
City of [Alameda](#) California



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008

CITY OF ALAMEDA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

PREPARED BY THE
FINANCE DEPARTMENT

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CITY OF ALAMEDA, CALIFORNIA

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City of Alameda • California

December 9, 2008

Honorable Mayor,
Members of the City Council, and
Residents of the City of Alameda

The Alameda City Charter Article IV, Section 4-2, various financing covenants, and rules associated with restricted funding sources, requires the City of Alameda to publish comprehensive financial statements, presented in conformance with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants. The publication of these statements must be completed within six months of the close of the fiscal year. Pursuant to the requirements noted above, the Comprehensive Annual Financial Report of the City of Alameda, California for the fiscal year ended June 30, 2008 is hereby issued.

This report consists of management's representations concerning the finances of the City. Therefore, management assumes full responsibility for the completeness and reliability of all information presented within this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework, designed both to protect the City's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts, to the best of its knowledge, that this financial report is complete and reliable in all material respects.

Maze and Associates, a firm of licensed certified public accountants, has audited the City's financial statements for fiscal year ending June 30, 2008. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures contained within the financial statements, including an evaluation of the overall financial management presentation. Based upon its audit, the independent audit firm concluded that there was

a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City is required to undergo an annual single audit in compliance with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments and Nonprofit Organizations. Information related to this single audit, including a schedule of federal expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Alameda as legally defined), as well as all component units. Component units are legally separate entities for which the primary government is financially accountable.

The City provides a broad range of services including police and fire protection; construction and maintenance of streets, parks, storm drains and other infrastructure; recreational and cultural activities, including a golf complex comprised of two 18-hole championship and one 9-hole executive golf courses; general government and administrative support services. The City owns and operates an electric and telecommunications utility serving the needs of all Alameda residents. It also manages franchises for solid waste and cable television. Certain infrastructure construction and community development activities are provided through a legally separate redevelopment agency. Housing assistance is provided through a housing authority. The City Council sits as the Community Improvement Commission and it functions, in essence, as a department of the City. Some major public services delivered within the City's boundaries, including water, wastewater, education, regional parks, and public transportation, are provided by other governmental agencies. The City of Alameda is not financially accountable for the operations of these franchises or government agencies.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations, and are included herein as part of the financial statements for the primary government. Accordingly, the Community Improvement Commission, which redevelops blighted areas; the Alameda Reuse and Redevelopment Authority, which is responsible for returning Alameda Point, the former Alameda Naval Air Station, to civilian use; and the Alameda Public Financing Authority, which assists

with the financing of public projects, are reported as funds of the primary government in the Special Revenue, Capital Project, and Debt Service funds, as appropriate.

Alameda Power & Telecom and the Alameda Housing Authority are reported as discretely presented component units in this report, which means financial transactions and balances for these component units are reported in separate columns. These separate component unit financial statements may be obtained from Alameda Power & Telecom at 2000 Grand Street, Alameda, CA 94501; and the Housing Authority of Alameda at 701 Atlantic Avenue, Alameda, CA 94501. All other component unit financial statements may be obtained from the City of Alameda, Finance Department, 2263 Santa Clara Avenue, Room 220, Alameda, CA 94501.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Government Profile

The City of Alameda incorporated on April 19, 1854, and is located on Alameda Island in San Francisco Bay. The City of Alameda comprises 22.7 square miles and serves a population of 75,254. According to the 2000 Census, there are 41,148 (57%) white residents; 4,488 (6%) black residents; 484 (0.7%) Native American residents; 18,894 (26%) Asian residents; 434 (0.6%) Pacific Islander residents; 2,380 (3.3%) residents of other races; and 4,431 (6%) residents of two or more races.

Approximately 50 percent of Alameda residents are in the young adult through middle age group, 25 – 54 years of age. This implies that the City has a strong workforce, and that quality family services, such as parks, schools and retail, are in high demand. The percentage of adults 60 years of age and older has increased slightly from 1990, indicating that the City continues to need quality senior services. The most significant change in population from the 1990 census is, as expected, the decrease in military residents due to the closure of Alameda Naval Air Station.

During the past four years, growth in the City has begun to increase slowly as a result of potential base conversion and redevelopment. The City budget has experienced volatility in fiscal year 2007-2008. Decreases in business-related revenues, loss of revenues to the State of California, and other cost increases have forced cost containment and budget reductions in City services. The City faces continued resource shortfalls in the near term. Cost containment, economic development and user fee

increases will mitigate the revenue problem, but new revenue sources will be needed to maintain current service levels in public safety, infrastructure maintenance and community services such as recreation programs, library and senior/youth services.

The City of Alameda is a charter city, and therefore, has some ability, albeit limited, to establish tax rates. The State Constitution establishes a maximum rate for property tax and limits the growth of assessed value. Property tax collected is allocated among the jurisdictions in the City's tax rate areas based upon criteria established by the State legislature. The rates and tax base of the City's two other major general taxes, sales tax and vehicle license in lieu fees (VLF), are also controlled by the State, rather than the City.

Increases of existing local taxes and any new taxes require voter approval. Taxes used for general purposes are subject to approval by a simple majority of voters, while taxes levied for specific purposes require a two-thirds majority of voters, as do property tax levies used to pay for debt issued to build capital assets. In November 2000, Alameda voters approved such an additional tax levy to build a new public library and upgrade facilities at its two branches. Bonds were issued in March 2003.

Assessments have varying requirements for voter approval, ranging from approval through City Council action, unless challenged by a majority protest, to two-thirds voter approval, with voting rights apportioned based on the amount of the assessment. In addition, fees for facilities and services are subject to requirements that fees not exceed the cost of providing services. Fund balances, generated by differences between fee revenue and related expenses, are retained and designated for services and facilities that benefit fee payers.

The City has operated under a Council-Manager form of government since it was chartered in 1916. Policy-making and legislative authority are vested in a five-member governing council consisting of the Mayor and four Councilmembers. The City Council is responsible for passing ordinances; adopting the annual budget; approving the Mayor's nominees to boards and commissions; hiring the City Manager, City Attorney and City Clerk.

The City Council is elected on a non-partisan basis. Councilmembers serve four-year staggered terms, with two Councilmembers elected every two years. The Mayor is elected to serve a four-year term. The Mayor and Councilmembers are elected at large, and subject to two elected term limits.

The City Manager is responsible for implementing the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and appointing the heads of various City departments.

The annual budget; the capital budget; financial policies governing reserves; long-term debt; fee supported services, and the budget resolutions serve as the foundation for the City's financial planning and fiscal control. Departments submit operating budget requests, in accordance with the City Manager's instructions, by February of each year. The City Manager makes recommendations to the City Council regarding the fiscal year budget in May and, after public discussion and evaluation of the City Manager's recommendations, the City Council adopts the annual budget in June of each year.

The City Council delegates budget authority at the fund level. The City Manager is authorized to transfer funds between departments within the same fund, and to limit expenditures in response to under-collection of estimated revenues whenever necessary. Transfers between funds require City Council approval. Budget-to-actual comparisons are provided as part of the required supplementary information in this report for the City's General Fund and each major governmental fund for which the City Council has adopted an annual budget.

In fiscal year 2007-2008, the City Council reviewed reports of budget results at the end of each fiscal quarter. This review process provided numerous opportunities to identify and respond to fluctuations in revenues and expenditures, and to address community priorities throughout the fiscal year.

Factors Affecting Financial Condition

The information presented in the financial statement is best understood when considered from the broader context which the City of Alameda operates.

Risk and Volatility in Funding Sources Collected or Allocated by the State of California

During the past 30 years, the City lost its ability to set tax rates without voter approval. In addition, during this same period, the State of California has diverted local revenues to offset the State's budget crises. Within the past 15 years, the State's budgeting practices have negatively impacted City resources, resulting in a net loss of revenues to the City of Alameda and its component units of approximately \$75 million. For example, the cumulative effect of the State imposed shifts of local government revenues to the Educational Revenue Augmentation Fund (ERAF) in the past several years has resulted in a \$53.4 million reduction in the General Fund and a \$2.4 million decrease in Community Improvement Commission (CIC) funds.

In 2004, a series of actions approved by California voters resulted in structural stability for cities affected by the State's previous volatile process of allocating and distributing local government revenue. In March 2004, voters approved Proposition 57, the California Economic Recovery Bond Act. Legislative provisions implementing this initiative provided for a "swap" of $\frac{1}{4}$ cent of local sales tax to be used by the State to repay these bonds effective July 1, 2004. The plan consisted of 1) a reduction of local sales tax by $\frac{1}{4}$ cent in tandem with a new $\frac{1}{4}$ cent increase in the State rate to fund fiscal recovery bond repayment; 2) repayment of the lost sales tax revenues to cities with additional local property tax previously allocated to local schools; and 3) repayment of the lost property tax revenues to local schools with State general fund monies. This "triple flip" is constitutionally prohibited from exceeding the period necessary to repay the Economic Recovery Bonds.

Intergovernmental revenue is that revenue subject to allocation control by another government. Therefore, it is more volatile and subject to more restrictions on its use than other general revenues. Where the State has provided full or partial compensation for reducing traditional local revenue sources, and where that compensation is material, the mitigating payment from the State is disclosed separately in the financial statements. These mitigation payments are particularly vulnerable to reduction when the State faces serious budget shortfalls. In addition, unlike revenues affected by economic fluctuation, intergovernmental revenues, once reduced by legislative action, are less likely to return to prior funding levels.

Local Economy

During the past four years, the local, regional and statewide business economy has grown at a minimal rate. Some economists have defined it as "recession-like". Despite only moderate effects in consumer retail and a previously remarkable and strong residential housing market, the local economy was significantly impacted by a rapid decline in the real estate and investment markets. Residential home values and related sales declined significantly in fiscal year 2007-2008. Assessed value growth in Alameda remains below the County average.

As the national economy experienced contraction and compression in housing starts and consumer confidence, the City maintained a very nominal revenue growth rate. Retail development at Alameda Towne Center (formerly South Shore Center), the opening of the restored Historic Alameda Theatre, Cineplex and Civic Center Garage, as well as smaller projects throughout the community, support some economic stability in the City.

Following are future developments planned for the City of Alameda:

Economic Development

Bayport/Alameda Landing

Catellus and Warmington Homes, in conjunction with the Housing Authority, plan to develop a total of 586 units of residential housing within the Bayport project: 437 market-rate single-family homes; 48 moderate-income townhouses; and 62 units of low and very low-income affordable rental housing. Upon completion, this development will convert nearly 90 acres of dormant naval land into tax generating properties. The development also includes an 11-acre community park, four mini parks, and a K-8 elementary school. With the exception of the homes reserved for affordable housing, initial offering prices ranged from the mid \$600,000 to the mid \$800,000. As of June 30, 2008, approximately 344 homes have sold, including 39 of the 48 moderately priced duplexes. The total assessed value of the residential project will be approximately \$400 million at build-out.

Alameda Landing is a mixed-use development project, which will provide an additional 300 residential units, 25 percent of which are affordable. In addition, 300,000 square feet of retail space, 400,000 square feet of office space, parks, open space and associated infrastructure is also planned for this development.

Wilver "Willie" Stargel Way (Tinker Avenue Extension)

This capital improvement project is a required mitigation resulting from the original Catellus Mixed-Use EIR and is a key public roadway/infrastructure improvement required for continued redevelopment of the Fleet and Industrial Supply Center (FISC), Alameda Point, and the west side of Alameda. The original alignment has been modified to address State safety and operational concerns. CalTrans has approved the revised project report and modified alignment and plans; specifications and engineering for construction are now underway.

Alameda Towne Centre (South Shore Shopping Center)

The retail center continues renovating and re-tenanting activities, including an expansion of approximately 112,757 square feet. The estimated value of the completed project is \$30 to \$40 million. Tenants locating to Alameda Towne Centre during fiscal year 2007-2008 include Old Navy; Bed Bath and Beyond; Borders Books; Nine West; Jamba Juice; Massage Envy; Dress Barn; Chipotle; and Kohls, anticipated to assume the pad location formerly occupied by Mervyns.

Downtown Historic Theatre, Cineplex, and Parking Garage

The Community Improvement Commission (CIC) aided in the restoration of the historic Alameda Theatre through financial assistance used to renovate the theatre and construct a new seven-screen Cineplex, including a new Civic Center parking garage to meet the goals of the Downtown Vision Plan and Economic Development Strategic Plan. The Historic Alameda Theatre and Cineplex was completed in May 2008 and functions as one 8-screen movie theater, with patron access to the Cineplex through the Historic Alameda Theatre's main entrance. The 345-space garage, which provides parking for the theater, as well as the surrounding civic center area and Park Street Business District, is located adjacent to the Cineplex on Oak Street.

The Waterfront/Harbor Bay Business Park

Ettore Products Company, the creator of the t-shaped squeegee for cleaning windows, recently completed the construction of its new, 90,000 square foot headquarters at 2100 North Loop Road. The new facility employs approximately 80 people.

SRM Associates completed construction and sold four flexible, light industrial buildings to the following companies: Donsuemor Inc., Santa Clara Systems, Bron Tapes, and Berkland Baptist Church. These buildings, totaling 86,000 square feet, are located next to Ettore. SRM is now completing construction for Phase II of this project, which consists of seven light industrial buildings, ranging in size from 7,000 to 33,000 square feet.

The Venture Commerce Center at Harbor Bay recently sold its Phase I project of 15 privately owned business properties—commonly called commercial condominiums. The commercial condominiums range in size from about 1,300 to 3,200 square feet. Most of the properties include two-story offices on the front side and an unusually high 21-foot clear height "Flex Area" in the rear. The Flex Area is commonly used for additional offices (often with commercial acoustic ceilings installed), research and development, warehousing, distribution, light manufacturing, high tech operations and other applications. Venture Commerce recently finished construction of Phase II of the project, consisting of 24 similarly sized condominiums.

Hampton Inn and Suites

Hampton Inn and Suites constructed a three-story, 105-room hotel at Harbor Bay Business Park. The project was completed in June 2008.

Other Events

CalPERS

The California Public Employees' Retirement System (CalPERS) implemented a normalization process precluding rates from exceeding a minimum percentage established by the CalPERS board. Future rates will be temporized by this normalization process so that rates will neither increase excessively nor decrease to zero. Rate notifications for the successive two fiscal years show increases of approximately one percent.

Long-term Financial Planning

The City has continued to focus on the long-term benefits of recruiting consumer retail uses to balance the City's business to business sales tax base. Development Services staff continue to work closely with property owners, developers, and retailers to increase commercial uses through redevelopment programs and projects as well as improve the jobs-housing balance.

Cash Management

Cash, temporarily idle during the year, was invested in obligations of the U.S. Treasury and agencies of the federal government, corporate notes, municipal obligations, and the State Treasurer's investment pool (LAIF). During fiscal year 2007-2008, more of the portfolio was invested in U.S. Treasury notes, Callable Federal Agency Notes, and Corporate Notes, due to changes in corporate sector market conditions, in order to achieve the benchmark return. Credit quality was maintained. Approximately 73% of the portfolio remains in the 1 to 3 year maturity. The overall return for the managed composite portfolio since inception of the program was 3.99%. This compares favorably to the Merrill Lynch benchmark earnings of 3.73%. Portfolio managers re-affirm each quarter that there have been no investments in companies that produce or manufacture cigarettes, alcohol or gambling products.

Risk Management

The City of Alameda uses self-insurance to reduce its workers' compensation and liability claim costs. The City employs a risk manager and staff, supplemented by professional claims administration firms, to minimize losses. The City participates in two multi-agency joint powers authorities, which provide excess insurance coverage--one for liability coverage and one for workers' compensation coverage. The joint powers authorities and the City rely on estimates prepared by professional actuaries to provide funds adequate to meet potential projected losses. Excess coverage, provided by the joint powers authorities, funds claims in excess of \$500,000 for general liability, and claims in excess of \$250,000 for workers' compensation. Additional information on

the City's risk management activity can be found in Note 6 of the notes to the financial statements.

Pension and Other Post-Employment Benefits

The City provides pension and medical benefits for its public safety and non-safety employees through two contracts with CalPERS. These contracts include benefit levels that the City has negotiated with its employee units and for which it has executed contract amendments with CalPERS. The plans also include some benefit levels approved by the State legislature without contract amendments and funding mechanisms approved by the CalPERS Board of Administration. The City is responsible for making contributions needed to fund benefits when employee contributions are not adequate. The City's contributions have ranged from 13% - 34% of qualifying payroll costs for miscellaneous and public safety employees respectively.

Safety employees have been covered by PERS since December 1990. Prior to that date, the City provided the following retirement plans for police and fire retirees:

Plan 1079: This is a single employer defined benefit contribution plan for police and fire department employees entering service prior to January 1, 1953. On June 30, 2008, 39 plan participants remain, all of which are retired employees or their spouses.

Plan 1082: This is also a single employer defined benefit pension plan covering police and fire department employees entering service after January 1, 1953. Only two participants remain in the plan, as all active participants transferred to the PERS plan in 1990.

The City provides an alternative retirement program for its part time employees through the Public Agency Retirement System (PARS).

The City also provides post-retirement benefits for certain retirees based on the provisions of labor agreements in effect at the date of the employees' retirement. Coverage for healthcare is provided through Public Employees Medical Health Care Act (PEMHCA). For miscellaneous employees, the City pays the PEMHCA minimum premium only for healthcare benefits. For public safety employees, the City pays the full PEMHCA premium for both the retiree and spouse healthcare benefits, and the full cost for retiree and spouse dental benefits. A more detailed description of plan benefits is provided in Footnote 9.

At the end of the fiscal year 2007-2008, there were approximately 250 retired employees eligible to receive these benefits, which are financed on a pay-as-you go

December 9, 2008

basis. Generally accepted accounting principles have been amended to require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits. New accounting and reporting standards governing these benefits have been issued. The City has conducted an actuarial study of these post-employment benefits in order to quantify costs and liabilities in compliance with this ruling, which is effective in fiscal year 2008-2009. A funding plan will also be considered by the City Council in January 2009. Additional information on the City's pension arrangements and post-employment benefits can be found in Note 9 in the notes to the financial statements.

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, 2007. This was the 18th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and legal requirements. A Certificate of Achievement is valid for one year only. It is anticipated that the current CAFR continues to meet the Certificate of Achievement Program's requirements and it will be submitted it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedication of the Finance Department staff and many others in the City organization, who contributed to the preparation of this report. Appreciation is also due the partners and staff of the City's audit firm, Maze & Associates, for their assistance and support during the preparation of this annual report.

Respectfully submitted,



Ann Marie Gallant
Interim Chief Financial Officer

PRINCIPAL OFFICERS

CITY OF ALAMEDA

JUNE 30, 2008

CITY COUNCIL

Mayor	Beverly Johnson
Vice Mayor	Lena Tam
Councilmember	Marie Gilmore
Councilmember	Frank Matarrese
Councilmember	Doug deHaan

COUNCIL APPOINTEES

City Manager	Debra Kurita
City Attorney	Teresa Highsmith
City Clerk	Lara Weisiger

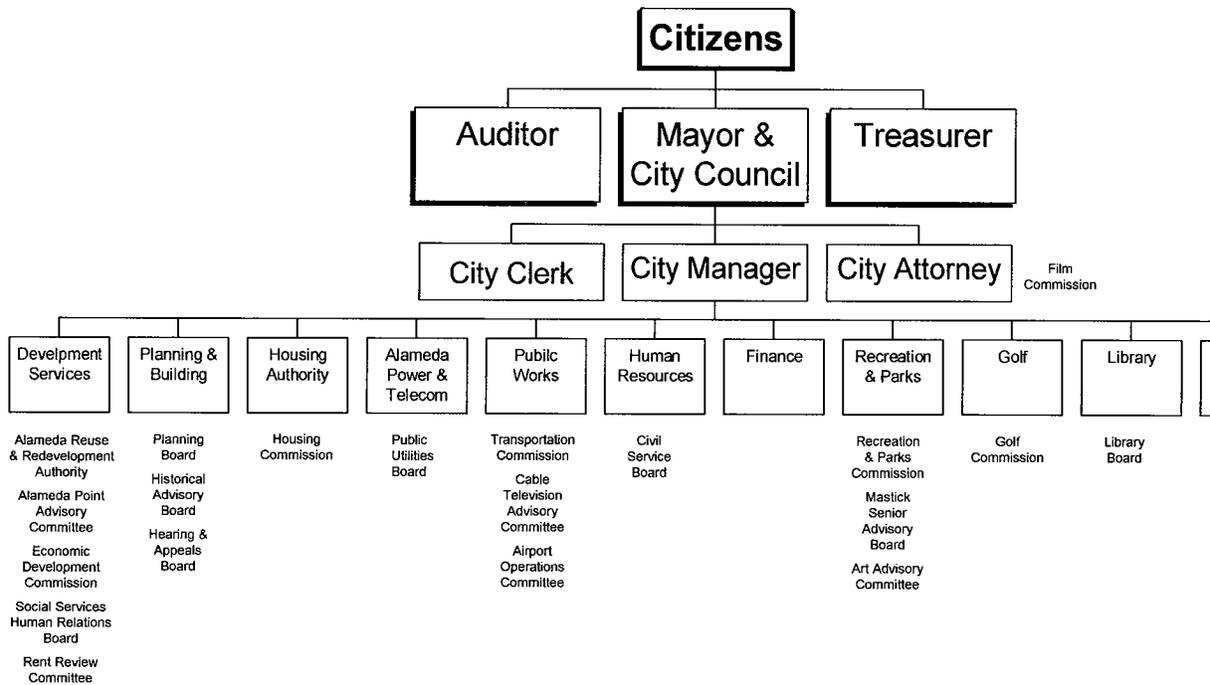
ELECTED OFFICIALS

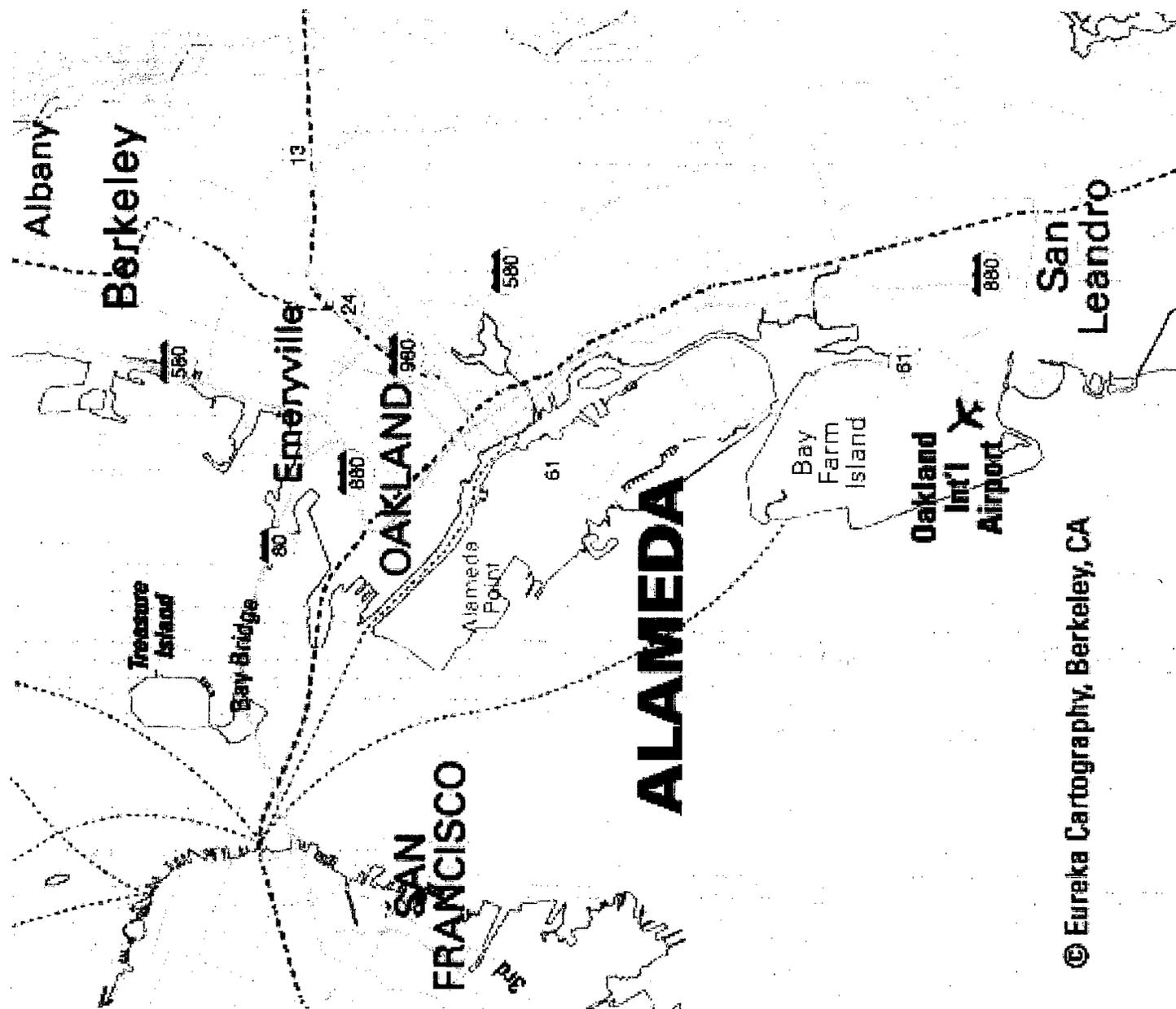
Auditor	Kevin R. Kearney
Treasurer	Kevin Kennedy

APPOINTED OFFICIALS

Assistant City Manager	David Brandt
Chief of Police	Walter Tibbet
Chief Financial Officer	Juelle-Ann Boyer
Fire Chief	David Kapler
Human Resources Director	Karen Willis
Library Director	Jane Chisaki
Planning & Building Director	Cathy Woodbury
Public Works Director	Matthew T. Naclerio
Recreation/Parks Director	Dale Lillard
General Manager, Alameda Power and Telecom	Girish Balachandran
Housing Authority Executive Director	Michael T. Pucci
Development Services Director	Leslie Little
Interim General Manager – Golf Complex	Dale Lillard

City of Alameda Organizational Chart





© Eureka Cartography, Berkeley, CA

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, 2007

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.



Oliver S. Cox

President

Jeffrey R. Emery

Executive Director

FINANCIAL SECTION

ACCOUNTANCY CORPORATION
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Pleasant Hill, California 94523
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maze@mazeassociates.com
www.mazeassociates.com

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit of the Alameda Power and Telecom, each major fund, and the aggregate remaining fund information of the City of Alameda, as of and for the year ended June 30, 2008, 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 component unit financial statements of the Housing Authority of the City of Alameda, California, which represent 6.22% and 10.68% of the assets and revenues of the reporting entity and 7.11% and 7.60% of capital assets and long-term obligations, respectively. These component unit financial statements were audited by another auditor, whose report thereon has been furnished to us. Our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of this other auditor.

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 auditor, 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, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2008 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.

Maze & Associates

December 9, 2008

**CITY OF ALAMEDA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The City of Alameda is required to present this management overview and analysis of the City's financial activities and performance for the fiscal year ended June 30, 2008. 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.

Financial Highlights

- The aggregate assets of the City of Alameda exceeded its liabilities at the close of the fiscal year ended June 30, 2008, by \$327,711,357 (net assets). Of this amount, \$29,082,865 is unrestricted and represents assets available for future uses.
- The City's total net assets increased by \$14,117,712 as a result of revenues exceeding expenditures, and from capital improvement project additions to capital assets completed during the fiscal year.
- As of June 30, 2008, the City's governmental funds reported combined ending fund balances of \$103,518,225. Approximately 42% of this amount is reserved, indicating it is not available for new expenditures as it has already been committed to future uses. The remaining amount constitutes unreserved fund balance, available for programs, projects, and services.
- At the close of fiscal year 2007-2008, the General Fund fund balance was \$19,694,113. The City Council has established a policy for cash reserves as 25% of General Fund expenditures for costs associated with economic uncertainties. At June 30, 2008, the unreserved, undesignated fund balance (the cash reserve) is \$10,252,721.
- The City's total governmental activity long-term debt increased by \$211,514. This increase is attributable to the addition of the Federal Housing & Urban Development Section 108 loan of \$3.0 million for partial funding of the Civic Center parking garage, offset by approximately \$2.8 million in debt retirement.

Overview of the Financial Statements

This discussion and analysis section of the annual financial audit is intended to serve as an introduction to the City of Alameda's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; 3) notes to the financial statements. This report also contains other supplementary information including combining statements in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector entity. 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, giving rise to the change, 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 (e.g., uncollected taxes; earned, but 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, recreation and parks, 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.

Discretely Presented Component Units – such as the Housing Authority and Alameda Power & Telecom, 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 of Alameda, like other state and local governments, uses fund accounting to ensure and demonstrate 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. Fund financial statements also report the City's operations in more detail than the government-wide statements, by providing information about the City's most significant funds. 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.

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.

The City of Alameda maintains sixty-three (63) individual governmental funds. 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
- West End Community Improvement Project Area
- Business Waterfront Improvement Project Area
- Alameda Point Improvement Project Area
- FISC Lease Revenue

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

- Alameda Reuse and Redevelopment Authority
- Theater/Parking Structure Project
- Capital Improvement Projects
- Other Governmental Funds

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. The basic governmental fund financial statements can be found on pages 28-42 of this report.

Proprietary funds. The major proprietary funds the City uses are Ferry Services, Golf Course and Sewer Services. These are used to account for activities financed and operated in a manner similar to a private enterprise. The City of Alameda maintains three individual proprietary funds.

Proprietary funds provide the same type of information as the government-wide financial statements, but with more detail. The fund financial statement provides separate information for the Ferry Services, Golf Course and Sewer Services. The basic proprietary fund financial statements can be found on pages 44-47 of this report.

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 City of Alameda maintains five fiduciary funds. 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. The basic fiduciary fund financial statements can be found on pages 50-51 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements and can be found on pages 53-107 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This information, which also includes budgetary comparison schedules, can be found on page 110 of this report.

The aforementioned combining statements, in connection with non-major governmental funds and internal service funds, are presented immediately preceding the required supplementary information on pages 118-168 of this report.

City of Alameda, California
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2008

Government Activities Financial Analysis

Net assets may serve as a useful indicator of a government's financial position. In the case of the City of Alameda, assets exceeded liabilities by \$327,649,112 at the close of fiscal year 2007-2008. In comparison, fiscal year 2006-2007 assets exceeded liabilities by \$313,593,645. Information on net assets is presented in the summary table below:

Summary of Net Assets
June 30, 2008 and 2007
 (000's)

	Governmental Activities		Business-Type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and Other Assets	\$128,088	\$130,446	\$21,641	\$20,707	\$149,729	\$151,153
Capital Assets	283,582	272,351	51,116	51,006	334,698	323,358
Total Assets	\$ 411,670	\$402,797	\$ 72,757	\$71,713	\$484,427	\$474,511
Long-term Liabilities	124,202	114,645	8,684	9,033	132,886	123,677
Other Liabilities	22,590	36,308	1,238	932	23,828	37,240
Total Liabilities	\$ 146,792	\$150,953	\$ 9,922	\$9,965	\$ 156,714	\$160,917
Net Assets:						
Invested in Capital Assets, Net of Debt	169,777	158,717	42,516	41,974	212,293	200,690
Restricted	86,336	79,816	-	-	86,336	79,817
Unrestricted	8,764	13,313	20,319	19,775	29,083	33,087
Total Net Assets	\$ 264,877	\$251,846	\$62,835	\$61,749	\$ 327,712	\$313,594

The largest portion of the City's assets (69%) 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. The increase in fiscal year 2007-2008 of \$14 million from the prior fiscal year is comprised of an increase in capital assets net of depreciation of \$11.3 million. The \$11.3 million in asset additions reflects construction completion of the Civic Center parking garage; the historic Alameda Theater renovation; Bayport housing and park construction; street resurfacing, vehicle and equipment acquisitions for police, fire and other operating departments; street and sidewalk repairs; Ballena Bridge retrofit; crosswalk lights; and other capital improvement projects, net of accumulated depreciation.

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

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

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 (26%) subject to restrictions on how they may be used, increased \$6.5 million this year primarily due to the progress or completion of the projects referenced above in Net Assets Invested in Capital Assets Net of Debt from June 30, 2007 compared to June 30, 2008. As capital work in progress is completed, the restricted assets are reclassified to capital assets, and the year-over-year amounts primarily reflect adjustments between asset categories.

Unrestricted net assets, the portion of the City's net assets (9%) available for use, largely reflects the changes due to year-over-year shifts between asset categories related to the capital assets projects mentioned above.

Current liabilities decreased a total of \$13.4 million reflecting a decrease in Accounts Payables of \$2.6 million.

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

Summary of Changes in Net Assets
June 30, 2008 and 2007
(000's)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues						
Charges for Services	\$30,585	\$30,571	\$10,014	\$9,911	\$40,599	\$40,482
Operating Grants & Contributions	12,969	14,350	3,001	1,991	15,970	16,341
Capital Grants and Contributions	5,536	11,063			5,536	11,063
General revenues						
Property Taxes	27,413	26,138			27,413	26,138
Incremental property taxes	14,044	12,267			14,044	12,267
Special assessments	1,738	2,668			1,738	2,668
Sales Taxes	5,141	4,967			5,141	4,967
Other Taxes	19,431	20,065			19,431	20,065
Motor Vehicle in Lieu fees	5,749	5,480			5,749	5,480
Investment earnings	8,066	5,898	1,126	1,004	9,192	6,902
Other	1,427	346	147	147	1,574	493
Total Revenues	\$132,099	\$133,813	\$14,288	\$13,053	146,387	146,866
Expenses						
General government	13,942	\$20,160			13,942	\$20,160
Police services	26,769	25,633			26,769	25,633
Fire services	24,645	23,912			24,645	23,912
Public Works	12,629	4,466			12,629	4,466
Development services	19,189	22,987			19,189	22,987
Culture and Recreation	8,276	7,730			8,276	7,730
Housing and community services	6,669	5,802			6,669	5,802
Interest on long-term debt	6,352	6,308			6,352	6,308
Ferry Services			4,469	3,275	4,469	3,275
Golf Course			5,009	4,646	5,009	4,646
Sewer Services			4,321	4,244	4,321	4,244
Total Expenses	\$118,471	\$116,998	\$13,799	\$12,164	\$132,270	129,162
Change in net assets before transfers	13,628	16,814	489	888	14,117	17,703
Transfers, net	(597)	1,294	597	(1,294)	-	-
Change, net	13,031	18,108	1,086	(405)	14,117	17,703
Beginning Net Assets	251,846	233,738	61,748	62,153	313,594	295,891
Ending Net Assets	\$264,877	\$251,846	\$62,834	\$61,748	\$327,711	\$313,594

City of Alameda, California
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2008

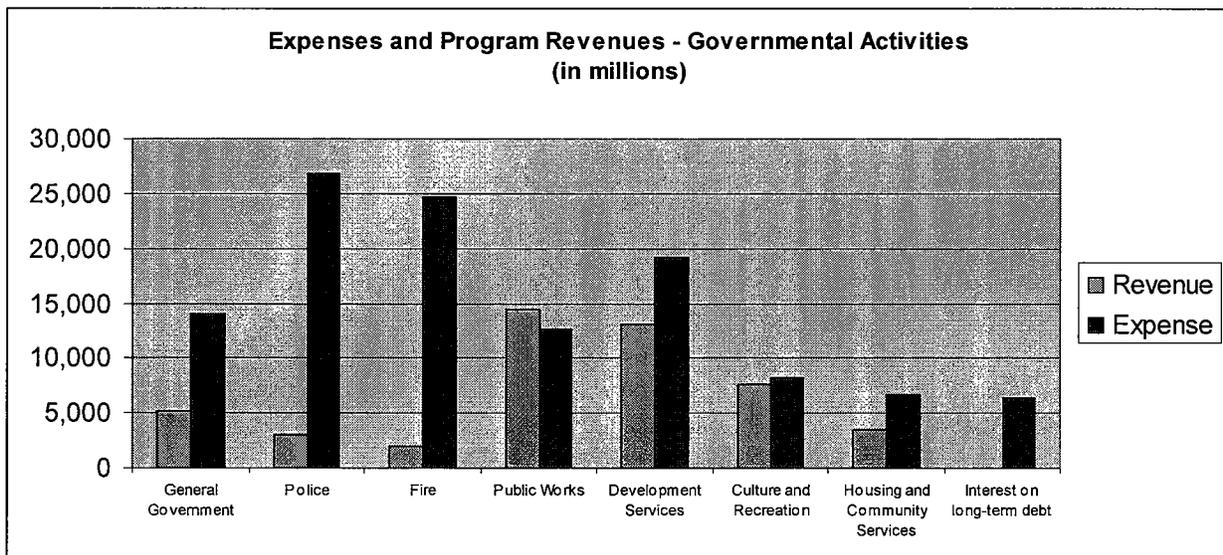
The City's total net assets increased by \$14 million as a result of additions to capital assets from progress on capital improvement projects over the year.

Property taxes (4%), investment earnings (33%), and incremental property taxes (15%), contributed to the overall increase in revenues. There was no change in charges for current services beyond consumer price index increase of 2.9%, per City Council approved resolution.

Program expenses increased overall. The largest increases were in Public Works (200%), largely reflecting community improvement and redevelopment projects, as well as salary adjustments. Housing and Community Services (15%) reflects increased Community Development Block Grant projects in-progress, salary adjustments, and other project activity. Increases in other areas were nominal.

Expense and Program Revenue - Governmental Activities
Fiscal Year 2007-2008
 000's

	<u>Revenue</u>	<u>Expense</u>
General Government	\$5,244	\$13,942
Police	3,079	26,769
Fire	1,918	24,645
Public Works	14,501	12,629
Development Services	13,164	19,189
Culture and Recreation	7,655	8,276
Housing and Community Services	3,529	6,669
Interest on long-term debt		6,352
	<u>\$49,090</u>	<u>\$118,471</u>

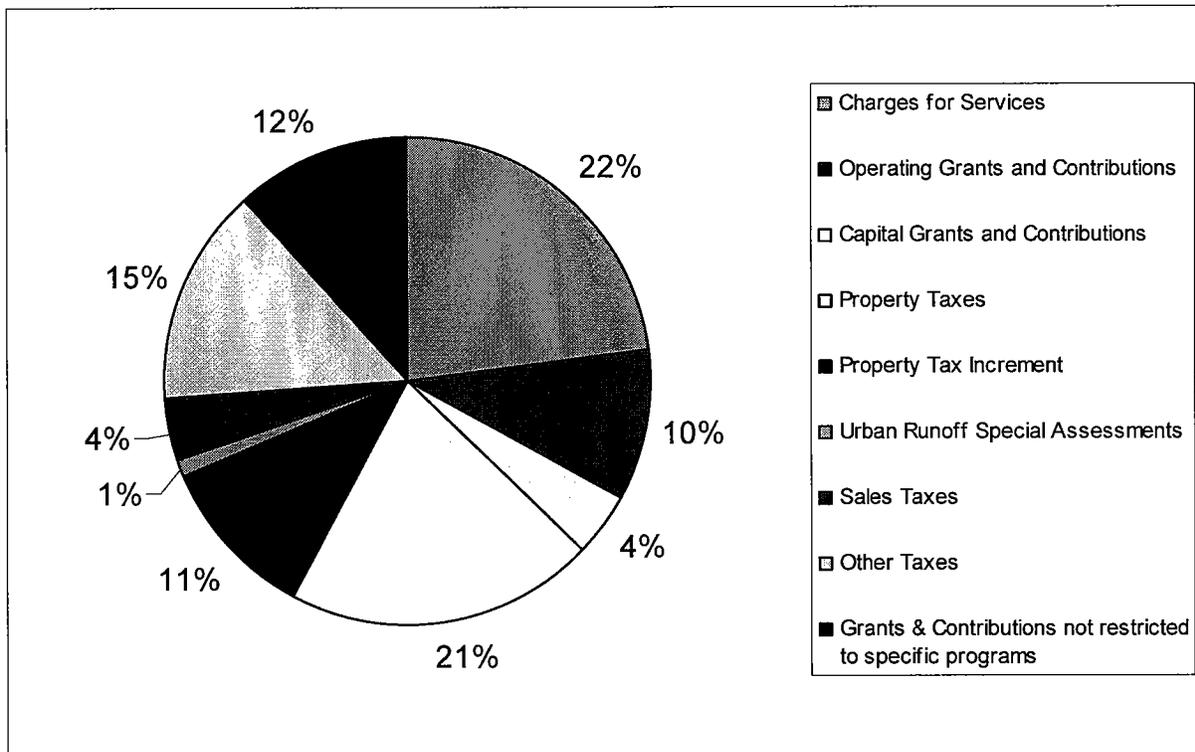


**Revenues by Source - Governmental Activities
 Fiscal Year 2007-2008**

000's

Charges for Services	\$30,585
Operating Grants and Contributions	12,969
Capital Grants and Contributions	5,536
Property Taxes	27,413
Property Tax Increment	14,044
Urban Runoff Special Assessments	1,738
Sales Taxes	5,141
Other Taxes	19,431
Grants & Contributions not restricted to specific programs	<u>15,242</u>
	<u><u>\$132,100</u></u>

Revenues by Source - Governmental Activities



Business-type Activities Financial Analyses

Proprietary Funds

These activities increased the City's net assets by \$1,085,877 overall. Key elements of this increase are as follows:

Ferry Services. Net assets of the Ferry Services Fund at June 30, 2008, were \$9,083,810 consisting primarily of capital assets of \$8,989,498. Grants and transfers of \$4.5 million comprise the major funding for ferry services, with charges for service, interest income and other miscellaneous income resulting in total revenues of \$4.6 million for the fiscal year. Operating expenses, including depreciation, totaled \$4.5 million, resulting in a net increase in assets of \$155,139.

Golf Course. Net assets of the Golf Course Fund at June 30, 2008, were \$4,777,705 comprised of capital assets, net of related debt of \$3,351,661, and unrestricted assets of \$1,426,044 available to fund operations. Golf Course revenues totaled \$4,506,192 generated primarily from user fees. Operating expenses totaled \$5,009,337 including depreciation. The Fund transferred \$616,951 to the General Fund and Internal Service Funds for services provided, resulting in a \$1,120,096 decrease in net assets. Changes in operations, increased user fees, and changes to round play were implemented during the latter part of the year in order to address operating deficits for the Golf Enterprise Fund. Strategic long-term options to address this operating deficit are now under consideration.

Sewer Services. Net assets of the Sewer Service Fund at June 30, 2008, were \$48,972,493 consisting primarily of net assets invested in capital assets, net of related debt of \$30,174,346. The remaining \$18,798,147 was available to fund operations.

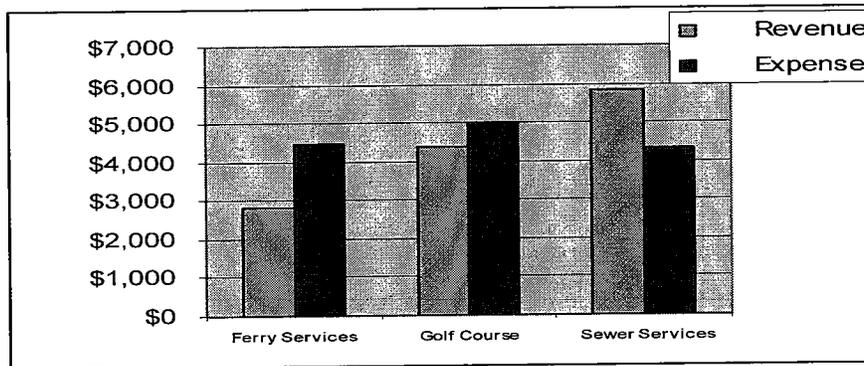
The Sewer Services fund generated income of \$6,802,936 before transfers of \$431,342 to the General Fund, Capital Improvement Projects, and Internal Service Funds for services provided, for a net change in assets of \$2,050,834.

City of Alameda, California
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2008

**Expense and Program Revenue
 Business-type Activity
 Fiscal Year 2007-2008**

000's

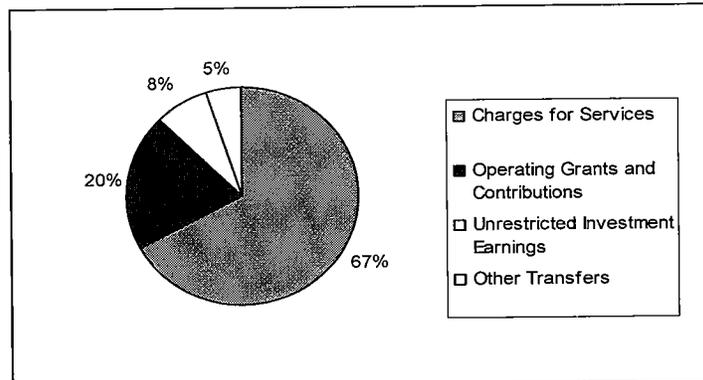
	<u>Revenue</u>	<u>Expense</u>
Ferry Services	\$ 2,834	\$ 4,469
Golf Course	4,354	5,009
Sewer Services	5,827	4,321
	<u>\$13,015</u>	<u>\$13,799</u>



**Revenues by Source
 Business-type Activities
 Fiscal Year 2007-2008**

000's

Charges for Services	\$10,014
Operating Grants and Contributions	3,001
Unrestricted Investment Earnings	1,126
Other Transfers	744
	<u>\$14,885</u>



Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City of Alameda's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Alameda's financing requirements. In particular, *unreserved undesignated 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, 2008, the City of Alameda's governmental funds reported combined ending fund balances of \$103,518,225, an increase of \$3,334,897 attributable to capital asset improvements such as street resurfacing, construction in progress on various projects, including the Civic Center parking garage, and vehicle and equipment replacements. Approximately \$60 million or 58% of the combined ending fund balance constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. Approximately 42% of total fund balance is *reserved* 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 remaining 58% is *unreserved*, and available to fund specific future uses.

The General Fund is the chief operating fund of the City. At June 30, 2008, unreserved, undesignated fund balance (cash reserve) of the General Fund was \$10,252,721; the total fund balance, including restricted resources, was \$19,694,113. 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. Unreserved, undesignated fund balance represents 13% of total General Fund expenditures; total fund balance represents 25% of that same amount. The fund balance of the City of Alameda's General Fund decreased \$3,126,742 from the prior fiscal year primarily as a result of actual revenues less than budget projections, due to a volatile State and local economy.

The Debt Service Funds have total fund balances of \$11,082,311 reserved for the payment of debt service. The aggregate net decrease in fund balances during the current year in the debt service funds was \$196,649, reflecting interest and principal payments in excess of transfers in, tax revenues, and interest earned on balances.

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.

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

Unrestricted net assets as a percent of total net assets by fund: Ferry, 1%; Golf, 29.8%; Sewer, 38.4%.

Internal Service Funds. The Internal Service Funds net asset deficit reflects Worker's Compensation Insurance Fund's future claims liabilities maturing in five to ten years. The Risk Management Fund net asset deficit reflects the City Council's decision to initiate litigation in the case of City of Alameda v. Alameda Belt Line Railroad. The outcome has been successful and repayment will occur in future years. Other Internal Service Funds have net assets which partially offset these deficits.

Capital Assets and Debt Administration

Capital Assets

The City of Alameda's investment in capital assets for its governmental and business-type activities as of June 30, 2008, totals \$334.7 million (net of accumulated depreciation), an increase of approximately \$11.3 million from the prior period. Investment in capital assets includes land, buildings and systems improvements, machinery and equipment, park facilities and streets.

Major additions during the fiscal year reflect completion of the Civic Center parking garage and Alameda Theater renovation, Bayport housing and park construction, and infrastructure and traffic safety improvements.

Capital Assets (net of depreciation)
(\$000)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 4,921	\$ 4,921	\$ 177	\$ 177	\$ 5,098	\$ 5,098
Buildings and systems	166,160	137,263	648	660	166,808	137,923
Infrastructure	63,363	62,458	40,725	38,158	104,088	100,616
Construction in progress	41,308	59,530	304	306	41,612	59,837
Machinery and equipment	7,830	8,179	273	345	8,203	8,524
Other improvements	-	-	8,989	11,359	8,989	11,359
Total	\$283,582	\$272,351	\$51,116	\$51,006	\$334,698	\$323,358

City of Alameda, California
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2008

Additional information about the City's capital assets can be found in Note 5, pages 75-79 of this report.

Long-term Debt

At June 30, 2008, the City had \$123.5 million in outstanding debt, including \$67 million in tax allocation bonds issued for redevelopment purposes, \$17.9 million in Certificates of Participation, and \$10 million in General Obligation Bonds. Following is a summary schedule of outstanding debt. For detailed information please see Note 7, on pages 80-89.

	Outstanding Debt					
	(\$000s)					
	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Certificates of Participation	\$14,595	\$ 15,290	\$3,295	\$ 3,545	\$ 17,890	\$ 18,835
Revenue Bonds	14,630	14,995	-	-	14,630	14,995
Tax Allocation Bonds	67,005	68,010	-	-	67,005	68,010
General Obligation Bonds	9,960	10,135	-	-	9,960	10,135
HUD Section 108 Loan	7,000	4,000	-	-	7,000	4,000
Installment Purchase Obligations	886	1,565	515	340	1,401	1,905
State Loans	780	650	4,790	5,147	5,570	5,797
Total	<u>\$114,856</u>	<u>\$ 114,645</u>	<u>\$8,600</u>	<u>\$ 9,033</u>	<u>\$123,456</u>	<u>\$ 123,677</u>

Summary of Long-Term Debt

The City of Alameda's total debt remained the same during fiscal year 2007-2008. The major addition to debt in fiscal year 2006-2007 was a \$3 million loan from the Department of Housing and Urban Development for construction of the Civic Center Garage Project, to be repaid from grant and parking garage revenues through 2027. Retirement of other issues of \$3.6 million partially offset additions resulting in approximately the same level of debt.

Additional information on the City of Alameda's long-term debt can be found in Note 7 on pages 80-89 of this report.

Economic Indicators

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

- At June 30, 2008, four of nine of employment agreements had expired. Negotiations are in progress, but there is no available projection on costs resulting from contract negotiations. Outcomes of these negotiations remain 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. In January 2007, the City prepared an actuarial study of these benefits and their future costs. Based on a 4.5% return and a 30 year period, the actuarial accrued liability (AAL) is \$75.4 million. Funding for this AAL will be addressed by the City Council.
- Alameda Point and its final conveyance from the Navy to the City will have an impact on future economic development in the City. The timing of the development process, however, cannot be determined at this point.

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.ci.alameda.ca.us). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Alameda, Chief Financial Officer at 2263 Santa Clara Avenue, Alameda, California 94501.

CITY OF ALAMEDA, CALIFORNIA

**STATEMENT OF NET ASSETS
AND STATEMENT OF ACTIVITIES**

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, along with all 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 the City of Alameda Power and Telecom and the Housing Authority of the City of Alameda are included in these statements as separate columns.

CITY OF ALAMEDA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Housing Authority	Power & Telecom
ASSETS					
Cash and cash equivalents (Note 2)	\$82,999,267	\$19,980,061	\$102,979,328	\$10,378,335	\$35,973,408
Restricted cash and investments (Note 2)	22,859,176	2,953	22,862,129	497,216	13,631,215
Accounts receivable	5,962,677	912,999	6,875,676	89,822	4,209,495
Interest receivable	1,044,183		1,044,183	71,578	172,836
Internal balances (Note 3)	(209,846)	209,846			
Due from other governments	579,451		579,451	5,093	
Loans receivable (Note 4)	14,653,363		14,653,363	243,111	190,550
Materials, parts and supplies		126,266	126,266	11,560	4,453,123
Prepays, deposits and bond discounts	200,000	408,418	608,418	63,915	1,106,121
Share of certain NCPA projects and reserve (Note 12)					21,652,807
Capital assets (Note 5):					
Non-depreciable	46,229,365	480,936	46,710,301	11,962,854	2,159,216
Depreciable, net of accumulated depreciation	237,352,273	50,634,612	287,986,885	18,020,554	55,111,494
Total Assets	411,669,909	72,756,091	484,426,000	41,344,038	138,660,265
LIABILITIES					
Accounts payable	3,250,399	608,196	3,858,595	26,724	3,420,119
Accrued payroll	1,335,230	66,063	1,401,293	293,379	
Interest payable	1,667,733	127,513	1,795,246	176,484	2,197,787
Claims payable (Note 11)	6,773,759		6,773,759		
Unearned revenue	698,964	267,682	966,646		
Refundable deposits	3,029,100	25	3,029,125	414,820	552,397
Due to other agencies	1,886,334		1,886,334	4,779	
Loans payable (Note 6)	864,132		864,132		
Compensated absences (Note 11):					
Current	3,084,647	168,299	3,252,946	101,750	598,967
Long-term	9,300,961	84,262	9,385,223	76,056	
Net pension obligation (Note 10D)	45,000		45,000		
Long-term debt (Note 7):					
Due within one year	2,971,430	756,428	3,727,858	315,613	41,362,707
Due in more than one year	111,884,871	7,843,615	119,728,486	16,469,409	39,200,129
Purchased power balancing account (Note 1K)					15,345,618
Total Liabilities	146,792,560	9,922,083	156,714,643	17,879,014	102,677,724
NET ASSETS (Note 9)					
Invested in capital assets, net of related debt	169,776,636	42,515,505	212,292,141	13,198,386	19,505,687
Restricted for:					
Capital projects	42,866,466		42,866,466		
Debt service	11,082,311		11,082,311	5,760,767	
Redevelopment projects	30,011,040		30,011,040		
Recycling	173,856		173,856		
Culture and recreation	2,202,678		2,202,678		
NCPA projects and reserve					21,652,807
Total Restricted Net Assets	86,336,351		86,336,351	5,760,767	21,652,807
Unrestricted	8,764,362	20,318,503	29,082,865	4,505,871	(5,175,953)
Total Net Assets	\$264,877,349	\$62,834,008	\$327,711,357	\$23,465,024	\$35,982,541

See accompanying notes to financial statements

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CITY OF ALAMEDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$13,942,578	\$5,244,071		
Police	26,769,167	918,369	\$2,108,551	\$51,771
Fire	24,645,039	1,917,703		
Public works	12,628,974	7,149,848	2,284,044	5,066,970
Development services, planning and building	19,189,329	12,520,166	323,744	320,246
Culture and recreation	8,275,998	2,396,147	5,162,376	96,700
Housing and community services	6,668,775	438,278	3,090,881	
Interest on long-term debt	6,351,470			
Total Governmental Activities	118,471,330	30,584,582	12,969,596	5,535,687
Business-type Activities:				
Ferry services	4,469,475		2,834,155	
Golf course	5,009,337	4,187,705	166,608	
Sewer services	4,320,760	5,826,652		
Total Business-type Activities	13,799,572	10,014,357	3,000,763	
Total Primary Government	\$132,270,902	\$40,598,939	\$15,970,359	\$5,535,687
Component Units:				
Housing Authority	\$25,717,763	\$3,294,371	\$21,419,640	
Power & Telecom	61,075,579	61,857,720		
Total Component Units	\$86,793,342	\$65,152,091	\$21,419,640	
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				
Total general revenues				
Transfers (Note 3C)				
Total general revenues and transfers				
Extraordinary Items (Note 16):				
Impairment of assets				
Transfers in				
Transfers (out)				
Net Extraordinary Items				
Change in Net Assets				
Beginning Net Assets				
Ending Net Assets				

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Assets			Net (Expense) Revenue and Changes in Net Assets	
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Housing Authority	Power & Telecom
(\$8,698,507)		(\$8,698,507)		
(23,690,476)		(23,690,476)		
(22,727,336)		(22,727,336)		
1,871,888		1,871,888		
(6,025,173)		(6,025,173)		
(620,775)		(620,775)		
(3,139,616)		(3,139,616)		
(6,351,470)		(6,351,470)		
(69,381,465)		(69,381,465)		
	(\$1,635,320)	(1,635,320)		
	(655,024)	(655,024)		
	1,505,892	1,505,892		
	(784,452)	(784,452)		
(69,381,465)	(784,452)	(70,165,917)		
			(\$1,003,752)	\$782,141
			(1,003,752)	782,141
27,413,398		27,413,398		
14,043,703		14,043,703		
1,738,422		1,738,422		
5,140,774		5,140,774		
9,301,200		9,301,200		
3,389,197		3,389,197		
1,605,512		1,605,512		
1,088,342		1,088,342		
1,654,175		1,654,175		
2,392,876		2,392,876		
5,748,775		5,748,775		
8,066,247	1,126,277	9,192,524	472,358	2,502,500
1,427,356	147,375	1,574,731		
83,009,977	1,273,652	84,283,629	472,358	2,502,500
(596,677)	596,677			
82,413,300	1,870,329	84,283,629	472,358	2,502,500
				(32,097,496)
				43,616,313
				(43,616,313)
				(32,097,496)
13,031,835	1,085,877	14,117,712	(531,394)	(28,812,855)
251,845,514	61,748,131	313,593,645	23,996,418	64,795,396
\$264,877,349	\$62,834,008	\$327,711,357	\$23,465,024	\$35,982,541

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CITY OF ALAMEDA, CALIFORNIA

FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds of the City of Alameda in fiscal 2008. Individual non-major funds may be found in the Supplemental Information section.

GENERAL FUND

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

WEST END COMMUNITY IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND

This fund accounts for the tax increment proceeds and associated redevelopment project costs for the West End Community Improvement Project.

BUSINESS AND WATERFRONT IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND

This fund accounts for the tax increment proceeds and associated redevelopment project costs for the Business and Waterfront Improvement Project.

ALAMEDA POINT IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND

This fund accounts for the tax increment proceeds and associated redevelopment project costs for the proposed Alameda Point Improvement Project.

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.

THEATRE/PARKING STRUCTURE PROJECT SPECIAL REVENUE FUND

This fund accounts for funding resources and expenditures for the reconstruction of the Historic Alameda Theatre and the construction of the multi-story Civic Center garage. The fund's primarily funding source consisted of proceeds from the CIC 2003 WECIP Subordinate Tax Allocation Bond and a HUD loan. Expenditures include construction costs for the projects and administrative expenses.

CITY OF ALAMEDA, CALIFORNIA

FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS (Continued)

HOME REPAYMENT SPECIAL REVENUE FUND

This fund accounts for State HOME funds, distributed by the County, for HOME eligible activities 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 projects fund.

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CITY OF ALAMEDA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008

	General	West End Community Improvement Project Area Special Revenue	Business and Waterfront Improvement Project Area Special Revenue	Alameda Point Improvement Project Area Special Revenue	FISC Lease Revenue Special Revenue
ASSETS					
Cash and cash equivalents (Note 2)	\$11,759,547	\$3,083,566	\$10,443,738	\$343,937	\$2,915,228
Restricted cash and investments (Note 2)	6,000	6,458,807			
Accounts receivable	3,228,606	736			278,218
Interest receivable	1,041,942				
Due from other funds (Note 3A)	1,088,381				
Advances to other funds (Note 3B)	3,658,995				
Due from other governments					
Loans receivable (Note 4)	2,442,721	695,990	1,680,800		
Prepays and deposits	36,677				
Total Assets	\$23,262,869	\$10,239,099	\$12,124,538	\$343,937	\$3,193,446
LIABILITIES					
Accounts payable	\$1,297,808	\$7,515	\$94,679	\$336	\$54,120
Accrued payroll	1,149,865	8,959	13,373	4,820	33,407
Due to other funds (Note 3A)					
Due to other agencies	18,288	215,028	1,611,795	27,938	
Advances from other funds (Note 3B)				1,258,995	2,400,000
Deferred revenue	690,031	695,990	1,680,800		
Refundable deposits	412,764				60,735
Loans payable (Note 6)					864,132
Total Liabilities	3,568,756	927,492	3,400,647	1,292,089	3,412,394
FUND BALANCES (Note 9)					
Fund balance					
Reserved for:					
Capital improvement	3,302,999				
Debt service					
Low and moderate income housing		780,575	7,589,051	330,444	
Prepays, loans receivable, and advances to other funds	6,138,393				
Unreserved:					
Designated for:					
Capital improvements					
Athletics					
Undesignated, Reported in:					
General Fund	10,252,721				
Special Revenue Funds		8,531,032	1,134,840	(1,278,596)	(218,948)
Capital Projects Funds					
Total Fund Balances (Deficits)	19,694,113	9,311,607	8,723,891	(948,152)	(218,948)
Total Liabilities and Fund Balances	\$23,262,869	\$10,239,099	\$12,124,538	\$343,937	\$3,193,446

See accompanying notes to financial statements

Alameda Reuse and Redevelopment Authority Special Revenue	Theater/Parking Structure Project Special Revenue	HOME Repayment Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
\$11,169,115	\$357,687	\$5,948	\$5,557,900	\$35,115,502	\$80,752,168
439,051	1,894,480	611	1,619,417	12,880,472	22,859,176
			55,430	1,907,844	5,910,496
				2,241	1,044,183
					1,088,381
			579,451		3,658,995
	2,800,000	3,400,488		3,633,364	579,451
				9,320	14,653,363
					45,997
<u>\$11,608,166</u>	<u>\$5,052,167</u>	<u>\$3,407,047</u>	<u>\$7,812,198</u>	<u>\$53,548,743</u>	<u>\$130,592,210</u>
\$349,996	\$22,042		\$345,535	\$658,911	\$2,830,942
18,040			1,781	94,303	1,324,548
				270,328	270,328
			2,855	10,430	1,886,334
300,000					3,958,995
	2,800,000	\$3,400,488		3,642,297	12,909,606
572,506	1,870,867		20,246	91,982	3,029,100
					864,132
<u>1,240,542</u>	<u>4,692,909</u>	<u>3,400,488</u>	<u>370,417</u>	<u>4,768,251</u>	<u>27,073,985</u>
				13,293,683	16,596,682
				11,082,311	11,082,311
				1,019,543	9,719,613
				9,320	6,147,713
			7,441,781	7,588,796	15,030,577
				1,007,991	1,007,991
					10,252,721
10,367,624	359,258	6,559		8,977,577	27,879,346
				5,801,271	5,801,271
<u>10,367,624</u>	<u>359,258</u>	<u>6,559</u>	<u>7,441,781</u>	<u>48,780,492</u>	<u>103,518,225</u>
<u>\$11,608,166</u>	<u>\$5,052,167</u>	<u>\$3,407,047</u>	<u>\$7,812,198</u>	<u>\$53,548,743</u>	<u>\$130,592,210</u>

CITY OF ALAMEDA
 Reconciliation of
 GOVERNMENTAL FUNDS -- FUND BALANCES
 with
 GOVERNMENTAL NET ASSETS
 JUNE 30, 2008

Total fund balances reported on the governmental funds balance sheet \$103,518,225

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. 282,900,599

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 investments	2,247,099
Accounts receivable	52,181
Prepays and deposits	154,003
Capital assets	681,039
Internal balances	(727,899)
Accounts payable	(419,457)
Accrued payroll	(10,682)
Claims payable	(6,773,759)
Long-term debt	(369,574)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 12,210,642

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	(1,667,733)
Net pension obligation	(45,000)
Long-term debt	(114,486,727)
Compensated absences	(12,385,608)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$264,877,349

See accompanying notes to financial statements

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CITY OF ALAMEDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2008

	General	West End Community Improvement Project Area Special Revenue	Business and Waterfront Improvement Project Area Special Revenue	Alameda Point Improvement Project Area Special Revenue	FISC Lease Revenue Special Revenue
REVENUES					
Property taxes	\$22,163,682	\$5,217,309	\$8,522,039	\$298,336	
Other local taxes	23,877,431				
Licenses and permits	3,711,095				
Revenues from other agencies	9,297,336				\$4,806,547
Charges for current services	7,260,722				15,119
Fines and forfeitures	1,002,163				
Use of money and property	1,562,126	357,032	539,568	17,610	946,941
Affordable housing fee					
Other		8,457	438,278		523,473
Total Revenues	68,874,555	5,582,798	9,499,885	315,946	6,292,080
EXPENDITURES					
Current:					
General government	7,144,154	493,608	1,517,056	135,664	
Police	26,544,338				
Fire	24,338,086				
Public works	7,478,497				
Development services, planning and building	4,320,392				493,365
Culture and recreation	4,252,813				
Housing and community services		1,503,329	1,852,533	57,289	
Capital outlay	860,609	867	2,447	114	2,269,641
Debt service:					
Principal	228,170	155,000	30,000		
Interest	62,420	124,241	19,103	76,080	235,081
Total Expenditures	75,229,479	2,277,045	3,421,139	269,147	2,998,087
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,354,924)	3,305,753	6,078,746	46,799	3,293,993
OTHER FINANCING SOURCES (USES)					
Issuance of loan (Note 7)					
Proceeds from sale of property	25,769				
Transfers in (Note 3C)	7,739,328	535,439	370,520		4,281,717
Transfers (out) (Note 3C)	(4,536,915)	(3,730,229)	(4,945,265)	(2,883)	(1,449,777)
Total Other Financing Sources (Uses)	3,228,182	(3,194,790)	(4,574,745)	(2,883)	2,831,940
NET CHANGE IN FUND BALANCES	(3,126,742)	110,963	1,504,001	43,916	6,125,933
BEGINNING FUND BALANCES (DEFICITS)	22,820,855	9,200,644	7,219,890	(992,068)	(6,344,881)
ENDING FUND BALANCES (DEFICITS)	\$19,694,113	\$9,311,607	\$8,723,891	(\$948,152)	(\$218,948)

See accompanying notes to financial statements

Alameda Reuse and Redevelopment Authority Special Revenue	Theater/Parking Structure Project Special Revenue	HOME Repayment Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
				\$6,988,138	\$43,189,504
				1,586,394	25,463,825
				81,804	3,792,899
\$41,993	\$56,727		\$1,138,508	8,980,341	24,321,452
1,656,462			171,136	2,884,147	11,987,586
				237,444	1,239,607
12,532,200	272,622	\$7,761	338,025	3,690,593	20,264,478
				98,383	98,383
500,862			43,957	181,625	1,696,652
<u>14,731,517</u>	<u>329,349</u>	<u>7,761</u>	<u>1,691,626</u>	<u>24,728,869</u>	<u>132,054,386</u>
				2,024,927	11,315,409
					26,544,338
					24,338,086
9,075,874	10,341,088			1,777,135	9,255,632
					24,230,719
		1,795		3,005,798	7,258,611
				3,660,321	7,075,267
1,450			7,033,473	1,676,419	11,845,020
	13,009			2,120,250	2,533,420
				5,845,859	6,375,793
<u>9,077,324</u>	<u>10,354,097</u>	<u>1,795</u>	<u>7,033,473</u>	<u>20,110,709</u>	<u>130,772,295</u>
<u>5,654,193</u>	<u>(10,024,748)</u>	<u>5,966</u>	<u>(5,341,847)</u>	<u>4,618,160</u>	<u>1,282,091</u>
	3,000,000				3,000,000
					25,769
133,067	517,726		5,947,463	10,116,364	29,641,624
(3,958,988)			(600,000)	(11,390,530)	(30,614,587)
<u>(3,825,921)</u>	<u>3,517,726</u>		<u>5,347,463</u>	<u>(1,274,166)</u>	<u>2,052,806</u>
1,828,272	(6,507,022)	5,966	5,616	3,343,994	3,334,897
8,539,352	6,866,280	593	7,436,165	45,436,498	100,183,328
<u>\$10,367,624</u>	<u>\$359,258</u>	<u>\$6,559</u>	<u>\$7,441,781</u>	<u>\$48,780,492</u>	<u>\$103,518,225</u>

CITY OF ALAMEDA
 Reconciliation of the
 NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
 with the change in
 GOVERNMENTAL NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2008

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 \$3,334,897

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.

The capital outlay expenditures are therefore added back to fund balance	11,845,020
Other capitalized expenditures are therefore added back to fund balance	7,414,000
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of 120,566 which has already been allocated to service funds)	(7,717,187)
Net retirements of capital assets are deducted from fund balance	(191,078)

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 the issuance of debt are deducted from fund balance	(3,000,000)
Repayment of debt principal is added back to fund balance	2,533,420

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	379,036
Interest payable	124,685
Net pension obligation	35,000
Compensated absences	(2,334,824)

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	608,866
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$13,031,835
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See accompanying notes to financial statements

CITY OF ALAMEDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$22,330,666	\$21,510,042	\$22,163,682	\$653,640
Other local taxes	28,548,697	23,798,413	23,877,431	79,018
Licenses and permits	4,279,053	3,772,053	3,711,095	(60,958)
Revenues from other agencies	7,420,712	9,638,907	9,297,336	(341,571)
Charges for current services	8,411,977	8,119,959	7,260,722	(859,237)
Fines and forfeitures	791,950	1,011,950	1,002,163	(9,787)
Use of money and property	1,898,394	1,898,394	1,562,126	(336,268)
Total Revenues	73,681,449	69,749,718	68,874,555	(875,163)
EXPENDITURES:				
Current:				
General government	7,518,741	8,208,455	7,144,154	1,064,301
Police	26,621,963	27,068,912	26,544,338	524,574
Fire	24,011,288	24,455,559	24,338,086	117,473
Public works	8,746,036	9,616,593	7,478,497	2,138,096
Planning and building	4,568,785	4,402,104	4,320,392	81,712
Culture and recreation	4,489,496	4,358,226	4,252,813	105,413
Capital outlay	91,799	727,117	860,609	(133,492)
Debt service:				
Principal	160,821	235,821	228,170	7,651
Interest	260,197	73,824	62,420	11,404
Total Expenditures	76,469,126	79,146,611	75,229,479	3,917,132
NET CHANGE IF FUND REVENUES	(2,787,677)	(9,396,893)	(6,354,924)	3,041,969
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)	8,053,097	9,285,980	7,739,328	(1,546,652)
Transfers (out) (Note 3C)	(5,814,137)	(6,044,071)	(4,536,915)	1,507,156
Sale of capital assets		21,293	25,769	4,476
Total other financing sources (uses)	2,238,960	3,263,202	3,228,182	(35,020)
NET CHANGE IN FUND BALANCE	(548,717)	(6,133,691)	(3,126,742)	3,006,949
Beginning fund balance	22,820,855	22,820,855	22,820,855	
Ending fund balance	\$22,272,138	\$16,687,164	\$19,694,113	\$3,006,949

See accompanying notes to financial statements

CITY OF ALAMEDA
WEST END COMMUNITY IMPROVEMENT PROJECT AREA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$4,587,927	\$5,555,167	\$5,217,309	(\$337,858)
Use of money and property		259,360	357,032	97,672
Other			8,457	8,457
Total Revenues	4,587,927	5,814,527	5,582,798	(231,729)
EXPENDITURES:				
Current:				
General government	1,415,175	1,505,855	493,608	1,012,247
Housing and community services		1,814,093	1,503,329	310,764
Capital outlay			867	(867)
Debt service:				
Principal	30,000	155,000	155,000	
Interest	18,501	124,241	124,241	
Total Expenditures	1,463,676	3,599,189	2,277,045	1,322,144
EXCESS OF REVENUES OVER EXPENDITURES	3,124,251	2,215,338	3,305,753	1,090,415
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)		2,395,636	535,439	(1,860,197)
Transfers (out) (Note 3C)	(3,486,989)	(6,107,115)	(3,730,229)	2,376,886
Total other financing sources (uses)	(3,486,989)	(3,711,479)	(3,194,790)	516,689
NET CHANGE IN FUND BALANCE	(\$362,738)	(\$1,496,141)	110,963	\$1,607,104
Beginning fund balance			9,200,644	
Ending fund balance			\$9,311,607	

See accompanying notes to financial statements

CITY OF ALAMEDA
BUSINESS AND WATERFRONT IMPROVEMENT PROJECT AREA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$7,601,654	\$8,879,431	\$8,522,039	(\$357,392)
Use of money and property		32,275	539,568	507,293
Revenues from other agencies		700,000		(700,000)
Affordable housing fee		448,251	438,278	(9,973)
	<u>7,601,654</u>	<u>10,059,957</u>	<u>9,499,885</u>	<u>(560,072)</u>
Total Revenues				
EXPENDITURES:				
Current:				
General government	3,046,090	1,627,828	1,517,056	110,772
Housing and community services		3,385,094	1,852,533	1,532,561
Capital outlay	16,000	16,128	2,447	13,681
Debt service:				
Principal		30,000	30,000	
Interest	48,501	18,501	19,103	(602)
	<u>3,110,591</u>	<u>5,077,551</u>	<u>3,421,139</u>	<u>1,656,412</u>
Total Expenditures				
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,491,063</u>	<u>4,982,406</u>	<u>6,078,746</u>	<u>1,096,340</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)		582,831	370,520	(212,311)
Transfers (out) (Note 3C)	(3,396,963)	(6,940,064)	(4,945,265)	1,994,799
	<u>(3,396,963)</u>	<u>(6,357,233)</u>	<u>(4,574,745)</u>	<u>1,782,488</u>
Total other financing sources (uses)				
NET CHANGE IN FUND BALANCE	<u>\$1,094,100</u>	<u>(\$1,374,827)</u>	1,504,001	<u>\$2,878,828</u>
Beginning fund balance			<u>7,219,890</u>	
Ending fund balance			<u>\$8,723,891</u>	

See accompanying notes to financial statements

CITY OF ALAMEDA
ALAMEDA POINT IMPROVEMENT PROJECT AREA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$431,648	\$567,873	\$298,336	(\$269,537)
Use of money and property			17,610	17,610
Total Revenues	<u>431,648</u>	<u>567,873</u>	<u>315,946</u>	<u>(251,927)</u>
EXPENDITURES:				
Current:				
General government	211,796	210,242	135,664	74,578
Housing and community services		69,314	57,289	12,025
Capital outlay			114	(114)
Debt service:				
Interest	121,000	121,000	76,080	44,920
Total Expenditures	<u>332,796</u>	<u>400,556</u>	<u>269,147</u>	<u>131,409</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>98,852</u>	<u>167,317</u>	<u>46,799</u>	<u>(120,518)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 3C)	(2,369)	(5,252)	(2,883)	2,369
Total other financing sources (uses)	<u>(2,369)</u>	<u>(5,252)</u>	<u>(2,883)</u>	<u>2,369</u>
NET CHANGE IN FUND BALANCE	<u>\$96,483</u>	<u>\$162,065</u>	43,916	<u>(\$118,149)</u>
Beginning fund balance (deficit)			(992,068)	
Ending fund balance (deficit)			<u>(\$948,152)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property tax				
Revenues from other agencies		\$4,552,000	\$4,806,547	\$254,547
Charges for current services			15,119	15,119
Use of money and property	\$760,000	760,000	946,941	186,941
Other		<u>523,473</u>	<u>523,473</u>	
Total Revenues	<u>760,000</u>	<u>5,835,473</u>	<u>6,292,080</u>	<u>456,607</u>
EXPENDITURES:				
Current:				
Development services, planning and building	305,977	420,740	493,365	(72,625)
Capital outlay		7,004,427	2,269,641	4,734,786
Debt service:				
Interest		<u>196,686</u>	<u>235,081</u>	<u>(38,395)</u>
Total Expenditures	<u>305,977</u>	<u>7,621,853</u>	<u>2,998,087</u>	<u>4,623,766</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>454,023</u>	<u>(1,786,380)</u>	<u>3,293,993</u>	<u>5,080,373</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)	1,845,086	5,142,239	4,281,717	(860,522)
Transfers (out) (Note 3C)	<u>(503,800)</u>	<u>(2,025,180)</u>	<u>(1,449,777)</u>	<u>575,403</u>
Total other financing sources (uses)	<u>1,341,286</u>	<u>3,117,059</u>	<u>2,831,940</u>	<u>(285,119)</u>
NET CHANGE IN FUND BALANCE	<u>1,795,309</u>	<u>1,330,679</u>	6,125,933	<u>4,795,254</u>
Beginning fund balance (deficit)			<u>(6,344,881)</u>	
Ending fund balance (deficit)			<u>(\$218,948)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Revenue from other agencies		\$1,634,259	\$41,993	(\$1,592,266)
Charges for current services			1,656,462	1,656,462
Use of money and property	\$11,195,902	12,766,299	12,532,200	(234,099)
Other		353,618	500,862	147,244
		<u>11,195,902</u>	<u>14,731,517</u>	<u>(22,659)</u>
Total Revenues	<u>11,195,902</u>	<u>14,754,176</u>	<u>14,731,517</u>	<u>(22,659)</u>
EXPENDITURES:				
Current:				
Development services, planning and building	9,436,249	9,426,169	9,075,874	350,295
Capital outlay			1,450	(1,450)
			<u>9,077,324</u>	<u>348,845</u>
Total Expenditures	<u>9,436,249</u>	<u>9,426,169</u>	<u>9,077,324</u>	<u>348,845</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,759,653</u>	<u>5,328,007</u>	<u>5,654,193</u>	<u>326,186</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)			133,067	133,067
Transfers (out) (Note 3C)	(2,764,336)	(67,050)	(3,958,988)	(3,891,938)
			<u>(3,825,921)</u>	<u>(3,758,871)</u>
Total other financing sources (uses)	<u>(2,764,336)</u>	<u>(67,050)</u>	<u>(3,825,921)</u>	<u>(3,758,871)</u>
NET CHANGE IN FUND BALANCE	<u>(\$1,004,683)</u>	<u>\$5,260,957</u>	<u>1,828,272</u>	<u>(\$3,432,685)</u>
Beginning fund balance			<u>8,539,352</u>	
Ending fund balance			<u>\$10,367,624</u>	

See accompanying notes to financial statements

CITY OF ALAMEDA
THEATER/PARKING STRUCTURE PROJECT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Revenue from other agencies			\$56,727	\$56,727
Use of money and property		\$105,000	272,622	167,622
Total Revenues		105,000	329,349	224,349
EXPENDITURES:				
Development services, planning and building	\$9,212,691	10,341,199	10,341,088	111
Debt service:				
Interest			13,009	(13,009)
Total Expenditures	9,212,691	10,341,199	10,354,097	(12,898)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,212,691)	(10,236,199)	(10,024,748)	211,451
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of loan		3,000,000	3,000,000	
Transfers in (Note 3C)	250,000	604,091	517,726	86,365
Total other financing sources (uses)	250,000	3,604,091	3,517,726	86,365
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(\$8,962,691)	(\$6,632,108)	(6,507,022)	\$125,086
Beginning fund balance			6,866,280	
Ending fund balance			\$359,258	

See accompanying notes to financial statements

CITY OF ALAMEDA
HOME REPAYMENT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property		\$593	\$7,761	\$7,168
Total Revenues		593	7,761	7,168
EXPENDITURES:				
Current:				
Development services, planning and building		1,200	1,795	(595)
Total Expenditures		1,200	1,795	(595)
NET CHANGE IN FUND BALANCE		(\$607)	5,966	\$6,573
Beginning fund balance			593	
Ending fund balance			\$6,559	

See accompanying notes to financial statements

CITY OF ALAMEDA, CALIFORNIA

MAJOR PROPRIETARY FUNDS

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

FERRY SERVICES

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.

GOLF COURSE

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

The City operates its own solid waste 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, 2008

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds	
	Ferry Services	Golf Course	Sewer Services		Totals
ASSETS					
Current Assets					
Cash and cash equivalents (Note 2)		\$1,552,254	\$18,427,807	\$19,980,061	\$2,247,099
Accounts receivable	\$594,229	9,152	309,618	912,999	52,181
Materials, parts and supplies		126,266		126,266	
Prepays, deposits and bond discounts		3,183	405,235	408,418	154,003
Total Current Assets	594,229	1,690,855	19,142,660	21,427,744	2,453,283
Noncurrent Assets					
Restricted cash and investments (Note 2)			2,953	2,953	
Advances to other funds (Note 3)		300,000		300,000	
Capital assets (Note 5):					
Non-depreciable		457,736	23,200	480,936	
Depreciable, net	8,989,498	3,409,156	38,235,958	50,634,612	681,039
Total Non-current assets	8,989,498	4,166,892	38,262,111	51,418,501	681,039
Total Assets	9,583,727	5,857,747	57,404,771	72,846,245	3,134,322
LIABILITIES					
Current Liabilities:					
Accounts payable	370,045	170,880	67,271	608,196	419,457
Claims payable (Note 11)					6,773,759
Accrued payroll		42,452	23,611	66,063	10,682
Interest payable			127,513	127,513	
Due to other funds (Note 3)	90,154			90,154	727,899
Deferred revenue	39,693	227,989		267,682	
Refundable deposits	25			25	
Compensated absences (Note 1I)		123,490	44,809	168,299	
Long-term debt - current (Note 7)		124,283	632,145	756,428	192,821
Total Current Liabilities	499,917	689,094	895,349	2,084,360	8,124,618
Compensated absences - noncurrent (Note 1I)			84,262	84,262	
Long-term debt - noncurrent (Note 7)		390,948	7,452,667	7,843,615	176,753
Total Liabilities	499,917	1,080,042	8,432,278	10,012,237	8,301,371
NET ASSETS (Note 9)					
Invested in capital assets, net of related debt	8,989,498	3,351,661	30,174,346	42,515,505	504,286
Unrestricted	94,312	1,426,044	18,798,147	20,318,503	(5,671,335)
Total Net Assets (Deficit)	\$9,083,810	\$4,777,705	\$48,972,493	\$62,834,008	(\$5,167,049)

See accompanying notes to financial statements

CITY OF ALAMEDA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds	
	Ferry Services	Golf Course	Sewer Services		Totals
OPERATING REVENUES					
Charges for services		\$4,187,705	\$5,826,652	\$10,014,357	\$8,604,114
Miscellaneous	\$144,276		3,099	147,375	25
Total Operating Revenues	144,276	4,187,705	5,829,751	10,161,732	8,604,139
OPERATING EXPENSES					
General administrative	61,505	455,548	649,044	1,166,097	565,204
Wages and benefits		2,182,173	1,678,080	3,860,253	722,658
Insurance					4,498,539
Contractual services	3,873,832	1,040,994	573,603	5,488,429	1,897,165
Depreciation	456,640	218,106	976,693	1,651,439	120,566
Supplies and maintenance	53,989	1,079,850	114,839	1,248,678	560,256
Total Operating Expenses	4,445,966	4,976,671	3,992,259	13,414,896	8,364,388
Operating Income (Loss)	(4,301,690)	(788,966)	1,837,492	(3,253,164)	239,751
NONOPERATING REVENUES (EXPENSES)					
Operating grants and contributions	2,834,155	166,608		3,000,763	
Interest income	1,213	102,965	973,185	1,077,363	30,946
Rent and other		48,914		48,914	
Interest (expense)	(23,509)	(32,666)	(328,501)	(384,676)	(38,117)
Total Nonoperating Revenues (Expenses)	2,811,859	285,821	644,684	3,742,364	(7,171)
Income (Loss) Before Contributions and Transfers	(1,489,831)	(503,145)	2,482,176	489,200	232,580
Transfers in (Note 3C)	1,644,970			1,644,970	376,286
Transfers (out) (Note 3C)		(616,951)	(431,342)	(1,048,293)	
Change in net assets	155,139	(1,120,096)	2,050,834	1,085,877	608,866
BEGINNING NET ASSETS (DEFICITS)	8,928,671	5,897,801	46,921,659	61,748,131	(5,775,915)
ENDING NET ASSETS (DEFICITS)	\$9,083,810	\$4,777,705	\$48,972,493	\$62,834,008	(\$5,167,049)

See accompanying notes to financial statements

CITY OF ALAMEDA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities-Enterprise Funds		
	Ferry Services	Golf Course	Sewer Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	(\$319,709)	\$4,188,215	\$5,797,557
Payments to suppliers	(3,547,148)	(2,087,178)	(680,333)
Payments to employees	(61,505)	(2,641,856)	(2,310,239)
Claims paid			
Cash Flows from Operating Activities	(3,928,362)	(540,819)	2,806,985
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Operating grants and contributions	2,834,155	166,608	
Interfund payments	20,941		
Transfers in	1,644,970		
Transfers (out)		(616,951)	(431,342)
Cash Flows from Noncapital Financing Activities	4,500,066	(450,343)	(431,342)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets, net	(549,408)	(2)	(1,211,323)
Proceeds from capital debt		449,753	
Principal payments on capital debt		(274,823)	(607,573)
Interest paid	(23,509)	(32,666)	(355,279)
Cash Flows from Capital and Related Financing Activities	(572,917)	142,262	(2,174,175)
CASH FLOWS FROM INVESTING ACTIVITIES			
Restricted investments			(2,907)
Interest income	1,213	102,965	973,185
Rent and other		48,914	
Cash Flows from Investing Activities	1,213	151,879	970,278
Net Cash Flows		(697,021)	1,171,746
Cash and investments at beginning of period		2,249,275	17,256,061
Cash and investments at end of period		\$1,552,254	\$18,427,807
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:			
Operating income (loss)	(\$4,301,690)	(\$788,966)	\$1,837,492
Adjustments to reconcile operating income to cash flows from operating activities:			
Depreciation	456,640	218,106	976,693
Change in assets and liabilities:			
Accounts receivable and refundable deposits	(463,985)	(105)	(32,194)
Materials, parts and supplies		(24,062)	
Prepays and deposits			42,658
Deposits		615	
Accounts payable	340,980	22,818	(34,549)
Claims payable			
Accrued payroll		7,085	6,743
Deferred revenue	39,693	34,910	
Compensated absences		(11,220)	10,142
Cash Flows from Operating Activities	(\$3,928,362)	(540,819)	\$2,806,985

See accompanying notes to financial statements

Totals	Governmental Activities- Internal Service Funds
\$9,666,063	\$8,757,648
(6,314,659)	(4,516,634)
(5,013,600)	(799,051)
	(2,992,901)
<u>(1,662,196)</u>	<u>449,062</u>
3,000,763	
20,941	721,332
1,644,970	376,286
(1,048,293)	
<u>3,618,381</u>	<u>1,097,618</u>
(1,760,733)	
449,753	
(882,396)	(192,821)
(411,454)	(38,117)
<u>(2,604,830)</u>	<u>(230,938)</u>
(2,907)	
1,077,363	30,946
48,914	
<u>1,123,370</u>	<u>30,946</u>
474,725	1,346,688
<u>19,505,336</u>	<u>900,411</u>
<u>\$19,980,061</u>	<u>\$2,247,099</u>
(\$3,253,164)	\$239,751
1,651,439	120,566
(496,284)	153,509
(24,062)	
42,658	6,972
615	
329,249	212,707
	(286,664)
13,828	2,221
74,603	
(1,078)	
<u>(\$1,662,196)</u>	<u>\$449,062</u>

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CITY OF ALAMEDA, CALIFORNIA

FIDUCIARY FUNDS

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, 2008

	Trust Funds	Agency Funds
ASSETS		
Restricted cash and investments (Note 2)		\$48,844,606
Accounts receivable		45,774,441
Total Assets		94,619,047
LIABILITIES		
Refundable deposits		147,726
Due to members		465,553
Due to assessment districts		94,005,768
Total Liabilities		\$94,619,047
NET ASSETS		
Reserved for:		
Employees' pension benefits		
Total Net Assets		

See accompanying notes to financial statements

CITY OF ALAMEDA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2008

	Pension Trust Funds
ADDITIONS	
Employer contributions	\$2,780,297
Total Additions	2,780,297
DEDUCTIONS	
Retirements and other benefits	2,774,747
Contractual services	5,550
Total Deductions	2,780,297
CHANGE IN NET ASSETS	
NET ASSETS, BEGINNING OF YEAR	_____
NET ASSETS, END OF YEAR	_____

See accompanying notes to financial statements

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CITY OF ALAMEDA
Notes to Basic Financial Statements

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), highways and streets, sanitation, development services, public improvements, planning and zoning and general administration services.

A. Reporting Entity

The City is governed by a five-member council elected by City residents. The City is legally separate and fiscally independent which means it can issue debt, set 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 and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the government.

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 Finance Authority, and the Alameda Reuse and Redevelopment Authority all of which are controlled by and dependent on 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 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 West End Community Improvement Project Area, Business and Waterfront Improvement Project Area, Alameda Point Improvement Project Area, Theater/Parking Structure Project Special Revenue Funds, and Community Improvement Commission Subordinate Tax Allocation Bonds, Community Improvement Commission 2003 Tax Allocation Bonds BWIP, and Community Improvement Commission 2003 Tax Allocation Bonds Debt Service Funds.

The Alameda Public Financing Authority 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 Subordinate Tax Allocation Bonds, and Community Facility District Special Tax Bonds Debt Service Funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Alameda Reuse and Redevelopment Authority (ARRA) is a separate government entity whose purpose is to assure 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, Debt Service and Capital Projects Funds.

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 Power and Telecom (Alameda P&T), 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 financial activities of the Alameda P&T are discretely included in the Alameda P&T 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 P&T may be obtained from the City of Alameda Power & Telecom, 2000 Grand Street, Alameda, CA 94501. Component unit financial statements for all other component units may be obtained from the City of Alameda, Finance Department, 2263 Santa Clara, 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 Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

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.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses 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, called 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 is used for all general revenues of the City not specifically levied or collected for 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.

WEST END COMMUNITY IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND - This fund accounts for the tax increment proceeds and associated redevelopment project costs for the West End Community Improvement Project.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUSINESS AND WATERFRONT IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND - This fund accounts for the tax increment proceeds and associated redevelopment project costs for the Business and Waterfront Improvement Project.

ALAMEDA POINT IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND - This fund accounts for the tax increment proceeds and associated redevelopment project costs for the proposed Alameda Point Improvement Project.

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.

THEATER/PARKING STRUCTURE PROJECT SPECIAL REVENUE FUND – This fund accounts for funding resources and expenditures for the reconstruction of the Historic Alameda Theatre and the construction of the multi-story Civic Center garage. The fund's primarily funding source consisted of proceeds from the CIC 2003 WECIP Subordinate Tax Allocation Bond and a HUD loan. Expenditures include construction costs for the projects and administrative expenses.

HOME REPAYMENT SPECIAL REVENUE FUND - This fund accounts for State HOME funds, distributed by the County, for HOME eligible activities 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 projects fund.

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

FERRY SERVICES - 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.

GOLF COURSE - 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 - The City operates its own solid waste 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.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 to which provide services and facilities to enhance the quality for lives of 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.

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 they are earned, and their expenses are recognized when they are 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 are 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting

The City adopts a budget biennially for all funds. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted by the City Council, and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion 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 were adopted by City Council and 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. Unexpended balances of these funds are reappropriated in subsequent years.

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.

The City has a Deferred Compensation Plan administration agreement with ICMA, PERS, 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.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Post Employment Benefits Other than Pensions

GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board, *Accounting by Employers for Other Postemployment Benefits* (“OPEB”), requires state and local governments to account for and report their costs associated with post-employment healthcare benefits and other non-pension benefits. GASB 45 generally requires that employers account for and report the annual cost of the OPEBs and the outstanding obligations and commitments related to OPEBs in essentially the same manner as they currently do for pensions. Under previous rules, OPEBs generally were administered on a pay-as-you-go basis and were not reported as a liability on governmental financial statements. Only current payments to exiting retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt actuarial methodologies to determine annual OPEB costs. Annual OPEB costs for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. GASB 45 does not require that the unfunded liabilities actually be funded, only that employers account for unfunded accrued liability and compliance in meeting the Annual Required Contribution (the sum of the present value of future benefits being earned by current employees plus amortization of benefits already earned by current and former employees but not yet provided for). Actuarial valuations will be required every two years. The City is aware of and is actively working to assess the accounting implications of GASB 45, if any, which will be applicable to its financial statements beginning in Fiscal Year 2008-09. The City expects to be in compliance with the reporting requirements of GASB 45 by such date.

As of January 1, 2007, the date of the latest actuarial valuation, there were 278 retirees and 650 active employees. The present value of all expected future benefits based on certain actuarial assumptions (a measure of the total liability or obligation) was \$105,660,000. The Actuarial Accrued Liability or obligation for benefits earned through the valuation date was \$75,377,000. The Annual Required Contribution, the value of benefits being earned during a year plus the amortized unfunded liability, was \$6,029,000. The City of Alameda funds this program on a pay-as-you-go basis. During the year ended June 30, 2008, benefits totaling \$1,792,302 were paid.

I. Compensated Absences

The liability for compensated absences includes the vested portions of vacation, sick leave and compensated time off. For all governmental funds, a liability of these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. The remaining portion is recorded as a liability in the Statement of Net 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, 2008 is as follows:

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Subtotal	Housing Authority	Alameda Power & Telecom	Total
Beginning Balance	\$10,050,784	\$253,639	\$10,304,423	\$210,700	\$628,121	\$11,143,244
Additions	5,419,471	167,221	5,586,692		162,155	5,748,847
Payments	(3,084,647)	(168,299)	(3,252,945)	(32,894)	(191,309)	(3,477,148)
Ending Balance	<u>\$12,385,608</u>	<u>\$252,561</u>	<u>\$12,638,170</u>	<u>\$177,806</u>	<u>\$598,967</u>	<u>\$13,414,943</u>
Current Portion	<u>\$3,084,647</u>	<u>\$168,299</u>	<u>\$3,252,946</u>	<u>\$101,750</u>	<u>\$598,967</u>	<u>\$4,037,896</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.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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 that 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.

K. Purchased Power Balancing Account

The Purchased Power Balancing Account is used by Alameda P&T to help 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 P&T’s rate payers because they are included in operating expenses as they are matched by revenues.

L. Transfer from Alameda P&T

The City Charter provides that Alameda P&T transfer to the City’s General Fund certain excess earnings as defined in the Charter. During fiscal year 2008, there were no excess earnings to be transferred. However, the Public Utilities Board by resolution has directed that \$2,500,000 be contributed to the City’s General Fund. In accordance with these provisions, Alameda P&T contributed \$2,500,000 to the City’s General Fund during the year ended June 30, 2008.

M. New Funds

During fiscal year 2008, the City established the following funds:

Fund	Purpose
Special Revenue Funds:	
Adam Street House Fund	To account for proceeds from sale of the Adam Street House deposited in a trust fund for the benefit of Senior Citizen programs according to Ordinance #2879.
Police/Fire Construction Impact Fee Fund	To account for fees collected/assessments through new construction for capital needs of the Police and Fire Department.
Construction Impact Fee Fund	To account for fees collected through improvement to real property for capital improvements and maintenance thereof made necessary by land development in the City.

CITY OF ALAMEDA
Notes to Basic Financial Statements

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 P&T 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.

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 their form.

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

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

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or agency agreements. Cash and investments as of June 30, 2008 as presented on the Statement of Net Assets and Statement of Fiduciary Net Assets are as follows:

Cash and investments available for operations:	
City	\$102,979,328
Housing Authority	10,378,335
Alameda Power & Telecom	28,602,938
Restricted cash and investments:	
City	22,862,129
Housing Authority	497,216
Alameda Power & Telecom	<u>21,001,685</u>
Total cash and investments of primary government and component units	186,321,631
Restricted cash and investments in Fiduciary Funds (separate statement)	<u>48,844,606</u>
Total cash and investments	<u><u>\$235,166,237</u></u>

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2008 are composed of the following categories:

Cash on hand	\$10,877
Deposits with financial institutions	8,843,628
Investments	<u>226,311,732</u>
Total cash and investments	<u><u>\$235,166,237</u></u>

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	\$40,000,000 per account	\$40,000,000 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, 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 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

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	No Limit	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	No Limit	No Limit
U. S. Treasury Bonds, Notes and Bills	N/A	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	N/A	N/A	No Limit	No Limit
Bankers Acceptances	270 days	N/A	40%	30%
Negotiable Certificates of Deposit	N/A	AA	30%	No Limit
Time Certificates of Deposit	N/A	N/A	30%	No Limit
Medium Term Corporate Notes	5 Years	N/A	30%	No Limit
Money Market Mutual Funds	N/A	AAA	20%	No Limit
County Agency Investment Fund	Upon Demand	N/A	30%	No Limit
Reverse Repurchase Agreements	N/A	N/A	No Limit	No Limit

Alameda P&T's investment policy and the California Government Code allow Alameda P&T to invest in the following, provided the credit ratings of the issuers are acceptable to Alameda P&T, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or Alameda P&T's investment policy where Alameda P&T'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 Alameda P&T, rather than the general provisions of the California Government Code or Alameda P&T's investment policy.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

Alameda P&T's investment policy and the California Government Code allow Alameda P&T to invest in the following:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</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 (A)	5 years	N/A	No Limit	No Limit
Bankers Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1	25%	10%
Negotiable Certificates of Deposit	5 years	N/A	30%	No Limit
Repurchase Agreements	1 year	N/A	No Limit	No Limit
Reverse Repurchase Agreements (requires City Council approval)	92 days	N/A	20 % of base value	No Limit
Medium Term Corporate Notes	5 years	Top three ratings categories	30%	No Limit
Mutual Funds	N/A	Top rating category	20%	10%
Money Market Mutual Funds	N/A	Top rating category	20%	10%
Collateralized Bank Deposits	N/A	N/A	No Limit	No Limit
Mortgage Pass-Through Securities	5 Years	Top rating category	20%	No Limit
County Pooled Investment Funds	N/A	N/A	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	\$40,000,000 per account	\$40,000,000 per account

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

CITY OF ALAMEDA
Notes to Basic Financial Statements

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:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum in Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Repurchase Agreements	30 days	Top Four Rating Categories	No Limit	No Limit
U.S. Treasury Bonds, Notes and Bills	No Limit	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	No Limit	No Limit	No Limit	No Limit
State Obligations	No Limit	Not lower than their bond rating	No Limit	No Limit
Commercial Paper	No Limit	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	\$40,000,000 per account	\$40,000,000 per account
Investment Agreements	No Limit	N/A	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

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 Agencies	No Limit	N/A	No Limit	No Limit
State of California Obligations	N/A	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 Demand	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%	No Limit
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 Agencies	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

NOTE 2 - CASH AND INVESTMENTS (Continued)

Alameda P&T 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 P&T fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Alameda P&T'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	N/A	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	A-1	No Limit	No Limit
Bankers Acceptances	N/A	A-1	No Limit	No Limit
Money Market Mutual Funds	N/A	AA	No Limit	No Limit
Repurchase Agreements	30 days	A	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	\$40,000,000 per account	\$40,000,000 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

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 coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about 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, 2008:

Investment Type	12 Months or less	One to Five Years	Six to Ten Years	More than Ten Years	Total
U.S. Government-Sponsored					
Enterprise Agencies					
Non-callable	\$4,178,897	\$35,897,198			\$40,076,095
Callable		1,764,317			1,764,317
Corporate Securities					
Non-callable	4,958,572	8,619,312			13,577,884
Guaranteed Investment Contracts		2,297,063	\$8,383,362	\$7,037,915	17,718,340
US Treasury Notes and Bills		15,568,255			15,568,255
Money Market Mutual Funds	4,331,912				4,331,912
California Local Agency Investment Fund	37,535,571				37,535,571
California Asset Management Program	3,977,104				3,977,104
Certificate of Deposits	485,640	1,599,218			2,084,858
Municipal Bonds	4,160,000	21,685,696	6,385,000		32,230,696
Total Investments	<u>\$59,627,696</u>	<u>\$87,431,059</u>	<u>\$14,768,362</u>	<u>\$7,037,915</u>	168,865,032
Cash deposits with banks and on hand					<u>5,821,031</u>
Total Cash and Investments					<u>\$174,686,063</u>

Information about 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:

	12 Months or less
<i>Investments :</i>	
US Treasury Notes and Bills	\$497,216
Local Agency Investment Fund	8,921,500
Total Investments	<u>\$9,418,716</u>

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of Alameda P&T'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 P&T's investments by maturity:

	12 Months or less	One to Five Years	Total
<i>Investments :</i>			
U.S. Bank Cash equivalents, mutual funds of U.S. Securities	\$4,035,461		\$4,035,461
Investment Agreement		\$7,617,148	7,617,148
U.S. Treasury Bond Stripped Principal Payment	959,364		959,364
U.S. Treasury Stripped Interest Payment	1,002,194		1,002,194
U.S. Treasury Notes	2,387,713		2,387,713
Money Market	162,476		162,476
Local Agency Investment Fund	22,422,998		22,422,998
Federal Agency Issue:			
Federal Home Loan Bank	2,894,838		2,894,838
Certificate of Deposits	6,545,792		6,545,792
Total Investments	40,410,836	7,617,148	48,027,984
<i>Cash with Banks and Petty Cash</i>	1,576,639		1,576,639
Total Cash and Investments	\$41,987,475	\$7,617,148	\$49,604,623

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, 2008, these investments comprised the following: \$20,765,000 of Alameda Marina Village 89-1 Assessment Bonds; and \$13,710,000 of Harbor Bay Business Assessment District 92-1 Revenue Bonds Series 1998. These investments are reported with Municipal Bonds in the table above.

The City, Alameda P&T and the Housing Authority are voluntary participants in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City, Alameda P&T 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, 2008 the fair value approximated is the City, Alameda P&T 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, 2008, these investments have an average maturity of 212 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, 2008 the fair value approximated is the City's cost. At June 30, 2008, these investments have an average maturity of 49 days.

CITY OF ALAMEDA
Notes to Basic Financial Statements

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, 2008 for each City's investment type as provided by Standard and Poor's and Moody's:

Investment Type	AAA	AAAm	AAAm-	AA	AA+	AA-	A+	Aam	Total
U.S. Government-Sponsored									
Enterprise Agencies									
Non-callable	\$40,076,095								\$40,076,095
Callable	1,764,317								1,764,317
Corporate Securities									
Non-callable	3,153,660			\$2,781,820	\$599,981	\$6,245,522	\$796,901		13,577,884
Callable									
Money Market Mutual Funds			\$1,260,985				3,050,726	\$20,201	4,331,912
Municipal Bonds - State							1,625,696		1,625,696
California Asset Management Program		\$3,977,104							3,977,104
Totals	<u>\$44,994,072</u>	<u>\$3,977,104</u>	<u>\$1,260,985</u>	<u>\$2,781,820</u>	<u>\$599,981</u>	<u>\$6,245,522</u>	<u>\$5,473,323</u>	<u>\$20,201</u>	<u>65,353,008</u>
<i>Not rated:</i>									
California Local Agency Investment Fund									37,535,571
Municipal Bonds									30,605,000
Certificate of Deposits									2,084,858
Guaranteed Investment Contracts									17,718,340
Total not rated									<u>87,943,769</u>
<i>Exempt:</i>									
US Treasury Notes and Bills									15,568,255
Total Investments									<u>\$168,865,032</u>

Presented below is the actual rating as of June 30, 2008 for each Housing Authority investment type:

Investment Type	
<i>Not rated:</i>	
California Local Agency Investment Fund	<u>\$8,921,500</u>

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

Presented below is the actual rating as of June 30, 2008 for each Alameda P&T investment type as provided by Standard and Poor's:

Investments with Fiscal Agent	
<i>AAA:</i>	
U.S. Bank Cash equivalents, mutual funds of U.S. Securities	\$4,035,461
Federal Agency Issue:	
Federal Home Loan Bank	2,894,838
<i>A1+:</i>	
Certificate of Deposits	3,300,102
<i>Not rated:</i>	
Certificate of Deposits (Morgan Stanley)	2,468,758
Certificate of Deposits (Bank of Alameda)	776,932
Money Market	162,476
Investment Agreement	7,617,148
Local Agency Investment Fund	22,422,998
<i>Exempt:</i>	
U.S. Treasury Notes	2,387,713
U.S. Treasury Bond Stripped Principal Payment	959,364
U.S. Treasury Stripped Interest Payment	1,002,194
Total Investments	\$48,027,984

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, 2008, those investments consisted of (dollars in thousands):

Reporting Unit	Issuer	Investment Type	Reported Amount
<i>Entity Wide:</i>			
Government Activities	Federal Home Loan Mortgage Corporation	U.S. Government-Sponsored Enterprise Agencies	\$11,594,631
	Federal National Mortgage Association	U.S. Government-Sponsored Enterprise Agencies	12,464,430
	Federal Home Loan Bank	U.S. Government-Sponsored Enterprise Agencies	12,178,690
<i>Major Fund:</i>			
General Fund	Federal Home Loan Mortgage Corporation	U.S. Government-Sponsored Enterprise Agencies	11,594,631
General Fund	Federal National Mortgage Association	U.S. Government-Sponsored Enterprise Agencies	12,464,430
General Fund	Federal Home Loan Bank	U.S. Government-Sponsored Enterprise Agencies	12,178,690
General Fund	Federal Farm Credit Bank	U.S. Government-Sponsored Enterprise Agencies	5,602,664
West End Community Improvement Project Area Special Revenue Fund	AIG Matched Funding Corporation	Guaranteed Investment Contract	3,927,297
Capital Improvements Projects Fund	Bank of Alameda	Certificates of Deposits	1,599,216
Non-major Governmental Funds	AIG Matched Funding Corporation	Guaranteed Investment Contract	3,230,955
Fiduciary Funds	CDC Funding	Guaranteed Investment Contract	3,569,282
	Special Assessment Districts in the City of Alameda	Municipal Bonds	30,605,000

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

The City's investments include Mortgage Backed Securities with a fair value at June 30, 2008 of \$1,152,176 that are sensitive to interest rate fluctuations, to a greater degree than already indicated in the information provided above. These securities are subject to early repayment in a period of declining interest rates, which could reduce expected cash flows. The fair value of these investments reflects this potential impact.

The City's investments include a Federal Home Loan Mortgage Corporation investment of \$1,764,317 with a maturity of June 9, 2011. This investment has an embedded call feature, and is callable September 9, 2008.

Alameda P&T's investments include a Federal Home Loan Bank investment of \$1,748,355 with a maturity date of June 24, 2009. The investment has an embedded call feature, and is callable September 24, 2008.

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, 2008 the amounts of current interfund balances were as follows:

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	
General Fund	Ferry Services Enterprise Fund	\$90,154
	Non-Major Governmental Funds	270,328
	Workers' Compensation Insurance Internal Service Fund	704,560
	Unemployment Internal Service Fund	23,339
	Total Due to General Fund	<u>\$1,088,381</u>

B. Long-Term Advances

The General Fund advanced \$1,258,995 to the Alameda Point Improvement Project Area 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 2008.

The General Fund has advanced \$2,400,000 to the FISC Lease Special Revenue Fund to pay for the public safety of former Navy property. The advance bears interest at 6% and is to be repaid from future lease revenue as funds become available.

The Golf Course Enterprise Fund advanced the General Fund Leasing Activity Subfund \$300,000 in fiscal year 2001 for predevelopment activities in connection with the Golf Course at Alameda Point. Upon completion of various pre-development engineering and environmental studies, development of the Golf Course at Alameda Point was deemed unfeasible. In fiscal year 2009, ARRA will repay this loan in full.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

C. Transfers Between City Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between City funds during fiscal year 2008 were as follows:

Fund Receiving Transfers	Fund Making Transfer	Amount Transferred
General Fund	West End Community Improvement Project Area Special Revenue Fund	\$248,119
	Business Waterfront Improvement Project Area Special Revenue Fund	434,791
	Alameda Point Community Improvement Project Area Special Revenue Fund	2,866
	FISC Lease Revenue Special Revenue Fund	242,003
	Alameda Reuse and Redevelopment Authority Special Revenue Fund	2,881,473
	Golf Course Fund	320,837
	Sewer Services Fund	383,974
	Non-Major Governmental Funds	3,225,265
West End Community Improvement Project Area Special Revenue Fund	FISC Lease Revenue Special Revenue Fund	439
	Alameda Reuse and Redevelopment Authority Special Revenue Fund	235,000
	Capital Improvement Projects Fund	300,000
Business Waterfront Improvement Project Area Special Revenue Fund	FISC Lease Revenue Special Revenue Fund	954
	Alameda Reuse and Redevelopment Authority Special Revenue Fund	369,566
Theater Parking Special Revenue Fund	West End Community Improvement Project Area Special Revenue Fund	217,726
	Capital Improvement Projects Fund	300,000
FISC Lease Revenue Special Revenue Fund	West End Community Improvement Project Area Special Revenue Fund	300,000
	Business Waterfront Improvement Project Area Special Revenue Fund	3,508,768
	Alameda Reuse and Redevelopment Authority Special Revenue Fund	472,949
Alameda Reuse and Redevelopment Authority Special Revenue Fund	FISC Lease Revenue Special Revenue Fund	52,503 A
	Non-Major Governmental Funds	80,564 A
Capital Improvement Projects Capital Project Fund	General Fund	605,074 A
	FISC Lease Revenue Special Revenue Fund	300,000 A
	Non-Major Governmental Funds	5,042,389 A
Ferry Services Enterprise Fund	Non-Major Governmental Funds	1,644,970 C
Non-Major Governmental Funds	General Fund	3,931,841 B
	West End Community Improvement Project Area Special Revenue Fund	2,940,394 B
	Business Waterfront Improvement Project Area Special Revenue Fund	989,627 B
	FISC Lease Revenue Special Revenue Fund	853,214 D
	Golf Course Fund	141,897
	Sewer Services Fund	8,120
Internal Service Funds	Non-Major Governmental Funds	1,251,271 B
	West End Community Improvement Project Area Special Revenue Fund	23,990
	Business Waterfront Improvement Project Area Special Revenue Fund	12,079
	Alameda Point Community Improvement Project Area Special Revenue Fund	17
	FISC Lease Revenue Special Revenue Fund	664
	Golf Course Fund	154,217
	Sewer Services Fund	39,248
Non-Major Governmental Funds	146,071	
		<u>\$31,662,880</u>

The reasons for these transfers are set forth below:

- (A) To fund capital projects
- (B) To fund indirect costs and debt services
- (C) To fund ferry services
- (D) To transfer proceeds according to a profit participation agreement

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.

E. Alameda P&T Advances

As of June 30, 2008, the Electric Services Fund had advanced \$43,616,313 to the Telecommunications Services Fund over the past seven years to finance the expansion and operations of the telecommunication services. The advance bears interest at 4%. Repayment is to commence within 20 years from the recording date of each advance installment and is to be paid in 10 equal annual installments. The first payment is scheduled for fiscal year 2020. See Note 16 for subsequent event.

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 expand 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, 2008 was \$6,594,962. Included in this balance was \$1,087,363 receivable from the Housing Authority, as discussed in Note 7 f.

B. Alameda Development Corporation

During fiscal year ended June 30, 2000, the Community Improvement Commission entered into an agreement with the Alameda Development Corporation, a non-profit corporation, to loan the corporation funds to be used to develop for-sale housing units for persons with very low to low annual incomes. The loan is secured by a deed of trust and bears interest at 5% for 59 years. In February, 2006 the loan was amended and restated to include additional funding and allow forgiveness and reconveyance of the loan as each unit is completed and sold to a qualified household. The balance of this loan has been offset by deferred revenues as it is not expected to be repaid during the next fiscal year. As of June 30, 2008, the balance of the loan was \$1,740,000.

C. Affordable Housing Project

The Commission entered into a Participation Agreement with Resources for Community Development (Developer) to develop fifty-two units of Affordable Rental Housing and ten units of Ownership Housing. Under the terms of the Agreement, the Commission would provide \$3,615,000 of housing funds for construction costs. In addition, the City pledged \$400,000 of HOME funds for a portion of the pre-development cost and developer fees. As of June 30, 2008, the Commission had loaned \$1,000,000 to the Developer.

NOTE 4 - LOANS RECEIVABLE (Continued)

D. 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 very small businesses. The loans accrue interest at 2% per year with repayment over ten years. At the City's option, loan payments may be deferred up to three years. The balance of the loans receivable arising from this program at June 30, 2008 was \$75,680.

E. Loan to Alameda P&T

On December 16, 2003 at the request of the Public Utilities Board, the Alameda City Council loaned \$2,200,000 to Alameda P&T for the purpose of the construction of a hybrid fiber-optic/coaxial telecom network. The loan is interest free and is to be repaid on June 1, 2009. As of June 30, 2008 the remaining principal balance was \$2,200,000.

F. Alameda P&T Loans to the City

The City entered into a loan agreement with Alameda P&T for the replacement of deteriorated street lights. Through June 30, 2008, Alameda P&T had expended \$627,300 for street light replacement and the City had made payments of \$442,000. Annual installments of \$40,000 are scheduled until the loan is repaid. At June 30, 2008 the outstanding balance was \$185,300.

The City entered into a loan agreement with Alameda P&T in April 2005 in the amount of \$21,000 to provide the City's Recreation and Parks department's new facility at 2226 Santa Clara Avenue with telecommunications capabilities. The loan is to be repaid four years in equal installments of \$5,250 and has a zero percent interest rate. The first payment was made on June 1, 2005. At June 30, 2008 the outstanding balance was \$5,250.

G. 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. As of June 30, 2008, the balance of the loan was \$2,800,000.

H. City Manager Loan

On June 21, 2005, the City Council approved the appointment of the current City Manager and authorized the execution of an Employment Agreement that outlines the terms and conditions of employment, including a Housing Assistance Agreement. The terms of the Agreement may be amended by action of the City Council.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 4 - LOANS RECEIVABLE (Continued)

The original Housing Assistance Agreement was structured using an equity share concept. However, this structure made it difficult to coordinate with a traditional loan. On April 18, 2006, the City Council amended the Housing Assistance Agreement restructuring it from an equity share concept to a more traditional loan. Additionally, a Loan Agreement and a Subordinate Deed of Trust were required. The amount of the assistance, \$250,000, did not change with the restructuring. The interest rate is established at one-half percent above the current Local Agency Investment Fund rate in order to protect the General Fund's assets. On July 3, 2006, the Amended and Restated Housing Assistance Agreement was executed, funds transferred and repayment established through payroll withholding. As of June 30, 2008, the balance of the loan was \$242,721.

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 over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over 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 over the same period.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 5 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

City capital asset activities for the year ended June 30, 2008 is as follows:

	Balance at June 30, 2007	Additions	Retirements	Transfers	Balance at June 30, 2008
<i>Governmental activities</i>					
Capital assets not being depreciated:					
Land	\$4,921,331				\$4,921,331
Construction in progress	59,530,484	\$18,517,214		(\$36,739,664)	41,308,034
Total capital assets not being depreciated	64,451,815	18,517,214		(36,739,664)	46,229,365
Capital assets being depreciated:					
Buildings	220,491,279		(\$273,930)	32,129,352	252,346,701
Machinery and equipment	25,108,441	741,806	(293,420)		25,556,827
Infrastructure:					
Streets	81,256,428			4,628,329	85,884,757
Landscape	21,015,193			(536,006)	20,479,187
Storm drains	18,292,877			23,328	18,316,205
Portable water	1,490,959		(137,020)		1,353,939
Parks	4,575,256			494,661	5,069,917
Marina facilities	24,285,397				24,285,397
Total capital assets being depreciated	396,515,830	741,806	(704,370)	36,739,664	433,292,930
Less accumulated depreciation:					
Buildings	(83,228,238)	(3,052,751)	93,805		(86,187,184)
Machinery and equipment	(16,929,447)	(1,088,301)	290,620		(17,727,128)
Infrastructure:					
Streets	(47,418,109)	(2,373,404)			(49,791,513)
Landscape	(13,405,593)	(534,730)			(13,940,323)
Storm drains	(6,763,624)	(289,157)			(7,052,781)
Portable water	(1,207,918)	(17,525)	128,867		(1,096,576)
Parks	(1,855,818)	(180,667)			(2,036,485)
Marina facilities	(17,807,449)	(301,218)			(18,108,667)
Total accumulated depreciation	(188,616,196)	(7,837,753)	513,292		(195,940,657)
Net capital assets being depreciated	207,899,634	(7,095,947)	(191,078)	36,739,664	237,352,273
Governmental activity capital assets, net	<u>\$272,351,449</u>	<u>\$11,421,267</u>	<u>(\$191,078)</u>		<u>\$283,581,638</u>

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance at June 30, 2007	Additions	Retirements	Balance at June 30, 2008
<i>Business-type activities</i>				
Capital assets, not being depreciated:				
Land and improvement	\$176,899			\$176,899
Construction in progress	306,419		(\$2,382)	304,037
Total capital assets not being depreciated	<u>483,318</u>		<u>(2,382)</u>	<u>480,936</u>
Capital assets, being depreciated:				
Buildings	865,184			865,184
Sewer lines	59,039,507	\$1,211,325		60,250,832
Streets	188,016			188,016
Storm drains	314,356			314,356
Golf improvements	4,157,597		2,382	4,159,979
Ferry boats	12,758,250	549,408		13,307,658
Office furniture and equipment	2,535,562			2,535,562
Net capital assets being depreciated	<u>79,858,472</u>	<u>1,760,733</u>	<u>2,382</u>	<u>81,621,587</u>
Less accumulated depreciation for:				
Buildings	(204,894)	(12,206)		(217,100)
Sewer lines	(21,202,657)	(942,720)		(22,145,377)
Streets	(122,140)	(4,821)		(126,961)
Storm drains	(58,936)	(4,191)		(63,127)
Golf improvements	(1,695,276)	(157,925)		(1,853,201)
Ferry boats	(3,861,520)	(456,640)		(4,318,160)
Office furniture and equipment	(2,190,113)	(72,936)		(2,263,049)
Total accumulated depreciation	<u>(29,335,536)</u>	<u>(1,651,439)</u>		<u>(30,986,975)</u>
Net capital assets being depreciated	<u>50,522,936</u>	<u>109,294</u>	<u>2,382</u>	<u>50,634,612</u>
Business-type activity capital assets, net	<u>\$51,006,254</u>	<u>\$109,294</u>		<u>\$51,115,548</u>

B. The Housing Authority's Capital Assets

Housing Authority capital asset activities for the year ended June 30, 2008 is as follows.

	Balance June 30, 2007	Additions	Balance June 30, 2008
Capital assets, not being depreciated:			
Land	\$11,962,853		\$11,962,853
Capital assets, being depreciated:			
Buildings & Improvements	31,536,764	\$842,803	32,379,567
Equipment	200,988		200,988
Net capital assets being depreciated	<u>31,737,752</u>	<u>842,803</u>	<u>32,580,555</u>
Less accumulated depreciation:	<u>(13,672,112)</u>	<u>(887,889)</u>	<u>(14,560,001)</u>
Net Capital Assets being depreciated	<u>18,065,640</u>	<u>(45,086)</u>	<u>18,020,554</u>
Total capital assets, net	<u>\$30,028,493</u>	<u>(\$45,086)</u>	<u>\$29,983,407</u>

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS (Continued)

C. Alameda P&T's Capital Assets

Alameda P&T capital asset activities for the year ended June 30, 2008 is as follows:

	Balance July 1, 2007	Additions Adjustments	Retirements Adjustments	Transfers	Balance June 30, 2008
Capital assets not being depreciated:					
Land and Rights	\$758,672				\$758,672
Construction Work in Progress	4,458,643	\$4,033,897		(\$7,091,996)	1,400,544
Total capital assets not being depreciated	<u>5,217,315</u>	<u>4,033,897</u>		<u>(7,091,996)</u>	<u>2,159,216</u>
Capital assets being depreciated:					
Utility Plant	109,296,995	6,237,677	(\$26,839,930)		88,694,742
Service Center Building	7,843,585	51			7,843,636
Machinery and Equipment	8,704,021	204,883			8,908,904
Transportation Equipment	2,177,077	372,064	(350,449)		2,198,692
Computer Equipment	3,131,850	277,321			3,409,171
Furniture and Fixtures	599,846				599,846
Total capital assets being depreciated	<u>131,753,374</u>	<u>7,091,996</u>	<u>(27,190,379)</u>		<u>111,654,991</u>
Less accumulated depreciation for:					
Utility Plant	39,508,125	4,469,244	(46,168)		43,931,201
Service Center Building	2,385,775	172,658			2,558,433
Machinery and Equipment	4,631,295	711,804			5,343,099
Transportation Equipment	1,567,813	109,572	(350,449)		1,326,936
Computer Equipment	2,954,556	76,777			3,031,333
Furniture and Fixtures	332,664	19,831			352,495
Total accumulated depreciation	<u>51,380,228</u>	<u>5,559,886</u>	<u>(396,617)</u>		<u>56,543,497</u>
Total depreciable assets	<u>80,373,146</u>	<u>1,532,110</u>	<u>(26,793,762)</u>		<u>55,111,494</u>
Business activity capital assets, net	<u>\$85,590,461</u>	<u>\$5,566,007</u>	<u>(\$26,793,762)</u>	<u>(\$7,091,996)</u>	<u>\$57,270,710</u>

CITY OF ALAMEDA
Notes to Basic Financial Statements

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 are as follows:

<i>Governmental Activities</i>	
General government	\$391,700
Police	267,665
Fire	306,953
Public works	3,626,737
Development services, planning and building	2,227,655
Culture and recreation	<u>1,017,043</u>
Total Governmental Activities	<u><u>\$7,837,753</u></u>
 <i>Business-Type Activities</i>	
Ferry Services	\$456,640
Golf Course	218,106
Sewer Services	<u>976,693</u>
Total Business-Type Activities	<u><u>\$1,651,439</u></u>
 <i>Discretely Presented Component Units:</i>	
Housing Authority of City of Alameda	<u>\$887,889</u>
Alameda Power & Telecom	<u><u>\$5,563,387</u></u>

NOTE 6 – LOAN PAYABLE

On April 4, 2003, the ARRA entered into a loan agreement with a developer for the Bayport Residential Project. Under the agreement, the developer would provide funding up to \$28,800,000 for the redevelopment of the former U.S. Navy East Housing, Fleet Industrial Supply Center Annex (FISCA), and Fleet Industrial Supply Center (FISC). The repayment of the loan is financed by tax increment revenues from the Bayport Residential Project. The City expects to repay this loan in fiscal 2010.

The City's loan payable activities for the year ended June 30, 2008 was as follows:

Beginning balance	\$4,739,197
Additions	1,154,619
Retirements	<u>(5,029,684)</u>
Ending balance	<u><u>\$864,132</u></u>

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – 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 related debt.

Bond Discounts and Issuance Costs

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

A. *City Long-Term Debt*

The City's long-term debt activities for the year ended June 30, 2008 is as follows:

	Balance June 30, 2007	Additions	Retirements	Balance June 30, 2008	Current Portion
Governmental Activity Debt:					
Certificates of Participation:					
1996 Police Building	\$1,650,000		\$145,000	\$1,505,000	\$155,000
1996 Library/Golf	3,720,000		165,000	3,555,000	170,000
2002 City Hall	9,920,000		385,000	9,535,000	395,000
Total Certificates of Participation	15,290,000		695,000	14,595,000	720,000
1992 Revenue Bonds	1,555,000		125,000	1,430,000	135,000
2002 Subordinate Tax Allocation Bonds	3,410,000		525,000	2,885,000	595,000
2003 General Obligation Bonds	10,135,000		175,000	9,960,000	185,000
2003 Tax Allocation Refunding Bonds	18,335,000		430,000	17,905,000	450,000
2003 Tax Allocation Bonds	46,265,000		50,000	46,215,000	60,000
2003 ARRA Demand Revenue Bonds	13,440,000		240,000	13,200,000	300,000
Equipment Purchase Agreements	665,732		233,895	431,837	236,705
Loans Payable	4,915,559	\$3,000,000	135,009	7,780,550	105,250
Leases Payable	633,496		179,582	453,914	184,475
Total Governmental Activity Debt	\$114,644,787	\$3,000,000	\$2,788,486	\$114,856,301	\$2,971,430
Business-Type Activity Debt:					
1995 Certificates of Participation	\$3,545,000		\$250,000	\$3,295,000	\$265,000
State Construction Loan	141,795		19,539	122,256	20,201
State Water Resources Control Board	1,442,170		113,817	1,328,353	116,949
State Revolving Fund Loan, 1998	1,513,390		109,083	1,404,307	111,819
State Revolving Fund Loan, 1999	725,209		47,308	677,901	48,586
State Revolving Fund Loan, 2004	1,324,821		67,826	1,256,995	69,590
Equipment Purchase Agreements	340,301	\$449,753	274,823	515,231	124,283
Total	\$9,032,686	\$449,753	\$882,396	\$8,600,043	\$756,428

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (Continued)

B. Housing Authority Long Term Debt

The Housing Authority's long-term debt activity for the year ended June 30, 2008 is as follows:

	Balance June 30, 2007	Retirements	Balance June 30, 2008
ARCS Commercial Co. L.P.	\$6,614,772	\$97,211	\$6,517,561
PMC Financial Services	8,937,273	187,388	8,749,885
Notes Payable - City of Alameda	1,088,600	1,237	1,087,363
Notes Payable - Other	443,661	13,448	430,213
Total	<u>\$17,084,306</u>	<u>\$299,284</u>	<u>\$16,785,022</u>

C. Alameda P&T Long-Term Debt

Alameda P&T's long-term debt consists of the Certificates of Participation issues discussed in Note G below. The Alameda P&T long-term debt issues and transactions were as follows:

	Original Issue Amount	Balance June 30, 2007	Additions	Retirements	Balance June 30, 2008	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	
Telecom System Revenue Taxable COPs, Series 2002A	6,300,000	6,300,000		\$155,000	6,145,000	\$6,145,000
Telecom System Revenue Bond Anticipation Notes, Series 2004	33,000,000	33,000,000			33,000,000	33,000,000
2008 Truck (Airtel Model AM-55)- Capital Lease	176,295		\$176,295	3,459	172,836	17,707
Loan from City of Alameda	2,200,000	2,200,000			2,200,000	2,200,000
Total long-term debt		<u>\$80,545,000</u>	<u>\$176,295</u>	<u>\$158,459</u>	<u>\$80,562,836</u>	<u>\$41,362,707</u>

Alameda P&T 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

NOTE 7 – LONG-TERM DEBT (Continued)

D. Debt Service Requirements - City, Housing Authority and Alameda P&T

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		Business-Type Activities	
	Principal	Interest	Principal	Interest	Housing Authority		Alameda P&T	
2009	\$2,971,430	\$5,714,478	\$756,428	\$318,137	\$316,654	\$667,132	\$41,362,707	\$5,021,935
2010	3,129,491	5,629,552	784,204	286,715	334,978	652,372	22,332	2,397,341
2011	3,124,360	5,447,451	817,633	254,880	354,362	636,764	23,591	2,397,342
2012	3,324,360	5,286,810	821,892	219,428	374,867	620,256	999,920	3,314,981
2013	3,516,660	5,110,625	728,877	193,510	396,560	602,798	1,116,325	3,365,351
2014-2018	19,217,000	22,839,838	3,943,920	546,777	2,354,787	2,714,830	6,454,705	16,586,385
2019-2023	23,258,000	17,826,144	747,089	46,575	3,119,914	2,100,263	8,915,000	16,657,355
2024-2028	26,355,000	11,474,583			4,076,624	1,290,467	12,205,000	16,688,783
2029-2033	28,490,000	4,654,990			3,595,974	364,479	9,465,000	10,067,856
2034-2038	1,470,000	16,750			919,674	22,125		
2039-2043					45,860			
2044-2048					39,872			
2049-2053					31,859			
2054-2058					823,037			
2059-2062								
Total	\$114,856,301	\$84,001,221	\$8,600,043	\$1,866,022	\$16,785,022	\$9,671,486	\$80,564,580	\$76,497,329

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

Some of the City's debt is in the form of Certificates of Participation, which are a type of debt 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.

1996 Police Building Refinancing and Equipment Financing Certificates of Participation - The City issued Certificates of Participation in the original principal amount of \$2,770,000, and bearing interest at 4.00-6.125%, on July 16, 1996 as a sale and leaseback agreement under a non-cancelable lease extending to August 1, 2015. The proceeds from the sale of the Bonds were used to refund City's 1990 COP's Police Building and Equipment Financing Project COPs. Under this lease, the City makes semi-annual payments February 1 and August 1 from the Police and Fire Impact fund and asset seizure revenues to pay the principal and interest on the 1996 Certificates of Participation. The cost of the building and the balance of the debt evidenced by the Police Building Refinancing and Equipment Financing Certificates of Participation have 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 the conclusion of the lease term. These Certificates were repaid in August 2008 by the City through the issuance of the Certificates of Participation (2008 Refinancing Project) as discussed in Note 16.

NOTE 7 - LONG-TERM DEBT (Continued)

1996 Library and Golf Course Upgrade and Renovation Certificates of Participation - The City issued Certificates of Participation in the original principal amount of \$4,900,000, and bearing interest at 3.90-5.75%, on December 1, 1996 to finance the seismic upgrade and renovation of the Carnegie Library building and certain golf course facilities under a non-cancelable lease of these facilities extending to December 1, 2021. Under this lease, the City makes semi-annual payments June 1 and December 1 from any source of available funds of the City which are sufficient to pay the principal and interest on the 1996 Certificates of Participation. Ownership of the leased premises reverts to the City at the end of the lease. The balance of the debt evidenced by the Library and Golf Course Upgrade and Renovation Certificates of Participation have 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. These Certificates were repaid in August 2008 by the City through the issuance of the Certificates of Participation (2008 Refinancing Project) as discussed in Note 16.

2002 City Hall Refinancing Project Certificates of Participation - The City issued Certificates of Participation in the original principal amount of \$11,370,000, and bearing interest at 2.25-4.75%, on September 10, 2002 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 have 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.

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 the 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.

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

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.

The pledge of future tax increment revenues ends upon repayment of the \$1,903,620 in remaining debt service on the Community's Revenue Bonds, scheduled to occur in 2016. As disclosed in the bond indenture originating offering documents, pledged future tax increment revenues are expected to provide coverage over debt service of 2.5 over the life of the Bonds. For fiscal year 2008, tax increment revenues amounted to \$1,043,462, which represented coverage of 4.52 over the \$230,740 in current year debt service.

NOTE 7 - LONG-TERM DEBT (Continued)

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 pledge of future tax increment revenues ends upon repayment of the \$3,466,988 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 fiscal year 2008, tax increment revenues amounted to \$6,817,631, which represented coverage of 8.7 over the \$783,626 in current year debt service.

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, plus 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 revenue of the City. Principal payments are due annually on August 1. Interest payments are due semi-annually on February 1 and August 1 through August 1, 2033.

2003 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.

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.

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 \$123,211,460 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 fiscal year 2008, tax increment revenues amounted to \$5,878,255, which represented coverage of 1.47 over the \$3,999,609 in current year debt service.

NOTE 7 - LONG-TERM DEBT (Continued)

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 in 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 \$17,560,800 in remaining debt service on the Bonds which is scheduled to occur in 2034. As disclosed in the bond indenture documents, pledged future sublease revenues are expected to provide coverage over debt service of 1.5 during the life of the Bonds. For fiscal year 2008, sublease revenues amounted to \$10,355,883 which represented coverage of 1,559% over the \$664,444 in debt service.

Loans Payable - The City entered into a loan with Alameda P&T for the replacement of deteriorated street lights. Through June 30, 2008, Alameda P&T had expended \$627,300 for street light replacement, and the City had made payments of \$442,000. Annual installments of \$40,000 are scheduled until the loan is repaid. At June 30, 2008 the outstanding balance was \$185,300.

The City entered into a loan with Alameda P&T in April 2005 for \$21,000 to provide the City's Recreation and Parks Department's new facility at 2226 Santa Clara Avenue with telecommunications capabilities. The loan is to be repaid over four years with equal installments of \$5,250 and has a zero percent interest rate. At June 30, 2008 the outstanding balance was \$5,250.

ERAF Loan Program – In April 2006, the Community Improvement Commission borrowed \$695,000 from 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.

HUD Section 108 Loan – On January 5, 2006, the City entered into an agreement to borrow \$7,000,000 from the Housing 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. Repayments of the loans are funded by a BEDI grant, parking garage and retail and cinema lease revenues.

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%. \$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 is to 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.

NOTE 7 – LONG-TERM DEBT (Continued)

The pledge of future net revenues ends upon repayment of the \$4,242,480 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 2008, Sewer Fund Revenues including operating revenues and non-operating interest earnings amounted to \$6,420,348 and operating costs include operating expenses, excluding interest, depreciation or amortizations, amounted to \$3,015,566. Net Revenues available for debt service amounted to \$3,404,782 which represented coverage of 8.03 over the \$424,110 in debt service.

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.

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.

State Revolving Fund Loan - 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.

State Revolving Fund Loan - 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 shall bear interest at 2.7% per year for a term of twenty years.

State Revolving Fund Loan - 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 shall bear interest at 2.6% per year for a term of twenty years.

Equipment Purchase Agreements - On November 3, 1994 the City entered into a non-cancelable lease agreement in the amount of \$450,000 with U.S. Bank to acquire a fire truck. The City agreed to pay the lease in monthly payments of \$3,875 for 180 months. Ownership of the fire truck reverts to the City at the end of the lease term. Since the lease is in essence a financing arrangement, the cost of the fire truck and the amount of the lease have been included in the City's financial statements.

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.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (Continued)

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.

On May 7, 2003 the City entered into a non-cancelable lease agreement in the amount of \$948,040 with Bank of Alameda to acquire a telephone system. The City agreed to pay the lease in monthly payments of \$19,003 for 84 months. Ownership of the equipment reverts to the City at the end of the lease term. Since the lease is in essence a financing arrangement, the costs of the telephone system and the amount of the lease have been included in the City's financial statements.

On December 15, 2005 the City entered into a lease agreement in the amount of \$336,874 with the California First Leasing Corporation to acquire accounting system upgrades, a Fire Record Management System and a Storage Area Network. Included in the lease amount are license fees, training, installation, and data conversion costs. The City agreed to pay the lease in annual payments of \$122,222 for three years. Ownership of the software and hardware reverts to the City at the end of the lease term. Since the lease is in essence a financing arrangement, the capital costs and the amount of the lease have been included in the City's financial statements.

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 end of the lease term. 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.

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, 2008 was \$6,517,561.

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 \$430,213 as of June 30, 2008. 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, 2008 were \$517,363.

NOTE 7 – LONG-TERM DEBT (Continued)

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, 2008 was \$8,749,885.

G. *Alameda Power & Telecom Certificates of Participation and Bonds Payable*

Electric System Revenue Taxable Certificates of Participation, Series 2000AT -- On April 6, 2000, Alameda P&T 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. On July 24, 2001, Alameda P&T entered into a Swap agreement with UBS Warburg to establish a set interest rate of 6.23% on the certificates. Interest amounts are payable monthly. All principal and interest payments are to be made from Alameda P&T's operating revenues and are secured by a pledge of these revenues.

Electric System Revenue Certificates of Participation, Series 2000A -- On April 1, 2000 Alameda P&T 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. The Series 2000A Certificates of Participation mature annually through July 1, 2030. Principal amounts are payable annually July 1 commencing July 1, 2011. Interest amounts are payable semiannually on January 1 and July 1.

Alameda P&T is required to maintain amounts of cash and investments with trustees or fiscal agents under the term of the Series 2000A Certificates of Participation, as discussed at Note 2.

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 fiscal year 2001.

Telecom System Revenue Taxable Certificates of Participation, Series 2002A -- Alameda P&T purchased VECTREN Communications Services, Inc.'s (VCS) right to operate the System and to receive any Management fee for the purchase price of \$6,300,000 under an installment sale agreement in which periodic payments of principal and interest will be paid to VCS. Simple interest shall accrue at the rate of 5% per annum of the purchase price from the effective date of the agreement, which is June 28, 2002. Subject to the availability of telecommunications net system revenues, Alameda P&T will repay this obligation with five installments. The payment due on May 1, 2007 of \$1,288,673 is deferred until fiscal year 2009. Pursuant to Telecom System Revenue Bond Anticipation Notes Series 2004 trust agreements, Alameda P&T accrued \$183,526 additional interest payable in fiscal year 2008. The management fee is amortized over 15 years and the amortization expense was \$462,000 in fiscal year 2008.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 - LONG TERM DEBT (Continued)

Telecom System Revenue Bond Anticipation Notes, Series 2004 -- On April 8, 2004, Alameda P&T issued \$33,000,000 of Revenue Bond Anticipation Notes. Proceeds were used to pay the balance of the Certificates of Participation 2000B, to finance additional costs of the construction, equipping and improvement of the Telecom System and to establish a reserve to pay capitalized interest on the Notes through their maturity dates. The Notes mature on June 1, 2009. The Notes bear interest at 7% and interest payments are made semi-annually on December 1 and June 1 from funds provided by the capitalized interest reserve.

Loan from City of Alameda – On December 16, 2003, at the request of the Public Utilities Board, the Alameda City Council authorized a loan of \$2,200,000 to Alameda P&T for the purpose of construction of the hybrid fiber-optic/coaxial telecom system. The loan is interest free and is due on June 1, 2009.

Capital Lease Obligation – On June 1, 2008, Alameda P&T 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.

H. KQED, Inc.

On May 1, 1990 the City acted as a financial intermediary in order to assist the public television station KQED, Inc. in issuing \$17,200,000 in variable rate demand bonds. The bonds are payable solely from revenues collected by KQED, Inc. The City has not included these bonds in its basic financial statements since it is not legally or morally obligated for the repayment of the bonds.

NOTE 8 - 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 or moral liability with respect to the payment of this debt, which is secured only by assessments on the properties in these Districts.

At June 30, 2008, these Districts' outstanding debt amounted to \$45,610,000.

NOTE 9 – NET ASSETS AND FUND BALANCES

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 categories. These captions apply only to Net Assets, which is determined only at 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 that portion of Net Assets which is not restricted as to use.

NOTE 9 – NET ASSETS AND FUND BALANCES (Continued)

B. Fund Balance

Fund balance consists of reserved and unreserved amounts. Reserved fund balance represents that portion of a fund balance, which has been appropriated for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved.

A portion of unreserved fund balance may be designated to indicate plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans are subject to change and may never be legally authorized or result in expenditures.

The funds below had fund balance deficits or net asset deficits in the amounts shown at June 30, 2008. Future revenues are expected to offset these deficits.

Special Revenue Funds:

Alameda Point Improvement Project Area	\$948,152
FISC Lease Revenue	218,948
CHRPO/LEAD	36,287
Narcotics Assets Seizure	30,869

Internal Service Funds:

Workers' Compensation Insurance	6,097,130
Unemployment Insurance	23,339

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 9 – NET ASSETS AND FUND BALANCES (Continued)

Expenditures in Excess of Budget

The funds below incurred expenditures or expenses in excess of their budgets in the amounts below as the result of unanticipated disbursements for the year ended June 30, 2008. Sufficient funds were available to fund these expenditures.

General Fund:	
Capital Outlay	\$133,492
Special Revenue Funds:	
West End Community Improvement Project Area Fund	
Capital outlay	867
Business and Waterfront Improvement Project Area Fund	
Debt Service: Interest and fiscal charges	602
Alameda Point Improvement Project Area Fund	
Capital outlay	114
FISC Lease Revenue Fund	
Development services, planning and building	72,625
Debt Service: Interest	38,395
Alameda Reuse and Redevelopment Area Fund	
Capital outlay	1,450
Theatre/Parking Structure Project Fund	
Debt service: Interest	13,009
HOME Repayment Fund	
Capital outlay	595
Library Fund	
Capital outlay	17,055
Parking Meter Fund	
General government	15,546
Athletic Recreation Fund	
General government	6,411
Capital outlay	5,318
Housing Development Fund	
Housing and community services	1,637
Marina Cove Maintenance District 01-01 Fund	
Public works	5,848
Debt Service Fund	
Police Building Certificates of Participation Fund	
Debt service: Interest	2,192
Library/Golf Certificates of Participation Fund	
Debt service: Interest	2,134
2002 City Hall Refinancing Certificates of Participation Fund	
Debt service: Principal	385,000
Community Improvement Commission Subordinate Bonds BWIP Fund	
Debt service: Interest	841
Community Improvement Commission 2003 Tax Allocation Bonds WECIP Fund	
Debt service: Interest	939
HUD 108 Fund	
Debt service: Interest	33,729

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS

A. CALPERS Safety and Miscellaneous Employees Plans

Substantially all City employees are eligible to participate in pension plans offered by 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 at June 30, 2008, are summarized as follows:

	Safety	Miscellaneous
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	29.972%	12.588%

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

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% 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 over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (Continued)

The Plans' actuarial value (which differs from market value) and funding progress over 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
2004	\$198,572,604	\$150,663,110	\$47,909,494	75.9%	\$20,542,771	233.2%
2005	213,699,436	163,233,739	50,465,697	76.4%	21,213,748	237.9%
2006	228,039,491	176,569,200	51,470,291	77.4%	21,904,057	235.0%

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
2004	\$143,447,821	\$127,047,861	\$16,399,960	88.6%	\$32,848,338	49.9%
2005	154,416,758	137,051,641	17,365,117	88.8%	31,220,941	55.6%
2006	166,354,514	148,421,494	17,933,020	89.2%	30,099,641	59.6%

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

Actuarially required contributions for fiscal years 2008, 2007, and 2006 were \$10,940,032, \$10,513,857, and \$11,569,361. The City made these contributions as required, together with certain immaterial amounts required as the result of the payment of additional employee compensation.

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 39 participants, all of whom are retired employees or beneficiaries. Employees with 25 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 10 but before 25 years of service receive monthly pension benefits in the proportion that the number of years service bears to 25. 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 \$2,162 and \$1,355 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.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (Continued)

C. Funding Policy

Although Plans 1079 and 1082 may have some allocated assets, the City's contribution 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, or
- actual benefits paid during the year

D. Annual Pension Cost

Government 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 unfounded actuarial liability or, (b) actual benefit payments made for the year.

For fiscal year ending June 30, 2008, the City's annual required contribution was \$2,741,000 for Plan 1079 and \$77,000 for Plan 1082. These amounts compare with the City's actual contributions of \$2,741,000 for Plan 1079 and \$42,000 for Plan 1082. The annual required contribution was determined by a roll-forward of the June 2007 valuation results using the unit credit actuarial cost method. The actuarial assumptions included (a) 4.5% investment return (net of administrative expenses), (b) the CalPERS 1997 – 2002 Experience Study table for Males and Females, (c) annual benefit increases of 5% a year for Plan 1079 and cost-of-living adjustment of 2% per year for Plan 1082. Both (a) and (c) include a 3% annual inflation component. At June 30, 2008, the City had a net pension obligation of \$45,000, a decrease of \$35,000 from prior year's obligation. This liability has been reported on the Statement of Net Assets.

E. Trend Information - Plans 1079 and 1082

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

Plan 1079:

Fiscal Year Ending	Annual Pension Cost (APC) (000's omitted)	Percentage of APC Contributed	Net Pension Obligation (000's omitted)
6/30/2006	\$3,072	101%	\$377
6/30/2007	2,828	101%	358
6/30/2008	2,724	101%	341

Plan 1082:

Fiscal Year Ending	Annual Pension Cost (APC) (000's omitted)	Percentage of APC Contributed	Net Pension Obligation (000's omitted)
6/30/2006	\$33	121%	\$131
6/30/2007	67	61%	157
6/30/2008	70	60%	185

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (Continued)

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
<i>Plan 1079</i>						
1/1/2005	\$0	\$30,839,000	\$30,839,000	0%	N/A	N/A
6/30/2007	0	26,299,000	26,299,000	0%	N/A	N/A
6/30/2008	0	24,680,000	24,680,000	0%	N/A	N/A
<i>Plan 1082</i>						
1/1/2005	\$0	\$843,000	\$843,000	0%	N/A	N/A
6/30/2007	0	832,000	832,000	0%	N/A	N/A
6/30/2008	0	827,000	827,000	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.

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.

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, 2008, total contributions of \$244,727 were made based on a total amount of covered compensation of \$3,263,006.

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, 2008 amounted to \$2,912 of which the City paid one-half.

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 or age 50, as well as medical and disability benefits upon retirement.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (Continued)

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 P&T. The employees include all department directors. The appointees include the City Clerk and the City Attorney. Under the Money Purchase Plan, the employer contributes 1% of the individual's salary and 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 are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

NOTE 11 - RISK MANAGEMENT

The City, the Housing Authority and Alameda P&T 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 P&T and ARRA are members of the California Joint Powers Risk Management Authority (CJPRMA) which covers general liability claims up to \$25,000,000. The City, Alameda P&T and ARRA both 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, 2008, the City contributed \$791,615 for coverage during the current year and received a refund of \$159,133 of prior year excess contributions.

The Alameda P&T has purchased commercial insurance against general liability claims. This policy has a self-insured retention of \$1,000,000.

The City and Alameda P&T 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 P&T have self-insured retention of up to \$250,000 per claim. During the fiscal year ended June 30, 2008, the City and Alameda P&T contributed \$628,353 and \$113,103 respectively, for current year coverage.

The contributions made to each risk pool equal the ratio of their respective payrolls to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 11 - RISK MANAGEMENT (Continued)

The Housing Authority is a member of the Housing Authorities Risk Retention Pool (HARRP) which covers property coverage on a replacement cost basis up to \$77,807,225 after a \$1,000 deductible per claim, as well as general liability claims to \$2,000,000, which does not require a deductible and auto liability claims to \$1,000,000 after a \$250 deductible. During the fiscal year ended June 30, 2008 the Authority contributed \$59,089 for current year coverage.

The Housing Authority is a member of the California Housing Workers' Compensation Authority (CHWCA) which covers workers' compensation claims up to statutory limits. The Housing Authority is not subject to any deductible under this coverage. During the fiscal year ended June 30, 2008 the Housing Authority contributed \$94,420 for current year coverage.

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

Type of Coverage	Coverage Limits		
	City	Housing Authority	Alameda P&T
Liability	\$40,000,000	\$3,000,000	\$40,000,000
Auto - Physical damage	Actual Cash Value	1,000,000	Actual Cash Value
Workers' Compensation	Statutory	Statutory	Statutory
All Risk Fire & Property except earthquake and flood	Replacement Cost	10,000,000	Replacement Cost
Boiler & Machinery	Replacement Cost		Replacement Cost

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 biennially and was computed as follows for the years ended June 30:

	2008	2007
Beginning balance	\$1,185,842	\$946,865
Liability for current fiscal year claims	68,213	109,573
Increase (decrease) in estimated liability for prior year claims	10,483	154,794
Claims paid in current year	(46,357)	(25,390)
Ending balance	<u>\$1,218,181</u>	<u>\$1,185,842</u>

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 11 - RISK MANAGEMENT (Continued)

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

	2008	2007
Beginning balance	\$5,874,581	\$5,956,453
Liability for current fiscal year claims	2,762,826	762,536
Increase (decrease) in estimated liability for prior year claims	(700,114)	1,075,150
Claims paid in current year	(2,381,715)	(1,919,558)
Ending balance	\$5,555,578	\$5,874,581

The City has not significantly reduced its insurance coverage from the prior year. Furthermore, settlements have not exceeded insurance coverage for the past three fiscal years.

NOTE 12 – ALAMEDA P&T JOINT VENTURES

A. General

Alameda P&T 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 Alameda P&T 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.

The JPAs are discussed in this note and in Note 10.

Alameda P&T 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 Alameda P&T to NCPA during the years ended June 30, 2008 and 2007 for purchased power were \$27,316,014 and \$27,729,141, respectively. Amounts paid reflect that NCPA invoiced amounts include payments received by NCPA from the Certificates of Participation 2000AT trustee for Alameda P&T's costs.

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

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 12 – ALAMEDA P&T JOINT VENTURES (Continued)

Effective July 1, 1998, Alameda P&T restated its Retained Earnings to include its share in NCPA projects and reserve, and its Statement of Revenues and Expenses to include the effects of changes in its share in NCPA projects and reserve. These changes are set forth below:

	Fiscal Year Ended June 30	
	2008	2007
Beginning balance	\$18,424,997	\$16,198,069
Increase in equity in NCPA projects	3,227,810	2,226,928
Ending balance	<u>\$21,652,807</u>	<u>\$18,424,997</u>

Alameda P&T's interest in NCPA Projects and Reserve, as computed by NCPA, is set forth below.

	June 30	
	2008	2007
General Operating Reserve	\$18,172,110	\$15,915,878
Associated Member Services	297,361	285,497
Net book value of amounts contributed to fund		
Alameda P&T's share of NCPA power projects:		
Geothermal Projects/Power Line	2,288,434	1,255,049
Calaveras Hydroelectric Project	631,003	891,334
Combustion Turbine Project No. 1	193,808	7,416
Combustion Turbine Project No. 2	70,091	69,823
	<u>\$21,652,807</u>	<u>\$18,424,997</u>

The General Operating Reserve represents Alameda P&T'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 Alameda P&T 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 P&T is a Participant*

Geothermal Projects

A purchased power agreement with NCPA obligates Alameda P&T 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. Alameda P&T is obligated to pay 16.8825% of the operating costs of both plants.

NOTE 12 – ALAMEDA P&T JOINT VENTURES (Continued)

NCPA has continued to monitor the geothermal steam production wells while pursuing alternatives for improving and extending steam field reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA, along with other steam field operators, has observed a substantial increase in steam production in the vicinity of reinjection wells and has evaluated a number of alternatives to increase water reinjection at strategic locations. NCPA, together with other steam developers and the Lake County Sanitation District, has completed the construction of a wastewater pipeline project that greatly increased the amount of water available for reinjection.

In January 1996, NCPA issued \$167,940,000 (1996 Refunding Series B), and \$5,420,000 (1996 Taxable Series C) in variable rate revenue bonds, the proceeds of which were used to refund a portion of the 1987 Refunding Series A Revenue Bonds. In August 1998, NCPA remarketed \$121,590,000 (1996 Refunding Series A) of revenue bonds changing the interest rate from a weekly interest rate to a long-term rate. Alameda P&T 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, 2008, the book value of this Project's plant, equipment and other assets was \$125,495,074 while its long-term debt totaled \$76,903,557 and other liabilities totaled \$7,283,364. Alameda P&T's share of the Project's long-term debt and other liabilities amounted to \$14,357,321 at that date.

Based on an internal assessment of the melded costs of power from the Geothermal Project and all other resources available to the members, NCPA believes its members will continue to be able to operate their electric utilities on a competitive basis, while meeting all electric system obligations including those to NCPA.

Geothermal Public Power Line

In 1983, NCPA, Sacramento Municipal Utility District, the City of Santa Clara and the Modesto Irrigation District (joint owners) initiated studies for a Geothermal Public Power Line (GPPL) which would carry power generated at several existing and planned geothermal plants in the Geysers area to a location where the joint owners could receive it for transmission to their load centers. NCPA has an 18.5% share of this Project and Alameda P&T has a 30.359% participation in NCPA's share. In 1989, the development of the proposed Geothermal Public Power Line was discontinued because NCPA was able to contract for sufficient transmission capacity to meet its needs in the Geysers. However, because the project financing provided funding for an ownership interest in a PG&E transmission line, a central dispatch facility and a performance bond pursuant to an Interconnection Agreement with PG&E, as well as an ownership interest in the proposed GPPL, NCPA issued \$16,000,000 in long-term, fixed-rate revenue bonds in November 1989 to defease the remaining variable rate refunding bonds used to refinance this project. In December 1998, NCPA issued \$9,920,000 in fixed rate revenue bonds, the proceeds of which were used to refund outstanding transmission project revenue bonds and to pay costs of issuance of the debt. Alameda P&T is obligated to pay its 30.359% share of the related debt service, but debt service costs are covered through NCPA billing mechanisms that allocate the costs to members based on use of the facilities and services.

At June 30, 2008, the book value of this Project's plant, equipment and other assets was \$2,562,599 while its long-term debt totaled \$1,714,034, and other liabilities totaled \$848,570. Alameda P&T's share of the Project's long-term debt and other liabilities amounted to \$777,981 at that date.

NOTE 12 – ALAMEDA P&T JOINT VENTURES (Continued)

Calaveras Hydroelectric Project

In July 1981, NCPA agreed with Calaveras County Water District to purchase the output of the North Fork Stanislaus River Hydroelectric Development Project, during the initial 50-year Federal Energy Regulatory Commission license period, and to finance its construction. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants. In April 2002, NCPA issued \$86,620,000 (2002 Refunding Series A for \$43,310,000 and 2002 Refunding Series B for \$43,310,000) in variable rate demand bonds for the purpose of providing funds, together with available funds, to refund a portion of the bonds issued in 1992 in order to realize debt service savings. In March 2003, NCPA issued \$55,040,000 (2003 Refunding Series A for \$49,130,000 and 2003 Refunding Series B for \$5,910,000) in variable rate demand bonds for the purpose of providing funds, together with other available moneys, to refund a portion of NCPA's outstanding Hydroelectric Project Number One Revenue Bonds, 1993 Refunding Series A, in order to realize debt service savings. Under its power purchase agreement with NCPA, Alameda P&T is obligated to pay 10% of this Project's debt service and operating costs. At June 30, 2008, the book value of this Project's plant, equipment and other assets was \$505,026,397 while its long-term debt totaled \$468,727,669 and other liabilities totaled \$26,426,485. Alameda P&T's share of the Project's long-term debt and other liabilities amounted to \$49,515,415 at that date.

Combustion Turbine Project No. 1

In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities including Alameda, began full commercial operation in June 1986, providing reserve and peaking power. In December 1989, NCPA issued \$68,958,257 in fixed rate revenue bonds, the proceeds of which were used to defease the bonds then outstanding. 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, Alameda P&T is obligated to pay 13.092% of this Project's debt service and operating costs. At June 30, 2008, the book value of this Project's plant, equipment and other assets was \$15,509,751 while its long-term debt totaled \$7,959,793, and other liabilities totaled \$4,231,677. Alameda P&T's share of the Project's long-term debt and other liabilities amounted to \$1,596,107 at that date.

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

Alameda P&T is a participant in a 49.8 megawatt Steam Injected Gas Turbine 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 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. Under the NCPA power purchase agreement, Alameda P&T is obligated to pay 19.00% of the debt service and operating costs for the Lodi unit.

Alameda P&T'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, Alameda P&T and NCPA have committed to long-term payments for gas transmission pipeline capacity, and entered a purchase contract for natural gas. Alameda P&T is obligated to pay 19.0%.

At June 30, 2008, the book value of this Project's plant, equipment and other assets was \$66,790,121 while its long-term debt totaled \$63,390,629 and other liabilities totaled \$2,738,703. Alameda P&T's share of the Project's long-term debt and other liabilities amounted to \$12,564,573 at that date.

NOTE 12 – ALAMEDA P&T JOINT VENTURES (Continued)

Graeagle Hydroelectric Project

Alameda P&T'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. Alameda P& T receives 50% of the power from this small hydroelectric project.

Western Geo Power

In May 2008, NCPA entered into a power purchase agreement with Western Geo Power, Inc. for the geothermal power plant which is scheduled to come online in early 2010 at the Geysers geothermal field in northern California. Alameda P&T's share of the project is 5.95%.

Western Area Power Administration

Alameda P&T 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 Alameda P&T.

Other Power Purchase Agreements

Alameda P&T 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, Alameda P&T 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 power 24-hours per day.

- ***Highwinds Project Power Purchase***

In December 2004, Alameda P&T entered into a long-term power purchase agreement with PPM Energy, Inc. for power supplied by the Highwinds Project in Solano County, California. Alameda P&T will receive 6.17% of the output of the 162 megawatt project (nameplate rating) or 10 megawatts until June 30, 2028.

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

Since 2004, Alameda P&T has entered into five long-term power purchase agreements for power supplied by multiple existing and proposed generating facilities. These facilities utilize combustible gaseous emissions from landfills, located in or near the San Francisco Bay area to create power. Alameda P&T began receiving nearly 4 megawatts of base-load power from the first 2 facilities in early 2006. An additional 7 megawatts of base-load output from the 2 facilities under construction is expected to begin when they become operational by early 2009. The fifth agreement was recently executed for a new project proposed for northern California.

NOTE 12 – ALAMEDA P&T JOINT VENTURES (Continued)

California Electric Industry Restructuring

In September 1996, the California State legislature signed into law Assembly Bill 1890 (AB 1890) deregulating the electric power supply market and restructuring the electric power industry in California. While the majority of the legislation was directed at investor-owned utilities (IOUs), Alameda P&T and other California publicly owned utilities were greatly affected by the restructuring of markets and the ensuing wild fluctuations in prices that resulted from a deficiency in generating capacity and an immature and flawed market structure.

Because Alameda P&T has its own generating resources and is not dependent on the wholesale market to purchase power, it was not negatively impacted by these price swings.

Proposals by the California Independent System Operator to redesign the wholesale electricity market in California are now under development, and in some cases being implemented. These proposals contain their own set of risks and uncertainties for Alameda P&T and the other NCPA members.

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.

Alameda P&T 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. Alameda P&T is obligated to pay 1.333% of TANC's debt-service and operating costs related to the California-Oregon Transmission Project (COTP) and 1.6424% of the tax exempt portion of the commercial paper program. Alameda P&T 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.

According to the 1985 Project Agreement with TANC for the development of the COTP and subsequent related project agreements, Alameda P&T 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. TANC has issued Revenue Bonds for \$357,030,000 and Tax Exempt Commercial Paper notes for \$40,270,000 as of June 30, 2008. Alameda P&T's share of this debt is \$4,759,210 and \$661,393 respectively.

TANC Financial Information

TANC's financial statements can be obtained from TANC, P.O. Box 15129, Sacramento, CA 95851.

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 West End Community Improvement Commission Special Revenue Fund.

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

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

B. Alameda P&T

Under the terms of its NCPA and TANC joint venture agreements, Alameda P&T is liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Note 9. Alameda P&T's estimated share of such debt outstanding at June 30, 2008 was \$84,232,000. Under certain circumstances, Alameda P&T 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, Alameda P&T 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.

Alameda P&T 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 Alameda P&T.

On August 18, 2004, City of Alameda Ordinance No. 2930 granted a five-year extension of non-exclusive cable communication franchise to Alameda P&T. See Note 16 for discussion on the future operations of the Telecommunications Division.

NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)

In June 2007, Alameda P&T 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, 2007 and expiring on May 30, 2009. Alameda P&T will occupy the premises under the terms of non-cancelable leases which call for minimum monthly payments of \$1,053 and \$10,780 respectively.

C. *Housing Authority*

On January 18, 1989, the Commission and the Housing Authority of the City of Alameda entered into an agreement to provide affordable housing through the Independence Plaza development. Under the agreement, the Commission agreed to provide construction funding, a rental subsidy and a subsidy of the pro-rata share of the operating deficit to the Housing Authority. The agreement will end in July 2024. These rental subsidies have been reported in the West End Community Improvement Project Area Low and Moderate Income Housing Special Revenue Fund.

NOTE 14 – DEVELOPMENT AGREEMENTS

A. *Bayport/Alameda Landing*

The Community Improvement Commission (CIC) and Master Developer (as discussed on Note 11 below) 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).

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 a 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 547 of the 586 units. 58 of the 495 new homes at Bayport are affordable to moderate income households and 52 units of new rental housing are 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 under construction. Bayport has generated approximately \$28.5 million in net revenues from land sales proceeds. It is estimated that Bayport will generate a tax allocation bonding capacity of approximately between \$11 and \$14 million supported by new tax increment generated by the Project, and generate \$35 million in residential profit participation and approximately \$5 million in reimbursements. These revenues will be used to pay for the Commission's obligations under the DDA, which total approximately \$71 million and include demolition and the construction of major backbone infrastructure to support the Bayport project. At build-out, which is projected in spring 2009, it is estimated that the total assed value of the Bayport residential project will be approximately \$400 million.

Alameda Landing is a 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.

NOTE 14 – DEVELOPMENT AGREEMENTS (Continued)

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 requires the early expenditure of funds to secure the Stargell Avenue and Union Pacific rights of way. The expenditure is approximately \$10 million.

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 million.

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% 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. The Center held a grand opening February 21, 2007, for the center's major anchor tenant, Nob Hill Grocery Store. The Nob Hill gas station opened in summer 2007. The center is currently about 80% leased. A payment of \$133,284 was made toward the \$1 million obligation as of June 30, 2008.

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 MovieTecs 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 4C. In fiscal year 2005, the Community Improvement Commission purchased the land for the site of the project from assigned purchase option for \$811,120. In fiscal year 2006, the Community Improvement Commission acquired the historic theatre by eminent domain. The design and construction contracts were signed in August 2006 and the project was completed June 15, 2008. The parking structure was completed in May 2008 and transferred to the City.

NOTE 15 – FLEET INDUSTRIAL SUPPLY CENTER (FISC)

As of June 30, 2008, all 485 residential lots in the former East Housing and FISCA have been transferred to the Master Developer. In addition, ten lots, with affordable townhomes, have been sold to moderate-income households. Two lots, containing 52 units (completed) and 39 units (under construction) of rental housing affordable to very-low and low-income families, have been conveyed to the Housing Authority. The remaining land in the former FISC property has been re-entitled, pursuant to December 2006 Disposition and Development Agreement. This property has been re-entitled for a mix of commercial, retail and development uses.

NOTE 16 – SUBSEQUENT EVENT AND EXTRAORDINARY ITEMS

In July 2008, the City Council authorized the issuance of the Certificates of Participation (2008 Refinancing Project) in 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 Public Utilities Board recommended and City Council adopted at its' November 18, 2008 meeting that the telecommunication system be sold effective November 21, 2008 at a price significantly less than the carrying values of the Telecommunication Division's assets. While the authorization to sell and discontinue the Telecommunications Division did not occur prior to the fiscal year end, generally accepted accounting principles require the reduction of asset values as of June 30, 2008 due to the subsequent sale.

The sales price is estimated to be \$15.227 million, with the final price to be determined after a 120 day look-back period. Additionally, an indemnity escrow of \$2,000,000 has been funded that may be drawn down in subsequent years. The final impact of these uncertainties will be reported in future audited financial statements. Generally accepted accounting principles, through Governmental Accounting Standards Board (GASB) Statement No. 42, *Accounting and Financial Reporting for Impairment of Assets*, require that capital asset values be reduced as a result of changes in the intended use of capital assets. During fiscal 2007-08, these assets had been accounted for as capital assets in service and had been expected to be used to provide service to customers over many future years. However, because of the change in use from one of service production to one of resale, the capital asset values as of June 30, 2008 have been reduced to the net realizable amount expected from the subsequent sale, even though the sale took place substantially after June 30, 2008.

In addition, during fiscal 2007-08, Alameda Power & Telecom had accounted for \$43.616 million advances made by the Electric Division to the Telecommunications Division as interfund advances. Generally accepted accounting principles, through GASB Statement No. 34, *Basic Financial Statements for State and Local Governments*, state that such advances may be reflected as interfund payables/receivables as long as there is an expectation of repayment. Due to the subsequent sale of the telecommunications system at an amount insufficient to repay these advances, the advances have been reported as interfund transfers effective June 30, 2008, as required by generally accepted accounting principles. In other words, The Telecommunications Division will not repay the Electric Division the \$43.616 million.

Lastly, Alameda Power & Telecom has been in negotiations with holders of its 2004 Bonds, 2002 Certificates of Participation and its loan with the City of Alameda which were used to finance the Telecommunications Division capital assets and operations, in an attempt to negotiate settlement of the remaining debt service due. Certain debt holders have filed suit seeking damages arising from the City's obligations under the aforementioned agreements and from issuance of the 2004 Bonds.

The agreements that govern the 2004 Bonds and 2002 Certificates of Participation limit the repayment of these obligations to Net Revenues generated by the Telecom System, and subordinate the 2002 Certificates of Participation to the 2004 Bonds. The Telecom System did not generate Net Revenues in 2005, 2006 or 2007. The sale of the Telecom System in 2008 generated sale proceeds that were categorized as Net Revenues, and were distributed pro rata to the holders of the 2004 Bonds. There are no further Net Revenues available for the remaining amounts claimed by the holders of the 2004 Bonds or the 2002 Certificates of Participation.

**MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND
SPECIAL REVENUE FUNDS**

CAPITAL IMPROVEMENT PROJECTS FUND

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

CITY OF ALAMEDA
 CAPITAL IMPROVEMENT PROJECTS
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES:			
Revenue from other agencies	\$699,691	\$1,138,508	\$438,817
Charges for current services	175,788	171,136	(4,652)
Use of money and property		338,025	338,025
Others	<u>550,000</u>	<u>43,957</u>	<u>(506,043)</u>
Total Revenues	<u>1,425,479</u>	<u>1,691,626</u>	<u>266,147</u>
EXPENDITURES:			
Capital outlay	<u>7,348,818</u>	<u>7,033,473</u>	<u>315,345</u>
Total Expenditures	<u>7,348,818</u>	<u>7,033,473</u>	<u>315,345</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,923,339)</u>	<u>(5,341,847)</u>	<u>581,492</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of loan	500,000		500,000
Transfers in	5,969,005	5,947,463	21,542
Transfers in from the City	<u>(1,280,522)</u>	<u>(600,000)</u>	<u>(680,522)</u>
Total other financing sources (uses)	<u>5,188,483</u>	<u>5,347,463</u>	<u>(158,980)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(\$734,856)</u>	5,616	<u>\$740,472</u>
Beginning fund balance		<u>7,436,165</u>	
Ending fund balance		<u>\$7,441,781</u>	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

LIBRARY

This fund accounts for revenues received from the \$0.0175 library tax, library grants and General Fund monies transferred for the Alameda Library operations.

GAS TAX

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

TRANSPORTATION IMPROVEMENT

This fund accounts for revenues received under Proposition 42, Traffic Congestion Relief program. The allocation must be expended for Street and Highway maintenance, rehabilitation, reconstruction and storm damage repairs.

TRAFFIC SAFETY

This fund accounts for revenues from fines, forfeitures and penalties. Cities share with the County all fines collected upon conviction of a misdemeanor or an infraction in any municipal or judicial court, including bail moneys forfeited following a misdemeanor or infraction committed within City boundaries.

COUNTY MEASURE B

This fund accounts for the City's share of the proceeds of a one-half cent (\$0.005) sales tax increase approved by the voters in November 2000. The program is administered by the Alameda County Transportation Improvement Authority. The tax provides funds for the maintenance of local streets, roads, bike path and pedestrian walkway, Ferry and Para transit operations.

CALIFORNIA HOUSING REHAB PROGRAM FOR OWNER – OCCUPIED HOUSING (CHRPO/LEAD)

This fund accounts for funds received from the State of California Department of Housing and Community Development for a housing rehabilitation program.

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.

NARCOTICS ASSET SEIZURE

This fund accounts for the City's share from the sale of confiscated assets of convicted felons. These funds are used for specified police activities, i.e. debt service payments for the jail construction project.

SENIOR CITIZENS TRANSPORTATION ASSISTANCE

This fund accounts for the City of Alameda's senior transportation program, which provides door-to-door transportation for the frail, elderly and disabled individuals. Its primary revenue source is County Measure B funds.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

PARK ACQUISITION AND DEVELOPMENT

This fund accounts for revenues from park dedication fees required from developers and builders for all new construction. Monies are accumulated and then appropriated for park development.

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 intended 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.

HOME FUND

This fund accounts for monies provided by the U.S. Department of Housing and Urban Development (HUD) through the Federal Home Investment Partnerships Program (HOME). HOME funds can be used for acquisition, conversion, new construction and rehabilitation of single-and/or multiple-family housing.

REHABILITATION REPAYMENT

This fund accounts for loan repayments of low interest and subsidized loan programs. The repayments are used to make additional loans as funds are available.

HUMAN SERVICES

This fund accounts for the Social Service Human Relations Board's General Fund allocation.

VEHICLE REGISTRATION

This fund accounts for revenues and expenditures associated with AB 434 Fund from the Bay Area Air Quality Management District and Alameda County Congestion Management Agency for local traffic management programs.

AFFORDABLE HOUSING

This fund accounts for housing impact contributions for the purpose of increasing and improving the City of Alameda's supply of low-and-moderate-income housing.

GARBAGE SURCHARGE

This fund accounts for the garbage surcharge charged to commercial and residential garbage customers.

BAYPORT MUNICIPAL SERVICES DISTRICT

This fund accounts for the special assessments and related expenditures for various municipal services provided by the Community Facilities District No. 03-1 of the City of Alameda.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

ATHLETIC RECREATION

This fund accounts for revenues and expenditures of the various City of Alameda recreation fee based programs.

ISLAND CITY MAINTENANCE ASSESSMENT DISTRICT 84-2

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

WASTE REDUCTION SURCHARGE

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

CURBSIDE RECYCLING

This fund accounts for revenues and expenditures related to curbside recycling programs.

HOUSING DEVELOPMENT

This fund accounts for Housing Development Division's Housing Authority related revenue and expenditures.

PARKING IN-LIEU

This fund accounts for receipts and expenditures of funds from the City's in-lieu-parking fees charged against certain properties. Collections may be expended only for the certain approved parking projects.

DIKE MAINTENANCE

This fund accounts for monies collected from property owners for the maintenance of the Bay Farm Island Dike and for improvements made on behalf of this assessment district.

MARINA COVE MAINTENANCE DISTRICT 01-01

This fund accounts for monies collected from property owners for the maintenance of the Marina Cove and for improvements made on behalf of this assessment district.

TSM/TDM

This fund accounts for the collection of traffic mitigation fees from developers to accumulate sufficient funds for the implementation of a Transportation System Management/Transportation Demand Management (TSM/TDM).

PUBLIC ART

This fund accounts for the collection of a Public Art fee from developers for the acquisition and installation of Public Art on the development site.

HISTORICAL ADVISORY BOARD

This fund accounts for all fines, fees or other monies arising from the administration of the City Historical Advisory Board and related expenditures.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

ADAM STREET HOUSE

This fund accounts for proceeds from sale of the Adams Street House deposited in a trust fund for the benefit of Senior Citizen programs in accordance with Ordinance #2879.

POLICE/FIRE CONSTRUCTION IMPACT FEE

This fund accounts for fees collected/assets through new collections for capital needs of the Police and Fire Department.

CONSTRUCTION IMPACT FEE

This fund accounts for fees collected through improvement to real property for capital improvements and maintenance thereof made necessary by land development in the City.

DEBT SERVICE FUNDS:

POLICE BUILDING CERTIFICATES OF PARTICIPATION

The certificates were issued in July 1996, to finance the Police Building project and to refinance the 1990 Certificates of Participation. The debt will be paid from allocations from the Narcotics Asset Seizure Special Revenue Fund and the General Fund.

LIBRARY/GOLF CERTIFICATES OF PARTICIPATION

Certificates were issued in December 1996 to finance the seismic upgrade and renovation of the Carnegie Library building and certain golf course improvements. The debt will be paid from golf course and golf related special revenue funds pursuant to a lease agreement between the City of Alameda and the Alameda Public Improvement Corporation.

2002 CITY HALL REFINANCING CERTIFICATES OF PARTICIPATION

This fund accounts for the proceeds from the 2002 Certificates of Participation (City Hall Refinancing Project). Proceeds were used to repurchase the City's 1995 Certificates of Participation, which were issued to finance the City Hall and certain Fire Station Facilities Seismic Upgrade and Renovation Projects.

2003 LIBRARY BONDS

General obligation bonds were issued in March 2003 to finance the acquisition and construction of a new main library and improvements to two library branches. The repayment of the bonds is secured by voter approved Measure "O" property tax.

COMMUNITY IMPROVEMENT COMMISSION SUBORDINATE BONDS BWIP

Bonds were issued on March 14, 2002 to finance various housing and other redevelopment purposes in accordance with the amended Community Improvement Plan for the Business and Waterfront Improvement Project. Bonds are secured by a first pledge of and lien on all tax increment revenue in the project area, except for any parity obligations.

The fund's primary funding source consists of transfers in from BWIP funds and expenditures primarily consist of principal and interest payments for bond debt service.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

COMMUNITY IMPROVEMENT COMMISSION 2003 TAX ALLOCATION REFUNDING BONDS BWIP

The 2003 CIC Tax Allocation Refunding Bonds were issued in October 2003 to refund the CIC BWIP Tax Allocation Bonds 2002, Series A and the Alameda Community Facilities District No. 4 Special Tax Bond, Series 2002-A. Bonds are secured by a first pledge of and lien on all tax increment revenues generated in the project area, except for any parity obligations.

The fund's primary revenue source consists of transfers in from BWIP and ARRA; expenditures primarily consist of principal and interest payments for bond debt service.

COMMUNITY IMPROVEMENT COMMISSION 2003 TAX ALLOCATION BONDS WECIP

The 2003 Community Improvement Commission Subordinate Tax Allocation Bonds were issued December 2003 to finance certain development projects, repay an interfund loan from the City, and fulfill certain obligations on an Owner's Participation Agreement. Bonds are secured by a first pledge of and lien on all tax increment revenue generated in the project area except for any parity obligations.

The fund's primary revenue source consists of transfers in from WECIP fund; expenditure primarily consist of principal and interest payments for bond debt service.

ALAMEDA POINT IMPROVEMENT PROJECT 2003 REVENUE BONDS

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.

US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) 108

This fund accounts for debt service for the HUD 108 loan for the Parking Garage Project.

CAPITAL PROJECTS FUNDS:

TRANSPORTATION IMPROVEMENT

This fund accounts for monies earmarked for the construction and improvement of traffic mitigation projects associated with the development of Bay Farm Island.

LIBRARY CONSTRUCTION

This fund accounts for the revenues and construction and acquisition costs of the main library and the expansion of the Carnegie Library.

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.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

COMMUNITY FACILITIES DISTRICT #1

The Community Facilities District #1 was established to finance the acquisition and construction of facilities within the CFD #1 District (Harbor Bay).

COMMUNITY FACILITIES DISTRICT #2

The Community Facilities District #2 (Lincoln property) at the Marina Village area was established to finance the construction and acquisition of public improvements.

HARBOR BAY ISLE 92-1 SPECIAL ASSESSMENT DISTRICT

The Harbor Bay Isle 92-1 Assessment District was established to finance the construction and acquisition of public improvements in the District.

MARINA VILLAGE 89-1 SPECIAL ASSESSMENT DISTRICT

The Marina Village 89-1 Assessment District was established to finance the construction and acquisition of public improvements in the District.

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.

WASTEWATER CAPITAL RESERVE

This fund is required by the State Water Resources Control Board to ensure the City has a funding source available for future expansion, major repair or replacement costs, and loan repayment related to the wastewater facilities.

OPEN SPACE IMPROVEMENT

This fund accounts for the deposit of a specified portion of the proceeds of the sale of land into a separate fund whose use would be determined by the City Council at a later time.

ALAMEDA POINTS IMPROVEMENT PROJECT 2003 REVENUE BONDS

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

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CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008

SPECIAL REVENUE FUNDS

	Library	Gas Tax	Transportation Improvement	Traffic Safety	County Measure B	CHRPO/ LEAD
ASSETS						
Cash and cash equivalents	\$36,179		\$1,276,195	\$1,030	\$4,256,491	
Restricted cash and investments		\$6,341				
Accounts receivable	85,973	442,425		2,204	476,239	
Interest receivable						
Loans receivable						
Prepaid, deposits and bond discounts						
Total Assets	<u>\$122,152</u>	<u>\$448,766</u>	<u>\$1,276,195</u>	<u>\$3,234</u>	<u>\$4,732,730</u>	
LIABILITIES						
Accounts payable	\$41,387					\$6,075
Accrued payroll	35,924					
Due to other funds						30,212
Due to other agencies						
Deferred revenue						
Refundable deposits						
Total Liabilities	<u>77,311</u>					<u>36,287</u>
FUND EQUITY						
Fund balances						
Reserved for:						
Capital improvement		\$448,766			\$4,732,730	
Debt service						
Low-and-moderate-income housing						
Prepays, loans receivable, and advances to other funds						
Unreserved:						
Designated for:						
Capital improvements						
Athletics						
Undesignated	44,841		\$1,276,195	\$3,234		(36,287)
Total Fund Balances (Deficit)	<u>44,841</u>	<u>448,766</u>	<u>1,276,195</u>	<u>3,234</u>	<u>4,732,730</u>	<u>(36,287)</u>
Total Liabilities and Fund Balances	<u>\$122,152</u>	<u>\$448,766</u>	<u>\$1,276,195</u>	<u>\$3,234</u>	<u>\$4,732,730</u>	

SPECIAL REVENUE FUNDS

Tidelands	Narcotics Asset Seizure	Senior Citizens Transportation Assistance	Park Acquisition and Development	Parking Meter	Commercial Revitalization	Community Development Block Grant	HOME Fund
\$1,281,287		\$30,959	\$216,765	\$1,849,394	\$1,346,485		
				2,640		\$261,064	\$160,155
					2,241		
				4,420	4,900		
<u>\$1,281,287</u>		<u>\$30,959</u>	<u>\$216,765</u>	<u>\$1,856,454</u>	<u>\$1,353,626</u>	<u>\$261,064</u>	<u>\$160,155</u>
		\$4,710 226		\$34,719	\$29,130 362	\$206,648 12,195 42,221	\$160,155
	\$30,869				26,830		
	<u>30,869</u>	<u>4,936</u>		<u>34,719</u>	<u>56,322</u>	<u>261,064</u>	<u>160,155</u>
				4,420	4,900		
<u>\$1,281,287</u>	<u>(30,869)</u>	<u>26,023</u>	<u>\$216,765</u>	<u>1,817,315</u>	<u>1,292,404</u>		
<u>1,281,287</u>	<u>(30,869)</u>	<u>26,023</u>	<u>216,765</u>	<u>1,821,735</u>	<u>1,297,304</u>		
<u>\$1,281,287</u>		<u>\$30,959</u>	<u>\$216,765</u>	<u>\$1,856,454</u>	<u>\$1,353,626</u>	<u>\$261,064</u>	<u>\$160,155</u>

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008

SPECIAL REVENUE FUNDS

	<u>Rehabilitation Repayment</u>	<u>Human Services</u>	<u>Vehicle Registration</u>	<u>Affordable Housing</u>	<u>Garbage Surcharge</u>	<u>Bayport Municipal Services District</u>
ASSETS						
Cash and cash equivalents	\$489,214	\$39,543	\$42,548	\$558,314	\$799,155	\$755,806
Restricted cash and investments						
Accounts receivable	12,852			300	14,583	4,555
Interest receivable						
Loans receivable	3,368,600			264,764		
Prepaid, deposits and bond discounts						
Total Assets	<u>\$3,870,666</u>	<u>\$39,543</u>	<u>\$42,548</u>	<u>\$823,378</u>	<u>\$813,738</u>	<u>\$760,361</u>
LIABILITIES						
Accounts payable	\$36,834	\$752		\$2,835		
Accrued payroll		847		1,468		
Due to other funds						
Due to other agencies						
Deferred revenue	3,368,600			264,764		
Refundable deposits						
Total Liabilities	<u>3,405,434</u>	<u>1,599</u>		<u>269,067</u>		
FUND EQUITY						
Fund balances						
Reserved for:						
Capital improvement						
Debt service						
Low-and-moderate-income housing	465,232			554,311		
Prepays, loans receivable, and advances to other funds						
Unreserved:						
Designated for:						
Capital improvements						
Athletics						
Undesignated		37,944	\$42,548		\$813,738	\$760,361
Total Fund Balances (Deficit)	<u>465,232</u>	<u>37,944</u>	<u>42,548</u>	<u>554,311</u>	<u>813,738</u>	<u>760,361</u>
Total Liabilities and Fund Balances	<u>\$3,870,666</u>	<u>\$39,543</u>	<u>\$42,548</u>	<u>\$823,378</u>	<u>\$813,738</u>	<u>\$760,361</u>

SPECIAL REVENUE FUNDS

Athletic Recreation	Island City Maintenance Assessment District 84-2	Waste Reduction Surcharge	Curbside Recycling	Housing Development	Parking In-Lieu	Dike Maintenance	Marina Cove Maintenance District 01-01
\$1,080,978	\$1,020,101	\$5,039,437	\$173,922	\$128,641	\$148,709	\$1,161	\$345,125
39,249	57,467	200,538					4,176
<u>\$1,120,227</u>	<u>\$1,077,568</u>	<u>\$5,239,975</u>	<u>\$173,922</u>	<u>\$128,641</u>	<u>\$148,709</u>	<u>\$1,161</u>	<u>\$349,301</u>
\$62,031 18,832	\$177,392	\$23,493 4,492	\$66				\$2,316
8,933 22,440		10,430					
<u>112,236</u>	<u>177,392</u>	<u>38,415</u>	<u>66</u>				<u>2,316</u>
1,007,991	900,176	5,201,560	173,856	\$128,641	\$148,709	\$1,161	346,985
<u>1,007,991</u>	<u>900,176</u>	<u>5,201,560</u>	<u>173,856</u>	<u>128,641</u>	<u>148,709</u>	<u>1,161</u>	<u>346,985</u>
<u>\$1,120,227</u>	<u>\$1,077,568</u>	<u>\$5,239,975</u>	<u>\$173,922</u>	<u>\$128,641</u>	<u>\$148,709</u>	<u>\$1,161</u>	<u>\$349,301</u>

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008

	SPECIAL REVENUE FUNDS					
	TSM/TDM	Public Art	Historical Advisory Board	Adam Street House	Police/Fire Construction Impact Fee	Construction Impact Fee
ASSETS						
Cash and cash equivalents	\$93,283	\$73,574	\$688	\$316,294		\$148,251
Restricted cash and investments						
Accounts receivable						636
Interest receivable						
Loans receivable						
Prepaid, deposits and bond discounts						
Total Assets	\$93,283	\$73,574	\$688	\$316,294		\$148,887
LIABILITIES						
Accounts payable						
Accrued payroll						
Due to other funds						
Due to other agencies						
Deferred revenue						
Refundable deposits						
Total Liabilities	_____	_____	_____	_____	_____	_____
FUND EQUITY						
Fund balances						
Reserved for:						
Capital improvement						
Debt service						
Low-and-moderate income housing						
Prepays, loans receivable, and advances to other funds						
Unreserved:						
Designated for:						
Capital improvements						
Athletics						
Undesignated	\$93,283	\$73,574	\$688	\$316,294	_____	\$148,887
Total Fund Balances (Deficit)	93,283	73,574	688	316,294	_____	148,887
Total Liabilities and Fund Balances	\$93,283	\$73,574	\$688	\$316,294	_____	\$148,887

DEBT SERVICE FUNDS

Certificates of Participation				Community Improvement Commission Subordinate Bonds BWIP	Community Improvement Commission 2003 Tax Allocation Refunding Bonds BWIP	Community Improvement Commission 2003 Tax Allocation Bonds WECIP	Alameda Point Improvement Project 2003 Revenue Bonds
Police Building	Library/ Golf	2002 City Hall Refinancing	2003 Library Bonds				
\$268,961	\$714,741	\$1,748,482	\$323,178 1 34,378	\$304,577 291,183	\$358,535 1,295,221	\$642,206 4,222,346	\$835,216 24,997
<u>\$268,961</u>	<u>\$714,741</u>	<u>\$1,748,482</u>	<u>\$357,557</u>	<u>\$595,760</u>	<u>\$1,653,756</u>	<u>\$4,864,552</u>	<u>\$860,213</u>
\$6,871							
<u>6,871</u>							
262,090	\$714,741	\$1,748,482	\$357,557	\$595,760	\$1,653,756	\$4,864,552	\$860,213
<u>262,090</u>	<u>714,741</u>	<u>1,748,482</u>	<u>357,557</u>	<u>595,760</u>	<u>1,653,756</u>	<u>4,864,552</u>	<u>860,213</u>
<u>\$268,961</u>	<u>\$714,741</u>	<u>\$1,748,482</u>	<u>\$357,557</u>	<u>\$595,760</u>	<u>\$1,653,756</u>	<u>\$4,864,552</u>	<u>\$860,213</u>

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2008

	DEBT SERVICE FUND		CAPITAL PROJECTS FUNDS			
	HUD 108	Transportation Improvement	Library Construction	Urban Runoff Storm Drain Fee	Community Facility District #1	Community Facility District #2
ASSETS						
Cash and cash equivalents	\$25,160	\$1,487,060	\$234,369	\$5,534,384	\$239	\$7,190
Restricted cash and investments				17,300		
Accounts receivable				108,410		
Interest receivable						
Loans receivable						
Prepaid, deposits and bond discounts						
Total Assets	\$25,160	\$1,487,060	\$234,369	\$5,660,094	\$239	\$7,190
LIABILITIES						
Accounts payable			\$29,538	\$1,051		
Accrued payroll			15	19,876		
Due to other funds						
Due to other agencies						
Deferred revenue						
Refundable deposits				42,712		
Total Liabilities			29,553	63,639		
FUND EQUITY						
Fund balances						
Reserved for:						
Capital improvement					\$239	\$7,190
Debt service	\$25,160					
Low-and-moderate-income housing						
Prepays, loans receivable, and advances to other funds						
Unreserved:						
Designated for:						
Capital improvements		\$1,487,060				
Athletics						
Undesignated			204,816	5,596,455		
Total Fund Balances (Deficit)	25,160	1,487,060	204,816	5,596,455	239	7,190
Total Liabilities and Fund Balances	\$25,160	\$1,487,060	\$234,369	\$5,660,094	\$239	\$7,190

CAPITAL PROJECTS FUNDS

Special Assessment District		Citywide Development Fee	Wastewater Capital Reserve	Open Space Improvement	Alameda Point Improvement Project 2003 Revenue Bonds	Total Nonmajor Governmental Funds
Harbor Bay Isle 92-1	Marina Village 89-1					
\$3,908	\$94,881	\$2,577,768	\$34,991	\$1,079,828	\$23,644	\$35,115,502
1,239,858	2,737,246				312,634	12,880,472
						1,907,844
						2,241
						3,633,364
						9,320
<u>\$1,243,766</u>	<u>\$2,832,127</u>	<u>\$2,577,768</u>	<u>\$34,991</u>	<u>\$1,079,828</u>	<u>\$336,278</u>	<u>\$53,548,743</u>
						\$658,911
						94,303
						270,328
						10,430
						3,642,297
						91,982
						4,768,251
\$1,243,766	\$2,832,127	\$2,577,768	\$34,991	\$1,079,828	\$336,278	13,293,683
						11,082,311
						1,019,543
						9,320
						7,588,796
						1,007,991
						14,778,848
<u>1,243,766</u>	<u>2,832,127</u>	<u>2,577,768</u>	<u>34,991</u>	<u>1,079,828</u>	<u>336,278</u>	<u>48,780,492</u>
<u>\$1,243,766</u>	<u>\$2,832,127</u>	<u>\$2,577,768</u>	<u>\$34,991</u>	<u>\$1,079,828</u>	<u>\$336,278</u>	<u>\$53,548,743</u>

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

SPECIAL REVENUE FUNDS

	Library	Gas Tax	Transportation Improvement	Traffic Safety	County Measure B	CHRPO/ LEAD
REVENUES						
Property taxes	\$1,458,447					
Other taxes						
Licenses and permits						
Revenue from other agencies	248,197	\$1,332,342	\$1,210,409		\$2,814,186	\$25,750
Charges for current services	85,513					
Fines and forfeitures				\$184,901		
Use of money and property	20,141	33,682	20,163	1,030	296,354	
Affordable housing fees						
Other						
Total Revenues	1,812,298	1,366,024	1,230,572	185,931	3,110,540	25,750
EXPENDITURES						
Current:						
General government						
Public works						
Culture and leisure	3,005,798					
Housing and community services						80,260
Capital outlay	17,055					
Debt service:						
Principal						
Interest						
Total Expenditures	3,022,853					80,260
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,210,555)	1,366,024	1,230,572	185,931	3,110,540	(54,510)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,512,804					
Transfers (out)	(350,975)	(1,475,647)		(183,763)	(3,632,807)	
Total Other Financing Sources (Uses)	1,161,829	(1,475,647)		(183,763)	(3,632,807)	
NET CHANGE IN FUND BALANCES	(48,726)	(109,623)	1,230,572	2,168	(522,267)	(54,510)
BEGINNING FUND BALANCES (DEFICITS)	93,567	558,389	45,623	1,066	5,254,997	18,223
ENDING FUND BALANCES (DEFICITS)	\$44,841	\$448,766	\$1,276,195	\$3,234	\$4,732,730	(\$36,287)

SPECIAL REVENUE FUNDS

Tidelands	Narcotics Asset Seizure	Senior Citizens Transportation Assistance	Park Acquisition and Development	Parking Meter	Commercial Revitalization	Community Development Block Grant	HOME Fund
			\$96,700				
	\$11,692					\$1,348,746	\$1,224,766
		\$1,372		\$625,474			
\$478,584		1,405	14,116	52,543 83,271	\$202,677		
		5,490			130,666		
478,584	11,692	8,267	110,816	761,288	333,343	1,348,746	1,224,766
46,968		123,590		155,746			
					309,558	1,889,171 2,573	1,224,766
46,968		123,590		155,746	309,558	1,891,744	1,224,766
431,616	11,692	(115,323)	110,816	605,542	23,785	(542,998)	
(309,938)		115,324		250,000		552,998	
			(97,279)	(463,923)	(1,545)	(10,000)	
(309,938)		115,324	(97,279)	(213,923)	(1,545)	542,998	
121,678	11,692	1	13,537	391,619	22,240		
1,159,609	(42,561)	26,022	203,228	1,430,116	1,275,064		
\$1,281,287	(\$30,869)	\$26,023	\$216,765	\$1,821,735	\$1,297,304		

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

SPECIAL REVENUE FUNDS

	<u>Rehabilitation Repayment</u>	<u>Human Services</u>	<u>Vehicle Registration</u>	<u>Affordable Housing</u>	<u>Garbage Surcharge</u>	<u>Bayport Municipal Service District</u>
REVENUES						
Property taxes						\$474,076
Other taxes					\$175,000	
Licenses and permits						
Revenue from other agencies		\$18,450				
Charges for current services						
Fines and forfeitures						
Use of money and property	\$297,773	2,367	\$2,329	\$45,340	43,213	32,780
Affordable housing fees				98,383		
Other	28,306			7,920		
Total Revenues	<u>326,079</u>	<u>20,817</u>	<u>2,329</u>	<u>151,643</u>	<u>218,213</u>	<u>506,856</u>
EXPENDITURES						
Current:						
General government		62		38,260		30,671
Public works						
Culture and leisure						
Housing and community services		59,415		95,509		
Capital outlay				785		
Debt service:						
Principal						
Interest						
Total Expenditures		<u>59,477</u>		<u>134,554</u>		<u>30,671</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>326,079</u>	<u>(38,660)</u>	<u>2,329</u>	<u>17,089</u>	<u>218,213</u>	<u>476,185</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		44,200		1,000		
Transfers (out)	(552,998)				(100,492)	(119,099)
Total Other Financing Sources (Uses)	<u>(552,998)</u>	<u>44,200</u>		<u>1,000</u>	<u>(100,492)</u>	<u>(119,099)</u>
NET CHANGE IN FUND BALANCES	(226,919)	5,540	2,329	18,089	117,721	357,086
BEGINNING FUND BALANCES (DEFICITS)	692,151	32,404	40,219	536,222	696,017	403,275
ENDING FUND BALANCES (DEFICITS)	<u>\$465,232</u>	<u>\$37,944</u>	<u>\$42,548</u>	<u>\$554,311</u>	<u>\$813,738</u>	<u>\$760,361</u>

SPECIAL REVENUE FUNDS

Athletic Recreation	Island City Maintenance Assessment District 84-2	Waste Reduction Surcharge	Curbside Recycling	Housing Development	Parking In-Lieu	Dike Maintenance	Marina Cove Maintenance District 01-01
	\$1,153,109						\$82,133
\$14,095 1,621,569	30,902	\$387,647 410,879		\$4,959	\$65,500		
295,228	45,804	275,502	\$9,519	9,053	6,043	\$64	17,917
		4,533					
<u>1,930,892</u>	<u>1,229,815</u>	<u>1,078,561</u>	<u>9,519</u>	<u>14,012</u>	<u>71,543</u>	<u>64</u>	<u>100,050</u>
1,629,629	1,175,309	595,040					5,848
5,318		918		1,642			
5,250							
<u>1,640,197</u>	<u>1,175,309</u>	<u>595,958</u>		<u>1,642</u>			<u>5,848</u>
290,695	54,506	482,603	9,519	12,370	71,543	64	94,202
(107,049)	3,000 (6,792)	(155,687)					(32,198)
<u>(107,049)</u>	<u>(3,792)</u>	<u>(155,687)</u>					<u>(32,198)</u>
183,646	50,714	326,916	9,519	12,370	71,543	64	62,004
824,345	849,462	4,874,644	164,337	116,271	77,166	1,097	284,981
<u>\$1,007,991</u>	<u>\$900,176</u>	<u>\$5,201,560</u>	<u>\$173,856</u>	<u>\$128,641</u>	<u>\$148,709</u>	<u>\$1,161</u>	<u>\$346,985</u>

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

SPECIAL REVENUE FUNDS						
	TSM/TDM	Public Art	Historical Advisory Board	Adam Street House	Police/Fire Construction Impact Fee	Construction Impact Fee
REVENUES						
Property taxes						
Other taxes						\$694,645
Licenses and permits		\$30,033			\$51,771	
Revenue from other agencies						
Charges for current services	\$21,789					
Fines and forfeitures						
Use of money and property	4,473	4,382	\$38	\$23,309		59,413
Affordable housing fees						
Other						
Total Revenues	26,262	34,415	38	23,309	51,771	754,058
EXPENDITURES						
Current:						
General government		1				
Public works						
Culture and leisure						
Housing and community services						
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures		1				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,262	34,414	38	23,309	51,771	754,058
OTHER FINANCING SOURCES (USES)						
Transfers in				292,985	63	996,813
Transfers (out)		(4,225)			(51,834)	(1,601,984)
Total Other Financing Sources (Uses)		(4,225)		292,985	(51,771)	(605,171)
NET CHANGE IN FUND BALANCES	26,262	30,189	38	316,294		148,887
BEGINNING FUND BALANCES (DEFICITS)	67,021	43,385	650			
ENDING FUND BALANCES (DEFICITS)	\$93,283	\$73,574	\$688	\$316,294		\$148,887

DEBT SERVICE FUNDS

CERTIFICATES OF PARTICIPATION				Community Improvement Commission Subordinate Bonds BWIP	Community Improvement Commission 2003 Tax Allocation Refunding Bonds BWIP	Community Improvement Commission 2003 Tax Allocation Bonds WECIP	Alameda Point Improvement Project 2003 Revenue Bonds
Police Building	Library/Golf	2002 City Hall Refinancing	2003 Library Bonds				
			\$598,240				
\$23,923	\$51,097	\$96,725	5,889	\$25,191	\$72,781	\$225,936	\$70,953
<u>23,923</u>	<u>51,097</u>	<u>96,725</u>	<u>604,129</u>	<u>25,191</u>	<u>72,781</u>	<u>225,936</u>	<u>70,953</u>
145,000	165,000	385,000	175,000	525,000	430,000	50,000	240,000
<u>94,807</u>	<u>211,290</u>	<u>448,324</u>	<u>489,849</u>	<u>259,467</u>	<u>831,080</u>	<u>2,691,178</u>	<u>499,618</u>
<u>239,807</u>	<u>376,290</u>	<u>833,324</u>	<u>664,849</u>	<u>784,467</u>	<u>1,261,080</u>	<u>2,741,178</u>	<u>739,618</u>
<u>(215,884)</u>	<u>(325,193)</u>	<u>(736,599)</u>	<u>(60,720)</u>	<u>(759,276)</u>	<u>(1,188,299)</u>	<u>(2,515,242)</u>	<u>(668,665)</u>
237,615	394,156	828,888		783,627	1,260,969	2,738,639	12,739
<u>237,615</u>	<u>394,156</u>	<u>828,888</u>		<u>783,627</u>	<u>1,260,969</u>	<u>2,738,639</u>	<u>12,739</u>
21,731	68,963	92,289	(60,720)	24,351	72,670	223,397	(655,926)
<u>240,359</u>	<u>645,778</u>	<u>1,656,193</u>	<u>418,277</u>	<u>571,409</u>	<u>1,581,086</u>	<u>4,641,155</u>	<u>1,516,139</u>
<u>\$262,090</u>	<u>\$714,741</u>	<u>\$1,748,482</u>	<u>\$357,557</u>	<u>\$595,760</u>	<u>\$1,653,756</u>	<u>\$4,864,552</u>	<u>\$860,213</u>

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	DEBT SERVICE FUND		CAPITAL PROJECTS FUNDS			
	HUD 108	Transportation Improvement	Library Construction	Urban Runoff Storm Drain Fee	Community Facility District #1	Community Facility District #2
REVENUES						
Property taxes		\$423,944		\$2,798,189		
Other taxes		173,845				
Licenses and permits						
Revenue from other agencies	\$320,246					
Charges for current services				16,190		
Fines and forfeitures						
Use of money and property	16,597	81,092	\$16,420	305,165	\$13	\$393
Affordable housing fees						
Other				4,710		
Total Revenues	336,843	678,881	16,420	3,124,254	13	393
EXPENDITURES						
Current:						
General government						
Public works						
Culture and leisure						
Housing and community services						
Capital outlay		107	118,332	1,484,004		
Debt service:						
Principal						
Interest	320,246					
Total Expenditures	320,246	107	118,332	1,484,004		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,597	678,774	(101,912)	1,640,250	13	393
OTHER FINANCING SOURCES (USES)						
Transfers in			16,117	66,307		
Transfers (out)		(586,711)		(1,452,281)		
Total Other Financing Sources (Uses)		(586,711)	16,117	(1,385,974)		
NET CHANGE IN FUND BALANCES	16,597	92,063	(85,795)	254,276	13	393
BEGINNING FUND BALANCES (DEFICITS)	8,563	1,394,997	290,611	5,342,179	226	6,797
ENDING FUND BALANCES (DEFICITS)	\$25,160	\$1,487,060	\$204,816	\$5,596,455	\$239	\$7,190

CAPITAL PROJECTS FUNDS

<u>Special Assessment District</u>		<u>Citywide Development Fee</u>	<u>Wastewater Capital Reserve</u>	<u>Open Space Improvement</u>	<u>Alameda Point Improvement Project 2003 Revenue Bonds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Harbor Bay Isle 92-1</u>	<u>Marina Village 89-1</u>					
		\$446,204				\$6,988,138
\$23,815						1,586,394
						81,804
						8,980,341
						2,884,147
						237,444
50,173	\$119,321	127,375	\$1,507	\$59,101	\$14,971	3,690,593
						98,383
						181,625
<u>73,988</u>	<u>119,321</u>	<u>573,579</u>	<u>1,507</u>	<u>59,101</u>	<u>14,971</u>	<u>24,728,869</u>
						2,024,927
					938	1,777,135
						3,005,798
						3,660,321
	47,327					1,676,419
						2,120,250
						5,845,859
	<u>47,327</u>				<u>938</u>	<u>20,110,709</u>
<u>73,988</u>	<u>71,994</u>	<u>573,579</u>	<u>1,507</u>	<u>59,101</u>	<u>14,033</u>	<u>4,618,160</u>
			8,120			10,116,364
					(93,303)	(11,390,530)
			8,120		(93,303)	(1,274,166)
73,988	71,994	573,579	9,627	59,101	(79,270)	3,343,994
<u>1,169,778</u>	<u>2,760,133</u>	<u>2,004,189</u>	<u>25,364</u>	<u>1,020,727</u>	<u>415,548</u>	<u>45,436,498</u>
<u>\$1,243,766</u>	<u>\$2,832,127</u>	<u>\$2,577,768</u>	<u>\$34,991</u>	<u>\$1,079,828</u>	<u>\$336,278</u>	<u>\$48,780,492</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, 2008

	LIBRARY			GAS TAX		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$1,397,056	\$1,458,447	\$61,391			
Other taxes						
Licenses and permits						
Revenue from other agencies	90,521	248,197	157,676	\$1,125,500	\$1,332,342	\$206,842
Charges for current services	70,000	85,513	15,513			
Fines and forfeitures						
Use of money and property		20,141	20,141		33,682	33,682
Affordable housing fee						
Other						
Total Revenues	<u>1,557,577</u>	<u>1,812,298</u>	<u>254,721</u>	<u>1,125,500</u>	<u>1,366,024</u>	<u>240,524</u>
EXPENDITURES						
Current:						
General government						
Public works						
Culture and recreation	3,229,753	3,005,798	223,955			
Housing and community services						
Capital outlay		17,055	(17,055)			
Debt service:						
Principal						
Interest						
Total Expenditures	<u>3,229,753</u>	<u>3,022,853</u>	<u>206,900</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,672,176)</u>	<u>(1,210,555)</u>	<u>461,621</u>	<u>1,125,500</u>	<u>1,366,024</u>	<u>240,524</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,012,804	1,512,804	(500,000)			
Transfers (out)	(344,657)	(350,975)	(6,318)	(2,167,480)	(1,475,647)	691,833
Total Other Financing Sources (Uses)	<u>1,668,147</u>	<u>1,161,829</u>	<u>(506,318)</u>	<u>(2,167,480)</u>	<u>(1,475,647)</u>	<u>691,833</u>
NET CHANGE IN FUND BALANCES	<u>(\$4,029)</u>	<u>(48,726)</u>	<u>(\$44,697)</u>	<u>(\$1,041,980)</u>	<u>(109,623)</u>	<u>\$932,357</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>93,567</u>			<u>558,389</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$44,841</u>			<u>\$448,766</u>	

TRANSPORTATION IMPROVEMENT			TRAFFIC SAFETY			COUNTY MEASURE B		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$1,210,409	\$1,210,409					\$2,426,942	\$2,814,186	\$387,244
	20,163	\$20,163	\$180,000	\$184,901	\$4,901		296,354	296,354
				1,030	1,030			
<u>1,210,409</u>	<u>1,230,572</u>	<u>20,163</u>	<u>180,000</u>	<u>185,931</u>	<u>5,931</u>	<u>2,426,942</u>	<u>3,110,540</u>	<u>683,598</u>
						114,852		114,852
						114,852		114,852
<u>1,210,409</u>	<u>1,230,572</u>	<u>20,163</u>	<u>180,000</u>	<u>185,931</u>	<u>5,931</u>	<u>2,312,090</u>	<u>3,110,540</u>	<u>798,450</u>
			<u>(150,000)</u>	<u>(183,763)</u>	<u>(33,763)</u>	<u>(6,445,050)</u>	<u>(3,632,807)</u>	<u>2,812,243</u>
			<u>(150,000)</u>	<u>(183,763)</u>	<u>(33,763)</u>	<u>(6,445,050)</u>	<u>(3,632,807)</u>	<u>2,812,243</u>
<u>\$1,210,409</u>	<u>1,230,572</u>	<u>\$20,163</u>	<u>\$30,000</u>	<u>2,168</u>	<u>(\$27,832)</u>	<u>(\$4,132,960)</u>	<u>(522,267)</u>	<u>\$3,610,693</u>
	<u>45,623</u>			<u>1,066</u>			<u>5,254,997</u>	
	<u>\$1,276,195</u>			<u>\$3,234</u>			<u>\$4,732,730</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, 2008

	CHRPO/LEAD			TIDELANDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies	\$129,462	\$25,750	(\$103,712)			
Charges for current services						
Fines and forfeitures						
Use of money and property				\$240,000	\$478,584	\$238,584
Affordable housing fee						
Other						
Total Revenues	<u>129,462</u>	<u>25,750</u>	<u>(103,712)</u>	<u>240,000</u>	<u>478,584</u>	<u>238,584</u>
EXPENDITURES						
Current:						
General government				301,128	46,968	254,160
Public works						
Culture and recreation						
Housing and community services	143,271	80,260	63,011			
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures	<u>143,271</u>	<u>80,260</u>	<u>63,011</u>	<u>301,128</u>	<u>46,968</u>	<u>254,160</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(13,809)</u>	<u>(54,510)</u>	<u>(40,701)</u>	<u>(61,128)</u>	<u>431,616</u>	<u>492,744</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(598,028)	(309,938)	288,090
Total Other Financing Sources (Uses)				<u>(598,028)</u>	<u>(309,938)</u>	<u>288,090</u>
NET CHANGE IN FUND BALANCES	<u>(\$13,809)</u>	<u>(54,510)</u>	<u>(\$40,701)</u>	<u>(\$659,156)</u>	<u>121,678</u>	<u>\$780,834</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>18,223</u>			<u>1,159,609</u>	
ENDING FUND BALANCES (DEFICITS)		<u>(\$36,287)</u>			<u>\$1,281,287</u>	

NARCOTICS ASSET SEIZURE			SENIOR CITIZENS TRANSPORTATION ASSISTANCE			PARK ACQUISITION AND DEVELOPMENT		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
						\$180,000	\$96,700	(\$83,300)
\$11,692	\$11,692			\$1,372	\$1,372			
				1,405	1,405		14,116	14,116
				5,490	5,490			
11,692	11,692			8,267	8,267	180,000	110,816	(69,184)
			\$253,539	123,590	129,949			
			253,539	123,590	129,949			
11,692	11,692		(253,539)	(115,323)	138,216	180,000	110,816	(69,184)
			253,539	115,324	(138,215)	(670,444)	(97,279)	573,165
			253,539	115,324	(138,215)	(670,444)	(97,279)	573,165
\$11,692	11,692			1	\$1	(\$490,444)	13,537	\$503,981
	(42,561)			26,022			203,228	
	(\$30,869)			\$26,023			\$216,765	

(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, 2008

	PARKING METER			COMMERCIAL REVITALIZATION		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services	\$467,000	\$625,474	\$158,474			
Fines and forfeitures	23,000	52,543	29,543			
Use of money and property	10,000	83,271	73,271	\$25,000	\$202,677	\$177,677
Affordable housing fee						
Other						
				277,925	130,666	(147,259)
Total Revenues	<u>500,000</u>	<u>761,288</u>	<u>261,288</u>	<u>302,925</u>	<u>333,343</u>	<u>30,418</u>
EXPENDITURES						
Current:						
General government	140,200	155,746	(15,546)			
Public works						
Culture and recreation						
Housing and community services				407,955	309,558	98,397
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures	<u>140,200</u>	<u>155,746</u>	<u>(15,546)</u>	<u>407,955</u>	<u>309,558</u>	<u>98,397</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>359,800</u>	<u>605,542</u>	<u>245,742</u>	<u>(105,030)</u>	<u>23,785</u>	<u>128,815</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	250,000	250,000				
Transfers (out)	(494,308)	(463,923)	30,385	(1,545)	(1,545)	
Total Other Financing Sources (Uses)	<u>(244,308)</u>	<u>(213,923)</u>	<u>30,385</u>	<u>(1,545)</u>	<u>(1,545)</u>	
NET CHANGE IN FUND BALANCES	<u>\$115,492</u>	391,619	<u>\$276,127</u>	<u>(\$106,575)</u>	22,240	<u>\$128,815</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>1,430,116</u>			<u>1,275,064</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$1,821,735</u>			<u>\$1,297,304</u>	

COMMUNITY DEVELOPMENT BLOCK GRANT			HOME FUND			REHABILITATION REPAYMENT		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$2,746,782	\$1,348,746	(\$1,398,036)	\$1,882,738	\$1,224,766	(\$657,972)			
						\$270,000	\$297,773	\$27,773
						30,000	28,306	(1,694)
<u>2,746,782</u>	<u>1,348,746</u>	<u>(1,398,036)</u>	<u>1,882,738</u>	<u>1,224,766</u>	<u>(657,972)</u>	<u>300,000</u>	<u>326,079</u>	<u>26,079</u>
3,589,109	1,889,171	1,699,938	1,882,227	1,224,766	657,461			
4,000	2,573	1,427						
<u>3,593,109</u>	<u>1,891,744</u>	<u>1,701,365</u>	<u>1,882,227</u>	<u>1,224,766</u>	<u>657,461</u>			
<u>(846,327)</u>	<u>(542,998)</u>	<u>303,329</u>	<u>511</u>		<u>(511)</u>	<u>300,000</u>	<u>326,079</u>	<u>26,079</u>
856,327	552,998	(303,329)						
(10,000)	(10,000)					(856,327)	(552,998)	303,329
<u>846,327</u>	<u>542,998</u>	<u>(303,329)</u>				<u>(856,327)</u>	<u>(552,998)</u>	<u>303,329</u>
			<u>\$511</u>		<u>(\$511)</u>	<u>(\$556,327)</u>	(226,919)	<u>\$329,408</u>
							692,151	
							<u>\$465,232</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, 2008

	HUMAN SERVICES			VEHICLE REGISTRATION		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies	\$20,200	\$18,450	(\$1,750)			
Charges for current services						
Fines and forfeitures						
Use of money and property		2,367	2,367	\$2,329	\$2,329	
Affordable housing fee						
Other						
Total Revenues	20,200	20,817	617	2,329	2,329	
EXPENDITURES						
Current:						
General government	62	62				
Public works						
Culture and recreation						
Housing and community services	96,804	59,415	37,389			
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures	96,866	59,477	37,389			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(76,666)	(38,660)	38,006	2,329	2,329	
OTHER FINANCING SOURCES (USES)						
Transfers in	44,200	44,200				
Transfers (out)						
Total Other Financing Sources (Uses)	44,200	44,200				
NET CHANGE IN FUND BALANCES	(\$32,466)	5,540	\$38,006	\$2,329	2,329	
BEGINNING FUND BALANCES (DEFICITS)		32,404			40,219	
ENDING FUND BALANCES		\$37,944			\$42,548	

AFFORDABLE HOUSING			GARBAGE SURCHARGE			BAYPORT MUNICIPAL SERVICE DISTRICT		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			\$130,000	\$175,000	\$45,000	\$500,000	\$474,076	(\$25,924)
\$10,000	\$45,340	\$35,340		43,213	43,213		32,780	32,780
110,000	98,383	(11,617)						
	7,920	7,920						
<u>120,000</u>	<u>151,643</u>	<u>31,643</u>	<u>130,000</u>	<u>218,213</u>	<u>88,213</u>	<u>500,000</u>	<u>506,856</u>	<u>6,856</u>
47,316	38,260	9,056				163,000	30,671	132,329
448,285	95,509	352,776						
2,315	785	1,530						
<u>497,916</u>	<u>134,554</u>	<u>363,362</u>				<u>163,000</u>	<u>30,671</u>	<u>132,329</u>
<u>(377,916)</u>	<u>17,089</u>	<u>395,005</u>	<u>130,000</u>	<u>218,213</u>	<u>88,213</u>	<u>337,000</u>	<u>476,185</u>	<u>139,185</u>
1,000	1,000		(152,612)	(100,492)	52,120	(162,300)	(119,099)	43,201
<u>1,000</u>	<u>1,000</u>		<u>(152,612)</u>	<u>(100,492)</u>	<u>52,120</u>	<u>(162,300)</u>	<u>(119,099)</u>	<u>43,201</u>
<u>(\$376,916)</u>	18,089	<u>\$395,005</u>	<u>(\$22,612)</u>	117,721	<u>\$140,333</u>	<u>\$174,700</u>	357,086	<u>\$182,386</u>
	<u>536,222</u>			<u>696,017</u>			<u>403,275</u>	
	<u>\$554,311</u>			<u>\$813,738</u>			<u>\$760,361</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, 2008

	ATHLETIC RECREATION			ISLAND CITY MAINTENANCE ASSESSMENT DISTRICT 84-2		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes				\$1,085,500	\$1,153,109	\$67,609
Other taxes						
Licenses and permits						
Revenue from other agencies		\$14,095	\$14,095			
Charges for current services	\$1,918,585	1,621,569	(297,016)	30,902	30,902	
Fines and forfeitures						
Use of money and property	134,500	295,228	160,728	\$61	45,804	45,743
Affordable housing fee						
Other						
Total Revenues	<u>2,053,085</u>	<u>1,930,892</u>	<u>(122,193)</u>	<u>1,116,463</u>	<u>1,229,815</u>	<u>113,352</u>
EXPENDITURES						
Current:						
General government	1,623,218	1,629,629	(6,411)			
Public works				1,185,825	1,175,309	10,516
Culture and recreation						
Housing and community services						
Capital outlay		5,318	(5,318)			
Debt service:						
Principal	5,250	5,250				
Interest						
Total Expenditures	<u>1,628,468</u>	<u>1,640,197</u>	<u>(11,729)</u>	<u>1,185,825</u>	<u>1,175,309</u>	<u>10,516</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>424,617</u>	<u>290,695</u>	<u>(133,922)</u>	<u>(69,362)</u>	<u>54,506</u>	<u>123,868</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				3,000	3,000	
Transfers (out)	(118,549)	(107,049)	11,500	(6,792)	(6,792)	
Total Other Financing Sources (Uses)	<u>(118,549)</u>	<u>(107,049)</u>	<u>11,500</u>	<u>(3,792)</u>	<u>(3,792)</u>	
NET CHANGE IN FUND BALANCES	<u>\$306,068</u>	<u>183,646</u>	<u>(\$122,422)</u>	<u>(\$73,154)</u>	<u>50,714</u>	<u>\$123,868</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>824,345</u>			<u>849,462</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$1,007,991</u>			<u>\$900,176</u>	

<u>WASTE REDUCTION SURCHARGE</u>			<u>CURBSIDE RECYCLING</u>			<u>HOUSING DEVELOPMENT</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$358,000	\$387,647	\$29,647						
442,364	410,879	(31,485)					\$4,959	\$4,959
	275,502	275,502	\$3,000	\$9,519	\$6,519	\$2,000	9,053	7,053
	4,533	4,533						
<u>800,364</u>	<u>1,078,561</u>	<u>278,197</u>	<u>3,000</u>	<u>9,519</u>	<u>6,519</u>	<u>2,000</u>	<u>14,012</u>	<u>12,012</u>
827,990	595,040	232,950						
3,000	918	2,082				5	1,642	(1,637)
<u>830,990</u>	<u>595,958</u>	<u>235,032</u>				<u>5</u>	<u>1,642</u>	<u>(1,637)</u>
(30,626)	482,603	513,229	3,000	9,519	6,519	1,995	12,370	10,375
(249,687)	(155,687)	94,000						
(249,687)	(155,687)	94,000						
<u>(\$280,313)</u>	326,916	<u>\$607,229</u>	<u>\$3,000</u>	9,519	<u>\$6,519</u>	<u>\$1,995</u>	12,370	<u>\$10,375</u>
	4,874,644			164,337			116,271	
	<u>\$5,201,560</u>			<u>\$173,856</u>			<u>\$128,641</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, 2008

	PARKING IN-LIEU			DIKE MAINTENANCE		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services		\$65,500	\$65,500			
Fines and forfeitures						
Use of money and property	\$593	6,043	5,450	\$64	\$64	
Affordable housing fee						
Other						
Total Revenues	<u>593</u>	<u>71,543</u>	<u>70,950</u>	<u>64</u>	<u>64</u>	
EXPENDITURES						
Current:						
General government						
Public works						
Culture and recreation						
Housing and community services	1,200		1,200			
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures	<u>1,200</u>		<u>1,200</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(607)</u>	<u>71,543</u>	<u>72,150</u>	<u>64</u>	<u>64</u>	
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	<u><u>(\$607)</u></u>	<u>71,543</u>	<u><u>\$72,150</u></u>	<u><u>\$64</u></u>	<u>64</u>	
BEGINNING FUND BALANCES (DEFICITS)		<u>77,166</u>			<u>1,097</u>	
ENDING FUND BALANCES (DEFICITS)		<u><u>\$148,709</u></u>			<u><u>\$1,161</u></u>	

MARINA COVE MAINTENANCE DISTRICT 01-01			TSM/TDM			PUBLIC ART		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$76,000	\$82,133	\$6,133				\$37,500	\$30,033	(\$7,467)
			\$15,000	\$21,789	\$6,789			
5,485	17,917	12,432		4,473	4,473		4,382	4,382
<u>81,485</u>	<u>100,050</u>	<u>18,565</u>	<u>15,000</u>	<u>26,262</u>	<u>11,262</u>	<u>37,500</u>	<u>34,415</u>	<u>(3,085)</u>
	5,848	(5,848)					1	(1)
	<u>5,848</u>	<u>(5,848)</u>					<u>1</u>	<u>(1)</u>
<u>81,485</u>	<u>94,202</u>	<u>12,717</u>	<u>15,000</u>	<u>26,262</u>	<u>11,262</u>	<u>37,500</u>	<u>34,414</u>	<u>(3,086)</u>
<u>(116,000)</u>	<u>(32,198)</u>	<u>83,802</u>				<u>(4,225)</u>	<u>(4,225)</u>	
<u>(116,000)</u>	<u>(32,198)</u>	<u>83,802</u>				<u>(4,225)</u>	<u>(4,225)</u>	
<u>(\$34,515)</u>	62,004	<u>\$96,519</u>	<u>\$15,000</u>	26,262	<u>\$11,262</u>	<u>\$33,275</u>	30,189	<u>(\$3,086)</u>
	<u>284,981</u>			<u>67,021</u>			<u>43,385</u>	
	<u>\$346,985</u>			<u>\$93,283</u>			<u>\$73,574</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, 2008

	HISTORICAL ADVISORY BOARD			ADAM STREET HOUSE		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services						
Fines and forfeitures						
Use of money and property	\$50	\$38	(\$12)		\$23,309	\$23,309
Affordable housing fee						
Other						
Total Revenues	50	38	(12)		23,309	23,309
EXPENDITURES						
Current:						
General government						
Public works						
Development services						
Culture and recreation						
Housing and community services						
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	50	38	(12)		23,309	23,309
OTHER FINANCING SOURCES (USES)						
Transfers in					292,985	292,985
Transfers (out)						
Total Other Financing Sources (Uses)					292,985	292,985
NET CHANGE IN FUND BALANCES	\$50	38	(\$12)		316,294	\$316,294
BEGINNING FUND BALANCES (DEFICITS)		650				
ENDING FUND BALANCES (DEFICITS)		\$688			\$316,294	

POLICE/FIRE CONSTRUCTION IMPACT FEE			CONSTRUCTION IMPACT FEE			POLICE BUILDING CERTIFICATES OF PARTICIPATION		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$90,000	\$51,771	(\$38,229)	\$900,000	\$694,645	(205,355)			
				59,413	59,413		\$23,923	\$23,923
<u>90,000</u>	<u>51,771</u>	<u>(38,229)</u>	<u>900,000</u>	<u>754,058</u>	<u>(145,942)</u>		<u>23,923</u>	<u>23,923</u>
						\$145,000	145,000	
						92,615	94,807	(2,192)
						<u>237,615</u>	<u>239,807</u>	<u>(2,192)</u>
<u>90,000</u>	<u>51,771</u>	<u>(38,229)</u>	<u>900,000</u>	<u>754,058</u>	<u>(145,942)</u>	<u>(237,615)</u>	<u>(215,884)</u>	<u>21,731</u>
	63	63		996,813	996,813	237,615	237,615	
<u>(82,000)</u>	<u>(51,834)</u>	<u>30,166</u>	<u>(2,202,866)</u>	<u>(1,601,984)</u>	<u>600,882</u>			
<u>(82,000)</u>	<u>(51,771)</u>	<u>30,229</u>	<u>(2,202,866)</u>	<u>(605,171)</u>	<u>1,597,695</u>	<u>237,615</u>	<u>237,615</u>	
<u>\$8,000</u>		<u>(\$8,000)</u>	<u>(\$1,302,866)</u>	148,887	<u>\$1,451,753</u>		21,731	<u>\$21,731</u>
							240,359	
				<u>\$148,887</u>			<u>\$262,090</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, 2008

	LIBRARY/GOLF CERTIFICATES OF PARTICIPATION			2002 CITY HALL REFINANCING CERTIFICATES OF PARTICIPATION		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services						
Fines and forfeitures						
Use of money and property		\$51,097	\$51,097		\$96,725	\$96,725
Affordable housing fee						
Other						
Total Revenues		<u>51,097</u>	<u>51,097</u>		<u>96,725</u>	<u>96,725</u>
EXPENDITURES						
Current:						
General government						
Public works						
Development services						
Culture and recreation						
Housing and community services						
Capital outlay						
Debt service:						
Principal	\$185,000	165,000			385,000	(385,000)
Interest	209,156	211,290	(2,134)	\$830,488	448,324	382,164
Total Expenditures	<u>394,156</u>	<u>376,290</u>	<u>(2,134)</u>	<u>830,488</u>	<u>833,324</u>	<u>(2,836)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(394,156)</u>	<u>(325,193)</u>	<u>68,963</u>	<u>(830,488)</u>	<u>(736,599)</u>	<u>93,889</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	394,156	394,156		828,888	828,888	
Transfers (out)						
Total Other Financing Sources (Uses)	<u>394,156</u>	<u>394,156</u>		<u>828,888</u>	<u>828,888</u>	
NET CHANGE IN FUND BALANCES		<u>68,963</u>	<u>\$68,963</u>	<u>(\$1,600)</u>	92,289	<u>\$93,889</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>645,778</u>			<u>1,656,193</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$714,741</u>			<u>\$1,748,482</u>	

2003 LIBRARY BONDS			COMMUNITY IMPROVEMENT COMMISSION SUBORDINATE BONDS BWIP			COMMUNITY IMPROVEMENT COMMISSION 2003 TAX ALLOCATION REFUNDING BONDS BWIP		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$670,000	\$598,240	(\$71,760)						
	5,889	5,889		\$25,191	\$25,191		\$72,781	\$72,781
<u>670,000</u>	<u>604,129</u>	<u>(65,871)</u>		<u>25,191</u>	<u>25,191</u>		<u>72,781</u>	<u>72,781</u>
1,600		1,600						
175,000	175,000		\$525,000	\$525,000		430,000	430,000	
489,850	489,849	1	258,626	259,467	(841)	832,569	831,080	1,489
666,450	664,849	1,601	783,626	784,467	(841)	1,262,569	1,261,080	1,489
3,550	(60,720)	(64,270)	(783,626)	(759,276)	24,350	(1,262,569)	(1,188,299)	74,270
			783,626	783,627	1	1,260,969	1,260,969	
			783,626	783,627	1	1,260,969	1,260,969	
<u>\$3,550</u>	<u>(60,720)</u>	<u>(\$64,270)</u>		<u>24,351</u>	<u>\$24,351</u>	<u>(\$1,600)</u>	<u>72,670</u>	<u>\$74,270</u>
	<u>418,277</u>			<u>571,409</u>			<u>1,581,086</u>	
	<u>\$357,557</u>			<u>\$595,760</u>			<u>\$1,653,756</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, 2008

	COMMUNITY IMPROVEMENT COMMISSION 2003 TAX ALLOCATION BONDS WECIP			ALAMEDA POINT IMPROVEMENT PROJECT 2003 REVENUE BONDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services						
Fines and forfeitures						
Use of money and property		\$225,936	\$225,936		\$70,953	\$70,953
Affordable housing fee						
Other						
Total Revenues		225,936	225,936		70,953	70,953
EXPENDITURES						
Current:						
General government						
Public works						
Development services						
Culture and recreation						
Housing and community services						
Capital outlay						
Debt service:						
Principal	\$50,000	50,000		\$240,000	240,000	
Interest	2,690,239	2,691,178	(939)	501,600	499,618	1,982
Total Expenditures	2,740,239	2,741,178	(939)	741,600	739,618	1,982
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,740,239)</u>	<u>(2,515,242)</u>	<u>224,997</u>	<u>(741,600)</u>	<u>(668,665)</u>	<u>72,935</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,738,639	2,738,639		12,739	12,739	
Transfers (out)						
Total Other Financing Sources (Uses)	2,738,639	2,738,639		12,739	12,739	
NET CHANGE IN FUND BALANCES	<u>(\$1,600)</u>	<u>223,397</u>	<u>\$224,997</u>	<u>(\$728,861)</u>	<u>(655,926)</u>	<u>\$72,935</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>4,641,155</u>			<u>1,516,139</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$4,864,552</u>			<u>\$860,213</u>	

HUD 108			TRANSPORTATION IMPROVEMENT			LIBRARY CONSTRUCTION		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			\$533,700	\$423,944 173,845	\$423,944			
\$286,517	\$320,246	\$33,729						
	16,597	16,597		81,092	\$81,092		\$16,420	\$16,420
<u>286,517</u>	<u>336,843</u>	<u>50,326</u>	<u>533,700</u>	<u>678,881</u>	<u>505,036</u>		<u>16,420</u>	<u>16,420</u>
			1,031,185	107		\$118,332	118,332	
<u>286,517</u>	<u>320,246</u>	<u>(33,729)</u>						
<u>286,517</u>	<u>320,246</u>	<u>(33,729)</u>	<u>1,031,185</u>	<u>107</u>		<u>118,332</u>	<u>118,332</u>	
	16,597	16,597	(497,485)	678,774	1,176,259	(118,332)	(101,912)	16,420
			(598,886)	(586,711)	12,175	14,969	16,117	1,148
			(598,886)	(586,711)	12,175	14,969	16,117	1,148
	16,597	\$16,597	(\$1,096,371)	92,063	\$1,188,434	(\$103,363)	(85,795)	\$17,568
	8,563			1,394,997			290,611	
	<u>\$25,160</u>			<u>\$1,487,060</u>			<u>\$204,816</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, 2008

	URBAN RUNOFF STORM DRAIN FEE			COMMUNITY FACILITY DISTRICT #1		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$2,664,286	\$2,798,189	\$133,903			
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services		16,190	16,190			
Fines and forfeitures						
Use of money and property	50,000	305,165	255,165	\$13	\$13	
Affordable housing fee						
Other		\$4,710	4,710			
Total Revenues	2,714,286	3,124,254	409,968	13	13	
EXPENDITURES						
Current:						
General government						
Public works						
Development services						
Culture and recreation						
Housing and community services						
Capital outlay	1,536,809	1,484,004	52,805			
Debt service:						
Principal						
Interest						
Total Expenditures	1,536,809	1,484,004	52,805			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,177,477</u>	<u>1,640,250</u>	<u>462,773</u>	<u>13</u>	<u>13</u>	
OTHER FINANCING SOURCES (USES)						
Transfers in	66,431	66,307	(124)			
Transfers (out)	(2,197,533)	(1,452,281)	745,252			
Total Other Financing Sources (Uses)	(2,131,102)	(1,385,974)	745,128			
NET CHANGE IN FUND BALANCES	<u>(\$953,625)</u>	<u>254,276</u>	<u>\$1,207,901</u>	<u>\$13</u>	<u>13</u>	
BEGINNING FUND BALANCES (DEFICITS)		<u>5,342,179</u>			<u>226</u>	
ENDING FUND BALANCES		<u>\$5,596,455</u>			<u>\$239</u>	

COMMUNITY FACILITY DISTRICT #2			HARBOR BAY ISLE 92-1 SPECIAL ASSESSMENT DISTRICT			MARINA VILLAGE 89-1 SPECIAL ASSESSMENT DISTRICT		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
				\$23,815	\$23,815			
\$394	\$393	(\$1)	\$50,000	50,173	173	\$120,000	\$119,321	(\$679)
<u>394</u>	<u>393</u>	<u>(1)</u>	<u>50,000</u>	<u>73,988</u>	<u>23,988</u>	<u>120,000</u>	<u>119,321</u>	<u>(679)</u>
						47,327	47,327	
						<u>47,327</u>	<u>47,327</u>	
<u>394</u>	<u>393</u>	<u>(1)</u>	<u>50,000</u>	<u>73,988</u>	<u>23,988</u>	<u>72,673</u>	<u>71,994</u>	<u>(679)</u>
<u>(475,647)</u>		<u>475,647</u>						
<u>(475,647)</u>		<u>475,647</u>						
<u>(\$475,253)</u>	393	<u>\$475,646</u>	<u>\$50,000</u>	73,988	<u>\$23,988</u>	<u>\$72,673</u>	71,994	<u>(\$679)</u>
	<u>6,797</u>			<u>1,169,778</u>			<u>2,760,133</u>	
	<u>\$7,190</u>			<u>\$1,243,766</u>			<u>\$2,832,127</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, 2008

	CITYWIDE DEVELOPMENT FEE			WASTEWATER CAPITAL RESERVE		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits	\$540,334	\$446,204				
Revenue from other agencies						
Charges for current services						
Fines and forfeitures						
Use of money and property	4,465	127,375	\$122,910		\$1,507	\$1,507
Affordable housing fee						
Other						
Total Revenues	<u>544,799</u>	<u>573,579</u>	<u>122,910</u>		<u>1,507</u>	<u>1,507</u>
EXPENDITURES						
Current:						
General government						
Public works						
Development services						
Culture and recreation						
Housing and community services						
Capital outlay						
Debt service:						
Principal						
Interest						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>544,799</u>	<u>573,579</u>	<u>28,780</u>		<u>1,507</u>	<u>1,507</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				\$8,120	8,120	
Transfers (out)	(455,000)		455,000			
Total Other Financing Sources (Uses)	<u>(455,000)</u>		<u>455,000</u>	<u>8,120</u>	<u>8,120</u>	
NET CHANGE IN FUND BALANCES	<u>\$89,799</u>	<u>573,579</u>	<u>\$483,780</u>	<u>\$8,120</u>	<u>9,627</u>	<u>\$1,507</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>2,004,189</u>			<u>25,364</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$2,577,768</u>			<u>\$34,991</u>	

OPEN SPACE IMPROVEMENT			ALAMEDA POINT IMPROVEMENT PROJECT 2003 REVENUE BONDS		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$59,100	\$59,101	\$1	\$20,000	\$14,971	(\$5,029)
<u>59,100</u>	<u>59,101</u>	<u>1</u>	<u>20,000</u>	<u>14,971</u>	<u>(5,029)</u>
			3,000	938	2,062
			<u>3,000</u>	<u>938</u>	<u>2,062</u>
<u>59,100</u>	<u>59,101</u>	<u>1</u>	<u>17,000</u>	<u>14,033</u>	<u>(2,967)</u>
			<u>(47,000)</u>	<u>(93,303)</u>	<u>(46,303)</u>
			<u>(47,000)</u>	<u>(93,303)</u>	<u>(46,303)</u>
<u>\$59,100</u>	<u>59,101</u>	<u>\$1</u>	<u>(\$30,000)</u>	<u>(79,270)</u>	<u>(\$49,270)</u>
	<u>1,020,727</u>			<u>415,548</u>	
	<u>\$1,079,828</u>			<u>\$336,278</u>	

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INTERNAL SERVICE FUNDS

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.

CENTRAL STORE

This fund accounts for the City central store's operation. The source of revenue is reimbursement of costs for items purchased by other departments such as papers postage and copying expense.

CENTRAL GARAGE

This fund accounts for the maintenance and replacement of vehicles and equipment used by all City departments. Source of revenue for this fund is on reimbursement basis of costs for services and supplies purchased by other departments.

TECHNOLOGY SERVICES

This fund accounts for computer and telephone charges and information system upgrades. Resources are from administrative charges to departments based upon their proportional share of program costs.

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, 2008

	Central Store	Central Garage	Technology Services	Workers' Compensation Insurance
ASSETS				
Current Assets:				
Cash and cash equivalents	\$103,738	\$260,470	\$222,195	
Accounts receivable	15,112	4,809		\$32,235
Prepays and deposits			19,003	135,000
Total Current Assets	<u>118,850</u>	<u>265,279</u>	<u>241,198</u>	<u>167,235</u>
Capital assets, depreciable, net			<u>681,039</u>	
Total Assets	<u>118,850</u>	<u>265,279</u>	<u>922,237</u>	<u>167,235</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	68,420	55,821	66,086	635
Accrued payroll				3,592
Due to other funds				704,560
Claims payable				5,555,578
Total Current Liabilities	<u>68,420</u>	<u>55,821</u>	<u>66,086</u>	<u>6,264,365</u>
Long-term Debt:				
Due within one year			192,821	
Due in more than one year			<u>176,753</u>	
Total Long-Term Debt			<u>369,574</u>	
Total Liabilities	<u>68,420</u>	<u>55,821</u>	<u>435,660</u>	<u>6,264,365</u>
NET ASSETS				
Invested in capital assets, net of related debt			504,286	
Unrestricted	<u>50,430</u>	<u>209,458</u>	<u>(17,709)</u>	<u>(6,097,130)</u>
Total Net Assets (Deficits)	<u>\$50,430</u>	<u>\$209,458</u>	<u>\$486,577</u>	<u>(\$6,097,130)</u>

<u>Risk Management Insurance</u>	<u>Unemployment Insurance</u>	<u>OPEB</u>	<u>Total</u>
\$1,637,007 25		\$23,689	\$2,247,099 52,181 154,003
1,637,032		23,689	2,453,283 681,039
<u>1,637,032</u>		<u>23,689</u>	<u>3,134,322</u>
206,817 7,090		\$21,678	419,457 10,682 727,899 6,773,759
1,218,181	\$23,339		
<u>1,432,088</u>	<u>23,339</u>	<u>21,678</u>	<u>7,931,797</u>
			192,821 176,753
			369,574
<u>1,432,088</u>	<u>23,339</u>	<u>21,678</u>	<u>8,301,371</u>
204,944	(23,339)	2,011	504,286 (5,671,335)
<u>\$204,944</u>	<u>(\$23,339)</u>	<u>\$2,011</u>	<u>(\$5,167,049)</u>

CITY OF ALAMEDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	Central Store	Central Garage	Technology Services	Workers' Compensation Insurance
OPERATING REVENUES				
Charges for services	\$971,669	\$381,431	\$945,657	\$1,397,093
Miscellaneous				
Total Operating Revenues	<u>971,669</u>	<u>381,431</u>	<u>945,657</u>	<u>1,397,093</u>
OPERATING EXPENSES				
General administrative		316,270	170,320	3,229
Wages and benefits				214,682
Insurance				1,712,265
Contractual services	444,542	32,497	551,985	112,027
Supplies and maintenance	559,839	(2,883)	3,300	
Depreciation			120,566	
Total Operating Expenses	<u>1,004,381</u>	<u>345,884</u>	<u>846,171</u>	<u>2,042,203</u>
Operating Income (Loss)	<u>(32,712)</u>	<u>35,547</u>	<u>99,486</u>	<u>(645,110)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	4,503	11,078	15,365	
Interest (expense)			(38,117)	
Total Nonoperating Revenues (Expenses)	<u>4,503</u>	<u>11,078</u>	<u>(22,752)</u>	
Income (Loss) Before Transfers	<u>(28,209)</u>	<u>46,625</u>	<u>76,734</u>	<u>(645,110)</u>
Transfers in	795	7,271		4,334
Net Transfers	<u>795</u>	<u>7,271</u>		<u>4,334</u>
Change in Net Assets	(27,414)	53,896	76,734	(640,776)
BEGINNING NET ASSETS (DEFICITS)	<u>77,844</u>	<u>155,562</u>	<u>409,843</u>	<u>(5,456,354)</u>
ENDING NET ASSETS (DEFICITS)	<u><u>\$50,430</u></u>	<u><u>\$209,458</u></u>	<u><u>\$486,577</u></u>	<u><u>(\$6,097,130)</u></u>

Risk Management Insurance	Unemployment Insurance	OPEB	Total
\$3,082,782	\$31,169	\$1,794,313	\$8,604,114
25			25
<u>3,082,807</u>	<u>31,169</u>	<u>1,794,313</u>	<u>8,604,139</u>
19,164	56,221		565,204
507,976			722,658
993,972		1,792,302	4,498,539
754,494	1,620		1,897,165
			560,256
			120,566
<u>2,275,606</u>	<u>57,841</u>	<u>1,792,302</u>	<u>8,364,388</u>
<u>807,201</u>	<u>(26,672)</u>	<u>2,011</u>	<u>239,751</u>
			30,946
			<u>(38,117)</u>
			<u>(7,171)</u>
<u>807,201</u>	<u>(26,672)</u>	<u>2,011</u>	<u>232,580</u>
<u>362,341</u>	<u>1,545</u>		<u>376,286</u>
<u>362,341</u>	<u>1,545</u>		<u>376,286</u>
1,169,542	(25,127)	2,011	608,866
<u>(964,598)</u>	<u>1,788</u>		<u>(5,775,915)</u>
<u>\$204,944</u>	<u>(\$23,339)</u>	<u>\$2,011</u>	<u>(\$5,167,049)</u>

CITY OF ALAMEDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

	Central Store	Central Garage	Technology Services	Workers' Compensation Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$976,319	\$385,441	\$969,826	\$1,504,878
Payments to suppliers	(976,835)	(324,756)	(668,080)	(111,577)
Payments to employees				(217,226)
Claims paid				(2,031,268)
Cash Flows from Operating Activities	(516)	60,685	301,746	(855,193)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund payments				704,560
Transfers net	795	7,271		4,334
Cash Flows from Noncapital Financing Activities	795	7,271		708,894
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments on capital debt			(192,821)	
Interest paid on capital debt			(38,117)	
Cash Flows from Capital and Related Financing Activities			(230,938)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	4,503	11,078	15,365	
Net Cash Flows	4,782	79,034	86,173	(146,299)
Cash and investments at beginning of period	98,956	181,436	136,022	146,299
Cash and investments at end of period	<u>\$103,738</u>	<u>\$260,470</u>	<u>\$222,195</u>	<u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	(\$32,712)	\$35,547	\$99,486	(\$645,110)
Adjustments to reconcile operating income to cash flows from operating activities:				
Depreciation			120,566	
Change in assets and liabilities:				
Accounts receivable	4,650	4,010	24,169	107,785
Prepays and deposits				
Accounts payable	27,546	21,128	57,525	450
Claims payable				(319,003)
Accrued payroll				685
Cash Flows from Operating Activities	(\$516)	\$60,685	\$301,746	(\$855,193)

<u>Risk Management Insurance</u>	<u>Unemployment Insurance</u>	<u>OPEB</u>	<u>Total</u>
\$3,095,702	\$31,169	\$1,794,313	\$8,757,648
(670,114)	(1,215)	(1,764,057)	(4,516,634)
(525,604)	(56,221)		(799,051)
<u>(961,633)</u>			<u>(2,992,901)</u>
938,351	(26,267)	30,256	449,062
	23,339	(6,567)	721,332
<u>362,341</u>	<u>1,545</u>		<u>376,286</u>
<u>362,341</u>	<u>24,884</u>	<u>(6,567)</u>	<u>1,097,618</u>
			(192,821)
			<u>(38,117)</u>
			(230,938)
			30,946
1,300,692	(1,383)	23,689	1,346,688
<u>336,315</u>	<u>1,383</u>		<u>900,411</u>
<u>\$1,637,007</u>		<u>\$23,689</u>	<u>\$2,247,099</u>
\$807,201	(\$26,672)	\$2,011	\$239,751
			120,566
12,895			153,509
	405	6,567	6,972
84,380		21,678	212,707
32,339			(286,664)
<u>1,536</u>			<u>2,221</u>
<u>\$938,351</u>	<u>(\$26,267)</u>	<u>\$30,256</u>	<u>\$449,062</u>

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FIDUCIARY FUNDS

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

CITY OF ALAMEDA
PENSION TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

	PENSION TRUST FUNDS		
	Police and Fire Pension #1079	Police and Fire Pension #1082	Total
ASSETS			
Restricted cash and investments	\$0	\$0	\$0
Total Assets	\$0	\$0	\$0
FUND BALANCE			
Reserved for:			
Employees' pension benefits	\$0	\$0	\$0
Total Equity	\$0	\$0	\$0

CITY OF ALAMEDA
PENSION TRUST FUNDS
COMBINING STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>PENSION TRUST FUNDS</u>		<u>TOTALS</u>
	<u>Plan #1079</u>	<u>Plan #1082</u>	
ADDITIONS			
Employer contributions	<u>\$2,738,432</u>	<u>\$41,865</u>	<u>\$2,780,297</u>
Total Additions	<u>2,738,432</u>	<u>41,865</u>	<u>2,780,297</u>
DEDUCTIONS			
Retirement and other benefits	2,732,961	41,786	2,774,747
Contractual services	<u>5,471</u>	<u>79</u>	<u>5,550</u>
Total Deductions	<u>2,738,432</u>	<u>41,865</u>	<u>2,780,297</u>
INCREASE (DECREASE) IN NET ASSETS			
NET ASSETS HELD IN (DUE TO) TRUST FOR PENSION BENEFITS			
Beginning of year	_____	_____	_____
End of year	<u>_____</u>	<u>_____</u>	<u>_____</u>

CITY OF ALAMEDA
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<u>Assessment Districts</u>				
<u>Assets</u>				
Restricted cash and investments	\$50,840,668	\$4,750,394	\$7,359,735	\$48,231,327
Accounts receivable	162,166	45,774,441	162,166	45,774,441
Total Assets	<u>\$51,002,834</u>	<u>\$50,524,835</u>	<u>\$7,521,901</u>	<u>\$94,005,768</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$51,002,834</u>	<u>\$50,524,835</u>	<u>\$7,521,901</u>	<u>\$94,005,768</u>
Refundable deposits				
<u>Waste Management JRRRC Trust</u>				
<u>Assets</u>				
Restricted cash and investments	<u>\$139,641</u>	<u>\$8,085</u>		<u>\$147,726</u>
<u>Liabilities</u>				
Refundable deposits	<u>\$139,641</u>	<u>\$8,085</u>		<u>\$147,726</u>
<u>Mastick Senior Center</u>				
<u>Assets</u>				
Restricted cash and investments	<u>\$386,509</u>	<u>\$79,044</u>		<u>\$465,553</u>
<u>Liabilities</u>				
Due to members	<u>\$386,509</u>	<u>\$79,044</u>		<u>\$465,553</u>
<u>Totals- All Agency Funds</u>				
<u>Assets</u>				
Restricted cash and investments	\$51,366,818	\$4,837,523	\$7,359,735	\$48,844,606
Accounts receivable	162,166	45,774,441	162,166	45,774,441
Total Assets	<u>\$51,528,984</u>	<u>\$50,611,964</u>	<u>\$7,521,901</u>	<u>\$94,619,047</u>
<u>Liabilities</u>				
Refundable deposits	\$139,641	\$8,085		\$147,726
Due to members	386,509	79,044		465,553
Due to bondholders	51,002,834	50,524,835	\$7,521,901	94,005,768
Total Liabilities	<u>\$51,528,984</u>	<u>\$50,611,964</u>	<u>\$7,521,901</u>	<u>\$94,619,047</u>

STATISTICAL SECTION

STATISTICAL SECTION

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 discusses about 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 Balance of Governmental Funds

Revenue Capacity

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

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
3. Full-Time Equivalent City Government Employees by Function

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:

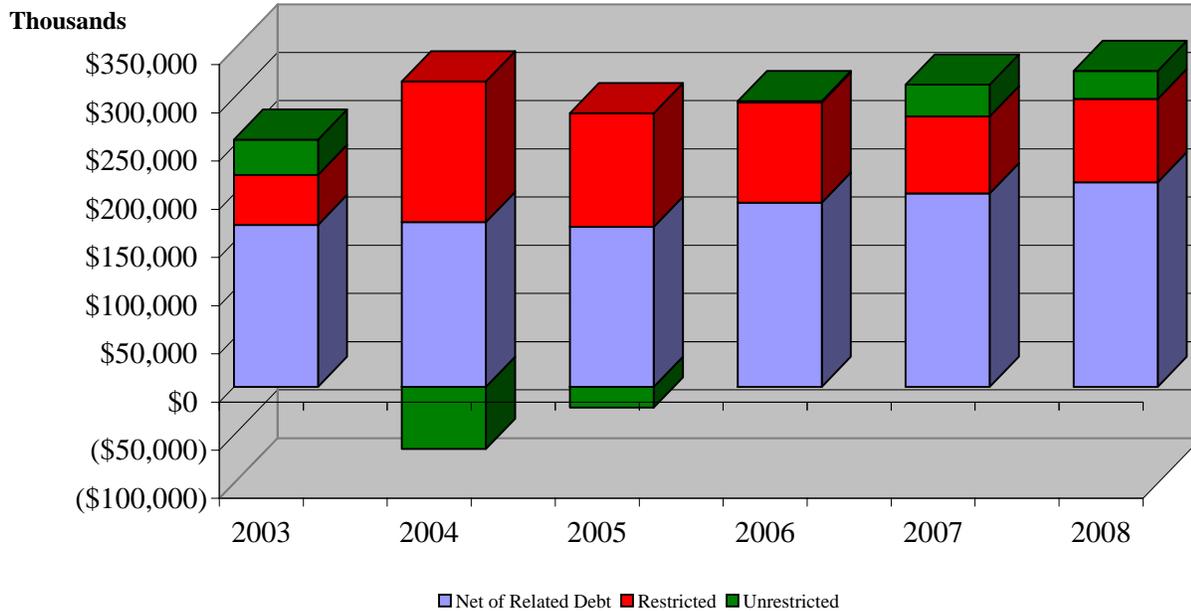
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

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 2002; schedules presenting government-wide information include information beginning in that year.

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CITY OF ALAMEDA
Net Assets by Component
Last Six Fiscal Years (a)
(accrual basis of accounting)



	For the Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
Governmental activities						
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
Restricted	51,888,403	144,673,265	116,647,178	102,723,054	79,816,104	86,336,351
Unrestricted	19,237,422	(81,824,156)	(40,784,740)	(18,104,392)	13,312,902	8,764,362
Total governmental activities net assets	\$187,582,619	\$195,471,036	\$200,603,844	\$234,245,552	\$251,845,514	\$264,877,349
Business-type activities						
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
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
Total business-type activities net assets	\$68,949,432	\$57,084,806	\$62,008,053	\$62,153,355	\$61,748,131	\$62,834,008
Primary government						
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
Restricted	51,888,403	145,757,242	117,754,068	103,868,525	79,816,104	86,336,351
Unrestricted	36,518,364	(64,335,619)	(21,313,825)	1,297,266	33,087,465	29,082,865
Total primary government net assets	\$256,532,051	\$252,555,842	\$262,611,897	\$296,398,907	\$313,593,645	\$327,711,357

Note:

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

CITY OF ALAMEDA
Changes in Net Assets
Last Six Fiscal Years (a)
(Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental Activities:						
General Government	\$11,314,930	\$11,892,299	\$15,395,113	\$17,477,965	\$20,160,089	\$13,942,578
Police	21,343,437	22,502,026	22,074,065	25,255,793	25,632,978	26,769,167
Fire	18,361,188	18,648,073	19,667,256	20,520,453	23,911,788	24,645,039
Public Works	13,654,427	12,263,391	13,990,352	5,374,200	4,465,955	12,628,974
Development Services, Planning and Building	16,665,180	18,215,641	17,920,317	14,093,939	22,986,738	19,189,329
Culture and Recreation	6,599,712	8,625,168	6,758,918	7,114,677	7,730,394	8,275,998
Housing and Community Services	6,155,962	5,059,414	4,687,684	3,395,317	5,802,261	6,668,775
Interest on Long Term Debt	4,130,840	9,767,781	6,429,215	5,918,480	6,307,727	6,351,470
Total Governmental Activities Expenses	<u>98,225,676</u>	<u>106,973,793</u>	<u>106,922,920</u>	<u>99,150,824</u>	<u>116,997,930</u>	<u>118,471,330</u>
Business-Type Activities:						
Ferry Services	5,228,012	3,439,322	3,539,277	3,478,994	3,274,613	4,469,475
Golf Course	4,224,577	4,338,367	4,400,252	4,508,404	4,645,595	5,009,337
Sewer Service	3,374,862	3,921,506	3,632,512	3,756,084	4,244,145	4,320,760
Total Business-Type Activities Expenses	<u>12,827,451</u>	<u>11,699,195</u>	<u>11,572,041</u>	<u>11,743,482</u>	<u>12,164,353</u>	<u>13,799,572</u>
Total Primary Government Expenses	<u>\$111,053,127</u>	<u>\$118,672,988</u>	<u>\$118,494,961</u>	<u>\$110,894,306</u>	<u>\$129,162,283</u>	<u>\$132,270,902</u>
Component Units:						
Housing Authority	\$25,944,248	\$26,122,570	\$25,742,559	\$23,458,406	\$25,890,669	\$25,717,763
Power & Telecom	48,808,125	54,710,878	57,956,365	60,987,054	63,267,230	61,075,579
Total Component Units	<u>\$74,752,373</u>	<u>\$80,833,448</u>	<u>\$83,698,924</u>	<u>\$84,445,460</u>	<u>\$89,157,899</u>	<u>\$86,793,342</u>
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	\$2,631,863	\$12,761,494	\$13,294,972	\$13,804,737	\$13,697,081	\$5,244,071
Police	1,237,479	197,252	190,052	217,551	179,212	918,369
Fire	1,724,050	95,384	90,640	79,718		1,917,703
Public Works	2,964,261	731,746	782,578	848,390	1,488,380	7,149,848
Development Services, Planning and Building	15,277,921	13,103,655	11,891,979	12,395,013	13,265,740	12,520,166
Culture and Recreation	1,462,654	1,399,564	2,581,142	2,926,120	1,940,528	2,396,147
Housing and Community Services						438,278
Operating Grants and Contributions	7,095,519	10,397,197	8,170,805	16,571,222	14,350,320	12,969,596
Capital Grants and Contributions	8,853,630	8,722,254	10,946,725	15,576,210	11,063,279	5,535,687
Total Government Activities Program Revenues	<u>41,247,377</u>	<u>47,408,546</u>	<u>47,948,893</u>	<u>62,418,961</u>	<u>55,984,540</u>	<u>49,089,865</u>
Business-Type Activities:						
Charges for Services:						
Ferry Services					17,726	
Golf Course	4,991,613	4,730,019	4,259,968	3,859,518	4,226,422	4,187,705
Sewer Service	5,091,934	5,179,831	5,356,564	5,252,893	5,667,296	5,826,652
Operating Grants and Contributions	3,715,911	1,878,270	6,683,481	2,279,492	1,990,515	3,000,763
Total Business-Type Activities Program Revenue	<u>13,799,458</u>	<u>11,788,120</u>	<u>16,300,013</u>	<u>11,391,903</u>	<u>11,884,233</u>	<u>13,015,120</u>
Total Primary Government Program Revenues	<u>\$55,046,835</u>	<u>\$59,196,666</u>	<u>\$64,248,906</u>	<u>\$73,810,864</u>	<u>\$67,868,773</u>	<u>\$62,104,985</u>
Component Units:						
Charges for Services:						
Housing Authority	\$2,927,404	\$3,056,974	\$3,366,326	\$3,162,738	\$3,368,311	\$3,294,371
Power & Telecom	43,466,487	50,952,137	58,103,776	61,937,553	60,552,680	61,857,720
Operating Grants and Contributions	22,967,145	23,420,341	22,357,796	24,594,124	27,623,882	21,419,640
Total Component Units Program Revenues	<u>\$69,361,036</u>	<u>\$77,429,452</u>	<u>\$83,827,898</u>	<u>\$89,694,415</u>	<u>\$91,544,873</u>	<u>\$86,571,731</u>
Net (Expense)/Revenue						
Governmental Activities	(\$56,978,299)	(\$59,565,247)	(\$58,974,027)	(\$36,731,863)	(\$61,013,390)	(\$69,381,465)
Business-Type Activities	972,007	88,925	4,727,972	(351,579)	(262,394)	(784,452)
Component Units Activities	(5,391,337)	(3,403,996)	128,974	5,248,955	2,386,974	(221,611)
Total Primary Government Net Expense	<u>(\$56,006,292)</u>	<u>(\$59,476,322)</u>	<u>(\$54,246,055)</u>	<u>(\$31,834,487)</u>	<u>(\$58,888,810)</u>	<u>(\$70,387,528)</u>

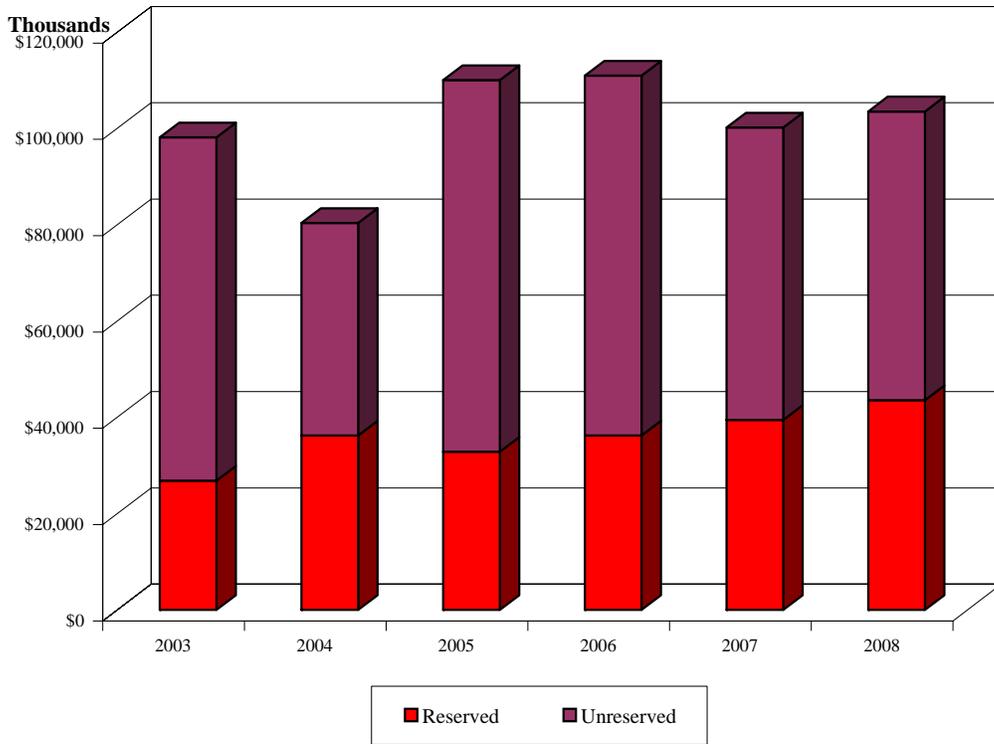
CITY OF ALAMEDA
Changes in Net Assets
(continued)
Last Six Fiscal Years (a)
(Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Taxes:						
Property Taxes	\$15,987,519	\$17,773,235	\$19,007,465	\$21,332,157	\$26,137,534	\$27,413,398
Incremental property tax	7,739,233	7,993,279	8,956,569	11,178,320	12,266,563	14,043,703
Urban runoff special assessments	2,290,320	2,514,813	894,930	851,005	2,668,301	1,738,422
Sales Taxes	5,430,564	5,551,361	4,756,425	4,580,600	4,967,130	5,140,774
Utility Users Tax				8,328,131	8,702,101	9,301,200
Transfer Tax				6,601,412	4,177,736	3,389,197
Franchise Tax						1,605,512
Transient Occupancy Tax						1,088,342
Property Tax In-Lieu						1,654,175
Other Taxes	14,410,517	15,654,287	18,780,327	7,200,067	7,184,959	2,392,876
Motor Vehicle In-Lieu, Unrestricted	4,123,899	3,438,362	5,083,751	5,982,971	5,479,921	5,748,775
Use of Money and properties	3,306,730	876,633	2,898,323	2,695,888	5,897,661	8,066,247
Gain/Loss from disposal of capital assets	(7,578,352)	1,312,894				
Miscellaneous	413,199	34,145	3,435,857	1,215,942	345,906	1,427,356
Transfers	(16,347,856)	12,304,655	293,188	407,078	1,293,540	(596,677)
Total Government Activities	<u>29,775,773</u>	<u>67,453,664</u>	<u>64,106,835</u>	<u>70,373,571</u>	<u>79,121,352</u>	<u>82,413,300</u>
Business-Type Activities:						
Use of Money and properties	983,739	282,361	486,455	646,149	1,004,169	1,126,277
Miscellaneous	1,686	68,743	2,008	257,810	146,541	147,375
Transfers	18,847,856	(12,304,655)	(293,188)	(407,078)	(1,293,540)	596,677
Total Business-Type Activities	<u>19,833,281</u>	<u>(11,953,551)</u>	<u>195,275</u>	<u>496,881</u>	<u>(142,830)</u>	<u>1,870,329</u>
Total Primary Government	<u>\$49,609,054</u>	<u>\$55,500,113</u>	<u>\$64,302,110</u>	<u>\$70,870,452</u>	<u>\$78,978,522</u>	<u>\$83,009,977</u>
Component Units Activities:						
Use of Money and properties	\$437,429	\$341,058	\$2,369,805	\$2,315,772	\$2,804,872	\$2,974,858
Miscellaneous	2,707,172					
Transfers	(2,500,000)					
Net Extraordinary Items						(32,097,496)
Total Component Units Activities	<u>\$644,601</u>	<u>\$341,058</u>	<u>\$2,369,805</u>	<u>\$2,315,772</u>	<u>\$2,804,872</u>	<u>(\$29,122,638)</u>
Change in Net Assets						
Governmental Activities	(\$27,202,526)	\$7,888,417	\$5,132,808	\$33,641,708	\$18,107,962	\$13,031,835
Business-Type Activities	20,805,288	(11,864,626)	4,923,247	145,302	(405,224)	1,085,877
Total Primary Government	<u>(\$6,397,238)</u>	<u>(\$3,976,209)</u>	<u>\$10,056,055</u>	<u>\$33,787,010</u>	<u>\$17,702,738</u>	<u>\$14,117,712</u>
Changes in Net Assets						
Component units Activities	<u>(\$4,746,736)</u>	<u>(\$3,062,938)</u>	<u>\$2,498,779</u>	<u>\$7,564,727</u>	<u>\$5,191,846</u>	<u>(\$29,344,249)</u>

Note:

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

CITY OF ALAMEDA
Fund Balances of Governmental Funds
Last Six Fiscal Years (b)
(Modified Accrual Basis of Accounting)



	For the Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	\$4,351,023	\$6,061,084	\$6,065,209	\$6,626,345	\$6,649,640	\$9,441,392
Unreserved	14,516,417	12,655,623	16,048,586	17,947,381	16,171,215	10,252,721
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> (a)
All Other Governmental Funds						
Reserved	\$22,490,776	\$30,173,689	\$26,759,167	\$29,578,391	\$32,799,457	\$34,104,927
Unreserved, reported in:						
Special revenue funds	11,284,346	46,548,364	40,171,866	38,923,405	31,494,061	20,831,848
Capital project funds	18,295,744	17,971,148	18,531,330	14,420,484	13,068,955	28,887,337
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> (a)

(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

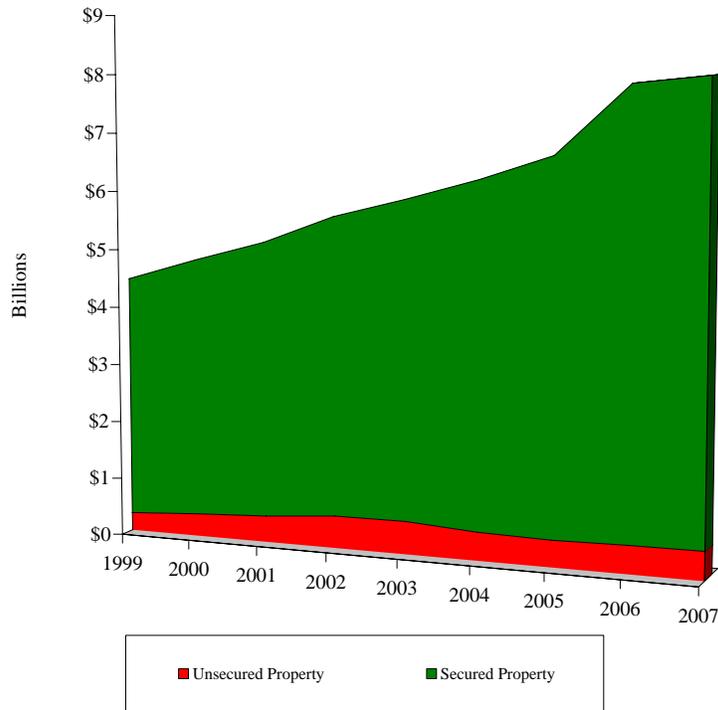
CITY OF ALAMEDA
Changes in Fund Balance of Governmental Funds
Last Six Fiscal Years
(Modified Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,					
	2003	2004	2005	2006	2007	2008
Revenues						
Property taxes	\$27,491,873	\$29,947,878	\$32,976,420	\$37,320,071	\$39,938,739	\$43,189,504
Other local taxes	20,743,798	22,236,960	24,120,443	27,682,138	26,125,551	25,463,825
Licenses and permits	2,485,586	2,928,479	3,664,147	4,316,809	4,281,863	3,792,899
Revenue from other agencies	17,955,265	16,905,698	22,233,324	35,629,270	29,797,193	24,321,452
Charges for current services	9,324,938	10,079,831	9,291,266	10,705,681	9,952,910	11,987,586
Fines and forfeitures	933,675	897,087	907,001	941,793	992,593	1,239,607
Use of money and property	14,965,122	14,517,984	15,444,762	15,791,585	18,624,311	20,264,478
Affordable housing fee	26,031	339,374	153,664	173,871	158,747	98,383
Other	945,439	613,652	3,396,593	994,372	1,278,774	1,696,652
Total Revenues	94,871,727	98,466,943	112,187,620	133,555,590	131,150,681	132,054,386
Expenditures						
Current:						
General government	10,569,472	11,020,370	14,932,657	15,161,220	13,761,022	11,315,409
Police	20,164,707	21,372,121	21,986,900	24,563,122	25,244,920	26,544,338
Fire	17,999,297	18,061,798	18,898,538	22,795,320	23,634,196	24,338,086
Public Works	6,992,184	7,844,588	7,382,093	7,120,517	7,892,558	9,255,632
Development Services, Planning and Building	27,202,280	19,887,277	15,319,311	12,677,375	28,512,408	24,230,719
Culture and recreation	5,639,792	6,034,698	6,177,938	6,331,629	6,621,934	7,258,611
Housing and community services	6,649,001	6,900,786	6,400,799	4,369,609	6,249,589	7,075,267
Capital outlay	11,719,561	19,409,657	18,907,960	39,505,003	23,667,913	11,845,020
Payment to other agencies			275,377			
Debt service:						
Principal repayment	1,745,853	10,363,174	1,560,568	1,564,295	1,918,623	2,533,420
Interest and fiscal charges	3,856,685	9,288,334	6,283,053	6,033,431	6,255,397	6,375,793
Total Expenditures	112,538,832	130,182,803	118,125,194	140,121,521	143,758,560	130,772,295
Excess (deficiency) of revenues over (under) expenditures	(17,667,105)	(31,715,860)	(5,937,574)	(6,565,931)	(12,607,879)	1,282,091
Other Financing Sources (Uses)						
Contribution from another entity		1,231,721				
Transfers in	17,150,259	35,648,704	24,240,787	41,355,020	42,858,538	29,641,624
Transfers (out)	(17,749,270)	(35,749,307)	(24,244,606)	(41,077,819)	(41,588,363)	(30,614,587)
Transfer from Alameda Power & Telecome	2,500,000	2,500,000				
Sale of capital assets	11,166,506	7,556,344	23,443	5,176,704	25,026	25,769
Payment to escrow agent	(10,565,000)	(15,570,000)				
Issuance of long-term debt	22,994,507	78,570,000	84,200	1,031,874	4,000,000	3,000,000
Total other financing sources (uses)	25,497,002	74,187,462	103,824	6,485,779	5,295,201	2,052,806
Net Change in fund balances	\$7,829,897	\$42,471,602	(\$5,833,750)	(\$80,152)	(\$7,312,678)	\$3,334,897
Debt service as a percentage of noncapital expenditures	5.2%	17.8%	7.1%	5.7%	6.0%	7.3%

NOTE:

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

**CITY OF ALAMEDA
 ASSESSED AND ESTIMATED ACTUAL
 VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

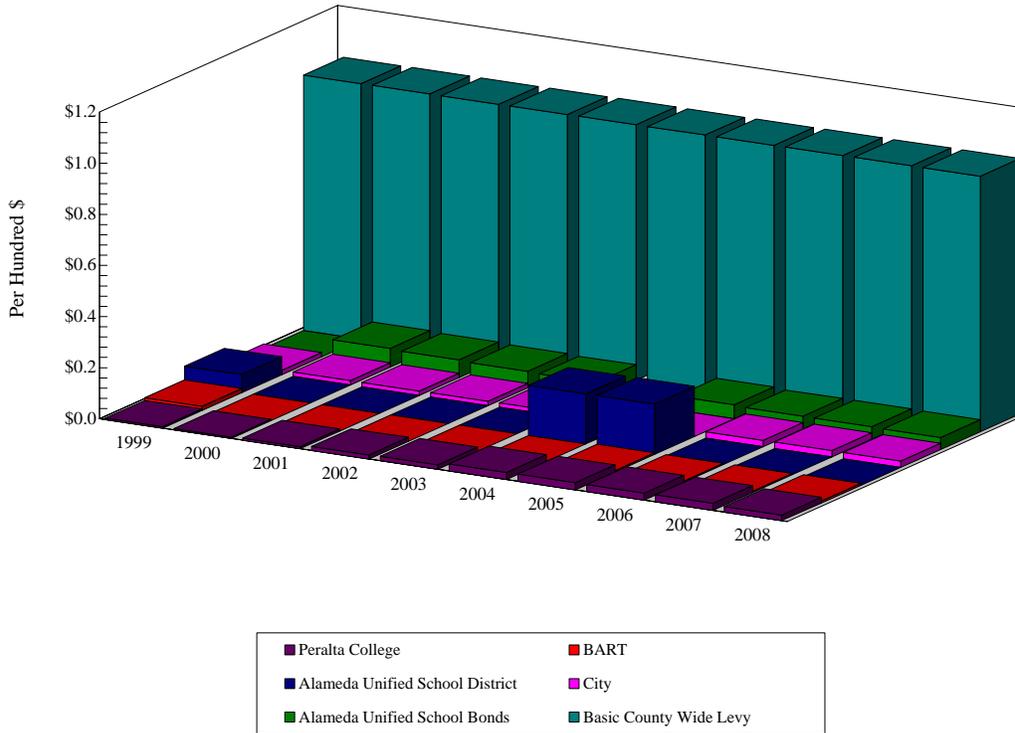


Fiscal Year	Secured Property	Percent Change	Unsecured Property	Percent Change	Total Assessed	Estimated Full Market
1999	\$4,148,921,979	7.15%	\$306,899,921	3.38%	\$4,455,821,900	\$4,455,821,900
2000	4,444,637,602	7.13%	388,980,561	26.75%	4,833,618,163	4,833,618,163
2001	4,734,149,408	6.51%	448,218,363	15.23%	5,182,367,771	5,182,367,771
2002	5,110,118,698	7.94%	553,644,347	23.52%	5,663,763,045	5,663,763,045
2003	5,426,195,345	6.19%	564,982,533	2.05%	5,991,177,878	5,991,177,878
2004	5,865,562,253	8.10%	485,153,311	-14.13%	6,350,715,564	6,350,715,564
2005	6,316,942,645	7.70%	460,263,932	-5.13%	6,777,206,577	6,777,206,577
2006	7,469,413,342	18.24%	482,582,523	4.85%	7,432,630,955	7,432,630,955
2007	7,600,603,000	1.76%	493,333,000	2.23%	7,951,995,865	7,951,995,865
2008	8,299,483,280	9.20%	477,194,312	-3.27%	8,776,677,592	8,776,677,592

(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.

Source: Alameda County Auditor Controller Office Certificate of Assessed Valuations

**CITY OF ALAMEDA
PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**



Fiscal Year	Basic County Wide Levy	City	Alameda Unified School Bonds	Alameda Unified School District	BART	Peralta College	Total
1999	1.0000	0.0175	N/A	0.0705	0.0167	0.0056	1.1103
2000	1.0000	0.0175	0.0739	flat rate	N/A	0.0051	1.0965
2001	1.0000	0.0175	0.0691	flat rate	N/A	0.0077	1.0943
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

Source: Alameda County Assessors Office

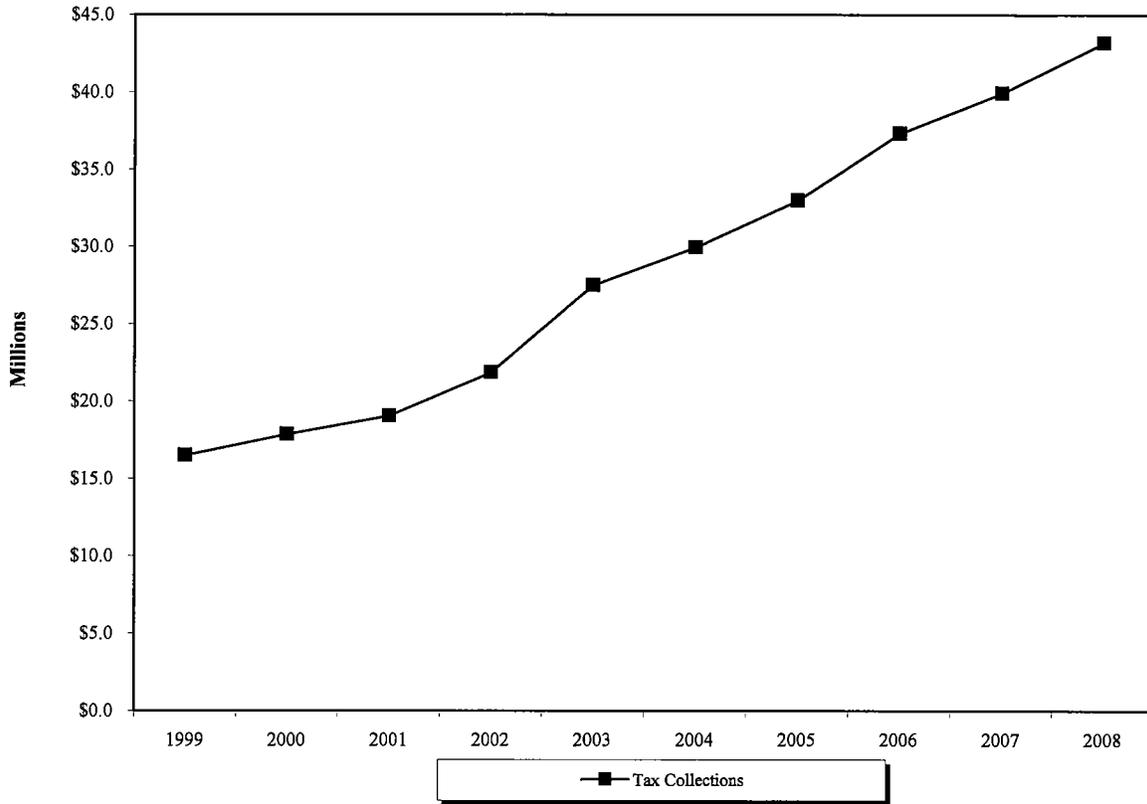
CITY OF ALAMEDA
Principal Property Taxpayers
Current Year and Two Years Ago

<u>Taxpayer</u>	<u>2007-08</u>			<u>2005-06 (A)</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Legacy Partners I Alameda LLC	\$ 211,985,841	1	2.42%			
Kw Alameda LLC	88,958,550	2	1.01%			
Alameda Waterfront	64,515,000	3	0.74%			
Wind River Systems Inc.	62,177,560	4	0.71%	\$58,535,579	3	0.79%
Harsch Investment Realty LLC Series	52,832,189	5	0.60%	44,225,179	5	0.60%
Limar Realty Corporation 13 & Limar Realty	32,098,656	6	0.37%	51,124,532	4	0.69%
Bayport Alameda Associates LLC	29,010,391	7	0.33%	25,836,048	10	0.35%
Ballena Village LLC	28,923,930	8	0.33%	27,826,956	6	0.37%
Woodstock Homes Corp.	27,377,455	9	0.31%			
South Shore Beach & Tennis Club	26,977,091	10	0.31%	25,982,724	9	0.35%
Alameda Real Estate Investment				212,676,218	1	2.86%
Fifteen Rockpoint Alameda LLC				70,596,800	2	
Starlight Marine Services				27,676,900	7	0.37%
SRM PCCP Harbor Associates LLC				<u>26,297,875</u>	8	<u>0.35%</u>
Subtotal	<u>\$144,387,523</u>		<u>1.65%</u>	<u>\$468,018,053</u>		<u>6.30%</u>
Total Net Assessed Valuation:						
Fiscal Year 2007-08	\$8,776,677,592					
Fiscal Year 2005-06	\$7,432,630,955					

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls.

(A) Principal Property Taxpayers information for fiscal year 1998-99 not available

**CITY OF ALAMEDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



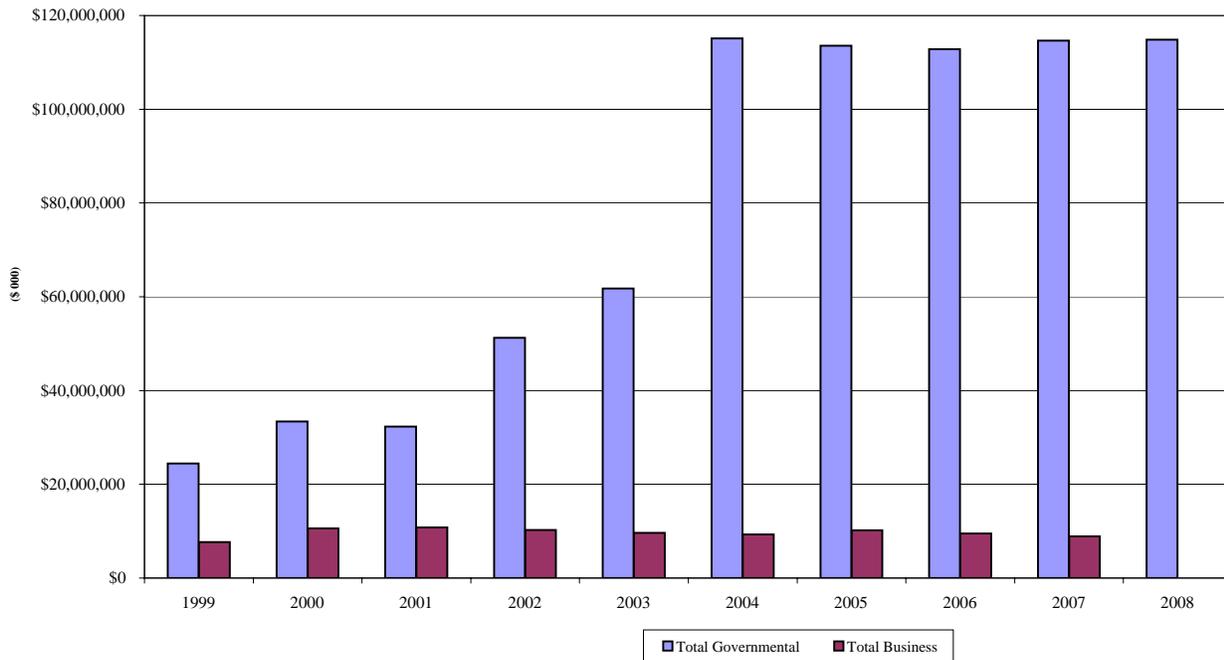
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
1999	\$16,488,517	\$16,488,517	100.0000%	\$0	\$16,488,517	100.0000%
2000	17,856,925	17,856,925	100.0000%	0	17,856,925	100.0000%
2001	19,057,692	19,057,692	100.0000%	0	19,057,692	100.0000%
2002	21,859,978	21,859,978	100.0000%	0	21,859,978	100.0000%
2003	27,491,873	27,491,873	100.0000%	0	27,491,873	100.0000%
2004	29,947,878	29,947,878	100.0000%	0	29,947,878	100.0000%
2005	32,976,420	32,976,420	100.0000%	0	32,976,420	100.0000%
2006	37,320,071	37,320,071	100.0000%	0	37,320,071	100.0000%
2007	39,938,739	39,938,739	100.0000%	0	39,938,739	100.0000%
2008	43,189,504	43,189,504	100.0000%	0	43,189,504	100.0000%

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 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
1999		\$21,835,000		\$2,320,000	\$283,298	\$24,438,298
2000		20,720,000		12,245,000	447,940	33,412,940
2001		19,650,000		12,165,000	513,124	32,328,124
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	6,214,787	114,644,787
2008	67,005,000	14,595,000	9,960,000	14,630,000	8,666,301	114,856,301

Business-Type Activities

Fiscal Year	Certificates of Participation	Loans & Lease Purchases	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
1999	\$5,165,000	\$2,524,252	\$7,689,252	\$32,127,550	N/A	\$437.99
2000	4,990,000	5,573,979	10,563,979	43,976,919	N/A	608.60
2001	4,810,000	5,973,671	10,783,671	43,111,795	1.85%	582.80
2002	4,625,000	5,590,353	10,215,353	61,480,466	2.52%	825.30
2003	4,430,000	5,191,545	9,621,545	71,402,056	2.81%	958.76
2004	4,225,000	5,087,209	9,312,209	124,423,529	4.69%	1,673.35
2005	4,010,000	6,182,578	10,192,578	123,774,540	4.46%	1,659.60
2006	3,785,000	5,750,127	9,535,127	122,330,059	4.60%	1,644.11
2007	3,545,000	5,323,440	8,868,440	123,513,227	4.27%	1,641.28
2008	3,295,000	5,305,043	8,600,043	123,456,344	4.39%	1,628.22

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 __ (Demographic Statistics) for personal income and population data.

CITY OF ALAMEDA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>General Bonded Debt Outstanding</u>				Percentage of Actual Taxable Value of Property	Per Capita
Fiscal Year	Certificates of Participation Governmental Activities	General Obligation Bond	Total		
1999	\$21,835,000		\$21,835,000	0.49%	297.67
2000	20,720,000		20,720,000	0.43%	286.75
2001	19,650,000		19,650,000	0.38%	265.63
2002	18,595,000		18,595,000	0.33%	249.61
2003	18,510,000	\$10,600,000	29,110,000	0.49%	390.88
2004	17,230,000	10,600,000	27,830,000	0.44%	374.28
2005	16,605,000	10,455,000	27,060,000	0.40%	362.83
2006	15,960,000	10,300,000	26,260,000	0.35%	352.93
2007	15,290,000	10,135,000	25,425,000	0.32%	337.86
2008	14,595,000	9,960,000	24,555,000	0.28%	323.85

**CITY OF ALAMEDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2008**

2007-08 Assessed Valuation

\$8,708,727,219

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Net Debt Outstanding	Percentage Applicable To City of Alameda	Amount Applicable To City of Alameda
Bay Area Rapid Transit District	\$467,320,000	1.750%	\$8,178,100
Peralta Community College District	361,690,000	13.929%	50,379,800
Alameda Unified School District	85,575,326	100.000%	85,575,326
Oakland Unified School District	563,990,000	0.001%	5,640
East Bay Regional Park District	149,445,000	2.543%	3,800,386
East Bay Municipal Utility District, Special District No. 1	32,165,000	12.823%	4,124,518
City of Alameda	9,960,000	100.000%	9,960,000
City of Alameda Facilities District No. 1	13,640,000	100.000%	13,640,000
City of Alameda Facilities District No. 2	1,240,000	100.000%	1,240,000
City of Alameda 1915 Act Bonds	30,825,000	100.000%	30,825,000
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	<u>\$1,715,850,326</u>		<u>207,728,770</u>
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Alameda County and Coliseum Authority General Fund Obligations	\$459,688,000	4.430%	20,364,178
Alameda County Pension Obligations	228,520,122	4.430%	10,123,441
Alameda County Board of Education Certificates of Participation	250,000	4.430%	11,075
Alameda-Conta Costa Transit District Certificates of Participation	13,500,000	5.321%	718,335
Peralta Community College District Pension Obligations	148,844,832	13.929%	20,732,597
Alameda Unified School District Certificates of Participation	1,845,000	100.000%	1,845,000
Oakland Unified School District Certificates of Participation	78,845,000	0.001%	788
City of Alameda General Fund Obligations	14,595,000	100.000%	14,595,000
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT	<u>\$946,087,954</u>		<u>\$68,390,414</u>
GROSS COMBINED TOTAL DEBT			<u>\$276,119,184</u>
NET COMBINED TOTAL DEBT			<u>\$276,119,184</u>

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

RATIOS TO 2007-08 ASSESSED VALUATION:

Direct Debt	
Total Gross Direct and Overlapping Tax Assessment Debt	2.39%
Total Net Direct and Overlapping Tax Assessment Debt	2.39%

Source: California Municipal Statistics, Inc.

**CITY OF ALAMEDA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2008**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$8,299,483,280
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BONDED DEBT LIMIT (15% OF ASSESSED VALUE)	\$1,244,922,492
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AMOUNT OF DEBT SUBJECT TO LIMIT:

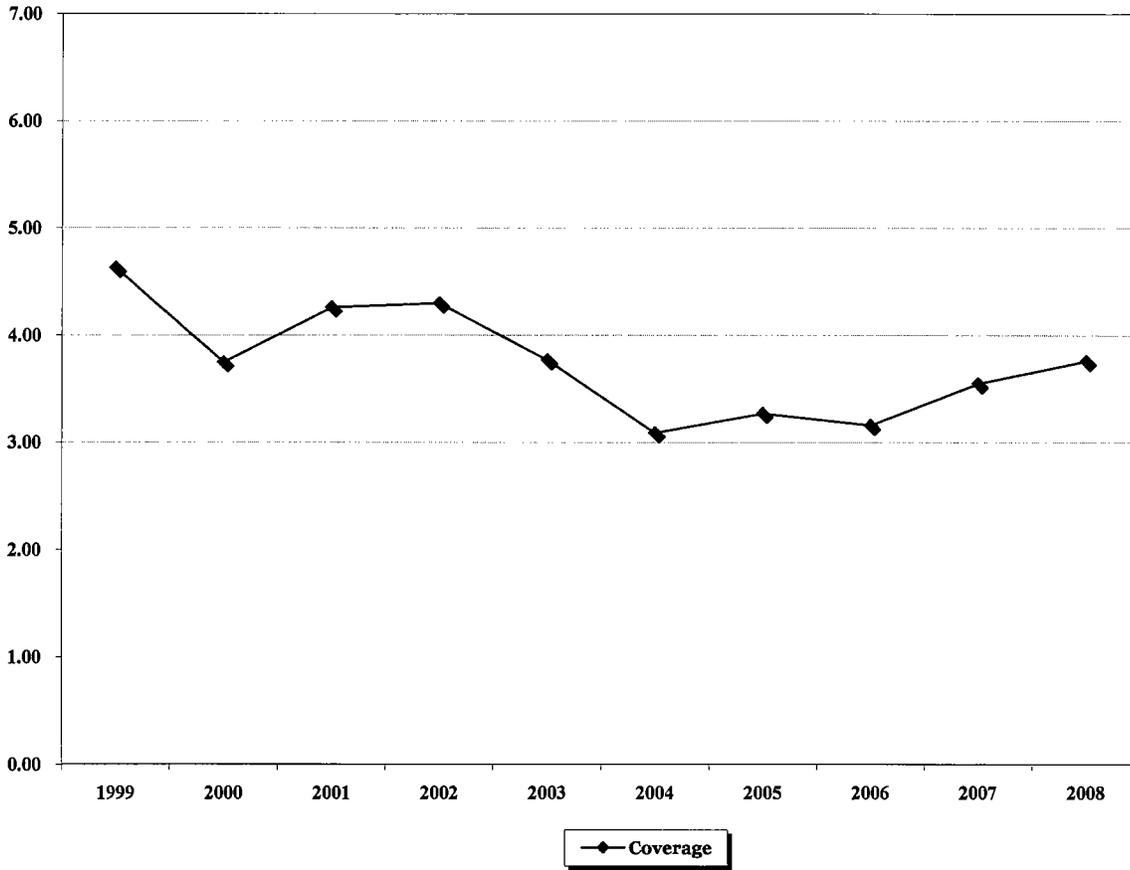
Total Bonded Debt	187,675,000
Less:	
Tax Allocation Bonds	67,005,000
Revenue Bonds Anticipation Notes	33,000,000
Revenue Bonds	14,630,000
Certificates of Participations	63,080,000

Amount of debt subject to limit	9,960,000
---------------------------------	-----------

LEGAL BONDED DEBT MARGIN	\$1,234,962,492
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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
1999	\$668,373,285	\$5,166,282	\$663,207,003	0.78%
2000	666,753,987	4,245,152	662,508,835	0.64%
2001	797,767,278	6,789,531	790,977,747	0.86%
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%

**CITY OF ALAMEDA
SEWER FUND DEBT COVERAGE
LAST TEN FISCAL YEARS**

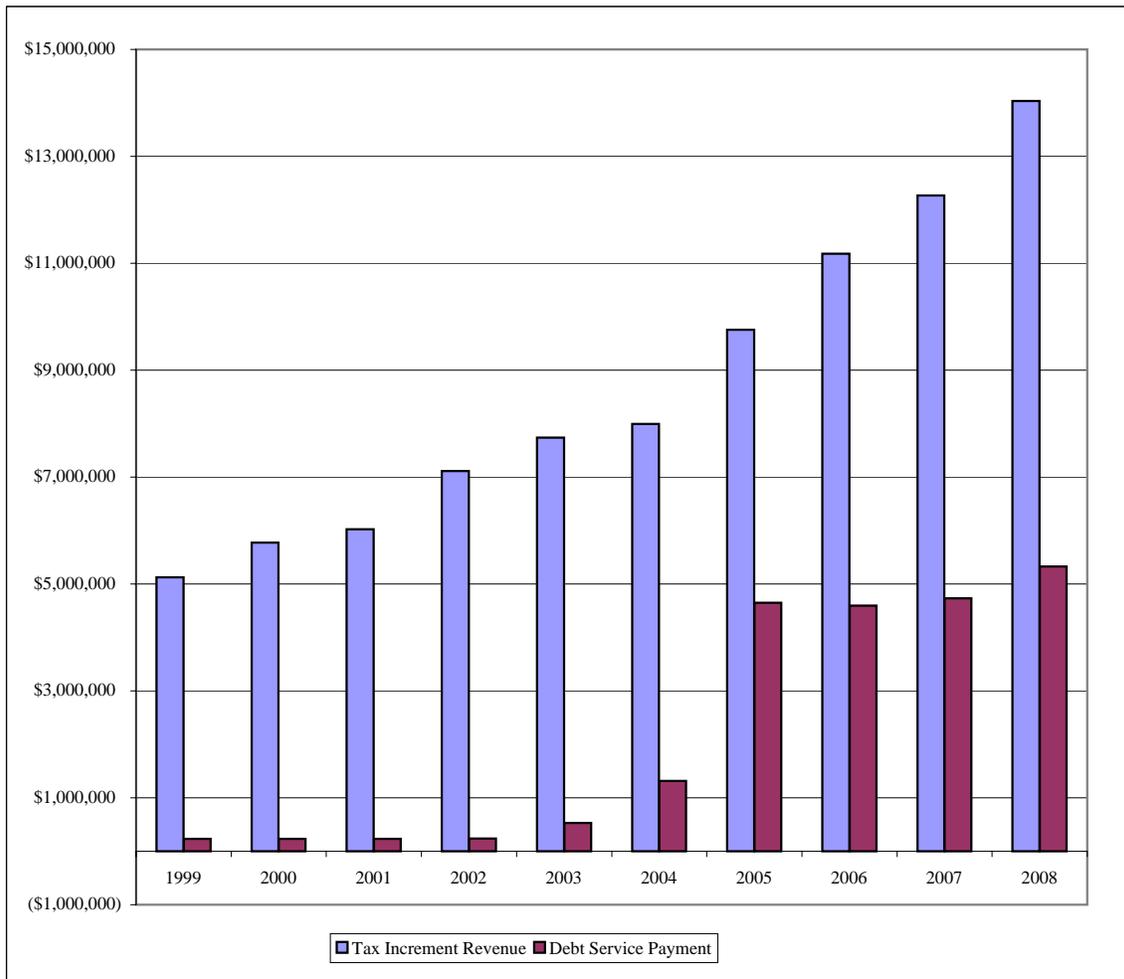


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1999	\$4,328,199	\$1,548,785	\$2,779,414	\$256,438	\$344,453	\$600,891	4.63
2000	4,397,860	1,574,600	2,823,260	369,832	382,641	752,473	3.75
2001	4,969,937	1,489,305	3,480,632	426,779	390,061	816,840	4.26
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

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

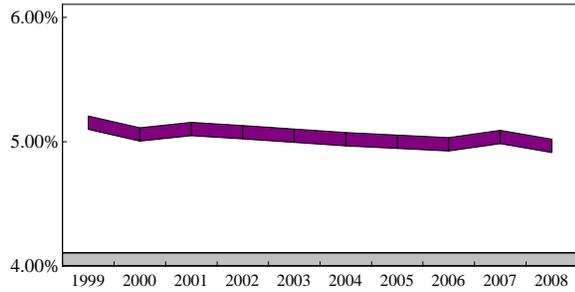
**CITY OF ALAMEDA
 BONDED DEBT PLEDGED REVENUE COVERAGE
 CIC REVENUE BONDS AND TAX ALLOCATION BONDS
 LAST TEN FISCAL YEARS**



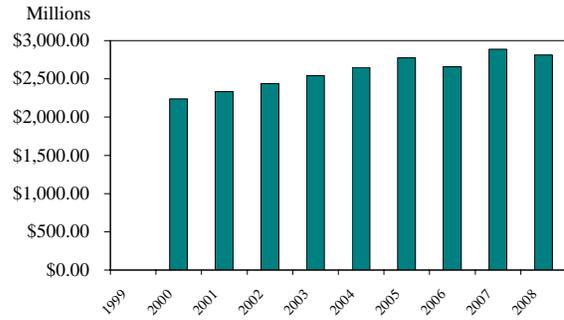
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
1999	\$5,125,605	\$70,000	\$159,244	\$229,244	22.36
2000	5,775,291	75,000	155,044	230,044	25.11
2001	6,025,497	80,000	150,394	230,394	26.15
2002	7,115,468	90,000	145,394	235,394	30.23
2003	7,739,233	90,000	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

Source: City of Alameda Annual Financial Statements

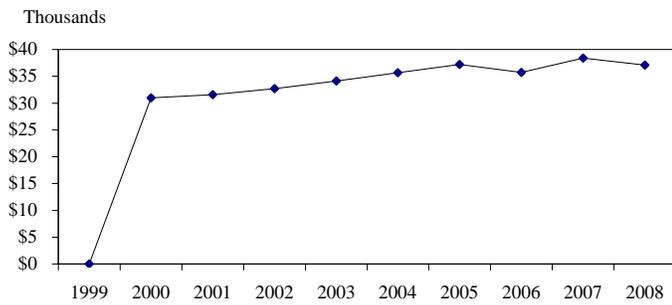
**CITY OF ALAMEDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**



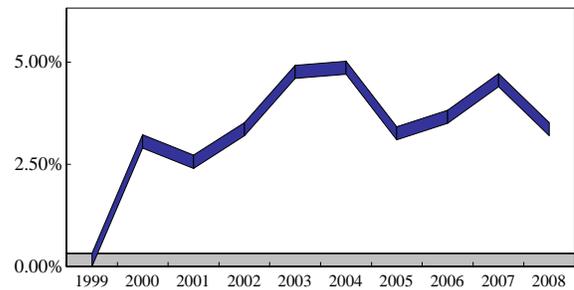
■ City Population as a % of County Population



■ Total Personal Income



◆ 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
1999	73,353	(A)	(A)	(A)	1,438,516	5.10%
2000	72,259	\$2,238,728,338	\$30,982	2.9%	1,443,939	5.00%
2001	73,974	2,335,665,275	31,574	2.4%	1,465,508	5.05%
2002	74,495	2,436,799,581	32,711	3.2%	1,483,311	5.02%
2003	74,473	2,542,313,003	34,137	4.6%	1,491,209	4.99%
2004	74,356	2,652,395,156	35,672	4.7%	1,496,968	4.97%
2005	74,581	2,774,114,876	37,196	3.1%	1,507,500	4.95%
2006	74,405	2,659,309,105	35,741	3.5%	1,510,303	4.93%
2007	75,254	2,889,453,000	38,396	4.4%	1,509,981	4.98%
2008	75,823	2,810,758,610	37,070	3.2%	1,543,000	4.91%

Source: California State Department of Finance

Note: (A) Information not available

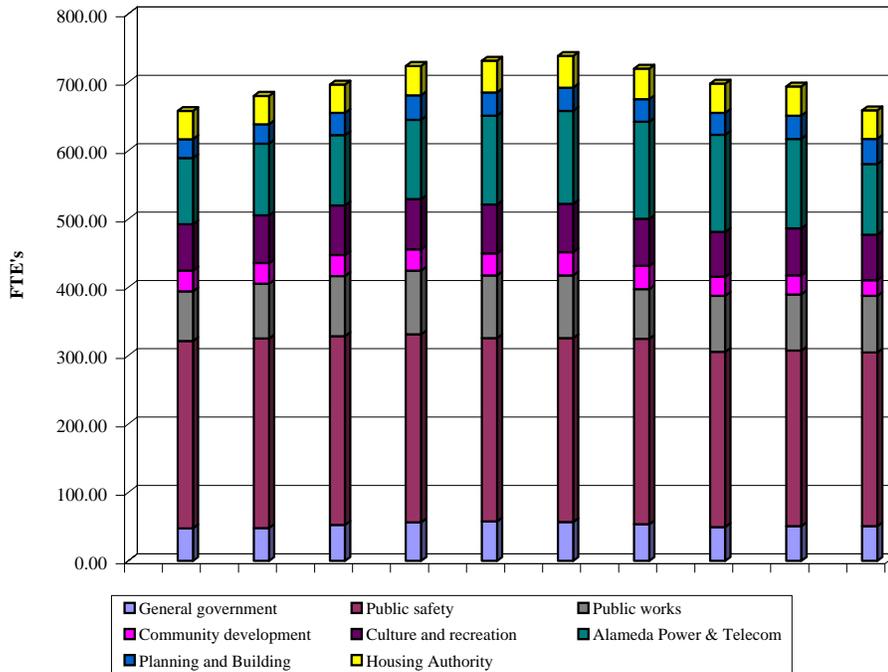
CITY OF ALAMEDA
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2007-08</u>			<u>1998-99</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Alameda Hospital	492	1	0.65%	(A)	(A)	(A)
Abbott Diabetes Care Inc.	457	2	0.60%	(A)	(A)	(A)
Wind River Systems	450	3	0.59%	(A)	(A)	(A)
Associated Third Party	200	4	0.26%	(A)	(A)	(A)
Bay Ship and Yacht	200	4	0.26%	(A)	(A)	(A)
Sage Group	200	4	0.26%	(A)	(A)	(A)
Celera Diagnostics LLC	180	7	0.24%	(A)	(A)	(A)
United States Postal Services	180	7	0.24%	(A)	(A)	(A)
Xenogen	156	9	0.21%	(A)	(A)	(A)
MBH Architects	150	9	0.20%	(A)	(A)	(A)
Raiders	<u>150</u>	9	<u>0.20%</u>	<u>(A)</u>	(A)	<u>(A)</u>
Subtotal	<u>1,016</u>		<u>1.340%</u>	<u> </u>		<u> </u>
Total City Day Population	<u>75,823</u>			<u> </u>		<u> </u>

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

(A) Employment information not available

CITY OF ALAMEDA
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Function										
General government	47.50	48.00	52.50	56.25	57.50	56.50	53.50	49.50	50.50	50.50
Public safety	274.00	277.00	276.00	275.00	268.00	269.00	271.00	256.00	257.00	254.00
Public works	72.50	80.00	88.00	93.00	92.00	92.00	73.00	82.00	82.00	83.00
Community development	30.50	30.50	30.50	31.00	32.00	34.00	34.00	28.00	28.00	23.00
Culture and recreation	67.50	69.50	72.50	73.50	71.50	70.50	68.50	65.50	68.50	66.50
Alameda Power & Telecom	97.00	105.00	103.00	116.00	130.00	136.00	142.00	142.00	131.00	103.00
Planning and Building	27.50	28.50	32.50	36.00	34.00	34.00	33.00	32.00	34.00	37.00
Housing Authority	41.30	41.30	41.30	42.90	46.20	46.20	44.70	42.70	42.70	41.70
Total	<u>657.80</u>	<u>679.80</u>	<u>696.30</u>	<u>723.65</u>	<u>731.20</u>	<u>738.20</u>	<u>719.70</u>	<u>697.70</u>	<u>693.70</u>	<u>658.70</u>

Note:
Wastewater and Solid Waste are included in Public Works
Culture & Recreation includes Library, Recreation and Park, and Golf

Source: City of Alameda

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CITY OF ALAMEDA
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year			
	1999	2000	2001	2002
General Information				
Incorporation date	4/19/1854	4/19/1854	4/19/1854	4/19/1854
	Council/ Manager	Council/ Manager	Council/ Manager	Council/ Manager
Form of government				
Area in square miles	10.1	10.1	10.1	10.1
Number of registered voters	33,805	35,320	38,123	37,055
Number of Hospitals	1	1	1	1
Education:				
Student enrollment	(A)	(A)	(A)	(A)
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	526	526	526
Function/Program				
Fire:				
Fire calls for service	5,284	5,340	5,608	5,712
Primary fire inspections conducted	(A)	(A)	(A)	(A)
Environmental safety inspections conducted	(A)	(A)	(A)	(A)
Police:				
Police calls for Service	60,082	59,350	66,047	73,484
Law violations:				
Part I and Part II crimes	7,365	7,282	7,739	7,893
Physical arrests (adult and juvenile)	3,647	3,598	4,039	4,638
Traffic violations	14,173	14,368	12,269	16,643
Animal Shelter:				
Animals adopted	677	509	520	397
Public works:				
Street resurfacing (miles)	(A)	(A)	(A)	(A)
Sewer				
Storm drain inlets	(A)	(A)	(A)	(A)
Sewer service connections	(A)	(A)	(A)	(A)
Solid Waste				
Refuse Landfill (tons per year)	(A)	(A)	(A)	(A)
Recyclables Processed (tons per year)	(A)	(A)	(A)	(A)

	Fiscal Year			
	1999	2000	2001	2002
Planning & Building:				
Number of Building Permits issued	6,253	6,253	7,273	4,182
Recreation and Parks:				
Youth & Teens:				
Number of youth programs	80	82	85	80
Number of youth attendees	19,783	19,334	19,375	20,183
Seniors:				
Number of senior programs	57	60	64	70
Number of senior attendees	62,380	58,683	57,753	70,197
Number of meal served	18,708	16,708	14,124	14,064
Number of Mastick Senior Center attendees	62,380	58,683	57,753	70,197
Golf:				
Number of rounds played	226,490	223,972	222,212	206,977
Library:				
Volumes in Collection (thousands)	180	186	179	181
Total Volumes Borrowed (thousands)	418	389	457	492
Finance:				
Number of Business Licenses issued	(A)	(A)	(A)	8,075
Alameda Power and Telecom:				
Number of electric customers	32,495	32,595	32,765	32,853
Number of kilowatt hours sold	370,559,887	374,217,039	383,124,513	366,835,346
Reliability rate	99.99	99.98	99.99	99.99
Number of telecom customers				5,755
Housing Authority:				
Number of Section 8 vouchers	1,457	1,632	1,632	1,632
Number of managed units	559	559	559	559

Source: City of ALAMEDA

Note: (A) Information not available

CITY OF ALAMEDA
Operating Indicators by Function/Program
Last Ten Fiscal Years
(Continued)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
General Information						
Incorporation date	4/19/1854	4/19/1854	4/19/1854	4/19/1854	4/19/1854	4/19/1854
	Council/	Council/	Council/	Council/	Council/	Council/
Form of government	Manager	Manager	Manager	Manager	Manager	Manager
Area in square miles	10.1	10.1	22.7	22.7	22.7	22.7
Number of registered voters	39,780	39,360	40,968	41,755	37,307	40,238
Number of Hospitals	1	1	1	1	1	1
Education:						
Student enrollment	(A)	(A)	10,383	9,975	9,975	10,260
Elementary schools	12	12	12	10	11	10
Junior high schools	3	3	3	3	3	3
High schools	2	2	2	3	3	3
Continuation schools	1	1	1	1	1	1
Independent study	1	1	1	1	1	1
Teachers (full & part time)	528	637	650	621	650	514 FTE
Function/Program						
Fire:						
Fire calls for service	6,070	6,003	(A)	(A)	(A)	(A)
Primary fire inspections conducted	(A)	1,700	3,050	3,215	3,215	(A)
Environmental safety inspections con	(A)	270	270	114	114	(A)
Police:						
Police calls for Service	72,584	65,535	66,634	67,816	67,816	(A)
Law violations:						
Part I and Part II crimes	7,897	6,741	6,128	6,479	6,479	(A)
Physical arrests (adult and juvenile)	5,530	4,712	4,036	4,441	4,441	(A)
Traffic violations	16,845	15,370	16,154	16,205	16,205	(A)
Animal Shelter:						
Animals adopted	475	480	437	(A)	(A)	(A)
Public works:						
Street resurfacing (miles)	(A)	(A)	(A)	6	6.6	6.3
Sewer						
Storm drain inlets	(A)	(A)	(A)	2,100	2,100	2,280
Sewer service connections	(A)	(A)	(A)	29,789	29,789	30,525
Solid Waste						
Refuse Landfill (tons per year)	(A)	(A)	(A)	35,504	39,584	36,640
Recyclables Processed (tons per year)	(A)	(A)	(A)	10,936	14,354	20,816

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Planning & Building:						
Number of Building Permits issued	4,964	5,131	7,011	6,197	5,979	5,297
Recreation and Parks:						
Youth & Teens:						
Number of youth programs	89	90	92	98	102	110
Number of youth attendees	22,259	28,479	33,550	22,915	23,831	26,766
Seniors:						
Number of senior programs	75	79	81	84	96	101
Number of senior attendees	117,099	161,216	160,762	167,269	166,788	169,552
Number of meal served	14,435	14,243	12,154	12,209	11,203	51,962
Number of Mastick Senior Center att	117,099	161,216	160,762	167,269	166,788	169,352
Golf:						
Number of rounds played	198,113	178,937	151,607	134,114	144,811	133,250
Library:						
Volumes in Collection (thousands)	184	189	198	193	224	203
Total Volumes Borrowed (thousands)	517	508	499	494	483	573
Finance:						
Number of Business Licenses issued	8,295	8,732	9,038	9,283	10,251	(A)
Alameda Power and Telecom:						
Number of electric customers	32,957	33,059	33,188	33,869	33,892	34,030
Number of kilowatt hours sold	367,521,970	379,852,595	378,328,730	377,792,038	389,286,575	392,955,223
Reliability rate	99.99	99.99	99.99	99.99	99.99	99.99
Number of telecom customers	8,708	12,001	15,462	16,770	16,374	16,316
Housing Authority:						
Number of Section 8 vouchers	1,583	1,625	1,625	1,675	1,675	1,675
Number of managed units	559	559	559	559	559	559

Source: City of ALAMEDA

Note: (A) Information not available

CITY OF ALAMEDA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003
Fire:					
Fire stations	5	5	5	5	5
Police:					
Police stations	1	1	1	1	1
Public works:					
Miles of streets	(A)	(A)	(A)	(A)	(A)
Miles of bike lanes	(A)	(A)	(A)	(A)	(A)
Traffic Signals	(A)	(A)	(A)	(A)	(A)
Wastewater					
Miles of sanitary sewers	(A)	(A)	(A)	(A)	(A)
Miles of storm sewers	(A)	(A)	(A)	(A)	(A)
Recreation and Parks:					
City parks	25	29	29	29	29
City parks acreage	120	141	141	141	141
Playgrounds	11	11	11	11	11
City trails/Bike paths	(A)	(A)	(A)	(A)	(A)
Community centers	11	12	12	12	12
Senior centers	1	1	1	1	1
Sports centers					
Performing arts centers					
Swimming pools (owned by AUSD but Maintained by City	5	5	5	5	5
Tennis courts (16 owned by City and 3 not owned by City at Alameda Point)	19	19	19	19	19
Baseball/softball diamonds	*15	*15	*15	*15	*15
Soccer/football fields	**2	**2	**2	**2	**2
*14 baseball fields in City parks with one owned by College of Alameda					
** 1 Dedicated soccer field in City Parks with one not owned by City at Alameda Point					
Golf:					
Acres of Greens	(A)	(A)	5.39	5.39	5.39
Number of electric golf carts	(A)	(A)	(A)	(A)	(A)
Library:					
City Libraries	3	3	3	3	3
Alameda Power and Telecom:					
Miles of lines	162	162	166	237	239
Street lights	(A)	(A)	(A)	(A)	(A)

Source: City of Alameda

Note: (A) Information not available

Fiscal Year				
2004	2005	2006	2007	2008
5	5	5	5	5
1	1	1	1	1
135	135	135	138	141
(A)	10	10	10	12
(A)	78	78	78	78
(A)	(A)	160	160	165.4
(A)	(A)	41	41	41
29	31	31	31	31
141	149	149	149.31	152.06
11	11	11	11	11
(A)	10	10	10	10
12	12	12	12	13
1	1	1	1	1
5	5	5	5	5
19	19	19	19	19
*15	*15	*15	*15	*15
**2	**2	**2	**2	**2
5.39	5.39	5.39	5.39	5.39
(A)	150	150	150	120
3	3	3	3	3
2,456	245	147	256	257
(A)	(A)	6,359	6,365	6,370

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