:

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Subtotal	Housing Authority	Alameda Municipal Power	Total
Beginning Balance	\$4,301,668	\$98,478	\$4,400,146	\$157,594	\$708,940	\$5,266,680
Additions	2,548,209	64,908	2,613,117		449,903	3,063,020
Payments	(2,614,106)	(75,589)	(2,689,695)	(1,642)	(515,310)	(3,206,647)
Ending Balance	<u>\$4,235,771</u>	<u>\$87,797</u>	<u>\$4,323,568</u>	<u>\$155,952</u>	<u>\$643,533</u>	<u>\$5,123,053</u>
Current Portion	<u>\$2,750,703</u>	<u>\$87,797</u>	<u>\$2,838,500</u>	<u>\$67,059</u>	<u>\$627,221</u>	<u>\$3,532,780</u>

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

**I. Property Tax**

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

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

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





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**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. Transfer from Alameda Municipal Power**

The City Charter provides that Alameda Municipal Power transfer to the City's General Fund certain excess earnings as defined in the Charter. During fiscal year 2010-11, there were no excess earnings to be transferred. However, the Public Utilities Board by resolution has directed that \$2,800,000 be contributed to the City's General Fund, in accordance with these provisions, during the fiscal year ended June 30, 2011.

**L. Use of Estimates**

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

**M. Fund Reorganization**

As of July 1, 2010, the City adopted the provisions of Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. The City reorganized and combined several funds as a result.

**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, the Alameda Municipal Power and the Housing Authority 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 market 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.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 2 - Cash And Investments (Continued)**

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 market value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair market 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.

**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, 2011, as presented on the Statement of Net Assets and Statement of Fiduciary Net Assets are as follows:

Cash and investments available for operations:	
City	\$115,665,222
Housing Authority	12,324,924
Alameda Municipal Power	36,120,828
Restricted cash and investments:	
City	23,524,340
Housing Authority	614,135
Alameda Municipal Power	<u>4,378,747</u>
Total cash and investments of primary government and component units	192,628,196
Restricted cash and investments in Fiduciary Funds (separate statement)	<u>21,448,017</u>
Total cash and investments	<u><u>\$214,076,213</u></u>

Cash and investments as of June 30, 2011 are composed of the following categories:

Cash with banks and on hand	\$11,274,429
Investments	<u>202,801,784</u>
Total cash and investments	<u><u>\$214,076,213</u></u>



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**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	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	270 Days	N/A	20%	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$50,000,000 per account	\$50,000,000 per account
U.S. Treasury Bonds, Notes and Bills	5 Years	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	5 Years	N/A	75%	25% in each U.S. Agency
Bankers' Acceptances	180 Days	N/A	30%	30%
Commercial Paper	270 Days	A1, P1	25%	No Limit
Negotiable Certificates of Deposit	5 Years	AA	30%	No Limit
Time Certificates of Deposit	5 Years	N/A	30%	No Limit
Medium-Term Corporate Notes	5 Years	A	30%	No Limit
Money Market Mutual Funds	N/A	AAA	20%	No Limit
County Agency Investment Fund	Upon Demand	N/A	15%	No Limit
California Asset Management Program (CAMP)	Upon Demand	N/A	No Limit	No Limit

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



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 2 - Cash And Investments (Continued)**

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	N/A	N/A	N/A	N/A
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$50,000,000 per account	\$50,000,000 per account
U. S. Treasury Bonds, Notes and Bills	N/A	N/A	N/A	N/A
U.S. Agency and U.S. Government Sponsored Enterprise Securities	N/A	N/A	N/A	N/A
Bankers Acceptances	270 days	N/A	40%	30%
Negotiable Certificates of Deposit	N/A	AA	30%	N/A
Time Certificates of Deposit	N/A	N/A	30%	N/A
Medium Term Corporate Notes	5 Years	N/A	30%	N/A
Money Market Mutual Funds	N/A	AAA	20%	N/A
County Agency Investment Fund	Upon Demand	N/A	30%	N/A
Reverse Repurchase Agreements	N/A	N/A	N/A	N/A

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



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 2 - Cash And Investments (Continued)**

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity (A)</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Local Agency Municipal Bonds	5 years	N/A	No Limit	No Limit
U.S. Treasury Obligations	5 years	N/A	No Limit	No Limit
State of California Obligations	5 years	N/A	No Limit	No Limit
CA Local Agency Obligations	5 years	N/A	No Limit	No Limit
U.S. Agency Securities (B)	5 years	N/A	No Limit	No Limit
Bankers Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1, P1	25%	10%
Negotiable Certificates of Deposit	5 years	N/A	30%	No Limit
Time Certificates of Deposit	5 years	N/A	30%	No Limit
Repurchase Agreements	1 Year	N/A	No Limit	No Limit
Reverse Repurchase Agreements (requires Board approval)	92 days	N/A	20 % of base value	No Limit
Medium Term Corporate Notes	5 years	A	30%	No Limit
Mutual Funds	5 years	Top rating category	20%	10%
Money Market Mutual Funds	N/A	AAA	20%	10%
Collateralized Bank Deposits	5 years	N/A	30	No Limit
Mortgage Pass-Through Securities	5 Years	Top rating category	20%	No Limit
County Pooled Investment Funds	Upon Demand	N/A	15%	No Limit
California Local Agency Investment Fund	Upon Demand	N/A	\$50,000,000 per account	\$50,000,000 per account
California Asset Management Program (CAMP)	Upon Demand	N/A	No Limit	No Limit

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

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





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 2 - Cash And Investments (Continued)**

**D. Investments Authorized by Debt Agreements**

The City 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 fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	30 days	Top Four Rating Categories	No Limit	No Limit
U.S. Treasury Bonds, Notes and Bills	No Limit	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	No Limit	No Limit	No Limit	No Limit
State Obligations	No Limit	Not lower than their bond rating	No Limit	No Limit
Commercial Paper	270 days	A-1+	No Limit	No Limit
Negotiable Certificates of Deposit	No Limit	N/A	No Limit	No Limit
Time Certificates of Deposit	No Limit	N/A	No Limit	No Limit
Corporate Notes and Bonds	No Limit	Not lower than their bond rating	No Limit	No Limit
Guaranteed Investment Contracts	No Limit	Not lower than their bond rating	No Limit	No Limit
Shares of Beneficial Interest	No Limit	Top Rating Category	No Limit	No Limit
Money Market Mutual Funds	No Limit	Aam	20%	No Limit
Bankers' Acceptances	365 days	A-1+	30%	30%
Municipal Bonds*	No Limit	AAA	No Limit	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$50,000,000 per account	\$50,000,000 per account
Investment Agreements	No Limit	AA-	No Limit	No Limit

\* Comprises only debt issued by special assessment districts in the City of Alameda



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 2 - Cash And Investments (Continued)**

The Housing Authority 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 Housing Authority fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with the Housing Authority'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>For U.S. Department Housing and Urban Development Funds</u>				
Repurchase Agreements	N/A	N/A	No Limit	No Limit
U.S. Government Obligations and State of California Obligations	No Limit	N/A	No Limit	No Limit
Commercial Paper	N/A	N/A	No Limit	No Limit
Bankers Acceptances	270 days	N/A	40%	30%
Certificates of Deposit	N/A	N/A	30%	No Limit
Time Deposits	N/A	N/A	No Limit	No Limit
Qualified Financial Institution General Obligations	Upon	AAA	No Limit	No Limit
Money Market Mutual Funds	N/A	AAA	20%	No Limit
U.S. Treasury Bills, Notes and Bonds	No Limit	N/A	No Limit	No Limit
<u>For Non U.S. Department Housing and Urban Development Funds</u>				
Prime Commercial Paper	180 days	Highest Ranking	15%	30%
Medium Term Notes	5 years	A	30%	N/A
City of Alameda Bonds	N/A	N/A	No Limit	No Limit
State of California Obligations	N/A	N/A	No Limit	No Limit
U.S. Government Obligations and Bankers Acceptances	N/A	N/A	No Limit	No Limit
Bankers Acceptances	270 days	N/A	40%	30%
Certificates of Deposit	N/A	N/A	30%	No Limit
Repurchase Agreements	N/A	N/A	No Limit	No Limit
Money Market Mutual Funds	N/A	N/A	No Limit	No Limit
Trust Indentures	N/A	N/A	No Limit	No Limit
Mortgage and Equipment Lease Obligations	5 years	AA	30%	No Limit



City of Alameda  
 Notes to Basic Financial Statements  
 For the Year Ended June 30, 2011

**Note 2 - Cash And Investments (Continued)**

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	N/A	N/A	No Limit	No Limit
State Obligations	N/A	AA	No Limit	No Limit
U.S. Agency Securities (A)	N/A	N/A	No Limit	No Limit
Commercial Paper	180 days	A	10%	No Limit
Certificates of Deposit	N/A	AA	No Limit	No Limit
Bankers Acceptances	N/A	AA	No Limit	No Limit
Money Market Mutual Funds	N/A	AA	No Limit	No Limit
Repurchase Agreements	30 days	AA	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	\$50,000,000 per account	\$50,000,000 per account
Investment Agreements	N/A	AA-	No Limit	No Limit

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



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 2 - Cash And Investments (Continued)**

**E. Interest Rate Risk**

Interest rate risk is the risk that changes in economic markets that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities, so that a portion of the portfolio is maturing or realizing maturity evenly over time as necessary in order to provide the cash flow and liquidity needed for operations. Information on the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at June 30, 2011:

Investment Type	12 Months or less	One to Five Years	Six to Ten Years	Total
City of Alameda:				
U.S. Government-Sponsored				
Enterprise Agencies				
Non-callable	\$5,321,864	\$31,223,131		\$36,544,995
Callable	3,077,012			3,077,012
Corporate Securities				
Non-callable	2,278,968	18,900,024		21,178,992
Callable		4,094,922		4,094,922
Guaranteed Investment Contracts		2,609,802	\$954,116	3,563,918
US Treasury Notes and Bills	7,566,174	8,978,743		16,544,917
Money Market Mutual Funds	20,191,658			20,191,658
California Local Agency Investment Fund	39,634,994			39,634,994
California Asset Management Program	979,976			979,976
Certificate of Deposits	756,280	574,576		1,330,856
Municipal Bonds	4,885,000	3,531,360		8,416,360
Total Investments	<u>\$84,691,926</u>	<u>\$69,912,558</u>	<u>\$954,116</u>	<u>155,558,600</u>
Cash deposits with banks and on hand				5,324,619
Total Cash and Investments				<u>\$160,883,219</u>



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 2 - Cash And Investments (Continued)**

Information on the sensitivity of the fair values of Housing Authority'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 Housing Authority's investments by maturity:

	<u>12 Months or less</u>
<i>Investments:</i>	
US Treasury Notes and Bills	\$614,135
Local Agency Investment Fund	<u>10,822,969</u>
Total Investments	11,437,104
<i>Cash with Banks and On Hand</i>	<u>1,256,315</u>
Total Cash and Investments	<u><u>\$12,693,419</u></u>

Information about the sensitivity of the fair values of Alameda Municipal Power's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Alameda Municipal Power's investments by maturity:

	<u>12 Months or less</u>
<i>Investments:</i>	
Bond Mutual Funds	\$4,378,747
Money Market	621,662
U.S. Treasury Notes	998,001
Local Agency Investment Fund	22,332,339
Certificate of Deposits	<u>7,475,331</u>
Total Investments	35,806,080
<i>Cash with Banks and Petty Cash</i>	<u>4,693,495</u>
Total Cash and Investments	<u><u>\$40,499,575</u></u>

The Alameda Public Financing Authority repurchased several outstanding Special Assessment Debt issues and holds them as investments. These investments were specifically authorized by City Council. At June 30, 2011, these investments comprised the following: \$7,610,000 of Harbor Bay Business Assessment District 92-1 Revenue Bonds Series 1998. These investments are reported with Municipal Bonds in the table above.





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 2 - Cash And Investments (Continued)**

The City, Alameda Municipal Power, and the Housing Authority are voluntary participants in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City, Alameda Municipal Power and the Housing Authority 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, 2011 the fair value approximated is the City, Alameda Municipal Power and the Housing Authority's cost. The balance, available for withdrawal on demand, is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2011, these investments had an average maturity of 237 days.

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2011 the fair value approximated is the City's cost. At June 30, 2011, these investments have an average maturity of 52 days.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 2 - Cash And Investments (Continued)**

**F. Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment when an investment matures. This is measured by the assignment of a credit rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2011, for each City's investment type as provided by Standard and Poor's:

Investment Type	AAA	AAAm	AA	AA+	AA-	A	A+	A-	Total
<i>City of Alameda:</i>									
U.S. Government-Sponsored									
Enterprise Agencies									
Non-callable	\$36,544,995								\$36,544,995
Callable	3,077,012								3,077,012
Corporate Securities	5,651,901		\$1,795,949	\$3,240,614	\$2,068,271	\$4,043,823	\$7,843,547	\$629,809	25,273,914
Money Market Mutual Funds		\$2,708,954							2,708,954
California Asset Management Program		979,976							979,976
<i>CIC:</i>									
Money Market Mutual Funds		17,480,781							17,480,781
<i>ARRA:</i>									
Money Market Mutual Funds		1,923							1,923
Totals	<u>\$45,273,908</u>	<u>\$21,171,634</u>	<u>\$1,795,949</u>	<u>\$3,240,614</u>	<u>\$2,068,271</u>	<u>\$4,043,823</u>	<u>\$7,843,547</u>	<u>\$629,809</u>	<u>86,067,555</u>
<i>Not rated:</i>									
<i>City of Alameda:</i>									
California Local Agency Investment Fund									29,558,062
Municipal Bonds									8,416,360
Certificate of Deposits									1,085,216
Guaranteed Investment Contracts									2,677,135
<i>CIC:</i>									
Guaranteed Investment Contracts									886,783
Certificate of Deposits									245,640
<i>ARRA:</i>									
California Local Agency Investment Fund									<u>10,076,932</u>
									<u>52,946,128</u>
<i>Exempt:</i>									
<i>City of Alameda:</i>									
US Treasury Notes and Bills									<u>16,544,917</u>
Total Investments									<u>\$155,558,600</u>

On August 5, 2011, Standard & Poor's Ratings Services (S&P) lowered its long-term credit rating on the United States of America from AAA to AA+. At the same time, S&P affirmed its A-1+ short-term rating on the United States of America.

On August 8, 2011, S&P lowered its issuer credit ratings and related issue ratings on ten of twelve Federal Home Loan Banks (FHLBs) and the senior debt issued by the FHLB System from AAA to AA+. S&P also lowered the ratings on the senior debt issued by the Federal Farm Credit Banks (FFCB) from AAA to AA+, and lowered the senior issue ratings on Fannie Mae (FNMA) and Freddie Mac (FHLMC) from AAA to AA+. The A subordinated debt rating and the C rating on the preferred stock of these entities remained unchanged. Finally, S&P affirmed the short-term issue ratings for these entities at A-1+.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 2 - Cash And Investments (Continued)**

On August 8, 2011, S&P also lowered the ratings on 126 Federal Deposit Insurance Corporation-guaranteed debt issues from thirty financial institutions that are under the Temporary Liquidity Guarantee Program (TLGP), and four National Credit Union Association-guaranteed debt issues from two corporate credit unions under the Temporary Corporate Credit Union Guarantee Program (TCCUGP) from AAA to AA+. As of June 30, 2011, the City's investments in these institutions were as follows: JP Morgan Chase & Co \$844,825, Wells Fargo & Co \$381,349, US Bank Corp \$25,356, Bank of America Corp \$770,507, PNC Funding Crop \$1,101,756, and General Electric Co \$3,560,279.

Presented below is the actual rating as of June 30, 2011, for each Housing Authority investment type:

<u>Investment Type</u>	
<i>Not rated:</i>	
California Local Agency Investment Fund	<u>\$10,822,969</u>

Presented below is the actual rating as of June 30, 2011, for each Alameda Municipal Power investment type as provided by Standard and Poor's:

<u>Investments with Fiscal Agent</u>	
<i>AAAm:</i>	
Bond Mutual Funds	\$4,378,747
<i>Not rated:</i>	
Certificate of Deposits	6,650,000
Certificate of Deposits (Bank of Alameda)	825,331
Money Market	621,662
Local Agency Investment Fund	22,332,339
<i>Exempt:</i>	
U.S. Treasury Notes	998,001
Cash with Banks and Petty Cash	<u>4,693,495</u>
Total Investments	<u>\$40,499,575</u>



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 2 - Cash And Investments (Continued)**

**G. Concentration of Credit Risk**

The City's investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. However, the City is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer, held by individual City Funds in the securities of issuers other than U. S. Treasury securities, mutual funds and external investment pools. At June 30, 2011, those investments consisted of:

Reporting Unit	Issuer	Investment Type	Reported Amount
Entity Wide:	Federal Farm Credit Banks	U.S. Government-Sponsored Enterprise Agencies	\$8,739,835
	Federal Home Loan Mortgage Corporation	U.S. Government-Sponsored Enterprise Agencies	9,550,580
	Federal National Mortgage Association	U.S. Government-Sponsored Enterprise Agencies	13,219,633
Non-major funds in aggregate	Bank of New York	Guaranteed Investment Contract	2,609,802
	Special Assessment Districts in the City of Alameda	Municipal Bonds	7,610,000

**H. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The City's investments include U.S. Government-Sponsored Enterprise Agencies and Corporate Notes that have an embedded call feature. At June 30, 2011, those investments consisted of:

Investment Type	Maturity Date	Callable Date	Reported Amount
Federal Home Loan Mortgage Corporation	11/18/2013	8/18/2011	\$440,601
Federal Home Loan Mortgage Corporation	1/26/2015	1/26/2012	494,312
Federal Farm Credit Banks	4/25/2014	4/25/2012	827,451
Federal National Mortgage Association	9/27/2013	9/27/2011	836,713
Federal National Mortgage Association	9/9/2015	9/9/2011	477,935
US Bancorp Note	9/13/2013	8/13/2013	2,571,589

**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, 2011, the amounts of current interfund balances were as follows:

Due From Other Funds	Due To Other Funds	
General Fund	Ferry Services Enterprise Fund	\$27,278
	Non-Major Governmental Funds	108,802
	Internal Service Funds	716
	Total Due	<u>\$136,796</u>



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 3 - Interfund Transactions (Continued)**

**B. Long-Term Advances**

The General Fund advanced \$1,258,995 to the Community Improvement Commission Special Revenue Fund. The advance is to be repaid in future years from the proceeds of property tax increments as funds become available. The General Fund advance bears interest at 6% in fiscal year 2010-2011.

The General Fund has advanced \$1,440,000 to the FISC Lease Special Revenue Fund to pay for the public safety of former Navy property. The advance bears interest at 6% and will be repaid from future lease revenue as funds become available. As of June 30, 2011, this advance had a balance of \$960,000.

The Sewer Enterprise Fund advanced \$3,000,000 to the Community Improvement Commission Special Revenue Fund as matching funds for construction of the Webster Street/Wilver Stargell Avenue Intersection Project. These advances bear interest at 3% until paid in full. The advance is expected to be repaid by 2014.

**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 2010-11 were as follows:

Fund Receiving Transfers	Fund Making Transfer	Amount Transferred
<b>General Fund</b>	Alameda Reuse and Redevelopment Authority Special Revenue Fund	\$5,245 B
	Non-Major Governmental Funds	281,641 B
<b>FISC Lease Revenue Special Revenue Fund</b>	Community Improvement Commission Special Revenue Fund	185,569 B
<b>Alameda Reuse and Redevelopment Authority Special Revenue Fund</b>	Non-Major Governmental Funds	307,635 B
<b>Housing Special Revenue Fund</b>	Community Improvement Commission Special Revenue Fund	181,035 E
	Non-Major Governmental Funds	250,008 E
<b>Capital Improvement Projects Capital Project Fund</b>	General Fund	2,087,837 A
	Community Improvement Commission Special Revenue Fund	1,548,753 A
	Alameda Reuse and Redevelopment Authority Special Revenue Fund	24,798 A
	Golf Course Enterprise Fund	2,000 A
	Sewer Services Enterprise Fund	372,324 A
	Non-Major Governmental Funds	4,760,231 A
<b>Ferry Services Enterprise Fund</b>	Non-Major Governmental Funds	1,228,493 A,F
<b>Sewer Services Enterprise Fund</b>	Non-Major Governmental Funds	918,100 A
<b>Non-Major Governmental Funds</b>	General Fund	2,910,782 A,B
	Community Improvement Commission Special Revenue Fund	4,803,162 B
	Capital Improvement Projects Capital Project Fund	259,889 D
	Alameda Reuse and Redevelopment Authority Special Revenue Fund	1,546,629 A,B
	Housing Special Revenue Fund	268,404 E
	Golf Course Enterprise Fund	144,132 B
	Non-Major Governmental Funds	685,716 A
<b>Internal Service Funds</b>	General Fund	2,436,565
		<u>\$25,208,948</u>

The reasons for these transfers are set forth below:

- (A) To fund capital or storm drain projects
- (B) To fund library, indirect costs and debt service
- (C) To fund ferry services
- (D) To transfer unused capital project funds back to original funding source
- (E) To fund housing projects
- (F) To partially fund ferry operations





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**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 - Loans Receivable**

**A. Housing Rehabilitation and Affordable Housing Loans**

The City engages 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 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 balance of these loans has been offset by deferred revenue, as they are not expected to be repaid during the next fiscal year. The balance of the loans receivable arising from these programs at June 30, 2011, was \$12,600,934. Included in this balance was \$1,083,578 receivable from the Housing Authority, as discussed in Note 6F.

**B. Microenterprise Assistance Program**

The City has engaged in a loan program designed to provide financial and technical assistance to low-and-moderate-income entrepreneurs of Alameda to develop, strengthen and stabilize small businesses. The loans accrue interest at 2% per year with repayment in ten years. At the City's option, loan payments may be deferred three years. The balance of the loans receivable from this program at June 30, 2011, was \$7,373.

**C. Loan to Alameda Municipal Power**

On December 16, 2003 at the request of the Public Utilities Board, the Alameda City Council loaned \$2,200,000 to Alameda Municipal Power for the purpose of the construction of a hybrid fiber-optic/coaxial telecom network. As of June 30, 2011, the remaining principal balance was \$2,200,000.

**D. Alameda Municipal Power Loans to the City**

The City entered into a loan agreement with Alameda Municipal Power for the replacement of deteriorated street lights. Through June 30, 2011, Alameda Municipal Power had expended \$627,300 for street light replacement, and the City had made payments of \$522,000. Annual installments of \$40,000 are scheduled until the loan is repaid. At June 30, 2011, the outstanding balance was \$65,300.

**E. Multiplex Cinema**

As part of a Disposition and Development Agreement as discussed in Note 14C, the Community Improvement Commission entered into a loan agreement with Alameda Entertainment Associates, L.P. in March 2007 for \$2,800,000 for the renovation of the Historic Alameda Theatre and development of a new multiplex cinema. Repayment of \$1,400,000 of this loan will begin in the seventh operating year for twenty years with equal monthly installments. The remaining \$1,400,000 will be repaid by percentage rental amounts from gross operating revenues as established in the Disposition and Development Agreement. An additional loan agreement of \$300,000 was entered into by both parties for furniture fixtures and equipment purchases as part of the renovation project. As of June 30, 2011, the Commission has loans outstanding with Alameda Entertainment Associates totaling \$3,074,237.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 5 – Capital Assets**

Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$10,000. All capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

All capital assets with limited useful lives are depreciated during their estimated useful lives. The purpose of depreciation is to allocate the cost of capital assets equitably among all users during the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years, and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Electric Plant	30 years
Buildings and Improvements	40 - 80 years
Ferry Boat	30 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.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 5 – Capital Assets (Continued)**

**A. Capital Asset Additions and Retirements**

City capital asset activities for the year ended June 30, 2011, are as follows:

	Balance at June 30, 2010	Additions	Retirements	Transfers	Balance at June 30, 2011
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$5,871,384				\$5,871,384
Construction in progress	50,145,356	\$10,301,910		(\$4,469,952)	55,977,314
Total capital assets not being depreciated	56,016,740	10,301,910		(4,469,952)	61,848,698
Capital assets being depreciated:					
Buildings	252,398,586	377,073		84,404	252,860,063
Machinery and equipment	25,422,744	770,475	(\$1,173,551)		25,019,668
Infrastructure:					
Streets	94,081,218			1,414,201	95,495,419
Landscape	20,479,187				20,479,187
Storm drains	18,530,573			592,013	19,122,586
Portable water systems	1,353,939				1,353,939
Parks	5,285,235			2,379,334	7,664,569
Marina facilities	24,285,397				24,285,397
Total capital assets being depreciated	441,836,879	1,147,548	(1,173,551)	4,469,952	446,280,828
Less accumulated depreciation:					
Buildings	(92,606,458)	(3,288,944)		(110,788)	(95,895,402)
Machinery and equipment	(18,569,938)	(1,068,501)	860,283	110,788	(18,778,156)
Infrastructure:					
Streets	(54,743,777)	(2,668,240)			(57,412,017)
Landscape	(15,118,178)	(564,522)			(15,682,700)
Storm drains	(7,624,411)	(289,157)			(7,913,568)
Portable water systems	(1,131,626)	(17,525)			(1,149,151)
Parks	(2,435,992)	(203,006)			(2,638,998)
Marina facilities	(18,711,103)	(301,218)			(19,012,321)
Total accumulated depreciation	(210,941,483)	(8,401,113)	860,283		(218,482,313)
Net capital assets being depreciated	230,895,396	(7,253,565)	(313,268)	4,469,952	227,798,515
Governmental activity capital assets, net	\$286,912,136	\$3,048,345	(\$313,268)		\$289,647,213



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 5 - Capital Assets (Continued)**

	Balance at June 30, 2010	Additions	Retirements	Transfers	Balance at June 30, 2011
<b><i>Business-type activities</i></b>					
Capital assets, not being depreciated:					
Land and improvement	\$176,899				\$176,899
Construction in progress	133,738	\$2,594,479			2,728,217
Total capital assets not being depreciated	<u>310,637</u>	<u>2,594,479</u>			<u>2,905,116</u>
Capital assets, being depreciated:					
Buildings	1,133,476				1,133,476
Sewer lines	64,559,409				64,559,409
Streets	188,016				188,016
Storm drains	314,356				314,356
Golf improvements	4,175,740	228,754			4,404,494
Ferry boats	13,359,217	801,447	(\$14,160,664)		
Office furniture and equipment	2,339,416				2,339,416
Net capital assets being depreciated	<u>86,069,630</u>	<u>1,030,201</u>	<u>(14,160,664)</u>		<u>72,939,167</u>
Less accumulated depreciation for:					
Buildings	(246,772)	(17,574)			(264,346)
Sewer lines	(24,084,466)	(1,011,466)			(25,095,932)
Streets	(136,603)	(4,821)			(141,424)
Storm drains	(71,509)	(4,192)			(75,701)
Golf improvements	(2,169,406)	(158,201)			(2,327,607)
Ferry boats	(5,295,538)	(488,689)	5,784,227		
Office furniture and equipment	(2,185,179)	(54,240)			(2,239,419)
Total accumulated depreciation	<u>(34,189,473)</u>	<u>(1,739,183)</u>	<u>5,784,227</u>		<u>(30,144,429)</u>
Net capital assets being depreciated	<u>(51,880,157)</u>	<u>(708,982)</u>	<u>(8,376,437)</u>		<u>42,794,738</u>
Business-type activity capital assets, net	<u>\$52,190,794</u>	<u>\$1,885,497</u>	<u>(\$8,376,437)</u>		<u>\$45,699,854</u>

The retirement above includes transfer of the City's ferry services to the San Francisco Bay Area Water Emergency Transportation Authority as discussed in Note 13.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 5 - Capital Assets (Continued)**

**B. The Housing Authority's Capital Assets**

Housing Authority capital asset activities for the year ended June 30, 2011, are as follows:

	Balance June 30, 2010	Additions	Balance June 30, 2011
Capital assets, not being depreciated:			
Land	\$11,962,854	\$1,449,200	\$13,412,054
Capital assets, being depreciated:			
Buildings & Improvements	33,349,289	2,811,696	36,160,985
Equipment	297,150		297,150
Net capital assets being depreciated	33,646,439	2,811,696	36,458,135
Less accumulated depreciation:	(16,454,940)	(1,080,454)	(17,535,394)
Net Capital Assets being depreciated	17,191,499	1,731,242	18,922,741
Total capital assets, net	\$29,154,353	\$3,180,442	\$32,334,795





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 5 - Capital Assets (Continued)**

**C. Alameda Municipal Power's Capital Assets**

Alameda Municipal Power capital asset activities for the year ended June 30, 2011, are as follows:

	Balance June 30, 2010	Additions	Retirements	Transfers	Balance June 30, 2011
Capital assets not being depreciated:					
Land and Rights	\$153,643				\$153,643
Construction Work in Progress	2,261,549	\$1,951,555	(\$824,040)	(\$1,669,573)	1,719,491
Total capital assets not being depreciated	<u>2,415,192</u>	<u>1,951,555</u>	<u>(824,040)</u>	<u>(1,669,573)</u>	<u>1,873,134</u>
Capital assets being depreciated:					
Utility Plant	68,706,972			1,607,953	70,314,925
Service Center Building	7,843,636				7,843,636
Machinery and Equipment	8,720,994			18,167	8,739,161
Transportation Equipment	2,593,727				2,593,727
Computer Equipment	3,213,190			43,453	3,256,643
Furniture and Fixtures	599,107				599,107
Easements	185,500				185,500
Total capital assets being depreciated	<u>91,863,126</u>			<u>1,669,573</u>	<u>93,532,699</u>
Less accumulated depreciation for:					
Utility Plant	38,719,550	2,190,483			40,910,033
Service Center Building	2,890,172	165,870			3,056,042
Machinery and Equipment	6,749,322	760,966			7,510,288
Transportation Equipment	1,376,890	195,288			1,572,178
Computer Equipment	2,740,306	127,520			2,867,826
Furniture and Fixtures	387,277	17,652			404,929
Easements	94,500	3,500			98,000
Total accumulated depreciation	<u>52,958,017</u>	<u>3,461,279</u>			<u>56,419,296</u>
Total depreciable assets	<u>38,905,109</u>	<u>(3,461,279)</u>		<u>1,669,573</u>	<u>37,113,403</u>
Business activity capital assets, net	<u>\$41,320,301</u>	<u>(\$1,509,724)</u>	<u>(\$824,040)</u>		<u>\$38,986,537</u>



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 5 - Capital Assets (Continued)**

**D. 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.

**E. 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 is as follows:

<b>Governmental Activities</b>	
General government	\$418,007
Police	217,704
Fire	232,501
Public works	4,069,856
Community development, planning and building	2,403,547
Culture and recreation	1,059,498
<b>Total Governmental Activities</b>	<b>\$8,401,113</b>
<b>Business-Type Activities</b>	
Ferry services	\$488,689
Golf course	221,608
Sewer services	1,028,886
<b>Total Business-Type Activities</b>	<b>\$1,739,183</b>
<b>Discretely Presented Component Units:</b>	
Housing Authority of City of Alameda	\$1,080,454
Alameda Municipal Power	\$3,461,279

**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**

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



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 6 – Long-Term Debt (Continued)**

**A. City Long-Term Debt**

The City's long-term debt activities for the year ended June 30, 2011, are as follows:

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011	Current Portion
<b>Governmental Activity Debt:</b>					
<b>Certificates of Participation:</b>					
2002 City Hall	\$8,730,000		\$425,000	\$8,305,000	\$445,000
2008 Refinancing Project	4,575,000		410,000	4,165,000	425,000
<b>Total Certificates of Participation</b>	<b>13,305,000</b>		<b>835,000</b>	<b>12,470,000</b>	<b>870,000</b>
2003 General Obligation Bonds	9,580,000		205,000	9,375,000	220,000
Leases Payable	202,080		67,360	134,720	67,360
Other Loans Payable	105,300		40,000	65,300	40,000
<b>Subtotal</b>	<b>23,192,380</b>		<b>1,147,360</b>	<b>22,045,020</b>	<b>1,197,360</b>
<b>CIC Long-Term Debt:</b>					
1992 Revenue Bonds	1,145,000		1,145,000		
2002 Series A & B Subordinate Taxable Tax Allocation Bonds	1,615,000		760,000	855,000	855,000
2003 Tax Allocation Refunding Bonds	16,990,000		490,000	16,500,000	505,000
2003 Tax Allocation Bonds, Series A1, A2 & B	46,080,000		90,000	45,990,000	105,000
2011 Tax Allocation Banks, Series A & B Discount		\$11,035,000 (125,326)		11,035,000 (125,326)	295,000
2006 CRA/ERAF Loan Program	465,000		65,000	400,000	70,000
HUD Section 108 Loan	6,848,000		157,000	6,691,000	162,000
<b>Total CIC</b>	<b>73,143,000</b>	<b>10,909,674</b>	<b>2,707,000</b>	<b>81,345,674</b>	<b>1,992,000</b>
<b>ARRA Long-Term Debt:</b>					
2003 ARRA Demand Revenue Bonds	12,600,000		300,000	12,300,000	300,000
<b>Total Governmental Activity Debt</b>	<b>\$108,935,380</b>	<b>\$10,909,674</b>	<b>\$4,154,360</b>	<b>\$115,690,694</b>	<b>\$3,489,360</b>
<b>Business Activity Debt:</b>					
1995 Certificates of Participation	\$2,755,000		\$290,000	\$2,465,000	\$305,000
State Construction Loan	81,167		21,596	59,571	22,328
State Water Resources Control Board	1,091,181		123,590	967,591	127,050
State Revolving Fund Loan, 1998	1,177,559		117,814	1,059,745	120,877
State Revolving Fund Loan, 1999	579,415		51,245	528,170	52,629
State Revolving Fund Loan, 2004	1,116,006		73,255	1,042,751	75,160
Equipment Purchase Agreements	258,983		140,133	118,850	118,850
<b>Total Business Activity Debt</b>	<b>\$7,059,311</b>		<b>\$817,633</b>	<b>\$6,241,678</b>	<b>\$821,894</b>
<b>Total City Debt</b>	<b>\$115,994,691</b>	<b>\$10,909,674</b>	<b>\$4,971,993</b>	<b>\$121,932,372</b>	<b>\$4,311,254</b>



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 6 – Long-Term Debt (Continued)**

**B. Housing Authority Long Term Debt**

The Housing Authority's long-term debt activity for the year ended June 30, 2011, is as follows:

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011	Current Portion
ARCS Commercial Co. L.P.	\$6,305,309		\$115,759	\$6,189,550	\$122,697
PMC Financial Services	8,342,373		221,383	8,120,990	234,034
Notes Payable - City of Alameda	1,083,646		68	1,083,578	1,322
Notes Payable - County of Alameda		\$942,650		942,650	
Notes Payable - Other	402,053		17,181	384,872	16,814
Total	<u>\$16,133,381</u>	<u>\$942,650</u>	<u>\$354,391</u>	<u>\$16,721,640</u>	<u>\$374,867</u>

**C. Alameda Municipal Power Long-Term Debt**

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

	Original Issue Amount	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011	Current Portion
Electric System Revenue Taxable COPs, Series 2000AT	\$29,500,000	\$29,500,000		\$29,500,000		
Electric System Revenue COPs, Series 2000A	9,545,000	9,545,000		9,545,000		
2008 Truck (Altel Model AM-55)- Capital Lease	176,295	128,981		23,699	\$105,282	\$25,034
2009 Truck (Altel Model D3060) - Capital Lease	229,168	172,925		30,827	142,098	32,344
Revenue Bonds, Series 2010A	8,700,000		\$8,700,000		8,700,000	
Taxable Revenue Bonds, Series	22,985,000		22,985,000		22,985,000	895,000
Loan from City of Alameda	2,200,000	2,200,000			2,200,000	2,200,000
Deferred amount on refunding	n/a		(1,116,652)	(61,651)	(1,055,001)	(61,651)
Total long-term debt		<u>\$41,546,906</u>	<u>\$30,568,348</u>	<u>\$39,037,875</u>	<u>\$33,077,379</u>	<u>\$3,090,727</u>

Alameda Municipal Power is required to maintain amounts of cash and investments with trustees or fiscal agents under the terms of the Series 2000A Certificates of Participation, as discussed in Note 6G below.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 6 – Long-Term Debt (Continued)**

**D. Debt Service Requirements - City, Housing Authority and Alameda Municipal Power**

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

For the Year Ending June 30	Governmental Activities		Business-Type Activities		Discretely Presented Component Units			
					Governmental Activities Housing Authority		Business-Type Activities Alameda Municipal Power	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$3,489,360	\$5,275,202	\$821,894	\$219,428	\$374,867	\$620,256	\$3,152,378	\$1,601,697
2013	3,361,660	5,749,328	728,877	193,510	396,560	602,798	1,100,781	1,578,846
2014	3,409,000	5,597,318	745,297	165,578	419,508	584,334	1,129,386	1,548,668
2015	3,676,000	5,349,884	756,761	138,345	443,785	564,807	1,163,204	1,511,204
2016	3,911,000	5,189,252	782,669	110,371	469,469	544,156	1,133,330	1,469,602
2017-2021	20,865,000	23,291,074	2,209,549	171,350	2,787,799	2,366,899	6,415,000	6,530,385
2022-2026	26,635,000	17,704,625	196,631	7,708	3,693,836	1,639,896	8,540,000	4,440,579
2027-2031	28,654,000	10,987,304			4,502,334	704,993	11,498,301	1,479,115
2032-2036	18,065,000	3,801,007			1,730,602	87,077		
2037-2041	3,135,000	938,400			47,768			
2042-2046	615,000	52,275			42,491			
2047-2051					35,333			
2052-2056					210,860			
2057-2061					623,778	2,032,854		
2062-2066								
2067					942,650	1,933,741		
Less Discount:	(125,326)	\$83,935,669	\$6,241,678	\$1,006,290	\$16,721,640	\$11,681,811	\$34,132,380	\$20,160,096
Total	<u>\$115,690,694</u>							

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

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

**Governmental Activity Debt**

**Certificates of Participation**

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

**2002 City Hall Refinancing Project Certificates of Participation** – The City issued Certificates of Participation in the original principal amount of \$11,370,000, bearing interest at 2.25-4.75%, on September 10, 2002, in order to refund the City's outstanding \$10,565,000 1995 City Hall Seismic Upgrade and Renovation Project Certificates of Participation. The 1995 COP was to finance the seismic upgrade and renovation of City Hall and certain fire station facilities under a non-cancelable lease of these facilities extending to May 1, 2025. Under this lease, the City makes semi-annual payments May 1 and November 1 from vehicle licensing fees, which are sufficient to pay the principal and interest on the 2002 Certificates of Participation. Ownership of the leased premises reverts to the City at the end of the lease. The balance of debt evidenced by the 2002 Certificates of Participation has been included in the City's financial statements as this lease is in essence a financing arrangement, with ownership of the financed assets reverting to the City at conclusion of the lease term. Principal and interest are payable semi-annually each November 1 and May 1 through 2025.





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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## Note 6 – Long-Term Debt (Continued)

The refunding proceeds of the 2002 Bonds were used to purchase non-callable US government securities, which were deposited in an irrevocable trust to provide for all future debt service payments of 1995 COPs. Accordingly, the trust account assets and the liability for the refunded portion of the 1995 COPs are not included in the financial statements.

### 2008 Refinancing Project Certificates of Participation

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

### General Obligation Bonds

**2003 General Obligation Bonds** – On November 7, 2000, the voters approved the issuance of General Obligation Bonds, which the City issued on March 25, 2003, in the principal amount of \$10,600,000, in addition to a reoffering premium of \$268,000, to finance the acquisition and construction of a new main library and improvements to two branch libraries within the City. The bonds bear interest at 2.00-5.00%. 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.

### Leases and Loans Payable

**Lease Payable** -- On April 1, 2003, the City entered into a non-cancelable lease agreement in the amount of \$674,467 with Bank of Alameda to acquire two fire trucks. The City agreed to pay the lease in quarterly payments of \$21,597 for ten years. Ownership of the fire trucks reverts to the City at the end of the lease term. Since the lease is in essence a financing arrangement, the costs of the fire trucks and the amount of the lease term have been included in the City's financial statements. Balance of the lease as of June 30, 2011, was \$134,720.

**Other Loans Payable** -- The City entered into a loan with Alameda Municipal Power for the replacement of deteriorated street lights. Through June 30, 2011, Alameda Municipal Power had expended \$627,300 for street light replacement, and the City had made payments of \$562,000. Annual installments of \$40,000 are scheduled until the loan is repaid. At June 30, 2011, the outstanding balance was \$65,300.

### CIC Long-Term Obligations

**1992 Revenue Bonds** - On April 1, 1992, the Alameda Public Financing Authority issued revenue bonds in the principal amount of \$2,740,000. Proceeds from the bond sale were used to refund the West End Improvement Project 1985 Tax Allocation Bonds. Commission tax increment revenue is pledged as repayment for these bonds. Principal and interest are payable semi-annually, each April 1 and October 1 through 2016. During fiscal year 2011, the Commissions issued 2011 Tax Allocation Bonds Series A and B to refinance the outstanding balance of 1992 Revenue Bonds.

**2002 Community Improvement Commission Subordinate Taxable Tax Allocation Bonds** – On March 1, 2002, the Community Improvement Commission issued Tax Allocation Bonds in the principal amount of \$4,640,000. Bond proceeds were used to repay a loan from the City to the Community Improvement Commission related to the Commission's Business and Waterfront Improvement Project. The bonds are payable from tax increment revenues received by the project area. Principal and interest are payable semi-annually on February 1 and August 1 through February 2012. The interest rates on the bonds vary from 4.4% to 6.8% for Series A and 6.05% to 7.75% for the Series B. The outstanding balance as of June 30, 2011 was \$855,000.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 6 - Long-Term Debt (Continued)**

The pledge of future tax increment revenues ends upon repayment of the \$2,652,107 in remaining debt service on the Tax Allocation Bonds, scheduled to occur in 2012. As disclosed in the bond indenture, pledged future tax increment revenues are expected to provide coverage over debt service of 1.25 over the life of the Bonds. For FY 10-11, tax increment revenues amounted to \$7,549,510, which represented coverage of 8.55 over the \$883,144 in current year debt service.

**2003 Community Improvement Commission Tax Allocation Refunding Bonds** – On October 1, 2003, the Community Improvement Commission issued Tax Allocation Refunding Bonds, related to the Business and Waterfront Improvement Area in the principal amount of \$18,535,000, with Series 2003 C issued in the amount of \$17,510,000 and Series 2003 D in the amount of \$1,025,000. The proceeds were used to retire the 2002 Financing Authority Variable Rate Revenue Bonds. The Bonds are payable from tax increment revenues receivable by the Project Area. Principal is payable annually on February 1, with interest payable semi-annually on February 1 and August 1 through February 2032. The interest rates on the bonds vary from 2% to 4.75%. The outstanding balance as of June 30, 2011 was \$16,500,000.

**2003 Community Improvement Commission Tax Allocation Bonds** – On December 1, 2003, the Community Improvement Commission issued Series 2003 A1 and A2 Tax Allocation Bonds in the principal amount of \$37,390,000 and Series 2003 B Subordinated Tax Allocation Bonds in the principal amount of \$9,205,000, for a total original principal amount of \$46,595,000, for the Commission's merged improvement areas. The proceeds were used to finance certain redevelopment projects, to repay a loan of \$2,200,000 for the Project Area, and to finance \$12,200,000 of demolition costs incurred in the Project Area. The Series 2003 A1 and A2 are secured by a pledge of certain tax increment revenues for the Merged Project Area. The Series 2003 B are secured by a subordinate pledge of tax revenues. Interest is payable semiannually on March 1 and September 1 through 2033; principal is payable annually on March 1 through 2033. The interest rates on the bonds vary between 2 to 6.25%. The outstanding balance as of June 30, 2011 was \$45,990,000.

As disclosed in the official statements of the 2003 Community Improvement Commission Tax Allocation Refunding Bonds and 2003 Community Improvement Commission Tax Allocation Bonds, the two bond issues are considered parity bonds. The pledge of future tax increment revenues ends upon repayment of the \$119,200,776 in remaining debt service on the Community's Tax Allocation Bonds, scheduled to occur in 2033. As disclosed in the bond indenture, pledged future tax increment revenues are expected to provide coverage over debt service of 1.1 over the life of the Bonds. For FY10-11, tax increment revenues amounted to \$2,035,739, which represented coverage of 0.50 over the \$4,074,385 in current year debt service.

**2011 Community Improvement Commission Tax Allocation Bonds** - On May 1, 2011, the Community Improvement Commission issued Series 2011 A Subordinated Tax Allocation Housing Bonds in the principal amount of \$9,870,000 and Series 2011 B Subordinated Tax Allocation Housing Bonds in the principal amount of \$1,165,000, for a total original principal amount of \$11,035,000, for the Commission's merged improvement areas. Proceeds from the sale of the Bonds will be used to (a) finance certain housing activities of the Agency, (b) refinance the obligations of the Agency under a 1992 Loan Agreement, (c) make a deposit to the Reserve Account for the Bonds in an amount equal to the initial Reserve Requirement, and (d) pay the costs of issuing the Bonds. The Series 2011 A and B are secured by a subordinate pledge of tax revenues. Principal and interest are payable annually on September 1 through 2041. The interest rates on the bonds vary between 2 to 8.5%. The bond was issued with \$125,326 discount. The outstanding balance as of June 30, 2011 was \$10,909,674, net of discount.

The pledge of future tax increment revenues ends upon repayment of the \$2,652,107 in remaining debt service on the Tax Allocation Bonds, scheduled to occur in 2041. As disclosed in the bond indenture, pledged future tax increment revenues are expected to provide coverage over debt service of 1.25 over the life of the Bonds.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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## Note 6 - Long-Term Debt (Continued)

**ERAF Loan Program** – In April 2006, the Community Improvement Commission borrowed \$695,000 from the California Statewide Communities Development Authority to pay for Educational Revenue Augmentation Fund (ERAF) due to Alameda County. Both principal and interest payments are made semi-annually through March 2016. The loan carries a 6% interest rate. The outstanding balance as of June 30, 2011 was \$400,000.

**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, 2011 is \$6,691,000.

### ARRA Long-Term Obligations

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

The pledge of sublease revenues ends upon repayment of the \$12,100,888 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 FY10-11, sublease revenues amounted to \$11,132,972 which represented coverage of 32.57% over the \$341,848 in debt service.

### Business Activity Debt

#### Certificates of Participation

**1995 Sewer System Refinancing & Improvement Certificates of Participation** - On December 14, 1995, the City issued Certificates of Participation in the original principal amount of \$5,850,000, bearing interest at 4.05-5.15%. Of these proceeds, \$5,035,792 of the proceeds plus \$434,355 from the 1988 refunded debt reserves were used to establish an escrow account for principal and interest payments on the 1988 refunded debt through March 1, 1998, and to redeem the 1988 COPs at 103% on March 1, 1998. The remaining \$815,000 of the proceeds will be used for new Sewer Fund Projects relating to the closure of the Alameda Naval Air Station. The COPs mature on March 1, 2018. The installment payments are made from the net revenues of the Sewer Services Enterprise Fund.

The pledge of future net revenues terminates upon repayment of the \$2,465,000 in remaining debt service on the City's Sewer System Refinancing & Improvement Certificates of Participation Bonds, which is scheduled to occur in 2018. As disclosed in the originating offering documents, projected net revenues are expected to provide coverage over debt service of 1.2 over the life of the Bonds. For fiscal year 2010-11, Sewer Fund revenues, including operating revenues and non-operating interest earnings, amounted to \$7,323,472. Operating costs, including operating expenses and excluding interest, depreciation or amortizations, amounted to \$3,328,747. Net Revenues available for debt service amounted to \$3,994,725 which represented coverage of 9.41 over the \$424,306 in debt service.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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## Note 6 - Long-Term Debt (Continued)

### Loans Payable

**State Construction Loan** - On May 2, 1989, the City entered into a loan with the State of California State Water Resources Control Board for \$400,431 at 3.39% interest to construct facilities for the control and prevention of water pollution. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of \$24,349 through December 1, 2013. The balance as of June 30, 2011, was \$59,571.

**State Water Resources Control Board-** On February 8, 1996, the City entered into a loan with the State of California State Water Resources Control Board for up to \$2,324,502 at 2.8% interest, of which all has been drawn down. The purpose of the loan is to provide funding to install sanitary sewer facilities. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of \$154,144 through August 5, 2017. The balance as of June 30, 2011, was \$967,591.

**State Revolving Fund Loan 1998** - The City entered into a contract on July 1, 1998, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is \$2,292,025, of which all has been drawn down. This loan bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2011, was \$1,059,745.

**State Revolving Fund Loan 1999** - The City entered into a contract on September 29, 1999, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is \$1,193,529 and bears interest at 2.7% per year for a term of twenty years. The balance as of June 30, 2011, was \$528,170.

**State Revolving Fund Loan 2004** - The City entered into a contract on August 12, 2004, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is \$1,840,292 and bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2011, was \$1,042,751.

### Equipment Purchase Agreements

On April 18, 2001, the City entered into a non-cancelable lease agreement in the amount of \$404,934 with Textron Financial Corporation to acquire certain electric golf equipment. On April 5, 2004, the City traded-in the golf equipment in exchange for a new lease agreement with Textron Financial Corporation in the amount of \$444,077. On July 12, 2007, the City again traded in the golf equipment in exchange for a new non-cancelable lease agreement with Textron Financial Corporation in the amount of \$449,753. Under the new lease agreement the City agreed to pay \$8,879 for 49 months. Ownership of the golf equipment reverts to the City at the end of the lease. Since the lease is essentially a financing agreement, the cost of the golf equipment and the amount of the lease term have been included in the City's financial statements. Balance of the lease as of June 30, 2011, was \$103,830.

On October 15, 2006, the City entered into a lease agreement in the amount of \$200,609 with Wells Fargo Financial Leasing, Inc. to acquire various golf maintenance equipment. The City agreed to pay the lease in monthly payments of \$3,798 for 60 months. Ownership of the equipment reverts to the City at the termination of the lease. Since the lease is essentially a financing arrangement, the costs of the golf equipment and the amount of the lease have been included in the City's financial statements. Balance of the lease as of June 30, 2011, was \$15,020.





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 6 - Long-Term Debt (Continued)**

**F. Housing Authority Notes Payable**

The deed of trust note dated April 1, 2005, of \$6,800,000 for the Parrot and Eagle Village Apartments with ARCS Commercial Co. L.P. accrues interest at a variable rate based upon the weekly short term bond reset rate. The note requires payments of principal and interest in amounts at least totaling \$340,016. The note matures April 15, 2035. The outstanding balance on the note at June 30, 2011, was \$6,189,550.

Four other notes are secured by deeds of trust on six properties located throughout the City of Alameda. These notes were issued during the fiscal years ended June 30, 1997, and June 30, 2004. These notes have a balance owing of \$384,872 as of June 30, 2011. The notes have interest rates ranging from 5.05% to 6.72% per annum and require annual principal and interest payments totaling \$37,298.

Issued during the fiscal year ended June 30, 1997 were two deferred loans from the City of Alameda. These loans were issued for \$518,600 and carry no interest rate. They are secured by deeds of trust on nine properties located in Alameda, California. One of the notes is deferred until January 1, 2027. Varying semiannual payments are due on each loan from the deferral date through January 1, 2027. The combined balances outstanding on these notes at June 30, 2011, were \$513,578.

A promissory note agreement for \$570,000 was entered into with the City of Alameda on June 18, 1998. This note bears interest at 3% per annum. Both interest and principal payments on this loan are deferred until the note's due date of June 30, 2057.

The mortgage note payable to PMC Financial Services was entered into on August 25, 1998. It is payable in monthly installments of \$56,705, including principal and interest at 5.57%. Final payment is due February 1, 2031. The outstanding balance on this loan at June 30, 2011, was \$8,120,990.

The Authority entered into two separate note payable agreements with the County of Alameda. One of the notes for \$536,400 was entered into on March 15, 2011 and the other note for \$380,000 was entered into on September 1, 2009. Both of these notes bear interest at 3% per annum. Principal and interest are payable throughout the term of these loans if there are "Residual Receipts" as defined by the loan agreements. A final payment is due on the outstanding loans principal and accrued interest on the earlier of (1) the date of transfer of the properties, (2) the date of any defaults on the loans, (3) July 30, 2067. The combined outstanding balances on these loans at June 30, 2011 was \$916,400.

The Authority assumed a loan payable originally entered into by the Filipino American Community Services Agency payable to the County of Alameda. The principal balance assumed an outstanding at June 30, 2011 is \$26,250. This note bears no interest. However, if this note is not paid when due the note will bear interest at 7% per annum for each day the note is not paid in full. The note is payable upon sale or transfer of the property whose deed of trust secures the note.

**G. Alameda Municipal Power Certificates of Participation and Bonds Payable**

**Electric System Revenue Taxable Certificates of Participation, Series 2000AT** -- On April 6, 2000, AMP issued \$29,500,000 of Certificates of Participation, Series 2000AT. Proceeds were used to refinance certain obligations of the Electric System with respect to NCPA. The Series 2000AT matures semi-annually through July 1, 2030, with annual principal debt service commencing on July 1, 2011. The certificates bear interest at an auction rate fluctuating around the one-month LIBOR rate. One August 17, 2010, the Electric System Revenue Taxable Certificates of Participation were defeased as part of the refinancing which results in the Revenue Bonds Series 2010A/B.

**Electric System Revenue Certificates of Participation, Series 2000A** -- On April 1, 2000, AMP issued \$9,545,000 of Electric System Revenue Certificates of Participation, Series 2000A bearing interest at 5% to 5.75%. Proceeds were used to defease the remaining outstanding 1992 Certificates of Participation, finance certain electric system improvements, and pay cost of delivery of the 2000A Certificates.





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 6 - Long-Term Debt (Continued)**

The Series 2000A Certificates of Participation mature annually through July 1, 2030. Principal amounts are payable annually July 1 commencing 2011. Interest amounts are payable semiannually on January 1 and July 1. AMP is required to maintain amounts of cash and investments with trustees or fiscal agents under the terms of the Series 2000A Certificates of Participation, as discussed at Note 2. On August 17, 2010, the Electric System Revenue Certificates of Participation, Series 2000A, were defeased as part of the financing which resulted in the Revenue Bonds Series 2010A/B.

The continuing disclosure agreement required notification that work related to the acquisition, construction and installation of the Electric System improvements projects provided for by this financing began in FY00-01.

On August 17, 2010, the Electric System Revenue Certificates of Participation, Series 2000A, were defeased as part of the refinancing which resulted in the Revenue Bonds Series 2010A/B.

**Revenue Bonds, Series 2010A/B (AMP Refinancing)** - As described in an indenture agreement dated August 1, 2010, Revenue Bonds, Series 2010A/B were issued to provide funds, together with certain other available monies, to 1) prepay the obligations of AMP for the Electric System Revenue Certificates of Participation Series 2000A, 2) prepay the obligations of AMP for the Taxable Electric System Revenue Certificates of Participation, Series 2000AT, 3) fund a deposit to the Common Reserve Account, and 4) prepay the costs of issuance of the 2010 Bonds. Revenue Bonds, Series 2010A bear interest at 4.375% to 5.25%, payable January 1 and July 1 of each year.

Principal on the Series 2010B Bonds will be payable beginning July 1, 2011 and each succeeding July 1 until defeased in 2027. Principal on the Series 2010A Bonds will be payable beginning July 1, 2027 and each succeeding July 1 until defeased in 2030. The 2010 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. The 2010 Bonds are special obligations payable solely from electric revenues, other amounts held in the bond funds and accounts established pursuant to the indenture, and amounts on deposit in the Common Reserve Account. The initial book-entry principal obligation for the Series 2010A is \$8,700,000 and \$22,985,000 for the Series 2010B. The combined principal obligation amount is \$31,685,000.

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

**Capital Lease Obligation** – On June 1, 2008, Alameda Municipal Power entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was \$176,295 and is due in monthly principal and interest installments of \$2,533 through June, 2015. Accumulated depreciation for the vehicle is \$58,918 as of June 30, 2011.

**Capital Lease Obligation** – On July 18, 2008, Alameda Municipal Power entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was \$229,168 and is due in monthly principal and interest installments of \$3,347 through July, 2015. Accumulated depreciation for the vehicle is \$71,538 as of June 30, 2011.

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



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 7 - Special Assessment Debt Without City's Commitment**

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

At June 30, 2011, the combined outstanding debt amount for all of these assessment districts was \$24,670,000.

**Note 8 – Net Assets And Fund Balances**

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

**A. Net Assets**

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

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

*Restricted* describes the portion of Net Assets 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 redevelopment funds restricted to low and moderate income purposes.

*Unrestricted* describes the portion of Net Assets 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. Portions of a fund's balance may be reserved or designated for future expenditure.

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

*Nonspendables* represent balances set aside to indicate items that do not represent available, spendable resources, even though they are a component of assets. Fund balances required to be maintained intact, such as permanent funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment, are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 8 – Net Assets And Fund Balances (Continued)**

*Committed* fund balances have constraints imposed by formal action 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 Council or its designee 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.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 8 – Net Assets And Fund Balances (Continued)**

Detailed classifications of the City's Fund Balances, as of June 30, 2011, are below:

Classifications	General Fund	Community Improvement Commission Special Revenue	FISC Lease Revenue Special Revenue	Alameda Reuse and Redevelopment Authority Special Revenue	Housing Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total
<b>Nonspendable:</b>								
Items not in spendable form								
Loans	\$2,200,000							\$2,200,000
Advances to other funds	2,218,995							2,218,995
Prepays and inventories	580,835						\$7,628	588,463
<b>Total Nonspendable</b>	<b>4,999,830</b>						<b>7,628</b>	<b>5,007,458</b>
<b>Restricted for:</b>								
Capital projects							8,624,038	8,624,038
Affordable housing		\$3,505,131						3,505,131
Redevelopment activities		2,098,989	\$954,088	\$7,188,310				10,241,387
Streets and roads							6,473,218	6,473,218
Public safety							541,487	541,487
Assessment Districts							5,755,766	5,755,766
Debt service							10,423,665	10,423,665
<b>Total Restricted</b>		<b>5,604,120</b>	<b>954,088</b>	<b>7,188,310</b>			<b>31,818,174</b>	<b>45,564,692</b>
<b>Committed to:</b>								
Capital projects	400,000					\$7,055,654	17,017,370	24,473,024
Community development							1,110,053	1,110,053
Culture and recreation							1,445,980	1,445,980
Library operations							294,914	294,914
Affordable housing					\$2,029,422			2,029,422
Redevelopment activities							736,557	736,557
Parking Meter/Garage Operations/Projects							2,649,570	2,649,570
Waste management							4,615,100	4,615,100
<b>Total Committed</b>	<b>400,000</b>				<b>2,029,422</b>	<b>7,055,654</b>	<b>27,869,544</b>	<b>37,354,620</b>
<b>Assigned to:</b>								
Capital Projects								
Senior Center projects	259,226							259,226
Redevelopment activities					10,965			10,965
Future operational costs	112,504							112,504
Animal Shelter operations	231,899							231,899
<b>Total Assigned</b>	<b>603,629</b>				<b>10,965</b>			<b>614,594</b>
<b>Unassigned:</b>								
Reserve policy	14,569,896							14,569,896
Residual fund balance in excess of policy	1,795,584							1,795,584
Fund balance deficits							(9,200)	(9,200)
<b>Total Unassigned</b>	<b>16,365,480</b>						<b>(9,200)</b>	<b>16,356,280</b>
<b>Total Fund Balances</b>	<b>\$22,368,939</b>	<b>\$5,604,120</b>	<b>\$954,088</b>	<b>\$7,188,310</b>	<b>\$2,040,387</b>	<b>\$7,055,654</b>	<b>\$59,686,146</b>	<b>\$104,897,644</b>



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 8 – Net Assets And Fund Balances (Continued)**

The funds below had fund balance deficits or net asset deficits in the amounts shown at June 30, 2011. Future revenues are expected to offset these deficits.

Special Revenue Fund:	
Community Development Block Grant	\$9,200
Internal Service Funds:	
Workers' Compensation Insurance	5,461,142
Risk Management Insurance	384,721

**Note 9 - Pension Plans**

**A. CALPERS Safety and Miscellaneous Employees Plans**

All Full time City employees are eligible to participate in pension plans offered by the California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan, which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect for fiscal year 2010-11, are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	55
Monthly benefits, as a % of annual salary	3.000%	2.000%
Required employee contribution rates	9.000%	7.000%
Required employer contribution rates	31.038%	12.693%

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





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.00%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis within twenty years. Investment gains and losses are accumulated as realized; ten percent of the net balance is amortized annually.

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

*Safety Plan:*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2008	\$260,064,538	\$203,443,519	\$56,621,019	78.2%	\$23,159,411	244.5%
2009	279,456,021	211,424,453	68,031,568	75.7%	21,925,105	310.3%
2010	290,369,467	218,842,250	71,527,217	75.4%	21,251,762	336.6%

*Miscellaneous Plan:*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2008	\$189,044,033	\$171,529,417	\$17,514,616	90.7%	\$33,135,225	52.9%
2009	204,998,845	180,293,062	24,705,783	87.9%	30,957,730	79.8%
2010	210,927,819	187,904,871	23,022,948	89.1%	28,225,541	81.6%

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

Actuarially required contributions for fiscal years 2011, 2010, and 2009, were \$12,082,061, \$10,368,070, and \$11,094,649. The City made these contributions as required, in addition to certain immaterial amounts required as the result of the payment of additional employee compensation.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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

**B. Police and Fire Pension Plans**

The City sponsors and administers two single employer defined benefit retirement plans for its police and fire department retirees. Police and fire employees who entered service before 1953 participate in Plan 1079, a closed plan consisting of thirty-one 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 years service bears to twenty-five. Qualified surviving spouses receive the retirees' monthly pension benefits for life. Upon remarriage, the qualified surviving spouse receives one-half of the retiree's monthly pension benefits. Employees who became disabled from service-related causes receive monthly pension benefits equal to one-half the monthly salary paid to current City employees of the rank held by the disabled employee on the date of their disability, reduced by any workers' compensation benefits received.

Plan 1082 is a closed plan consisting of two retired employees who receive monthly pension benefits of \$1,355 and \$2,162 respectively, adjusted annually by a maximum of 2% per year cost-of-living adjustment. Upon the death of a retiree, the qualified spouse receives one-half of the retiree's monthly pension benefit for life or until remarriage.

**C. Funding Policy and Actuarial Methods**

Plans 1079 and 1082 do not have allocated assets as of June 30, 2011. The City's policy is to fund the plans on a pay-as-you-go basis. The annual required contribution equals the greater of:

- 15 year amortization of the unfunded actuarial accrued liability based on the dollar level (see Note 10E below), or,
- actual benefits paid during the year.

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

**D. Annual Pension Cost**

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



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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

The annual required contribution was determined using an actuarial valuation dated January 1, 2011, using the projected unit credit actuarial cost method. The actuarial assumptions were as follows:

<u>Assumption</u>	
Funding Policy	-- Pay-as-you-go
Interest Rate	-- 4.5%
	-- Net of expenses
	-- Assets in City investments
CPI Increase (Plan 1082)	-- 2%
Salary Increase (Plan 1079)	-- No increase through fiscal year 2012-13
	-- 2% beginning fiscal year 2013-14
Mortality	-- CalPERS 1997-2007 Experience Study

For fiscal year ending June 30, 2011, annual pension costs were \$2,007,000 for Plan 1079 and \$63,000 for Plan 1082. Actual contributions made by the City during the year were \$2,023,933 for Plan and 1079 and \$43,431 for Plan 1082.

	<u>Plan 1079</u> <u>(000's omitted)</u>	<u>Plan 1082</u> <u>(000's omitted)</u>	<u>Total</u> <u>(000's omitted)</u>
Annual Required Contribution (ARC)	\$2,022	\$74	\$2,096
Interest on Net Pension Obligation	14	11	25
Amortization of Net Pension Obligation	<u>(29)</u>	<u>(22)</u>	<u>(51)</u>
Annual Pension Cost	2,007	63	2,070
Contributions (Benefit Payments)	<u>2,022</u>	<u>43</u>	<u>2,065</u>
(Decrease) Increase in Net OPEB obligations	(15)	20	5
Net Pension Obligation at June 30, 2010	<u>309</u>	<u>234</u>	<u>543</u>
<b>Net Pension Obligation at June 30, 2011</b>	<u><u>\$294</u></u>	<u><u>\$254</u></u>	<u><u>\$548</u></u>



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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

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

The following table provides three years of historical information of the Annual Pension Cost:

**Plan 1079:**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (000's omitted)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (000's omitted)</u>
6/30/2009	\$2,442	101%	\$325
6/30/2010	2,155	101%	309
6/30/2011	2,007	101%	294

**Plan 1082:**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (000's omitted)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (000's omitted)</u>
6/30/2009	\$67	63%	\$210
6/30/2010	67	64%	234
6/30/2011	63	68%	254

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
<b>Plan 1079</b>						
1/1/2009	\$0	\$21,447,000	\$21,447,000	0%	N/A	N/A
6/30/2010	0	19,424,000	19,424,000	0%	N/A	N/A
1/1/2011	0	14,141,000	14,141,000	0%	N/A	N/A
<b>Plan 1082</b>						
1/1/2009	\$0	\$826,000	\$826,000	0%	N/A	N/A
6/30/2010	0	817,000	817,000	0%	N/A	N/A
1/1/2011	0	812,000	812,000	0%	N/A	N/A

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



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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

**F. 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, 2011, total contributions of \$230,437 were made based on a total amount of covered compensation of \$3,072,476.

Two of the City's part-time employees elected to be covered under Social Security, which requires these employees and the City to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended June 30, 2011, amounted to \$ 2,888, of which the City paid 50%.

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

Effective September 1, 2001, the City adopted a Money Purchase Plan for a limited group of employees and appointees as a part of the City Retirement Program, which includes the Housing Authority and Alameda Municipal Power. The employees include all department directors. The appointees include the City Manager, City Clerk and the City Attorney. Under the Money Purchase Plan, the employee contributes a mandatory 2% of their salary. This plan is qualified under Section 401(a) of the Internal Revenue Code. Each participant has a plan account to which contributions are made. Plan benefits are based on the total amount of money in the account at retirement. Since the assets held under these plans are not the City's property and thus 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**

The City provides medical and dental benefits to retirees as specified below under the City of Alameda Other Post Employment Benefit Plan, offered by California Public Employee Retirements Systems (CALPERS), an agent multiple-employer defined benefit healthcare plan. The City is responsible for establishing and amending the funding policy of the Plan. As of June 30, 2011, there were 551 employees active, 442 employees retired, and 209 employees who are retired but choose not receive benefits for a total of 1,202 participants in the Plan.

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





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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

The provisions and benefits of the City's Other Post Employment Benefit Plan, in effect at June 30, 2011, are summarized as follows:

<b>Miscellaneous</b>																					
■ Eligibility	<ul style="list-style-type: none"> <li>● Retire directly from City under CalPERS</li> <li>● Age 50 and 5 years of CalPERS service or disability</li> </ul>																				
■ Medical Benefit	<ul style="list-style-type: none"> <li>● PEMHCA Minimum Employer Contribution</li> <li>● PEMHCA Minimum Employer Contribution: AB 2544               <ul style="list-style-type: none"> <li>▶ Now 5% of active contribution times years City in PEMHCA</li> <li>▶ Joined PEMHCA in 1992 for all bargaining units</li> <li>▶ \$102.60/month in 2011 (95% of 108.00)</li> <li>▶ 112.00/month in 2012 (100% of 112.00)</li> </ul> </li> </ul>																				
■ Dental Benefit	● None																				
■ Other OPEB	● No City contribution for vision insurance, life insurance, or Medicare Part B																				
■ Surviving Spouse Benefits	● Contribution continues to surviving spouse																				
■ Pay-As-You-Go Cost (000's)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Fiscal Year</th> <th style="text-align: center;">Medical</th> <th style="text-align: center;">Dental</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td style="text-align: right;">\$2,105</td> <td style="text-align: right;">\$146</td> <td style="text-align: right;">\$2,251</td> </tr> <tr> <td>2009/10</td> <td style="text-align: right;">1,856</td> <td style="text-align: right;">139</td> <td style="text-align: right;">1,995</td> </tr> <tr> <td>2008/09</td> <td style="text-align: center;">n/a</td> <td style="text-align: center;">n/a</td> <td style="text-align: right;">1,954</td> </tr> <tr> <td>2007/08</td> <td style="text-align: right;">1,642</td> <td style="text-align: right;">123</td> <td style="text-align: right;">1,765</td> </tr> </tbody> </table>	Fiscal Year	Medical	Dental	Total	2010/11	\$2,105	\$146	\$2,251	2009/10	1,856	139	1,995	2008/09	n/a	n/a	1,954	2007/08	1,642	123	1,765
Fiscal Year	Medical	Dental	Total																		
2010/11	\$2,105	\$146	\$2,251																		
2009/10	1,856	139	1,995																		
2008/09	n/a	n/a	1,954																		
2007/08	1,642	123	1,765																		

<b>Safety / Appointed Officials</b>																									
■ Medical Benefit	Retired	<1/1/11		≥1/1/11																					
	Hired	<7/1/95	≥7/1/95	≤6/7/11	>6/7/11																				
	Benefit	Full Premium for retiree and spouse		Up to higher of Kaiser or Blue Shield Bay area coverage elected up to 2 party	Up to higher of Kaiser or Blue Shield Bay Area for single coverage																				
	Post- Medicare Cap	n/a		Based on Medicare Premiums																					
	PEMHCA minimum if	< 15 YOS (APOA) only	<20 YOS (APOA & APMA)	<5 YOS	< 10 YOS																				
	<ul style="list-style-type: none"> <li>● PEMHCA Minimum Employer Contribution: AB 2544               <ul style="list-style-type: none"> <li>▶ Now 5% of active contribution times years City in PEMHCA</li> <li>▶ Joined PEMHCA in 1992 for all bargaining units</li> <li>▶ \$102.60/month in 2011 (95% of 108.00)</li> <li>▶ 112.00/month in 2012 (100% of 112.00)</li> </ul> </li> </ul>																								
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■ Other OPEB	● No City contribution for vision insurance, life insurance, or Medicare Part B																								
■ Surviving Spouse	● Contribution continues to surviving spouse																								
■ Pay-As-You-Go Cost (000's)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Fiscal Year</th> <th style="text-align: center;">Medical</th> <th style="text-align: center;">Dental</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td style="text-align: right;">\$2,105</td> <td style="text-align: right;">\$146</td> <td style="text-align: right;">\$2,251</td> </tr> <tr> <td>2009/10</td> <td style="text-align: right;">1,856</td> <td style="text-align: right;">139</td> <td style="text-align: right;">1,995</td> </tr> <tr> <td>2008/09</td> <td style="text-align: center;">n/a</td> <td style="text-align: center;">n/a</td> <td style="text-align: right;">1,954</td> </tr> <tr> <td>2007/08</td> <td style="text-align: right;">1,642</td> <td style="text-align: right;">123</td> <td style="text-align: right;">1,765</td> </tr> </tbody> </table>					Fiscal Year	Medical	Dental	Total	2010/11	\$2,105	\$146	\$2,251	2009/10	1,856	139	1,995	2008/09	n/a	n/a	1,954	2007/08	1,642	123	1,765
Fiscal Year	Medical	Dental	Total																						
2010/11	\$2,105	\$146	\$2,251																						
2009/10	1,856	139	1,995																						
2008/09	n/a	n/a	1,954																						
2007/08	1,642	123	1,765																						



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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

**Funding Policy and Actuarial Assumptions**

The annual required contribution (ARC) was determined as part of a January 1, 2011, actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.5% investment rate of return; (b) 3.25% projected annual salary increase; (c) 3% of general inflation increase; and (d) a healthcare trend of declining annual increases ranging from 9.4% in 2013 to 5% for years starting 2021. The actuarial methods and assumptions used include techniques that “smooth” the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually, as results are compared to past expectations and new estimates are made about the future. The City’s OPEB unfunded actuarial accrued liability as of June 30, 2009, is being amortized using a 30-year closed amortization period. Assumption changes, plan changes and gains or losses are being amortized using a 15-year closed period.

The City accounts for the OPEB Obligation on an accrual basis. During the fiscal year ended June 30, 2011, the City recorded a Net OPEB Obligation under the Governmental Activities on the Statement of Net Assets, representing the difference between the ARC and actual contributions, as presented below:

Annual Required Contribution (ARC)	\$6,013,000
Interest on Net OPEB Obligation	350,000
Adjustment to ARC	<u>(170,000)</u>
Annual Pension Cost	6,193,000
Contributions made	<u>(2,255,039)</u>
(Decrease) increase in net OPEB obligations	3,937,961
Net OPEB obligation at June 30, 2010	<u>\$7,782,572</u>
<b>Net OPEB obligation at June 30, 2011</b>	<b><u>\$11,720,533</u></b>
Percentage of ARC Contributed	<u>36%</u>

The Plan’s annual OPEB cost and actual contributions for fiscal years ended June 30, 2009, 2010, 2011 are set forth below:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage Of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2009	\$5,938,466	\$1,954,602	33%	\$3,983,864
6/30/2010	5,793,820	1,995,112	34%	7,782,572
6/30/2011	6,193,000	2,255,039	36%	11,720,533



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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

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

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
1/1/2007	\$0	\$75,377,000	(\$75,377,000)	0.00%	\$55,763,000	(135.2%)
1/1/2009	0	75,850,000	(75,850,000)	0.00%	59,678,000	(127.1%)
1/1/2011	0	86,416,000	(86,416,000)	0.00%	47,314,000	(182.6%)

**Note 11 - Risk Management**

The City, the Housing Authority and Alameda Municipal Power manage risk by participating in the public entity risk pools described below and by retaining certain risks.

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

**A. Risk Coverage**

The City, Alameda Municipal Power and ARRA are members of the California Joint Powers Risk Management Authority (CJPRMA), which covers general liability claims. The City, Alameda Municipal Power, and ARRA have self-insured retention of \$500,000 per claim. Once the self-insured retention is met, CJPRMA becomes responsible for payment of all claims up to the limit. During the fiscal year ended June 30, 2011, the City contributed \$592,296 for coverage during the current year.

The City and Alameda Municipal Power are members of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) which covers workers' compensation claims up to statutory limits. The City and Alameda Municipal Power have self-insured retention of up to \$350,000 per claim. During the fiscal year ended June 30, 2011, the City and Alameda Municipal Power contributed \$486,723 and \$73,008 respectively, for current year coverage.



City of Alameda  
 Notes to Basic Financial Statements  
 For the Year Ended June 30, 2011

**Note 11 - Risk Management (Continued)**

Workers' Compensation Insurance

The authority participates in a joint venture under a joint powers agreement (JPA) with the California Housing Workers' Compensation Authority (CHWCA). CHWCA was formed to provide workers' compensation insurance coverage for member housing authorities. At December 31, 2010, there were thirty-two members. The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes.

CHWCA had \$10,706,414 of unpaid claims and claim adjustment expenses outstanding at December 31, 2010. The Authority's share of year end assets, liabilities, or retained earnings has not been calculated.

Property and Liability Insurance

The Authority participates in a joint venture under a joint powers agreement (JPA) with the Housing Authorities Risk Retention Pool (HARRP). HARRP was formed to provide property and liability insurance coverage for member housing authorities. At December 31, 2010 there were 89 members. The relationship between the Authority and HARRP is such that HARRP is not a component unit of the Authority for financial reporting purposes.

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

Type of Coverage	Coverage Limits	
	City	Alameda Municipal Power
Liability	\$40,000,000	\$40,000,000
Auto - Physical damage	\$5,000,000	Actual cash value
Workers' Compensation	Statutory	Statutory w/ \$5,000,000 in Employer's Liability
All Risk Fire & Property except earthquake and flood	Replacement Cost	Replacement Cost
Boiler & Machinery	\$21,250,000	Replacement Cost
Terrorism	\$10,000,000	\$10,000,000



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 11 - Risk Management (Continued)**

**B. Insurance Internal Service Funds**

The Governmental Accounting Standards Board (GASB) requires municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims.

The City's liability for uninsured general liability claims, including claims incurred but not reported, is reported in the City's Risk Management Insurance Internal Service Fund. The liability is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	<u>2011</u>	<u>2010</u>
Beginning balance	\$1,176,809	\$1,150,237
Liability for current fiscal year claims	381,575	147,549
Increase (decrease) in estimated liability for prior year claims	(123,757)	(80,079)
Claims paid in current year	<u>(146,179)</u>	<u>(40,898)</u>
Ending balance	<u>\$1,288,448</u>	<u>\$1,176,809</u>
Current portion	<u>\$146,179</u>	<u>\$40,898</u>

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

	<u>2011</u>	<u>2010</u>
Beginning balance	\$6,279,974	\$5,352,481
Liability for current fiscal year claims	1,479,771	1,433,778
Increase (decrease) in estimated liability for prior year claims	2,043,102	2,403,315
Claims paid in current year	<u>(3,660,160)</u>	<u>(2,909,600)</u>
Ending balance	<u>\$6,142,687</u>	<u>\$6,279,974</u>
Current portion	<u>\$3,660,160</u>	<u>\$2,909,600</u>

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



City of Alameda  
 Notes to Basic Financial Statements  
 For the Year Ended June 30, 2011

**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 18 public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, and 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 to NCPA during the years ended June 30, 2011 and 2010 for purchased power were \$24,855,829 and \$26,935,656, respectively. Amounts paid include payments for NCPA invoiced amounts received directly by NCPA from the Certificates of Participation 2000AT trustee. Additionally, purchased power was reduced by a refund of \$1,289,824 for power exchange distribution and budget settlement monies returned to the NCPA General Operating Reserve (GOR).

AMP receives no income from NCPA, and does not participate in all of its projects. Further, NCPA does not measure or determine AMP's equity in NCPA as a whole. NCPA reports only AMP's share of its General Operating Reserve, comprised of cash and investments, and AMP's share of those projects in which AMP is a participant. These amounts are reflected in the financial statements as share of Certain NCPA Projects and Reserve.

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

	Fiscal Year Ended June 30	
	2011	2010
Beginning balance	\$24,224,505	\$24,185,546
Increase in equity in NCPA projects	(8,226,075)	38,959
Ending balance	\$15,998,430	\$24,224,505





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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

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

	June 30	
	2011	2010
General Operating Reserve	\$12,271,583	\$20,826,445
Purchased Power & Transmission	390,333	390,333
Associated Member Services		(1,033)
Alameda Municipal Power 's share of NCPA Power Projects:		
Geothermal Projects/Power Line	2,400,624	1,881,078
Calaveras Hydroelectric Project	502,271	631,046
Combustion Turbine Project No. 1	127,141	36,330
Combustion Turbine Project No. 2	306,478	460,306
	<u>\$15,998,430</u>	<u>\$24,224,505</u>

The General Operating Reserve represents AMP's portion of funds which resulted from the settlement in prior years of issues with financial consequences and reconciliations of several prior years' budgets for programs. These funds are available on demand and earn interest, but AMP has left them with NCPA as a reserve against contingencies identified by NCPA.

Members of NCPA may participate in an individual project of NCPA without obligation for any other project. Member assessments collected for one project may not be used to finance other projects of NCPA without the member's permission.

**B. *Projects in which Alameda Municipal Power is a Participant***

***Geothermal Projects***

A power purchase agreement with NCPA obligates AMP for 17.05407% of the debt service for two NCPA 110-megawatt geothermal steam powered generating plants, Plant Number 1 and Plant Number 2, located in the Geysers area in Northern California. AMP is obligated to pay 16.8825% of the operating costs of both plants. 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. Effective April 1, 2010, Turlock Irrigation District withdrew as an NCPA participant.

In 1993, NCPA issued the 1993 Refunding Series A and B for \$254,530,000. In 2009, NCPA issued the Refunding Series A for \$35,610,000 to improve the Unit 4 steam path, provide for the Middletown booster pump solar project, provide for the Southeast Treatment plant solar project, make a contribution to the Debt Service Reserve Account, and to pay the cost of issuance of the 2009 Series A bonds.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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

AMP is obligated to pay its contractual share of the debt until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2011, the book value of this Project's plant, equipment and other assets was \$89,514,046 while its long-term debt totaled \$34,357,251 and other liabilities totaled \$45,020,686. AMP's share of the Project's long-term debt and other liabilities amounted to \$13,537,169 at that date.

***Calaveras Hydroelectric Project***

NCPA contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, NCPA has the right to the electric output of the project for 50 years from February 1982 and also has an option to purchase power from the project in excess of the District's requirements for the subsequent 50 years, subject to regulatory approval. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants.

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

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

Under its power purchase agreement with NCPA, AMP is obligated to pay 10.9774% of this Project's debt service and operating costs. The project entitlement share on the Hydroelectric Projects funded with the 2009 Refunding Series C and 2008 Taxable Refunding Series D obligations is 10%. At June 30, 2011, the book value of this Project's plant, equipment and other assets was \$418,736,756, while its long-term debt totaled \$367,323,286 and other liabilities totaled \$46,136,850. AMP's share of the Project's long-term debt and other liabilities amounted to \$41,346,014 at that date.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 12 – Alameda Municipal Power 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. In December 1998, NCPA issued \$43,165,000 in fixed rate revenue bonds, the proceeds of which were used to refund outstanding revenue bonds and to pay costs of issuance of the debt. Under the NCPA power purchase agreement, AMP is obligated to pay 13.092% of this Project's debt service and operating costs. During August 2010, phase 2 of the First Amendment to the Agreement finalized the transfer of ownership of two NCPA electricity generating units to the City of Roseville due to a misalignment of ISO control areas. The transfer reduced the generation output of the project to 74 MW, and increased the entitlement share to 21.82%. Although AMP's project percentage share increases, its resulting generating capacity entitlement remains constant at 16.05 MW. At June 30, 2011, the book value of this Project's plant, equipment and other assets was \$2,540,268 while its long-term debt totaled \$0, and other liabilities totaled \$2,873,189. AMP's share of the Project's long-term debt and other liabilities amounted to \$376,158 at that date.

***Combustion Turbine Project No. 2 (Steam Injected Gas Turbine Project)***

AMP is a participant in NCPA's 49.8 megawatt Steam Injected Gas Turbine (STIG) project which was built under turnkey contract near the City of Lodi and declared substantially complete on April 23, 1996. In October 1992, NCPA issued \$152,320,000 of Multiple Capital Facilities Revenue Bonds to finance this project, a similar project for the Turlock Irrigation District in Ceres, and Lodi distribution system facilities. In January 1999, NCPA issued \$67,875,000 in fixed rate revenue bonds to refund a portion of outstanding Capital Facilities Bonds and to pay debt service (consisting of interest only) on the 1999 Bonds through August 1, 2002 and a portion of the interest due on the 1999 Bonds on February 1, 2003, and to pay costs of the issuance of the debt. In 2010, the NCPA issued 2010 Refunding Series A Bonds for \$55,120,000 for the purpose of providing funds to refund all of the Refunded 1999 Bonds, to fund a deposit to the 2010 Series debt service reserve account and to pay cost of issuance of the 2010 Series A Bonds. Under the NCPA power purchase agreement, AMP is obligated to pay 19.00% of the debt service and operating costs for the STIG project.

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

At June 30, 2011, the book value of this Project's plant, equipment and other assets was \$57,992,108 while its long-term debt totaled \$53,584,856 and other liabilities totaled \$3,794,210. AMP's share of the Project's long-term debt and other liabilities amounted to \$10,902,022 at that date.

***Graeagle Hydroelectric Project***

AMP's participation in this small hydroelectric project was approved in 1993. Although this project does not involve any financing, it does involve a long-term contractual commitment to purchase the power produced by the project through January 2010. AMP receives 50% of the power output from this hydroelectric project. After January 1, 2010, AMP will receive 100% of the output from this small hydroelectric project.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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## Note 12 – Alameda Municipal Power 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% of the base resource costs and receives that amount of the base resources, which is the amount of power generated in one federal fiscal year.

### Other Power Purchase Agreements

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

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

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

- ***Highwinds Project Power Purchase***

In December 2004, AMP entered into a long-term power purchase agreement with PPM Energy, Inc. for power supplied by the Highwinds Project in Solano County, California. In 2008, Iberdrola Renewables succeeded PPM Energy as the seller counterparty for this power purchase agreement. AMP receives 6.17% of the output of the 162 megawatt project (nameplate rating) or 10 megawatts through June 30, 2028.

- ***Landfill Gas Projects Power Purchase***

Since 2004, AMP has entered into four long-term power purchase agreements for power supplied by multiple generating facilities. These facilities utilize combustible gaseous emissions from landfills, located in or near the San Francisco Bay area to create power. AMP began receiving nearly 4 megawatts of base-load power from the first 2 facilities in 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 wide fluctuations in prices that resulted from a deficiency in generating capacity, including an immature and flawed market structure. Because AMP has its own generating resources and is not heavily dependent on the wholesale market to purchase power, it was not negatively impacted by these price swings.

In April 2008, the California Independent System Operator (CAISO) launched a new wholesale market structure in the state. The new structure is referred to as the Market Redesign and Technology Upgrade (MRTU) initiative and features day-ahead energy market with a nodal locational marginal priority regime. The MRTU initiative has introduced new risks and uncertainties for AMP. To establish the extent of the risk and identify its impact to rates, AMP is closely monitoring the new structure's performance and costs.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 12 – Alameda Municipal Power 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, CA 95678.

***Transmission Agency of Northern California (TANC)***

AMP is a member of a joint powers agreement with fourteen 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. 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 was obligated to pay 1.333% of TANC's debt-service related to the California-Oregon Transmission Project (COTP). AMP entitlement share on COTP is 1.227% and is obligated to pay 1.227% of the project's operating costs. AMP's share on the 2009 Series A bonds is 1.4496%. AMP is not obligated for any portion of the 2009 Series B bonds.

These obligations provide AMP with a COTP transfer capability of 17.05 MW. AMP is also obligated to pay for a portion of the debt associated with the South of Tesla transmission which is provided under an agreement between TANC and Pacific Gas & Electric Company.

In May 2009, TANC issued \$67.0 million of tax-exempt 2009 Series A bonds and \$6.18 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, 2011 AMP's share of this debt is \$4,670,313 and \$4,871,996 respectively.

***TANC Financial Information***

TANC's financial statements can be obtained from TANC, P.O. Box 15129, Sacramento, CA 95851 or from their website at <http://www.tanc.us/content/blogsection/10/70/>.

**Note 13 - Commitments And Contingencies**

**A. City**

The City, through the Community Improvement Commission, has an agreement extending through 2014 under which it refunds a portion of Alameda Marina Village Assessment District Property Tax Increments to the Alameda Marina Village property owners as a partial offset of their assessment liability. These refunds have been reported as housing and community services expenditures in the Community Improvement Commission Special Revenue Fund.





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 13 - Commitments And Contingencies (Continued)**

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.

***Transfer of Ferry Service***

On February 25, 2011, the City of Alameda (the City), the Alameda Reuse and Redevelopment Authority (ARRA), and the San Francisco Bay Area Water Emergency Transportation Authority (WETA) entered into a Ferry Service Operations Transfer Agreement (the Agreement) in which the City and ARRA agreed to transfer the Alameda/Oakland Ferry Service and the Alameda/Harbor Bay Ferry Service to WETA. Under the Agreement, the City conveyed its unspent cash from Ferry operations and water side ferry operations assets; such as ferries, pilings, ramps, floats, and channel markers; assigned its grant, service and other contracts; assigned certain access rights and transferred obligations arising from Ferry operations to WETA. The City, ARRA and other entities retain landslide assets such as rip-rap, shorelines and trails, parking lots and Ferry Terminals. On April 29, 2011 escrow closed and Ferry Services were transferred to WETA.

ARRA agreed to sell its title and interest in the YC Float, a barge, to WETA for \$90,000, plus closing costs. As of June, 30, 2011, title to the YC float was transferred to WETA for its use. However, escrow has not yet been closed due to pending certain improvements.

Both the City and WETA have post-transfer continuing obligations which are summarized below:

Post-transfer administrative costs: WETA is to reimburse the City for certain costs incurred after the close of escrow.

Infrastructure Maintenance and Capital Program costs: WETA is obligated to reimburse the City for certain maintenance and capital costs of the landslide assets; as well as maintenance expenses the City incurs on waterside assets. Costs associated with remediation of any environmental conditions are excluded.

During fiscal 2010-11, WETA reimbursed the City \$402,953 for the Alameda Ferry Service Spare Vessels capital project, \$152,638 for the transition plan, and \$76,513 for other eligible reimbursable capital projects and operating costs.

TIF/LLAD Equivalents: The City has a continuing obligation to remit up to \$500,000 annually in certain Traffic Improvement Funds and up to \$78,194 in certain Lighting and Landscape District Funds to WETA for its use in subsidizing costs. During fiscal 2010-11, the City remitted \$115,514 to WETA for TIF moneys.





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

**Note 13 - Commitments And Contingencies (Continued)**

As of June 30, 2011, the City had conveyed its ferry service assets to WETA, as shown in the table below:

	Balance at June 30, 2010	Additions and retirements	Balance at June 30, 2011 before transfer	Conveyed from City to WETA	Balance at June 30, 2011 after transfer
<b>Ferry Enterprise Fund Nondepreciable Capital Assets</b>					
CIP #90931 - Bay Breeze Engine		\$79,004	\$79,004	(\$79,004)	
CIP #90932 - Harbor Bay Barge Replacement		707,617	707,617	(707,617)	
CIP #91035 - Peralta Port Radar		14,826	14,826	(14,826)	
Total nondepreciable capital assets		<u>801,447</u>	<u>801,447</u>	<u>(801,447)</u>	
<b>Ferry Enterprise Fund Depreciable Capital Assets</b>					
Ferry boat bay breeze	\$3,602,490		3,602,490	(3,602,490)	
Ferry boat east end express II	1,153,657		1,153,657	(1,153,657)	
Ferry boat encinal	2,375,000		2,375,000	(2,375,000)	
Ferry boat - peralta	5,500,000		5,500,000	(5,500,000)	
Marine transmission	63,551		63,551	(63,551)	
Marine transmission	63,551		63,551	(63,551)	
Diesel engine - peralta	274,704		274,704	(274,704)	
Diesel engine - peralta	274,704		274,704	(274,704)	
Ferry generator	51,563		51,563	(51,563)	
Less: accumulated depreciation	<u>(5,295,540)</u>	<u>(488,689)</u>	<u>(5,784,229)</u>	<u>5,784,229</u>	
Net depreciable capital assets	<u>8,063,680</u>	<u>(488,689)</u>	<u>7,574,991</u>	<u>(7,574,991)</u>	
Total	<u>\$8,063,680</u>	<u>\$312,758</u>	<u>\$8,376,438</u>	<u>(\$8,376,438)</u>	

In addition, the City had conveyed the following cash balances to WETA, as shown in the table below as of June 30, 2011:

<b>Ferry Enterprise Fund Cash Transfer</b>	
Alameda/Oakland Operating Fund Balance	\$261,833
Alameda Harbor Bay Operating Fund Balance	48,193
Reserve TIF	115,514
Reserve Measure B	<u>1,231,499</u>
	<u>\$1,657,039</u>



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 13 - Commitments And Contingencies (Continued)**

**B. Alameda Municipal Power**

**Commitments**

**i) Take or Pay Agreements**

Under the terms of its NCPA and TANC joint venture agreements, AMP is liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Notes 8 and 9. AMP's estimated share of such debt outstanding at June 30, 2011 was \$101,611,000. 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.

**ii) Lease Agreement with Alameda Reuse and Redevelopment Authority**

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

**Contingent Liabilities**

**i) Lawsuits and Litigation**

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

**ii) Vectren Communications Services**

In June, 2008, AMP, along with the City of Alameda, was named as a defendant in a suit filed by Vectren Communication Services, Inc. in the United States District Court for the Northern District of California. Vectren's suit alleges that the City breached its obligation under the 2004 Installment Sale Agreement to manage the Telecom System properly and to charge appropriate rates, resulting in the non-payment of installments from net telecom revenues totaling \$6.3 million, plus accrued interest at the 9% default rate, for total damages of approximately \$10 million. Vectren amended its complaint in early 2009 to allege an additional breach of contract claim, based upon AMP's sale of the Telecom System to Comcast in November 2008, without Vectren's consent. Fact discovery in the case is now complete, and the case proceeded to a jury trial in February and March 2010, following which the jury returned a verdict in Vectren's favor for \$1.95 million. Both sides have filed post-trial motions for judgment as a matter of law, which were argued in July 2010 and remain under submission with the Court. In addition to the jury award, Vectren claims costs of suit against AMP totaling approximately \$115,000. On August 4, 2010, the Court Clerk reduced Vectren's costs bill to \$79,688. Both sides appealed the jury verdict and denial of post-trial motions with the 9<sup>th</sup> Circuit Court of Appeals. A briefing commenced in August 2011 and is anticipated to be completed in November 2011.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 13 - Commitments And Contingencies (Continued)**

***iii) Nuveen Municipal High Income Opportunity Fund***

On October 1, 2008, the City of Alameda filed an action for declaratory relief in the United States District Court for the Northern District of California against the Nuveen Municipal High Income Opportunity Fund, the Nuveen Municipal Trust on behalf of its series Nuveen High Yield Municipal Bond Trust, and Pacific Specialty Insurance Co. (Nuveen), in response to Nuveen's threats of litigation. This action arises out of the AMP's issuance in 2004 of \$33 million in Revenue Bond Anticipation Notes to refinance existing obligations and provide funds for completion of the Telecom System. On October 16, 2008, Nuveen filed a counter claim against AMP alleging violations of state and federal securities law, arising from the City's issuance of the Notes, seeking damages which Nuveen alleges to exceed \$11 million. In response to AMP's motion to dismiss, Nuveen amended its counterclaim on May 29, 2009, and discovery has now commenced.

A preliminary settlement conference was conducted on October 28, 2009, a second settlement conference in March 2010, and further settlement conference on July 20, 2010. Fact discovery was completed on October 15, 2010. AMP filed summary judgment motion in January 2011 against Nuveen, which was granted on May 16, 2011 on all claims. AMP has since filed motion for recover of defense costs totaling \$2.3 million.

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

***iv) Bernard Osher Trust***

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

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

**C. *Housing Authority***

The Authority has received funds from various federal, state, and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 14 – Development Agreements**

**A. *Bayport/Alameda Landing***

The Community Improvement Commission (CIC) and Master Developer (as discussed on Note 11 above) entered into a Disposition and Development Agreement (DDA) dated June 16, 2000, as amended, to redevelop the former U.S. Navy East Housing, Fleet Industrial Supply Center Annex (FISCA), and Fleet Industrial Supply Center (FISC). Pursuant to the DDA, the Commission agreed to convey to the Master Developer, and the Master Developer agreed to acquire from the CIC, the Property, in Phases, under the Terms and Conditions set forth in the DDA. In December 2006, the CIC approved an amendment to the 2000 DDA reducing the scope of that DDA to East Housing and FISCA only (the Bayport Project), and approved a new DDA for the FISC property (the Alameda Landing Project). Therefore, there is one master developer pursuant to the 2000 DDA and a second master developer redeveloping Alameda Landing pursuant to the 2006 DDA.

Bayport involves the development of approximately 115 acres of land at the former East Housing and FISC property. Approved land uses include the development of 586 units of new residential housing, a joint use community park and a school. The inclusion of 25 percent affordable housing is in accordance with a requirement of a Settlement Agreement by and between the City, Renewed Hope Housing Advocates and Arc Ecology. Construction is completed on all 495 ownership units. Fifty-eight of the 495 ownership units at Bayport are affordable to moderate income households; fifty-two units of new rental housing for very-low and low-income households were completed in 2006. An additional 39 units of housing affordable to very-low and low-income families is substantially complete. Bayport has generated approximately \$28,500,000 in net revenues from land sales proceeds. It is estimated that Bayport will generate a tax allocation bonding capacity of approximately between \$9,000,000 and \$10,500,000 supported by new tax increment generated by the Project, and generate \$19,300,000 in residential profit participation and approximately \$5,000,000 in reimbursements. These revenues will be used to pay for the Commission's obligations under the DDA, which total approximately \$75,100,000 and include demolition and the construction of major backbone infrastructure to support the Bayport project.

Alameda Landing is an approved mixed-use commercial/residential project including 300 residential units, of which 25 percent are affordable units, 300,000 square feet of retail space, 400,000 square feet of office space, parks and open space, and associated infrastructure.

In December, 2007, the City Council and Community Improvement Commission approved an amendment to the DDA with Palmtree Acquisition Corporation (PAC) to modify the wharf design, among other changes.

On June 3, 2008, the City Council and Community Improvement Commission approved a second amendment to the Disposition and Development Agreement with PAC for redevelopment of the former Fleet Industrial Supply Center for the Alameda Landing project. The amendment also allows for the early expenditure of funds to secure the Stargell Avenue and Union Pacific rights of way. The expenditure is approximately \$10,000,000.

**B. *Bridgeside Shopping Center Project***

In fiscal year 2004, the City entered into an agreement with Regency Realty Group, Inc. (Developer) to develop the Bridgeside Shopping Center Project into approximately 108,000 square foot addition to a new shopping center consisting of both retail space and office space. As of June 30, 2008, the Developer had completed construction of the project. In addition, as part of the Project, the Developer constructed a gas station and a car wash. Under this agreement, the Developer must expend construction costs of no less than \$10,000,000.



City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 14 – Development Agreements (Continued)**

As part of the agreement, the Developer purchased the shopping center property from the Community Improvement Commission for the price paid to the owner by the Community Improvement Commission, plus \$170,000 in acquisition-related expenses. In return, the Community Improvement Commission will reimburse the Developer up to \$1,000,000 at 8% interest for certain acquisition costs in excess of \$7,000,000 from new tax increment generated from the Center. Groundbreaking was held on November 14, 2005. A grand opening was held in February 21, 2007, for the center's major anchor tenant, Nob Hill Grocery Store. The Nob Hill gas station opened in Summer 2007. A payment of \$273,677 was made toward the \$1 million obligation as of June 30, 2011, with a remaining outstanding balance of \$324,252.

**C. *Downtown Historic Theatre Complex and Parking Garage Project.***

On October 16, 2004, the Community Improvement Commission entered into a Disposition and Development Agreement (DDA) and a ground lease with Alameda Entertainment Associates Incorporated for the development of the Historic Alameda Theatre and related Cineplex and parking garage. The developer entered into an Option Purchase Agreement for one parcel of land to be used as the site of the project on Central/Oak in Alameda. As part of the DDA, the Community Improvement Commission entered into a loan agreement with the Alameda Entertainment Associates L.P., as discussed on Note 4G. In FY04-05, the Community Improvement Commission purchased the land for the site of the project from assigned purchase option for \$811,120. In FY05-06, the Community Improvement Commission acquired the historic theatre by eminent domain. Project construction was completed in fiscal year FY07-08. There were construction expenses in FY10-11 resulting from loan disbursement to Alameda Entertainment Associates for the improvement of the Alameda Theatre balcony, reimbursement of tenant improvements for the Burgermeister restaurant pursuant to the lease between the CIC and Burgermeister, and payment of expenditures for final renovation improvements.

**Note 15 – Recent Changes In Legislation Affecting California Redevelopment Agencies**

On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. Assembly Bill X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each city would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-12 and annual payments each fiscal year thereafter. Assembly Bill X1 26 indicates that the City "may use any available funds not otherwise obligated for other uses" to make this payment. The City intends to use available monies of its redevelopment agency for this purpose and the City and Agency have approved a reimbursement agreement to accomplish that objective. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the state legislature.

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

In the event that Assembly Bill X1 26 is upheld, the interagency receivable recognized by funds of the City that had previously loaned or advanced funds to the redevelopment agency may become uncollectible resulting in a loss recognized by such funds. The City might additionally be impacted if reimbursements previously paid by the redevelopment agency to the City for shared administrative services are reduced or eliminated.





City of Alameda  
Notes to Basic Financial Statements  
For the Year Ended June 30, 2011

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**Note 15 – Recent Changes In Legislation Affecting California Redevelopment Agencies (Continued)**

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that these bills violate the California Constitution. On August 11, 2011, the California Supreme Court issued a stay of all of Assembly Bill X1 27 and most of Assembly Bill X1 26. The California Supreme Court stated in its order that “the briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012.” A second order issued by the California Supreme Court on August 17, 2011 indicated that certain provisions of Assembly Bills X1 26 and 27 were still in effect and not affected by its previous stay, including requirements to file an appeal of the determination of the community remittance payment by August 15, the requirement to adopt an Enforceable Obligations Payment Schedule (“EOPS”) by August 29, 2011, and the requirement to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule (“ROPS”) by September 30, 2011.

Because the stay provided by Assembly Bill X1 26 only affects enforcement, each agency must adopt an Enforceable Obligation Payment Schedule and draft Recognized Obligation Payment Schedule prior to September 30, as required by the statute. Enforceable obligations include bonds, loans and payments required by the federal or State government; legally enforceable payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in AB1X 26.

On August 9, 2011, City Ordinance No. 3034 was adopted, indicating that the City will comply with the Voluntary Alternative Redevelopment Program in order to permit the continued existence and operation of the agency, in the event Assembly Bills X1 26 and/or 27 are upheld as constitutional. The initial payment by the City is estimated to be \$5.2 million with one half due on January 15, 2012 and the other half due May 15, 2012. Thereafter, an estimated \$1 million will be due annually. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the State Legislature. The semi-annual payments will be due on January 15 and May 15 of each year and would increase or decrease with changes in tax increment. Additionally, an increased amount would be due to schools if any "new debt" is incurred. Assembly Bill X1 27 allows a one-year reprieve on the agency's obligation to contribute 20% of tax increment to the low-and-moderate-income housing fund so as to permit the Agency to assemble sufficient funds to make its initial payments. Failure to make these payments would require agencies to be terminated under the provisions of ABX1 26.

Management believes that the Agency will have sufficient funds to pay its obligations as they become due during the fiscal year ending June 30, 2012. The nature and extent of the operation of redevelopment agencies in the State of California beyond that time frame are dependent upon the outcome of litigation surrounding the actions of the state. In the event that Assembly Bills X1 26 and/or 27 are specifically found by the courts to be unconstitutional, there is a possibility that future legislative acts may create new challenges to the ability of redevelopment agencies in the State of California to continue in view of the California State Legislature's stated intent to eliminate California redevelopment agencies and to reduce their funding.





City of Alameda  
 Notes to Basic Financial Statements  
 For the Year Ended June 30, 2011

**Note 16 – Prior Period Adjustment For The Community Improvement Commission**

During the fiscal year 2011 the Commission made prior period adjustments to properly record funds held by the Commission on demand in deposit accounts on behalf of a private developer and the Alameda Unified School District.

The effects of the correction on the prior year's statement of activities and statement of revenues and expenditures were decreases of \$5,392,472 for both statements.

**A. Government-Wide Financial Statements:**

	Net Assets as Previously Reported	Pass-through Obligations	Net Assets Balances as Restated
Governmental Activities	<u>\$277,963,403</u>	<u>(\$5,392,473)</u>	<u>\$272,570,930</u>

**B. Fund Financial Statements:**

	Fund Balance as Previously Reported	Pass-through Obligations	Fund Balance as Restated
Community Improvement Commission Special Revenue Fund	<u>\$13,819,169</u>	<u>(\$5,392,473)</u>	<u>\$8,426,696</u>





## City of Alameda, California

### Non-Major Governmental Funds

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#### **Special Revenue Fund:**

##### ***Community Development***

This fund accounts for the activities and services of the Planning and Building Divisions. Revenues are derived from fees, licenses, and fines collected in conjunction with the planning, permitting and enforcement activities of the department in accordance with state law, requiring fees not to exceed the cost of providing services. Expenditures are made in support of the administration of the divisions, the provision and enhancement of services, and the enforcement of municipal codes.

##### ***Library***

This fund accounts for revenues received from a library tax, library grants and operating transfers from the General Fund for the operations of the City's three libraries.

##### ***Gas Tax***

This fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Section 2105, 2106, 2107, 2107.5 and 7360. The allocations must be expended for street related maintenance and construction and a limited amount for engineering.

##### ***Traffic Congestion Relief***

This fund accounts for revenues received under Proposition 42, Traffic Congestion Relief program. The allocation must be expended for Street and Highway related maintenance, rehabilitation, reconstruction and storm damage repairs. This fund was closed as of June 30, 2011.

##### ***Asset Seizure/Traffic Safety***

This fund accounts for restricted Asset Seizure/Traffic Safety funds to be used for eligible Public Safety Programs.

##### ***County Measure B***

This fund accounts for the City's share of the proceeds of a one-half cent sales tax increase approved by the voters in November 2000. The program is administered by the Alameda County Transportation Commission. The tax provides funds for the maintenance of local streets, roads, bike path and pedestrian walkways, Ferry and paratransit operations.

##### ***Tidelands***

This fund accounts for revenues received from tidelands property leases. Leases are for state tidelands properties delegated to local agencies for management and control.

##### ***Parking Meter***

This fund accounts for revenues collected from parking meters and the expenditure of these revenues for parking and transportation related projects.

##### ***Commercial Revitalization***

This fund accounts for grant 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.



## City of Alameda, California

### Non-Major Governmental Funds (Continued)

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#### ***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.

#### **Debt Service Funds:**

##### ***City Hall/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.

##### ***Community Improvement Commission***

This fund accounts for debt service expenditures of the Commission.

##### ***Alameda Reuse and Redevelopment Authority***

The 2003 Variable Rate Demand Revenue Bonds were issued in December 2003 by the Alameda Public Financing Authority to refund the 1999 ARRA 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 paid to ARRA.

#### **Capital Projects Fund:**

##### ***Construction Impact Fees***

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.

##### ***Prop 1B Local***

This fund accounts for revenues from Proposition 1B (transportation bonds). Expenditures of Proposition 1B funds are used for local streets and roads, congestion relief and traffic safety.



**City of Alameda, California**

**Non-Major Governmental Funds (Continued)**

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***Streets/Transportation***

This fund accounts for expenditures for street and transportation projects.

***Community Improvement Commission***

This fund accounts for capital project expenditures of the Commission.

***Alameda Reuse and Redevelopment Authority***

This fund accounts for the Alameda Point major construction and improvement projects financed through the 2003 Variable Rate Demand Revenue Bonds.

***Citywide Development Fee***

This fund accounts for revenues from citywide development impact fees required from certain new developments. Funds are used to mitigate the impacts on availability and condition of public facilities caused by these developments.

***Urban Runoff Storm Drain Fee***

This fund accounts for revenues and expenditures associated with the City's compliance under the Alameda County Urban Runoff Clean Water Program.

***Maintenance Assessment Districts***

This fund accounts for bond proceeds used to finance the construction and acquisition of public improvements in the District.



City of Alameda  
 Non-Major Governmental Funds  
 Balance Sheet  
 June 30, 2011

SPECIAL REVENUE FUNDS

	Community Development	Library	Gas Tax	Traffic Congestion Relief	Asset Seizure/ Traffic Safety	County Measure B
<b>ASSETS</b>						
Cash and cash equivalents	\$1,552,962	\$296,073	\$15,426		\$116,677	\$3,768,916
Restricted cash and investments			2,256,498			
Accounts receivable	12,012	99,533	1,610		7,180	446,513
Interest receivable						
Prepaid and deposits						
<b>Total Assets</b>	<b>\$1,564,974</b>	<b>\$395,606</b>	<b>\$2,273,534</b>		<b>\$123,857</b>	<b>\$4,215,429</b>
<b>LIABILITIES</b>						
Accounts payable	\$91,920	\$16,547	\$3,267			
Accrued payroll	86,005	84,145	12,478			
Due to other funds						
Due to other agencies	13,377					
Deferred revenue						
Refundable deposits	263,619					
<b>Total Liabilities</b>	<b>454,921</b>	<b>100,692</b>	<b>15,745</b>			
<b>FUND EQUITY</b>						
Fund balances						
Nonspendable						
Restricted			2,257,789		\$123,857	\$4,215,429
Committed	1,110,053	294,914				
Unassigned						
<b>Total Fund Balances (Deficit)</b>	<b>1,110,053</b>	<b>294,914</b>	<b>2,257,789</b>		<b>123,857</b>	<b>4,215,429</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,564,974</b>	<b>\$395,606</b>	<b>\$2,273,534</b>		<b>\$123,857</b>	<b>\$4,215,429</b>



SPECIAL REVENUE FUNDS

Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund	Waste Reduction Surcharge	Maintenance Assessment Districts
\$2,281,903	\$2,686,394	\$792,266		\$1,269,760	\$1,601,257	\$602,848	\$3,268,333	\$3,247,646
	2,700	1,459 359 7,628	\$264,181	14,583	2,094	272,839	151,203	340,052 68,328
<u>\$2,281,903</u>	<u>\$2,689,094</u>	<u>\$801,712</u>	<u>\$264,181</u>	<u>\$1,284,343</u>	<u>\$1,603,351</u>	<u>\$875,687</u>	<u>\$3,419,536</u>	<u>\$3,656,026</u>
\$71,498 5,119	\$34,829 4,695	\$45,584	\$215,215 9,201 48,965	\$8,560 1,792	\$76,531 55,967	\$70,124 35,578	\$51,315 16,682	\$89,812 15,734
		11,943			8,843 16,030	277,855	10,430	
<u>76,617</u>	<u>39,524</u>	<u>57,527</u>	<u>273,381</u>	<u>10,352</u>	<u>157,371</u>	<u>383,557</u>	<u>78,427</u>	<u>105,546</u>
2,205,286	2,649,570	7,628 736,557	(9,200)	1,273,991	1,445,980	492,130	3,341,109	3,550,480
<u>2,205,286</u>	<u>2,649,570</u>	<u>744,185</u>	<u>(9,200)</u>	<u>1,273,991</u>	<u>1,445,980</u>	<u>492,130</u>	<u>3,341,109</u>	<u>3,550,480</u>
<u>\$2,281,903</u>	<u>\$2,689,094</u>	<u>\$801,712</u>	<u>\$264,181</u>	<u>\$1,284,343</u>	<u>\$1,603,351</u>	<u>\$875,687</u>	<u>\$3,419,536</u>	<u>\$3,656,026</u>

(Continued)



City of Alameda  
 Non-Major Governmental Funds  
 Balance Sheet  
 June 30, 2011

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
	City Hall/ Library Bonds	Community Improvement Commission	Alameda Reuse and Redevelopment Authority	Construction Impact Fee	Prop 1B Local	Streets/ Transportation
<b>ASSETS</b>						
Cash and cash equivalents	\$456,955	\$1,798,540	\$623,408	\$875,088		\$2,261,251
Restricted cash and investments	829,505	6,674,087	1,923			
Accounts receivable	39,247					
Interest receivable						
Prepaid and deposits						
<b>Total Assets</b>	<b>\$1,325,707</b>	<b>\$8,472,627</b>	<b>\$625,331</b>	<b>\$875,088</b>		<b>\$2,261,251</b>
<b>LIABILITIES</b>						
Accounts payable						\$21,059
Accrued payroll						661
Due to other funds						
Due to other agencies						
Deferred revenue						
Refundable deposits						
<b>Total Liabilities</b>						<b>21,720</b>
<b>FUND EQUITY</b>						
Fund balances						
Nonspendable						
Restricted	\$1,325,707	\$8,472,627	\$625,331	\$875,088		2,239,531
Committed						
Unassigned						
<b>Total Fund Balances (Deficit)</b>	<b>1,325,707</b>	<b>8,472,627</b>	<b>625,331</b>	<b>875,088</b>		<b>2,239,531</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,325,707</b>	<b>\$8,472,627</b>	<b>\$625,331</b>	<b>\$875,088</b>		<b>\$2,261,251</b>

CAPITAL PROJECTS FUNDS

Community Improvement Commission	Alameda Reuse and Redevelopment Authority	Citywide Development Fee	Urban Runoff Strom Drain Fee	Maintenance Assessment Districts	Total Nonmajor Governmental Funds
\$8,600,031	\$24,007	\$3,408,744	\$7,389,542 17,300 116,167	\$2,222,123 455,982 \$508,732	\$40,560,119 19,175,378 2,008,381 359 7,628
<u>\$8,600,031</u>	<u>\$24,007</u>	<u>\$3,408,744</u>	<u>\$7,523,009</u>	<u>\$3,186,837</u>	<u>\$61,751,865</u>
			\$71,173 41,453	\$157 59,837 507	\$867,591 369,510 108,802 23,807 287,205 334,304
			<u>42,712</u>	<u>60,501</u>	<u>1,991,219</u>
\$8,600,031	\$24,007	\$3,408,744	7,367,671	3,126,336	7,628 31,892,674 27,869,544 (9,200)
<u>8,600,031</u>	<u>24,007</u>	<u>3,408,744</u>	<u>7,367,671</u>	<u>3,126,336</u>	<u>59,760,646</u>
<u>\$8,600,031</u>	<u>\$24,007</u>	<u>\$3,408,744</u>	<u>\$7,523,009</u>	<u>\$3,186,837</u>	<u>\$61,751,865</u>



City of Alameda  
 Non-Major Governmental Funds  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 for the year ended June 30, 2011

SPECIAL REVENUE FUNDS

	Community Development	Library	Gas Tax	Traffic Congestion Relief	Asset Seizure/ Traffic Safety	County Measure B
<b>REVENUES</b>						
Property taxes		\$1,761,261				
Other taxes						
Licenses and permits	\$1,505,528					
Revenue from other agencies		82,072	\$1,779,116	\$188,848	\$4,625	\$2,211,551
Charges for current services	985,667	86,472	713			
Fines and forfeitures	567,571				103,126	
Use of money and property	30,223	12,143	42,193	5,469	3,578	82,808
Contributions from property owners						
Other		55	2,832			
<b>Total Revenues</b>	<b>3,088,989</b>	<b>1,942,003</b>	<b>1,824,854</b>	<b>194,317</b>	<b>111,329</b>	<b>2,294,359</b>
<b>EXPENDITURES</b>						
Current:						
General government						
Public safety						
Public works			771,481			
Community Development	3,214,314					
Community Services		3,486,665				
Housing						
Capital outlay	421	21,650			8,873	
Debt service:						
Principal			40,000			
Interest		3,535				
<b>Total Expenditures</b>	<b>3,214,735</b>	<b>3,511,850</b>	<b>811,481</b>		<b>8,873</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(125,746)</b>	<b>(1,569,847)</b>	<b>1,013,373</b>	<b>194,317</b>	<b>102,456</b>	<b>2,294,359</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from debt issuance						
Discount on issuance of bonds						
Payment to bond escrow agent						
Transfers to other governments						(1,231,499)
Transfers in	4,589	1,749,996				60,889
Transfers (out)		(232,900)		(693,829)	(106,479)	(2,361,430)
<b>Total Other Financing Sources (Uses)</b>	<b>4,589</b>	<b>1,517,096</b>		<b>(693,829)</b>	<b>(106,479)</b>	<b>(3,532,040)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(121,157)</b>	<b>(52,751)</b>	<b>1,013,373</b>	<b>(499,512)</b>	<b>(4,023)</b>	<b>(1,237,681)</b>
<b>BEGINNING FUND BALANCES (DEFICITS)</b>	<b>1,231,210</b>	<b>347,665</b>	<b>1,244,416</b>	<b>499,512</b>	<b>127,880</b>	<b>5,453,110</b>
<b>ENDING FUND BALANCES (DEFICITS)</b>	<b>\$1,110,053</b>	<b>\$294,914</b>	<b>\$2,257,789</b>		<b>\$123,857</b>	<b>\$4,215,429</b>

SPECIAL REVENUE FUNDS

Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund	Waste Reduction Surcharge	Maintenance Assessment Districts
				\$175,000		\$1,009		\$1,856,660
	\$790,616		\$2,238,640		\$86,405	1,877,488	\$316,942	
\$701,304	57,799	\$120,914		25,910	1,835,372		390,057	
774,877	180	263,681			47,048	30,349	4,862	83,471
1,476,181	901,349	384,595	2,238,640	200,910	2,277,316	1,921,830	773,736	1,940,131
						695,630		
494,802	450,395			113,778			905,228	1,753,583
		685,962	2,516,244		2,079,752	153,349		
						1,222,999	996	
	4,196							67
494,802	454,591	685,962	2,516,244	113,778	2,079,752	2,071,978	906,224	1,753,650
981,379	446,758	(301,367)	(277,604)	87,132	197,564	(150,148)	(132,488)	186,481
			268,404			152,470		44,232
(5,168)	(250,008)				(25,000)			
(5,168)	(250,008)		268,404		(25,000)	152,470		44,232
976,211	196,750	(301,367)	(9,200)	87,132	172,564	2,322	(132,488)	230,713
1,229,075	2,452,820	1,045,552		1,186,859	1,273,416	489,808	3,473,597	3,319,767
\$2,205,286	\$2,649,570	\$744,185	(\$9,200)	\$1,273,991	\$1,445,980	\$492,130	\$3,341,109	\$3,550,480

(Continued)



City of Alameda  
 Non-Major Governmental Funds  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 for the year ended June 30, 2011

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
	City Hall/ Library Bonds	Community Improvement Commission	Alameda Reuse and Redevelopment Authority	Construction Impact Fee	Prop 1B Local	Streets/ Transportation
<b>REVENUES</b>						
Property taxes	\$694,485			\$343,737		\$445,403
Other taxes						199,061
Licenses and permits				30,651		
Revenue from other agencies				21,845		
Charges for current services						35,104
Fines and forfeitures						
Use of money and property	4,720	\$84,543		20,502	(\$4,737)	41,075
Contributions from property owners						
Other			\$9,600			
<b>Total Revenues</b>	<b>699,205</b>	<b>84,543</b>	<b>9,600</b>	<b>416,735</b>	<b>(4,737)</b>	<b>720,643</b>
<b>EXPENDITURES</b>						
Current:						
General government				24,129		716
Public safety						
Public works						
Development services						
Recreation and parks						217,540
Housing and community services				32,025		
Capital outlay				94,376		216
Debt service:						
Principal	1,040,000	1,183,000	300,000			
Interest	1,090,398	3,802,909	44,849			
<b>Total Expenditures</b>	<b>2,130,398</b>	<b>4,985,909</b>	<b>344,849</b>	<b>150,530</b>		<b>218,472</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,431,193)</b>	<b>(4,901,366)</b>	<b>(335,249)</b>	<b>266,205</b>	<b>(4,737)</b>	<b>502,171</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from debt issuance		2,435,000				
Discount on issuance of bonds		(125,326)				
Payment to bond escrow agent		(985,000)				
Transfers to other governments						(115,514)
Transfers in	1,279,304	4,803,162	450,010	443,200		204,106
Transfers (out)		(157,000)		(509,594)	(1,056,635)	(456,061)
<b>Total Other Financing Sources (Uses)</b>	<b>1,279,304</b>	<b>5,970,836</b>	<b>450,010</b>	<b>(66,394)</b>	<b>(1,056,635)</b>	<b>(367,469)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(151,889)</b>	<b>1,069,470</b>	<b>114,761</b>	<b>199,811</b>	<b>(1,061,372)</b>	<b>134,702</b>
<b>BEGINNING FUND BALANCES (DEFICITS)</b>	<b>1,477,596</b>	<b>7,403,157</b>	<b>510,570</b>	<b>675,277</b>	<b>1,061,372</b>	<b>2,104,829</b>
<b>ENDING FUND BALANCES (DEFICITS)</b>	<b>\$1,325,707</b>	<b>\$8,472,627</b>	<b>\$625,331</b>	<b>\$875,088</b>		<b>\$2,239,531</b>



CAPITAL PROJECTS FUNDS

Community Improvement Commission	Alameda Reuse and Redevelopment Authority	Citywide Development Fee	Urban Runoff Strom Drain Fee	Maintenance Assessment District Capital Projects	Total Nonmajor Governmental Funds
		\$195,241	\$2,124,865		\$7,226,411
				\$508,732	569,302
			108,682		1,537,188
\$31		68,092	156,050	75,598	9,316,264
	\$697		3,600	2,726,830	4,232,683
					728,496
					1,989,991
					2,726,830
					1,137,781
31	697	263,333	2,393,197	3,311,160	29,464,946
					24,889
	44				695,630
					4,489,267
					3,214,314
					3,704,205
			2,336,370	3,377,780	5,467,332
					7,063,681
					2,563,000
				1,271	4,947,225
	44		2,336,370	3,379,051	32,169,543
31	653	263,333	56,827	(67,891)	(2,704,597)
8,600,000					11,035,000
					(125,326)
					(985,000)
					(1,347,013)
		303,730	854,622		10,618,714
	(307,645)	(16,390)	(1,796,037)	(614,648)	(8,588,824)
8,600,000	(307,645)	287,340	(941,415)	(614,648)	10,607,551
8,600,031	(306,992)	550,673	(884,588)	(682,539)	7,902,954
	330,999	2,858,071	8,252,259	3,808,875	51,857,692
<u>\$8,600,031</u>	<u>\$24,007</u>	<u>\$3,408,744</u>	<u>\$7,367,671</u>	<u>\$3,126,336</u>	<u>\$59,760,646</u>



City of Alameda  
 Budgeted Non-Major Funds  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balances  
 Budget and Actual  
 for the year ended June 30, 2011

	COMMUNITY DEVELOPMENT			LIBRARY		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes				\$1,464,720	\$1,761,261	\$296,541
Other taxes						
Licenses and permits	\$1,362,000	\$1,505,528	\$143,528			
Revenue from other agencies				63,000	82,072	19,072
Charges for current services	987,750	985,667	(2,083)	80,000	86,472	6,472
Fines and forfeitures	780,250	567,571	(212,679)			
Use of money and property	15,000	30,223	15,223	10,500	12,143	1,643
Contributions from property owners						
Other					55	55
Total Revenues	<u>3,145,000</u>	<u>3,088,989</u>	<u>(56,011)</u>	<u>1,618,220</u>	<u>1,942,003</u>	<u>323,783</u>
EXPENDITURES						
Current:						
General government						
Public safety						
Public works						
Community Development	3,419,950	3,214,314	205,636			
Community Services				3,663,010	3,486,665	176,345
Housing						
Capital outlay		421	(421)	55,890	21,650	34,240
Debt service:						
Principal						
Interest					3,535	(3,535)
Total Expenditures	<u>3,419,950</u>	<u>3,214,735</u>	<u>205,215</u>	<u>3,718,900</u>	<u>3,511,850</u>	<u>207,050</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(274,950)</u>	<u>(125,746)</u>	<u>149,204</u>	<u>(2,100,680)</u>	<u>(1,569,847)</u>	<u>530,833</u>
OTHER FINANCING SOURCES (USES)						
Debt issuance		4,589	4,589			
Discount on issuance of bonds						
Payment to bond escrow agent						
Transfers in				1,750,000	1,749,996	(4)
Transfers (out)				(232,900)	(232,900)	
Total Other Financing Sources (Uses)		<u>4,589</u>	<u>4,589</u>	<u>1,517,100</u>	<u>1,517,096</u>	<u>(4)</u>
NET CHANGE IN FUND BALANCES	<u>(\$274,950)</u>	<u>(121,157)</u>	<u>\$153,793</u>	<u>(\$583,580)</u>	<u>(52,751)</u>	<u>\$530,829</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>1,231,210</u>			<u>347,665</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$1,110,053</u>			<u>\$294,914</u>	

GAS TAX			TRAFFIC CONGESTION RELIEF			ASSET SEIZURE/TRAFFIC SAFETY		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$982,500	\$1,779,116	\$796,616	\$300,000	\$188,848	(\$111,152)		\$4,625	\$4,625
	713	713				\$125,550	103,126	(22,424)
2,000	42,193	40,193	2,000	5,469	3,469		3,578	3,578
	2,832	2,832						
<u>984,500</u>	<u>1,824,854</u>	<u>840,354</u>	<u>302,000</u>	<u>194,317</u>	<u>(107,683)</u>	<u>125,550</u>	<u>111,329</u>	<u>(14,221)</u>
880,771	771,481	109,290						
							8,873	(8,873)
40,000	40,000							
<u>920,771</u>	<u>811,481</u>	<u>109,290</u>					<u>8,873</u>	<u>(8,873)</u>
<u>63,729</u>	<u>1,013,373</u>	<u>949,644</u>	<u>302,000</u>	<u>194,317</u>	<u>(107,683)</u>	<u>125,550</u>	<u>102,456</u>	<u>(23,094)</u>
<u>(656,000)</u>		<u>656,000</u>	<u>(\$108,442)</u>	<u>(693,829)</u>	<u>(\$585,387)</u>	<u>(125,550)</u>	<u>(106,479)</u>	<u>19,071</u>
<u>(656,000)</u>		<u>656,000</u>	<u>(108,442)</u>	<u>(693,829)</u>	<u>(585,387)</u>	<u>(125,550)</u>	<u>(106,479)</u>	<u>19,071</u>
<u>(\$592,271)</u>	1,013,373	<u>\$1,605,644</u>	<u>\$193,558</u>	(499,512)	<u>(\$693,070)</u>		(4,023)	<u>(\$4,023)</u>
	<u>1,244,416</u>			<u>499,512</u>			<u>127,880</u>	
	<u>\$2,257,789</u>						<u>\$123,857</u>	

(Continued)



City of Alameda  
 Budgeted Non-Major Funds  
 Schedule of Revenues, Expenditures  
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 Budget and Actual  
 for the year ended June 30, 2011

	COUNTY MEASURE B			TIDELANDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies	\$1,895,110	\$2,211,551	\$316,441			
Charges for current services						
Fines and forfeitures						
Use of money and property	53,000	82,808	29,808	\$328,000	\$701,304	\$373,304
Contributions from property owners						
Other					774,877	774,877
<b>Total Revenues</b>	<b>1,948,110</b>	<b>2,294,359</b>	<b>346,249</b>	<b>328,000</b>	<b>1,476,181</b>	<b>1,148,181</b>
<b>EXPENDITURES</b>						
Current:						
General government						
Public safety						
Public works				594,687	494,802	99,885
Community Development						
Community Services						
Housing						
Capital outlay						
Debt service:						
Principal						
Interest						
<b>Total Expenditures</b>				<b>594,687</b>	<b>494,802</b>	<b>99,885</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,948,110</b>	<b>2,294,359</b>	<b>346,249</b>	<b>(266,687)</b>	<b>981,379</b>	<b>1,248,066</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt issuance						
Discount on issuance of bonds						
Payment to bond escrow agent						
Transfers in		60,889	60,889			
Transfers (out)	(3,947,837)	(3,592,929)	354,908	(192,889)	(5,168)	187,721
<b>Total Other Financing Sources (Uses)</b>	<b>(3,947,837)</b>	<b>(3,532,040)</b>	<b>415,797</b>	<b>(192,889)</b>	<b>(5,168)</b>	<b>187,721</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(\$1,999,727)</b>	<b>(1,237,681)</b>	<b>\$762,046</b>	<b>(\$459,576)</b>	<b>976,211</b>	<b>\$1,435,787</b>
<b>BEGINNING FUND BALANCES (DEFICITS)</b>		<b>5,453,110</b>			<b>1,229,075</b>	
<b>ENDING FUND BALANCES (DEFICITS)</b>		<b>\$4,215,429</b>			<b>\$2,205,286</b>	

PARKING METER			COMMERCIAL REVITALIZATION			COMMUNITY DEVELOPMENT BLOCK GRANT		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
						\$3,689,934	\$2,238,640	(\$1,451,294)
\$804,000	\$790,616	(\$13,384)						
100,000	57,799	(42,201)						
21,650	52,754	31,104	\$158,235	\$120,914	(\$37,321)			
	180	180		263,681	263,681			
925,650	901,349	(24,301)	158,235	384,595	226,360	3,689,934	2,238,640	(1,451,294)
642,945	450,395	192,550						
			521,525	685,962	(164,437)	4,313,323	2,516,244	1,797,079
	4,196	(4,196)						
642,945	454,591	188,354	521,525	685,962	(164,437)	4,313,323	2,516,244	1,797,079
282,705	446,758	164,053	(363,290)	(301,367)	61,923	(623,389)	(277,604)	345,785
328,555		(328,555)				623,388	268,404	(354,984)
(667,727)	(250,008)	417,719	(183,317)		183,317			
(339,172)	(250,008)	89,164	(183,317)		183,317	623,388	268,404	(354,984)
(\$56,467)	196,750	\$253,217	(\$546,607)	(301,367)	\$245,240	(\$1)	(9,200)	(\$9,199)
	2,452,820			1,045,552				
	\$2,649,570			\$744,185			(\$9,200)	

(Continued)



City of Alameda  
 Budgeted Non-Major Funds  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balances  
 Budget and Actual  
 for the year ended June 30, 2011

	GARBAGE/RECYCLING SURCHARGE			ATHLETIC RECREATION		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Property taxes						
Other taxes	\$175,000	\$175,000				
Licenses and permits						
Revenue from other agencies				\$91,775	\$86,405	(\$5,370)
Charges for current services				1,753,055	1,835,372	82,317
Fines and forfeitures						
Use of money and property	11,700	25,910	\$14,210	278,765	308,491	29,726
Contributions from property owners						
Other				8,500	47,048	38,548
<b>Total Revenues</b>	<b>186,700</b>	<b>200,910</b>	<b>14,210</b>	<b>2,132,095</b>	<b>2,277,316</b>	<b>145,221</b>
<b>EXPENDITURES</b>						
Current:						
General government						
Public safety						
Public works	280,235	113,778	166,457			
Community Development						
Community Services						
Housing				1,918,120	2,079,752	(161,632)
Capital outlay						
Debt service:						
Principal						
Interest						
<b>Total Expenditures</b>	<b>280,235</b>	<b>113,778</b>	<b>166,457</b>	<b>1,918,120</b>	<b>2,079,752</b>	<b>(161,632)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(93,535)</b>	<b>87,132</b>	<b>180,667</b>	<b>213,975</b>	<b>197,564</b>	<b>(16,411)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt issuance						
Discount on issuance of bonds						
Payment to bond escrow agent						
Transfers in						
Transfers (out)					(25,000)	(25,000)
<b>Total Other Financing Sources (Uses)</b>					<b>(25,000)</b>	<b>(25,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(\$93,535)</b>	<b>87,132</b>	<b>\$180,667</b>	<b>\$213,975</b>	<b>172,564</b>	<b>(\$41,411)</b>
<b>BEGINNING FUND BALANCES (DEFICITS)</b>		<b>1,186,859</b>			<b>1,273,416</b>	
<b>ENDING FUND BALANCES (DEFICITS)</b>		<b>\$1,273,991</b>			<b>\$1,445,980</b>	



MAINTENANCE  
ASSESSMENT DISTRICTS  
SPECIAL REVENUE

GRANTS FUND			WASTE REDUCTION SURCHARGE			MAINTENANCE ASSESSMENT DISTRICTS SPECIAL REVENUE		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
						\$1,781,545	\$1,856,660	\$75,115
\$1,875	\$1,009	(\$866)						
3,258,896	1,877,488	(1,381,408)	\$274,500	\$316,942	\$42,442			
			351,000	390,057	39,057			
4,670	12,984	8,314	35,500	61,875	26,375	29,950	83,471	53,521
13,250	30,349	17,099	2,500	4,862	2,362			
<u>3,278,691</u>	<u>1,921,830</u>	<u>(1,356,861)</u>	<u>663,500</u>	<u>773,736</u>	<u>110,236</u>	<u>1,811,495</u>	<u>1,940,131</u>	<u>128,636</u>
564,445	695,630	(131,185)						
			1,371,085	905,228	465,857	2,237,730	1,753,583	484,147
1,568,855	153,349	1,415,506						
1,296,520	1,222,999	73,521	3,000	996	2,004			
							67	(67)
<u>3,429,820</u>	<u>2,071,978</u>	<u>1,357,842</u>	<u>1,374,085</u>	<u>906,224</u>	<u>467,861</u>	<u>2,237,730</u>	<u>1,753,650</u>	<u>484,080</u>
<u>(151,129)</u>	<u>(150,148)</u>	<u>981</u>	<u>(710,585)</u>	<u>(132,488)</u>	<u>578,097</u>	<u>(426,235)</u>	<u>186,481</u>	<u>612,716</u>
143,504	152,470	8,966				197,990	44,232	(153,758)
			(24,750)		24,750	(153,750)		153,750
143,504	152,470	8,966	(24,750)		24,750	44,240	44,232	(8)
<u>(\$7,625)</u>	2,322	<u>\$9,947</u>	<u>(\$735,335)</u>	(132,488)	<u>\$602,847</u>	<u>(\$381,995)</u>	230,713	<u>\$612,708</u>
	<u>489,808</u>			<u>3,473,597</u>			<u>3,319,767</u>	
	<u>\$492,130</u>			<u>\$3,341,109</u>			<u>\$3,550,480</u>	

(Continued)



City of Alameda  
 Budgeted Non-Major Funds  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balances  
 Budget and Actual  
 for the year ended June 30, 2011

	CITY HALL/LIBRARY BONDS			COMMUNITY IMPROVEMENT COMMISSION DEBT SERVICE		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Property taxes	\$577,000	\$694,485	\$117,485			
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services						
Fines and forfeitures						
Use of money and property	13,150	4,720	(8,430)	\$51,500	\$84,543	\$33,043
Contributions from property owners						
Other						
<b>Total Revenues</b>	<b>590,150</b>	<b>699,205</b>	<b>109,055</b>	<b>51,500</b>	<b>84,543</b>	<b>33,043</b>
<b>EXPENDITURES</b>						
Current:						
General government						
Public safety						
Public works						
Community Development						
Community Services						
Housing						
Capital outlay						
Debt service:						
Principal	1,040,000	1,040,000		1,340,000	1,183,000	157,000
Interest	1,082,810	1,090,398	(7,588)	3,585,830	3,802,909	(217,079)
<b>Total Expenditures</b>	<b>2,122,810</b>	<b>2,130,398</b>	<b>(7,588)</b>	<b>4,925,830</b>	<b>4,985,909</b>	<b>(60,079)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,532,660)</b>	<b>(1,431,193)</b>	<b>101,467</b>	<b>(4,874,330)</b>	<b>(4,901,366)</b>	<b>(27,036)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt issuance					2,435,000	2,435,000
Discount on issuance of bonds					(125,326)	(125,326)
Payment to bond escrow agent					(985,000)	(985,000)
Transfers in	615,610	1,279,304	663,694	4,901,255	4,803,162	(98,093)
Transfers (out)					(157,000)	(157,000)
<b>Total Other Financing Sources (Uses)</b>	<b>615,610</b>	<b>1,279,304</b>	<b>663,694</b>	<b>4,901,255</b>	<b>5,970,836</b>	<b>1,069,581</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(\$917,050)</b>	<b>(151,889)</b>	<b>\$765,161</b>	<b>\$26,925</b>	<b>1,069,470</b>	<b>\$1,042,545</b>
<b>BEGINNING FUND BALANCES (DEFICITS)</b>		<b>1,477,596</b>			<b>7,403,157</b>	
<b>ENDING FUND BALANCES (DEFICITS)</b>		<b>\$1,325,707</b>			<b>\$8,472,627</b>	

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY DEBT SERVICE			CONSTRUCTION IMPACT FEE			PROP 1B LOCAL		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			\$250,000	\$343,737	\$93,737			
			7,500	30,651	23,151			
			103,902	21,845	(82,057)			
			4,800	20,502	15,702	\$5,000	(\$4,737)	(\$9,737)
	\$9,600	\$9,600						
	9,600	9,600	366,202	416,735	50,533	5,000	(4,737)	(9,737)
			145,520	24,129	121,391			
			103,902	32,025	71,877			
			80,196	94,376	(14,180)			
	300,000	(300,000)						
	44,849	(44,849)						
	344,849	(344,849)	329,618	150,530	179,088			
	(335,249)	(335,249)	36,584	266,205	229,621	5,000	(4,737)	(9,737)
	450,010	450,010	244,200	443,200	199,000			
			(807,300)	(509,594)	297,706	(1,025,833)	(1,056,635)	(30,802)
	450,010	450,010	(563,100)	(66,394)	496,706	(1,025,833)	(1,056,635)	(30,802)
	114,761	\$114,761	(\$526,516)	199,811	\$726,327	(\$1,020,833)	(1,061,372)	(\$40,539)
	510,570			675,277			1,061,372	
	\$625,331			\$875,088				

(Continued)



City of Alameda  
 Budgeted Non-Major Funds  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balances  
 Budget and Actual  
 for the year ended June 30, 2011

	STREETS/TRANSPORTATION			COMMUNITY IMPROVEMENT COMMISSION CAPITAL PROJECTS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Property taxes	\$460,000	\$445,403	(\$14,597)			
Other taxes	34,600	199,061	164,461			
Licenses and permits						
Revenue from other agencies						
Charges for current services	31,500	35,104	3,604			
Fines and forfeitures						
Use of money and property	17,550	41,075	\$23,525		\$31	\$31
Contributions from property owners						
Other						
<b>Total Revenues</b>	<b>543,650</b>	<b>720,643</b>	<b>176,993</b>		<b>31</b>	<b>31</b>
<b>EXPENDITURES</b>						
Current:						
General government	115,520	716	114,804			
Public safety						
Public works						
Community Development						
Community Services	232,410	217,540	14,870			
Housing						
Capital outlay	220	216	4			
Debt service:						
Principal						
Interest						
<b>Total Expenditures</b>	<b>348,150</b>	<b>218,472</b>	<b>129,678</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>195,500</b>	<b>502,171</b>	<b>306,671</b>		<b>31</b>	<b>31</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt issuance					8,600,000	8,600,000
Discount on issuance of bonds						
Payment to bond escrow agent						
Transfers in	232,370	204,106	(28,264)			
Transfers (out)	(617,053)	(571,575)	45,478			
<b>Total Other Financing Sources (Uses)</b>	<b>(384,683)</b>	<b>(367,469)</b>	<b>17,214</b>		<b>8,600,000</b>	<b>8,600,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(\$189,183)</b>	<b>134,702</b>	<b>\$323,885</b>		<b>8,600,031</b>	<b>\$8,600,031</b>
<b>BEGINNING FUND BALANCES (DEFICITS)</b>		<b>2,104,829</b>				
<b>ENDING FUND BALANCES (DEFICITS)</b>		<b>\$2,239,531</b>			<b>\$8,600,031</b>	

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY CAPITAL PROJECTS			CITYWIDE DEVELOPMENT FEE			URBAN RUNOFF STORM DRAIN FEE		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
						\$2,142,000	\$2,124,865	(\$17,135)
			\$48,570	\$195,241	\$146,671			
						1,800	108,682	106,882
			23,765	68,092	44,327	75,000	156,050	\$81,050
	\$697	\$697				75,000	3,600	(71,400)
	697	697	72,335	263,333	190,998	2,293,800	2,393,197	99,397
	44	(44)						
						3,559,547	2,336,370	1,223,177
	44	(44)				3,559,547	2,336,370	1,223,177
	653	653	72,335	263,333	190,998	(1,265,747)	56,827	1,322,574
	(307,645)	(307,645)	303,730 (1,352,953)	303,730 (16,390)	1,336,563	854,620 (4,834,993)	854,622 (1,796,037)	2 3,038,956
	(307,645)	(307,645)	(1,049,223)	287,340	1,336,563	(3,980,373)	(941,415)	3,038,958
	(306,992)	(\$306,992)	(\$976,888)	550,673	\$1,527,561	(\$5,246,120)	(884,588)	\$4,361,532
	330,999			2,858,071			8,252,259	
	\$24,007			\$3,408,744			\$7,367,671	

(Continued)



City of Alameda  
 Budgeted Non-Major Funds  
 Schedule of Revenues, Expenditures  
 and Changes in Fund Balances  
 Budget and Actual  
 for the year ended June 30, 2011

	MAINTENANCE ASSESSMENT DISTRICT CAPITAL PROJECTS		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes			
Other taxes			
Licenses and permits			
Revenue from other agencies		\$508,732	\$508,732
Charges for current services			
Fines and forfeitures			
Use of money and property	\$5,050	75,598	\$70,548
Contributions from property owners		2,726,830	2,726,830
Other			
<b>Total Revenues</b>	<b>5,050</b>	<b>3,311,160</b>	<b>3,306,110</b>
<b>EXPENDITURES</b>			
Current:			
General government			
Public safety			
Public works			
Community Development			
Community Services			
Housing			
Capital outlay	508,730	3,377,780	(2,869,050)
Debt service:			
Principal			
Interest		1,271	(1,271)
<b>Total Expenditures</b>	<b>508,730</b>	<b>3,379,051</b>	<b>(2,870,321)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(503,680)</b>	<b>(67,891)</b>	<b>435,789</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt issuance			
Discount on issuance of bonds			
Payment to bond escrow agent			
Transfers in			
Transfers (out)	(508,732)	(614,648)	(105,916)
<b>Total Other Financing Sources (Uses)</b>	<b>(508,732)</b>	<b>(614,648)</b>	<b>(105,916)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(\$1,012,412)</b>	<b>(682,539)</b>	<b>\$329,873</b>
<b>BEGINNING FUND BALANCES (DEFICITS)</b>		<b>3,808,875</b>	
<b>ENDING FUND BALANCES (DEFICITS)</b>		<b>\$3,126,336</b>	





## City of Alameda, California

### Internal Service Funds

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Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds introduced by GASB Statement 34 does not extend to internal service funds because they do not do business with outside parties. GASB Statement 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Assets.

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 central store's 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 computer and telephone charges and information system upgrades. Reimbursements occur through administrative charges assessed to other departments based upon their proportional share of program costs.

#### ***Facilities Maintenance***

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

#### ***Workers' Compensation Insurance***

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

#### ***Risk Management Insurance***

This fund accounts for the administration of the City's risk management program, payment of general liability claim payments, and insurance premiums for general liability and property coverages.

#### ***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)***

This fund accounts for expenditures for other post-employment benefits (OPEB).



City of Alameda  
Internal Service Funds  
Combining Statement of Net Assets  
June 30, 2011

	<u>Equipment Replacement</u>	<u>Central Services</u>	<u>Fleet Maintenance</u>	<u>Technology Services</u>
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$2,962,065	\$42,575	\$249,601	\$1,037,773
Accounts receivable	44,682		1,442	43,235
Prepays and deposits				
Total Current Assets	<u>3,006,747</u>	<u>42,575</u>	<u>251,043</u>	<u>1,081,008</u>
Capital assets, depreciable, net	<u>335,088</u>			<u>319,342</u>
Total Assets	<u>3,341,835</u>	<u>42,575</u>	<u>251,043</u>	<u>1,400,350</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	57	1,052	106,396	248,158
Accrued payroll		1,190	22,860	26,897
Due to other funds				
Compensated absences			33,281	60,435
Claims payable:				
Due within one year				
Total Current Liabilities	<u>57</u>	<u>2,242</u>	<u>162,537</u>	<u>335,490</u>
Claims payable:				
Due in more than one year				
Total Long-Term Liabilities				
Total Liabilities	<u>57</u>	<u>2,242</u>	<u>162,537</u>	<u>335,490</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	335,088			319,342
Unrestricted	<u>3,006,690</u>	<u>40,333</u>	<u>88,506</u>	<u>745,518</u>
Total Net Assets (Deficits)	<u>\$3,341,778</u>	<u>\$40,333</u>	<u>\$88,506</u>	<u>\$1,064,860</u>

<u>Facilities Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>Risk Management Insurance</u>	<u>Unemployment Insurance</u>	<u>OPEB</u>	<u>Total</u>
\$359,460	\$608,130 62,629 135,000	\$1,111,617 14,349	\$5,000	\$174	\$6,376,221 166,511 135,000
359,460	805,759	1,125,966	5,000	174	6,677,732
					654,430
359,460	805,759	1,125,966	5,000	174	7,332,162
45,056 8,397	112,461 3,927	187,129 11,582			700,309 74,853
11,527	7,826	23,528	716		716 136,597
	3,660,160	146,179			3,806,339
64,980	3,784,374	368,418	716		4,718,814
	2,482,527	1,142,269			3,624,796
	2,482,527	1,142,269			3,624,796
64,980	6,266,901	1,510,687	716		8,343,610
294,480	(5,461,142)	(384,721)	4,284	174	654,430 (1,665,878)
<u>\$294,480</u>	<u>(\$5,461,142)</u>	<u>(\$384,721)</u>	<u>\$4,284</u>	<u>\$174</u>	<u>(\$1,011,448)</u>



City of Alameda  
 Internal Service Funds  
 Combining Statement of Revenues, Expenses and  
 Changes in Fund Net Assets  
 For The Year Ended June 30, 2011

	<u>Equipment Replacement</u>	<u>Central Services</u>	<u>Fleet Maintenance</u>	<u>Technology Services</u>
<b>OPERATING REVENUES</b>				
Charges for services		\$107,013	\$1,466,393	\$1,971,848
Miscellaneous	\$502,519			
Total Operating Revenues	<u>502,519</u>	<u>107,013</u>	<u>1,466,393</u>	<u>1,971,848</u>
<b>OPERATING EXPENSES</b>				
General administrative		3,565	71,765	57,107
Wages and benefits		34,708	563,261	710,928
Insurance				
Contractual services		84,923	51,255	617,587
Supplies and maintenance	460,982	7,973	750,605	17,492
Utilities		172	12,310	86,778
Depreciation	80,916			100,288
Total Operating Expenses	<u>541,898</u>	<u>131,341</u>	<u>1,449,196</u>	<u>1,590,180</u>
Operating Income (Loss)	<u>(39,379)</u>	<u>(24,328)</u>	<u>17,197</u>	<u>381,668</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	62,386	555	3,066	21,048
Total Nonoperating Revenues (Expenses)	<u>62,386</u>	<u>555</u>	<u>3,066</u>	<u>21,048</u>
Income (Loss) Before Transfers	<u>23,007</u>	<u>(23,773)</u>	<u>20,263</u>	<u>402,716</u>
Transfers in		27,000		
Net Transfers		<u>27,000</u>		
Change in Net Assets	23,007	3,227	20,263	402,716
BEGINNING NET ASSETS (DEFICITS)	<u>3,318,771</u>	<u>37,106</u>	<u>68,243</u>	<u>662,144</u>
ENDING NET ASSETS (DEFICITS)	<u><u>\$3,341,778</u></u>	<u><u>\$40,333</u></u>	<u><u>\$88,506</u></u>	<u><u>\$1,064,860</u></u>

<u>Facilities Maintenance</u>	<u>Workers' Compensation Insurance</u>	<u>Risk Management Insurance</u>	<u>Unemployment Insurance</u>	<u>OPEB</u>	<u>Total</u>
\$844	\$3,529,293	\$2,342,202		\$5,147	\$9,422,740
764,352	110,563				1,377,434
<u>765,196</u>	<u>3,639,856</u>	<u>2,342,202</u>		<u>5,147</u>	<u>10,800,174</u>
6,804	18,694	39,667			197,602
212,026	163,261	352,679	\$152,222		2,189,085
	2,102,213	886,853		2,255,039	5,244,105
251,237	110,096	1,083,676	1,620	950	2,201,344
43,586	1,282	5,658			1,287,578
136,638	1,211	2,070			239,179
					181,204
<u>650,291</u>	<u>2,396,757</u>	<u>2,370,603</u>	<u>153,842</u>	<u>2,255,989</u>	<u>11,540,097</u>
<u>114,905</u>	<u>1,243,099</u>	<u>(28,401)</u>	<u>(153,842)</u>	<u>(2,250,842)</u>	<u>(739,923)</u>
<u>8,024</u>	<u>4,129</u>	<u>9,136</u>			<u>108,344</u>
<u>8,024</u>	<u>4,129</u>	<u>9,136</u>			<u>108,344</u>
<u>122,929</u>	<u>1,247,228</u>	<u>(19,265)</u>	<u>(153,842)</u>	<u>(2,250,842)</u>	<u>(631,579)</u>
			<u>159,004</u>	<u>2,250,561</u>	<u>2,436,565</u>
			<u>159,004</u>	<u>2,250,561</u>	<u>2,436,565</u>
122,929	1,247,228	(19,265)	5,162	(281)	1,804,986
171,551	(6,708,370)	(365,456)	(878)	455	(2,816,434)
<u>\$294,480</u>	<u>(\$5,461,142)</u>	<u>(\$384,721)</u>	<u>\$4,284</u>	<u>\$174</u>	<u>(\$1,011,448)</u>



City of Alameda  
 Internal Service Funds  
 Combining Statement of Cash Flows  
 for the year ended June 30, 2011

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$457,837	\$107,013	\$1,478,811	\$1,961,223
Payments to suppliers	(510,285)	(96,337)	(751,965)	(581,899)
Payments to employees		(38,172)	(631,309)	(761,258)
Claims paid				
<b>Cash Flows from Operating Activities</b>	<b>(52,448)</b>	<b>(27,496)</b>	<b>95,537</b>	<b>618,066</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund receipts (payments)				
Transfers, net		27,000		
<b>Cash Flows from Noncapital Financing Activities</b>		<b>27,000</b>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets, net	(416,004)			
<b>Cash Flows from Capital and Related Financing Activities</b>	<b>(416,004)</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	62,386	555	3,066	21,048
<b>Net Cash Flows</b>	<b>(406,066)</b>	<b>59</b>	<b>98,603</b>	<b>639,114</b>
Cash and investments at beginning of period	3,368,131	42,516	150,998	398,659
Cash and investments at end of period	<u>\$2,962,065</u>	<u>\$42,575</u>	<u>\$249,601</u>	<u>\$1,037,773</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	(\$39,379)	(\$24,328)	\$17,197	\$381,668
Adjustments to reconcile operating income to cash flows from operating activities:				
Depreciation	80,916			100,288
Change in assets and liabilities:				
Accounts receivable	(44,682)		12,418	(10,625)
Accounts payable	(49,303)	(3,269)	62,205	139,958
Compensated absences			1,033	3,765
Claims payable				
Accrued payroll		101	2,684	3,012
<b>Cash Flows from Operating Activities</b>	<b>(52,448)</b>	<b>(27,496)</b>	<b>95,537</b>	<b>618,066</b>



Facilities Maintenance	Workers' Compensation Insurance	Risk Management Insurance	Unemployment Insurance	OPEB	Total
\$765,196	\$3,674,258	\$2,408,369		\$5,428	\$10,858,135
(412,612)	(8,998)	(1,019,130)	(\$1,620)	(2,255,989)	(5,638,835)
(220,325)	(188,518)	(393,406)	(152,222)		(2,385,210)
	(2,239,500)	(775,214)			(3,014,714)
132,259	1,237,242	220,619	(153,842)	(2,250,561)	(180,624)
	(633,241)		(162)		(633,403)
			159,004	2,250,561	2,436,565
	(633,241)		158,842	2,250,561	1,803,162
					(416,004)
					(416,004)
8,024	4,129	9,136			108,344
140,283	608,130	229,755	5,000		1,314,878
219,177		881,862			5,061,343
\$359,460	\$608,130	\$1,111,617	\$5,000		\$6,376,221
\$114,905	\$1,243,099	(\$28,401)	(\$153,842)	(\$2,250,842)	(\$739,923)
					181,204
	34,402	66,167		281	57,961
18,849	103,591	72,274			344,305
(2,313)	(4,616)	(417)			(2,548)
	(137,287)	111,639			(25,648)
818	(1,947)	(643)			4,025
\$132,259	\$1,237,242	\$220,619	(\$153,842)	(\$2,250,561)	(\$180,624)



# City of Alameda

## People and Places in the City





## City of Alameda, California

### Fiduciary Funds

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

#### **Pension Trust Funds**

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

##### ***Police And Fire Pension #1079***

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

##### ***Police And Fire Pension #1082***

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

#### **Agency Funds**

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

##### ***Assessment Districts***

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

##### ***Waste Management JRRRC Trust (Joint Refuse Rate Review Committee)***

This fund accounts for refuse charges collected to pay for operation of the committee.

##### ***Mastick Senior Center Trust Fund***

This fund accounts for assets held for Mastic Senior Center Advisory Board to provide services and facilities which enhance the quality of life for senior citizens.





City of Alameda  
Pension Trust Funds  
Combining Statement of Changes in Net Assets  
for the year ended June 30, 2011

	<u>PENSION TRUST FUNDS</u>		
	<u>Plan #1079</u>	<u>Plan #1082</u>	<u>TOTALS</u>
<b>ADDITIONS</b>			
Employer contributions	<u>\$2,032,646</u>	<u>\$44,004</u>	<u>\$2,076,650</u>
Total Additions	<u>2,032,646</u>	<u>44,004</u>	<u>2,076,650</u>
<b>DEDUCTIONS</b>			
Retirement and other benefits	2,023,933	43,431	2,067,364
Contractual services	<u>8,713</u>	<u>96</u>	<u>8,809</u>
Total Deductions	<u>2,032,646</u>	<u>43,527</u>	<u>2,076,173</u>
INCREASE (DECREASE) IN NET ASSETS		<u>477</u>	<u>477</u>
<b>NET ASSETS HELD IN (DUE TO) TRUST FOR PENSION BENEFITS</b>			
Beginning of year	<u>                    </u>	<u>                    </u>	<u>                    </u>
End of year	<u>                    </u>	<u>\$477</u>	<u>\$477</u>



City of Alameda  
 Agency Funds  
 Statement of Changes in Assets and Liabilities  
 for the year ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<u>Assessment Districts</u>				
<u>Assets</u>				
Restricted cash and investments	\$41,597,725		\$20,473,723	\$21,124,002
Accounts receivable	32,293,923	\$27,395,212	32,293,923	27,395,212
Total Assets	<u>\$73,891,648</u>	<u>\$27,395,212</u>	<u>\$52,767,646</u>	<u>\$48,519,214</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$73,891,648</u>	<u>\$27,395,212</u>	<u>\$52,767,646</u>	<u>\$48,519,214</u>
<u>Waste Management JRRRC Trust</u>				
<u>Assets</u>				
Restricted cash and investments	<u>\$844</u>		<u>\$844</u>	
<u>Liabilities</u>				
Refundable deposits	<u>\$844</u>		<u>\$844</u>	
<u>Mastick Senior Center</u>				
<u>Assets</u>				
Restricted cash and investments	<u>\$550,171</u>	<u>(\$226,633)</u>		<u>\$323,538</u>
<u>Liabilities</u>				
Due to members	<u>\$550,171</u>	<u>(\$226,633)</u>		<u>\$323,538</u>
<u>Totals- All Agency Funds</u>				
<u>Assets</u>				
Restricted cash and investments	\$42,148,740	(\$226,633)	\$20,474,567	\$21,447,540
Accounts receivable	32,293,923	27,395,212	32,293,923	27,395,212
Total Assets	<u>\$74,442,663</u>	<u>\$27,168,579</u>	<u>\$52,768,490</u>	<u>\$48,842,752</u>
<u>Liabilities</u>				
Refundable deposits	\$844		\$844	
Due to members	550,171	(\$226,633)		\$323,538
Due to bondholders	73,891,648	27,395,212	52,767,646	48,519,214
Total Liabilities	<u>\$74,442,663</u>	<u>\$27,168,579</u>	<u>\$52,768,490</u>	<u>\$48,842,752</u>





# STATISTICAL SECTION

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City of Alameda

People and Places in the City

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## City of Alameda, California

### Statistical Section

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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 well being have changed over time:

1. Net Assets by Component
2. Changes in Net Assets
3. Fund Balances of Governmental Funds
4. Changes in Fund Balances of Governmental Funds

#### ***Revenue Capacity***

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Direct and Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

#### ***Debt Capacity***

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

1. Ratio of Outstanding Debt by Type
2. Ratio of General Bonded Debt Outstanding
3. Computation of Direct and Overlapping Debt
4. Computation of Legal Bonded Debt Margin
5. Sewer Fund Debt Service
6. Bonded Debt Pledged Revenue Coverage, CIC Revenue Bonds and Tax Allocation Bonds

#### ***Demographic and Economic Information***

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

1. Demographic and Economic Statistics
2. Principal Employers

#### ***Operating Information***

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

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

#### ***Sources***

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.





City of Alameda

People and Places in the City

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**City of Alameda**  
**Net Assets by Component**  
**Last Nine Fiscal Years (a)**  
**(Accrual Basis of Accounting)**

For the Fiscal Year Ended June 30

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities</b>									
Invested in capital assets,									
net of related debt	\$116,456,794	\$132,621,927	\$124,741,406	\$149,626,890	\$158,716,508	\$169,776,636	\$169,927,104	\$179,200,175	\$173,956,519
Restricted	51,888,403	144,673,265	116,647,178	102,723,054	79,816,104	86,336,351	86,483,930	81,018,431	81,525,686
Unrestricted	19,237,422	(81,824,156)	(40,784,740)	(18,104,392)	13,312,902	8,764,362	16,106,522	17,744,797	20,319,286
Total governmental activities net assets	\$187,582,619	\$195,471,036	\$200,603,844	\$234,245,552	\$251,845,514	\$264,877,349	\$272,517,556	\$277,963,403	\$275,801,491
<b>Business-type activities</b>									
Invested in capital assets,									
net of related debt	\$51,668,490	\$38,512,292	\$41,430,248	\$41,606,226	\$41,973,568	\$42,515,505	\$44,928,147	\$45,131,483	\$39,458,176
Restricted		1,083,977	1,106,890	1,145,471					
Unrestricted	17,280,942	17,488,537	19,470,915	19,401,658	19,774,563	20,318,503	17,184,286	18,336,223	19,025,625
Total business-type activities net assets	\$68,949,432	\$57,084,806	\$62,008,053	\$62,153,355	\$61,748,131	\$62,834,008	\$62,112,433	\$63,467,706	\$58,483,801
<b>Primary government</b>									
Invested in capital assets,									
net of related debt	\$168,125,284	\$171,134,219	\$166,171,654	\$191,233,116	\$200,690,076	\$212,292,141	\$214,855,251	\$224,331,658	\$213,414,695
Restricted	51,888,403	145,757,242	117,754,068	103,868,525	79,816,104	86,336,351	86,483,930	81,018,431	81,525,686
Unrestricted	36,518,364	(64,335,619)	(21,313,825)	1,297,266	33,087,465	29,082,865	33,290,808	36,081,020	39,344,911
Total primary government net assets	\$256,532,051	\$252,555,842	\$262,611,897	\$296,398,907	\$313,593,645	\$327,711,357	\$334,629,989	\$341,431,109	\$334,285,292

Note:

(a) Information prior to fiscal year 2003 is not available

Source: City Finance Department



**City of Alameda**  
**Changes in Net Assets**  
**Last Nine Fiscal Years (a)**  
**(Accrual Basis of Accounting)**

	<b>For the Fiscal Year Ended June 30,</b>			
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$11,314,930	\$11,892,299	\$15,395,113	\$17,477,965
Police	21,343,437	22,502,026	22,074,065	25,255,793
Fire	18,361,188	18,648,073	19,667,256	20,520,453
Public Works	13,654,427	12,263,391	13,990,352	5,374,200
Community Development	16,665,180	18,215,641	17,920,317	14,093,939
Community Services	6,599,712	8,625,168	6,758,918	7,114,677
Housing	6,155,962	5,059,414	4,687,684	3,395,317
Interest on Long-Term Debt	4,130,840	9,767,781	6,429,215	5,918,480
<b>Total Governmental Activities Expenses</b>	<b>98,225,676</b>	<b>106,973,793</b>	<b>106,922,920</b>	<b>99,150,824</b>
<b>Business-Type Activities:</b>				
Ferry Services	5,228,012	3,439,322	3,539,277	3,478,994
Golf Course	4,224,577	4,338,367	4,400,252	4,508,404
Sewer Service	3,374,862	3,921,506	3,632,512	3,756,084
<b>Total Business-Type Activities Expenses</b>	<b>12,827,451</b>	<b>11,699,195</b>	<b>11,572,041</b>	<b>11,743,482</b>
<b>Total Primary Government Expenses</b>	<b>\$111,053,127</b>	<b>\$118,672,988</b>	<b>\$118,494,961</b>	<b>\$110,894,306</b>
<b>Component Units:</b>				
Housing Authority	\$25,944,248	\$26,122,570	\$25,742,559	\$23,458,406
Power & Telecom	48,808,125	54,710,878	57,956,365	60,987,054
<b>Total Component Units</b>	<b>\$74,752,373</b>	<b>\$80,833,448</b>	<b>\$83,698,924</b>	<b>\$84,445,460</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services:</b>				
General Government	\$2,631,863	\$12,761,494	\$13,294,972	\$13,804,737
Police	1,237,479	197,252	190,052	217,551
Fire	1,724,050	95,384	90,640	79,718
Public Works	2,964,261	731,746	782,578	848,390
Community Development	15,277,921	13,103,655	11,891,979	12,395,013
Community Services	1,462,654	1,399,564	2,581,142	2,926,120
Housing				
Operating Grants and Contributions	7,095,519	10,397,197	8,170,805	16,571,222
Capital Grants and Contributions	8,853,630	8,722,254	10,946,725	15,576,210
<b>Total Government Activities Program Revenues</b>	<b>41,247,377</b>	<b>47,408,546</b>	<b>47,948,893</b>	<b>62,418,961</b>
<b>Business-Type Activities:</b>				
<b>Charges for Services:</b>				
Ferry Services				
Golf Course	4,991,613	4,730,019	4,259,968	3,859,518
Sewer Service	5,091,934	5,179,831	5,356,564	5,252,893
Operating Grants and Contributions	3,715,911	1,878,270	6,683,481	2,279,492
<b>Total Business-Type Activities Program Revenue</b>	<b>13,799,458</b>	<b>11,788,120</b>	<b>16,300,013</b>	<b>11,391,903</b>
<b>Total Primary Government Program Revenues</b>	<b>\$55,046,835</b>	<b>\$59,196,666</b>	<b>\$64,248,906</b>	<b>\$73,810,864</b>
<b>Component Units:</b>				
<b>Charges for Services:</b>				
Housing Authority	\$2,927,404	\$3,056,974	\$3,366,326	\$3,162,738
Power & Telecom	43,466,487	50,952,137	58,103,776	61,937,553
Operating Grants and Contributions	22,967,145	23,420,341	22,357,796	24,594,124
<b>Total Component Units Program Revenues</b>	<b>\$69,361,036</b>	<b>\$77,429,452</b>	<b>\$83,827,898</b>	<b>\$89,694,415</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(\$56,978,299)	(\$59,565,247)	(\$58,974,027)	(\$36,731,863)
Business-Type Activities	972,007	88,925	4,727,972	(351,579)
Component Units Activities	(5,391,337)	(3,403,996)	128,974	5,248,955
<b>Total Primary Government Net Expense</b>	<b>(\$56,006,292)</b>	<b>(\$59,476,322)</b>	<b>(\$54,246,055)</b>	<b>(\$31,834,487)</b>

Note: (a) Information prior to fiscal year 2003 is not available  
Source: City Finance Department



2007	2008	2009	2010	2011
\$20,160,089	\$13,942,578	\$11,725,432	\$15,456,715	\$18,188,575
25,632,978	26,769,167	26,137,009	26,798,928	26,889,284
23,911,788	24,645,039	22,123,701	22,861,254	24,532,288
4,465,955	12,628,974	18,746,655	10,939,983	18,950,456
22,986,738	19,189,329	22,163,130	19,248,260	16,550,661
7,730,394	8,275,998	8,125,339	8,749,436	9,296,269
5,802,261	6,668,775	7,415,214	7,975,615	7,261,310
6,307,727	6,351,470	6,100,624	5,764,642	5,677,260
116,997,930	118,471,330	122,537,104	117,794,833	127,346,103
3,274,613	4,469,475	3,756,857	4,200,933	3,357,896
4,645,595	5,009,337	4,380,267	3,914,763	3,917,153
4,244,145	4,320,760	4,726,773	4,359,415	4,598,661
12,164,353	13,799,572	12,863,897	12,475,111	11,873,710
\$129,162,283	\$132,270,902	\$135,401,001	\$130,269,944	\$139,219,813
\$25,890,669	\$25,717,763	\$26,750,656	\$30,114,145	31,077,746
63,267,230	61,075,579	61,522,873	56,686,475	50,902,652
\$89,157,899	\$86,793,342	\$88,273,529	\$86,800,620	\$81,980,398
\$13,697,081	\$5,244,071	\$6,202,753	\$7,065,225	\$8,378,706
179,212	918,369	1,211,316	1,196,533	1,248,344
	1,917,703	2,528,403	2,459,169	1,875,008
1,488,380	7,149,848	7,135,253	5,234,368	6,743,825
13,265,740	12,520,166	12,050,332	9,628,742	9,628,742
1,940,528	2,396,147	2,328,111	2,600,886	2,643,386
	438,278			
14,350,320	12,969,596	6,816,299	7,401,177	7,753,440
11,063,279	5,535,687	4,307,127	6,703,662	8,305,292
55,984,540	49,089,865	42,579,594	42,289,762	46,576,743
17,726				222
4,226,422	4,187,705	4,161,463	3,768,555	3,546,251
5,667,296	5,826,652	5,901,599	6,068,908	6,936,223
1,990,515	3,000,763	2,356,878	2,245,111	2,245,111
11,884,233	13,015,120	12,419,940	12,082,574	12,727,807
\$67,868,773	\$62,104,985	\$54,999,534	\$54,372,336	\$59,304,550
\$3,368,311	\$3,294,371	\$3,369,634	\$2,957,381	2,959,697
60,552,680	61,857,720	54,987,323	49,284,110	51,237,727
27,623,882	21,419,640	21,595,495	28,796,857	29,390,234
\$91,544,873	\$86,571,731	\$79,952,452	\$81,038,348	\$83,587,658
(\$61,013,390)	(\$69,381,465)	(\$79,957,511)	(\$75,505,071)	(75,504,996)
(262,394)	(784,452)	(443,957)	(392,537)	1,027,225
2,386,974	(221,611)	(8,321,077)	(5,762,272)	1,607,260
(\$58,888,810)	(\$70,387,528)	(\$88,722,545)	(\$81,659,880)	(\$72,870,511)



**City of Alameda**  
**Changes in Net Assets**  
**Last Nine Fiscal Years (a)**  
**(Accrual Basis of Accounting)**  
**(Continued)**

	<b>For the Fiscal Year Ended June 30,</b>			
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities:				
Taxes:				
Property Taxes	\$15,987,519	\$17,773,235	\$19,007,465	\$21,332,157
Incremental property tax	7,739,233	7,993,279	8,956,569	11,178,320
Urban runoff special assessments	2,290,320	2,514,813	894,930	851,005
Sales Taxes	5,430,564	5,551,361	4,756,425	4,580,600
Utility Users Tax				8,328,131
Transfer Tax				6,601,412
Franchise Tax				
Transient Occupancy Tax				
Property Tax In-Lieu				
Other Taxes	14,410,517	15,654,287	18,780,327	7,200,067
Motor Vehicle In-Lieu, Unrestricted	4,123,899	3,438,362	5,083,751	5,982,971
Use of Money and properties	3,306,730	876,633	2,898,323	2,695,888
Gain/Loss from disposal of capital assets	(7,578,352)	1,312,894		
Miscellaneous	413,199	34,145	3,435,857	1,215,942
Transfers	(16,347,856)	12,304,655	293,188	407,078
<b>Total Government Activities</b>	<b>29,775,773</b>	<b>67,453,664</b>	<b>64,106,835</b>	<b>70,373,571</b>
Business-Type Activities:				
Use of Money and properties	983,739	282,361	486,455	646,149
Miscellaneous	1,686	68,743	2,008	257,810
Transfers	18,847,856	(12,304,655)	(293,188)	(407,078)
<b>Total Business-Type Activities</b>	<b>19,833,281</b>	<b>(11,953,551)</b>	<b>195,275</b>	<b>496,881</b>
<b>Total Primary Government</b>	<b>\$49,609,054</b>	<b>\$55,500,113</b>	<b>\$64,302,110</b>	<b>\$70,870,452</b>
Component Units Activities:				
Use of Money and properties	\$437,429	\$341,058	\$2,369,805	\$2,315,772
Miscellaneous	2,707,172			
Transfers	(2,500,000)			
Net Extraordinary Items				
<b>Total Component Units Activities</b>	<b>\$644,601</b>	<b>\$341,058</b>	<b>\$2,369,805</b>	<b>\$2,315,772</b>
<b>Change in Net Assets</b>				
Governmental Activities	(\$27,202,526)	\$7,888,417	\$5,132,808	\$33,641,708
Business-Type Activities	20,805,288	(11,864,626)	4,923,247	145,302
<b>Total Primary Government</b>	<b>(\$6,397,238)</b>	<b>(\$3,976,209)</b>	<b>\$10,056,055</b>	<b>\$33,787,010</b>
<b>Changes in Net Assets</b>				
Component units Activities	(\$4,746,736)	(\$3,062,938)	\$2,498,779	\$7,564,727

Note:

(a) Information prior to fiscal year 2003 is not available

Source: City Finance Department

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$26,137,534	\$27,413,398	\$28,056,019	\$30,779,575	\$30,205,060
12,266,563	14,043,703	15,634,394	11,631,272	11,868,722
2,668,301	1,738,422	1,857,611	1,897,652	1,886,557
4,967,130	5,140,774	5,412,461	4,880,379	5,077,031
8,702,101	9,301,200	9,049,473	8,822,075	9,182,248
4,177,736	3,389,197	3,124,066	4,647,057	5,896,294
	1,605,512	1,626,089	4,403,092	4,451,081
	1,088,342	1,178,705	1,084,850	1,118,732
	1,654,175	1,672,842	1,278,940	1,255,240
7,184,959	2,392,876	1,956,106	891,109	1,197,746
5,479,921	5,748,775	5,994,956	6,041,729	6,120,156
5,897,661	8,066,247	6,843,179	3,836,073	5,059,361
345,906	1,427,356	4,090,462	742,404	4,080,095
1,293,540	(596,677)	1,101,353	(1,114,750)	(1,628,137)
<u>79,121,352</u>	<u>82,413,300</u>	<u>87,597,716</u>	<u>79,821,457</u>	<u>85,770,186</u>
1,004,169	1,126,277	730,441	348,032	398,293
146,541	147,375	93,294	285,028	420,148
(1,293,540)	596,677	(1,101,353)	1,114,750	1,628,137
(142,830)	1,870,329	(277,618)	1,747,810	2,446,578
<u>\$78,978,522</u>	<u>\$83,009,977</u>	<u>\$86,496,363</u>	<u>\$80,936,207</u>	<u>\$88,216,764</u>
\$2,804,872	\$2,974,858	\$1,744,742	\$356,673	\$1,965,040
			506,590	249,207
	(32,097,496)	25,251,400		
<u>\$2,804,872</u>	<u>(\$29,122,638)</u>	<u>\$26,996,142</u>	<u>\$863,263</u>	<u>\$2,214,247</u>
\$18,107,962	\$13,031,835	\$7,640,205	\$4,316,386	\$2,828,006
(405,224)	1,085,877	(721,575)	1,355,273	3,473,803
<u>\$17,702,738</u>	<u>\$14,117,712</u>	<u>\$6,918,630</u>	<u>\$5,671,659</u>	<u>\$6,301,809</u>
<u>\$5,191,846</u>	<u>(\$29,344,249)</u>	<u>\$18,675,065</u>	<u>(\$4,899,009)</u>	<u>\$3,821,507</u>



# City of Alameda

## People and Places in the City





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

	For the Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
<b>Pre-GASB 54 Classifications:</b>									
Reserved	\$4,351,023	\$6,061,084	\$6,065,209	\$6,626,345	\$6,649,640	\$9,441,392	\$6,152,052	\$5,426,061	
Unreserved	14,516,417	12,655,623	16,048,586	17,947,381	16,171,215	10,252,721	15,362,069	16,223,164	
<b>GASB 54 Classifications:</b>									
Nonspendable									\$400,000
Restricted									603,629
Committed									16,693,535
Assigned									
Unassigned									
Total General Fund	<u>\$18,867,440</u>	<u>\$18,716,707</u>	<u>\$22,113,795</u>	<u>\$24,573,726</u>	<u>\$22,820,855</u>	<u>\$19,694,113</u>	<u>\$21,514,121</u>	<u>\$21,649,225</u>	<u>\$17,697,164 (a)</u>
All Other Governmental Funds									
<b>Pre-GASB 54 Classifications:</b>									
Reserved	\$22,490,776	\$30,173,689	\$26,759,167	\$29,578,391	\$32,799,457	\$34,104,927	\$31,746,036	\$33,900,970	
Unreserved, reported in:									
Special revenue funds	11,284,346	46,548,364	40,171,866	38,923,405	31,494,061	20,831,848	36,849,864	32,037,363	
Capital project funds	18,295,744	17,971,148	18,531,330	14,420,484	13,068,955	28,887,337	17,242,412	14,178,257	
<b>GASB 54 Classifications:</b>									
Nonspendable									\$45,639,192
Restricted									36,954,620
Committed									10,965
Assigned									(9,200)
Unassigned									
Total all other governmental funds	<u>\$52,070,866</u>	<u>\$94,693,201</u>	<u>\$85,462,363</u>	<u>\$82,922,280</u>	<u>\$77,362,473</u>	<u>\$83,824,112</u>	<u>\$85,838,312</u>	<u>\$80,116,590</u>	<u>\$82,595,577 (a)</u>

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

(b) Information prior to fiscal year 2003 is not available





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

	<b>For the Fiscal Year Ended June 30,</b>			
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Revenues</b>				
Property taxes	\$27,491,873	\$29,947,878	\$32,976,420	\$37,320,071
Other local taxes	20,743,798	22,236,960	24,120,443	27,682,138
Licenses and permits	2,485,586	2,928,479	3,664,147	4,316,809
Revenue from other agencies	17,955,265	16,905,698	22,233,324	35,629,270
Charges for current services	9,324,938	10,079,831	9,291,266	10,705,681
Fines and forfeitures	933,675	897,087	907,001	941,793
Use of money and property	14,965,122	14,517,984	15,444,762	15,791,585
Other	971,470	953,026	3,550,257	1,168,243
<b>Total Revenues</b>	<b>94,871,727</b>	<b>98,466,943</b>	<b>112,187,620</b>	<b>133,555,590</b>
<b>Expenditures</b>				
Current:				
General government	10,569,472	11,020,370	15,208,034	15,161,220
Police	20,164,707	21,372,121	21,986,900	24,563,122
Fire	17,999,297	18,061,798	18,898,538	22,795,320
Public Works	6,992,184	7,844,588	7,382,093	7,120,517
Community Development	27,202,280	19,887,277	15,319,311	12,677,375
Community Services	5,639,792	6,034,698	6,177,938	6,331,629
Housing	6,649,001	6,900,786	6,400,799	4,369,609
Capital outlay	11,719,561	19,409,657	18,907,960	39,505,003
Debt service:				
Principal repayment	1,745,853	10,363,174	1,560,568	1,564,295
Interest and fiscal charges	3,856,685	9,288,334	6,283,053	6,033,431
<b>Total Expenditures</b>	<b>112,538,832</b>	<b>130,182,803</b>	<b>118,125,194</b>	<b>140,121,521</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,667,105)</u>	<u>(31,715,860)</u>	<u>(5,937,574)</u>	<u>(6,565,931)</u>
<b>Other Financing Sources (Uses)</b>				
Contribution from (to) other entities	2,500,000	3,731,721		
Transfers in	17,150,259	35,648,704	24,240,787	41,355,020
Transfers (out)	(17,749,270)	(35,749,307)	(24,244,606)	(41,077,819)
Sale of capital assets	11,166,506	7,556,344	23,443	5,176,704
Payment to escrow agent	(10,565,000)	(15,570,000)		
Bond issuance premium (discount) on debt				
Issuance of long-term debt	<u>22,994,507</u>	<u>78,570,000</u>	<u>84,200</u>	<u>1,031,874</u>
<b>Total other financing sources (uses)</b>	<b>25,497,002</b>	<b>74,187,462</b>	<b>103,824</b>	<b>6,485,779</b>
<b>Net Change in fund balances</b>	<b><u>\$7,829,897</u></b>	<b><u>\$42,471,602</u></b>	<b><u>(\$5,833,750)</u></b>	<b><u>(\$80,152)</u></b>
Debt service as a percentage of noncapital expenditures	5.9%	21.6%	8.6%	8.2%

**NOTE:**

(a) The City implemented GASB Statement 34 in fiscal year 2003.

Source: City Finance Department

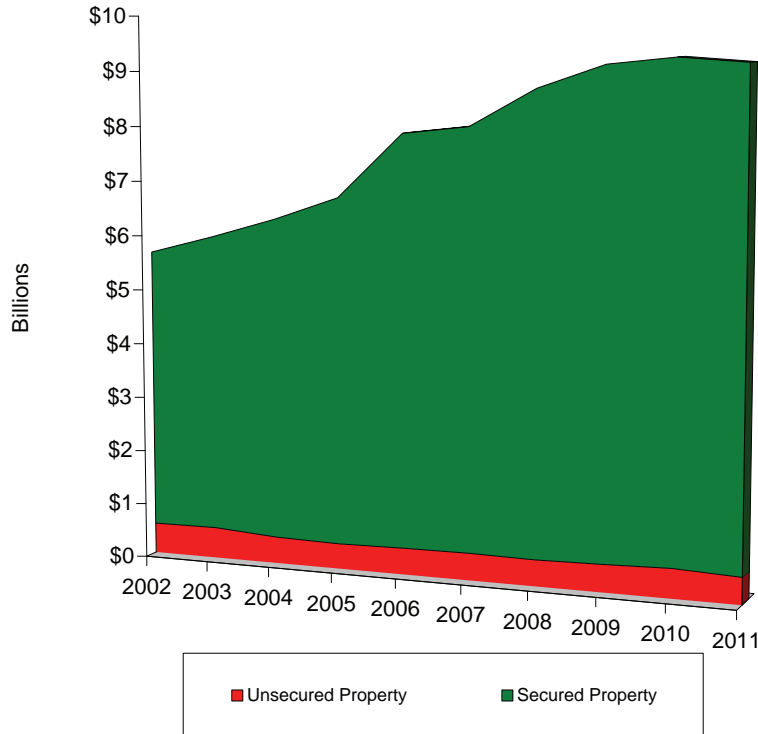


<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$39,938,739	\$43,189,504	\$45,548,024	\$44,308,500	\$44,304,076
26,125,551	25,463,825	24,588,234	27,032,505	29,209,243
4,281,863	3,792,899	3,361,091	3,172,848	3,389,609
29,797,193	24,321,452	19,408,936	19,354,972	18,584,868
9,952,910	11,987,586	10,264,260	12,252,283	12,102,124
992,593	1,239,607	1,463,269	1,434,684	1,350,974
18,624,311	20,264,478	20,329,314	17,208,171	17,595,184
<u>1,437,521</u>	<u>1,795,035</u>	<u>4,516,237</u>	<u>791,233</u>	<u>5,454,018</u>
<u>131,150,681</u>	<u>132,054,386</u>	<u>129,479,365</u>	<u>125,555,196</u>	<u>131,990,096</u>
13,761,022	11,315,409	13,114,355	9,756,226	4,130,188
25,244,920	26,544,338	25,770,329	26,749,247	27,612,111
23,634,196	24,338,086	22,932,133	22,589,195	24,297,287
7,892,558	9,255,632	10,198,469	4,682,917	6,324,136
28,512,408	24,230,719	19,673,992	19,288,336	22,899,662
6,621,934	7,258,611	7,006,083	7,738,644	8,292,609
6,249,589	7,075,267	8,117,536	10,060,973	8,460,735
23,667,913	11,845,020	11,212,641	15,527,159	17,392,517
1,918,623	2,533,420	7,479,565	2,569,040	3,169,360
<u>6,255,397</u>	<u>6,375,793</u>	<u>6,099,165</u>	<u>5,675,982</u>	<u>5,732,593</u>
<u>143,758,560</u>	<u>130,772,295</u>	<u>131,604,268</u>	<u>124,637,719</u>	<u>128,311,198</u>
<u>(12,607,879)</u>	<u>1,282,091</u>	<u>(2,124,903)</u>	<u>917,477</u>	<u>3,678,898</u>
42,858,538	29,641,624	39,525,272	16,789,896	(1,347,013)
(41,588,363)	(30,614,587)	(38,281,393)	(23,293,991)	20,625,790
25,026	25,769	21,507		(24,690,492)
				735,000
		118,725		(985,000)
<u>4,000,000</u>	<u>3,000,000</u>	<u>4,575,000</u>		<u>(125,326)</u>
<u>5,295,201</u>	<u>2,052,806</u>	<u>5,959,111</u>	<u>(6,504,095)</u>	<u>11,035,000</u>
<u>(\$7,312,678)</u>	<u>\$3,334,897</u>	<u>\$3,834,208</u>	<u>(\$5,586,618)</u>	<u>\$8,926,857</u>

7.3%                      8.0%                      10.9%                      7.0%                      6.9%



**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
2002	\$5,110,118,698	7.94%	\$553,644,347	23.52%	\$5,663,763,045
2003	5,426,195,345	6.19%	564,982,533	2.05%	5,991,177,878
2004	5,865,562,253	8.10%	485,153,311	-14.13%	6,350,715,564
2005	6,316,942,645	7.70%	460,263,932	-5.13%	6,777,206,577
2006	7,469,413,342	18.24%	482,582,523	4.85%	7,432,630,955
2007	7,600,603,000	1.76%	493,333,000	2.23%	7,951,995,865
2008	8,299,483,280	9.20%	477,194,312	-3.27%	8,776,677,592
2009	8,699,660,252	14.46%	501,285,753	1.61%	9,226,664,742
2010	8,796,462,645	5.99%	536,786,045	12.49%	9,436,632,497
2011	8,767,561,741	0.78%	486,282,942	-2.99%	9,284,599,251

(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.

(b) Estimated full market information is not available

(c) See page 157 for information regarding the total direct rate applied to the property tax assessed base.

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**

<u>Fiscal Year</u>	<u>Basic County Wide Levy (1)</u>	<u>City</u>	<u>Alameda Unified School Bonds</u>	<u>Alameda Unified School District</u>	<u>BART</u>	<u>Peralta College</u>	<u>Total</u>
2002	1.0000	0.0175	0.0644	flat rate	N/A	0.0154	1.0973
2003	1.0000	0.0175	0.0610	flat rate	N/A	0.0176	1.0961
2004	1.0000	0.0318	N/A	0.1960	N/A	0.0280	1.2558
2005	1.0000	0.3330	0.0549	0.1960	0.0058	0.0280	1.2847
2006	1.0000	0.0255	0.0496	N/A	0.0050	0.0272	1.1073
2007	1.0000	0.0255	0.0496	N/A	0.0050	0.0272	1.1073
2008	1.0000	0.0247	0.0469	N/A	0.0076	0.0223	1.1015
2009	1.0000	0.0245	0.0479	N/A	0.0090	0.0362	1.1176
2010	1.0000	0.0245	0.0498	N/A	0.0057	0.0430	1.1230
2011	1.0000	0.0244	0.0520	N/A	0.0031	0.0430	1.1225

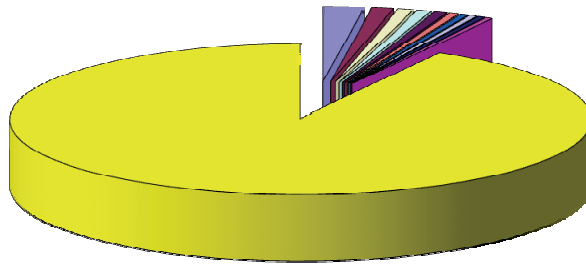
Source: Alameda County Assessors Office

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



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

**Current Year Taxpayers**



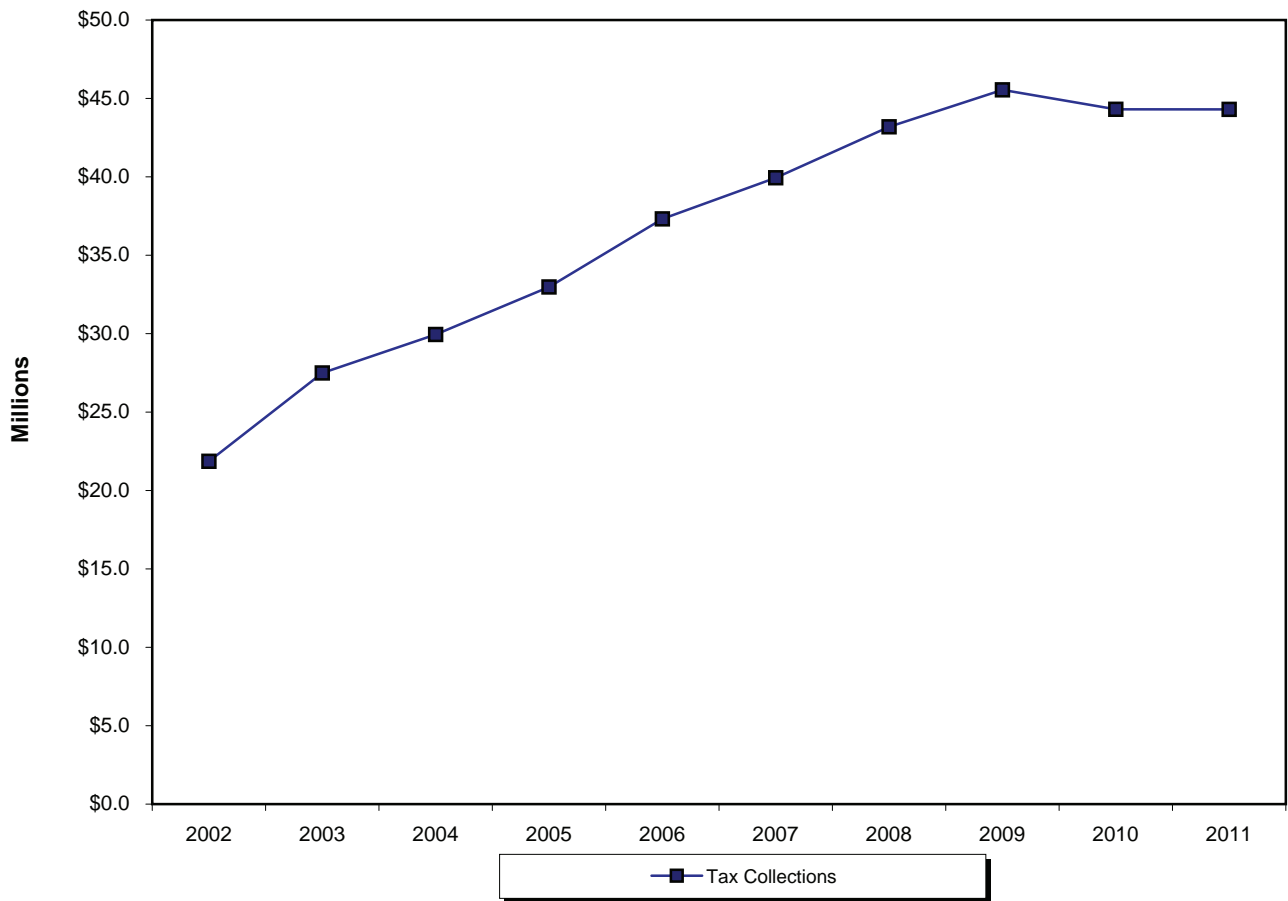
- Legacy Partners I Alameda LLC
- Kw Alameda LLC
- Jamestown Harsch Alameda Towne
- Wind River Systems Inc.
- Alameda Waterfront Investors LLC
- Abbott Laboratories
- SKS Harbor Bay Associates LLC
- Peet's Operating Company
- SRM Marina Investors LLC
- Crea Bridgeside LLC
- Others

Taxpayer	2010-11			2001-02		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Legacy Partners I Alameda LLC	\$208,508,769	1	2.25%			
Kw Alameda LLC	109,481,417	2	1.18%			
Jamestown Harsch Alameda Towne	83,306,846	3	0.90%			
Wind River Systems Inc.	74,100,471	4	0.80%	\$54,271,505	3	0.94%
Alameda Waterfront Investors LLC	66,961,507	5	0.72%			
Abbott Laboratories	47,892,500	6	0.52%			
SKS Harbor Bay Associates LLC	40,957,591	7	0.44%			
Peet's Operating Company	38,426,800	8	0.41%			
SRM Marina Investors LLC	35,144,648	9	0.38%			
Crea Bridgeside LLC	33,530,000	10	0.36%			
Alameda Real Estate Investment				202,223,050	1	3.52%
Ascend Communications				138,143,446	2	2.40%
Sumitomo Bank Leasing and Finance				41,654,927	4	0.73%
TCI Cablevision of California				40,488,614	5	0.70%
Harsh Investment				30,282,429	6	0.53%
Ballena Village LLC				25,901,959	7	0.45%
South Shore Beach and Tennis Club				24,791,987	8	0.43%
Lincoln Recp Empire Opocco LLC				21,657,715	9	0.38%
Extended Stay California				20,388,325	10	0.35%
<b>Subtotal</b>	<b>\$738,310,549</b>		<b>7.95%</b>	<b>\$599,803,957</b>		<b>10.44%</b>
<b>Total Net Assessed Valuation:</b>						
Fiscal Year 2010-11	\$9,284,599,251					
Fiscal Year 2001-02	\$5,744,582,777					

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls.



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



<u>Fiscal Year</u>	<u>Total Tax Levy (a)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections (a)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
2002	\$21,859,978	\$21,859,978	100%	\$0	\$21,859,978	100%
2003	27,491,873	27,491,873	100%	0	27,491,873	100%
2004	29,947,878	29,947,878	100%	0	29,947,878	100%
2005	32,976,420	32,976,420	100%	0	32,976,420	100%
2006	37,320,071	37,320,071	100%	0	37,320,071	100%
2007	39,938,739	39,938,739	100%	0	39,938,739	100%
2008	43,189,504	43,189,504	100%	0	43,189,504	100%
2009	45,548,024	45,548,024	100%	0	45,548,024	100%
2010	44,308,500	44,308,500	100%	0	44,308,500	100%
2011	44,304,076	44,304,076	100%	0	44,304,076	100%

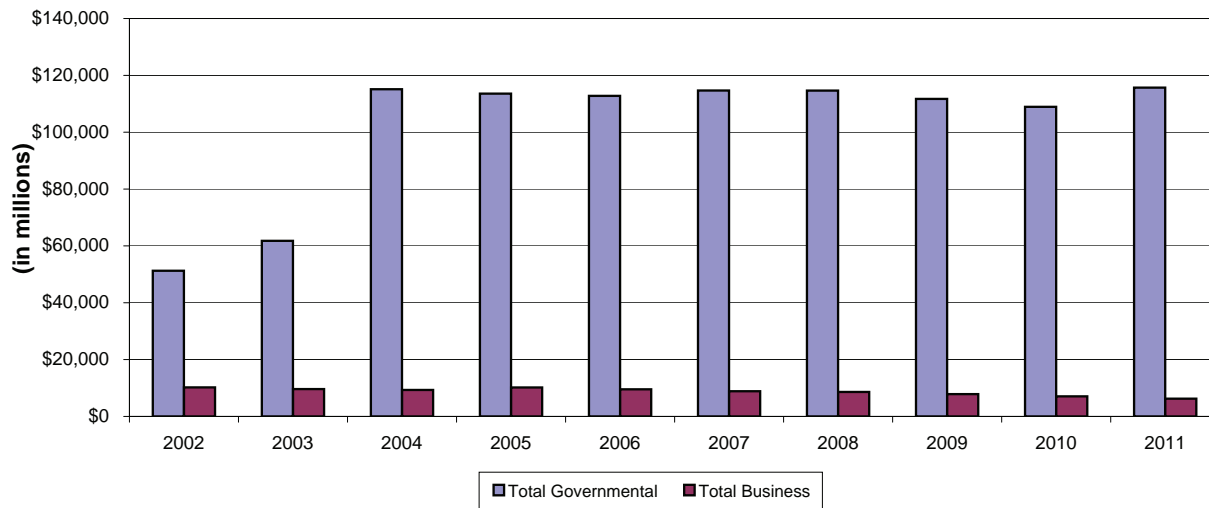
Source: City of Alameda Records

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

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



## City of Alameda Ratio of Outstanding Debt by Type Last Ten Fiscal Years



### Governmental Activities

Fiscal Year	Tax Allocation Bonds	Certificates of Participation	General Obligation Bond	Revenue Bonds	Loans & Lease Purchases	Total
2002	\$4,640,000	\$18,595,000		\$27,295,000	\$735,113	\$51,265,113
2003	4,640,000	18,510,000	\$10,600,000	26,405,000	1,625,511	61,780,511
2004	69,770,000	17,230,000	10,600,000	15,330,000	2,181,320	115,111,320
2005	69,225,000	16,605,000	10,455,000	15,225,000	2,071,962	113,581,962
2006	68,700,000	15,960,000	10,300,000	15,110,000	2,724,932	112,794,932
2007	68,010,000	15,290,000	10,135,000	14,995,000	6,241,387	114,671,387
2008	67,005,000	14,595,000	9,960,000	14,630,000	8,666,301	114,644,787
2009	65,900,000	13,715,000	9,775,000	14,195,000	8,139,871	111,724,871
2010	64,685,000	13,305,000	9,580,000	13,745,000	7,620,380	108,935,380
2011	74,254,674	12,470,000	9,375,000	12,300,000	7,291,020	115,690,694

### Business-Type Activities

Fiscal Year	Certificates of Participation	Loans & Lease Purchases	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2002	\$4,625,000	\$5,590,353	\$10,215,353	\$61,480,466	2.68%	\$844.43
2003	4,430,000	5,191,545	9,621,545	71,402,056	3.07%	974.91
2004	4,225,000	5,087,209	9,312,209	124,423,529	5.18%	1,697.97
2005	4,010,000	6,182,578	10,192,578	123,774,540	4.85%	1,700.62
2006	3,785,000	5,750,127	9,535,127	122,330,059	4.51%	1,681.26
2007	3,545,000	5,323,440	8,868,440	123,539,827	4.19%	1,696.79
2008	3,295,000	5,305,043	8,600,043	123,513,227	3.94%	1,683.68
2009	3,030,000	4,813,515	7,843,515	119,568,386	3.82%	1,629.91
2010	2,755,000	4,304,311	7,059,311	115,994,691	3.73%	1,552.06
2011	2,465,000	3,776,678	6,241,678	121,932,372	4.48%	1,616.95

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)

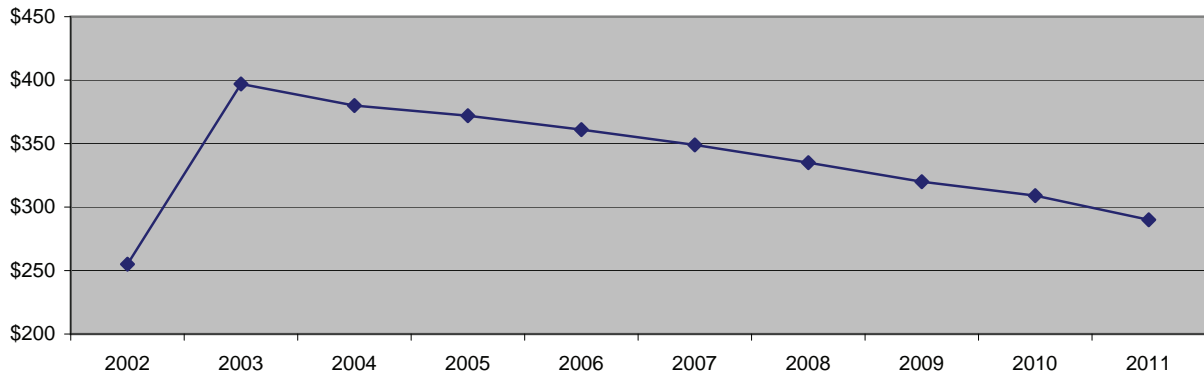
(a) See page 166 (Demographic Statistics) for personal income and population data.





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

**General Bonded Debt Outstanding  
Per Capita**



**General Bonded Debt Outstanding**

<u>Fiscal Year</u>	<u>Certificates of Participation Governmental Activities</u>	<u>General Obligation Bond</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2002	\$18,595,000		\$18,595,000	0.33%	\$255.40
2003	18,510,000	\$10,600,000	29,110,000	0.49%	397.46
2004	17,230,000	10,600,000	27,830,000	0.44%	379.79
2005	16,605,000	10,455,000	27,060,000	0.40%	371.80
2006	15,960,000	10,300,000	26,260,000	0.35%	360.91
2007	15,290,000	10,135,000	25,425,000	0.32%	349.21
2008	14,595,000	9,960,000	24,555,000	0.28%	334.72
2009	13,715,000	9,775,000	23,490,000	0.25%	320.21
2010	13,305,000	9,580,000	22,885,000	0.24%	309.12
2011	12,470,000	9,375,000	21,845,000	0.24%	289.69

Source: City of Alameda Finance Department



**City of Alameda  
Computation of Direct and Overlapping Debt  
June 30, 2011**

CITY OF ALAMEDA

2010-11 Assessed Valuation: \$9,284,599,251  
 Redevelopment Incremental Valuation: 1,449,681,785  
 Adjusted Assessed Valuation: \$7,834,917,466

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt 6/30/11</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 6/30/11</u>
Bay Area Rapid Transit District	\$413,865,000	1.801%	\$ 7,453,709
Peralta Community College District	435,575,000	14.263	62,126,062
Alameda Unified School District	75,865,326	100	75,865,326
East Bay Regional Park District	153,990,000	2.790	4,296,321
East Bay Municipal Utility District, Special District No. 1	24,545,000	13.161	3,230,367
<b>City of Alameda</b>	<b>9,375,000</b>	<b>100</b>	<b>9,375,000</b>
City of Alameda Community Facilities District No. 1	10,675,000	100	10,675,000
City of Alameda Community Facilities District No. 2	900,000	100	900,000
City of Alameda 1915 Act Bonds	24,670,000	100	<u>24,670,000</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$198,591,785</b>

Ratios to 2010-11 Assessed Valuation:

**Direct Debt (\$9,375,000) .....0.10%**  
 Total Direct and Overlapping Tax and Assessment Debt .....2.14%

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Alameda County and Coliseum Authority General Fund Obligations	\$711,512,000	4.645%	\$33,049,732
Alameda County Pension Obligations	154,584,741	4.645	7,180,461
Alameda-Contra Costa Transit District Certificates of Participation	37,465,000	5.667	2,123,142
Peralta Community College District Pension Obligations	151,709,090	14.263	21,638,268
Alameda Unified School District Certificates of Participation	1,420,000	100	1,420,000
<b>City of Alameda General Fund Obligations</b>	<b>12,470,000</b>	<b>100</b>	<b><u>12,470,000</u></b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$77,881,603</b>

**TOTAL DIRECT DEBT** **\$21,845,000**  
**TOTAL OVERLAPPING DEBT** **\$254,628,388**

**COMBINED TOTAL DEBT** **\$276,473,388** (2)

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the authority.  
 (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to Adjusted Assessed Valuation:

**Total Direct Debt (\$21,845,000) .....0.28%**  
 Combined Total Debt.....3.53%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: \$0

AB:(\$450)

Note: The overlap is calculated based upon information provided by the City and County.



**City of Alameda  
Computation of Legal Bonded Debt Margin  
June 30, 2011**

ASSESSED VALUATION:

Secured property assessed value, net of  
exempt real property \$8,767,561,741

BONDED DEBT LIMIT (15% OF ASSESSED VALUE) \$1,315,134,261

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt \$171,731,391

Less:

Tax Allocation Bonds 74,254,674

Revenue Bonds 43,985,000

Certificates of Participations 14,935,000

Amount of debt subject to limit 38,556,717

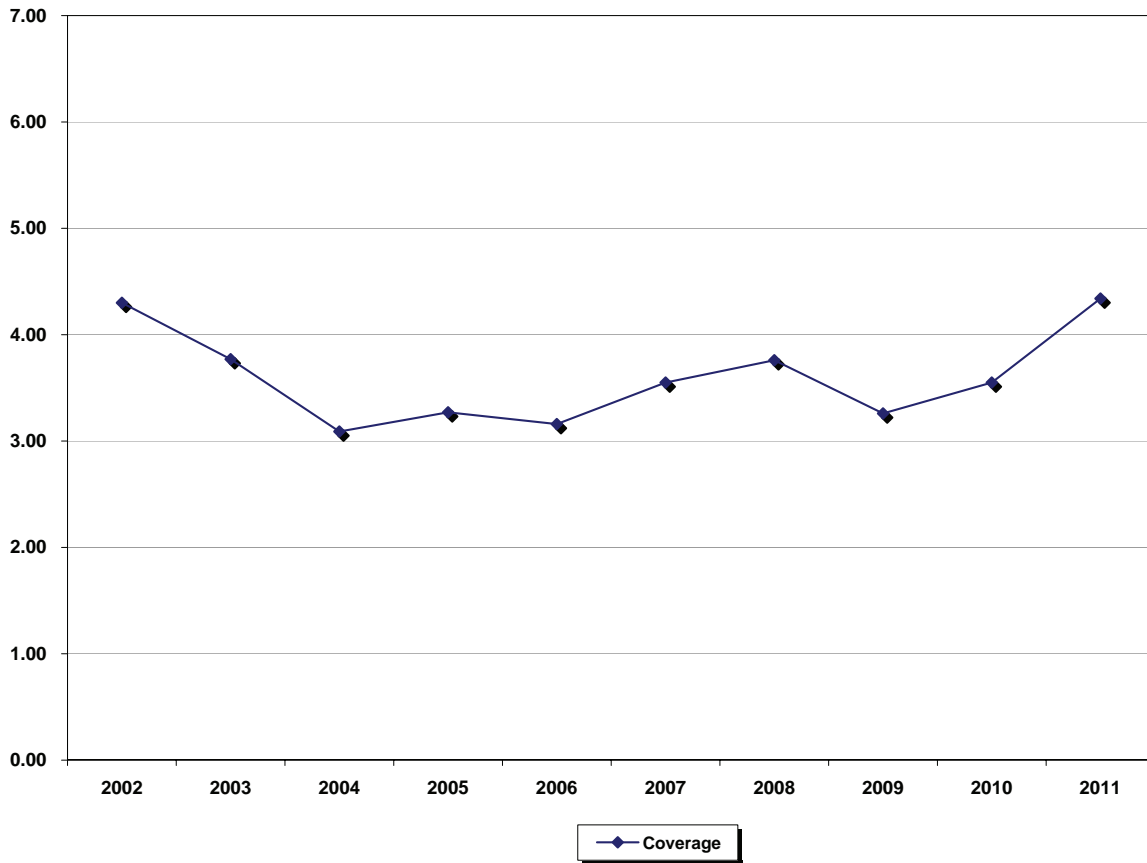
LEGAL BONDED DEBT MARGIN \$1,276,577,544

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
2002	\$871,080,464	\$10,965,468	\$860,114,996	1.27%
2003	898,676,682	22,057,055	876,619,627	2.52%
2004	952,607,335	87,638,529	864,968,806	10.13%
2005	1,016,580,986	93,934,540	922,646,446	10.18%
2006	1,140,090,450	42,126,174	1,097,964,276	3.84%
2007	1,140,090,450	42,466,779	1,097,623,671	3.87%
2008	1,244,922,492	9,960,000	1,234,962,492	0.81%
2009	1,304,949,038	9,775,000	1,295,174,038	0.75%
2010	1,319,469,397	9,580,000	1,309,889,397	0.73%
2011	1,315,134,261	38,556,717	1,276,577,544	3.02%

Source: City Finance Department



**City of Alameda  
Sewer Fund Debt Coverage  
Last Ten Fiscal Years**



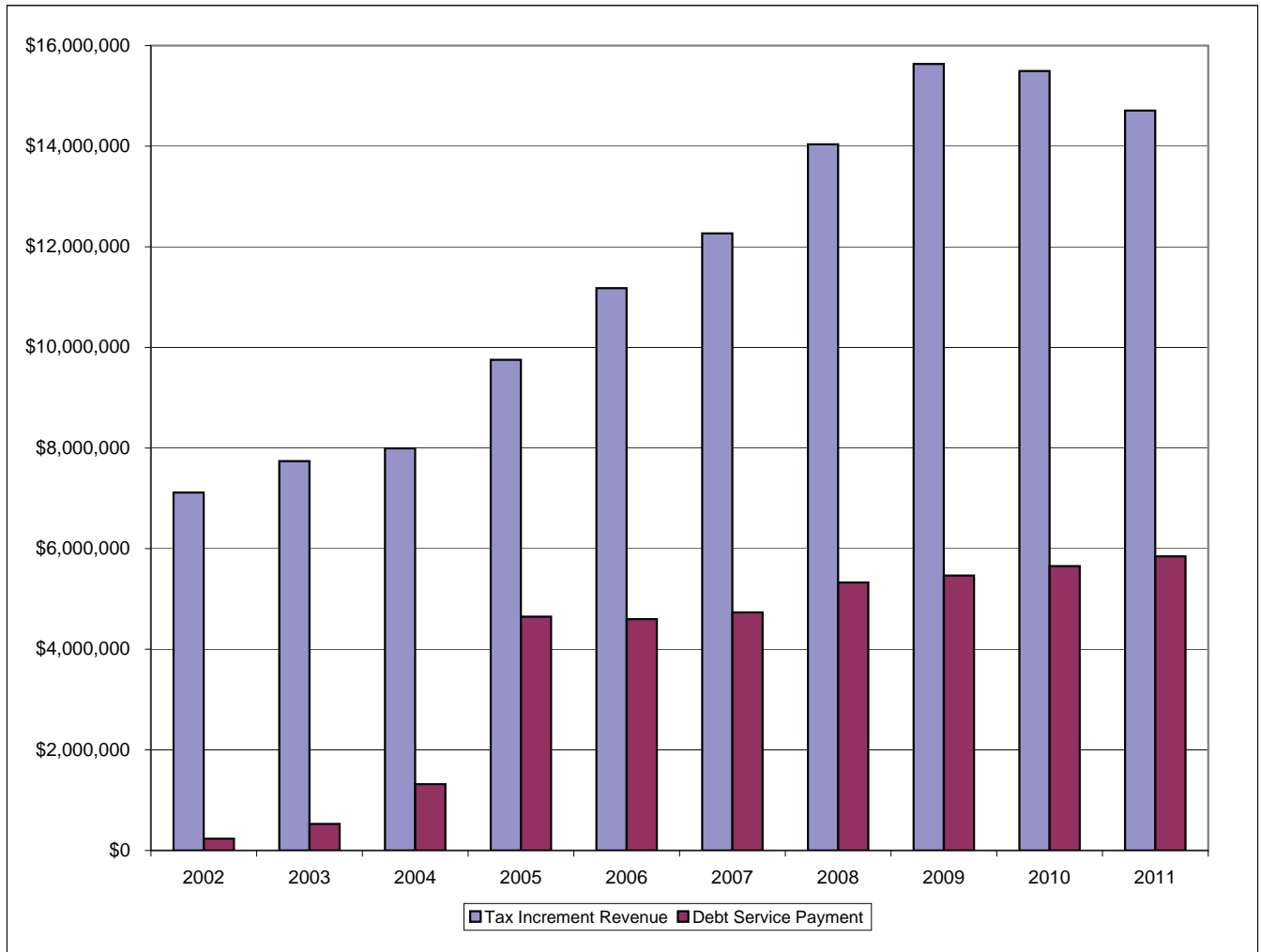
Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2002	\$5,145,229	\$1,644,439	\$3,500,790	\$431,222	\$382,551	\$813,773	4.30
2003	5,375,026	2,303,181	3,071,845	448,038	367,356	815,394	3.77
2004	5,200,564	2,676,271	2,524,293	464,930	351,415	816,345	3.09
2005	5,358,572	2,352,626	3,005,946	557,150	361,729	918,879	3.27
2006	5,510,703	2,610,725	2,899,978	563,839	354,612	918,451	3.16
2007	6,557,677	3,284,973	3,272,704	588,054	334,260	922,314	3.55
2008	6,802,936	3,344,067	3,458,869	607,573	312,675	920,248	3.76
2009	6,540,313	3,432,587	3,107,726	632,247	322,293	954,540	3.26
2010	6,362,273	3,075,856	3,286,417	652,237	272,959	925,196	3.55
2011	7,322,938	3,328,747	3,994,191	677,500	242,891	920,391	4.34

Notes: (1) Includes all Sewer Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue  
 (2) Includes all Sewer Operating Expenses less Depreciation and Interest

Source: City of Alameda Annual Financial Statements



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

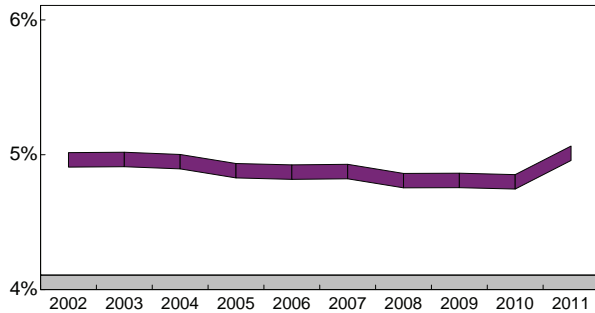


Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2002	\$7,115,468	\$90,000	\$145,394	\$235,394	30.23
2003	7,739,233	90,000	437,771	527,771	14.66
2004	7,993,280	95,000	1,223,210	1,318,210	6.06
2005	9,753,286	650,000	3,997,104	4,647,104	2.10
2006	11,178,320	640,000	3,957,871	4,597,871	2.43
2007	12,266,563	805,000	3,928,195	4,733,195	2.59
2008	14,037,684	1,190,000	4,137,493	5,327,493	2.63
2009	15,634,394	1,300,000	4,165,670	5,465,670	2.86
2010	15,494,892	1,582,000	4,070,898	5,652,898	2.74
2011	14,708,012	1,722,000	4,124,257	5,846,257	2.52

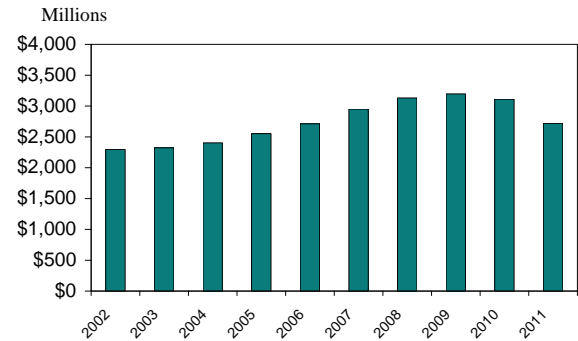
Source: City of Alameda Annual Financial Statements



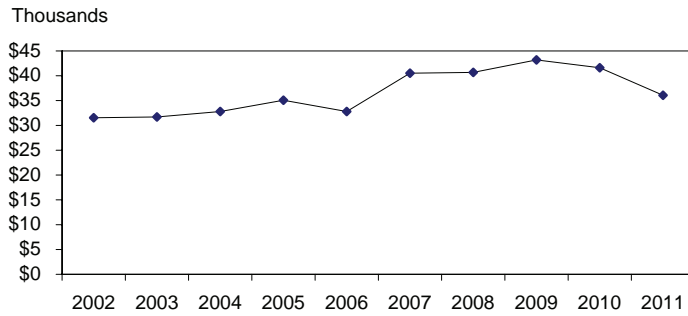
## City of Alameda Demographic and Economic Statistics Last Ten Fiscal Years



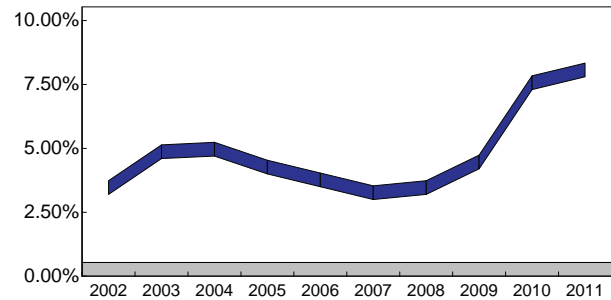
■ Graph City Population



■ Graph County Population



◆ Per Capita Personal Income



■ Unemployment Rate (%)

Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Alameda County Population	City Population % of County
2002	72,807	\$2,296,904,000	\$31,548	3.2%	1,483,311	4.91%
2003	73,240	2,322,517,000	31,711	4.6%	1,491,209	4.91%
2004	73,278	2,403,681,000	32,802	4.7%	1,496,968	4.90%
2005	72,782	2,552,837,000	35,075	4.0%	1,507,500	4.83%
2006	72,761	2,711,584,000	32,802	3.5%	1,510,303	4.82%
2007	72,808	2,950,462,000	40,524	3.0%	1,509,981	4.82%
2008	73,359	3,131,575,000	40,688	3.2%	1,543,000	4.75%
2009	74,032	3,197,344,000	43,189	4.2%	1,556,657	4.76%
2010	74,736	3,110,554,000	41,621	7.3%	1,574,857	4.75%
2011	75,409	2,719,701,000	36,066	7.8%	1,521,157	4.96%

Source: California State Department of Finance





**City of Alameda  
Principal Employers  
Current Year and Five Years Ago (A)**

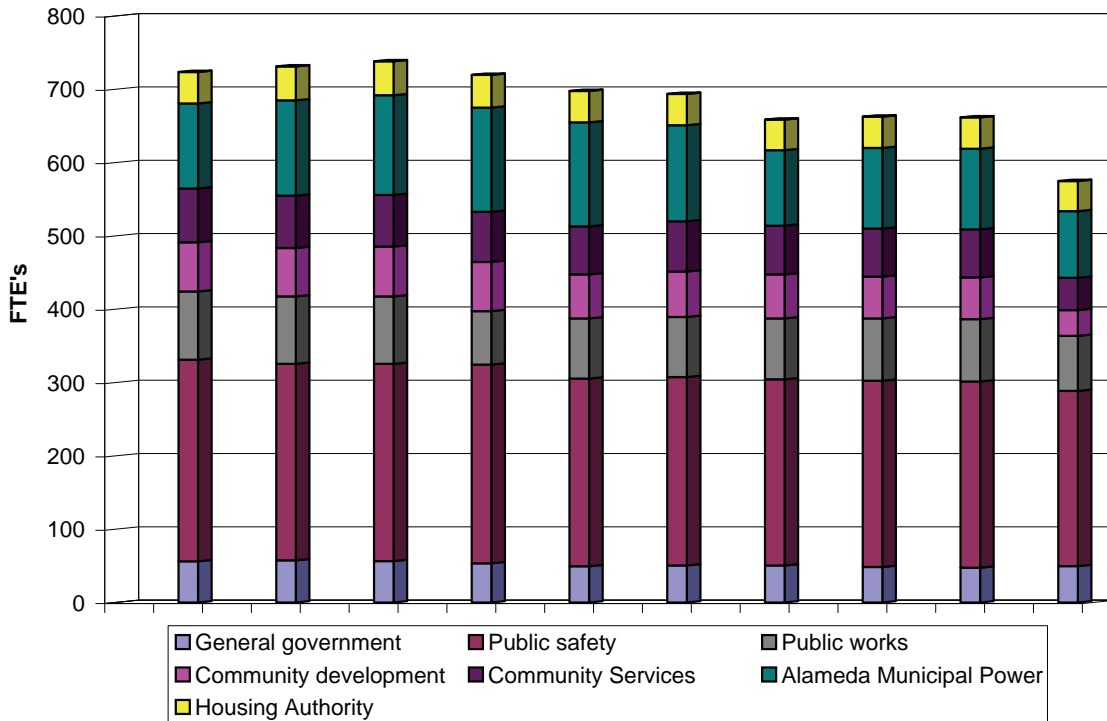
<b>Employer</b>	<b>2010-11</b>			<b>2005-06</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
UT Starcom Inc.	2,400	1	3.18%	237	7	0.31%
City of Alameda	575	2	0.76%	697	1	0.92%
Alameda Hospital	492	3	0.65%	456	3	0.60%
Celera Corp	490	4	0.65%			
Associated Third Party Administration	250	5	0.33%			
Bay Ship & Yacht Co	250	6	0.33%			
College of Alameda	216	7	0.29%	278	6	0.37%
Associated Third Party	200	8	0.27%	207	9	0.27%
Wingstop	200	9	0.27%			
Bay View Nursing & Rehab Ctr	180	10	0.24%			
Alameda Unified School District				647	2	0.86%
Abbott Diabetes Care				435	4	0.58%
Wind River Systems				417	5	0.55%
Golden State Oversight				232	8	0.31%
Kaiser Foundation Health Plan				205	10	0.27%
Subtotal	<u>5,253</u>		<u>6.966%</u>	<u>3,811</u>		<u>5.054%</u>
Total City Day Population	<u>75,409</u>			<u>111,640</u>		

Sources: City of Alameda, Infousa.com

(A) Employment information not available for fiscal year 2001-2002



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



	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Function</b>										
General government	56.25	57.50	56.50	53.50	49.50	50.50	50.50	48.50	47.50	49.70
Public safety	275.00	268.00	269.00	271.00	256.00	257.00	254.00	254.00	254.00	239.00
Public works	93.00	92.00	92.00	73.00	82.00	82.00	83.00	85.00	85.00	75.00
Community development	67.00	66.00	68.00	67.00	60.00	62.00	60.00	57.00	57.00	35.20
Community Services	73.50	71.50	70.50	68.50	65.50	68.50	66.50	65.50	65.50	44.00
Alameda Municipal Power	116.00	130.00	136.00	142.00	142.00	131.00	103.00	110.00	110.00	91.00
Housing Authority	42.90	46.20	46.20	44.70	42.70	42.70	41.70	42.70	42.70	41.00
<b>Total</b>	<b><u>723.65</u></b>	<b><u>731.20</u></b>	<b><u>738.20</u></b>	<b><u>719.70</u></b>	<b><u>697.70</u></b>	<b><u>693.70</u></b>	<b><u>658.70</u></b>	<b><u>662.70</u></b>	<b><u>661.70</u></b>	<b><u>574.90</u></b>

Note:  
 Wastewater and Solid Waste are included in Public Works  
 Culture & Recreation includes Library, Recreation and Park and Golf

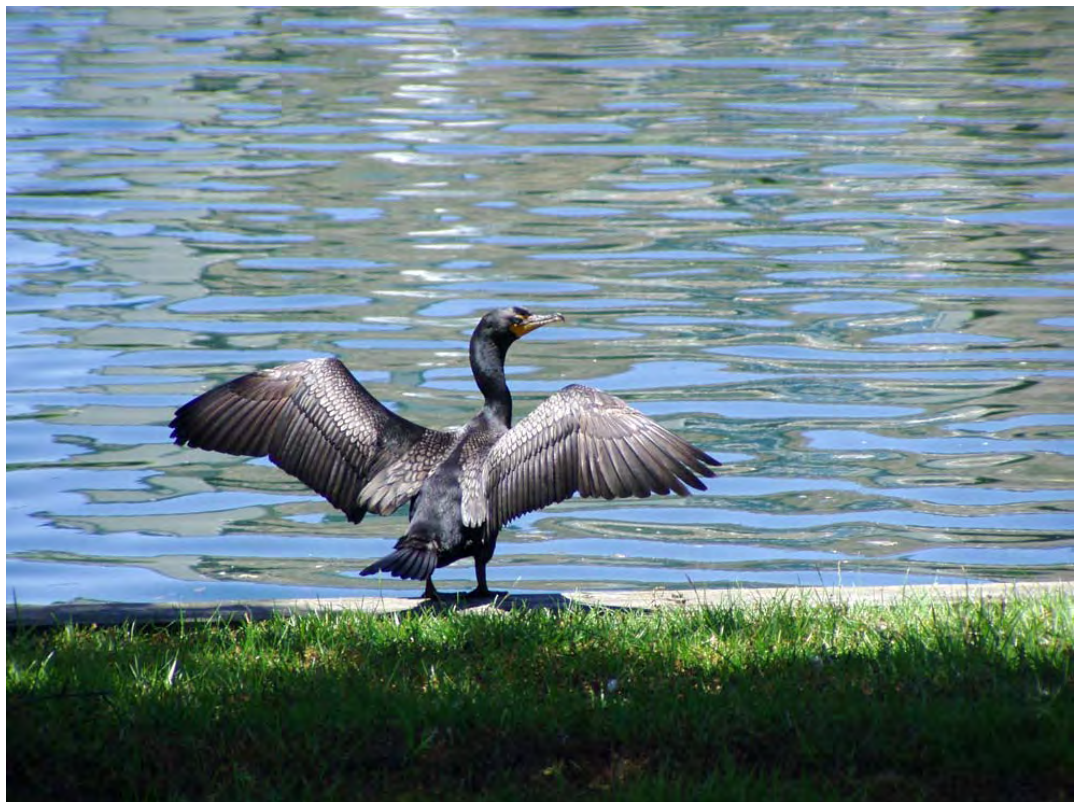
Source: City of Alameda



# City of Alameda

## People and Places in the City

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>General Information</b>				
Area in square miles	10.1	10.1	10.1	22.7
Number of registered voters	37,055	39,780	39,360	40,968
Number of Hospitals	1	1	1	1
Education:				
Student enrollment	(A)	(A)	(A)	10,383
Elementary schools	12	12	12	12
Junior high schools	3	3	3	3
High schools	2	2	2	2
Continuation schools	1	1	1	1
Independent study	1	1	1	1
Teachers (full & part time)	526	528	637	650
<b>Function/Program</b>				
<b>Fire:</b>				
Fire calls for service	5,712	6,070	6,003	(A)
Primary fire inspections conducted	(A)	(A)	1,700	3,050
<b>Police:</b>				
Police calls for Service	73,484	72,584	65,535	66,634
Law violations:				
Part I and Part II crimes	7,893	7,897	6,741	6,128
Physical arrests (adult and juvenile)	4,638	5,530	4,712	4,036
Traffic violations	16,643	16,845	15,370	16,154
<b>Sewer</b>				
Storm drain inlets	(A)	(A)	(A)	(A)
Sewer service connections	(A)	(A)	(A)	(A)
<b>Solid Waste</b>				
Refuse Landfill (tons per year)	(A)	(A)	(A)	(A)
Recyclables Processed (tons per year)	(A)	(A)	(A)	(A)

2006	2007	2008	2009	2010	2011
22.7	22.7	22.7	22.7	22.7	22.7
41,755	37,307	40,238	42,547	42,547	41,665
1	1	1	1	1	1
9,975	9,975	10,260	9,770	8,704	8,704
10	11	10	10	10	10
3	3	3	3	3	3
3	3	3	3	4	4
1	1	1	1	1	1
1	1	1	1	1	1
621	650	514 FTE	638	628	628
(A)	(A)	(A)	4,360	6,100	6,100
3,215	3,215	(A)	2,485	1,991	1,991
67,816	6,883	69,272	69,061	65,963	65,963
6,479	5,824	5,705	5,705	5,141	5,141
4,441	3,574	3,661	3,461	3,103	3,103
16,205	11,721	12,058	12,265	12,000	12,000
2,100	2,100	2,280	2,280	2,300	2,300
29,789	29,789	30,525	30,525	20,590	20,590
35,504	39,584	36,640	31,485.53	33,280.00	33,280.00
10,936	14,354	20,816	18,864.14	17,777.00	17,777.00





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

	2002	2003	2004	2005
<b>Planning &amp; Building:</b>				
Number of Building Permits issued	4,182	4,964	5,131	7,011
<b>Recreation and Parks:</b>				
Youth & Teens:				
Number of youth programs	80	89	90	92
Number of youth attendees	20,183	22,259	28,479	33,550
Seniors:				
Number of senior programs	70	75	79	81
Number of senior attendees	70,197	117,099	161,216	160,762
Number of meals served	14,064	14,435	14,243	12,154
Number of Mastick Senior Center attendees	70,197	117,099	161,216	160,762
<b>Golf:</b>				
Number of rounds played	206,977	198,113	178,937	151,607
<b>Library:</b>				
Volumes in Collection (thousands)	181	184	189	198
Total Volumes Borrowed (thousands)	492	517	508	499
<b>Finance:</b>				
Number of Business Licenses issued	8,075	8,295	8,732	9,038
<b>Alameda Power and Telecom:</b>				
Number of electric customers	32,853	32,957	33,059	33,188
Number of kilowatt hours sold	366,835,346	367,521,970	379,852,595	378,328,730
Reliability rate	99.99	99.99	99.99	99.99
Number of telecom customers	5,755	8,708	12,001	15,462
<b>Housing Authority:</b>				
Number of Section 8 vouchers	1,632	1,583	1,625	1,625
Number of managed units	559	559	559	559

Source: City of Alameda

Note: (A) Information not available  
 (B) Telecom sold in November 2008



2006	2007	2008	2009	2010	2011
6,197	5,979	5,297	5,231	4,575	4,575
98	102	110	148	151	151
22,915	23,831	26,766	29,596	153,056	153,056
84	96	101	110	114	114
167,269	166,788	169,552	151,065	153,056	153,056
12,209	11,203	51,962	9,512	9,672	9,672
167,269	166,788	169,352	151,065	153,056	153,056
134,114	144,811	133,250	121,250	118,000	118,000
193	224	203	200	216	216
494	483	573	591	630	630
9,283	10,251	(A)	9,462	8,638	8,638
33,869	33,892	34,030	34,272	34,231	34,231
377,792,038	389,286,575	392,955,223	387,847,929	383,119,780	383,119,780
99.99	99.99	99.99	99.99	99.99	99.99
16,770	16,374	16,316	(B)	(B)	(B)
1,675	1,675	1,675	1,675	1,845	1,845
559	559	559	559	572	572



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

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Function/Program</b>				
<b>Fire:</b>				
Fire stations	5	5	5	5
<b>Police:</b>				
Police stations	1	1	1	1
<b>Public works:</b>				
Miles of streets	(A)	(A)	135	135
Miles of bike lanes	(A)	(A)	(A)	10
Traffic Signals	(A)	(A)	(A)	78
<b>Wastewater</b>				
Miles of sanitary sewers	(A)	(A)	(A)	(A)
Miles of storm sewers	(A)	(A)	(A)	(A)
<b>Recreation and Parks:</b>				
City parks	29	29	29	31
City parks acreage	141	141	141	149
Playgrounds	11	11	11	11
City trails/Bike paths	(A)	(A)	(A)	12
Community centers	12	12	12	12
Senior centers	1	1	1	1
Sports centers				
Performing arts centers				
Swimming pools (B)	5	5	5	5
Tennis courts (C)	19	19	19	19
Baseball/softball diamonds (D)	15	15	15	15
Soccer/football fields (E)	2	2	2	2
<b>Golf:</b>				
Acres of Greens	5.39	5.39	5.39	5.39
Number of electric golf carts	(A)	(A)	(A)	150
<b>Library:</b>				
City Libraries	3	3	3	3
<b>Alameda Power and Telecom:</b>				
Miles of lines	237	239	2,456	245
Street lights	(A)	(A)	(A)	(A)

Source: City of Alameda

- Note: (A) Information not available  
 (B) Owned by Alameda Unified School District but operated jointly by City and District  
 (C) 16 courts are owned by the City, 3 owned by Alameda Unified School District but operated jointly by City and District  
 (D) 14 baseball fields in City parks with three owned by College of Alameda  
 (E) 1 Dedicated soccer field in City Parks with one not owned by City at Alameda Point

**Fiscal Years**

<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
5	5	5	4	3	3
1	1	1	1	1	1
135	138	141	141	141	141
10	10	12	15	15	15
78	78	78	78	78	78
160	160	165	165	165	165
41	41	41	41	41	41
31	31	31	32	32	32
149	149	152	156	156	156
11	11	11	11	13	13
12	12	13	13	13	13
12	12	13	13	13	13
1	1	1	1	1	1
5	5	5	5	5	5
19	19	19	19	19	19
15	15	15	15	18	18
2	2	2	3	3	3
5.39	5.39	5.39	5.39	5.39	5.39
150	150	120	120	120	120
3	3	3	3	3	3
147	256	257	257	257	257
6,359	6,365	6,370	6,440	6,069	6,069



# City of Alameda

## People and Places in the City

