

# **City of Alameda California**



## **Comprehensive Annual Financial Report**

**For The Fiscal Year  
Ended June 30, 2010**



**CITY OF ALAMEDA , CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**PREPARED BY**  
**ADMINISTRATIVE SERVICES - FINANCE DIVISION**

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# INTRODUCTORY SECTION

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CITY OF ALAMEDA, CALIFORNIA

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

Table of Contents

Page

**INTRODUCTORY SECTION**

Table of Contents ..... i

Letter of Transmittal ..... v

Principal Officers ..... xiv

Organizational Chart ..... xv

Location Map ..... xvi

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

**FINANCIAL SECTION**

*Independent Auditor’s Report on Basic Financial Statements* ..... 1

*Management’s Discussion and Analysis* ..... 3

**Basic Financial Statements:**

Government-wide Financial Statements:

Statement of Net Assets ..... 21

Statement of Activities ..... 22

Fund Financial Statements:

Governmental Funds:

Balance Sheet ..... 26

Reconciliation of Governmental Funds - Fund Balances with Governmental Net Assets ..... 28

Statement of Revenues, Expenditures, and Changes in Fund Balance ..... 30

Reconciliation of the Net Change in Fund Balances – Governmental Funds  
with the Change in Governmental Net Assets ..... 32

**CITY OF ALAMEDA, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2010**

**Table of Contents**

| <b>FINANCIAL SECTION (Continued)</b>   | <u>Page</u> |
|--|-------------|
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balance – Budget and Actual: |             |
| General Fund.....  | 33          |
| West End Community Improvement Project Area Special Revenue Fund.....                    | 34          |
| Business and Waterfront Improvement Project Area Special Revenue Fund.....               | 35          |
| Alameda Point Improvement Project Area Special Revenue Fund.....                         | 36          |
| FISC Lease Revenue Special Revenue Fund.....   | 37          |
| Alameda Reuse and Redevelopment Area Special Revenue Fund .....                          | 38          |
| Theater/Parking Structure Project Special Revenue Fund .....                             | 39          |
| Home Repayment Special Revenue Fund.....   | 40          |
| Rehabilitation Repayment Special Revenue Fund.....                                       | 41          |
| Proprietary Funds:   |             |
| Statement of Net Assets.....   | 44          |
| Statement of Revenues, Expenses and Changes in Fund Net Assets .....                     | 45          |
| Statement of Cash Flows .....  | 46          |
| Fiduciary Funds:   |             |
| Statement of Fiduciary Net Assets.....   | 48          |
| Statement of Changes in Fiduciary Net Assets.....  | 49          |
| Notes to Basic Financial Statements.....   | 51          |

CITY OF ALAMEDA, CALIFORNIA

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

Table of Contents

Page

**FINANCIAL SECTION (Continued)**

**Supplemental Information:**

*Non-major Governmental Funds:*

|   |     |
|---|-----|
| Balance Sheet .....   | 120 |
| Statement of Revenues, Expenditures, and Changes<br>in Fund Balances.....                   | 130 |
| Schedule of Revenues, Expenditures, and Changes<br>in Fund Balances-Budget and Actual ..... | 140 |

*Internal Service Funds*

|   |     |
|---|-----|
| Combining Statement of Net Assets.....  | 164 |
| Combining Statement of Revenues, Expenses and<br>Changes in Fund Net Assets ..... | 166 |
| Combining Statement of Cash Flows .....   | 168 |

*Fiduciary Funds*

|   |     |
|---|-----|
| Combining Balance Sheet – Pension Trust Funds.....                      | 172 |
| Combining Statement of Changes in Net Assets – Pension Trust Funds..... | 173 |
| Agency Funds - Statement of Changes in Assets and Liabilities .....     | 174 |

**STATISTICAL SECTION**

|   |     |
|---|-----|
| Net Assets by Component - Last Eight Fiscal Years .....             | 177 |
| Changes in Net Assets - Last Eight Fiscal Years.....                | 178 |
| Fund Balances of Governmental Funds – Last Eight Fiscal Years ..... | 182 |

CITY OF ALAMEDA, CALIFORNIA

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

Table of Contents

|   | <u>Page</u> |
|---|-------------|
| <b>STATISTICAL SECTION (Continued)</b>  |             |
| Changes in Fund Balances of Governmental Funds – Last Eight Fiscal Years .....                                  | 184         |
| Assessed and Estimated Actual Value of Taxable Property<br>- Last Ten Fiscal Years .....                        | 186         |
| Property Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Years .....                       | 187         |
| Principal Property Taxpayers – Current Year and Nine Years Ago.....   | 188         |
| Property Tax Levies and Collections – Last Ten Fiscal Years.....  | 189         |
| Ratio of Outstanding Debt by Type – Last Ten Fiscal Years.....  | 190         |
| Ratio of General Bonded Debt Outstanding .....  | 191         |
| Computation of Direct and Overlapping Debt.....   | 192         |
| Computation of Legal Bonded Debt Margin .....   | 193         |
| Sewer Fund Debt Coverage – Last Ten Fiscal Years .....  | 194         |
| Bonded Debt Pledged Revenue Coverage,<br>CIC Revenue Bond and Tax Allocation Bonds - Last Ten Fiscal Years..... | 195         |
| Demographic and Economic Statistics - Last Ten Fiscal Years.....  | 196         |
| Principal Employers – Current Year and Four Years Ago .....   | 197         |
| Full-Time Equivalent City Government Employees<br>by Function – Last Ten Fiscal Years .....                     | 198         |
| Operating Indicators by Function/Program – Last Ten Fiscal Years .....  | 200         |
| Capital Asset Statistics by Function/Program – Last Ten Fiscal Years .....                                      | 204         |



**City of Alameda**  
**Administrative Services - Finance Division**  
**2263 Santa Clara Avenue, Room 220**  
**Alameda, California 94501**  
**(510) 747-4881**

December 20, 2010

Honorable Mayor and  
Members of the City Council

The Alameda City Charter Article IV, Section 4-2, various financing covenants, and rules associated with restricted funding sources, require the City of Alameda to publish comprehensive financial statements, in conformance with generally accepted accounting principles (GAAP) and audited by a firm of licensed independent certified public accountants. Pursuant to the requirements noted above, the Comprehensive Annual Financial Report of the City of Alameda, California, for the fiscal year ended June 30, 2010, is hereby issued.

**Annual Audit**

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 in all material respects.

Maze and Associates, a firm of licensed certified public accountants, has audited the City's financial statements for the fiscal year ending June 30, 2010. 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, 2010, 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.

Honorable Mayor and  
Members of the City Council

December 20, 2010

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.

### **Reporting Entity and Scope of Services**

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 utility serving the needs of all Alameda residents and businesses. 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, 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 public and private 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 Municipal Power, formerly 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 Municipal Power's website at [www.alamedamp.com](http://www.alamedamp.com); 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's website at [www.cityofalamedaca.gov](http://www.cityofalamedaca.gov).

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statement in the form of a 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 and Bay Farm Islands in San Francisco Bay. The City of Alameda comprises 22.7 square miles and serves a population of 77,838. According to the 2000 Census, there are 41,148 (57%) White residents, 18,894 (26%) Asian residents, 4,488 (6%) Black residents, 4,431 (6%) residents of two or more races, 484 (0.7%) Native American residents, 434 (0.6%) Pacific Islander residents, and 2,380 (3.3%) residents of other 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, libraries, 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 three fiscal years, the City has experienced volatility as a result of the national and regional economic recession. 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 revenue limitations in the near term. Cost containment and economic development will partially mitigate the resource 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's status as a charter city allows it limited power 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. In November 2008, residents voted to raise the property transfer tax from \$5.40 per thousand of the value being transferred to \$12.00 per thousand. 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. The sales tax rate in the City increased in May 2009 from 8.75% to 9.75%, resulting from actions taken by the State.

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 the services and facilities. 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 consecutive 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.

### **Budget Control and Long Term Financial Planning**

The annual budget, 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. Each year, departments submit operating budget requests for the next fiscal year, in accordance with the City Manager's instructions. The City Manager then makes recommendations to the City Council regarding the budget for the next fiscal year budget. After public discussion and

Honorable Mayor and  
Members of the City Council

December 20, 2010

evaluation of the City Manager's recommendations, the City Council adopts the budget by June 30<sup>th</sup> for the next fiscal year.

The City Council authorizes budget appropriations 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 lower than expected 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 FY09-10, the City Council reviewed reports of budget results on a quarterly basis. This review process provided ample opportunities to identify and respond to fluctuations in revenues and expenditures and to address community priorities.

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 and to ensure a jobs-housing balance.

### **State and Local Factors Affecting the City's Financial Condition**

During the past 30 years, the City lost its ability to set tax rates without voter approval. In addition, 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 \$84 million, including an \$6 million reduction in the General Fund and a \$4 million decrease in Community Improvement Commission (CIC) funds for FY09-10.

Two State propositions were passed in recent fiscal years which will aid cities in maintaining the amount of existing local tax revenues. Proposition 1A was passed in 2004, which strengthened prohibitions against unfunded state mandates, reducing local sales tax rates or VLF funding for cities or shifting property taxes. In addition, voters recently passed State Proposition 22, under which the State will no longer be allowed to take either revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes, and sales taxes, or local public transit and transportation funds, including gas tax funds.

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. 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.

The City's pension contribution rates are anticipated to continue to rise in future fiscal years, due to lower than expected overall rates of return experienced by the California Public Employees' Retirement System (CalPERS) during the past few years. The City has taken significant steps to reduce its future CalPERS liability, including requiring employees to contribute the entire employee share of the PERS annual pension premiums for both Miscellaneous and Safety employees.

### **Local Economy / Economic Development**

During the past five years, the local, regional and statewide business economy has grown at a minimal rate and has been significantly impacted by a decline in the real estate and investment markets. Residential home values and related sales continued to decline during FY09-10. Future forecasts project minimal growth during the next several fiscal years, based upon a delayed state and national recovery.

In spite of the recessive economy, the City continues to experience some retail and residential growth, as experienced by the developments noted below:

#### *Bayport*

Catellus and Warmington Homes, in conjunction with the Housing Authority, completed development 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. The development converted nearly 90 acres of dormant naval land into tax generating property. The development also included a 7-acre community park and a \$22 million elementary school. The total initial assessed value of the project is \$360 million.

#### *Alameda Landing*

Alameda Landing is a mixed-use development project that will provide an additional 300 residential units, 25 percent of which will be affordable to very low, low-and-moderate income households. In addition, 300,000 square feet of retail space and 400,000 square feet of offices, parks, open space and related infrastructure is planned for this development.

#### *Wilver "Willie" Stargell Avenue (Tinker Avenue Extension)*

Construction of Willie Stargell Avenue began on May 11, 2009. This street is a key public roadway/infrastructure improvement and is required for continued redevelopment of the Fleet Industrial Supply Center (FISC), Alameda Point, and the west side of Alameda. The project will provide four lanes for vehicle traffic as well as bicycle lanes. In October 2009, the City received a State Transportation Improvement Program grant to finance approximately 45% of the construction. Completion of the project is expected during FY10-11.

*Alameda Towne Centre (South Shore Shopping Center)*

The retail center continues with its 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 recently locating to Alameda Towne Centre include Kohls and Ross.

**Cash and Risk 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). A large portion of the portfolio remains in investments with one to three year maturities in order to provide for adequate levels of liquidity for the City. The yield to maturity for the portfolio at cost was 2.22% for FY09-10, significantly higher than the .61% rate of return on two-year U.S. treasuries as of June 30, 2010. The overall return for the managed composite portfolio since inception of the program was 4.22%, which compares favorably to the Merrill Lynch benchmark earnings of 3.88%. Portfolio managers reaffirm each quarter that there have been no investments in companies that produce or manufacture cigarettes, alcohol or gambling products.

The City 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 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% - 31% 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. As of June 30, 2010, 32 plan participants remain, all of whom 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) in lieu of Social Security.

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 the notes to the financials.

At the close of FY09-10, approximately 200 retired employees were eligible to receive these benefits, which are financed on a pay-as-you go 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. The City implemented GASB 45 – Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (OPEB) in FY08-09, and OPEB Obligations have been recorded in the Statement of Net Assets. The City has also conducted actuarial studies of these post-employment benefits in order to quantify costs and liabilities in compliance with this ruling. A funding plan will be considered by the City Council in future years to reduce the present value of the unfunded actuarial liability. Additional information on the City's pension arrangements and post-employment benefits can be found 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, 2009. This was the 20th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City was required to produce a report that met their high standards for reporting, as well as one that adhered to GAAP and other

Honorable Mayor and  
Members of the City Council

December 20, 2010

legal requirements. A Certificate of Achievement is valid for one year only. It is anticipated that the current CAFR will continue to meet the Certificate of Achievement Program's requirements. This CAFR will be submitted to the GFOA to determine its eligibility for another award.

The preparation of this report would not have been possible without the dedication of the Deputy City Manager of Administrative Services and the Finance Division staff, who contributed to its preparation. 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,

A handwritten signature in purple ink, appearing to read "mgallant", with a large, sweeping flourish extending to the right.

Ann Marie Gallant  
Interim City Manager

**PRINCIPAL OFFICERS**

**CITY OF ALAMEDA**

**JUNE 30, 2010**



**CITY COUNCIL**

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

**ELECTED OFFICIALS**

|           |                  |
|-----------|------------------|
| Auditor   | Kevin R. Kearney |
| Treasurer | Kevin Kennedy    |

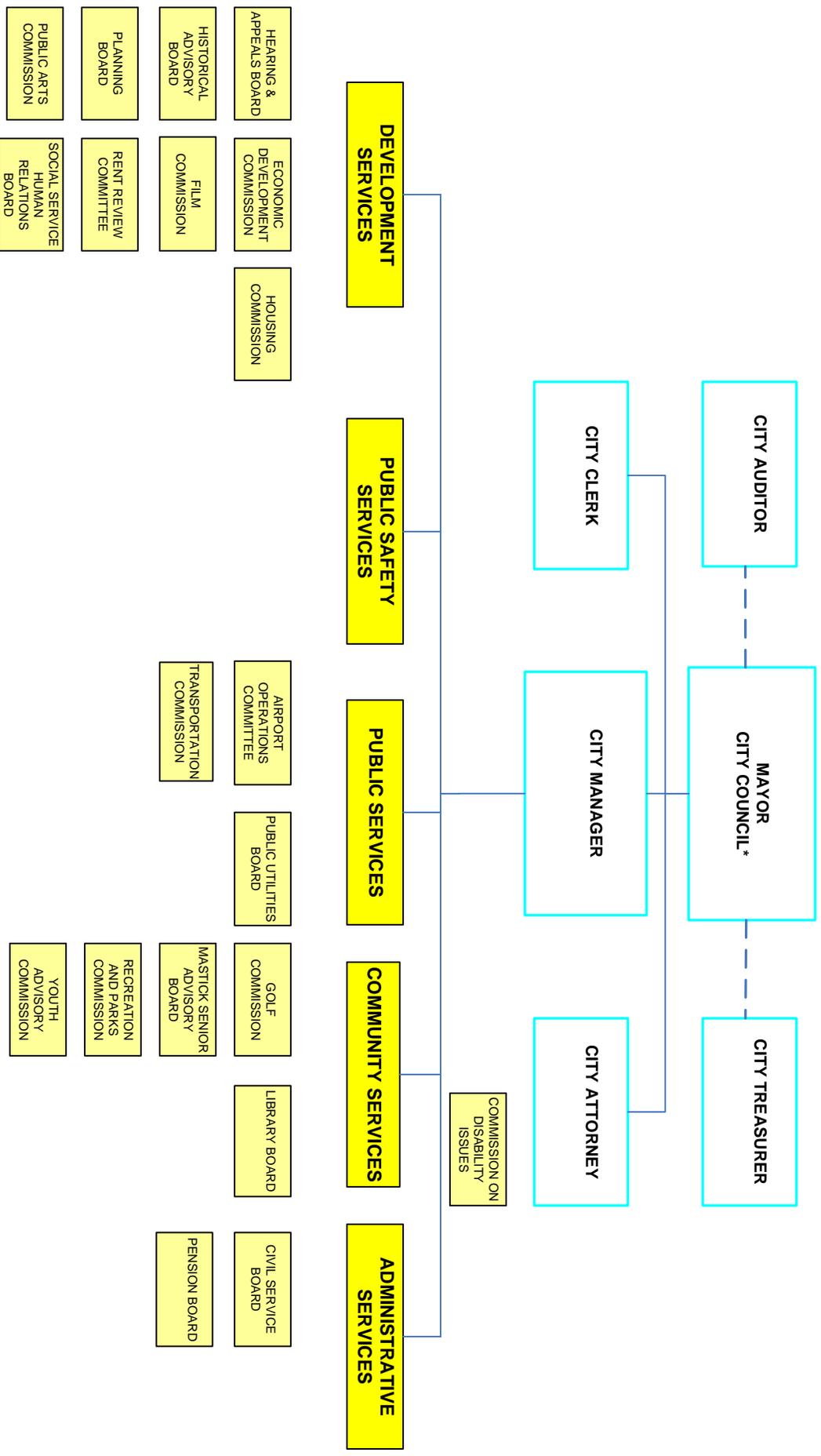
**COUNCIL APPOINTEES**

|                      |                   |
|----------------------|-------------------|
| Interim City Manager | Ann Marie Gallant |
| City Attorney        | Teresa Highsmith  |
| City Clerk           | Lara Weisiger     |

**APPOINTED OFFICIALS**

|   |                     |
|---|---------------------|
| Deputy City Manager – Administrative Services | Lisa K. Goldman     |
| Deputy City Manager- Development Services     | Jennifer Ott        |
| General Manager, Alameda Power & Telecom      | Girish Balachandran |
| Library Director                              | Jane Chisaki        |
| Interim Fire Chief                            | Mike Fisher         |
| Recreation and Parks Director                 | Dale Lillard        |
| Economic Development Director                 | Leslie Little       |
| Public Works Director                         | Matthew T. Naclerio |
| Interim Chief of Police                       | Mike Noonan         |
| Housing Authority Executive Director          | Michael T. Pucci    |
| Human Resources Director                      | Karen Willis        |

# City of Alameda



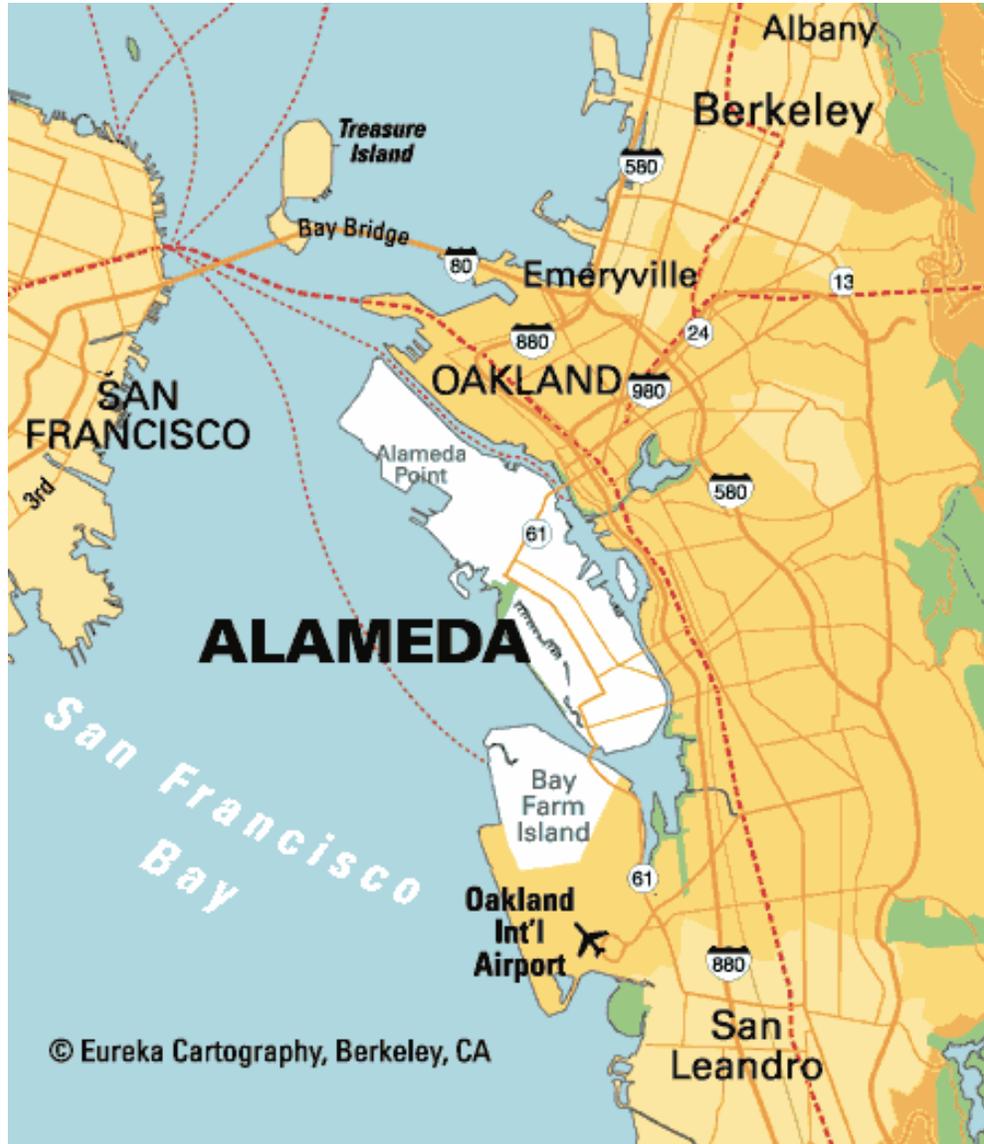
\* Alameda Reuse & Redevelopment Authority (ARRA)

\*Community Improvement Commission (CIC) and

\*Housing Authority Board of Commissioners (HABOC)



# CITY OF ALAMEDA, CALIFORNIA REGIONAL MAP



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alameda  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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.



A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director

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# FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alameda, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the following component-unit financial statements. These component-unit financial statements were audited by other auditors, whose reports thereon have been furnished to us. Our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of these other auditors.

|   | Represent Percentage of Total Amounts |                |                       |         |
|---|---------------------------------------|----------------|-----------------------|---------|
|   | Assets                                | Capital Assets | Long-term Obligations | Revenue |
| Blended Component Units:                                |                                       |                |                       |         |
| Community Improvement Commission of the City of Alameda | 8%                                    | 5%             | 41%                   | 8%      |
| Alameda Reuse and Redevelopment Authority               | 13%                                   | 18%            | 7%                    | 6%      |
| Discretely Presented Component Units:                   |                                       |                |                       |         |
| Housing Authority of the City of Alameda                | 6%                                    | 7%             | 9%                    | 15%     |
| Alameda Municipal Power                                 | 17%                                   | 10%            | 23%                   | 23%     |

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

In our opinion, based on our audit and the report of the other auditors, the basic financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alameda, California at June 30, 2010, 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 December 13, 2010, 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 13, 2010



## CITY OF ALAMEDA, CALIFORNIA

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2010. The information presented herein should be considered in conjunction with that presented in the Transmittal Letter contained within the Introductory Section of this report, and the Basic Financial Statements for the City.

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

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

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

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

#### **Financial Highlights**

- The City had net assets at June 30, 2010, of \$341 million. Of this amount, \$36 million is unrestricted and represents assets available for future uses, including projected future equipment replacement needs and insurance claims. The balance relates to the City's investment in its fixed assets or is legally restricted for specific activities and projects.
- As of June 30, 2010, the City's governmental funds reported combined ending fund balances of \$101.8 million. Of the total fund balance, 39% of this amount is



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

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reserved, indicating it is not available for new expenditures as it has been legally committed to future uses. The remaining amount constitutes fund balances accounted for in the City's General and other special funds, available for future programs, projects, and services, subject to any spending restrictions imposed by those funds.

- At the close of FY09-10, the General Fund fund balance was \$21.6 million. The City Council has established a policy for cash reserves at a minimum of 25% of General Fund expenditures for costs associated with economic and other uncertainties. At June 30, 2010, the unreserved, undesignated fund balance (the cash reserve) is \$15.1 million.

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

The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. They provide information about the activities of the City as a whole, and present a longer-term perspective of the City's finances.

The Statement of Net Assets presents information on all City assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets serve as a useful indicator of whether the financial position of the City is improving.

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

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

*Governmental Activities* – includes most of the City's services such as public safety, public works, planning and building, culture and recreation, housing and community services 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.



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

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

#### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control of resources that have been segregated for specific activities or objectives. The City, 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.

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 and Waterfront Improvement Project Area
- Alameda Point Improvement Project Area



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

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- FISC Lease Revenue
- Alameda Reuse and Redevelopment Authority
- Theater/Parking Structure Project
- HOME Repayment
- Rehabilitation Repayment
- Capital Improvement Projects

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

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

*Proprietary funds.* The major proprietary funds the City uses are 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 Ferry Services, Golf Course and Sewer Services.

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

#### **Government Activities Financial Analysis**

Net assets may serve as a useful indicator of a government's financial position. In the case of the City of Alameda, assets exceeded liabilities by \$341.4 million at the close of FY09-10. In comparison, FY08-09 assets exceeded liabilities by \$334.6 million. Information on net assets is presented in the summary table below:



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

#### Summary of Net Assets

June 30, 2010 and 2009  
(000's)

|  | Governmental<br>Activities |                  | Business-Type<br>Activities |                 | Totals           |                  |
|--|----------------------------|------------------|-----------------------------|-----------------|------------------|------------------|
|  | 2010                       | 2009             | 2010                        | 2009            | 2010             | 2009             |
| Current and Other<br>Assets                | 132,571                    | \$129,192        | \$19,202                    | \$18,236        | \$151,773        | \$147,428        |
| Capital Assets                             | 286,911                    | 282,061          | 52,191                      | 52,772          | 339,102          | 334,833          |
| <b>Total Assets</b>                        | <b>\$419,482</b>           | <b>\$411,253</b> | <b>\$71,393</b>             | <b>\$71,008</b> | <b>\$490,875</b> | <b>\$482,261</b> |
| Long-term Liabilities                      | 108,935                    | 111,725          | 7,059                       | 7,843           | 115,994          | 119,568          |
| Other Liabilities                          | 32,584                     | 27,011           | 866                         | 1,053           | 33,450           | 28,064           |
| <b>Total<br/>Liabilities</b>               | <b>\$141,519</b>           | <b>\$138,736</b> | <b>\$7,925</b>              | <b>\$8,896</b>  | <b>\$149,444</b> | <b>\$147,632</b> |
| Net Assets:                                |                            |                  |                             |                 |                  |                  |
| Invested in Capital<br>Assets, Net of Debt | 179,200                    | 169,927          | 45,132                      | 44,928          | 224,332          | 214,855          |
| Restricted                                 | 80,875                     | 86,484           |                             | ---             | 80,875           | 86,484           |
| Unrestricted                               | 17,888                     | 16,107           | 18,336                      | 17,184          | 36,224           | 33,291           |
| <b>Total Net Assets</b>                    | <b>\$277,963</b>           | <b>\$272,518</b> | <b>\$63,468</b>             | <b>\$62,112</b> | <b>\$341,431</b> | <b>\$334,630</b> |

The largest portion of the City's net assets (66%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to the community. Net assets invested in capital assets, net of debt, increased \$6.8 million as new capital projects were completed and other assets were added during the year.

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



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

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Restricted net assets, that portion of the City's net assets (24%) subject to restrictions on how they may be used, decreased \$5.6 million this year. Unrestricted net assets, the portion of the City's net assets (11%) available for use, increased \$2.9 million this year.

Other liabilities increased a total of \$1.8 million, largely due to the increase recognized in Other Post Employment Benefits (OPEB) obligations related to the future payment of retiree health care costs. The City's total net assets increased by \$6.8 million as a result of revenues exceeding expenses, and additions to capital assets from progress on capital improvement projects during the year.



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

June 30, 2010 and 2009  
(dollars in thousands)

| Activities                            | Governmental Activities |                  | Business-Type   |                 | Totals           |                  |
|---------------------------------------|-------------------------|------------------|-----------------|-----------------|------------------|------------------|
|                                       | 2010                    | 2009             | 2010            | 2009            | 2010             | 2009             |
| <b>Revenues</b>                       |                         |                  |                 |                 |                  |                  |
| <b>Program Revenues</b>               |                         |                  |                 |                 |                  |                  |
| Charges for Services                  | \$28,184                | \$31,456         | \$9,837         | \$10,063        | \$38,021         | \$41,519         |
| Operating Grants & Contributions      | 7,402                   | 6,816            | 2,245           | 2,357           | 9,647            | 9,174            |
| Capital Grants and Contributions      | 6,704                   | 4,307            |                 |                 | 6,704            | 4,307            |
| <b>General Revenues</b>               |                         |                  |                 |                 |                  |                  |
| Property Taxes                        | 30,780                  | 28,056           |                 |                 | 30,780           | 28,056           |
| Incremental Property Taxes            | 11,632                  | 15,634           |                 |                 | 11,632           | 15,634           |
| Special Assessments                   | 1,898                   | 1,858            |                 |                 | 1,898            | 1,858            |
| Sales Taxes                           | 4,880                   | 5,413            |                 |                 | 4,880            | 5,413            |
| Utility Users Tax                     | 8,822                   | 9,049            |                 |                 | 8,822            |                  |
| Other Taxes                           | 12,305                  | 9,558            |                 |                 | 12,305           | 18,607           |
| Motor Vehicle in Lieu Fees            | 6,042                   | 5,995            |                 |                 | 6,042            | 5,994            |
| Investment Earnings                   | 3,836                   | 6,843            | 348             | 730             | 4,184            | 7,573            |
| Other                                 | 741                     | 4,100            | 286             | 93              | 1,027            | 4,184            |
| <b>Total Revenues</b>                 | <b>\$123,226</b>        | <b>\$129,085</b> | <b>\$12,716</b> | <b>\$13,243</b> | <b>\$135,942</b> | <b>\$142,319</b> |
| <b>Expenses</b>                       |                         |                  |                 |                 |                  |                  |
| General Government                    | \$15,457                | \$11,725         |                 |                 | \$15,457         | \$11,726         |
| Police Services                       | 25,669                  | 26,137           |                 |                 | 25,669           | 26,137           |
| Fire Services                         | 22,861                  | 22,124           |                 |                 | 22,861           | 22,124           |
| Public Works                          | 10,940                  | 18,747           |                 |                 | 10,940           | 18,747           |
| Community Development                 | 20,378                  | 22,163           |                 |                 | 20,378           | 22,163           |
| Culture and Recreation                | 8,749                   | 8,125            |                 |                 | 8,749            | 8,125            |
| Housing and Community Services        | 7,976                   | 7,415            |                 |                 | 7,976            | 7,415            |
| Interest on Long-Term Debt            | 5,765                   | 6,101            |                 |                 | 5,765            | 6,100            |
| Ferry Services                        |                         |                  | 4,201           | 3,757           | 4,201            | 3,757            |
| Golf Course                           |                         |                  | 3,915           | 4,380           | 3,915            | 4,380            |
| Sewer Services                        |                         |                  | 4,359           | 4,727           | 4,359            | 4,727            |
| <b>Total Expenses</b>                 | <b>\$117,795</b>        | <b>\$122,537</b> | <b>\$12,475</b> | <b>\$12,864</b> | <b>\$130,270</b> | <b>\$135,401</b> |
| Change in Net Assets Before Transfers | \$5,431                 | \$6,548          | \$241           | \$379           | \$5,672          | \$6,918          |
| Transfers, Net                        | -1,115                  | 1,101            | 1,115           | -1,101          | 0                | 0                |
| Change, Net                           | 4,316                   | 7,640            | 1,356           | -722            | 5,672            | 6,918            |
| Beginning Net Assets                  | 272,517                 | 264,877          | 62,112          | 62,834          | 334,629          | 327,711          |
| Restatement                           | 1,130                   |                  |                 |                 | 1,130            | 0                |
| <b>Ending Net Assets</b>              | <b>277,963</b>          | <b>272,517</b>   | <b>63,468</b>   | <b>62,112</b>   | <b>341,431</b>   | <b>334,629</b>   |



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

Decreases in Charges for Services of \$3.3 million (10%), CIC Property Tax Increment of \$4 million (26%), and Use of Money and Properties of \$3.0 million (30%), contributed to an overall decrease in revenues.

Program expenses decreased overall by \$4.7 million (4%). The largest decreases were in Economic Development and Public Works, largely reflecting community improvement, redevelopment, reuse and redevelopment authority and other capital projects that were either begun or completed in the prior fiscal year.

#### Expense and Program Revenue - Governmental Activities

##### Fiscal Year 2009-2010

(dollars in thousands)

|   | Expense          | Revenue         | Net Difference    |
|---|------------------|-----------------|-------------------|
| General Government                            | \$15,457         | \$7,065         | (\$8,392)         |
| Police  | 25,669           | 1,567           | (\$24,102)        |
| Fire  | 22,861           | 2,559           | (\$20,302)        |
| Public Works                                  | 10,940           | 14,040          | \$3,100           |
| Community Development (Planning and Building) | 20,378           | 11,146          | (\$9,232)         |
| Culture and Recreation                        | 8,749            | 5,056           | (\$3,693)         |
| Housing and Community Services                | 7,976            | 856             | (\$7,120)         |
| Interest on Long-Term Debt                    | 5,765            | 0               | (5,765)           |
|   | <u>\$117,795</u> | <u>\$42,289</u> | <u>(\$75,506)</u> |

#### Revenues by Source - Governmental Activities

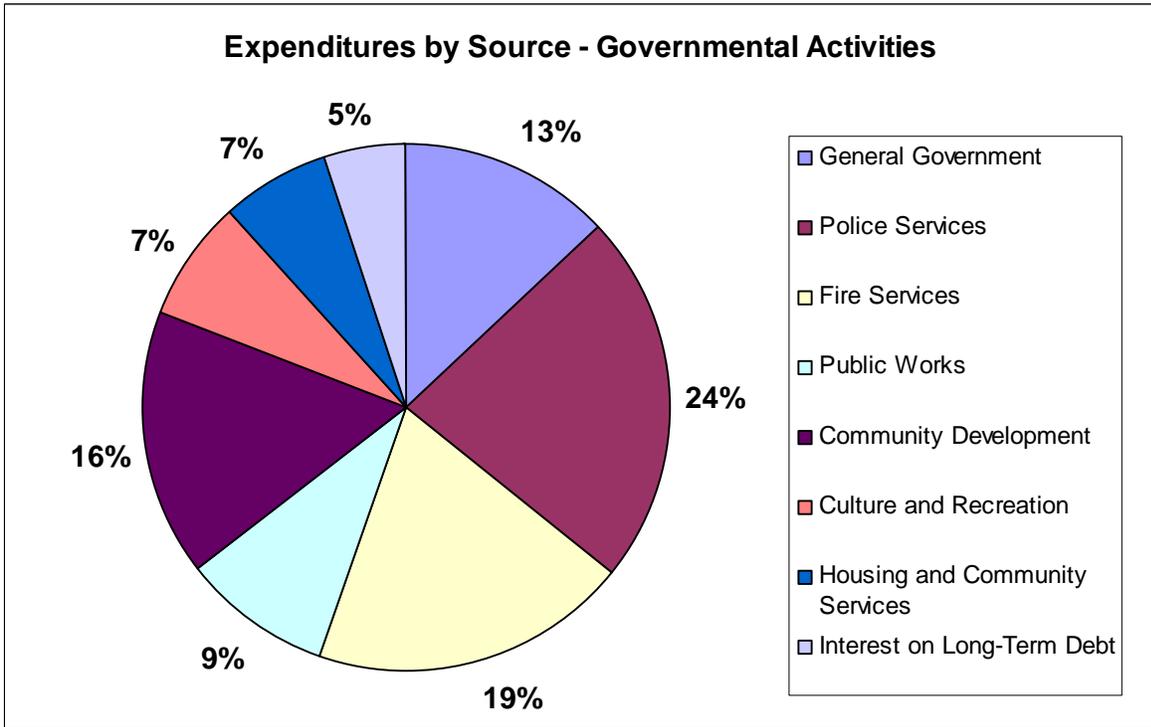
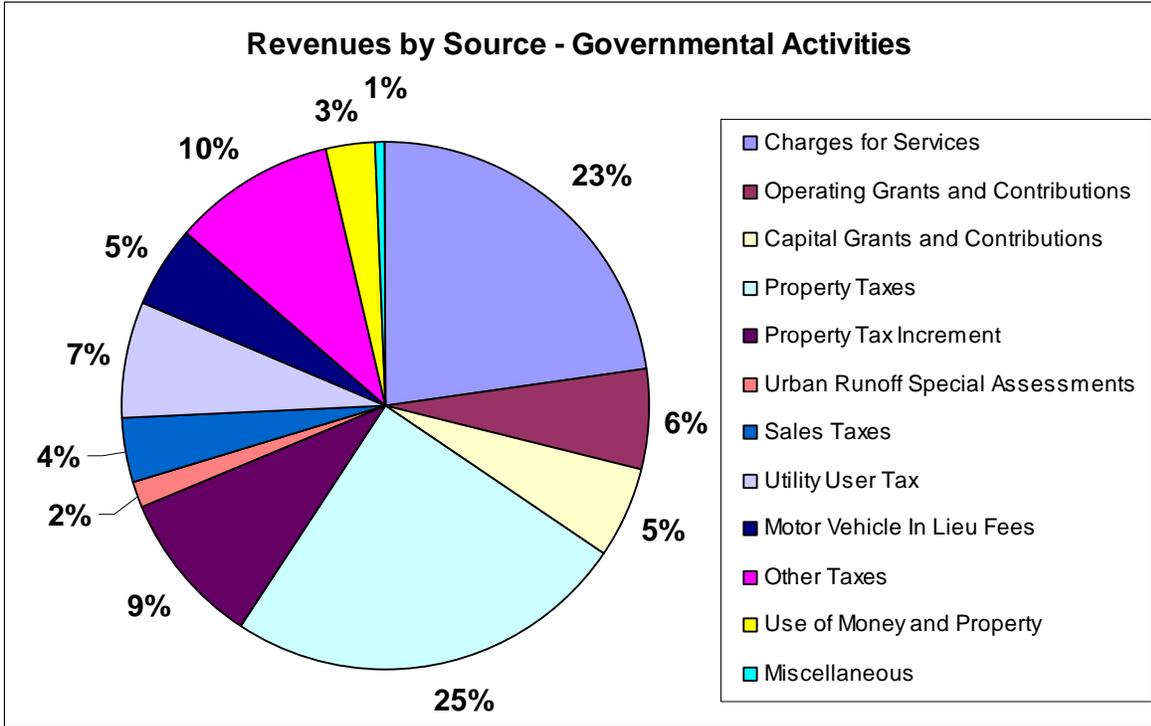
(dollars in thousands)

|                                    | 2010             | 2009             | Difference       |
|------------------------------------|------------------|------------------|------------------|
| Charges for Services               | \$28,185         | \$31,456         | (\$3,271)        |
| Operating Grants and Contributions | 7,401            | 6,816            | 585              |
| Capital Grants and Contributions   | 6,704            | 4,307            | 2,397            |
| Property Taxes                     | 30,780           | 28,056           | 2,724            |
| Property Tax Increment             | 11,631           | 15,634           | (4,003)          |
| Urban Runoff Special Assessments   | 1,898            | 1,858            | 40               |
| Sales Taxes                        | 4,880            | 5,413            | (533)            |
| Utility User Tax                   | 8,822            | 9,049            | (227)            |
| Motor Vehicle In Lieu Fees         | 6,042            | 5,995            | 47               |
| Other Taxes                        | 12,305           | 9,558            | 2,747            |
| Use of Money and Property          | 3,836            | 6,843            | (3,007)          |
| Miscellaneous                      | 742              | 4,100            | (3,358)          |
|                                    | <u>\$123,226</u> | <u>\$129,085</u> | <u>(\$5,859)</u> |



City of Alameda, California

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010





## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

#### **Business-type Activities Financial Analyses**

These activities increased the City's net assets by \$1.4 million overall. Key elements of this overall increase are as follows:

*Ferry Services.* Net assets of the Ferry Services Fund at June 30, 2010, were \$8.3 million consisting primarily of capital assets of \$8.1 million. Grants and transfers of \$3.4 million comprise the major funding for ferry services. Including other miscellaneous income, total revenues and transfers in for Ferry Services were \$3.7 million for the fiscal year. Operating expenses, including depreciation, totaled \$4.2 million, resulting in a net decrease in assets of \$0.5 million. The City will transfer the ownership of the ferry services to the Water Emergency Transportation Authority (WETA) in FY10-11.

*Golf Course.* Net assets of the Golf Course Fund at June 30, 2010, were \$4.1 million, comprised of capital assets, net of related debt of \$3.2 million, and unrestricted assets of \$1 million available to fund operations. Golf Course revenues totaled \$3.8 million generated primarily from user fees. Operating expenses totaled \$3.9 million including depreciation. The Fund transferred \$0.1 million to the General Fund and Internal Service Funds for services provided, resulting in a \$0.2 million decrease in net assets. Strategic long-term options to address this operating deficit are under consideration.

*Sewer Services.* Net assets of the Sewer Service Fund at June 30, 2010, were \$51 million consisting primarily of net assets invested in capital assets, net of related debt of \$33.9 million. The remaining \$17.2 million includes a \$3 million advance for a capital improvement balance and the remaining balance of \$14.2 million which is available to fund operations and future sewer related improvement and maintenance projects. The Sewer Services fund generated income of \$6.1 million and incurred \$4.1 of operating and capital related expenditures for a net increase in assets of \$2.0 million.

#### **Expense and Program Revenue**

##### **Business-type Activity**

##### **Fiscal Year 2009-2010**

(dollars in thousands)

|                | Revenue         | Expense         | Difference   |
|----------------|-----------------|-----------------|--------------|
| Ferry Services | \$2,529         | \$4,199         | (\$1,670)    |
| Golf Course    | 3,769           | 3,895           | (\$126)      |
| Sewer Services | 6,070           | 4,086           | \$1,984      |
|                | <u>\$12,368</u> | <u>\$12,180</u> | <u>\$188</u> |



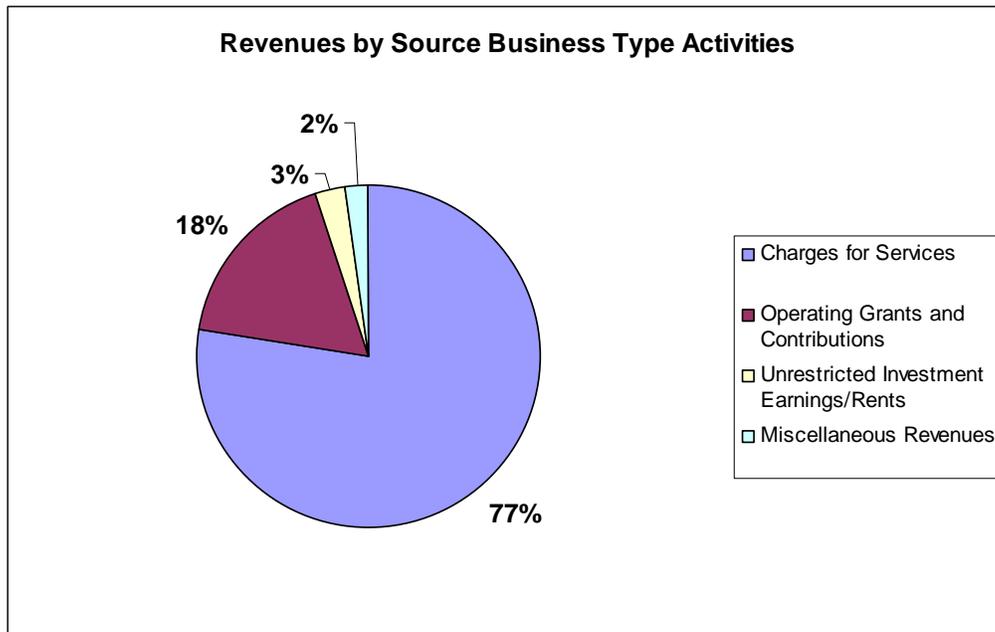
City of Alameda, California

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010

**Revenues by Source  
Business-type Activities**

(dollars in thousands)

|  | 2010            | 2009            | Difference     |
|--|-----------------|-----------------|----------------|
| Charges for Services                   | \$9,837         | \$10,063        | (\$226)        |
| Operating Grants and Contributions     | 2,245           | 2,357           | (\$112)        |
| Unrestricted Investment Earnings/Rents | 348             | 730             | (\$382)        |
| Miscellaneous Revenues                 | 285             | 93              | \$192          |
|  | <u>\$12,715</u> | <u>\$13,243</u> | <u>(\$528)</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.



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

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As of June 30, 2010, the City of Alameda's governmental funds reported combined ending fund balances of \$101.8 million, a decrease of \$5.6 million from the prior fiscal year. Approximately \$62 million or 61% of the combined ending fund balance constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion, some of which are subject to certain spending restrictions of the City's special revenue and capital project funds. Approximately \$25 million, or 25% 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 \$14.8 million or 14% of total fund balance was designated primarily for capital improvements.

The General Fund is the chief operating fund of the City. At June 30, 2010, unreserved, undesignated fund balance (cash reserve) of the General Fund was \$15.1 million; the total fund balance, including restricted resources, was \$21.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 25% of total General Fund expenditures; total fund balance represents 36% of that same amount. The fund balance of the City of Alameda's General Fund increased approximately \$.1 million from the prior fiscal year (<1%).

The West End Community Improvement Project Area Special Revenue Fund had an unreserved, undesignated fund balance of \$4.5 million; the total fund balance, including restricted resources, was \$4.9 million. Fund balance decreased \$2.0 million during the year, primarily as a result of expenditures for development services, housing and community service, and the increase in the SERAF remittance to the State.

The Business and Waterfront Improvement Project Area Special Revenue Fund had an unreserved, undesignated fund balance of \$.1 million at June 30, 2010. The total fund balance, including restricted resources, was \$10.1 million. Fund balance increased \$2.4 million in the current fiscal year primarily as a result of increased tax increment funds during the year.

The Alameda Point Improvement Project Area Special Revenue Fund had a total fund deficit of \$1.4 million at June 30, 2010. Fund balance decreased \$0.4 million primarily due to expenditures for housing and community services.

The Alameda Reuse and Redevelopment Authority Special Revenue Fund had an unreserved, undesignated fund balance of \$7.5 million at June 30, 2010. The total fund balance, including restricted resources, was \$7.6 million. Fund balance decreased \$1.4 million primarily due to one-time expenditures incurred in the project area.



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

The Capital Improvement Projects Capital Project Fund has a total fund balance of \$3.9 million as of June 30, 2010, all designated for current and future capital projects. The fund incurred \$11.0 million for capital projects during FY09-10, including the following:

- Permit Center Relocation
- Design and Construction of Stargell Avenue
- Library Branch Improvements
- Central Avenue Resurfacing
- Installation of Mechanical Trash Racks
- Street Resurfacing Phase 29
- Sidewalk Repair
- Storm Drain Facility Maintenance
- Traffic Striping Maintenance

**Proprietary Funds.** The City of Alameda's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets at June 30, 2010, in dollars and as a percent of total net assets are as follows by fund: Ferry, \$0.2 million (2.4%); Golf, \$1.0 million (23%); Sewer, \$17.2 million (34%).

**Internal Service Funds.** The Internal Service Funds net asset deficit reflects the Workers' 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.

Unrestricted net assets (deficits) at June 30, 2010, are as follows by fund (reported in thousands):

| <u>Internal Service Fund</u> | <u>Unrestricted<br/>Net Assets</u> |
|------------------------------|------------------------------------|
| Central Store                | 37                                 |
| Central Garage               | 68                                 |
| Technology Services          | 662                                |
| Worker's Compensation        | (6,708)                            |
| Risk Management              | (365)                              |
| Equipment Maintenance        | 3,319                              |
| Facilities Maintenance       | 172                                |



**City of Alameda, California**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010**

**Capital Assets and Long Term Debt**

*Capital Assets*

The City of Alameda's investment in capital assets for its governmental and business-type activities as of June 30, 2010, totals \$287 million (net of accumulated depreciation), an increase of approximately \$4.8 million from the prior period. Investment in capital assets includes land, buildings and systems improvements, machinery and equipment, sewer lines, ferry boats, golf improvements, park facilities and streets. Additional information about the City's capital assets can be found in Note 5 of this report.

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

|                          | Governmental Activities |           | Business-type Activities |          | Total     |           |
|--------------------------|-------------------------|-----------|--------------------------|----------|-----------|-----------|
|                          | 2010                    | 2009      | 2010                     | 2009     | 2010      | 2009      |
| Land                     | \$5,871                 | \$4,921   | \$177                    | \$177    | \$6,048   | \$5,098   |
| Buildings and systems    | 159,792                 | 163,042   | 886                      | 904      | 160,678   | 163,946   |
| Infrastructure           | 64,250                  | 59,422    | 42,777                   | 42,958   | 107,027   | 102,380   |
| Construction in progress | 50,145                  | 47,468    | 134                      | 23       | 50,279    | 47,491    |
| Machinery and equipment  | 6,852                   | 7,208     | 154                      | 209      | 7,006     | 7,417     |
| Ferry Boats              |                         |           | 8,063                    | 8,501    | 8,063     | 8,501     |
| Total                    | \$286,910               | \$282,061 | \$52,191                 | \$52,772 | \$339,101 | \$334,833 |

*Long-term Debt*

At June 30, 2010, the City had \$116 million in outstanding debt, including \$65.9 million in tax allocation bonds issued for redevelopment purposes, \$16.7 million in Certificates of Participation, and \$9.6 million in General Obligation Bonds.

The City's total debt decreased \$3.6 million during FY09-10. The City made all scheduled repayments of existing debt in the amount of \$3.6 million. The schedule on the following page is a summary schedule of outstanding debt as of June 30, 2010.



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

#### Outstanding Debt (dollars in thousands)

|                               | Governmental Activities |           | Business-type Activities |         | Totals    |           |
|-------------------------------|-------------------------|-----------|--------------------------|---------|-----------|-----------|
|                               | 2010                    | 2009      | 2010                     | 2009    | 2010      | 2009      |
| Certificates of Participation | \$13,305                | \$13,715  | \$2,755                  | \$3,030 | \$16,060  | \$16,745  |
| Revenue Bonds                 | 13,745                  | 14,195    |                          |         | 13,745    | 14,195    |
| Tax Allocation Bonds          | 64,685                  | 65,900    |                          |         | 64,685    | 65,900    |
| General Obligation Bonds      | 9,580                   | 9,775     |                          |         | 9,580     | 9,775     |
| HUD Section 108 Loan          | 6,848                   | 7,000     |                          |         | 6,848     | 7,000     |
| Other Long Term Obligations   | 772                     | 1,140     | 4,304                    | 4,814   | 5,076     | 5,954     |
| Total                         | \$108,935               | \$111,725 | \$7,059                  | \$7,844 | \$115,994 | \$119,569 |

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

#### **Economic Outlook**

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

- At June 30, 2010, a number of the City's employment agreements had expired. Negotiations are in progress, but there is no available projection on costs resulting from these negotiations. Outcomes of these negotiations are unknown at this writing.
- The City offers post-employment health benefits to its retirees. The type and value of this benefit is a bargained benefit. Miscellaneous employees receive the minimum payment required by the Public Employees Medical Coverage Health Agreement (PEMCHA); whereas Public Safety employees receive the full cost of the PEMCHA provided health insurance and dental insurance for retirees and spouses. The City 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 \$75.9 million. Financing for this AAL will be addressed by the City Council during FY11-12, in order to reduce the present value of the accrued actuarial liability.
- 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.



## City of Alameda, California

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010

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#### **Request for Information**

This Comprehensive Annual Financial Report (CAFR) is designed to provide a general overview of the City of Alameda's finances. For the convenience of the public, a copy of this report is posted on the City's website ([www.cityofalamedaca.gov](http://www.cityofalamedaca.gov)). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Alameda, Attention: Administrative Services - Finance Division, 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, 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 Municipal Power and the Housing Authority of the City of Alameda are included in these statements as separate columns.

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CITY OF ALAMEDA  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

|   | Primary Government         |                             |                      | Component Units      |                            |
|---|----------------------------|-----------------------------|----------------------|----------------------|----------------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total                | Housing<br>Authority | Alameda Municipal<br>Power |
| <b>ASSETS</b>   |                            |                             |                      |                      |                            |
| Cash and cash equivalents (Note 2)                      | \$92,911,763               | \$14,728,855                | \$107,640,618        | \$10,881,640         | \$32,150,035               |
| Restricted cash and investments (Note 2)                | 17,044,092                 | 2,940                       | 17,047,032           | 536,535              | 6,226,879                  |
| Accounts receivable                                     | 5,945,385                  | 630,545                     | 6,575,930            | 97,778               | 4,906,255                  |
| Interest receivable                                     | 550,031                    |                             | 550,031              | 12,270               | 27,760                     |
| Internal balances (Note 3)                              | (3,203,542)                | 3,203,542                   |                      |                      |                            |
| Due from other governments                              | 818,094                    | 117,658                     | 935,752              | 6,719                |                            |
| Loans receivable (Note 4)                               | 17,833,863                 |                             | 17,833,863           | 243,109              | 105,300                    |
| Materials, parts and supplies                           |                            | 114,936                     | 114,936              | 9,264                | 2,470,761                  |
| Prepays, deposits, bond discounts and issue costs       | 670,669                    | 403,850                     | 1,074,519            | 371,499              | 900,738                    |
| Share of certain NCPA projects<br>and reserve (Note 12) |                            |                             |                      |                      | 24,224,505                 |
| Capital assets (Note 5):                                |                            |                             |                      |                      |                            |
| Non-depreciable   | 56,016,740                 | 310,637                     | 56,327,377           | 11,962,854           | 2,415,192                  |
| Depreciable, net of accumulated depreciation            | 230,895,396                | 51,880,157                  | 282,775,553          | 17,191,499           | 38,905,109                 |
| <b>Total Assets</b>                                     | <b>419,482,491</b>         | <b>71,393,120</b>           | <b>490,875,611</b>   | <b>41,313,167</b>    | <b>112,332,534</b>         |
| <b>LIABILITIES</b>                                      |                            |                             |                      |                      |                            |
| Accounts payable  | 3,516,140                  | 365,264                     | 3,881,404            | 4,004                | 4,817,471                  |
| Accrued payroll   | 2,194,138                  | 45,606                      | 2,239,744            | 247,515              |                            |
| Interest payable  | 1,688,872                  | 92,567                      | 1,781,439            | 246,630              | 264,548                    |
| Unearned revenue  | 1,178,410                  | 264,163                     | 1,442,573            |                      |                            |
| Refundable deposits                                     | 2,432,739                  | 25                          | 2,432,764            | 459,782              | 635,264                    |
| Due to other agencies                                   | 1,489,386                  |                             | 1,489,386            |                      |                            |
| Claims payable (Note 11)                                |                            |                             |                      |                      |                            |
| Due within one year                                     | 2,950,498                  |                             | 2,950,498            |                      |                            |
| Due in more than one year                               | 4,506,285                  |                             | 4,506,285            |                      | 736,506                    |
| Compensated absences (Note 1H):                         |                            |                             |                      |                      |                            |
| Due within one year                                     | 3,589,016                  | 98,478                      | 3,687,494            | 89,829               | 708,940                    |
| Due in more than one year                               | 712,652                    |                             | 712,652              | 67,765               |                            |
| Net pension obligation (Note 9)                         | 543,000                    |                             | 543,000              |                      |                            |
| Net OPEB obligation (Note 10)                           | 7,782,572                  |                             | 7,782,572            |                      |                            |
| Long-term debt (Note 6):                                |                            |                             |                      |                      |                            |
| Due within one year                                     | 3,169,360                  | 817,633                     | 3,986,993            | 354,362              | 2,254,167                  |
| Due in more than one year                               | 105,766,020                | 6,241,678                   | 112,007,698          | 15,779,019           | 39,292,739                 |
| Purchased power balancing account (Note 1J)             |                            |                             |                      |                      | 12,699,682                 |
| <b>Total Liabilities</b>                                | <b>141,519,088</b>         | <b>7,925,414</b>            | <b>149,444,502</b>   | <b>17,248,906</b>    | <b>61,409,317</b>          |
| <b>NET ASSETS (Note 8):</b>                             |                            |                             |                      |                      |                            |
| Invested in capital assets, net of related debt         | 179,200,175                | 45,131,483                  | 224,331,658          | 13,020,972           | 1,973,395                  |
| Restricted for:   |                            |                             |                      |                      |                            |
| Capital projects  | 42,420,558                 |                             | 42,420,558           |                      |                            |
| Debt service  | 10,031,439                 |                             | 10,031,439           | 3,277,877            |                            |
| Redevelopment and housing                               | 24,403,876                 |                             | 24,403,876           |                      |                            |
| Public safety   | 80,041                     |                             | 80,041               |                      |                            |
| Planning and building                                   | 1,231,210                  |                             | 1,231,210            |                      |                            |
| Recycling   | 175,573                    |                             | 175,573              |                      |                            |
| Culture and recreation                                  | 2,675,734                  |                             | 2,675,734            |                      |                            |
| NCPA projects and reserve                               |                            |                             |                      |                      | 6,226,879                  |
| <b>Total Restricted Net Assets</b>                      | <b>81,018,431</b>          |                             | <b>81,018,431</b>    | <b>3,277,877</b>     | <b>6,226,879</b>           |
| Unrestricted  | 17,744,797                 | 18,336,223                  | 36,081,020           | 7,765,412            | 42,722,943                 |
| <b>Total Net Assets</b>                                 | <b>\$277,963,403</b>       | <b>\$63,467,706</b>         | <b>\$341,431,109</b> | <b>\$24,064,261</b>  | <b>\$50,923,217</b>        |

See accompanying notes to financial statements.

CITY OF ALAMEDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

| Functions/Programs                           | Expenses             | Program Revenues     |                                    |                                  |
|--|----------------------|----------------------|------------------------------------|----------------------------------|
|  |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary Government:</b>                   |                      |                      |                                    |                                  |
| Governmental Activities                      |                      |                      |                                    |                                  |
| General government                           | \$15,456,715         | \$7,065,225          |                                    |                                  |
| Police                                       | 25,669,467           | 1,196,533            | \$255,349                          | \$114,725                        |
| Fire   | 22,861,254           | 2,459,169            | 100,567                            |                                  |
| Public works                                 | 10,939,983           | 5,234,368            | 2,323,348                          | 6,482,685                        |
| Community development, planning and building | 20,377,721           | 9,628,742            | 1,434,160                          | 83,282                           |
| Culture and recreation                       | 8,749,436            | 2,600,886            | 2,432,189                          | 22,970                           |
| Housing and community services               | 7,975,540            |                      | 855,564                            |                                  |
| Interest on long-term debt                   | 5,764,642            |                      |                                    |                                  |
| <b>Total Governmental Activities:</b>        | <b>117,794,758</b>   | <b>28,184,923</b>    | <b>7,401,177</b>                   | <b>6,703,662</b>                 |
| Business-type Activities:                    |                      |                      |                                    |                                  |
| Ferry services                               | 4,200,933            |                      | 2,244,961                          |                                  |
| Golf course                                  | 3,914,763            | 3,768,555            | 150                                |                                  |
| Sewer services                               | 4,359,415            | 6,068,908            |                                    |                                  |
| <b>Total Business-type Activities:</b>       | <b>12,475,111</b>    | <b>9,837,463</b>     | <b>2,245,111</b>                   |                                  |
| <b>Total Primary Government:</b>             | <b>\$130,269,869</b> | <b>\$38,022,386</b>  | <b>\$9,646,288</b>                 | <b>\$6,703,662</b>               |
| <b>Component Units:</b>                      |                      |                      |                                    |                                  |
| Housing Authority                            | \$30,114,145         | \$2,957,381          | \$28,527,140                       | 269,717                          |
| Alameda Municipal Power                      | 56,686,475           | 49,284,110           |                                    |                                  |
| <b>Total Component Units</b>                 | <b>\$86,800,620</b>  | <b>\$52,241,491</b>  | <b>\$28,527,140</b>                | <b>\$269,717</b>                 |
| General revenues:                            |                      |                      |                                    |                                  |
| Taxes:                                       |                      |                      |                                    |                                  |
| Property taxes                               |                      |                      |                                    |                                  |
| Property tax increment                       |                      |                      |                                    |                                  |
| Urban runoff special assessments             |                      |                      |                                    |                                  |
| Sales taxes                                  |                      |                      |                                    |                                  |
| Utility users tax                            |                      |                      |                                    |                                  |
| Transfer tax                                 |                      |                      |                                    |                                  |
| Franchise tax                                |                      |                      |                                    |                                  |
| Transient occupancy tax                      |                      |                      |                                    |                                  |
| Property tax in-lieu                         |                      |                      |                                    |                                  |
| Other taxes                                  |                      |                      |                                    |                                  |
| Motor vehicle in-lieu, unrestricted          |                      |                      |                                    |                                  |
| Use of money and properties                  |                      |                      |                                    |                                  |
| Miscellaneous                                |                      |                      |                                    |                                  |
| <b>Total general revenues</b>                |                      |                      |                                    |                                  |
| Transfers (Note 3C)                          |                      |                      |                                    |                                  |
| <b>Total general revenues and transfers</b>  |                      |                      |                                    |                                  |
| Change in Net Assets                         |                      |                      |                                    |                                  |
| Beginning Net Assets                         |                      |                      |                                    |                                  |
| Restatement (Note 18)                        |                      |                      |                                    |                                  |
| Ending Net Assets                            |                      |                      |                                    |                                  |

See accompanying notes to financial statements.

| Net (Expense) Revenue and<br>Changes in Net Assets |                             |                      | Net (Expense) Revenue and<br>Changes in Net Assets |                            |
|--|-----------------------------|----------------------|--|----------------------------|
| Primary Government                                 |                             |                      | Component Units                                    |                            |
| Governmental<br>Activities                         | Business-type<br>Activities | Total                | Housing<br>Authority                               | Alameda Municipal<br>Power |
|  |                             |                      |  |                            |
| (\$8,391,490)                                      |                             | (\$8,391,490)        |  |                            |
| (24,102,860)                                       |                             | (24,102,860)         |  |                            |
| (20,301,518)                                       |                             | (20,301,518)         |  |                            |
| 3,100,418  |                             | 3,100,418            |  |                            |
| (9,231,537)  |                             | (9,231,537)          |  |                            |
| (3,693,391)  |                             | (3,693,391)          |  |                            |
| (7,119,976)  |                             | (7,119,976)          |  |                            |
| (5,764,642)  |                             | (5,764,642)          |  |                            |
| <u>(75,504,996)</u>                                |                             | <u>(75,504,996)</u>  |  |                            |
|  |                             |                      |  |                            |
|  | (\$1,955,972)               | (1,955,972)          |  |                            |
|  | (146,058)                   | (146,058)            |  |                            |
|  | 1,709,493                   | 1,709,493            |  |                            |
|  | <u>(392,537)</u>            | <u>(392,537)</u>     |  |                            |
| <u>(75,504,996)</u>                                | <u>(392,537)</u>            | <u>(75,897,533)</u>  |  |                            |
|  |                             |                      |  |                            |
|  |                             |                      | \$1,640,093  |                            |
|  |                             |                      |  | (\$7,402,365)              |
|  |                             |                      | <u>1,640,093</u>                                   | <u>(7,402,365)</u>         |
|  |                             |                      |  |                            |
| 30,779,575   |                             | 30,779,575           |  |                            |
| 11,631,272   |                             | 11,631,272           |  |                            |
| 1,897,652  |                             | 1,897,652            |  |                            |
| 4,880,379  |                             | 4,880,379            |  |                            |
| 8,822,075  |                             | 8,822,075            |  |                            |
| 4,647,057  |                             | 4,647,057            |  |                            |
| 4,403,092  |                             | 4,403,092            |  |                            |
| 1,084,850  |                             | 1,084,850            |  |                            |
| 1,278,940  |                             | 1,278,940            |  |                            |
| 891,109  |                             | 891,109              |  |                            |
| 6,041,729  |                             | 6,041,729            |  |                            |
| 3,836,073  | 348,032                     | 4,184,105            | 50,816   | 305,857                    |
| 742,329  | 285,028                     | 1,027,357            | 506,590  |                            |
| <u>80,936,132</u>                                  | <u>633,060</u>              | <u>81,569,192</u>    | <u>557,406</u>                                     | <u>305,857</u>             |
| <u>(1,114,750)</u>                                 | <u>1,114,750</u>            |                      |  |                            |
| <u>79,821,382</u>                                  | <u>1,747,810</u>            | <u>81,569,192</u>    | <u>557,406</u>                                     | <u>305,857</u>             |
|  |                             |                      |  |                            |
| 4,316,386  | 1,355,273                   | 5,671,659            | 2,197,499  | (7,096,508)                |
| 272,517,556  | 62,112,433                  | 334,629,989          | 21,866,762   | 56,255,368                 |
| <u>1,129,461</u>                                   |                             | <u>1,129,461</u>     |  | <u>1,764,357</u>           |
| <u>\$277,963,403</u>                               | <u>\$63,467,706</u>         | <u>\$341,431,109</u> | <u>\$24,064,261</u>                                | <u>\$50,923,217</u>        |

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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 in FY09-10. Individual non-major funds may be found in the Supplemental Information section.

**GENERAL FUND**

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

**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 Section 108 loan. Expenditures include two loans in the amount of 2.8 million, of which \$1.4 million will be repaid with percentage rent; and the second in the amount of \$1.4 million due to be repaid in year 7 upon retirement of the Furniture, Fixture & Equipment loan; 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.

**REHABILITATION REPAYMENT**

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

**CAPITAL IMPROVEMENT PROJECTS FUND**

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

CITY OF ALAMEDA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2010

|  | General             | West End<br>Community<br>Improvement<br>Project Area<br>Special Revenue | Business and<br>Waterfront<br>Improvement<br>Project Area<br>Special Revenue | Alameda Point<br>Improvement<br>Project Area<br>Special Revenue | FISC Lease<br>Revenue<br>Special Revenue |
|--|---------------------|---|--|---|--|
| <b>ASSETS</b>  |                     |   |  |   |  |
| Cash and cash equivalents (Note 2)                             | \$14,135,816        | \$1,004,157   | \$13,381,870   | \$372,849   | \$1,495,392                              |
| Restricted cash and investments (Note 2)                       | 6,000               | 4,059,989   | 253,316  | 100,207   |  |
| Accounts receivable  | 3,913,004           |   |  |   |  |
| Interest receivable  | 549,614             |   |  |   |  |
| Due from other funds (Note 3A)                                 | 818,243             |   |  |   |  |
| Advances to other funds (Note 3B)                              | 2,698,995           |   | 555,465  |   |  |
| Due from other governments                                     |                     |   |  |   |  |
| Loans receivable (Note 4)                                      | 2,200,000           | 1,168,233   | 2,308,944  |   |  |
| Prepays and deposits   | 527,066             |   |  |   |  |
| <b>Total Assets</b>  | <b>\$24,848,738</b> | <b>\$6,232,379</b>  | <b>\$16,499,595</b>  | <b>\$473,056</b>  | <b>\$1,495,392</b>                       |
| <b>LIABILITIES</b>   |                     |   |  |   |  |
| Accounts payable   | \$615,111           | \$41,166  | \$97,009   | \$11,508  | \$180                                    |
| Accrued payroll  | 1,716,625           | 16,039  | 18,611   | 528   |  |
| Due to other funds (Note 3A)                                   |                     |   |  |   |  |
| Due to other agencies  | 10,089              | 87,638  | 962,143  | 48,455  |  |
| Advances from other funds (Note 3B)                            |                     |   | 3,000,000  | 1,814,460   | 1,440,000                                |
| Deferred revenue   | 613,194             | 1,168,233   | 2,308,944  |   |  |
| Refundable deposits  | 244,494             |   |  |   | 96,905                                   |
| <b>Total Liabilities</b>                                       | <b>3,199,513</b>    | <b>1,313,076</b>  | <b>6,386,707</b>   | <b>1,874,951</b>  | <b>1,537,085</b>                         |
| <b>FUND BALANCES (Note 8):</b>                                 |                     |   |  |   |  |
| Fund balance   |                     |   |  |   |  |
| Reserved for:  |                     |   |  |   |  |
| Capital improvement  |                     |   |  |   |  |
| Debt service   |                     |   |  |   |  |
| Low and moderate income housing                                |                     | 421,801   | 7,785,626  | 358,279   |  |
| Prepays, loans receivable,<br>and advances to other funds      | 5,426,061           |   | 555,465  |   |  |
| Unreserved:  |                     |   |  |   |  |
| Designated for:  |                     |   |  |   |  |
| Unrealized increase in fair value of investments, reported in: |                     |   |  |   |  |
| General Fund   | 737,979             |   |  |   |  |
| Special Revenue Funds  |                     | 10,462  | 83,929   | 2,321   | 15,880                                   |
| Capital Projects Funds   |                     |   |  |   |  |
| Debt Service Funds   |                     |   |  |   |  |
| Capital improvements, reported in:                             |                     |   |  |   |  |
| General Fund   | 400,000             |   |  |   |  |
| Special Revenue Funds  |                     |   | 1,548,750  |   |  |
| Capital Projects Funds   |                     |   |  |   |  |
| Athletics, reported in:  |                     |   |  |   |  |
| Special Revenue Funds  |                     |   |  |   |  |
| Undesignated, reported in:                                     |                     |   |  |   |  |
| General Fund   | 15,085,185          |   |  |   |  |
| Special Revenue Funds  |                     | 4,487,040   | 139,118  | (1,762,495)   | (57,573)                                 |
| Capital Projects Funds   |                     |   |  |   |  |
| <b>Total Fund Balances (Deficits)</b>                          | <b>21,649,225</b>   | <b>4,919,303</b>  | <b>10,112,888</b>  | <b>(1,401,895)</b>  | <b>(41,693)</b>                          |
| <b>Total Liabilities and Fund Balances:</b>                    | <b>\$24,848,738</b> | <b>\$6,232,379</b>  | <b>\$16,499,595</b>  | <b>\$473,056</b>  | <b>\$1,495,392</b>                       |

See accompanying notes to financial statements.

| Alameda<br>Reuse and<br>Redevelopment<br>Authority<br>Special Revenue | Theater/Parking<br>Structure Project<br>Special Revenue | HOME<br>Repayment<br>Special Revenue | Rehabilitation<br>Repayment<br>Special Revenue | Capital<br>Improvement<br>Projects | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---|--------------------------------------|--|------------------------------------|--------------------------------|--------------------------------|
| \$9,845,487   | \$221,986   |                                      | \$416,314                                      | \$4,223,251                        | \$42,753,298                   | \$87,850,420                   |
|   |   |                                      |  | 565,911                            | 12,058,669                     | 17,044,092                     |
| 402,053   |   | \$663                                | 18,599   | 18,985                             | 1,367,609                      | 5,720,913                      |
|   |   |                                      |  |                                    | 417                            | 550,031                        |
|   |   |                                      |  |                                    |                                | 818,243                        |
|   |   |                                      |  |                                    |                                | 3,254,460                      |
|   |   |                                      |  | 818,094                            |                                | 818,094                        |
|   | 3,003,017   | 4,200,463                            | 3,007,263                                      |                                    | 1,945,943                      | 17,833,863                     |
|   |   |                                      |  |                                    | 8,603                          | 535,669                        |
| <u>\$10,247,540</u>   | <u>\$3,225,003</u>                                      | <u>\$4,201,126</u>                   | <u>\$3,442,176</u>                             | <u>\$5,626,241</u>                 | <u>\$58,134,539</u>            | <u>\$134,425,785</u>           |
| \$543,914   |   |                                      | \$8,663  | \$1,141,530                        | \$701,055                      | \$3,160,136                    |
| 37,801  |   |                                      |  | 61,140                             | 272,566                        | 2,123,310                      |
|   |   | \$44                                 |  |                                    | 87,622                         | 87,666                         |
|   |   |                                      |  | 367,855                            | 13,206                         | 1,489,386                      |
| 300,000   |   |                                      |  |                                    |                                | 6,554,460                      |
|   | \$3,003,017   | 4,200,463                            | 3,007,263                                      | 132,059                            | 2,379,100                      | 16,812,273                     |
| 1,769,080   | 33,113  |                                      |  | 24,246                             | 264,901                        | 2,432,739                      |
| <u>2,650,795</u>  | <u>3,036,130</u>  | <u>4,200,507</u>                     | <u>3,015,926</u>                               | <u>1,726,830</u>                   | <u>3,718,450</u>               | <u>32,659,970</u>              |
|   |   |                                      |  |                                    | 14,007,827                     | 14,007,827                     |
|   |   |                                      |  |                                    | 10,014,503                     | 10,014,503                     |
|   |   |                                      | 423,389  |                                    | 325,477                        | 9,314,572                      |
|   |   |                                      |  |                                    | 8,603                          | 5,990,129                      |
|   |   |                                      |  |                                    |                                | 737,979                        |
| 72,943  |   |                                      | 2,861  |                                    | 170,798                        | 359,194                        |
|   |   |                                      |  | 26,617                             | 93,690                         | 120,307                        |
|   |   |                                      |  |                                    | 16,936                         | 16,936                         |
|   |   |                                      |  |                                    |                                | 400,000                        |
|   |   |                                      |  |                                    | 4,548,918                      | 6,097,668                      |
|   |   |                                      |  | 3,872,794                          | 1,871,870                      | 5,744,664                      |
|   |   |                                      |  |                                    | 1,265,451                      | 1,265,451                      |
|   |   |                                      |  |                                    |                                | 15,085,185                     |
| 7,523,802   | 188,873   | 619                                  |  |                                    | 13,778,730                     | 24,298,114                     |
|   |   |                                      |  |                                    | 8,313,286                      | 8,313,286                      |
| <u>7,596,745</u>  | <u>188,873</u>  | <u>619</u>                           | <u>426,250</u>                                 | <u>3,899,411</u>                   | <u>54,416,089</u>              | <u>101,765,815</u>             |
| <u>\$10,247,540</u>   | <u>\$3,225,003</u>                                      | <u>\$4,201,126</u>                   | <u>\$3,442,176</u>                             | <u>\$5,626,241</u>                 | <u>\$58,134,539</u>            | <u>\$134,425,785</u>           |

CITY OF ALAMEDA  
RECONCILIATION OF  
GOVERNMENTAL FUNDS -- FUND BALANCES  
with  
GOVERNMENTAL NET ASSETS  
JUNE 30, 2010

Total fund balances reported on the governmental funds balance sheet \$101,765,815

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. 286,492,506

**ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS**

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

|                           |             |
|---------------------------|-------------|
| Cash and cash equivalents | 5,061,343   |
| Accounts receivable       | 224,472     |
| Prepays and deposits      | 135,000     |
| Capital assets            | 419,630     |
| Internal balances         | (634,119)   |
| Accounts payable          | (356,004)   |
| Accrued payroll           | (70,828)    |
| Claims payable            | (7,456,783) |
| Compensated absences      | (139,145)   |

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

Revenues are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 15,633,863

**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       | (1,688,872)   |
| Net pension obligation | (543,000)     |
| Long-term debt         | (108,935,380) |
| Compensated absences   | (4,162,523)   |
| Net OPEB obligation    | (7,782,572)   |

**NET ASSETS OF GOVERNMENTAL ACTIVITIES \$277,963,403**

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, 2010

|  | General             | West End<br>Community<br>Improvement<br>Project Area<br>Special Revenue | Business and<br>Waterfront<br>Improvement<br>Project Area<br>Special Revenue | Alameda Point<br>Improvement<br>Project Area<br>Special Revenue | FISC Lease<br>Revenue<br>Special Revenue |
|--|---------------------|---|--|---|--|
| <b>REVENUES</b>  |                     |   |  |   |  |
| Property taxes   | \$22,275,176        | \$5,293,554   | \$9,879,463  | \$321,875   |  |
| Other local taxes  | 26,499,628          |   |  |   |  |
| Licenses and permits   | 1,826,990           |   |  |   |  |
| Revenues from other agencies                                 | 6,438,736           |   | 121,217  |   | \$2,255,836                              |
| Charges for current services                                 | 7,136,985           |   |  |   |  |
| Fines and forfeitures  | 537,182             |   |  |   |  |
| Use of money and property                                    | 2,681,525           | 13,200  | 201,244  | 5,376   | 1,118,816                                |
| Other  |                     | 2   | 8,118  |   | 34,645                                   |
| <b>Total Revenues</b>  | <b>67,396,222</b>   | <b>5,306,756</b>  | <b>10,210,042</b>  | <b>327,251</b>  | <b>3,409,297</b>                         |
| <b>EXPENDITURES</b>  |                     |   |  |   |  |
| Current:   |                     |   |  |   |  |
| General government   | 4,375,732           | 898,908   | 1,219,195  | 96,797  |  |
| Police   | 26,598,621          |   |  |   |  |
| Fire   | 22,589,195          |   |  |   |  |
| Public works   | 1,842,897           |   |  |   |  |
| Community development, planning and building                 |                     | 96,208  | 721,387  | 12,500  | 2,684,419                                |
| Recreation and parks   | 4,099,247           |   |  |   |  |
| Housing and community services                               |                     | 3,278,985   | 3,350,066  | 526,424   |  |
| Capital outlay   | 94,600              |   |  |   | 1,287,806                                |
| Debt service:  |                     |   |  |   |  |
| Principal  | 82,040              | 182,500   | 32,500   |   |  |
| Interest   | 19,221              | 103,328   | 15,268   | 105,533   | 115,200                                  |
| <b>Total Expenditures</b>                                    | <b>59,701,553</b>   | <b>4,559,929</b>  | <b>5,338,416</b>   | <b>741,254</b>  | <b>4,087,425</b>                         |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>7,694,669</b>    | <b>746,827</b>  | <b>4,871,626</b>   | <b>(414,003)</b>  | <b>(678,128)</b>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |   |  |   |  |
| Transfers in (Note 3C)                                       | 216,472             | 256   | 164,414  |   | 480,000                                  |
| Transfers (out) (Note 3C)                                    | (7,776,037)         | (2,739,349)   | (2,653,009)  |   | (1,380,581)                              |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>(7,559,565)</b>  | <b>(2,739,093)</b>  | <b>(2,488,595)</b>   |   | <b>(900,581)</b>                         |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>135,104</b>      | <b>(1,992,266)</b>  | <b>2,383,031</b>   | <b>(414,003)</b>  | <b>(1,578,709)</b>                       |
| <b>BEGINNING FUND BALANCES (DEFICITS)</b>                    | <b>21,514,121</b>   | <b>6,911,569</b>  | <b>7,729,857</b>   | <b>(987,892)</b>  | <b>1,537,016</b>                         |
| <b>ENDING FUND BALANCES (DEFICITS)</b>                       | <b>\$21,649,225</b> | <b>\$4,919,303</b>  | <b>\$10,112,888</b>  | <b>(\$1,401,895)</b>  | <b>(\$41,693)</b>                        |

See accompanying notes to financial statements.

| Alameda<br>Reuse and<br>Redevelopment<br>Authority<br>Special Revenue | Theater/Parking<br>Structure Project<br>Special Revenue | HOME<br>Repayment<br>Special Revenue | Rehabilitation<br>Repayment<br>Special Revenue | Capital<br>Improvement<br>Projects | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---|--------------------------------------|--|------------------------------------|--------------------------------|--------------------------------|
|   |   |                                      |  |                                    | \$6,538,432                    | \$44,308,500                   |
|   |   |                                      |  |                                    | 532,877                        | 27,032,505                     |
|   |   |                                      |  | \$26,448                           | 1,319,410                      | 3,172,848                      |
| \$53,784  |   |                                      |  | 4,080,381                          | 6,405,018                      | 19,354,972                     |
| 749,807   |   |                                      |  | 31,233                             | 4,334,258                      | 12,252,283                     |
|   |   |                                      |  | 860                                | 896,642                        | 1,434,684                      |
| 11,380,732  | \$16,369  | \$1,281                              | \$321,041                                      | 51,123                             | 1,417,464                      | 17,208,171                     |
| 208,390   | 356,772   |                                      | 877  | 59,371                             | 123,058                        | 791,233                        |
| <u>12,392,713</u>   | <u>373,141</u>  | <u>1,281</u>                         | <u>321,918</u>                                 | <u>4,249,416</u>                   | <u>21,567,159</u>              | <u>125,555,196</u>             |
|   |   |                                      |  |                                    | 3,165,594                      | 9,756,226                      |
|   |   |                                      |  |                                    | 150,626                        | 26,749,247                     |
|   |   |                                      |  |                                    |                                | 22,589,195                     |
| 12,558,243  | 3,330   |                                      |  |                                    | 2,840,020                      | 4,682,917                      |
|   |   |                                      |  |                                    | 3,212,249                      | 19,288,336                     |
|   |   |                                      |  |                                    | 3,639,397                      | 7,738,644                      |
|   |   | 1,273                                |  |                                    | 2,904,225                      | 10,060,973                     |
|   |   |                                      |  | 11,029,291                         | 3,115,462                      | 15,527,159                     |
|   |   |                                      |  |                                    | 2,272,000                      | 2,569,040                      |
| 90,000  |   |                                      |  |                                    | 5,227,432                      | 5,675,982                      |
| <u>12,648,243</u>   | <u>3,330</u>  | <u>1,273</u>                         |  | <u>11,029,291</u>                  | <u>26,527,005</u>              | <u>124,637,719</u>             |
| (255,530)   | 369,811   | 8                                    | 321,918  | (6,779,875)                        | (4,959,846)                    | 917,477                        |
| 526,241   |   |                                      |  | 4,584,539                          | 10,817,974                     | 16,789,896                     |
| (1,654,513)   | (511,456)   |                                      | (385,465)                                      | (990,409)                          | (5,203,172)                    | (23,293,991)                   |
| <u>(1,128,272)</u>  | <u>(511,456)</u>  |                                      | <u>(385,465)</u>                               | <u>3,594,130</u>                   | <u>5,614,802</u>               | <u>(6,504,095)</u>             |
| (1,383,802)   | (141,645)   | 8                                    | (63,547)                                       | (3,185,745)                        | 654,956                        | (5,586,618)                    |
| 8,980,547   | 330,518   | 611                                  | 489,797  | 7,085,156                          | 53,761,133                     | 107,352,433                    |
| <u>\$7,596,745</u>  | <u>\$188,873</u>  | <u>\$619</u>                         | <u>\$426,250</u>                               | <u>\$3,899,411</u>                 | <u>\$54,416,089</u>            | <u>\$101,765,815</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, 2010

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 (\$5,586,618)

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 capitalized expenditures are therefore added back to fund balance<br>(Capitalized expenditures is the net of total capital outlay of \$15,527,159 and non-capitalized capital outlay expenditures of \$2,614,934) | 12,912,225  |
| Depreciation expense is deducted from fund balance<br>(Depreciation expense is net of internal service fund depreciation of 140,844 which has already been allocated to service funds)                                | (7,895,034) |
| Loss on disposal expenditure is therefore deducted from fund balance  | (25,262)    |

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.

|   |           |
|---|-----------|
| Repayment of debt principal is added back to fund balance | 2,385,693 |
|---|-----------|

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       | 2,351,441   |
| Interest payable       | (56,378)    |
| Net pension obligation | (3,806,708) |
| Compensated absences   | (173,250)   |

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 | <u>4,210,277</u> |
|---|------------------|

|   |                           |
|---|---------------------------|
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u><u>\$4,316,386</u></u> |
|---|---------------------------|

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, 2010

|                                      | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|-------------------------|---------------------|---------------------|---|
|                                      | <u>Original</u>         | <u>Final</u>        |                     |   |
| REVENUES:                            |                         |                     |                     |   |
| Property taxes                       | \$22,615,610            | \$22,615,610        | \$22,275,176        | (\$340,434)   |
| Other local taxes                    | 26,275,840              | 26,275,840          | 26,499,628          | 223,788   |
| Licenses and permits                 | 1,771,000               | 1,771,000           | 1,826,990           | 55,990  |
| Revenues from other agencies         | 6,147,000               | 6,212,127           | 6,438,736           | 226,609   |
| Charges for current services         | 6,984,100               | 6,984,100           | 7,136,985           | 152,885   |
| Fines and forfeitures                | 587,000                 | 587,000             | 537,182             | (49,818)  |
| Use of money and property            | 2,266,730               | 2,266,730           | 2,681,525           | 414,795   |
|                                      | <u>66,647,280</u>       | <u>66,712,407</u>   | <u>67,396,222</u>   | <u>683,815</u>  |
| Total Revenues                       |                         |                     |                     |   |
| EXPENDITURES:                        |                         |                     |                     |   |
| Current:                             |                         |                     |                     |   |
| General government                   | 6,601,940               | 6,580,318           | 4,375,732           | 2,204,586   |
| Police                               | 26,006,660              | 27,415,400          | 26,598,621          | 816,779   |
| Fire                                 | 23,166,820              | 23,098,557          | 22,589,195          | 509,362   |
| Public works                         | 2,023,570               | 2,168,199           | 1,842,897           | 325,302   |
| Recreation and parks                 | 4,019,360               | 4,212,640           | 4,099,247           | 113,393   |
| Capital outlay                       | 30,090                  | 69,325              | 94,600              | (25,275)  |
| Debt service:                        |                         |                     |                     |   |
| Principal                            | 110,360                 | 110,360             | 82,040              | 28,320  |
| Interest                             | 23,030                  | 23,030              | 19,221              | 3,809   |
|                                      | <u>61,981,830</u>       | <u>63,677,829</u>   | <u>59,701,553</u>   | <u>3,976,276</u>  |
| Total Expenditures                   |                         |                     |                     |   |
| NET CHANGE IF FUND REVENUES          | <u>4,665,450</u>        | <u>3,034,578</u>    | <u>7,694,669</u>    | <u>4,660,091</u>  |
| OTHER FINANCING SOURCES (USES)       |                         |                     |                     |   |
| Transfers in (Note 3C)               | 2,109,260               | 2,164,260           | 216,472             | (1,947,788)   |
| Transfers (out) (Note 3C)            | (6,811,920)             | (7,146,789)         | (7,776,037)         | (629,248)   |
|                                      | <u>(4,702,660)</u>      | <u>(4,982,529)</u>  | <u>(7,559,565)</u>  | <u>(2,577,036)</u>  |
| Total other financing sources (uses) |                         |                     |                     |   |
| NET CHANGE IN FUND BALANCE           | (37,210)                | (1,947,951)         | 135,104             | 2,083,055   |
| Beginning fund balance               | <u>21,514,121</u>       | <u>21,514,121</u>   | <u>21,514,121</u>   |   |
| Ending fund balance                  | <u>\$21,476,911</u>     | <u>\$19,566,170</u> | <u>\$21,649,225</u> | <u>\$2,083,055</u>  |

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, 2010

|  | <u>Budgeted Amounts</u> |                      | <u>Actual</u>      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|----------------------|--------------------|---|
|  | <u>Original</u>         | <u>Final</u>         |                    |   |
| REVENUES:                                    |                         |                      |                    |   |
| Property taxes                               | \$5,150,000             | \$5,150,000          | \$5,293,554        | \$143,554   |
| Use of money and property                    | 75,000                  | 75,000               | 13,200             | (61,800)  |
| Other  |                         |                      | 2                  | 2   |
|  | <u>5,225,000</u>        | <u>5,225,000</u>     | <u>5,306,756</u>   | <u>81,756</u>   |
| Total Revenues                               |                         |                      |                    |   |
| EXPENDITURES:                                |                         |                      |                    |   |
| Current:                                     |                         |                      |                    |   |
| General government                           | 876,780                 | 876,780              | 898,908            | (22,128)  |
| Community development, planning and building | 411,000                 | 411,000              | 96,208             | 314,792   |
| Housing and community services               | 2,139,220               | 2,139,220            | 3,278,985          | (1,139,765)   |
| Debt service:                                |                         |                      |                    |   |
| Principal                                    | 182,500                 | 182,500              | 182,500            |   |
| Interest                                     | 103,330                 | 103,330              | 103,328            | 2   |
|  | <u>3,712,830</u>        | <u>3,712,830</u>     | <u>4,559,929</u>   | <u>(847,099)</u>  |
| Total Expenditures                           |                         |                      |                    |   |
| EXCESS OF REVENUES<br>OVER EXPENDITURES      | <u>1,512,170</u>        | <u>1,512,170</u>     | <u>746,827</u>     | <u>(765,343)</u>  |
| OTHER FINANCING SOURCES (USES)               |                         |                      |                    |   |
| Transfers in (Note 3C)                       |                         |                      | 256                | 256   |
| Transfers (out) (Note 3C)                    | (2,759,640)             | (2,759,640)          | (2,739,349)        | 20,291  |
|  | <u>(2,759,640)</u>      | <u>(2,759,640)</u>   | <u>(2,739,093)</u> | <u>20,547</u>   |
| Total other financing sources (uses)         |                         |                      |                    |   |
| NET CHANGE IN FUND BALANCE                   | <u>(\$1,247,470)</u>    | <u>(\$1,247,470)</u> | (1,992,266)        | <u>(\$744,796)</u>                                      |
| Beginning fund balance                       |                         |                      | <u>6,911,569</u>   |   |
| Ending fund balance                          |                         |                      | <u>\$4,919,303</u> |   |

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, 2010

|  | <u>Budgeted Amounts</u> |                    | <u>Actual</u>       | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|--------------------|---------------------|---|
|  | <u>Original</u>         | <u>Final</u>       |                     |   |
| REVENUES:                                    |                         |                    |                     |   |
| Property taxes                               | \$9,928,800             | \$9,928,800        | \$9,879,463         | (\$49,337)  |
| Revenue from other agencies                  |                         |                    | 121,217             | 121,217   |
| Use of money and property                    | 72,000                  | 72,000             | 201,244             | 129,244   |
| Other  | 11,000                  |                    | 8,118               | 8,118   |
| <br>   |                         |                    |                     |   |
| Total Revenues                               | <u>10,011,800</u>       | <u>10,000,800</u>  | <u>10,210,042</u>   | <u>209,242</u>  |
| EXPENDITURES:                                |                         |                    |                     |   |
| Current:                                     |                         |                    |                     |   |
| General government                           | 1,091,800               | 1,766,797          | 1,219,195           | 547,602   |
| Community development, planning and building | 458,600                 | 750,690            | 721,387             | 29,303  |
| Housing and community services               | 3,402,180               | 3,402,180          | 3,350,066           | 52,114  |
| Debt service:                                |                         |                    |                     |   |
| Principal                                    | 32,500                  | 32,500             | 32,500              |   |
| Interest                                     | 15,270                  | 15,270             | 15,268              | 2   |
| <br>   |                         |                    |                     |   |
| Total Expenditures                           | <u>5,000,350</u>        | <u>5,967,437</u>   | <u>5,338,416</u>    | <u>629,021</u>  |
| EXCESS OF REVENUES<br>OVER EXPENDITURES      | <u>5,011,450</u>        | <u>4,033,363</u>   | <u>4,871,626</u>    | <u>838,263</u>  |
| OTHER FINANCING SOURCES (USES)               |                         |                    |                     |   |
| Transfers in (Note 3C)                       |                         | 164,414            | 164,414             |   |
| Transfers (out) (Note 3C)                    | (3,825,207)             | (4,201,763)        | (2,653,009)         | 1,548,754   |
| <br>   |                         |                    |                     |   |
| Total other financing sources (uses)         | <u>(3,825,207)</u>      | <u>(4,037,349)</u> | <u>(2,488,595)</u>  | <u>1,548,754</u>  |
| NET CHANGE IN FUND BALANCE                   | <u>\$1,186,243</u>      | <u>(\$3,986)</u>   | 2,383,031           | <u>\$2,387,017</u>  |
| Beginning fund balance                       |                         |                    | <u>7,729,857</u>    |   |
| Ending fund balance                          |                         |                    | <u>\$10,112,888</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, 2010

|  | <u>Budgeted Amounts</u> |                   | <u>Actual</u>        | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-------------------|----------------------|---|
|  | <u>Original</u>         | <u>Final</u>      |                      |   |
| REVENUES:  |                         |                   |                      |   |
| Property taxes                                       | \$260,840               | \$260,840         | \$321,875            | \$61,035  |
| Use of money and property                            | 2,500                   | 2,500             | 5,376                | 2,876   |
|  | <u>263,340</u>          | <u>263,340</u>    | <u>327,251</u>       | <u>63,911</u>   |
| Total Revenues                                       |                         |                   |                      |   |
| EXPENDITURES:  |                         |                   |                      |   |
| Current:   |                         |                   |                      |   |
| General government                                   | 82,200                  | 82,200            | 96,797               | (14,597)  |
| Community development, planning and building         | 10,000                  | 100,000           | 12,500               | 87,500  |
| Housing and community services                       | 68,380                  | 68,380            | 526,424              | (458,044)   |
| Debt service:  |                         |                   |                      |   |
| Interest   | 26,720                  | 26,720            | 105,533              | (78,813)  |
|  | <u>187,300</u>          | <u>277,300</u>    | <u>741,254</u>       | <u>(463,954)</u>  |
| Total Expenditures                                   |                         |                   |                      |   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>76,040</u>           | <u>(13,960)</u>   | <u>(414,003)</u>     | <u>(400,043)</u>  |
| NET CHANGE IN FUND BALANCE                           | <u>\$76,040</u>         | <u>(\$13,960)</u> | <u>(414,003)</u>     | <u>(\$400,043)</u>  |
| Beginning fund balance (deficit)                     |                         |                   | <u>(987,892)</u>     |   |
| Ending fund balance (deficit)                        |                         |                   | <u>(\$1,401,895)</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, 2010

|  | <u>Budgeted Amounts</u> |                    | <u>Actual</u>      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------|--------------------|--------------------|---|
|  | <u>Original</u>         | <u>Final</u>       |                    |   |
| <b>REVENUES:</b>   |                         |                    |                    |   |
| Revenues from other agencies                                 | \$380,000               | \$380,000          | \$2,255,836        | \$1,875,836   |
| Use of money and property                                    | 956,800                 | 956,800            | 1,118,816          | 162,016   |
| Other  | 20,000                  | 20,000             | 34,645             | 14,645  |
|  | <u>1,356,800</u>        | <u>1,356,800</u>   | <u>3,409,297</u>   | <u>2,052,497</u>  |
| <b>EXPENDITURES:</b>   |                         |                    |                    |   |
| Current:   |                         |                    |                    |   |
| Community development, planning and building                 |                         | 1,156,240          | 2,684,419          | (1,528,179)   |
| Capital outlay   |                         | 1,981,430          | 1,287,806          | 693,624   |
| Debt service:  |                         |                    |                    |   |
| Interest   |                         |                    | 115,200            | (115,200)   |
|  |                         | <u>3,137,670</u>   | <u>4,087,425</u>   | <u>(949,755)</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>1,356,800</u>        | <u>(1,780,870)</u> | <u>(678,128)</u>   | <u>1,102,742</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                    |                    |   |
| Transfers in (Note 3C)                                       | 2,298,000               |                    | 480,000            | 480,000   |
| Transfers (out) (Note 3C)                                    |                         | (854,090)          | (1,380,581)        | (526,491)   |
|  | <u>2,298,000</u>        | <u>(854,090)</u>   | <u>(900,581)</u>   | <u>(46,491)</u>   |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>3,654,800</u>        | <u>(2,634,960)</u> | <u>(1,578,709)</u> | <u>1,056,251</u>  |
| Beginning fund balance (deficit)                             |                         |                    | <u>1,537,016</u>   |   |
| Ending fund balance (deficit)                                |                         |                    | <u>(\$41,693)</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, 2010

|   | Budgeted Amounts   |                   | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-------------------|--------------------|---|
|   | Original           | Final             |                    |   |
| <b>REVENUES:</b>                                |                    |                   |                    |   |
| Revenue from other agencies                     |                    |                   | \$53,784           | \$53,784  |
| Charges for current services                    | \$745,820          | \$745,820         | 749,807            | 3,987   |
| Use of money and property                       | 12,454,790         | 12,454,790        | 11,380,732         | (1,074,058)   |
| Other   | 500,000            | 500,000           | 208,390            | (291,610)   |
| <b>Total Revenues</b>                           | <b>13,700,610</b>  | <b>13,700,610</b> | <b>12,392,713</b>  | <b>(1,307,897)</b>                                      |
| <b>EXPENDITURES:</b>                            |                    |                   |                    |   |
| Current:  |                    |                   |                    |   |
| Community development, planning and building    | 13,734,116         | 13,703,240        | 12,558,243         | 1,144,997   |
| Debt service:                                   |                    |                   |                    |   |
| Principal                                       | 480,000            | 480,000           |                    | 480,000   |
| Interest  | 90,000             | 90,000            | 90,000             |   |
| <b>Total Expenditures</b>                       | <b>14,304,116</b>  | <b>14,273,240</b> | <b>12,648,243</b>  | <b>1,624,997</b>  |
| <b>EXCESS OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(603,506)</b>   | <b>(572,630)</b>  | <b>(255,530)</b>   | <b>317,100</b>  |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                    |                   |                    |   |
| Transfers in (Note 3C)                          |                    | 56,045            | 526,241            | 470,196   |
| Transfers (out) (Note 3C)                       | 2,064,258          | 502,600           | (1,654,513)        | (2,157,113)   |
| <b>Total other financing sources (uses)</b>     | <b>2,064,258</b>   | <b>558,645</b>    | <b>(1,128,272)</b> | <b>(1,686,917)</b>                                      |
| <b>NET CHANGE IN FUND BALANCE</b>               | <b>\$1,460,752</b> | <b>(\$13,985)</b> | <b>(1,383,802)</b> | <b>(\$1,369,817)</b>                                    |
| Beginning fund balance                          |                    |                   | 8,980,547          |   |
| Ending fund balance                             |                    |                   | \$7,596,745        |   |

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, 2010

|   | <u>Budgeted</u>    |                    | <u>Actual</u>           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|-------------------------|---|
|   | <u>Original</u>    | <u>Final</u>       |                         |   |
| REVENUES:   |                    |                    |                         |   |
| Use of money and property   | 14,455             | \$14,455           | \$16,369                | \$1,914   |
| Other   | <u>356,347</u>     | <u>\$356,347</u>   | <u>356,772</u>          | <u>425</u>  |
| Total Revenues  | <u>370,802</u>     | <u>370,802</u>     | <u>373,141</u>          | <u>2,339</u>  |
| EXPENDITURES:   |                    |                    |                         |   |
| Community development, planning and building  | <u>\$28,000</u>    | <u>\$28,000</u>    | <u>3,330</u>            | <u>24,670</u>   |
| Total Expenditures  | <u>28,000</u>      | <u>28,000</u>      | <u>3,330</u>            | <u>24,670</u>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES                                  | <u>342,802</u>     | <u>342,802</u>     | <u>369,811</u>          | <u>27,009</u>   |
| OTHER FINANCING SOURCES (USES)  |                    |                    |                         |   |
| Transfers in (Note 3C)  |                    |                    |                         |   |
| Transfers (out) (Note 3C)   | <u>(511,456)</u>   | <u>(511,456)</u>   | <u>(511,456)</u>        |   |
| Total other financing sources (uses)  | <u>(511,456)</u>   | <u>(511,456)</u>   | <u>(511,456)</u>        |   |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER<br>SOURCES OVER EXPENDITURES AND OTHER USES | <u>(\$168,654)</u> | <u>(\$168,654)</u> | <u>(141,645)</u>        | <u>\$27,009</u>   |
| Beginning fund balance  |                    |                    | <u>330,518</u>          |   |
| Ending fund balance   |                    |                    | <u><u>\$188,873</u></u> |   |

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, 2010

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|--------------|---------------|---|
|  | <u>Original</u>         | <u>Final</u> |               |   |
| REVENUES:  |                         |              |               |   |
| Use of money and property                            | \$2,000                 | \$2,000      | \$1,281       | (\$719)   |
| Total Revenues                                       | <u>2,000</u>            | <u>2,000</u> | <u>1,281</u>  | <u>(719)</u>  |
| EXPENDITURES:  |                         |              |               |   |
| Current:   |                         |              |               |   |
| Community development, planning and building         | 2,000                   | 2,000        | 1,273         | 727   |
| Total Expenditures                                   | <u>2,000</u>            | <u>2,000</u> | <u>1,273</u>  | <u>727</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES |                         |              | <u>8</u>      | <u>8</u>  |
| Beginning fund balance                               |                         |              | <u>611</u>    |   |
| Ending fund balance                                  |                         |              | <u>\$619</u>  |   |

See accompanying notes to financial statements.

CITY OF ALAMEDA  
REHABILITATION REPAYMENT  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010

|   | <u>Budgeted</u>  |                    | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|--------------------|------------------|---|
|   | <u>Original</u>  | <u>Final</u>       |                  |   |
| REVENUES:   |                  |                    |                  |   |
| Use of money and property   | \$204,000        | \$204,000          | \$321,041        | \$117,041   |
| Other   |                  |                    | 877              | 877   |
| Total Revenues  | <u>204,000</u>   | <u>204,000</u>     | <u>321,918</u>   | <u>117,918</u>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES                                  | <u>204,000</u>   | <u>204,000</u>     | <u>321,918</u>   | <u>117,918</u>  |
| OTHER FINANCING SOURCES (USES)  |                  |                    |                  |   |
| Transfers (out) (Note 3C)   |                  | (803,903)          | (385,465)        | 418,438   |
| Total other financing sources (uses)  |                  | <u>(803,903)</u>   | <u>(385,465)</u> | <u>418,438</u>  |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER<br>SOURCES OVER EXPENDITURES AND OTHER USES | <u>\$204,000</u> | <u>(\$599,903)</u> | (63,547)         | <u>\$536,356</u>  |
| Beginning fund balance  |                  |                    | <u>489,797</u>   |   |
| Ending fund balance   |                  |                    | <u>\$426,250</u> |   |

See accompanying notes to financial statements.

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| <p style="text-align: center;"><b>CITY OF ALAMEDA, CALIFORNIA</b><br/><b>MAJOR PROPRIETARY FUNDS</b></p> |
|--|

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

**FERRY SERVICES**

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

CITY OF ALAMEDA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2010

|  | Business-type Activities - Enterprise Funds |             |                   |              | Governmental<br>Activities-<br>Internal Service<br>Funds |
|--|---|-------------|-------------------|--------------|--|
|  | Ferry Services                              | Golf Course | Sewer<br>Services | Totals       |  |
| <b>ASSETS</b>                                      |   |             |                   |              |  |
| <b>Current Assets</b>                              |   |             |                   |              |  |
| Cash and cash equivalents (Note 2)                 | \$25  | \$816,611   | \$13,912,219      | \$14,728,855 | \$5,061,343  |
| Accounts receivable                                | 327,564                                     | 16,123      | 286,858           | 630,545      | 224,472  |
| Due from other governments                         | 117,658                                     |             |                   | 117,658      |  |
| Materials, parts and supplies                      |   | 114,936     |                   | 114,936      |  |
| Prepays, deposits and bond discounts               | 83,931                                      |             | 319,919           | 403,850      | 135,000  |
| Total Current Assets                               | 529,178                                     | 947,670     | 14,518,996        | 15,995,844   | 5,420,815  |
| <b>Noncurrent Assets</b>                           |   |             |                   |              |  |
| Restricted cash and investments (Note 2)           |   |             | 2,940             | 2,940        |  |
| Advances to other funds (Note 3B)                  |   | 300,000     | 3,000,000         | 3,300,000    |  |
| Capital assets (Note 5):                           |   |             |                   |              |  |
| Non-depreciable                                    |   | 176,899     | 133,738           | 310,637      |  |
| Depreciable, net                                   | 8,063,680                                   | 3,254,436   | 40,562,041        | 51,880,157   | 419,630  |
| Total Non-current assets                           | 8,063,680                                   | 3,731,335   | 43,698,719        | 55,493,734   | 419,630  |
| Total Assets                                       | 8,592,858                                   | 4,679,005   | 58,217,715        | 71,489,578   | 5,840,445  |
| <b>LIABILITIES</b>                                 |   |             |                   |              |  |
| <b>Current Liabilities:</b>                        |   |             |                   |              |  |
| Accounts payable                                   | 205,160                                     | 25,184      | 134,920           | 365,264      | 356,004  |
| Claims payable (Note 11)                           |   |             |                   |              | 2,950,498  |
| Accrued payroll                                    | 4,364                                       | 1,279       | 39,963            | 45,606       | 70,828   |
| Interest payable                                   |   |             | 92,567            | 92,567       |  |
| Due to other funds (Note 3A)                       | 96,458                                      |             |                   | 96,458       | 634,119  |
| Deferred revenue                                   | 17,003                                      | 247,160     |                   | 264,163      |  |
| Refundable deposits                                | 25  |             |                   | 25           |  |
| Compensated absences (Note IH)                     | 6,760                                       | 16,503      | 75,215            | 98,478       | 139,145  |
| Long-term debt - current (Note 6)                  |   | 140,133     | 677,500           | 817,633      |  |
| Total Current Liabilities                          | 329,770                                     | 430,259     | 1,020,165         | 1,780,194    | 4,150,594  |
| Claims payable - noncurrent (Note 11)              |   |             |                   |              | 4,506,285  |
| Long-term debt - noncurrent (Note 6)               |   | 118,850     | 6,122,828         | 6,241,678    |  |
| Total Liabilities                                  | 329,770                                     | 549,109     | 7,142,993         | 8,021,872    | 8,656,879  |
| <b>NET ASSETS (Note 8):</b>                        |   |             |                   |              |  |
| Invested in capital assets,<br>net of related debt | 8,063,680                                   | 3,172,352   | 33,895,451        | 45,131,483   | 419,630  |
| Unrestricted                                       | 199,408                                     | 957,544     | 17,179,271        | 18,336,223   | (3,236,064)  |
| Total Net Assets (Deficit)                         | \$8,263,088                                 | \$4,129,896 | \$51,074,722      | \$63,467,706 | (\$2,816,434)  |

See accompanying notes to financial statements.

CITY OF ALAMEDA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2010

|  | Business-type Activities - Enterprise Funds |             |                   |              | Governmental<br>Activities-<br>Internal Service<br>Funds |
|--|---|-------------|-------------------|--------------|--|
|  | Ferry Services                              | Golf Course | Sewer<br>Services | Totals       |  |
| OPERATING REVENUES                     |   |             |                   |              |  |
| Charges for services                   |   | \$3,768,555 | \$6,068,908       | \$9,837,463  | \$9,597,038  |
| Miscellaneous                          | \$284,348                                   |             | 680               | 285,028      | 1,303,813  |
| Total Operating Revenues               | 284,348                                     | 3,768,555   | 6,069,588         | 10,122,491   | 10,900,851   |
| OPERATING EXPENSES                     |   |             |                   |              |  |
| General administrative                 | 149,348                                     | 822,666     | 1,026,134         | 1,998,148    | 454,787  |
| Wages and benefits                     | 146,685                                     | 516,802     | 1,086,592         | 1,750,079    | 2,481,536  |
| Insurance                              |   |             |                   |              | 6,029,325  |
| Contractual services                   | 3,406,715                                   | 2,321,064   | 802,336           | 6,530,115    | 1,898,100  |
| Depreciation                           | 488,689                                     | 222,222     | 1,010,600         | 1,721,511    | 140,844  |
| Utilities                              | 4,677                                       | 7,501       | 58,868            | 71,046       | 228,435  |
| Supplies and maintenance               | 2,966                                       | 4,355       | 101,926           | 109,247      | 901,149  |
| Total Operating Expenses               | 4,199,080                                   | 3,894,610   | 4,086,456         | 12,180,146   | 12,134,176   |
| Operating Income (Loss)                | (3,914,732)                                 | (126,055)   | 1,983,132         | (2,057,655)  | (1,233,325)  |
| NONOPERATING REVENUES (EXPENSES)       |   |             |                   |              |  |
| Operating grants and contributions     | 2,244,961                                   | 150         |                   | 2,245,111    |  |
| Interest income                        |   | 4,886       | 295,685           | 300,571      | 86,539   |
| Rent and other                         |   | 47,461      |                   | 47,461       |  |
| Interest (expense)                     | (1,853)                                     | (20,153)    | (272,959)         | (294,965)    | (32,282)   |
| Total Nonoperating Revenues (Expenses) | 2,243,108                                   | 32,344      | 22,726            | 2,298,178    | 54,257   |
| Income (Loss) Before Transfers         | (1,671,624)                                 | (93,711)    | 2,005,858         | 240,523      | (1,179,068)  |
| Transfers in (Note 3C)                 | 1,182,658                                   |             | 53,317            | 1,235,975    | 5,389,345  |
| Transfers (out) (Note 3C)              |   | (66,722)    | (54,503)          | (121,225)    |  |
| Change in net assets                   | (488,966)                                   | (160,433)   | 2,004,672         | 1,355,273    | 4,210,277  |
| BEGINNING NET ASSETS (DEFICITS)        | 8,752,054                                   | 4,290,329   | 49,070,050        | 62,112,433   | (7,026,711)  |
| ENDING NET ASSETS (DEFICITS)           | \$8,263,088                                 | \$4,129,896 | \$51,074,722      | \$63,467,706 | (\$2,816,434)  |

See accompanying notes to financial statements.

CITY OF ALAMEDA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2010

|   | <u>Business-type Activities - Enterprise Funds</u> |                    |                     |                     | Governmental<br>Activities-<br>Internal Service<br>Funds |
|---|--|--------------------|---------------------|---------------------|--|
|   | Ferry Services                                     | Golf Course        | Sewer<br>Services   | Totals              |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |                    |                     |                     |  |
| Receipts from customers   | \$368,733  | \$3,762,293        | \$6,085,749         | \$10,216,775        | \$10,710,281   |
| Payments to suppliers   | (3,200,217)  | (2,561,885)        | (851,460)           | (6,613,562)         | (4,891,115)  |
| Payments to employees   | (284,909)  | (1,447,499)        | (2,140,948)         | (3,873,356)         | (2,740,483)  |
| Claims paid   |  |                    |                     |                     | (3,080,148)  |
| <b>Cash Flows from Operating Activities</b>   | <u>(3,116,393)</u>                                 | <u>(247,091)</u>   | <u>3,093,341</u>    | <u>(270,143)</u>    | <u>(1,465)</u>   |
| <b>CASH FLOWS FROM NON-CAPITAL<br/>FINANCING ACTIVITIES</b>                                   |  |                    |                     |                     |  |
| Operating grants and contributions  | 2,183,059  | 150                |                     | 2,183,209           |  |
| Interfund payments  | (195,886)  |                    |                     | (195,886)           | (1,088,598)  |
| Transfers in  | 1,182,658  |                    | 53,317              | 1,235,975           | 5,389,345  |
| Transfers (out)   |  | (66,722)           | (54,503)            | (121,225)           |  |
| <b>Cash Flows from Noncapital Financing Activities</b>  | <u>3,169,831</u>                                   | <u>(66,572)</u>    | <u>(1,186)</u>      | <u>3,102,073</u>    | <u>4,300,747</u>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>                           |  |                    |                     |                     |  |
| Acquisition of capital assets, net  | (51,560)   |                    | (1,089,084)         | (1,140,644)         |  |
| Principal payments on capital debt  |  | (131,967)          | (652,237)           | (784,204)           | (176,753)  |
| Interest paid   | (1,853)  | (20,152)           | (297,343)           | (319,348)           | (32,282)   |
| <b>Cash Flows from Capital and Related Financing Activities</b>                               | <u>(53,413)</u>                                    | <u>(152,119)</u>   | <u>(2,038,664)</u>  | <u>(2,244,196)</u>  | <u>(209,035)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |  |                    |                     |                     |  |
| Decrease (increase) in restricted investments   |  |                    | 9                   | 9                   |  |
| Interest income   |  | 4,886              | 295,685             | 300,571             | 86,539   |
| Rent and other revenue received   |  | 47,461             |                     | 47,461              |  |
| <b>Cash Flows from Investing Activities</b>   |  | <u>52,347</u>      | <u>295,694</u>      | <u>348,041</u>      | <u>86,539</u>  |
| <b>Net Cash Flows</b>   | <u>25</u>  | <u>(413,435)</u>   | <u>1,349,185</u>    | <u>935,775</u>      | <u>4,176,786</u>   |
| Cash and investments at beginning of period   |  | 1,230,046          | 12,563,034          | 13,793,080          | 884,557  |
| <b>Cash and investments at end of period</b>  | <u>\$25</u>  | <u>\$816,611</u>   | <u>\$13,912,219</u> | <u>\$14,728,855</u> | <u>\$5,061,343</u>                                       |
| <b>Reconciliation of Operating Income (Loss) to Cash Flows<br/>from Operating Activities:</b> |  |                    |                     |                     |  |
| Operating income (loss)   | (\$3,914,732)                                      | (\$126,055)        | \$1,983,132         | (\$2,057,655)       | (\$1,233,325)  |
| Adjustments to reconcile operating income to cash flows<br>from operating activities:         |  |                    |                     |                     |  |
| Depreciation  | 488,689  | 222,222            | 1,010,600           | 1,721,511           | 140,844  |
| Change in assets and liabilities:   |  |                    |                     |                     |  |
| Accounts receivable and refundable deposits   | 84,385   | (6,262)            | 16,161              | 94,284              | (190,570)  |
| Materials, parts and supplies   |  | (44,879)           |                     | (44,879)            |  |
| Prepays and deposits  | 135,613  |                    | 42,658              | 178,271             |  |
| Accounts payable  | 61,525   | (189,171)          | 69,012              | (58,634)            | 131,681  |
| Claims payable  |  |                    |                     |                     | 954,065  |
| Accrued payroll   | 4,364  | (43,562)           | 12,480              | (26,718)            | 56,695   |
| Deferred revenue  | 17,003   | 5,085              |                     | 22,088              |  |
| Compensated absences  | 6,760  | (64,469)           | (40,702)            | (98,411)            | 139,145  |
| <b>Cash Flows from Operating Activities</b>   | <u>(\$3,116,393)</u>                               | <u>(\$247,091)</u> | <u>\$3,093,341</u>  | <u>(\$270,143)</u>  | <u>(\$1,465)</u>   |

See accompanying notes to financial statements.

|  |
|--|
| <p style="text-align: center;"><b>CITY OF ALAMEDA, CALIFORNIA</b><br/><b>FIDUCIARY FUNDS</b></p> |
|--|

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, 2010

|  | Pension<br>Trust<br>Funds | Agency<br>Funds |
|--|---------------------------|-----------------|
| <b>ASSETS</b>                            |                           |                 |
| Restricted cash and investments (Note 2) |                           | \$42,148,740    |
| Accounts receivable                      |                           | 32,293,923      |
| Total Assets                             |                           | 74,442,663      |
| <b>LIABILITIES</b>                       |                           |                 |
| Refundable deposits                      |                           | 844             |
| Due to members                           |                           | 550,171         |
| Due to bondholders                       |                           | 73,891,648      |
| Total Liabilities                        |                           | \$74,442,663    |
| <b>NET ASSETS</b>                        |                           |                 |
| Restricted 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, 2010

|                                 | Pension<br>Trust<br>Funds |
|---------------------------------|---------------------------|
| <b>ADDITIONS</b>                |                           |
| Employer contributions          | \$2,219,438               |
| Total Additions                 | 2,219,438                 |
| <br><b>DEDUCTIONS</b>           |                           |
| Retirements and other benefits  | 2,208,289                 |
| Contractual services            | 11,149                    |
| Total Deductions                | 2,219,438                 |
| <br><b>CHANGE IN NET ASSETS</b> |                           |
| 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); streets and related improvements; sanitation; development services; public improvements; planning and zoning and general administration services.

**A. Reporting Entity**

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

**PRIMARY GOVERNMENT**

The financial statements of the primary government of the City of Alameda include the activities of the City as well as the Community Improvement Commission of the City of Alameda, Alameda Public Financing Authority (APFA), and the Alameda Reuse and Redevelopment Authority, each of which is controlled by and dependent upon the City. While these are separate legal entities, their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed "blending") with those of the primary government of the City in the accompanying financial statements.

**BLENDING COMPONENT UNITS**

**The Community Improvement Commission of the City of Alameda (CIC)** was established to assist in the clearance and rehabilitation of City areas determined to be in a declining condition. The Commission has the same governing board as the City, all accounting and administrative functions are performed by City staff, and the Commission receives advances from the City to finance operations. The financial activities of the Commission have been included in the West End Community Improvement Project Area (WECIP), Business and Waterfront Improvement Project Area (BWIP), Alameda Point Improvement Project Area (APIP), 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 (APFA)** is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Community Improvement Commission Subordinate Tax Allocation Bonds, and Community Facility District Special Tax Bonds Debt Service Funds.

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**The Alameda Reuse and Redevelopment Authority (ARRA)** is a separate government entity whose purpose is to ensure the effective transition of the Alameda Naval Air Station from federal ownership to local ownership. The ARRA is responsible for the development of an Interim Reuse Strategy, taking title to base lands, and implementation of the Community Reuse Plan. The ARRA is recognized by the Department of Defense as the responsible entity for submitting and completing the Community Reuse Plan for the 1997 decommissioning of the Naval Air Station. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Alameda Reuse and Redevelopment Authority Special Revenue, 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 Municipal Power** was established to provide electricity to the City of Alameda. The Charter was amended in 1998 to allow provision of telecommunications services as well. The telecommunications services was sold off during FY09-10. The financial activities of the Alameda Municipal Power are discretely included in the Alameda Municipal Power Component Unit columns of the Statement of Net Assets and Statement of Activities.

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

***B. Basis of Presentation***

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.

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

***Government-wide Statements:*** The Statement of Net Assets and the Statement of Activities display information about the primary government, the City and its blended component units. These statements include the financial activities of the overall City government, except for fiduciary activities.

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

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

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

**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 Housing and Urban Development (HUD) Section 108 loan. Expenditures include two loans in the amount of 2.8 million, of which \$1.4 million will be repaid with percentage rent; and the second in the amount of \$1.4 million due to be repaid in year 7 upon retirement of the furniture, fixture and equipment loan; 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.

**REHABILITATION REPAYMENT SPECIAL REVENUE FUND** -- 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.

**CAPITAL IMPROVEMENT PROJECTS FUND** - This fund accounts for monies for major capital improvement projects not provided for in a separate and specific capital project fund.

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

**FERRY SERVICES** - 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 wastewater system. This fund accounts for all financial transactions relating to this municipal activity including, but not limited to operations, maintenance, capital financing and related debt service, billing and collection.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City also reports the following fund types:

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

**Fiduciary Funds** - Pension Trust Funds and Agency Funds are used to account for assets held by the City as an agent for the closed Police and Fire Pension Plans, certain assessment districts in the City, the Waste Management Joint Refuse Rate Review Committee, and the Mastick Senior Center, which provides services and facilities to enhance the quality of lives for senior citizens. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

**D. Basis of Accounting**

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

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

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

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

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.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**E. *Budgets and Budgetary Accounting***

The City adopts a budget annually for all funds, except for the Citywide Pavement and Prop 1B Local Special Revenue 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 during the fiscal year. The City Manager is authorized to transfer budgeted amounts between departments and between line items within any fund. However, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. All appropriations lapse at year end. Supplemental changes in appropriations that have been adopted by the City Council, have been included in the budget versus actual statements.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except for Capital Project Funds, which are budgeted at total cost in the budget year they are approved. Unexpended balances of these funds are reappropriated in the subsequent year as necessary to complete the project.

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

**F. *Materials, Parts and Supplies***

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

**G. *Deferred Compensation Plans***

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

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

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. *Compensated Absences***

The liability for compensated absences includes the vested portions of vacation, sick leave and compensated time off. For all governmental funds, a liability of these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. The remaining portion is recorded as a liability in the Statement of Net 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, 2010, is as follows:

|                   | Primary Government         |                             |                    | Component Units      |                               |                    |
|-------------------|----------------------------|-----------------------------|--------------------|----------------------|-------------------------------|--------------------|
|                   | Governmental<br>Activities | Business-Type<br>Activities | Subtotal           | Housing<br>Authority | Alameda<br>Municipal<br>Power | Total              |
| Beginning Balance | \$3,989,273                | \$196,889                   | \$4,186,162        | \$169,889            | \$646,849                     | \$5,002,900        |
| Additions         | 3,762,266                  | 98,478                      | 3,860,744          |                      | 564,741                       | 4,425,485          |
| Payments          | (3,449,871)                | (196,889)                   | (3,646,760)        | (12,295)             | (502,650)                     | (4,161,705)        |
| Ending Balance    | <u>\$4,301,668</u>         | <u>\$98,478</u>             | <u>\$4,400,146</u> | <u>\$157,594</u>     | <u>\$708,940</u>              | <u>\$5,266,680</u> |
| Current Portion   | <u>\$3,589,016</u>         | <u>\$98,478</u>             | <u>\$3,687,494</u> | <u>\$89,829</u>      | <u>\$708,940</u>              | <u>\$4,486,263</u> |

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

**I. *Property Tax***

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

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

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

**J. *Purchased Power Balancing Account***

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

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. *Transfer from Alameda Municipal Power***

The City Charter provides that Alameda Municipal Power transfer to the City's General Fund certain excess earnings as defined in the Charter. During FY09-10, there were no excess earnings to be transferred. However, the Public Utilities Board by resolution has directed that \$2,800,000 be contributed to the City's General Fund, in accordance with these provisions, during the fiscal year ended June 30, 2010.

**L. *New and Closed Funds***

During FY09-10, the City established the Assessment District Admin Special Revenue Fund, the Equipment Replacement Internal Service Fund and the Facilities Maintenance Internal Service Fund. The Community Facility District #1 Capital Projects Fund, the Community Facility District #2 Capital Projects Fund, the Police Building Certificates of Participation Debt Service Fund, and the Library Golf Certificates of Participation Debt Service Fund were closed as of June 30, 2010.

**NOTE 2 - CASH AND INVESTMENTS**

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

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

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

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

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**B. Classification**

Cash and investments are classified in the financial statements as shown below, based on whether or not use is restricted under the terms of City debt instruments or agency agreements. Cash and investments as of June 30, 2010, as presented on the Statement of Net Assets and Statement of Fiduciary Net Assets are as follows:

|  |                      |
|--|----------------------|
| Cash and investments available for operations:                             |                      |
| City   | \$107,640,618        |
| Housing Authority  | 10,881,640           |
| Alameda Municipal Power  | 32,150,035           |
| Restricted cash and investments:   |                      |
| City   | 17,047,032           |
| Housing Authority  | 536,535              |
| Alameda Municipal Power  | 6,226,879            |
|  | <hr/>                |
| Total cash and investments of primary government<br>and component units    | 174,482,739          |
| Restricted cash and investments<br>in Fiduciary Funds (separate statement) | 42,148,740           |
|  | <hr/>                |
| Total cash and investments   | <u>\$216,631,479</u> |

Cash and investments as of June 30, 2010 are composed of the following categories:

|                             |                      |
|-----------------------------|----------------------|
| Cash with banks and on hand | \$6,855,588          |
| Investments                 | 209,775,891          |
|                             | <hr/>                |
| Total cash and investments  | <u>\$216,631,479</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.

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

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

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

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

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

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

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

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

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

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

| <u>Authorized Investment Type</u>                       | <u>Maximum Maturity</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                           | 75%                                    | 25% in each 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                                |
| Repurchase Agreements                                   | 270 days                | N/A                           | 20%                                    | No Limit                                |
| Reverse Repurchase Agreements (requires Board approval) | 92 days                 | N/A                           | 20 % of base value                     | No Limit                                |
| Medium Term Corporate Notes                             | 5 years                 | A                             | 30%                                    | No Limit                                |
| Mutual Funds  | 5 years                 | Top rating category           | No Limit                               | 10%                                     |
| Money Market Mutual Funds                               | N/A                     | AAA                           | 20%                                    | No Limit                                |
| Collateralized Bank Deposits                            | 5 years                 | N/A                           | No Limit                               | No Limit                                |
| Mortgage Pass-Through Securities                        | 5 Years                 | Top rating category           | 20%                                    | No Limit                                |
| County Pooled Investment Funds                          | Upon Demand             | N/A                           | 15%                                    | No Limit                                |
| California Local Agency Investment Fund                 | Upon Demand             | N/A                           | \$50,000,000 per account               | \$50,000,000 per account                |
| California Asset Management Program (CAMP)              | Upon Demand             | N/A                           | No Limit                               | No Limit                                |

(A) 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:

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

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

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**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%                             | N/A                              |
| City of Alameda Bonds  | N/A              | N/A                    | No Limit                        | No Limit                         |
| State of California Obligations                                    | N/A              | N/A                    | No Limit                        | No Limit                         |
| U.S. Government Obligations and 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 Municipal Power must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if Alameda Municipal Power fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Alameda Municipal Power's ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

| Authorized Investment Type              | Maximum<br>Maturity | Minimum<br>Credit<br>Quality | Maximum<br>Percentage<br>Allowed | Maximum<br>Investment<br>In One Issuer |
|---|---------------------|------------------------------|----------------------------------|--|
| U.S. Treasury Obligations               | N/A                 | N/A                          | No Limit                         | No Limit                               |
| State Obligations                       | N/A                 | AA                           | No Limit                         | No Limit                               |
| U.S. Agency Securities (A)              | N/A                 | N/A                          | No Limit                         | No Limit                               |
| Commercial Paper                        | 180 days            | A                            | 10%                              | No Limit                               |
| Certificates of Deposit                 | N/A                 | AA                           | No Limit                         | No Limit                               |
| Bankers Acceptances                     | N/A                 | AA                           | No Limit                         | No Limit                               |
| Money Market Mutual Funds               | N/A                 | AA                           | No Limit                         | No Limit                               |
| Repurchase Agreements                   | 30 days             | AA                           | No Limit                         | No Limit                               |
| California Local Agency Investment Fund | N/A                 | N/A                          | \$50,000,000 per<br>account      | \$50,000,000 per<br>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 realizing maturity evenly over time as necessary in order to provide the cash flow and liquidity needed for operations. Information on the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at June 30, 2010:

| Investment Type                         | 12 Months<br>or less | One to<br>Five Years | Six to<br>Ten Years | Total                       |
|---|----------------------|----------------------|---------------------|-----------------------------|
| City of Alameda:                        |                      |                      |                     |                             |
| U.S. Government-Sponsored               |                      |                      |                     |                             |
| Enterprise Agencies                     |                      |                      |                     |                             |
| Non-callable                            | \$1,743,953          | \$33,926,710         |                     | \$35,670,663                |
| Callable                                | 210,358              | 1,281,863            |                     | 1,492,221                   |
| Corporate Securities                    | 614,838              | 23,822,438           |                     | 24,437,276                  |
| Guaranteed Investment Contracts         |                      | 6,113,445            | \$886,783           | 7,000,228                   |
| US Treasury Notes and Bills             | 2,459,978            | 15,852,507           |                     | 18,312,485                  |
| Money Market Mutual Funds               | 12,801,445           |                      |                     | 12,801,445                  |
| California Local Agency Investment Fund | 38,427,769           |                      |                     | 38,427,769                  |
| California Asset Management Program     | 3,704,805            |                      |                     | 3,704,805                   |
| Certificate of Deposits                 | 856,928              | 116,935              |                     | 973,863                     |
| Municipal Bonds                         | 4,820,000            | 17,155,000           |                     | 21,975,000                  |
| Total Investments                       | <u>\$65,640,074</u>  | <u>\$98,268,898</u>  | <u>\$886,783</u>    | <u>164,795,755</u>          |
| Cash deposits with banks and on hand    |                      |                      |                     | <u>2,040,635</u>            |
| Total Cash and Investments              |                      |                      |                     | <u><u>\$166,836,390</u></u> |

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

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

|                              | 12 Months<br>or less |
|------------------------------|----------------------|
| <i>Investments:</i>          |                      |
| US Treasury Notes and Bills  | \$536,535            |
| Local Agency Investment Fund | 9,262,397            |
| Total Investments            | \$9,798,932          |

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

|  | 12 Months<br>or less |
|--|----------------------|
| <i>Investments:</i>                          |                      |
| Mutual Funds                                 | \$6,226,879          |
| U.S. Treasury Notes                          | 1,164,344            |
| Local Agency Investment Fund                 | 20,023,336           |
| Certificate of Deposits                      | 7,766,645            |
| Total Investments                            | 35,181,204           |
| <b><i>Cash with Banks and Petty Cash</i></b> | <b>3,195,710</b>     |
| Total Cash and Investments                   | <b>\$38,376,914</b>  |

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, 2010, these investments comprised the following: \$14,365,000 of Alameda Marina Village 89-1 Assessment Bonds; and \$7,610,000 of Harbor Bay Business Assessment District 92-1 Revenue Bonds Series 1998. These investments are reported with Municipal Bonds in the table above.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

The City, Alameda Municipal Power, and the Housing Authority are voluntary participants in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City, Alameda Municipal Power and the Housing Authority report their investments in LAIF at the fair market value amounts provided by LAIF, which is the same as the value of the pool share. At June 30, 2010 the fair value approximated is the City, Alameda Municipal Power and the Housing Authority's cost. The balance, available for withdrawal on demand, is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2010, these investments had an average maturity of 203 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 market value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2010 the fair market value approximated is the City's cost. At June 30, 2010, these investments have an average maturity of 57 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, 2010, for each City's investment type as provided by Standard and Poor's:

| Investment Type                         | AAA                 | AAAm                | AA                 | AA+                | AA-                | A                  | A+                 | A-               | Total                |
|---|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|----------------------|
| <i>City of Alameda:</i>                 |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| <i>U.S. Government-Sponsored</i>        |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| Enterprise Agencies                     |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| Non-callable                            | \$35,670,663        |                     |                    |                    |                    |                    |                    |                  | \$35,670,663         |
| Callable                                | 1,492,221           |                     |                    |                    |                    |                    |                    |                  | 1,492,221            |
| Corporate Securities                    | 7,349,369           |                     | \$2,788,506        | \$4,424,115        | \$4,039,065        | \$1,420,338        | \$4,004,613        | \$411,270        | 24,437,276           |
| Money Market Mutual Funds               |                     | \$3,401,362         |                    |                    |                    |                    |                    |                  | 3,401,362            |
| California Asset Management Program     |                     | 3,704,805           |                    |                    |                    |                    |                    |                  | 3,704,805            |
| <i>CIC:</i>                             |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| Money Market Mutual Funds               |                     | 9,088,116           |                    |                    |                    |                    |                    |                  | 9,088,116            |
| <i>ARRA:</i>                            |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| Money Market Mutual Funds               |                     | 311,967             |                    |                    |                    |                    |                    |                  | 311,967              |
| Totals                                  | <u>\$44,512,253</u> | <u>\$16,506,250</u> | <u>\$2,788,506</u> | <u>\$4,424,115</u> | <u>\$4,039,065</u> | <u>\$1,420,338</u> | <u>\$4,004,613</u> | <u>\$411,270</u> | <u>78,106,410</u>    |
| <i>Not rated:</i>                       |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| <i>City of Alameda:</i>                 |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| California Local Agency Investment Fund |                     |                     |                    |                    |                    |                    |                    |                  | 11,230,028           |
| Municipal Bonds                         |                     |                     |                    |                    |                    |                    |                    |                  | 21,975,000           |
| Certificate of Deposits                 |                     |                     |                    |                    |                    |                    |                    |                  | 973,863              |
| Guaranteed Investment Contracts         |                     |                     |                    |                    |                    |                    |                    |                  | 6,113,445            |
| <i>CIC:</i>                             |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| California Local Agency Investment Fund |                     |                     |                    |                    |                    |                    |                    |                  | 16,822,652           |
| Guaranteed Investment Contracts         |                     |                     |                    |                    |                    |                    |                    |                  | 886,783              |
| <i>ARRA:</i>                            |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| California Local Agency Investment Fund |                     |                     |                    |                    |                    |                    |                    |                  | <u>10,375,089</u>    |
|   |                     |                     |                    |                    |                    |                    |                    |                  | <u>68,376,860</u>    |
| <i>Exempt:</i>                          |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| <i>City of Alameda:</i>                 |                     |                     |                    |                    |                    |                    |                    |                  |                      |
| US Treasury Notes and Bills             |                     |                     |                    |                    |                    |                    |                    |                  | <u>18,312,485</u>    |
| Total Investments                       |                     |                     |                    |                    |                    |                    |                    |                  | <u>\$164,795,755</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, 2010, for each Housing Authority investment type:

| Investment Type                         |             |
|---|-------------|
| <i>Not rated:</i>                       |             |
| California Local Agency Investment Fund | \$9,262,397 |

Presented below is the actual rating as of June 30, 2010, for each Alameda Municipal Power investment type as provided by Standard and Poor's:

| Investments with Fiscal Agent             |              |
|---|--------------|
| <i>AAA:</i>                               |              |
| Mutual Funds                              | \$6,226,879  |
| <i>Not rated:</i>                         |              |
| Certificate of Deposits (Morgan Stanley)  | 6,950,636    |
| Certificate of Deposits (Bank of Alameda) | 816,009      |
| Local Agency Investment Fund              | 20,023,336   |
| <i>Exempt:</i>                            |              |
| U.S. Treasury Notes                       | 1,164,344    |
| Cash with Banks and Petty Cash            | 3,195,710    |
| Total Investments                         | \$38,376,914 |

**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, 2010, those investments consisted of:

| Reporting Unit               | Issuer  | Investment Type                               | Reported Amount |
|------------------------------|---|---|-----------------|
| Entity Wide:                 | Federal Home Loan Bank                              | U.S. Government-Sponsored Enterprise Agencies | \$10,583,355    |
|                              | Federal Home Loan Mortgage Corporation              | U.S. Government-Sponsored Enterprise Agencies | 10,907,132      |
|                              | Federal National Mortgage Association               | U.S. Government-Sponsored Enterprise Agencies | 8,365,094       |
| Non-major funds in aggregate | CDC Funding   | Guaranteed Investment Contract                | 3,569,282       |
|                              | Bank of New York                                    | Guaranteed Investment Contract                | 2,544,163       |
|                              | Special Assessment Districts in the City of Alameda | Municipal Bonds                               | 21,975,000      |

**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 U.S. Government-Sponsored Enterprise Agencies that have an embedded call feature. At June 30, 2010, those investments consisted of:

| Investment Type                        | Maturity Date | Callable Date | Reported Amount |
|--|---------------|---------------|-----------------|
| Federal Home Loan Mortgage Corporation | 12/30/2011    | 12/30/2010    | \$210,358       |
| Federal Home Loan Bank                 | 8/10/2012     | 8/10/2010     | 1,071,338       |
| Federal Home Loan Bank                 | 9/25/2012     | 9/25/2010     | 210,525         |

**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, 2010, the amounts of current interfund balances were as follows:

| Due From Other Funds | Due To Other Funds                  |                  |
|----------------------|-------------------------------------|------------------|
| General Fund         | HOME Repayment Special Revenue Fund | \$44             |
|                      | Ferry Services Enterprise Fund      | 96,458           |
|                      | Non-Major Governmental Funds        | 87,622           |
|                      | Internal Service Funds              | 634,119          |
|                      | Total Due                           | <u>\$818,243</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 FY09-10.

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

The Business and Waterfront Improvement Project Area Special Revenue Fund advanced \$555,465 to the Alameda Point Improvement Project Area Special Revenue Fund. The advance is to be repaid from future tax increment revenues by June 30, 2015. The Business and Waterfront Improvement Project Area Special Revenue Fund advance bears interest at 6% in FY09-10.

The Golf Course Enterprise Fund advanced the ARRA General Fund Leasing Activity Subfund, a subfund of Alameda Reuse and Redevelopment Authority Special Revenue Fund, \$300,000 in FY00-01 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. As of June 30, 2010, this advance had a balance of \$300,000.

The Sewer Enterprise Fund advanced \$3,000,000 to the Business and Waterfront Improvement Project Area Community Improvement Fund as matching funds for construction of the Webster Street/Wilver Stargell Avenue Intersection Project. These advances bear interest at 3% until paid in full.

**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 FY09-10 were as follows:

| Fund Receiving Transfers   | Fund Making Transfer  | Amount Transferred  |
|--|---|---------------------|
| <b>General Fund</b>  | Alameda Reuse and Redevelopment Authority Special Revenue Fund        | \$22,182            |
|  | Non-Major Governmental Funds  | 194,290             |
| <b>West End Community Improvement Project Area Special Revenue Fund</b>      | FISC Lease Revenue Special Revenue Fund                               | 256                 |
| <b>Business and Waterfront Improvement Project Area Special Revenue Fund</b> | Theater Parking Special Revenue Fund                                  | 164,414             |
| <b>FISC Lease Revenue Special Revenue Fund</b>                               | Alameda Reuse and Redevelopment Authority Special Revenue Fund        | 480,000             |
| <b>Alameda Reuse and Redevelopment Authority Special Revenue Fund</b>        | FISC Lease Revenue Special Revenue Fund                               | 526,241 A           |
| <b>Capital Improvement Projects Capital Project Fund</b>                     | General Fund  | 469,737 A           |
|  | Business and Waterfront Improvement Project Area Special Revenue Fund | 1,400,000           |
|  | Sewer Services Enterprise Fund  | 46,379              |
|  | Non-Major Governmental Funds  | 2,668,423           |
| <b>Ferry Services Enterprise Fund</b>  | Non-Major Governmental Funds  | 1,182,658 C         |
| <b>Sewer Services Enterprise Fund</b>  | Non-Major Governmental Funds  | 53,317              |
| <b>Non-Major Governmental Funds</b>  | General Fund  | 1,916,955 B         |
|  | West End Community Improvement Project Area Special Revenue Fund      | 2,739,349           |
|  | Business and Waterfront Improvement Project Area Special Revenue Fund | 1,253,009           |
|  | FISC Lease Revenue Special Revenue Fund                               | 854,084 B           |
|  | Theater Parking Special Revenue Fund                                  | 347,042             |
|  | Alameda Reuse and Redevelopment Authority Special Revenue Fund        | 1,152,331           |
|  | Capital Improvement Projects Capital Project Fund                     | 990,409             |
|  | Rehabilitation Repayment Special Revenue Fund                         | 385,465             |
|  | Golf Course Enterprise Fund   | 66,722              |
|  | Sewer Services Enterprise Fund  | 8,124               |
|  | Non-Major Governmental Funds  | 1,104,484 B         |
| <b>Internal Service Funds</b>  | General Fund  | 5,389,345           |
|  |   | <u>\$23,415,216</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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 3 - INTERFUND TRANSACTIONS (Continued)**

**D. *Internal Balances***

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

**NOTE 4 - LOANS RECEIVABLE**

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

The City engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the City's terms. Some of these loans may be forgiven at the completion of the loan term if all stipulated conditions are met. Other loans and notes are expected to be repaid in full. The balance of these loans has been offset by deferred revenue, as they are not expected to be repaid during the next fiscal year. The balance of the loans receivable arising from these programs at June 30, 2010, was \$12,047,138. Included in this balance was \$1,083,646 receivable from the Housing Authority, as discussed in Note 7F.

**B. *Alameda Development Corporation***

During the fiscal year, 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 for development of 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 restructured 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 coming fiscal year. As of June 30, 2010, the balance of the loan was \$570,000.

**C. *Microenterprise Assistance Program***

The City has engaged in a loan program designed to provide financial and technical assistance to low-and-moderate-income entrepreneurs of Alameda to develop, strengthen and stabilize small businesses. The loans accrue interest at 2% per year with repayment in ten years. At the City's option, loan payments may be deferred three years. The balance of the loans receivable from this program at June 30, 2010, was \$13,708.

**D. *Loan to Alameda Municipal Power***

On December 16, 2003 at the request of the Public Utilities Board, the Alameda City Council loaned \$2,200,000 to Alameda Municipal Power for the purpose of the construction of a hybrid fiber-optic/coaxial telecom network. As of June 30, 2010, the remaining principal balance was \$2,200,000.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 4 - LOANS RECEIVABLE (Continued)**

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

The City entered into a loan agreement with Alameda Municipal Power for the replacement of deteriorated street lights. Through June 30, 2010, Alameda Municipal Power had expended \$627,300 for street light replacement, and the City had made payments of \$522,000. Annual installments of \$40,000 are scheduled until the loan is repaid. At June 30, 2010, the outstanding balance was \$105,300.

**F. *Multiplex Cinema***

As part of a Disposition and Development Agreement as discussed in Note 14C, the Community Improvement Commission entered into a loan agreement with Alameda Entertainment Associates, L.P. in March 2007 for \$2,800,000 for the renovation of the Historic Alameda Theatre and development of a new multiplex cinema. Repayment of \$1,400,000 of this loan will begin in the seventh operating year for twenty years with equal monthly installments. The remaining \$1,400,000 will be repaid by percentage rental amounts from gross operating revenues as established in the Disposition and Development Agreement. An additional loan agreement of \$300,000 was entered into by both parties for furniture fixtures and equipment purchases as part of the renovation project. As of June 30, 2010, the Commission has loans outstanding with Alameda Entertainment Associates totaling \$3,003,017.

**G. *City Manager Loan***

On June 21, 2005, the City Council approved the appointment of a new 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.

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 was 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. In March 2009, the City entered into an agreement with their now former City Manger to allow for the property securing the loan to be sold to a bona fide purchaser for fair market value within a twenty-four-month period. Under the agreement, as full satisfaction of the loan, the City shall be paid the net sales proceeds of the sale of the property (up to \$250,000), after paying the first mortgage and all the closing costs. During FY 09-10, the property had been sold and the loan balance of \$250,000 had been written off.

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 5 – CAPITAL ASSETS**

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

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

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

|                                    |               |
|------------------------------------|---------------|
| Electric Plant                     | 30 years      |
| Buildings and Improvements         | 40 - 80 years |
| Ferry Boat                         | 30 years      |
| Machinery, Furniture and Equipment | 4 - 40 years  |
| Infrastructure                     | 15 - 75 years |

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 5 – CAPITAL ASSETS (Continued)**

**A. Capital Asset Additions and Retirements**

City capital asset activities for the year ended June 30, 2010, are as follows:

|  | Balance at<br>June 30, 2009 | Additions          | Retirements       | Transfers          | Balance at<br>June 30, 2010 |
|--|-----------------------------|--------------------|-------------------|--------------------|-----------------------------|
| <i>Governmental activities</i>             |                             |                    |                   |                    |                             |
| Capital assets not being depreciated:      |                             |                    |                   |                    |                             |
| Land                                       | \$4,921,331                 | \$950,053          |                   |                    | \$5,871,384                 |
| Construction in progress                   | 47,468,109                  | 11,361,279         |                   | (\$8,684,032)      | 50,145,356                  |
| Total capital assets not being depreciated | <u>52,389,440</u>           | <u>12,311,332</u>  |                   | <u>(8,684,032)</u> | <u>56,016,740</u>           |
| Capital assets being depreciated:          |                             |                    |                   |                    |                             |
| Buildings                                  | 252,346,701                 |                    | (\$6,000)         | \$57,885           | 252,398,586                 |
| Machinery and equipment                    | 25,570,414                  | 600,894            | (748,564)         |                    | 25,422,744                  |
| Infrastructure:                            |                             |                    |                   |                    |                             |
| Streets                                    | 85,884,757                  |                    |                   | 8,196,461          | 94,081,218                  |
| Landscape                                  | 20,479,187                  |                    |                   |                    | 20,479,187                  |
| Storm drains                               | 18,316,205                  |                    |                   | 214,368            | 18,530,573                  |
| Portable water systems                     | 1,353,939                   |                    |                   |                    | 1,353,939                   |
| Parks                                      | 5,069,917                   |                    |                   | 215,318            | 5,285,235                   |
| Marina facilities                          | 24,285,397                  |                    |                   |                    | 24,285,397                  |
| Total capital assets being depreciated     | <u>433,306,517</u>          | <u>600,894</u>     | <u>(754,564)</u>  | <u>8,684,032</u>   | <u>441,836,879</u>          |
| Less accumulated depreciation:             |                             |                    |                   |                    |                             |
| Buildings                                  | (89,304,963)                | (3,306,596)        | 5,101             |                    | (92,606,458)                |
| Machinery and equipment                    | (18,362,471)                | (931,668)          | 724,201           |                    | (18,569,938)                |
| Infrastructure:                            |                             |                    |                   |                    |                             |
| Streets                                    | (52,287,419)                | (2,456,358)        |                   |                    | (54,743,777)                |
| Landscape                                  | (14,575,108)                | (543,070)          |                   |                    | (15,118,178)                |
| Storm drains                               | (7,342,233)                 | (282,178)          |                   |                    | (7,624,411)                 |
| Portable water systems                     | (1,114,101)                 | (17,525)           |                   |                    | (1,131,626)                 |
| Parks                                      | (2,238,727)                 | (197,265)          |                   |                    | (2,435,992)                 |
| Marina facilities                          | (18,409,885)                | (301,218)          |                   |                    | (18,711,103)                |
| Total accumulated depreciation             | <u>(203,634,907)</u>        | <u>(8,035,878)</u> | <u>729,302</u>    |                    | <u>(210,941,483)</u>        |
| Net capital assets being depreciated       | <u>229,671,610</u>          | <u>(7,434,984)</u> | <u>(25,262)</u>   | <u>8,684,032</u>   | <u>230,895,396</u>          |
| Governmental activity capital assets, net  | <u>\$282,061,050</u>        | <u>\$4,876,348</u> | <u>(\$25,262)</u> |                    | <u>\$286,912,136</u>        |

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 5 - CAPITAL ASSETS (Continued)**

|  | Balance at<br>June 30, 2009 | Additions   | Retirements | Transfers   | Balance at<br>June 30, 2010 |
|--|-----------------------------|-------------|-------------|-------------|-----------------------------|
| <i>Business-type activities</i>            |                             |             |             |             |                             |
| Capital assets, not being depreciated:     |                             |             |             |             |                             |
| Land and improvement                       | \$176,899                   |             |             |             | \$176,899                   |
| Construction in progress                   | 23,201                      | \$1,089,084 |             | (\$978,547) | 133,738                     |
| Total capital assets not being depreciated | 200,100                     | 1,089,084   |             | (978,547)   | 310,637                     |
| Capital assets, being depreciated:         |                             |             |             |             |                             |
| Buildings                                  | 1,133,584                   |             | (\$108)     |             | 1,133,476                   |
| Sewer lines                                | 63,580,862                  |             |             | 978,547     | 64,559,409                  |
| Streets                                    | 188,016                     |             |             |             | 188,016                     |
| Storm drains                               | 314,356                     |             |             |             | 314,356                     |
| Golf improvements                          | 4,175,740                   |             |             |             | 4,175,740                   |
| Ferry boats                                | 13,307,658                  | 51,559      |             |             | 13,359,217                  |
| Office furniture and equipment             | 2,527,885                   |             | (188,469)   |             | 2,339,416                   |
| Net capital assets being depreciated       | 85,228,101                  | 51,559      | (188,577)   | 978,547     | 86,069,630                  |
| Less accumulated depreciation for:         |                             |             |             |             |                             |
| Buildings                                  | (229,306)                   | (17,574)    | 108         |             | (246,772)                   |
| Sewer lines                                | (23,091,286)                | (993,180)   |             |             | (24,084,466)                |
| Streets                                    | (131,782)                   | (4,821)     |             |             | (136,603)                   |
| Storm drains                               | (67,318)                    | (4,191)     |             |             | (71,509)                    |
| Golf improvements                          | (2,011,205)                 | (158,201)   |             |             | (2,169,406)                 |
| Ferry boats                                | (4,806,849)                 | (488,689)   |             |             | (5,295,538)                 |
| Office furniture and equipment             | (2,318,793)                 | (54,855)    | 188,469     |             | (2,185,179)                 |
| Total accumulated depreciation             | (32,656,539)                | (1,721,511) | 188,577     |             | (34,189,473)                |
| Net capital assets being depreciated       | 52,571,562                  | (1,669,952) |             | 978,547     | 51,880,157                  |
| Business-type activity capital assets, net | \$52,771,662                | (\$580,868) |             |             | \$52,190,794                |

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

Housing Authority capital asset activities for the year ended June 30, 2010 are as follows:

|  | Balance<br>June 30, 2009 | Additions   | Balance<br>June 30, 2010 |
|--|--------------------------|-------------|--------------------------|
| Capital assets, not being depreciated: |                          |             |                          |
| Land                                   | \$11,962,854             |             | \$11,962,854             |
| Capital assets, being depreciated:     |                          |             |                          |
| Buildings & Improvements               | 33,082,413               | \$266,876   | 33,349,289               |
| Equipment                              | 225,139                  | 72,011      | 297,150                  |
| Net capital assets being depreciated   | 33,307,552               | 338,887     | 33,646,439               |
| Less accumulated depreciation:         | (15,471,195)             | (983,745)   | (16,454,940)             |
| Net Capital Assets being depreciated   | 17,836,357               | (644,858)   | 17,191,499               |
| Total capital assets, net              | \$29,799,210             | (\$644,858) | \$29,154,353             |

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 5 - CAPITAL ASSETS (Continued)**

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

Alameda Municipal Power capital asset activities for the year ended June 30, 2010 are as follows:

|  | Balance<br>June 30, 2009 | Additions     | Retirements | Transfers     | Balance<br>June 30, 2010 |
|--|--------------------------|---------------|-------------|---------------|--------------------------|
| Capital assets not being depreciated:      |                          |               |             |               |                          |
| Land and Rights                            | \$153,643                |               |             |               | \$153,643                |
| Construction Work in Progress              | 3,054,175                | \$2,013,767   | (\$191,802) | (\$2,614,591) | 2,261,549                |
| Total capital assets not being depreciated | 3,207,818                | 2,013,767     | (191,802)   | (2,614,591)   | 2,415,192                |
| Capital assets being depreciated:          |                          |               |             |               |                          |
| Utility Plant                              | 66,171,877               |               |             | 2,535,095     | 68,706,972               |
| Service Center Building                    | 7,843,636                |               |             |               | 7,843,636                |
| Machinery and Equipment                    | 8,725,118                |               |             | (4,124)       | 8,720,994                |
| Transportation Equipment                   | 2,393,295                | 158,331       | (23,287)    | 65,388        | 2,593,727                |
| Computer Equipment                         | 3,023,573                | 105,997       |             | 83,620        | 3,213,190                |
| Furniture and Fixtures                     | 599,107                  |               |             |               | 599,107                  |
| Easements                                  | 185,500                  |               |             |               | 185,500                  |
| Total capital assets being depreciated     | 88,942,106               | 264,328       | (23,287)    | 2,679,979     | 91,863,126               |
| Less accumulated depreciation for:         |                          |               |             |               |                          |
| Utility Plant                              | 36,620,108               | 2,099,442     |             |               | 38,719,550               |
| Service Center Building                    | 2,724,303                | 165,869       |             |               | 2,890,172                |
| Machinery and Equipment                    | 5,991,322                | 758,000       |             |               | 6,749,322                |
| Transportation Equipment                   | 1,149,184                | 185,605       | (23,287)    | 65,388        | 1,376,890                |
| Computer Equipment                         | 2,626,775                | 113,531       |             |               | 2,740,306                |
| Furniture and Fixtures                     | 369,625                  | 17,652        |             |               | 387,277                  |
| Easements                                  | 91,000                   | 3,500         |             |               | 94,500                   |
| Total accumulated depreciation             | 49,572,317               | 3,343,599     | (23,287)    | 65,388        | 52,958,017               |
| Total depreciable assets                   | 39,369,789               | (3,079,271)   |             | 2,614,591     | 38,905,109               |
| Business activity capital assets, net      | \$42,577,607             | (\$1,065,504) | (\$191,802) |               | \$41,320,301             |

**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                               | \$265,357          |
| Police   | 221,238            |
| Fire   | 268,059            |
| Public works                                     | 3,852,886          |
| Community development, planning and building     | 2,379,584          |
| Culture and recreation                           | 1,048,754          |
| <b>Total Governmental Activities</b>             | <b>\$8,035,878</b> |
| <br><i>Business-Type Activities</i>              |                    |
| Ferry services                                   | \$488,689          |
| Golf course                                      | 222,222            |
| Sewer services                                   | 1,010,600          |
| <b>Total Business-Type Activities</b>            | <b>\$1,721,511</b> |
| <br><i>Discretely Presented Component Units:</i> |                    |
| Housing Authority of City of Alameda             | \$983,745          |
| Alameda Municipal Power                          | \$3,343,599        |

**NOTE 6 – LONG-TERM DEBT**

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the term of the related debt.

***Bond Discounts and Issuance Costs***

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6 – LONG-TERM DEBT (Continued)**

**A. City Long-Term Debt**

The City's long-term debt activities for the year ended June 30, 2010, are as follows:

|   | Balance<br>June 30, 2009 | Retirements        | Balance<br>June 30, 2010 | Current<br>Portion |
|---|--------------------------|--------------------|--------------------------|--------------------|
| <b>Governmental Activity Debt:</b>                            |                          |                    |                          |                    |
| <b>Certificates of Participation:</b>                         |                          |                    |                          |                    |
| 2002 City Hall  | \$9,140,000              | \$410,000          | \$8,730,000              | \$425,000          |
| 2008 Refinancing Project                                      | 4,575,000                |                    | 4,575,000                | 410,000            |
| <b>Total Certificates of Participation</b>                    | <b>13,715,000</b>        | <b>410,000</b>     | <b>13,305,000</b>        | <b>835,000</b>     |
| 2003 General Obligation Bonds                                 | 9,775,000                | 195,000            | 9,580,000                | 205,000            |
| Equipment Purchase Agreements                                 | 195,132                  | 195,132            |                          |                    |
| Leases Payable  | 269,439                  | 67,359             | 202,080                  | 67,360             |
| Other Loans Payable   | 145,300                  | 40,000             | 105,300                  | 40,000             |
| <b>Subtotal</b>   | <b>24,099,871</b>        | <b>907,491</b>     | <b>23,192,380</b>        | <b>1,147,360</b>   |
| <b>CIC Long-Term Debt:</b>                                    |                          |                    |                          |                    |
| 1992 Revenue Bonds  | 1,295,000                | 150,000            | 1,145,000                | 160,000            |
| 2002 Series A & B Subordinate Taxable<br>Tax Allocation Bonds | 2,290,000                | 675,000            | 1,615,000                | 760,000            |
| 2003 Tax Allocation Refunding Bonds                           | 17,455,000               | 465,000            | 16,990,000               | 490,000            |
| 2003 Tax Allocation Bonds, Series A1, A2 & B                  | 46,155,000               | 75,000             | 46,080,000               | 90,000             |
| 2006 CRA/ERAF Loan Program                                    | 530,000                  | 65,000             | 465,000                  | 65,000             |
| HUD Section 108 Loan  | 7,000,000                | 152,000            | 6,848,000                | 157,000            |
| <b>Total CIC</b>  | <b>74,725,000</b>        | <b>1,582,000</b>   | <b>73,143,000</b>        | <b>1,722,000</b>   |
| <b>ARRA Long-Term Debt:</b>                                   |                          |                    |                          |                    |
| 2003 ARRA Demand Revenue Bonds                                | 12,900,000               | 300,000            | 12,600,000               | 300,000            |
| <b>Total Governmental Activity Debt</b>                       | <b>\$111,724,871</b>     | <b>\$2,789,491</b> | <b>\$108,935,380</b>     | <b>\$3,169,360</b> |
| <b>Business Activity Debt:</b>                                |                          |                    |                          |                    |
| 1995 Certificates of Participation                            | \$3,030,000              | \$275,000          | \$2,755,000              | \$290,000          |
| State Construction Loan                                       | 102,054                  | 20,887             | 81,167                   | 21,596             |
| State Water Resources Control Board                           | 1,211,404                | 120,223            | 1,091,181                | 123,590            |
| State Revolving Fund Loan, 1998                               | 1,292,388                | 114,829            | 1,177,559                | 117,814            |
| State Revolving Fund Loan, 1999                               | 629,314                  | 49,899             | 579,415                  | 51,245             |
| State Revolving Fund Loan, 2004                               | 1,187,405                | 71,399             | 1,116,006                | 73,255             |
| Equipment Purchase Agreements                                 | 390,950                  | 131,967            | 258,983                  | 140,133            |
| <b>Total Business Activity Debt</b>                           | <b>\$7,843,515</b>       | <b>\$784,204</b>   | <b>\$7,059,311</b>       | <b>\$817,633</b>   |
| <b>Total City Debt</b>  | <b>\$119,568,386</b>     | <b>\$3,573,695</b> | <b>\$115,994,691</b>     | <b>\$3,986,993</b> |

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6 – LONG-TERM DEBT (Continued)**

**B. Housing Authority Long Term Debt**

The Housing Authority's long-term debt activity for the year ended June 30, 2010, is as follows:

|                                 | Balance<br>June 30, 2009 | Retirements      | Balance<br>June 30, 2010 | Current<br>Portion |
|---------------------------------|--------------------------|------------------|--------------------------|--------------------|
| ARCS Commercial Co. L.P.        | \$6,414,523              | \$109,214        | \$6,305,309              | \$115,759          |
| PMC Financial Services          | 8,551,788                | 209,415          | 8,342,373                | 221,383            |
| Notes Payable - City of Alameda | 1,084,918                | 1,272            | 1,083,646                | 1,290              |
| Notes Payable - Other           | 417,144                  | 15,091           | 402,053                  | 15,930             |
| Total                           | <u>\$16,468,373</u>      | <u>\$334,992</u> | <u>\$16,133,381</u>      | <u>\$354,362</u>   |

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

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

|  | Original Issue<br>Amount | Balance<br>June 30, 2009 | Retirements     | Balance<br>June 30, 2010 | Current<br>Portion |
|--|--------------------------|--------------------------|-----------------|--------------------------|--------------------|
| Electric System Revenue Taxable<br>COPs, Series 2000AT | \$29,500,000             | \$29,500,000             |                 | \$29,500,000             |                    |
| Electric System Revenue COPs,<br>Series 2000A          | 9,545,000                | 9,545,000                |                 | 9,545,000                |                    |
| 2008 Truck (Ate Model AM-55)-<br>Capital Lease         | 176,295                  | 151,415                  | 22,434          | 128,981                  | 23,699             |
| 2009 Truck (Ate Model D3060) -<br>Capital Lease        | 229,168                  | 201,986                  | 29,061          | 172,925                  | 30,468             |
| Loan from City of Alameda                              | 2,200,000                | <u>2,200,000</u>         |                 | <u>2,200,000</u>         | <u>2,200,000</u>   |
| Total long-term debt                                   |                          | <u>\$41,598,401</u>      | <u>\$51,495</u> | <u>\$41,546,906</u>      | <u>\$2,254,167</u> |

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6 – LONG-TERM DEBT (Continued)**

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

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

| For the Year<br>Ending June 30 | Governmental Activities |                     | Business-Type Activities |                    | Discretely Presented Component Units |                    |                          |                     |
|--------------------------------|-------------------------|---------------------|--------------------------|--------------------|--------------------------------------|--------------------|--------------------------|---------------------|
|                                |                         |                     |                          |                    | Governmental Activities              |                    | Business-Type Activities |                     |
|                                | Principal               | Interest            | Principal                | Interest           | Housing Authority                    |                    | Alameda Municipal Power  |                     |
|                                | Principal               | Interest            | Principal                | Interest           | Principal                            | Interest           | Principal                | Interest            |
| 2011                           | \$3,169,360             | \$5,242,039         | \$817,633                | \$254,880          | \$354,362                            | \$636,764          | \$2,247,827              | \$2,383,335         |
| 2012                           | 3,364,360               | 5,090,891           | 821,892                  | 219,428            | 374,867                              | 620,256            | 1,032,378                | 2,329,638           |
| 2013                           | 3,546,660               | 4,924,985           | 728,877                  | 193,510            | 396,560                              | 602,798            | 1,150,781                | 2,262,126           |
| 2014                           | 3,604,000               | 4,760,415           | 745,297                  | 165,578            | 419,508                              | 584,334            | 1,169,386                | 2,193,356           |
| 2015                           | 3,881,000               | 4,499,699           | 756,761                  | 138,345            | 443,785                              | 564,807            | 1,288,204                | 2,117,057           |
| 2016-2020                      | 20,298,000              | 19,825,702          | 2,897,526                | 274,142            | 2,635,260                            | 2,489,428          | 7,393,330                | 9,318,422           |
| 2021-2025                      | 25,565,000              | 14,607,169          | 291,325                  | 15,287             | 3,491,649                            | 1,802,022          | 9,965,000                | 6,636,563           |
| 2026-2030                      | 27,157,000              | 8,293,211           |                          |                    | 4,500,800                            | 908,119            | 13,935,000               | 2,928,479           |
| 2031-2035                      | 18,350,000              | 1,841,240           |                          |                    | 2,546,294                            | 143,453            | 3,365,000                | 21,994              |
| 2036-2040                      |                         |                     |                          |                    | 48,618                               |                    |                          |                     |
| 2041-2045                      |                         |                     |                          |                    | 43,684                               |                    |                          |                     |
| 2046-2050                      |                         |                     |                          |                    | 36,934                               |                    |                          |                     |
| 2051-2055                      |                         |                     |                          |                    | 213,151                              |                    |                          |                     |
| 2056-2060                      |                         |                     |                          |                    | 627,909                              |                    |                          |                     |
| <b>Total</b>                   | <b>\$108,935,380</b>    | <b>\$69,085,351</b> | <b>\$7,059,311</b>       | <b>\$1,261,170</b> | <b>\$16,133,381</b>                  | <b>\$8,351,981</b> | <b>\$41,546,906</b>      | <b>\$30,190,970</b> |

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

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

**GOVERNMENTAL ACTIVITY DEBT**

**Certificates of Participation**

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

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM DEBT (Continued)**

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

**2008 Refinancing Project Certificates of Participation**

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

**General Obligation Bonds**

**2003 General Obligation Bonds** – On November 7, 2000, the voters approved the issuance of General Obligation Bonds, which the City issued on March 25, 2003, in the principal amount of \$10,600,000, in addition to a reoffering premium of \$268,000, to finance the acquisition and construction of a new main library and improvements to two branch libraries within the City. The bonds bear interest at 2.00-5.00%. The repayment of the bonds is secured by all non-restricted revenue of the City. Principal payments are due annually on August 1. Interest payments are due semi-annually on February 1 and August 1 through August 1, 2033.

**Leases and Loans Payable**

**Lease Payable** -- On April 1, 2003, the City entered into a non-cancelable lease agreement in the amount of \$674,467 with Bank of Alameda to acquire two fire trucks. The City agreed to pay the lease in quarterly payments of \$21,597 for ten years. Ownership of the fire trucks reverts to the City at the end of the lease term. Since the lease is in essence a financing arrangement, the costs of the fire trucks and the amount of the lease term have been included in the City's financial statements. Balance of the lease as of June 30, 2010, was \$202,080.

**Other Loans Payable** -- The City entered into a loan with Alameda Municipal Power for the replacement of deteriorated street lights. Through June 30, 2010, Alameda Municipal Power had expended \$627,300 for street light replacement, and the City had made payments of \$522,000. Annual installments of \$40,000 are scheduled until the loan is repaid. At June 30, 2010, the outstanding balance was \$105,300.

**CIC Long-Term Obligations**

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM DEBT (Continued)**

The pledge of future tax increment revenues ends upon repayment of the \$1,671,380 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 FY09-10, tax increment revenues amounted to \$1,058,711, which represented coverage of 4.45 over the \$238,060 in current year debt service.

**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 \$2,652,107 in remaining debt service on the Tax Allocation Bonds, scheduled to occur in 2012. As disclosed in the bond indenture, pledged future tax increment revenues are expected to provide coverage over debt service of 1.25 over the life of the Bonds. For FY09-10, tax increment revenues amounted to \$7,903,570, which represented coverage of 9.31 over the \$848,769 in current year debt service.

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

**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 \$119,200,776 in remaining debt service on the Community's Tax Allocation Bonds, scheduled to occur in 2033. As disclosed in the bond indenture, pledged future tax increment revenues are expected to provide coverage over debt service of 1.1 over the life of the Bonds. For FY09-10, tax increment revenues amounted to \$2,117,422, which represented coverage of 1.56 over the \$1,353,860 in current year debt service.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM DEBT (Continued)**

**ERAF Loan Program** – In April 2006, the Community Improvement Commission borrowed \$695,000 from the California Statewide Communities Development Authority to pay for Educational Revenue Augmentation Fund (ERAF) due to Alameda County. Both principal and interest payments are made semi-annually through March 2016.

**HUD Section 108 Loan** – On January 5, 2006, the City entered into an agreement to borrow \$7,000,000 from the Housing and Urban Development Department. In September 2006, the City drew down \$4,000,000 for the construction of the Alameda Theater Garage Project. In August 2007, the City drew down an additional \$3,000,000 for the same project. Principal and interest payments of both loans are due semi-annually on August and February through 2027. Repayments of the loans are funded by a BEDI grant, parking garage retail and cinema lease revenues.

**ARRA Long-Term Obligations**

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

The pledge of sublease revenues ends upon repayment of the \$13,006,224 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 FY 09-10, sublease revenues amounted to \$11,246,543 which represented coverage of 2331% over the \$482,537 in debt service.

**BUSINESS ACTIVITY DEBT**

**Certificates of Participation**

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

The pledge of future net revenues terminates upon repayment of the \$2,755,000 in remaining debt service on the City's Sewer System Refinancing & Improvement Certificates of Participation Bonds, which is scheduled to occur in 2018. As disclosed in the originating offering documents, projected net revenues are expected to provide coverage over debt service of 1.2 over the life of the Bonds. For FY09-10, Sewer Fund Revenues, including operating revenues and non-operating interest earnings, amounted to \$6,365,273. Operating costs, including operating expenses and excluding interest, depreciation or amortizations, amounted to \$4,164,940. Net Revenues available for debt service amounted to \$2,200,333 which represented coverage of 5.21 over the \$422,713 in debt service.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6 – LONG-TERM DEBT (Continued)**

**Loans Payable**

**State Construction Loan** - On May 2, 1989, the City entered into a loan with the State of California State Water Resources Control Board for \$400,431 at 3.39% interest to construct facilities for the control and prevention of water pollution. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of \$24,349 through December 1, 2013. The balance as of June 30, 2010, was \$81,167.

**State Water Resources Control Board-** On February 8, 1996, the City entered into a loan with the State of California State Water Resources Control Board for up to \$2,324,502 at 2.8% interest, of which all has been drawn down. The purpose of the loan is to provide funding to install sanitary sewer facilities. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of \$154,144 through August 5, 2017. The balance as of June 30, 2010, was \$1,091,181.

**State Revolving Fund Loan 1998** - The City entered into a contract on July 1, 1998, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is \$2,292,025, of which all has been drawn down. This loan bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2010, was \$1,177,759.

**State Revolving Fund Loan 1999** - The City entered into a contract on September 29, 1999, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is \$1,193,529 and bears interest at 2.7% per year for a term of twenty years. The balance as of June 30, 2010, was \$579,415.

**State Revolving Fund Loan 2004** - The City entered into a contract on August 12, 2004, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is \$1,840,292 and bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2010, was \$1,116,006.

**Equipment Purchase Agreements**

On April 18, 2001, the City entered into a non-cancelable lease agreement in the amount of \$404,934 with Textron Financial Corporation to acquire certain electric golf equipment. On April 5, 2004, the City traded-in the golf equipment in exchange for a new lease agreement with Textron Financial Corporation in the amount of \$444,077. On July 12, 2007, the City again traded in the golf equipment in exchange for a new non-cancelable lease agreement with Textron Financial Corporation in the amount of \$449,753. Under the new lease agreement the City agreed to pay \$8,879 for 49 months. Ownership of the golf equipment reverts to the City at the end of the lease. Since the lease is essentially a financing agreement, the cost of the golf equipment and the amount of the lease term have been included in the City's financial statements. Balance of the lease as of June 30, 2010, was \$200,446.

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 termination of the lease. Since the lease is in essence a financing arrangement, the costs of the telephone system and the amount of lease have been included in the City's financial statements. The balance of the lease had been paid off as of June 30, 2010.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6 – LONG-TERM DEBT (Continued)**

On October 15, 2006, the City entered into a lease agreement in the amount of \$200,609 with Wells Fargo Financial Leasing, Inc. to acquire various golf maintenance equipment. The City agreed to pay the lease in monthly payments of \$3,798 for 60 months. Ownership of the equipment reverts to the City at the termination of the lease. Since the lease is essentially a financing arrangement, the costs of the golf equipment and the amount of the lease have been included in the City's financial statements. Balance of the lease as of June 30, 2010, was \$58,537.

**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, 2010, was \$6,305,309.

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 \$402,053 as of June 30, 2010. 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, 2010, were \$513,646.

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, 2010, was \$1,083,646.

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

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

**Interest Rate Swap** -- On July 24, 2001, AMP has entered into an interest rate swap agreement with UBS Warburg related to its \$29,500,000 Electric System Revenue Taxable COPs, Series 2000AT as a means to lower interest costs. The objective of the swap was to change the AMP's auction rate COPS to a synthetic fixed rate of 6.23%. Interest amounts are payable monthly. The auction rate market disruptions have resulted in AMP paying an additional 1.5% interest on the certificates since February, 2008. All principal and interest payments are to be made from AMP's operating revenues and are secured by a pledge of these revenues.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6 – LONG-TERM DEBT (Continued)**

*Terms* - The COPs and the swap agreement mature on \$29,500,000 matches the principal amount of the Electric System Revenue Taxable COPs, Series 2000AT. Under the terms of the swap, AMP pays the counterparty a fixed payment of 6.23% and receives a variable auction rate payment (unless a market disruption occurs, then USD-LIBOR-BBA). The variable rate of the COPs is based on an auction rate fluctuating around the one-month LIBOR rate.

*Fair Value* - At June 30, 2010 and June 30, 2009, the swap has a fair value of \$0 and a negative fair value of \$2,265,439, respectively. The interest rate swap was terminated on June 30, 2010, when the last payment was made.

*Credit Risk* - At June 30, 2010 and June 30, 2009, the AMP was not exposed to credit risk because the swap had zero and negative fair value, respectively.

*Basis Risk* - The swap exposes AMP to basis risk should the relationship between the LIBOR and auction rate index converge, changing the synthetic rate on the COPs. There is no basis risk as of June 30, 2010, due to termination of the interest rate swap.

*Termination Risk* - AMP or the counterparty may terminate the swap if either party fails to perform under the terms of the contract. The last payment on the interest rate swap was made on June 30, 2010 and, as of this date, the interest rate swap agreement was effectively terminated.

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

The Series 2000A Certificates of Participation mature annually through July 1, 2030. Principal amounts are payable annually July 1 commencing 2011. Interest amounts are payable semiannually on January 1 and July 1. AMP is required to maintain amounts of cash and investments with trustees or fiscal agents under the terms of the Series 2000A Certificates of Participation, as discussed at Note 2.

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

**Capital Lease Obligation** – On June 1, 2008, Alameda Municipal Power entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was \$176,295 and is due in monthly principal and interest installments of \$2,533 through June, 2015. Accumulated depreciation for the vehicle is \$39,718 as of June 30, 2010

**Capital Lease Obligation** – On July 18, 2008, Alameda Municipal Power entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was \$229,168 and is due in monthly principal and interest installments of \$3,347 through July, 2015. Accumulated depreciation for the vehicle is \$46,453 as of June 30, 2010

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

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 7 - SPECIAL ASSESSMENT DEBT WITHOUT CITY'S COMMITMENT**

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

At June 30, 2010, the combined outstanding debt amount for all of these assessment districts was \$32,140,000.

**NOTE 8 – 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 are determined only at the Government-wide level and 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.

**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, 2010. Future revenues are expected to offset these deficits.

**Special Revenue Funds:**

|  |             |
|--|-------------|
| Alameda Point Improvement Project Area | \$1,401,895 |
| FISC Lease Revenue                     | 41,693      |
| Assessment District Admin              | 4,104       |

**Internal Service Funds:**

|                                 |           |
|---------------------------------|-----------|
| Workers' Compensation Insurance | 6,708,370 |
| Risk Management Insurance       | 365,456   |
| Unemployment Insurance          | 878       |

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 8 – NET ASSETS AND FUND BALANCES (Continued)**

**C. Expenditures in Excess of Budget**

The General Fund and Major Special Revenue Funds has incurred expenditures in excess of their budgets in the amounts below as the result of unanticipated disbursements for the year ended June 30, 2010. Sufficient funds were available to fund these expenditures.

**Special Revenue Funds**

|  |           |
|--|-----------|
| West End Community Improvement Project Area            |           |
| Current: General government                            | \$22,128  |
| Current: Housing and community services                | 1,138,765 |
| Alameda Point Improvement Project Area                 |           |
| Current: General government                            | 14,597    |
| Current: Housing and community services                | 458,044   |
| FISC Lease Revenue Special Revenue Fund                |           |
| Current: Community development, planning, and building | 1,528,179 |

**NOTE 9 - 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, 2010, are summarized as follows:

|   | <u>Safety</u>    | <u>Miscellaneous</u> |
|---|------------------|----------------------|
| Benefit vesting schedule                  | 5 years service  | 5 years service      |
| Benefit payments                          | monthly for life | monthly for life     |
| Retirement age                            | 50               | 55                   |
| Monthly benefits, as a % of annual salary | 3.000%           | 2.000%               |
| Required employee contribution rates      | 8.999%           | 7.000%               |
| Required employer contribution rates      | 30.827%          | 12.862%              |

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 9 - PENSION PLANS (Continued)**

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

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

*Safety Plan:*

| Actuarial      |                                |                              |                                       |                 |                           |  |
|----------------|--------------------------------|------------------------------|---------------------------------------|-----------------|---------------------------|--|
| Valuation Date | Entry Age<br>Accrued Liability | Actuarial Value of<br>Assets | Unfunded<br>(Overfunded)<br>Liability | Funded<br>Ratio | Annual Covered<br>Payroll | Unfunded<br>(Overfunded)<br>Liability as %<br>of Payroll |
| 2006           | \$228,039,491                  | \$176,569,200                | \$51,470,291                          | 77.4%           | \$21,904,057              | 235.0%   |
| 2007           | 245,219,097                    | 191,027,940                  | 54,191,157                            | 77.9%           | 22,173,528                | 244.4%   |
| 2008           | 260,064,538                    | 203,443,519                  | 56,621,019                            | 78.2%           | 23,159,411                | 244.5%   |

*Miscellaneous Plan:*

| Actuarial      |                                |                              |                                       |                 |                           |  |
|----------------|--------------------------------|------------------------------|---------------------------------------|-----------------|---------------------------|--|
| Valuation Date | Entry Age<br>Accrued Liability | Actuarial Value of<br>Assets | Unfunded<br>(Overfunded)<br>Liability | Funded<br>Ratio | Annual Covered<br>Payroll | Unfunded<br>(Overfunded)<br>Liability as %<br>of Payroll |
| 2006           | \$166,354,514                  | \$148,421,494                | \$17,933,020                          | 89.2%           | \$30,099,641              | 59.6%  |
| 2007           | 177,376,342                    | 160,185,251                  | 17,191,091                            | 90.3%           | 31,428,042                | 54.7%  |
| 2008           | 189,044,633                    | 171,529,417                  | 17,514,616                            | 90.7%           | 33,135,225                | 52.9%  |

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

Actuarially required contributions for fiscal years 2010, 2009, and 2008, were \$10,368,070, \$11,094,649, and \$10,940,032. The City made these contributions as required, in addition to 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 thirty-two participants, all of whom are retired employees or beneficiaries. Employees with twenty-five or more years of service receive monthly pension benefits equal to one-half the monthly salary paid to current City employees of the rank held by the retiree one year prior to the date of retirement. Employees retired after ten, but before twenty-five years of service receive monthly pension benefits in the proportion that the number of years service bears to twenty-five. Qualified surviving spouses receive the retirees' monthly pension benefits for life. Upon remarriage, the qualified surviving spouse receives one-half of the retiree's monthly pension benefits. Employees who became disabled from service-related causes receive monthly pension benefits equal to one-half the monthly salary paid to current City employees of the rank held by the disabled employee on the date of their disability, reduced by any workers' compensation benefits received.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 9 - PENSION PLANS (Continued)**

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

**C. *Funding Policy and Actuarial Methods***

Plans 1079 and 1082 do not have allocated assets as of June 30, 2010. The City's policy is to fund the plans on a pay-as-you-go basis. The annual required contribution equals the greater of:

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

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

**D. *Annual Pension Cost***

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 9 - PENSION PLANS (Continued)**

For fiscal year ending June 30, 2010, the City's annual required contribution was \$2,171,000 for Plan 1079 and \$77,000 for Plan 1082. These amounts compare with the City's actual contributions of \$2,176,763 for Plan 1079 and \$42,675 for Plan 1082. The annual required contribution was determined by a roll-forward of the January 1, 2009, valuation results using the projected 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, 2010, the City's net pension obligation is presented below:

|  | <b>Plan 1079</b><br><b>(000's omitted)</b> | <b>Plan 1082</b><br><b>(000's omitted)</b> | <b>Total</b><br><b>(000's omitted)</b> |
|--|--|--|--|
| Annual Required Contribution (ARC)             | \$2,171                                    | \$77                                       | \$2,248                                |
| Interest on Net Pension Obligation             | 15   | 9  | 24                                     |
| Amortization of Net Pension Obligation         | (31)                                       | (19)                                       | (50)                                   |
| Annual Pension Cost                            | 2,155                                      | 67   | 2,222                                  |
| Contributions (Benefit Payments)               | 2,171                                      | 43   | 2,214                                  |
| (Decrease) Increase in Net OPEB obligations    | (16)                                       | 24   | 8                                      |
| Net Pension Obligation at June 30, 2009        | 325  | 210  | 535                                    |
| <b>Net Pension Obligation at June 30, 2010</b> | <b>\$309</b>                               | <b>\$234</b>                               | <b>\$543</b>                           |

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

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

*Plan 1079:*

| <b>Fiscal Year</b><br><b>Ending</b> | <b>Annual</b><br><b>Pension Cost</b><br><b>(APC)</b><br><b>(000's omitted)</b> | <b>Percentage of</b><br><b>APC</b><br><b>Contributed</b> | <b>Net Pension</b><br><b>Obligation</b><br><b>(000's omitted)</b> |
|-------------------------------------|--|--|---|
| 6/30/2008                           | \$2,724  | 101%   | \$341   |
| 6/30/2009                           | 2,442  | 101%   | 325   |
| 6/30/2010                           | 2,155  | 101%   | 309   |

*Plan 1082:*

| <b>Fiscal Year</b><br><b>Ending</b> | <b>Annual</b><br><b>Pension Cost</b><br><b>(APC)</b><br><b>(000's omitted)</b> | <b>Percentage of</b><br><b>APC</b><br><b>Contributed</b> | <b>Net Pension</b><br><b>Obligation</b><br><b>(000's omitted)</b> |
|-------------------------------------|--|--|---|
| 6/30/2008                           | \$70   | 60%  | \$185   |
| 6/30/2009                           | 67   | 63%  | 210   |
| 6/30/2010                           | 67   | 64%  | 234   |

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 9 - PENSION PLANS (Continued)**

SCHEDULE OF FUNDING PROGRESS

| <u>Actuarial<br/>Valuation Date</u> | <u>Actuarial<br/>Value of<br/>Assets</u> | <u>Actuarial Accrued<br/>Liability</u> | <u>Unfunded Actuarial<br/>Accrued Liability</u> | <u>Funded<br/>Ratio</u> | <u>Covered<br/>Payroll</u> | <u>UAAL as a<br/>% of<br/>Covered<br/>Payroll</u> |
|-------------------------------------|--|--|---|-------------------------|----------------------------|---|
| <i>Plan 1079</i>                    |  |  |   |                         |                            |   |
| 6/30/2008                           | \$0                                      | \$24,680,000                           | \$24,680,000                                    | 0%                      | N/A                        | N/A   |
| 1/1/2009                            | 0  | 21,447,000                             | 21,447,000                                      | 0%                      | N/A                        | N/A   |
| 6/30/2010                           | 0  | 19,424,000                             | 19,424,000                                      | 0%                      | N/A                        | N/A   |
| <i>Plan 1082</i>                    |  |  |   |                         |                            |   |
| 6/30/2008                           | \$0                                      | \$827,000                              | \$827,000                                       | 0%                      | N/A                        | N/A   |
| 1/1/2009                            | 0  | 826,000                                | 826,000   | 0%                      | N/A                        | N/A   |
| 6/30/2010                           | 0  | 817,000                                | 817,000   | 0%                      | N/A                        | N/A   |

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. The City is responsible for determining the provisions of the Plan, directing distributions, and establishing investment policy for the Plan assets.

Under PARS, employees contribute 6% and the City contributes 1.5% of the employee's salary each pay period. For the fiscal year ending June 30, 2010, total contributions of \$198,005 were made based on a total amount of covered compensation of \$2,640,057.

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, 2010, amounted to \$1,546, of which the City paid 50%.

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

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 9 - 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 Municipal Power. The employees include all department directors. The appointees include the City Manager, City Clerk and the City Attorney. Under the Money Purchase Plan, the 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 thus are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

**NOTE 10 – POST EMPLOYMENT HEALTH CARE BENEFITS**

The City provides medical and dental benefits to retirees as specified below under the City of Alameda Other Post Employment Benefit Plan, offered by California Public Employee Retirements Systems (CALPERS), an agent multiple-employer defined benefit healthcare plan. The City is responsible for establishing and amending the funding policy of the Plan. As of June 30, 2010, there were 1,205 participants in the Plan.

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

The provisions and benefits of the City's Other Post Employment Benefit Plan, in effect at June 30, 2010, are summarized as follows:

|                             | Miscellaneous  | Safety / Appointed Officials   |
|-----------------------------|--|--|
| ■ Eligibility               | <ul style="list-style-type: none"> <li>● Service and disabled retire directly from the City</li> <li>● CalPERS requires age 50 &amp; 5 YOS</li> </ul>  |  |
| ■ Medical Benefit           | <ul style="list-style-type: none"> <li>● PEMHCA Minimum Employer Contribution</li> </ul>   | <ul style="list-style-type: none"> <li>● City pays full premiums for retiree and spouse</li> <li>● PEMHCA Minimum Employer Contribution for Police retiree if:<br/>Hired &lt; 7/1/1995 &lt; 15 YOS (APOA only)<br/>Hired ≥ 7/1/1995 &lt; 20 YOS (APOA &amp; APMA)</li> </ul> |
|                             | <ul style="list-style-type: none"> <li>● PEMHCA Minimum Employer Contribution: AB 2544 <ul style="list-style-type: none"> <li>▶ Now 5% of active contribution times years City in PEMHCA (increase each year not greater than \$100 per month)</li> <li>▶ Joined PEMHCA in 1992 for all bargaining units</li> <li>▶ \$94.05/month in FY 09-10</li> </ul> </li> </ul> |  |
| ■ Dental Benefit            | <ul style="list-style-type: none"> <li>● None</li> </ul>   | <ul style="list-style-type: none"> <li>● Self insured: Delta Dental</li> <li>● City pays all cost for retiree and spouse</li> </ul>  |
| ■ Surviving Spouse Benefits | <ul style="list-style-type: none"> <li>● Contribution continues to surviving spouse</li> </ul>   |  |

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 10 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)**

**Funding Policy and Actuarial Assumptions**

The annual required contribution (ARC) was determined as part of a January 1, 2009, actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.5% investment rate of return; (b) 3.25% projected annual salary increase; (c) 3% of general inflation increase; and (d) a healthcare trend of declining annual increases ranging from 4.5% to 10% in 2010 to 4.5% for years starting 2017. The actuarial methods and assumptions used include techniques that “smooth” the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City’s OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year open amortization period.

The City accounts for the OPEB Obligation on an accrual basis. During the fiscal year ended June 30, 2010, the City recorded a Net OPEB Obligation under the Governmental Activities on the Statement of Net Assets, representing the difference between the ARC and actual contributions, as presented below:

|   |                                  |
|---|----------------------------------|
| Annual Required Contribution (ARC)          | \$5,823,770                      |
| Interest on Net OPEB Obligation             | 134,384                          |
| Adjustment to ARC                           | <u>164,334</u>                   |
| Annual Pension Cost                         | 5,793,820                        |
| Contributions made                          | <u>(1,995,112)</u>               |
| (Decrease) increase in net OPEB obligations | 3,798,708                        |
| Net OPEB obligation at June 30, 2009        | <u>3,983,864</u>                 |
| <b>Net OPEB obligation at June 30, 2010</b> | <b><u><u>\$7,782,572</u></u></b> |
| Percentage of ARC Contributed               | <u><u>34%</u></u>                |

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

| Fiscal Year | Annual<br>Required<br>Contribution<br>(ARC) | Actual<br>Contribution | Percentage<br>of ARC<br>Contributed | Net OPEB<br>Obligation<br>(Asset) |
|-------------|---|------------------------|-------------------------------------|-----------------------------------|
| 6/30/2009   | \$5,938,466                                 | \$1,954,602            | 33%                                 | \$3,983,864                       |
| 6/30/2010   | 5,793,820                                   | 1,995,112              | 34%                                 | 7,782,572                         |

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 10 – POST EMPLOYMENT HEALTH CARE BENEFITS (Continued)**

The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits. Trend data from the January 1, 2009, the most recent available actuarial study is presented below:

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

**NOTE 11 - RISK MANAGEMENT**

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

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

**A. Risk Coverage**

The City, Alameda Municipal Power and ARRA are members of the California Joint Powers Risk Management Authority (CJPRMA), which covers general liability claims. The City and ARRA have self-insured retention of \$500,000 per claim. Alameda Municipal Power has self-insured retention of \$350,000 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, 2010, the City contributed \$1,229,321 for coverage during the current year and received a refund of \$162,000 of prior year excess contributions.

The City and Alameda Municipal Power are members of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) which covers workers' compensation claims up to statutory limits. The City and Alameda Municipal Power have self-insured retention of up to \$250,000 per claim. During the fiscal year ended June 30, 2010, the City and Alameda Municipal Power contributed \$436,056 and \$70,113 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, 2010 the Authority contributed \$71,284 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, 2010 the Housing Authority contributed \$84,379 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 Municipal Power |
| Liability  | \$40,000,000     | \$2,000,000       | \$35,000,000            |
| Auto - Physical damage                               | \$5,000,000      | \$1,000,000       | Actual cash value       |
| Workers' Compensation                                | Statutory        | Statutory         | Statutory               |
| All Risk Fire & Property except earthquake and flood | Replacement Cost | \$52,181,152      | Replacement Cost        |
| Boiler & Machinery                                   | \$21,250,000     | N/A               | Replacement Cost        |
| Terrorism  | \$10,000,000     | N/A               | \$35,000,000            |

**B. Insurance Internal Service Funds**

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

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

|  | 2010        | 2009        |
|--|-------------|-------------|
| Beginning balance  | \$1,150,237 | \$1,218,181 |
| Liability for current fiscal year claims                         | 147,549     | 97,978      |
| Increase (decrease) in estimated liability for prior year claims | (80,079)    | (127,497)   |
| Claims paid in current year                                      | (40,898)    | (38,425)    |
| Ending balance   | \$1,176,809 | \$1,150,237 |
| Current portion  | \$40,898    | \$38,425    |

**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:

|  | 2010        | 2009        |
|--|-------------|-------------|
| Beginning balance  | \$5,352,481 | \$5,555,578 |
| Liability for current fiscal year claims                         | 1,433,778   | 1,224,567   |
| Increase (decrease) in estimated liability for prior year claims | 2,403,315   | 1,304,045   |
| Claims paid in current year                                      | (2,909,600) | (2,731,709) |
| Ending balance   | \$6,279,974 | \$5,352,481 |
| Current portion  | \$2,909,600 | \$2,731,709 |

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

**NOTE 12 – ALAMEDA MUNICIPAL POWER JOINT VENTURES**

**A. General**

AMP participates in joint ventures through Joint Powers Authorities (JPAs) established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these JPAs exercise full powers and authorities within the scope of the related Joint Powers Agreement, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the JPAs are not those of AMP and the other participating entities unless assumed by them.

Each JPA is governed by a board consisting of representatives from each member agency. Each board controls the operations of its respective JPA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the board.

AMP is a member of NCPA, a joint powers agency which operates under a joint powers agreement among 18 public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, and to optimize the use of those facilities and the member's position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

Amounts paid by AMP to NCPA during the years ended June 30, 2010 and 2009 for purchased power were \$26,935,656 and \$30,265,836, respectively. Amounts paid include payments for NCPA invoiced amounts received directly by NCPA from the Certificates of Participation 2000AT trustee. Additionally, purchased power was reduced by a refund of \$1,109,747 for power exchange distribution and budget settlement monies returned to the NCPA General Operating Reserve (GOR), and a \$2,211,428 reduction for year-end balancing account adjustments.

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 12 – ALAMEDA MUNICIPAL POWER JOINT VENTURES (Continued)**

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

Effective July 1, 1998, AMP 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 |                     |
|-------------------------------------|---------------------------|---------------------|
|                                     | 2010                      | 2009                |
| Beginning balance                   | \$24,185,546              | \$21,652,807        |
| Increase in equity in NCPA projects | 38,959                    | 2,532,739           |
| Ending balance                      | <u>\$24,224,505</u>       | <u>\$24,185,546</u> |

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

|  | June 30             |                     |
|--|---------------------|---------------------|
|  | 2010                | 2009                |
| General Operating Reserve                | \$20,826,445        | \$19,565,125        |
| Purchased Power & Transmission           | 390,333             | 194,550             |
| Associated Member Services               | (1,033)             | (9,718)             |
| Alameda Municipal Power 's share of NCPA |                     |                     |
| Power Projects:                          |                     |                     |
| Geothermal Projects/Power Line           | 1,881,078           | 3,407,945           |
| Calaveras Hydroelectric Project          | 631,046             | 470,741             |
| Combustion Turbine Project No. 1         | 36,330              | 270,162             |
| Combustion Turbine Project No. 2         | 460,306             | 286,741             |
|  | <u>\$24,224,505</u> | <u>\$24,185,546</u> |

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

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 12 – ALAMEDA MUNICIPAL POWER VENTURES (Continued)**

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

***Geothermal Projects***

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

In 1987, NCPA issued the 1987 Refunding Series A for \$606,555,000. The 1987 Refunding Series A bond was defeased in 2009. In 1993, NCPA issued the 1993 Refunding Series A and B for \$254,530,000. In 2009, NCPA issued the Refunding Series A for \$35,610,000 to improve the Unit 4 steam path, provide for the Middletown booster pump solar project, provide for the Southeast Treatment plant solar project, make a contribution to the Debt Service Reserve Account, and to pay the cost of issuance of the 2009 Series A bonds.

AMP is obligated to pay its contractual share of the debt until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2010, the book value of this Project's plant, equipment and other assets was \$112,318,253 while its long-term debt totaled \$36,325,366 and other liabilities totaled \$64,964,186. AMP's share of the Project's long-term debt and other liabilities amounted to \$17,258,572 at that date.

***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 AMP 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. AMP 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, 2010, the book value of this Project's plant, equipment and other assets was \$884,772 while its long-term debt totaled \$0, and other liabilities totaled \$884,776. AMP's share of the Project's long-term debt and other liabilities amounted to \$268,609 at that date.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 12 – ALAMEDA MUNICIPAL POWER VENTURES (Continued)**

*Calaveras Hydroelectric Project*

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

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

Additionally, in response to credit market upheavals and to ensure debt service certainty, in July 2008 the Agency refunded (or purchased from the liquidity providers) the 2002 Hydroelectric Refunding Revenue Bonds Series A & B and the 2003 Hydroelectric Refunding Revenue Bonds Series A & B with outstanding principal of \$140,200,000. The associated interest rate swaps were terminated on July 9, 2008. The refunding was completed through the issuance of \$128,005,000 fixed rate tax exempt debt (2008 Series C) and \$9,505,000 fixed rate taxable debt (2008 Series D). The payment of principal and interest on these issues are covered by financial guaranty insurance policies issued by Assured Guaranty.

Under its power purchase agreement with NCPA, AMP is obligated to pay 10% of this Project's debt service and operating costs. At June 30, 2010, the book value of this Project's plant, equipment and other assets was \$497,658,246 while its long-term debt totaled \$461,663,074 and other liabilities totaled \$29,684,713. AMP's share of the Project's long-term debt and other liabilities amounted to \$49,134,778 at that date.

*Combustion Turbine Project No. 1*

In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities including Alameda, began full commercial operation in June 1986 and provides reserve and peaking power. 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, AMP is obligated to pay 13.092% of this Project's debt service and operating costs. At June 30, 2010, the book value of this Project's plant, equipment and other assets was \$7,721,922 while its long-term debt totaled \$0, and other liabilities totaled \$7,444,424. AMP's share of the Project's long-term debt and other liabilities amounted to \$974,624 at that date.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 12 – ALAMEDA MUNICIPAL POWER VENTURES (Continued)**

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

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

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

At June 30, 2010, the book value of this Project's plant, equipment and other assets was \$63,197,285 while its long-term debt totaled \$57,636,174 and other liabilities totaled \$3,138,447. AMP's share of the Project's long-term debt and other liabilities amounted to \$11,547,177 at that date.

**Graeagle Hydroelectric Project**

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

**Western Area Power Administration**

AMP has an allocation of power from the Federal Central Valley Project generating resources contracted through the U.S. Department of Energy's Western Area Power Administration. This allocation has been temporarily assigned to NCPA for scheduling and delivery to AMP.

**Other Power Purchase Agreements**

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

• ***Morgan Stanley Power Purchase Contract***

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 12 – ALAMEDA MUNICIPAL POWER VENTURES (Continued)**

- ***Highwinds Project Power Purchase***

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

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

Since 2004, AMP has entered into four long-term power purchase agreements for power supplied by multiple generating facilities. These facilities utilize combustible gaseous emissions from landfills, located in or near the San Francisco Bay area to create power. AMP began receiving nearly 4 megawatts of base-load power from the first 2 facilities in early 2006. An additional 5.2 megawatts of base-load output was added to AMP's portfolio in April 2009 when the Ox Mountain facility commenced operation. An additional 1.9 megawatts of power was added to AMP's portfolio as the Keller Canyon facility commenced base-load operation in August 2009.

### ***California Electric Industry Restructuring***

In September 1996, the California State legislature signed into law Assembly Bill 1890 (AB 1890) deregulating the electric power supply market and restructuring the electric power industry in California. While the majority of the legislation was directed at investor-owned utilities (IOUs), AMP and other California publicly owned utilities were greatly affected by the restructuring of markets and the ensuing wide fluctuations in prices that resulted from a deficiency in generating capacity, including an immature and flawed market structure. Because AMP has its own generating resources and is not heavily dependent on the wholesale market to purchase power, it was not negatively impacted by these price swings.

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

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.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 12 – ALAMEDA MUNICIPAL POWER VENTURES (Continued)**

*Transmission Agency of Northern California (TANC)*

AMP is a member of a joint powers agreement with fourteen other entities in TANC. TANC's purpose is to provide electrical transmission or other facilities for the use of its members. While governed by its members, none of TANC's obligations are those of its members unless expressly assumed by them. According to the 1985 Project Agreement with TANC for the development of the COTP and subsequent related project agreements, AMP is obligated to pay its share of the project's costs, including debt service and is entitled to the use of a percentage of the project's transmission or transfer capacity.

AMP was obligated to pay 1.333% of TANC's debt-service and operating costs related to the California-Oregon Transmission Project (COTP) and 1.6424% of the tax exempt portion of the commercial paper program. Project Agreement 3 modified the percentages AMP is obligated to pay to 1.2272% of TANC's debt-service and operating costs related to the COTP. These obligations provide AMP with a COTP transfer capability of 17.05 MW. AMP is also obligated to pay for a portion of the debt associated with the South of Tesla transmission which is provided under an agreement between TANC and Pacific Gas & Electric Company.

In May 2009, TANC issued \$67.0 million of tax-exempt 2009 Series A bonds and \$6.18 million of taxable 2009 Series B bonds. The proceeds of the Series A bonds were used to retire a bank loan that refinanced \$30.3 million of TANC's tax-exempt commercial paper and also to refund \$34.7 million of TANC's 2003 Series C Auction Rate Securities. The proceeds of the Series B bonds were used to retire a bank loan that refinanced \$56.3 million of TANC's taxable commercial paper. The 2009 refunding increased future aggregate debt service payments by \$19.3 million, but resulted in a total economic gain of \$6.5 million, the difference between present value of the old and new debt service payments. TANC has issued Revenue Bonds for \$435,790,000 and eliminated its obligations for the Tax Exempt Commercial Paper notes. As of June 30, 2010 AMP's share of this debt is \$7,447,000 and \$5,348,015 respectively.

*TANC Financial Information*

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

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

**A. City**

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)**

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

***TRANSFER OF FERRY SERVICE***

On January 1, 2008, the State of California's Senate Bill 976 became law repealing prior legislation that created the San Francisco Bay Area Water Transportation Authority and established a new agency, the Water Emergency Transit Authority (WETA). The WETA has specified powers and duties, including but not limited to, taking over the City of Alameda's Ferry Service Program operation and facilities and coordinating the emergency activities of water transportation on the bay.

The primary purpose of the WETA is to operate a comprehensive nine county San Francisco Bay Area regional public water transportation system, transforming current water transportation services in the Bay Area into a primary emergency response provider and to expedite the expansion of ferry service on San Francisco Bay. The new authority will acquire, own, lease, construct and operate water transit vessels and equipment, including but not limited to, real and personal property, and equipment and any facilities of the authority (excepting those under the direction of the Golden Gate Bridge District and national parks system).

The law requires that the WETA prepare and adopt both an emergency water transportation management system plan and a transition plan to govern the consolidation of publicly operated ferry services and specifies in part that all real and personal property, including terminals, ferries, vehicles or facilities, parking facilities for passengers and employees, and buildings and facilities used to operate, maintain, and manage the ferry services be transferred to WETA consistent with the transition plan.

The impact of the law to the City of Alameda's Ferry Service Program may include, but is not limited to the transfer of ownership of the City's ferries and ferry assets; transfer of grant funding for current and future transit operation and capital funding and financial impact to transit-oriented development projects currently underway and planned for the future.

"Clean up" legislation to this law, Senate Bill 1093 (Wiggins), was approved and enacted into law on September 27, 2008 clarifying the planning, management, and operations responsibilities of the water transportation services vested in the WETA.

The new law prohibits the WETA from compelling property transfers or operational changes on or before the adoption of the plan and extends the date by which WETA must adopt a transition plan from January 1, 2009 to July 1, 2009. Additionally it requires that the transition plan include, in part, descriptions of proposed changes to existing operations, services responsibilities and liabilities, and for all changes to be consistent with ferry service provided by the City of Alameda, and to ensure that the changes are consistent with the city's general and redevelopment plans and agreements for the city's downtown and waterfront. The law also protects Alameda's investment in the vessels and facilities by requiring that the transition plan identify explicitly the plan for compensating Alameda if a transfer of assets is proposed.

The City of Alameda and the WETA are working collaboratively as the required transition plan has been adopted by the WETA Board and it extends the date of the physical ferry transfer to January 2011.

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)**

***B. Alameda Municipal Power***

***COMMITMENTS***

***i) Take or Pay Agreements***

Under the terms of its NCPA and TANC joint venture agreements, AMP is liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Notes 8 and 9. AMP's estimated share of such debt outstanding at June 30, 2010 was \$103,616,000. Under certain circumstances, AMP may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, AMP may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants. These "step up" provisions are generally capped at a 25 percent increase.

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

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

***EXTRAORDINARY ITEMS***

The Public Utilities Board recommended and City Council directed at its November 18, 2008, meeting that the telecommunication system be sold effective November 21, 2008, at a price significantly less than the aggregate carrying values of the Telecommunication Division's assets.

Alameda Municipal Power has been in negotiations with holders of its 2004 Notes, Vectren Communication Services, Inc. regarding the 2002 Certificates of Participation and with the City of Alameda regarding a City loan, all of which were used to finance or refinance the Telecommunications Division capital assets and operations, in an attempt to negotiate settlement of the remaining debt service due to such parties. Certain debt holders have filed suit seeking damages arising from the City's obligations under the aforementioned agreements and from issuance of the 2004 Notes.

The agreements that govern the 2004 Notes and the 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 Notes. 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 to the holders of the 2004 Notes. There are no further Net Revenues available for the remaining amounts claimed by Vectren Communications Services, Inc. with respect to the 2002 Certificates of Participation.

***CONTINGENT LIABILITIES***

***i) Lawsuits and Litigation***

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)**

*ii) Vectren Communications Services*

In June, 2008, AMP, along with the City of Alameda, was named as a defendant in a suit filed by Vectren Communication Services, Inc. in the United States District Court for the Northern District of California. Vectren's suit alleges that the City breached its obligation under the 2004 Installment Sale Agreement to manage the Telecom System properly and to charge appropriate rates, resulting in the non-payment of installments from net telecom revenues totaling \$6.3 million, plus accrued interest at the 9% default rate, for total damages of approximately \$10 million. Vectren amended its complaint in early 2009 to allege an additional breach of contract claim, based upon AMP's sale of the Telecom System to Comcast in November 2008, without Vectren's consent. Fact discovery in the case is now complete, and the case proceeded to a jury trial in February and March 2010, following which the jury returned a verdict in Vectren's favor for \$1.95 million. Both sides have filed post-trial motions for judgment as a matter of law, which were argued in July 2010 and remain under submission with the Court. Depending on the outcome of these motions, AMP is considering an appeal of the judgment. In addition to the jury award, Vectren claims costs of suit against AMP totaling approximately \$115,000. On August 4, 2010, the Court Clerk reduced Vectren's costs bill to \$79,688. AMP has filed a motion challenging the award costs, which will be heard on October 25, 2010. Shortly before the scheduled hearing, the Court notified the parties that it would decide the motion without oral argument. To date, the Court has not issued a ruling, on either the costs motion nor the post-trial motions for judgment as a matter of law.

*iii) Nuveen Municipal High Income Opportunity Fund*

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

A preliminary settlement conference was conducted on October 28, 2009, with a second settlement conference set for March 2010, and further settlement conference on July 20, 2010. Fact discovery was completed on October 15, 2010. AMP is evaluating the potential for summary judgment against Nuveen on some or all of its claims. The Nuveen case is set for trial in March 2011.

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)**

*iv) Bernard Osher Trust*

On April 1, 2009, a lawsuit was filed against the City/AMP, also arising from issuance of the 2004 Revenue Bond Anticipation Notes, by Bernard Osher Trust (Osher). Similar to the Nuveen action, Osher alleges violations of state and federal securities laws arising from issuance of the Notes. Osher claims damages of approximately \$4.7 million. A preliminary settlement conference was conducted on October 28, 2009, a second settlement conference in March 2010, and further settlement conference on July 20, 2010. Fact discovery was completed on October 15, 2010. On September 28, 2010, the City filed a motion for summary judgment on all of Osher's claims against it. The motion is scheduled for hearing on December 14, 2010. The Osher case is set for trial in March 2011.

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

**C. *Housing Authority***

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

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 14 – DEVELOPMENT AGREEMENTS (Continued)**

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

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

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

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

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

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

As part of the agreement, the Developer purchased the shopping center property from the Community Improvement Commission for the price paid to the owner by the Community Improvement Commission, plus \$170,000 in acquisition-related expenses. In return, the Community Improvement Commission will reimburse the Developer up to \$1,000,000 at 8% interest for certain acquisition costs in excess of \$7,000,000 from new tax increment generated from the Center. Groundbreaking was held on November 14, 2005. A grand opening was held in February 21, 2007, for the center's major anchor tenant, Nob Hill Grocery Store. The Nob Hill gas station opened in Summer 2007. A payment of \$273,677 was made toward the \$1 million obligation as of June 30, 2010, with a remaining outstanding balance of \$597,929.

**CITY OF ALAMEDA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 14 – DEVELOPMENT AGREEMENTS (Continued)**

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

On October 16, 2004, the Community Improvement Commission entered into a Disposition and Development Agreement (DDA) and a ground lease with Alameda Entertainment Associates Incorporated for the development of the Historic Alameda Theatre and related Cineplex and parking garage. The developer entered into an Option Purchase Agreement for one parcel of land to be used as the site of the project on Central/Oak in Alameda. As part of the DDA, the Community Improvement Commission entered into a loan agreement with the Alameda Entertainment Associates L.P., as discussed on Note 4G. In FY04-05, the Community Improvement Commission purchased the land for the site of the project from assigned purchase option for \$811,120. In FY05-06, the Community Improvement Commission acquired the historic theatre by eminent domain. Project construction was completed in fiscal year FY07-08. There were construction expenses in FY09-10 resulting from loan disbursement to Alameda Entertainment Associates for the improvement of the Alameda Theatre balcony, reimbursement of tenant improvements for the Burgermeister restaurant pursuant to the lease between the CIC and Burgermeister, and payment of expenditures for final renovation improvements.

**NOTE 15 – FLEET INDUSTRIAL SUPPLY CENTER (FISC)**

As of June 30, 2009, 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 (substantially rental housing) of 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 – SERAF**

The State of California adopted AB26 4X in July 2009 which directs that a portion of the incremental property taxes received by redevelopment agencies, based on the property taxes received in FY 2006-07, be paid instead to the County supplemental educational revenue augmentation fund (SERAF) in FY 09-10 and FY10-11. The State Department of Finance determines each agency's SERAF payment by November 15 of each year, and payments are due by May 10 of the applicable year. The Commission made its first SERAF payment of \$4,435,699 in FY09-10.

Based on the calculations in AB26 4X, the Commission's SERAF payment is estimated to be \$912,356 in FY10-11. The Commission can use any legally available funds to make the SERAF payments. The obligation to make the SERAF payment is subordinate to obligations to repay bonds. However, if the Commission fails to make the full SERAF payment, the Commission may not encumber or expend funds other than to pay pre-existing indebtedness, contractual obligations and 75% of the amount expended on the Commission's administration for the preceding fiscal year until the SERAF is paid in full.

An advance of \$555,465 was made between the Business and Waterfront Project Area Special Revenue Fund and the Alameda Point Improvement Project Area Special Revenue Fund to cover a portion of this obligation. See Note 3B for additional details regarding this advance.

**CITY OF ALAMEDA  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 17 – SUBSEQUENT EVENT**

*Revenue Bonds, Series 2010A and Taxable Revenue Bonds, Series 2010B*

On August 4, 2010, Alameda Municipal Power authorized the issuance of \$8,700,000 in Revenue Bonds, Series 2010A, and \$22,985,000 in Taxable Revenue Bonds, Series 2010B. Proceeds will be used to prepay the outstanding Electric System Revenue Certificates of Participation, Series 2000A, and the Electric System Revenue Taxable Certificates of Participation, Series 2000AT; and to fund a deposit to the common reserve account and pay the costs of issuance of the 2010 Bonds.

The interest rates on the Revenue Bonds, Series 2010A range from 4.375% to 5.25% and the maturity date is July 1, 2030. The interest rates on the Taxable Revenue Bonds, Series 2010B range from 1.829% to 6.517% and the maturity date is July 1, 2027.

**NOTE 18 – PRIOR PERIOD ADJUSTMENTS**

**A. Government-Wide Financial Statements – Primary Government**

During the FY09-10, the City recorded prior period adjustments as follows:

|   | Government-Wide<br>Financial Statements:<br>Governmental<br>Activities |
|---|--|
| Net Assets, as Previously Reported        | \$272,517,556  |
| Community Improvement Commission          | 902,416  |
| Alameda Reuse and Redevelopment Authority | 227,045  |
| Net Assets, as restated                   | \$273,647,017  |

The Commission recorded prior period adjustments to correct accounting errors related to the recording of loans receivables.

The Authority recorded prior period adjustments to correct accounting errors related to the recording of capital assets.

**B. Government-Wide Financial Statements – Discretely Presented Component Units**

During the year, it was determined that Alameda Municipal Power’s unbilled portion of utility account receivables totaling \$1,764,357 as of June 30, 2009, was not reported. To correct this error, Alameda Municipal Power’s beginning net assets of \$56,255,368, as originally reported, has been increased to \$58,019,725.

## NON-MAJOR GOVERNMENTAL FUNDS

### **SPECIAL REVENUE FUNDS:**

#### **LIBRARY**

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

#### **GAS TAX**

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

#### **TRAFFIC CONGESTION RELIEF**

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

#### **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 sales tax increase approved by the voters in November 2000. The program is administered by the Alameda County Transportation Commission. The tax provides funds for the maintenance of local streets, roads, bike path and pedestrian walkway, Ferry and paratransit 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.

#### **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 when sufficient 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 to be used for the City's commercial revitalization programs.

|   |
|---|
| <b>NON-MAJOR GOVERNMENTAL FUNDS (Continued)</b> |
|---|

**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.

**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 the 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.

**ATHLETIC RECREATION**

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

**ISLAND CITY MAINTENANCE ASSESSMENT DISTRICT 84-2**

This fund accounts for special assessments collected and expended for 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 the Housing Division's 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 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.

**NON-MAJOR GOVERNMENTAL FUNDS (Continued)**

**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 Program (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.

**ADAMS 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 City's Ordinance #2879.

**POLICE/FIRE CONSTRUCTION IMPACT FEE**

This fund accounts for fees collected to fund capital needs of the Police and Fire Departments made necessary by the development within the City.

**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.

**COMMUNITY DEVELOPMENT**

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

**PROP 1B LOCAL**

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

**POLICE GRANTS**

This fund accounts for revenues received from Federal, State, County and private grants and related reimbursement programs. Expenditures are made in support of enhanced police operations, equipment or programs as permitted by the grant agencies.

**CITYWIDE PAVEMENT**

This fund accounts for fees received from developers for pavement restoration, and is expended on resurfacing streets following development construction.

**NON-MAJOR GOVERNMENTAL FUNDS (Continued)**

**HOUSING IN-LIEU**

This fund accounts for revenues from housing developers of nine units or less, as payment in-lieu of providing affordable units for purchase within their development project. Expenditures are made for creation of new affordable housing units citywide and for the City's down-payment assistance program.

**ASSESSMENT DISTRICT ADMINISTRATION**

This fund accounts for the costs related to the administration of the City's various Assessment Districts.

**DEBT SERVICE FUNDS**

**2002 CITY HALL REFINANCING CERTIFICATES OF PARTICIPATION**

This fund accounts for the repayment of the 2002 Certificates of Participation (City Hall Refinancing Project). Proceeds from the bonds 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 a 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 (BWIP). 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 tax increment funds, generated by the BWIP Project Area, and expenditures primarily consist of principal and interest payments for bond debt service.

**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. 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; 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 contained in an Owner Participation Agreement. Bonds are secured by a first pledge of and lien on all tax increment revenue generated in the Project Area except for those committed to any parity obligations.

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

**NON-MAJOR GOVERNMENTAL FUNDS (Continued)**

**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.

**2008 FINANCING PROJECT COP**

This fund accounts for revenues transferred from the Police/Fire Construction Impact Fund, the Narcotics Asset Seizure Special Revenue Fund, the Library Fund, the Golf Fund, and the General Fund to support debt payments of principal and interest on the 2008 refinancing of Police Building/Jail, and the Library/Golf Certificates of Participation.

**CAPITAL PROJECT 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 improvements to its branch libraries.

**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.

**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 its wastewater facilities.

|   |
|---|
| <b>NON-MAJOR GOVERNMENTAL FUNDS (Continued)</b> |
|---|

**OPEN SPACE IMPROVEMENT**

This fund accounts for the deposit of a 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 POINT 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, 2010

SPECIAL REVENUE FUNDS

|   | <u>Library</u>   | <u>Gas Tax</u>     | <u>Traffic<br/>Congestion<br/>Relief</u> | <u>Traffic Safety</u> |
|---|------------------|--------------------|--|-----------------------|
| <b>ASSETS</b>   |                  |                    |  |                       |
| Cash and cash equivalents                                 | \$370,850        | \$3,645            | \$499,512                                |                       |
| Restricted cash and investments                           |                  | 1,278,001          |  |                       |
| Accounts receivable                                       | 77,198           | 138                |  | \$10,353              |
| Interest receivable                                       |                  |                    |  |                       |
| Loans receivable  |                  |                    |  |                       |
| Prepaid and deposits                                      |                  |                    |  |                       |
| Total Assets  | <u>\$448,048</u> | <u>\$1,281,784</u> | <u>\$499,512</u>                         | <u>\$10,353</u>       |
| <b>LIABILITIES</b>  |                  |                    |  |                       |
| Accounts payable  | \$28,939         | \$30,682           |  |                       |
| Accrued payroll   | 71,444           | 6,686              |  |                       |
| Due to other funds  |                  |                    |  | \$303                 |
| Due to other agencies                                     |                  |                    |  |                       |
| Deferred revenue  |                  |                    |  |                       |
| Refundable deposits                                       |                  |                    |  |                       |
| Total Liabilities   | <u>100,383</u>   | <u>37,368</u>      |  | <u>303</u>            |
| <b>FUND EQUITY</b>  |                  |                    |  |                       |
| Fund balances   |                  |                    |  |                       |
| Reserved for:   |                  |                    |  |                       |
| Capital improvement                                       |                  | 1,240,771          |  |                       |
| Debt service  |                  |                    |  |                       |
| Low-and-moderate-income housing                           |                  |                    |  |                       |
| Prepays, loans receivable,<br>and advances to other funds |                  |                    |  |                       |
| Unreserved:   |                  |                    |  |                       |
| Designated for:   |                  |                    |  |                       |
| Unrealized increase in fair value of investments          | 2,379            | 3,645              | \$3,465                                  |                       |
| Capital improvements                                      |                  |                    |  |                       |
| Athletics   |                  |                    |  |                       |
| Undesignated  | <u>345,286</u>   |                    | <u>496,047</u>                           | <u>10,050</u>         |
| Total Fund Balances (Deficit)                             | <u>347,665</u>   | <u>1,244,416</u>   | <u>499,512</u>                           | <u>10,050</u>         |
| Total Liabilities and Fund Balances                       | <u>\$448,048</u> | <u>\$1,281,784</u> | <u>\$499,512</u>                         | <u>\$10,353</u>       |

SPECIAL REVENUE FUNDS

| County Measure B   | CHRPO/ LEAD     | Tidelands          | Narcotics Asset Seizure | Senior Citizens Transportation Assistance | Park Acquisition and Development | Parking Meter      | Commercial Revitalization | Community Development Block Grant |
|--------------------|-----------------|--------------------|-------------------------|---|----------------------------------|--------------------|---------------------------|-----------------------------------|
| \$4,883,647        |                 | \$1,235,424        | \$117,830               | \$39,908                                  | \$86,377                         | \$2,465,523        | \$1,080,291               |                                   |
| 569,463            | \$68,895        |                    |                         |   |                                  | 5,517              | 1,417<br>417              | \$215,806                         |
|                    |                 |                    |                         |   |                                  |                    | 8,603                     |                                   |
| <u>\$5,453,110</u> | <u>\$68,895</u> | <u>\$1,235,424</u> | <u>\$117,830</u>        | <u>\$39,908</u>                           | <u>\$86,377</u>                  | <u>\$2,471,040</u> | <u>\$1,090,728</u>        | <u>\$215,806</u>                  |
|                    |                 | \$6,349            |                         | \$13,216<br>605                           |                                  | \$14,161<br>4,059  | \$29,558                  | \$181,179<br>4,605<br>30,022      |
|                    | \$56,868        |                    |                         |   |                                  |                    | 15,618                    |                                   |
|                    | <u>56,868</u>   | <u>6,349</u>       |                         | <u>13,821</u>                             |                                  | <u>18,220</u>      | <u>45,176</u>             | <u>215,806</u>                    |
| \$5,419,669        |                 |                    |                         |   |                                  |                    | 8,603                     |                                   |
| 33,441             |                 | 4,633              |                         |   |                                  | 15,368             | 8,576                     |                                   |
|                    | 12,027          | 1,224,442          | \$117,830               | 26,087                                    | \$86,377                         | 2,437,452          | 1,028,373                 |                                   |
| <u>5,453,110</u>   | <u>12,027</u>   | <u>1,229,075</u>   | <u>117,830</u>          | <u>26,087</u>                             | <u>86,377</u>                    | <u>2,452,820</u>   | <u>1,045,552</u>          |                                   |
| <u>\$5,453,110</u> | <u>\$68,895</u> | <u>\$1,235,424</u> | <u>\$117,830</u>        | <u>\$39,908</u>                           | <u>\$86,377</u>                  | <u>\$2,471,040</u> | <u>\$1,090,728</u>        | <u>\$215,806</u>                  |

(Continued)

CITY OF ALAMEDA  
NON-MAJOR GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2010

|   | SPECIAL REVENUE FUNDS |                   |                         |                       |
|---|-----------------------|-------------------|-------------------------|-----------------------|
|   | HOME<br>Fund          | Human<br>Services | Vehicle<br>Registration | Affordable<br>Housing |
| <b>ASSETS</b>   |                       |                   |                         |                       |
| Cash and cash equivalents                                 |                       | \$26,401          | \$44,822                | \$334,687             |
| Restricted cash and investments                           |                       |                   |                         |                       |
| Accounts receivable                                       |                       |                   |                         | 300                   |
| Interest receivable                                       |                       |                   |                         |                       |
| Loans receivable  |                       |                   |                         | 396,669               |
| Prepaid and deposits                                      |                       |                   |                         |                       |
| Total Assets  |                       | \$26,401          | \$44,822                | \$731,656             |
| <b>LIABILITIES</b>  |                       |                   |                         |                       |
| Accounts payable  |                       | \$388             |                         | \$7,090               |
| Accrued payroll   |                       | 1,466             |                         |                       |
| Due to other funds  |                       |                   |                         |                       |
| Due to other agencies                                     |                       |                   |                         |                       |
| Deferred revenue  |                       |                   |                         | 396,669               |
| Refundable deposits                                       |                       |                   |                         |                       |
| Total Liabilities   |                       | 1,854             |                         | 403,759               |
| <b>FUND EQUITY</b>  |                       |                   |                         |                       |
| Fund balances   |                       |                   |                         |                       |
| Reserved for:   |                       |                   |                         |                       |
| Capital improvement                                       |                       |                   |                         |                       |
| Debt service  |                       |                   |                         |                       |
| Low-and-moderate-income housing                           |                       |                   |                         | 325,477               |
| Prepays, loans receivable,<br>and advances to other funds |                       |                   |                         |                       |
| Unreserved:   |                       |                   |                         |                       |
| Designated for:   |                       |                   |                         |                       |
| Unrealized increase in fair value of investments          |                       |                   |                         | 2,420                 |
| Capital improvements                                      |                       |                   |                         |                       |
| Athletics   |                       |                   |                         |                       |
| Undesignated  |                       | 24,547            | \$44,822                |                       |
| Total Fund Balances (Deficit)                             |                       | 24,547            | 44,822                  | 327,897               |
| Total Liabilities and Fund Balances                       |                       | \$26,401          | \$44,822                | \$731,656             |

SPECIAL REVENUE FUNDS

| <u>Garbage<br/>Surcharge</u> | <u>Bayport<br/>Municipal<br/>Services District</u> | <u>Athletic<br/>Recreation</u> | <u>Island City<br/>Maintenance<br/>Assessment<br/>District 84-2</u> | <u>Waste<br/>Reduction<br/>Surcharge</u> | <u>Curbside<br/>Recycling</u> | <u>Housing<br/>Development</u> | <u>Parking<br/>In-Lieu</u> | <u>Dike<br/>Maintenance</u> |
|------------------------------|--|--------------------------------|---|--|-------------------------------|--------------------------------|----------------------------|-----------------------------|
| \$1,000,968                  | \$1,491,026  | \$1,412,171                    | \$1,140,246   | \$3,425,080                              | \$175,573                     | \$137,367                      | \$153,619                  | \$2,299                     |
| 14,583                       | 7,667  | 16,810                         | 57,941  | 88,309                                   |                               | 180                            |                            | \$333,207                   |
| <u>\$1,015,551</u>           | <u>\$1,498,693</u>                                 | <u>\$1,428,981</u>             | <u>\$1,198,187</u>  | <u>\$3,513,389</u>                       | <u>\$175,573</u>              | <u>\$137,547</u>               | <u>\$153,619</u>           | <u>\$335,506</u>            |
| \$4,265                      | \$732<br>3,807                                     | \$78,109<br>50,450             | \$87,567  | \$14,731<br>14,631                       | 10,430                        |                                |                            |                             |
|                              |  | 13,076<br>13,930               |   |  |                               |                                |                            |                             |
| <u>4,265</u>                 | <u>4,539</u>                                       | <u>155,565</u>                 | <u>87,567</u>   | <u>39,792</u>                            |                               |                                |                            |                             |
| 6,701                        | 8,868  | 7,965                          | 7,043   | 28,256                                   | \$1,253                       | \$2,006                        |                            | \$2,299                     |
|                              |  | 1,265,451                      | 1,103,577   | 3,445,341                                |                               |                                |                            |                             |
| <u>1,004,585</u>             | <u>1,485,286</u>                                   | <u>1,273,416</u>               | <u>1,110,620</u>  | <u>3,473,597</u>                         | <u>174,320</u>                | <u>135,541</u>                 | <u>\$153,619</u>           | <u>333,207</u>              |
| <u>1,011,286</u>             | <u>1,494,154</u>                                   | <u>1,273,416</u>               | <u>1,110,620</u>  | <u>3,473,597</u>                         | <u>175,573</u>                | <u>137,547</u>                 | <u>153,619</u>             | <u>335,506</u>              |
| <u>\$1,015,551</u>           | <u>\$1,498,693</u>                                 | <u>\$1,428,981</u>             | <u>\$1,198,187</u>  | <u>\$3,513,389</u>                       | <u>\$175,573</u>              | <u>\$137,547</u>               | <u>\$153,619</u>           | <u>\$335,506</u>            |

(Continued)

CITY OF ALAMEDA  
NON-MAJOR GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2010

|   | SPECIAL REVENUE FUNDS                           |           |               |                                 |
|---|---|-----------|---------------|---------------------------------|
|   | Marina Cove<br>Maintenance<br>District<br>01-01 | TSM/TDM   | Public<br>Art | Historical<br>Advisory<br>Board |
| <b>ASSETS</b>   |   |           |               |                                 |
| Cash and cash equivalents                                 | \$382,017                                       | \$141,108 | \$73,476      | \$4,914                         |
| Restricted cash and investments                           |   |           |               |                                 |
| Accounts receivable                                       | 4,344   | 293       |               |                                 |
| Interest receivable                                       |   |           |               |                                 |
| Loans receivable  |   |           |               |                                 |
| Prepaid and deposits                                      |   |           |               |                                 |
| Total Assets  | \$386,361                                       | \$141,401 | \$73,476      | \$4,914                         |
| <b>LIABILITIES</b>  |   |           |               |                                 |
| Accounts payable  | \$1,043   |           |               |                                 |
| Accrued payroll   | 1,727   |           |               |                                 |
| Due to other funds  |   |           |               |                                 |
| Due to other agencies                                     |   |           |               |                                 |
| Deferred revenue  |   |           |               |                                 |
| Refundable deposits                                       |   |           |               |                                 |
| Total Liabilities   | 2,770   |           |               |                                 |
| <b>FUND EQUITY</b>  |   |           |               |                                 |
| Fund balances   |   |           |               |                                 |
| Reserved for:   |   |           |               |                                 |
| Capital improvement                                       |   |           |               |                                 |
| Debt service  |   |           |               |                                 |
| Low-and-moderate income housing                           |   |           |               |                                 |
| Prepays, loans receivable,<br>and advances to other funds |   |           |               |                                 |
| Unreserved:   |   |           |               |                                 |
| Designated for:   |   |           |               |                                 |
| Unrealized increase in fair value of investments          | 2,535   | \$908     |               |                                 |
| Capital improvements                                      |   |           |               |                                 |
| Athletics   |   |           |               |                                 |
| Undesignated  | 381,056   | 140,493   | \$73,476      | \$4,914                         |
| Total Fund Balances (Deficit)                             | 383,591   | 141,401   | 73,476        | 4,914                           |
| Total Liabilities and Fund Balances                       | \$386,361                                       | \$141,401 | \$73,476      | \$4,914                         |

SPECIAL REVENUE FUNDS

| Adams<br>Street<br>House | Police/Fire<br>Construction<br>Impact<br>Fee | Construction<br>Impact<br>Fee | Community<br>Development | Prop 1B<br>Local   | Police<br>Grants | Citywide<br>Pavement | Housing<br>In-Lieu | Assessment<br>District<br>Admin |
|--------------------------|--|-------------------------------|--------------------------|--------------------|------------------|----------------------|--------------------|---------------------------------|
| \$335,484                |  | \$231,691                     | \$1,564,399              | \$1,061,372        | \$432,939        | \$51,470             | \$1,079,763        |                                 |
|                          |  | 1,003                         | 24,049                   |                    | 70,362           |                      | 1,549,274          |                                 |
| <u>\$335,484</u>         |  | <u>\$232,694</u>              | <u>\$1,588,448</u>       | <u>\$1,061,372</u> | <u>\$503,301</u> | <u>\$51,470</u>      | <u>\$2,629,037</u> |                                 |
|                          |  |                               | \$87,726                 |                    | \$146            |                      |                    |                                 |
|                          |  |                               | 74,095                   |                    | 3,033            |                      |                    | \$3,675                         |
|                          |  |                               | 2,776                    |                    |                  |                      |                    | 429                             |
|                          |  |                               | 192,641                  |                    | 420,081          |                      | \$1,549,274        |                                 |
|                          |  |                               | <u>357,238</u>           |                    | <u>423,260</u>   |                      | <u>1,549,274</u>   | <u>4,104</u>                    |
|                          |  | \$1,062                       | 9,648                    | \$7,804            | 2,245            |                      | 8,278              |                                 |
| <u>\$335,484</u>         |  | <u>231,632</u>                | <u>1,221,562</u>         | <u>1,053,568</u>   | <u>77,796</u>    | <u>\$51,470</u>      | <u>1,071,485</u>   | <u>(4,104)</u>                  |
| <u>335,484</u>           |  | <u>232,694</u>                | <u>1,231,210</u>         | <u>1,061,372</u>   | <u>80,041</u>    | <u>51,470</u>        | <u>1,079,763</u>   | <u>(4,104)</u>                  |
| <u>\$335,484</u>         |  | <u>\$232,694</u>              | <u>\$1,588,448</u>       | <u>\$1,061,372</u> | <u>\$503,301</u> | <u>\$51,470</u>      | <u>\$2,629,037</u> |                                 |

(Continued)

CITY OF ALAMEDA  
NON-MAJOR GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2010

|   | DEBT SERVICE FUNDS               |                       |   |  |
|---|----------------------------------|-----------------------|---|--|
|   | Certificates of<br>Participation | 2003 Library<br>Bonds | Community<br>Improvement<br>Commission<br>Subordinate<br>Bonds BWIP | Community<br>Improvement<br>Commission 2003<br>Tax Allocation<br>Refunding Bonds<br>BWIP |
| <b>ASSETS</b>   |                                  |                       |   |  |
| Cash and cash equivalents                                 | \$143,137                        | \$159,082             | \$453,873   | \$475,525  |
| Restricted cash and investments                           | 852,000                          | 1                     | 161,502   | 1,262,102  |
| Accounts receivable                                       |                                  | 30,922                |   |  |
| Interest receivable                                       |                                  |                       |   |  |
| Loans receivable  |                                  |                       |   |  |
| Prepaid and deposits                                      |                                  |                       |   |  |
| Total Assets  | <u>\$995,137</u>                 | <u>\$190,005</u>      | <u>\$615,375</u>  | <u>\$1,737,627</u>   |
| <b>LIABILITIES</b>  |                                  |                       |   |  |
| Accounts payable  |                                  |                       |   |  |
| Accrued payroll   |                                  |                       |   |  |
| Due to other funds  |                                  |                       |   |  |
| Due to other agencies                                     |                                  |                       |   |  |
| Deferred revenue  |                                  |                       |   |  |
| Refundable deposits                                       |                                  |                       |   |  |
| Total Liabilities   |                                  |                       |   |  |
| <b>FUND EQUITY</b>  |                                  |                       |   |  |
| Fund balances   |                                  |                       |   |  |
| Reserved for:   |                                  |                       |   |  |
| Capital improvement                                       |                                  |                       |   |  |
| Debt service  | \$990,462                        | \$190,005             | \$613,126   | \$1,735,756  |
| Low-and-moderate-income housing                           |                                  |                       |   |  |
| Prepays, loans receivable,<br>and advances to other funds |                                  |                       |   |  |
| Unreserved:   |                                  |                       |   |  |
| Designated for:   |                                  |                       |   |  |
| Unrealized increase in fair value of investments          | 4,675                            |                       | 2,249   | 1,871  |
| Capital improvements                                      |                                  |                       |   |  |
| Athletics   |                                  |                       |   |  |
| Undesignated  |                                  |                       |   |  |
| Total Fund Balances (Deficit)                             | <u>995,137</u>                   | <u>190,005</u>        | <u>615,375</u>  | <u>1,737,627</u>   |
| Total Liabilities and Fund Balances                       | <u>\$995,137</u>                 | <u>\$190,005</u>      | <u>\$615,375</u>  | <u>\$1,737,627</u>   |

| DEBT SERVICE FUNDS   |  |                  |                            | CAPITAL PROJECTS FUNDS     |                      |                                 |  |                       |
|--|--|------------------|----------------------------|----------------------------|----------------------|---------------------------------|--|-----------------------|
| Community Improvement Commission 2003 Tax Allocation Bonds WECIP | Alameda Point Improvement Project 2003 Revenue Bonds | HUD 108          | 2008 Refinance Project COP | Transportation Improvement | Library Construction | Urban Runoff Strom Drain Fee    | Special Assessment District Harbor Bay Isle 92-1 | Marina Village 89-1   |
| \$912,373<br>4,137,782   | \$506,238<br>4,332                                   | \$640,116        | \$292,452<br>2             | \$1,883,371<br>2,500       | \$119,115            | \$8,323,538<br>17,300<br>99,559 | \$4,117<br>978,026                               | \$99,953<br>2,726,779 |
| <u>\$5,050,155</u>   | <u>\$510,570</u>                                     | <u>\$640,116</u> | <u>\$292,454</u>           | <u>\$1,885,871</u>         | <u>\$119,115</u>     | <u>\$8,440,397</u>              | <u>\$982,143</u>                                 | <u>\$2,826,732</u>    |
|  |  |                  |                            |                            | \$2,031              | \$113,143<br>32,283             |  |                       |
|  |  |                  |                            |                            |                      | 42,712                          |  |                       |
|  |  |                  |                            |                            | 2,031                | 188,138                         |  |                       |
| \$5,046,961  | \$510,570  | \$637,114        | \$290,509                  |                            |                      |                                 | \$982,143  | \$2,826,732           |
| 3,194  |  | 3,002            | 1,945                      | \$14,001<br>1,871,870      | 966                  | 55,091                          |  |                       |
|  |  |                  |                            |                            | 116,118              | 8,197,168                       |  |                       |
| <u>5,050,155</u>   | <u>510,570</u>                                       | <u>640,116</u>   | <u>292,454</u>             | <u>1,885,871</u>           | <u>117,084</u>       | <u>8,252,259</u>                | <u>982,143</u>                                   | <u>2,826,732</u>      |
| <u>\$5,050,155</u>   | <u>\$510,570</u>                                     | <u>\$640,116</u> | <u>\$292,454</u>           | <u>\$1,885,871</u>         | <u>\$119,115</u>     | <u>\$8,440,397</u>              | <u>\$982,143</u>                                 | <u>\$2,826,732</u>    |

(Continued)

CITY OF ALAMEDA  
NON-MAJOR GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2010

|   | <u>CAPITAL PROJECTS FUNDS</u>           |   |                                       |   |  |
|---|---|---|---------------------------------------|---|--|
|   | <u>Citywide<br/>Development<br/>Fee</u> | <u>Wastewater<br/>Capital<br/>Reserve</u> | <u>Open<br/>Space<br/>Improvement</u> | <u>Alameda Point<br/>Improvement<br/>Project<br/>2003 Revenue<br/>Bonds</u> | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
| <b>ASSETS</b>   |   |   |                                       |   |  |
| Cash and cash equivalents                                 | \$2,858,071                             |   | \$373,074                             | \$23,364  | \$42,753,298   |
| Restricted cash and investments                           |   |   |                                       | 307,635   | 12,058,669   |
| Accounts receivable                                       |   |   |                                       |   | 1,367,609  |
| Interest receivable                                       |   |   |                                       |   | 417  |
| Loans receivable  |   |   |                                       |   | 1,945,943  |
| Prepaid and deposits                                      |   |   |                                       |   | 8,603  |
|   | <u>\$2,858,071</u>                      |   | <u>\$373,074</u>                      | <u>\$330,999</u>  | <u>\$58,134,539</u>                                  |
| Total Assets  |   |   |                                       |   |  |
| <b>LIABILITIES</b>  |   |   |                                       |   |  |
| Accounts payable  |   |   |                                       |   | \$701,055  |
| Accrued payroll   |   |   |                                       |   | 272,566  |
| Due to other funds  |   |   |                                       |   | 87,622   |
| Due to other agencies                                     |   |   |                                       |   | 13,206   |
| Deferred revenue  |   |   |                                       |   | 2,379,100  |
| Refundable deposits                                       |   |   |                                       |   | 264,901  |
|   |   |   |                                       |   | <u>3,718,450</u>                                     |
| Total Liabilities   |   |   |                                       |   |  |
| <b>FUND EQUITY</b>  |   |   |                                       |   |  |
| Fund balances   |   |   |                                       |   |  |
| Reserved for:   |   |   |                                       |   |  |
| Capital improvement                                       | \$2,838,867                             |   | \$368,646                             | \$330,999   | 14,007,827   |
| Debt service  |   |   |                                       |   | 10,014,503   |
| Low-and-moderate-income housing                           |   |   |                                       |   | 325,477  |
| Prepays, loans receivable,<br>and advances to other funds |   |   |                                       |   | 8,603  |
| Unreserved:   |   |   |                                       |   |  |
| Designated for:   |   |   |                                       |   |  |
| Unrealized increase in fair value of investments          | 19,204                                  |   | 4,428                                 |   | 281,424  |
| Capital improvements                                      |   |   |                                       |   | 6,420,788  |
| Athletics   |   |   |                                       |   | 1,265,451  |
| Undesignated  |   |   |                                       |   | 22,092,016   |
|   | <u>2,858,071</u>                        |   | <u>373,074</u>                        | <u>330,999</u>  | <u>54,416,089</u>                                    |
| Total Fund Balances (Deficit)                             |   |   |                                       |   |  |
| Total Liabilities and Fund Balances                       | <u>\$2,858,071</u>                      |   | <u>\$373,074</u>                      | <u>\$330,999</u>  | <u>\$58,134,539</u>                                  |

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CITY OF ALAMEDA  
NON-MAJOR GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010

SPECIAL REVENUE FUNDS

|  | Library            | Gas Tax            | Traffic<br>Congestion<br>Relief | Traffic Safety   |
|--|--------------------|--------------------|---------------------------------|------------------|
| <b>REVENUES</b>  |                    |                    |                                 |                  |
| Property taxes   | \$1,506,770        |                    |                                 |                  |
| Other taxes  |                    |                    |                                 |                  |
| Licenses and permits   |                    |                    |                                 |                  |
| Revenue from other agencies                                  | 76,014             | \$1,226,949        | \$488,336                       |                  |
| Charges for current services                                 | 81,522             | 15,965             |                                 |                  |
| Fines and forfeitures  |                    |                    |                                 | \$140,313        |
| Use of money and property                                    | 9,670              | 8,809              | 11,176                          | (241)            |
| Other  |                    |                    |                                 |                  |
| <b>Total Revenues</b>  | <u>1,673,976</u>   | <u>1,251,723</u>   | <u>499,512</u>                  | <u>140,072</u>   |
| <b>EXPENDITURES</b>  |                    |                    |                                 |                  |
| Current:   |                    |                    |                                 |                  |
| General government   |                    |                    |                                 |                  |
| Public safety  |                    |                    |                                 |                  |
| Public works   |                    | 889,602            |                                 |                  |
| Development services   |                    |                    |                                 |                  |
| Recreation and parks   | 3,476,523          |                    |                                 |                  |
| Housing and community services                               |                    |                    |                                 |                  |
| Capital outlay   | 22,835             |                    |                                 |                  |
| Debt service:  |                    |                    |                                 |                  |
| Principal  |                    |                    |                                 |                  |
| Interest   | 602                |                    |                                 | 61               |
| <b>Total Expenditures</b>                                    | <u>3,499,960</u>   | <u>889,602</u>     |                                 | <u>61</u>        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>(1,825,984)</u> | <u>362,121</u>     | <u>499,512</u>                  | <u>140,011</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                    |                    |                                 |                  |
| Transfers in   | 1,700,004          | 401,404            |                                 |                  |
| Transfers (out)  | (95,300)           |                    | (401,404)                       | (143,218)        |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>1,604,704</u>   | <u>401,404</u>     | <u>(401,404)</u>                | <u>(143,218)</u> |
| <b>NET CHANGE IN FUND BALANCES</b>                           | (221,280)          | 763,525            | 98,108                          | (3,207)          |
| <b>BEGINNING FUND BALANCES (DEFICITS)</b>                    | <u>568,945</u>     | <u>480,891</u>     | <u>401,404</u>                  | <u>13,257</u>    |
| <b>ENDING FUND BALANCES (DEFICITS)</b>                       | <u>\$347,665</u>   | <u>\$1,244,416</u> | <u>\$499,512</u>                | <u>\$10,050</u>  |

SPECIAL REVENUE FUNDS

| County Measure B | CHRPO/ LEAD | Tidelands   | Narcotics Asset Seizure | Senior Citizens Transportation Assistance | Park Acquisition and Development | Parking Meter | Commercial Revitalization | Community Development Block Grant |
|------------------|-------------|-------------|-------------------------|---|----------------------------------|---------------|---------------------------|-----------------------------------|
|                  |             |             |                         |   | \$22,970                         |               |                           |                                   |
| \$2,228,614      | \$66,019    |             | \$107,344               | \$5,420                                   |                                  | \$808,371     | \$11,943                  | \$1,488,933                       |
| 88,760           |             | \$292,389   | 1,630                   | (222)                                     | 777                              | 99,603        | \$148,062                 |                                   |
|                  |             |             |                         | 7,691                                     |                                  | 37,447        | 90,600                    |                                   |
|                  |             |             |                         |   |                                  | 10            |                           |                                   |
| 2,317,374        | 66,019      | 292,389     | 108,974                 | 12,889                                    | 23,747                           | 945,431       | 250,605                   | 1,488,933                         |
|                  |             | 303,054     |                         |   |                                  | 415,076       |                           |                                   |
|                  |             | 61,010      |                         |   |                                  |               |                           |                                   |
|                  | 67,995      |             |                         | 162,874                                   |                                  |               | 463,759                   | 1,874,398                         |
|                  | 67,995      | 364,064     |                         | 162,874                                   |                                  | 415,076       | 463,759                   | 1,874,398                         |
| 2,317,374        | (1,976)     | (71,675)    | 108,974                 | (149,985)                                 | 23,747                           | 530,355       | (213,154)                 | (385,465)                         |
| 103,144          |             |             |                         | 150,050                                   |                                  |               |                           | 385,465                           |
| (1,623,968)      |             | (6,977)     |                         |   | (9,393)                          | (249,996)     |                           |                                   |
| (1,520,824)      |             | (6,977)     |                         | 150,050                                   | (9,393)                          | (249,996)     |                           | 385,465                           |
| 796,550          | (1,976)     | (78,652)    | 108,974                 | 65  | 14,354                           | 280,359       | (213,154)                 |                                   |
| 4,656,560        | 14,003      | 1,307,727   | 8,856                   | 26,022                                    | 72,023                           | 2,172,461     | 1,258,706                 |                                   |
| \$5,453,110      | \$12,027    | \$1,229,075 | \$117,830               | \$26,087                                  | \$86,377                         | \$2,452,820   | \$1,045,552               |                                   |

(Continued)

CITY OF ALAMEDA  
NON-MAJOR GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010

|  | SPECIAL REVENUE FUNDS |                   |                         |                       |
|--|-----------------------|-------------------|-------------------------|-----------------------|
|  | HOME<br>Fund          | Human<br>Services | Vehicle<br>Registration | Affordable<br>Housing |
| REVENUES   |                       |                   |                         |                       |
| Property taxes                                       |                       |                   |                         |                       |
| Other taxes  |                       |                   |                         |                       |
| Licenses and permits                                 |                       |                   |                         |                       |
| Revenue from other agencies                          | \$19,634              | \$17,130          |                         |                       |
| Charges for current services                         |                       |                   |                         |                       |
| Fines and forfeitures                                |                       |                   |                         |                       |
| Use of money and property                            |                       | 460               | \$408                   | \$10,101              |
| Other  |                       |                   |                         |                       |
| Total Revenues                                       | 19,634                | 17,590            | 408                     | 10,101                |
| EXPENDITURES   |                       |                   |                         |                       |
| Current:   |                       |                   |                         |                       |
| General government                                   |                       |                   |                         |                       |
| Public safety  |                       |                   |                         |                       |
| Public works   |                       |                   |                         |                       |
| Development services                                 |                       |                   |                         |                       |
| Recreation and parks                                 |                       |                   |                         |                       |
| Housing and community services                       | 19,634                | 83,511            |                         | 55,074                |
| Capital outlay                                       |                       |                   |                         |                       |
| Debt service:  |                       |                   |                         |                       |
| Principal  |                       |                   |                         |                       |
| Interest   |                       |                   |                         |                       |
| Total Expenditures                                   | 19,634                | 83,511            |                         | 55,074                |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES |                       | (65,921)          | 408                     | (44,973)              |
| OTHER FINANCING SOURCES (USES):                      |                       |                   |                         |                       |
| Transfers in   |                       | 44,208            |                         | 996                   |
| Transfers (out)                                      |                       |                   |                         |                       |
| Total Other Financing Sources (Uses)                 |                       | 44,208            |                         | 996                   |
| NET CHANGE IN FUND BALANCES                          |                       | (21,713)          | 408                     | (43,977)              |
| BEGINNING FUND BALANCES (DEFICITS)                   |                       | 46,260            | 44,414                  | 371,874               |
| ENDING FUND BALANCES (DEFICITS)                      |                       | \$24,547          | \$44,822                | \$327,897             |

SPECIAL REVENUE FUNDS

| <u>Garbage<br/>Surcharge</u> | <u>Bayport<br/>Municipal<br/>Service District</u> | <u>Athletic<br/>Recreation</u> | <u>Island City<br/>Maintenance<br/>Assessment<br/>District 84-2</u> | <u>Waste<br/>Reduction<br/>Surcharge</u> | <u>Curbside<br/>Recycling</u> | <u>Housing<br/>Development</u> | <u>Parking<br/>In-Lieu</u> | <u>Dike<br/>Maintenance</u> |
|------------------------------|---|--------------------------------|---|--|-------------------------------|--------------------------------|----------------------------|-----------------------------|
| \$175,000                    | \$541,837   |                                | \$1,184,790   | \$50                                     |                               |                                |                            |                             |
|                              |   | \$60,313<br>1,757,854          |   | 358,773<br>389,432                       |                               |                                |                            |                             |
| 16,151                       | 22,003  | 279,599<br>8,751               | 15,513<br>9,120   | 63,057<br>2,171                          | \$2,893                       | \$4,434                        | \$2,444                    | \$5,246                     |
| <u>191,151</u>               | <u>563,840</u>                                    | <u>2,106,517</u>               | <u>1,209,423</u>  | <u>813,483</u>                           | <u>2,893</u>                  | <u>4,434</u>                   | <u>2,444</u>               | <u>5,246</u>                |
| 106,203                      | 196,477   | 1,978,201                      |   |  | 8,803                         |                                | 216                        |                             |
|                              |   |                                | 1,026,108   | 795,837                                  |                               |                                |                            |                             |
|                              |   |                                | 40  |  |                               |                                |                            |                             |
| <u>106,203</u>               | <u>196,477</u>                                    | <u>1,978,201</u>               | <u>1,026,148</u>  | <u>795,837</u>                           | <u>8,803</u>                  |                                | <u>216</u>                 |                             |
| 84,948                       | 367,363   | 128,316                        | 183,275   | 17,646                                   | (5,910)                       | 4,434                          | 2,228                      | 5,246                       |
|                              | (28,464)  | 25,000<br>(5,751)              | 44,232<br>(110,904)   | (799,000)                                |                               | (3,345)                        |                            |                             |
|                              | (28,464)  | 19,249                         | (66,672)  | (799,000)                                |                               | (3,345)                        |                            |                             |
| 84,948                       | 338,899   | 147,565                        | 116,603   | (781,354)                                | (5,910)                       | 1,089                          | 2,228                      | 5,246                       |
| <u>926,338</u>               | <u>1,155,255</u>                                  | <u>1,125,851</u>               | <u>994,017</u>  | <u>4,254,951</u>                         | <u>181,483</u>                | <u>136,458</u>                 | <u>151,391</u>             | <u>330,260</u>              |
| <u>\$1,011,286</u>           | <u>\$1,494,154</u>                                | <u>\$1,273,416</u>             | <u>\$1,110,620</u>  | <u>\$3,473,597</u>                       | <u>\$175,573</u>              | <u>\$137,547</u>               | <u>\$153,619</u>           | <u>\$335,506</u>            |

(Continued)

CITY OF ALAMEDA  
NON-MAJOR GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010

|  | SPECIAL REVENUE FUNDS                           |           |               |                                 |
|--|---|-----------|---------------|---------------------------------|
|  | Marina Cove<br>Maintenance<br>District<br>01-01 | TSM/TDM   | Public<br>Art | Historical<br>Advisory<br>Board |
| REVENUES   |   |           |               |                                 |
| Property taxes                                       | \$86,872  |           |               |                                 |
| Other taxes  |   |           |               |                                 |
| Licenses and permits                                 |   |           |               | \$2,875                         |
| Revenue from other agencies                          |   |           |               |                                 |
| Charges for current services                         |   | \$21,376  |               |                                 |
| Fines and forfeitures                                |   |           |               |                                 |
| Use of money and property                            | 5,910   | 2,241     | \$670         | 37                              |
| Other  |   |           |               |                                 |
| Total Revenues                                       | 92,782  | 23,617    | 670           | 2,912                           |
| EXPENDITURES   |   |           |               |                                 |
| Current:   |   |           |               |                                 |
| General government                                   |   | 216       |               |                                 |
| Public safety  |   |           |               |                                 |
| Public works   | 67,463  |           |               |                                 |
| Development services                                 |   |           |               |                                 |
| Recreation and parks                                 |   |           |               |                                 |
| Housing and community services                       |   |           |               |                                 |
| Capital outlay                                       |   |           |               |                                 |
| Debt service:  |   |           |               |                                 |
| Principal  |   |           |               |                                 |
| Interest   |   |           |               |                                 |
| Total Expenditures                                   | 67,463  | 216       |               |                                 |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | 25,319  | 23,401    | 670           | 2,912                           |
| OTHER FINANCING SOURCES (USES)                       |   |           |               |                                 |
| Transfers in   |   |           |               |                                 |
| Transfers (out)                                      | (8,280)   | (1,418)   |               |                                 |
| Total Other Financing Sources (Uses)                 | (8,280)   | (1,418)   |               |                                 |
| NET CHANGE IN FUND BALANCES                          | 17,039  | 21,983    | 670           | 2,912                           |
| BEGINNING FUND BALANCES (DEFICITS)                   | 366,552   | 119,418   | 72,806        | 2,002                           |
| ENDING FUND BALANCES (DEFICITS)                      | \$383,591                                       | \$141,401 | \$73,476      | \$4,914                         |

SPECIAL REVENUE FUNDS

| Adams<br>Street<br>House | Police/Fire<br>Construction<br>Impact<br>Fee | Construction<br>Impact<br>Fee | Community<br>Development     | Prop 1B<br>Local | Police<br>Grants | Citywide<br>Pavement | Housing<br>In-Lieu | Assessment<br>District<br>Admin |
|--------------------------|--|-------------------------------|------------------------------|------------------|------------------|----------------------|--------------------|---------------------------------|
|                          | \$7,381                                      | \$245,509                     | \$1,309,154                  |                  | \$160,175        |                      |                    |                                 |
| \$5,334                  |  | 3,617                         | 960,517<br>656,726<br>29,790 | \$17,322         | 2,837            | \$455                | \$16,916           |                                 |
| 5,334                    | 7,381  | 249,126                       | 2,956,187                    | 17,322           | 163,012          | 455                  | 16,916             |                                 |
|                          |  |                               |                              |                  | 150,626          |                      |                    | \$151,752                       |
|                          |  |                               | 3,212,249                    |                  |                  |                      | 335,279            |                                 |
|                          |  |                               |                              |                  | 23,943           |                      |                    |                                 |
|                          |  |                               | 3,212,249                    |                  | 174,569          |                      | 335,279            | 151,752                         |
| 5,334                    | 7,381  | 249,126                       | (256,062)                    | 17,322           | (11,557)         | 455                  | (318,363)          | (151,752)                       |
|                          | 49,319<br>(56,700)                           | (68,030)                      | 970,516                      | (111,167)        |                  |                      | 3,345              | 147,648                         |
|                          | (7,381)                                      | (68,030)                      | 970,516                      | (111,167)        |                  |                      | 3,345              | 147,648                         |
| 5,334                    |  | 181,096                       | 714,454                      | (93,845)         | (11,557)         | 455                  | (315,018)          | (4,104)                         |
| 330,150                  |  | 51,598                        | 516,756                      | 1,155,217        | 91,598           | 51,015               | 1,394,781          |                                 |
| \$335,484                |  | \$232,694                     | \$1,231,210                  | \$1,061,372      | \$80,041         | \$51,470             | \$1,079,763        | (\$4,104)                       |

(Continued)

CITY OF ALAMEDA  
NON-MAJOR GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010

|  | DEBT SERVICE FUNDS   |                       |   |  |
|--|--|-----------------------|---|--|
|  | CERTIFICATES<br>OF<br>PARTICIPATION<br>2002 City Hall<br>Refinancing | 2003 Library<br>Bonds | Community<br>Improvement<br>Commission<br>Subordinate<br>Bonds BWIP | Community<br>Improvement<br>Commission 2003<br>Tax Allocation<br>Refunding Bonds<br>BWIP |
| REVENUES   |  |                       |   |  |
| Property taxes                                       |  | \$603,552             |   |  |
| Other taxes  |  |                       |   |  |
| Licenses and permits                                 |  |                       |   |  |
| Revenue from other agencies                          |  |                       |   |  |
| Charges for current services                         |  |                       |   |  |
| Fines and forfeitures                                |  |                       |   |  |
| Use of money and property                            | \$7,325  | (2,143)               | \$4,597   | \$2,832  |
| Other  |  |                       |   |  |
| Total Revenues                                       | <u>7,325</u>   | <u>601,409</u>        | <u>4,597</u>  | <u>2,832</u>   |
| EXPENDITURES   |  |                       |   |  |
| Current:   |  |                       |   |  |
| General government                                   |  |                       | 51  | 310  |
| Public safety  |  |                       |   |  |
| Public works   |  |                       |   |  |
| Development services                                 |  |                       |   |  |
| Recreation and parks                                 |  |                       |   |  |
| Housing and community services                       |  |                       |   |  |
| Capital outlay                                       |  |                       |   |  |
| Debt service:  |  |                       |   |  |
| Principal  | 410,000  | 195,000               | 675,000   | 465,000  |
| Interest   | 421,408  | 487,039               | 173,769   | 793,324  |
| Total Expenditures                                   | <u>831,408</u>   | <u>682,039</u>        | <u>848,820</u>  | <u>1,258,634</u>   |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>(824,083)</u>   | <u>(80,630)</u>       | <u>(844,223)</u>  | <u>(1,255,802)</u>   |
| OTHER FINANCING SOURCES (USES):                      |  |                       |   |  |
| Transfers in   |  |                       | 848,769   | 1,258,324  |
| Transfers (out)                                      |  |                       |   |  |
| Total Other Financing Sources (Uses)                 |  |                       | <u>848,769</u>  | <u>1,258,324</u>   |
| NET CHANGE IN FUND BALANCES                          | (824,083)  | (80,630)              | 4,546   | 2,522  |
| BEGINNING FUND BALANCES (DEFICITS)                   | <u>1,819,220</u>   | <u>270,635</u>        | <u>610,829</u>  | <u>1,735,105</u>   |
| ENDING FUND BALANCES (DEFICITS)                      | <u>\$995,137</u>   | <u>\$190,005</u>      | <u>\$615,375</u>  | <u>\$1,737,627</u>   |

| DEBT SERVICE FUNDS   |  |                    |                            | CAPITAL PROJECTS FUNDS     |                      |                              |                             |                     |
|--|--|--------------------|----------------------------|----------------------------|----------------------|------------------------------|-----------------------------|---------------------|
| Community Improvement Commission 2003 Tax Allocation Bonds WECIP | Alameda Point Improvement Project 2003 Revenue Bonds | HUD 108            | 2008 Refinance Project COP | Transportation Improvement | Library Construction | Urban Runoff Storm Drain Fee | Special Assessment District |                     |
|  |  |                    |                            |                            |                      |                              | Harbor Bay Isle 92-1        | Marina Village 89-1 |
|  |  |                    |                            | \$467,366<br>40,789        |                      | \$2,147,245                  |                             |                     |
|  |  | \$83,282           |                            |                            |                      | 44,880                       | \$11,559                    |                     |
| \$43,249   | \$4,452  | 10,534             | \$4,396                    | 32,655                     | \$2,136              | 131,105<br>4,715             | 2,654                       | \$8,285             |
| 43,249   | 4,452  | 93,816             | 4,396                      | 540,810                    | 2,136                | 2,327,945                    | 14,213                      | 8,285               |
| 5,235  |  |                    |                            |                            |                      |                              |                             |                     |
|  | 4,500  |                    |                            | 216                        | 33,729               | 2,075,610                    |                             |                     |
| 75,000<br>2,684,634  | 300,000<br>92,537                                    | 152,000<br>366,173 | 207,845                    |                            |                      |                              |                             |                     |
| 2,764,869  | 397,037  | 518,173            | 207,845                    | 216                        | 33,729               | 2,075,610                    |                             |                     |
| (2,721,620)  | (392,585)  | (424,357)          | (203,449)                  | 540,594                    | (31,593)             | 252,335                      | 14,213                      | 8,285               |
| 2,739,349  | 41   | 597,038            | 205,606                    | (616,882)                  |                      | 831,660<br>(499,978)         |                             |                     |
| 2,739,349  | 41   | 597,038            | 205,606                    | (616,882)                  |                      | 331,682                      |                             |                     |
| 17,729   | (392,544)  | 172,681            | 2,157                      | (76,288)                   | (31,593)             | 584,017                      | 14,213                      | 8,285               |
| 5,032,426  | 903,114  | 467,435            | 290,297                    | 1,962,159                  | 148,677              | 7,668,242                    | 967,930                     | 2,818,447           |
| \$5,050,155  | \$510,570  | \$640,116          | \$292,454                  | \$1,885,871                | \$117,084            | \$8,252,259                  | \$982,143                   | \$2,826,732         |

(Continued)

CITY OF ALAMEDA  
NON-MAJOR GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2010

|  | CAPITAL PROJECTS FUNDS         |                                  |                              |  | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------|----------------------------------|------------------------------|--|--|
|  | Citywide<br>Development<br>Fee | Wastewater<br>Capital<br>Reserve | Open<br>Space<br>Improvement | Alameda Point<br>Improvement<br>Project 2003<br>Revenue<br>Bonds |  |
| <b>REVENUES</b>  |                                |                                  |                              |  |  |
| Property taxes   |                                |                                  |                              |  | \$6,538,432                                |
| Other taxes  | \$48,559                       |                                  |                              |  | 532,877                                    |
| Licenses and permits   |                                |                                  |                              |  | 1,319,410                                  |
| Revenue from other agencies                                  |                                |                                  |                              |  | 6,405,018                                  |
| Charges for current services                                 |                                |                                  | \$248,921                    |  | 4,334,258                                  |
| Fines and forfeitures  |                                |                                  |                              |  | 896,642                                    |
| Use of money and property                                    | 44,278                         | \$424                            | 14,660                       | \$330  | 1,417,464                                  |
| Other  |                                |                                  |                              |  | 123,058                                    |
| <b>Total Revenues</b>  | <u>92,837</u>                  | <u>424</u>                       | <u>263,581</u>               | <u>330</u>   | <u>21,567,159</u>                          |
| <b>EXPENDITURES</b>  |                                |                                  |                              |  |  |
| Current:   |                                |                                  |                              |  |  |
| General government   |                                |                                  |                              |  | 3,165,594                                  |
| Public safety  |                                |                                  |                              |  | 150,626                                    |
| Public works   |                                |                                  |                              |  | 2,840,020                                  |
| Development services   |                                |                                  |                              |  | 3,212,249                                  |
| Recreation and parks   |                                |                                  |                              |  | 3,639,397                                  |
| Housing and community services                               |                                |                                  |                              | 75   | 2,904,225                                  |
| Capital outlay   | 9,076                          |                                  | 950,053                      |  | 3,115,462                                  |
| Debt service:  |                                |                                  |                              |  |  |
| Principal  |                                |                                  |                              |  | 2,272,000                                  |
| Interest   |                                |                                  |                              |  | 5,227,432                                  |
| <b>Total Expenditures</b>                                    | <u>9,076</u>                   | <u></u>                          | <u>950,053</u>               | <u>75</u>  | <u>26,527,005</u>                          |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>83,761</u>                  | <u>424</u>                       | <u>(686,472)</u>             | <u>255</u>   | <u>(4,959,846)</u>                         |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                                |                                  |                              |  |  |
| Transfers in   | 303,732                        | 8,124                            |                              |  | 10,817,974                                 |
| Transfers (out)  | (309,639)                      | (53,317)                         |                              | (41)   | (5,203,172)                                |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>(5,907)</u>                 | <u>(45,193)</u>                  | <u></u>                      | <u>(41)</u>  | <u>5,614,802</u>                           |
| <b>NET CHANGE IN FUND BALANCES</b>                           | 77,854                         | (44,769)                         | (686,472)                    | 214  | 654,956                                    |
| <b>BEGINNING FUND BALANCES (DEFICITS)</b>                    | <u>2,780,217</u>               | <u>44,769</u>                    | <u>1,059,546</u>             | <u>330,785</u>   | <u>53,761,133</u>                          |
| <b>ENDING FUND BALANCES (DEFICITS)</b>                       | <u>\$2,858,071</u>             | <u></u>                          | <u>\$373,074</u>             | <u>\$330,999</u>   | <u>\$54,416,089</u>                        |

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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, 2010

|  | LIBRARY            |                    |  | GAS TAX            |                    |  |
|--|--------------------|--------------------|--|--------------------|--------------------|--|
|  | Budget             | Actual             | Variance<br>Favorable<br>(Unfavorable) | Budget             | Actual             | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |                    |                    |  |                    |                    |  |
| Property taxes   | \$1,464,720        | \$1,506,770        | \$42,050                               |                    |                    |  |
| Other taxes  |                    |                    |  |                    |                    |  |
| Licenses and permits   |                    |                    |  |                    |                    |  |
| Revenue from other agencies                                  | 80,000             | 76,014             | (3,986)                                | \$1,050,900        | \$1,226,949        | \$176,049                              |
| Charges for current services                                 | 85,000             | 81,522             | (3,478)                                |                    | 15,965             | 15,965                                 |
| Fines and forfeitures  |                    |                    |  |                    |                    |  |
| Use of money and property                                    | 13,000             | 9,670              | (3,330)                                | 2,000              | 8,809              | 6,809                                  |
| Affordable housing fee                                       |                    |                    |  |                    |                    |  |
| Other  |                    |                    |  |                    |                    |  |
| <b>Total Revenues</b>  | <u>1,642,720</u>   | <u>1,673,976</u>   | <u>31,256</u>                          | <u>1,052,900</u>   | <u>1,251,723</u>   | <u>198,823</u>                         |
| <b>EXPENDITURES</b>  |                    |                    |  |                    |                    |  |
| Current:   |                    |                    |  |                    |                    |  |
| General government   |                    |                    |  |                    |                    |  |
| Public safety  |                    |                    |  |                    |                    |  |
| Public works   |                    |                    |  | 1,001,148          | 889,602            | 111,546                                |
| Development services   |                    |                    |  |                    |                    |  |
| Recreation and parks   | 3,488,100          | 3,476,523          | 11,577                                 |                    |                    |  |
| Housing and community services                               |                    |                    |  |                    |                    |  |
| Capital outlay   | 35,000             | 22,835             | 12,165                                 |                    |                    |  |
| Debt service:  |                    |                    |  |                    |                    |  |
| Principal  |                    |                    |  |                    |                    |  |
| Interest   |                    | 602                | (602)                                  |                    |                    |  |
| <b>Total Expenditures</b>                                    | <u>3,523,100</u>   | <u>3,499,960</u>   | <u>23,140</u>                          | <u>1,001,148</u>   | <u>889,602</u>     | <u>111,546</u>                         |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>(1,880,380)</u> | <u>(1,825,984)</u> | <u>54,396</u>                          | <u>51,752</u>      | <u>362,121</u>     | <u>310,369</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                    |                    |  |                    |                    |  |
| Transfers in   | 1,700,000          | 1,700,004          | 4                                      |                    | 401,404            | 401,404                                |
| Transfers (out)  | (95,300)           | (95,300)           |  | (656,000)          |                    | 656,000                                |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>1,604,700</u>   | <u>1,604,704</u>   | <u>4</u>                               | <u>(656,000)</u>   | <u>401,404</u>     | <u>1,057,404</u>                       |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <u>(\$275,680)</u> | <u>(221,280)</u>   | <u>\$54,400</u>                        | <u>(\$604,248)</u> | <u>763,525</u>     | <u>\$1,367,773</u>                     |
| <b>BEGINNING FUND BALANCES (DEFICITS)</b>                    |                    | <u>568,945</u>     |  |                    | <u>480,891</u>     |  |
| <b>ENDING FUND BALANCES (DEFICITS)</b>                       |                    | <u>\$347,665</u>   |  |                    | <u>\$1,244,416</u> |  |

| TRAFFIC CONGESTION RELIEF |                  |                                  | TRAFFIC SAFETY   |                    |                                  | COUNTY MEASURE B     |                        |                                  |
|---------------------------|------------------|----------------------------------|------------------|--------------------|----------------------------------|----------------------|------------------------|----------------------------------|
| Budget                    | Actual           | Variance Favorable (Unfavorable) | Budget           | Actual             | Variance Favorable (Unfavorable) | Budget               | Actual                 | Variance Favorable (Unfavorable) |
| \$450,000                 | \$488,336        | \$38,336                         |                  |                    |                                  | \$2,525,320          | \$2,228,614            | (\$296,706)                      |
| 2,000                     | 11,176           | \$9,176                          | \$155,000<br>80  | \$140,313<br>(241) | (\$14,687)<br>(321)              | 51,500               | 88,760                 | 37,260                           |
| <u>452,000</u>            | <u>499,512</u>   | <u>47,512</u>                    | <u>155,080</u>   | <u>140,072</u>     | <u>(15,008)</u>                  | <u>2,576,820</u>     | <u>2,317,374</u>       | <u>(259,446)</u>                 |
|                           |                  |                                  |                  | 61                 | (61)                             |                      |                        |                                  |
|                           |                  |                                  |                  | 61                 | (61)                             |                      |                        |                                  |
| <u>452,000</u>            | <u>499,512</u>   | <u>47,512</u>                    | <u>155,080</u>   | <u>140,011</u>     | <u>(15,069)</u>                  | <u>2,576,820</u>     | <u>2,317,374</u>       | <u>(259,446)</u>                 |
|                           | (401,404)        | (\$401,404)                      | (163,510)        | (143,218)          | 20,292                           | (4,628,190)          | 103,144<br>(1,623,968) | 103,144<br>3,004,222             |
|                           | (401,404)        | (401,404)                        | (163,510)        | (143,218)          | 20,292                           | (4,628,190)          | (1,520,824)            | 3,107,366                        |
| <u>\$452,000</u>          | 98,108           | <u>(\$353,892)</u>               | <u>(\$8,430)</u> | (3,207)            | <u>\$5,223</u>                   | <u>(\$2,051,370)</u> | 796,550                | <u>\$2,847,920</u>               |
|                           | <u>401,404</u>   |                                  |                  | <u>13,257</u>      |                                  |                      | <u>4,656,560</u>       |                                  |
|                           | <u>\$499,512</u> |                                  |                  | <u>\$10,050</u>    |                                  |                      | <u>\$5,453,110</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, 2010

|  | CHRPO/LEAD              |                        |  | TIDELANDS                 |                           |  |
|--|-------------------------|------------------------|--|---------------------------|---------------------------|--|
|  | Budget                  | Actual                 | Variance<br>Favorable<br>(Unfavorable) | Budget                    | Actual                    | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |                         |                        |  |                           |                           |  |
| Property taxes   |                         |                        |  |                           |                           |  |
| Other taxes  |                         |                        |  |                           |                           |  |
| Licenses and permits   |                         |                        |  |                           |                           |  |
| Revenue from other agencies                                  | \$171,900               | \$66,019               | (\$105,881)                            |                           |                           |  |
| Charges for current services                                 |                         |                        |  |                           |                           |  |
| Fines and forfeitures  |                         |                        |  |                           |                           |  |
| Use of money and property                                    |                         |                        |  | \$499,500                 | \$292,389                 | (\$207,111)                            |
| Affordable housing fee                                       |                         |                        |  |                           |                           |  |
| Other  |                         |                        |  |                           |                           |  |
| <b>Total Revenues</b>  | <u>171,900</u>          | <u>66,019</u>          | <u>(105,881)</u>                       | <u>499,500</u>            | <u>292,389</u>            | <u>(207,111)</u>                       |
| <b>EXPENDITURES</b>  |                         |                        |  |                           |                           |  |
| Current:   |                         |                        |  |                           |                           |  |
| General government   |                         |                        |  | 409,369                   | 303,054                   | 106,315                                |
| Public safety  |                         |                        |  |                           |                           |  |
| Public works   |                         |                        |  | 170,712                   | 61,010                    | 109,702                                |
| Development services   |                         |                        |  |                           |                           |  |
| Recreation and parks   |                         |                        |  |                           |                           |  |
| Housing and community services                               | 178,890                 | 67,995                 | 110,895                                |                           |                           |  |
| Capital outlay   |                         |                        |  |                           |                           |  |
| Debt service:  |                         |                        |  |                           |                           |  |
| Principal  |                         |                        |  |                           |                           |  |
| Interest   |                         |                        |  |                           |                           |  |
| <b>Total Expenditures</b>                                    | <u>178,890</u>          | <u>67,995</u>          | <u>110,895</u>                         | <u>580,081</u>            | <u>364,064</u>            | <u>216,017</u>                         |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>(6,990)</u>          | <u>(1,976)</u>         | <u>5,014</u>                           | <u>(80,581)</u>           | <u>(71,675)</u>           | <u>8,906</u>                           |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                        |  |                           |                           |  |
| Transfers in   |                         |                        |  |                           |                           |  |
| Transfers (out)  |                         |                        |  | (312,934)                 | (6,977)                   | 305,957                                |
| <b>Total Other Financing Sources (Uses)</b>                  |                         |                        |  | <u>(312,934)</u>          | <u>(6,977)</u>            | <u>305,957</u>                         |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <u><u>(\$6,990)</u></u> | <u><u>(1,976)</u></u>  | <u><u>\$5,014</u></u>                  | <u><u>(\$393,515)</u></u> | <u><u>(78,652)</u></u>    | <u><u>\$314,863</u></u>                |
| <b>BEGINNING FUND BALANCES (DEFICITS)</b>                    |                         | <u>14,003</u>          |  |                           | <u>1,307,727</u>          |  |
| <b>ENDING FUND BALANCES (DEFICITS)</b>                       |                         | <u><u>\$12,027</u></u> |  |                           | <u><u>\$1,229,075</u></u> |  |

| NARCOTICS ASSET SEIZURE |                  |  | SENIOR CITIZENS<br>TRANSPORTATION ASSISTANCE |                  |  | PARK ACQUISITION AND DEVELOPMENT |                 |  |
|-------------------------|------------------|--|--|------------------|--|----------------------------------|-----------------|--|
| Budget                  | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget                                       | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget                           | Actual          | Variance<br>Favorable<br>(Unfavorable) |
|                         |                  |  |  |                  |  | \$5,000                          | \$22,970        | \$17,970                               |
|                         | \$107,344        | \$107,344                              | \$8,750                                      | \$5,420          | (\$3,330)                              |                                  |                 |  |
|                         | \$1,630          | \$1,630                                |  | (222)            | (222)                                  | 500                              | 777             | 277                                    |
|                         |                  |  |  | 7,691            | 7,691                                  |                                  |                 |  |
|                         | <u>108,974</u>   | <u>108,974</u>                         | <u>8,750</u>                                 | <u>12,889</u>    | <u>4,139</u>                           | <u>5,500</u>                     | <u>23,747</u>   | <u>18,247</u>                          |
|                         |                  |  | 184,920                                      | 162,874          | 22,046                                 |                                  |                 |  |
|                         |                  |  | <u>184,920</u>                               | <u>162,874</u>   | <u>22,046</u>                          |                                  |                 |  |
|                         | <u>108,974</u>   | <u>108,974</u>                         | <u>(176,170)</u>                             | <u>(149,985)</u> | <u>26,185</u>                          | <u>5,500</u>                     | <u>23,747</u>   | <u>18,247</u>                          |
|                         |                  |  | 388,170                                      | 150,050          | (238,120)                              | (65,000)                         | (9,393)         | 55,607                                 |
|                         |                  |  | <u>388,170</u>                               | <u>150,050</u>   | <u>(238,120)</u>                       | <u>(65,000)</u>                  | <u>(9,393)</u>  | <u>55,607</u>                          |
|                         | <u>108,974</u>   | <u>\$108,974</u>                       | <u>\$212,000</u>                             | 65               | <u>(\$211,935)</u>                     | <u>(\$59,500)</u>                | 14,354          | <u>\$73,854</u>                        |
|                         | <u>8,856</u>     |  |  | <u>26,022</u>    |  |                                  | <u>72,023</u>   |  |
|                         | <u>\$117,830</u> |  |  | <u>\$26,087</u>  |  |                                  | <u>\$86,377</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, 2010

|  | PARKING METER    |                    |                                  | COMMERCIAL REVITALIZATION |                    |                                  |
|--|------------------|--------------------|----------------------------------|---------------------------|--------------------|----------------------------------|
|  | Budget           | Actual             | Variance Favorable (Unfavorable) | Budget                    | Actual             | Variance Favorable (Unfavorable) |
| <b>REVENUES</b>  |                  |                    |                                  |                           |                    |                                  |
| Property taxes   |                  |                    |                                  |                           |                    |                                  |
| Other taxes  |                  |                    |                                  |                           |                    |                                  |
| Licenses and permits                                     |                  |                    |                                  |                           |                    |                                  |
| Revenue from other agencies                              |                  |                    |                                  | \$11,943                  | \$11,943           |                                  |
| Charges for current services                             | \$802,000        | \$808,371          | \$6,371                          |                           |                    |                                  |
| Fines and forfeitures                                    | 100,000          | 99,603             | (397)                            |                           |                    |                                  |
| Use of money and property                                | 20,000           | 37,447             | 17,447                           | 163,400                   | 148,062            | (\$15,338)                       |
| Affordable housing fee                                   |                  |                    |                                  |                           |                    |                                  |
| Other  | 15,000           | 10                 | (14,990)                         | 130,000                   | 90,600             | (39,400)                         |
| <b>Total Revenues</b>                                    | <u>937,000</u>   | <u>945,431</u>     | <u>8,431</u>                     | <u>305,343</u>            | <u>250,605</u>     | <u>(54,738)</u>                  |
| <b>EXPENDITURES</b>                                      |                  |                    |                                  |                           |                    |                                  |
| Current:   |                  |                    |                                  |                           |                    |                                  |
| General government                                       | 509,830          | 415,076            | 94,754                           |                           |                    |                                  |
| Public safety  |                  |                    |                                  |                           |                    |                                  |
| Public works   |                  |                    |                                  |                           |                    |                                  |
| Development services                                     |                  |                    |                                  |                           |                    |                                  |
| Recreation and parks                                     |                  |                    |                                  |                           |                    |                                  |
| Housing and community services                           |                  |                    |                                  | 505,915                   | 463,759            | 42,156                           |
| Capital outlay   |                  |                    |                                  |                           |                    |                                  |
| Debt service:  |                  |                    |                                  |                           |                    |                                  |
| Principal  |                  |                    |                                  |                           |                    |                                  |
| Interest   |                  |                    |                                  |                           |                    |                                  |
| <b>Total Expenditures</b>                                | <u>509,830</u>   | <u>415,076</u>     | <u>94,754</u>                    | <u>505,915</u>            | <u>463,759</u>     | <u>42,156</u>                    |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | <u>427,170</u>   | <u>530,355</u>     | <u>103,185</u>                   | <u>(200,572)</u>          | <u>(213,154)</u>   | <u>(12,582)</u>                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                  |                    |                                  |                           |                    |                                  |
| Transfers in   | 250,000          |                    | (250,000)                        |                           |                    |                                  |
| Transfers (out)  | (511,422)        | (249,996)          | 261,426                          |                           |                    |                                  |
| <b>Total Other Financing Sources (Uses)</b>              | <u>(261,422)</u> | <u>(249,996)</u>   | <u>11,426</u>                    |                           |                    |                                  |
| <b>NET CHANGE IN FUND BALANCES</b>                       | <u>\$165,748</u> | <u>280,359</u>     | <u>\$114,611</u>                 | <u>(\$200,572)</u>        | <u>(213,154)</u>   | <u>(\$12,582)</u>                |
| <b>BEGINNING FUND BALANCES (DEFICITS)</b>                |                  | <u>2,172,461</u>   |                                  |                           | <u>1,258,706</u>   |                                  |
| <b>ENDING FUND BALANCES (DEFICITS)</b>                   |                  | <u>\$2,452,820</u> |                                  |                           | <u>\$1,045,552</u> |                                  |

| COMMUNITY DEVELOPMENT<br>BLOCK GRANT |                  |  | HOME FUND        |               |  | HUMAN SERVICES    |                 |  |
|--------------------------------------|------------------|--|------------------|---------------|--|-------------------|-----------------|--|
| Budget                               | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget           | Actual        | Variance<br>Favorable<br>(Unfavorable) | Budget            | Actual          | Variance<br>Favorable<br>(Unfavorable) |
| \$3,907,605                          | \$1,488,933      | (\$2,418,672)                          | \$1,255,920      | \$19,634      | (\$1,236,286)                          | \$17,280          | \$17,130        | (\$150)                                |
|                                      |                  |  |                  |               |  |                   | 460             | 460                                    |
| <u>3,907,605</u>                     | <u>1,488,933</u> | <u>(2,418,672)</u>                     | <u>1,255,920</u> | <u>19,634</u> | <u>(1,236,286)</u>                     | <u>17,280</u>     | <u>17,590</u>   | <u>310</u>                             |
| 4,597,405                            | 1,874,398        | 2,723,007                              | 1,255,920        | 19,634        | 1,236,286                              | 93,650            | 83,511          | 10,139                                 |
| <u>4,597,405</u>                     | <u>1,874,398</u> | <u>2,723,007</u>                       | <u>1,255,920</u> | <u>19,634</u> | <u>1,236,286</u>                       | <u>93,650</u>     | <u>83,511</u>   | <u>10,139</u>                          |
| <u>(689,800)</u>                     | <u>(385,465)</u> | <u>304,335</u>                         |                  |               |  | <u>(76,370)</u>   | <u>(65,921)</u> | <u>10,449</u>                          |
| 689,800                              | 385,465          | (304,335)                              |                  |               |  | 44,200            | 44,208          | 8                                      |
| <u>689,800</u>                       | <u>385,465</u>   | <u>(304,335)</u>                       |                  |               |  | <u>44,200</u>     | <u>44,208</u>   | <u>8</u>                               |
|                                      |                  |  |                  |               |  | <u>(\$32,170)</u> | <u>(21,713)</u> | <u>\$10,457</u>                        |
|                                      |                  |  |                  |               |  |                   | <u>46,260</u>   |  |
|                                      |                  |  |                  |               |  |                   | <u>\$24,547</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, 2010

|  | VEHICLE REGISTRATION |                 |  | AFFORDABLE HOUSING |                  |  |
|--|----------------------|-----------------|--|--------------------|------------------|--|
|  | Budget               | Actual          | Variance<br>Favorable<br>(Unfavorable) | Budget             | Actual           | Variance<br>Favorable<br>(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                            |                      | \$408           | \$408                                  | \$4,200            | \$10,101         | \$5,901                                |
| Affordable housing fee                               |                      |                 |  | 50,000             |                  | (50,000)                               |
| Other  |                      |                 |  |                    |                  |  |
| Total Revenues                                       |                      | 408             | 408                                    | 54,200             | 10,101           | (44,099)                               |
| EXPENDITURES   |                      |                 |  |                    |                  |  |
| Current:   |                      |                 |  |                    |                  |  |
| General government                                   | \$43,250             |                 | 43,250                                 |                    |                  |  |
| Public safety  |                      |                 |  |                    |                  |  |
| Public works   |                      |                 |  |                    |                  |  |
| Development services                                 |                      |                 |  |                    |                  |  |
| Recreation and parks                                 |                      |                 |  |                    |                  |  |
| Housing and community services                       |                      |                 |  | 115,668            | 55,074           | 60,594                                 |
| Capital outlay                                       |                      |                 |  |                    |                  |  |
| Debt service:  |                      |                 |  |                    |                  |  |
| Principal  |                      |                 |  |                    |                  |  |
| Interest   |                      |                 |  |                    |                  |  |
| Total Expenditures                                   | 43,250               |                 | 43,250                                 | 115,668            | 55,074           | 60,594                                 |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (43,250)             | 408             | 43,658                                 | (61,468)           | (44,973)         | 16,495                                 |
| OTHER FINANCING SOURCES (USES)                       |                      |                 |  |                    |                  |  |
| Transfers in   |                      |                 |  | 1,000              | 996              | (4)                                    |
| Transfers (out)                                      |                      |                 |  |                    |                  |  |
| Total Other Financing Sources (Uses)                 |                      |                 |  | 1,000              | 996              | (4)                                    |
| NET CHANGE IN FUND BALANCES                          | <u>(\$43,250)</u>    | 408             | <u>\$43,658</u>                        | <u>(\$60,468)</u>  | (43,977)         | <u>\$16,491</u>                        |
| BEGINNING FUND BALANCES (DEFICITS)                   |                      | 44,414          |  |                    | 371,874          |  |
| ENDING FUND BALANCES                                 |                      | <u>\$44,822</u> |  |                    | <u>\$327,897</u> |  |

| GARBAGE SURCHARGE |                    |                                  | BAYPORT MUNICIPAL SERVICE DISTRICT |                    |                                  | ATHLETIC RECREATION |                    |                                  |
|-------------------|--------------------|----------------------------------|------------------------------------|--------------------|----------------------------------|---------------------|--------------------|----------------------------------|
| Budget            | Actual             | Variance Favorable (Unfavorable) | Budget                             | Actual             | Variance Favorable (Unfavorable) | Budget              | Actual             | Variance Favorable (Unfavorable) |
| \$175,000         | \$175,000          |                                  | \$466,240                          | \$541,837          | \$75,597                         |                     |                    |                                  |
|                   |                    |                                  |                                    |                    |                                  | \$129,653           | \$60,313           | (\$69,340)                       |
|                   |                    |                                  |                                    |                    |                                  | 1,778,320           | 1,757,854          | (20,466)                         |
| 10,000            | 16,151             | \$6,151                          | 800                                | 22,003             | 21,203                           | 259,000             | 279,599            | 20,599                           |
|                   |                    |                                  |                                    |                    |                                  | 8,500               | 8,751              | 251                              |
| <u>185,000</u>    | <u>191,151</u>     | <u>6,151</u>                     | <u>467,040</u>                     | <u>563,840</u>     | <u>96,800</u>                    | <u>2,175,473</u>    | <u>2,106,517</u>   | <u>(68,956)</u>                  |
| 190,028           | 106,203            | 83,825                           | 299,150                            | 196,477            | 102,673                          | 2,190,473           | 1,978,201          | 212,272                          |
| <u>190,028</u>    | <u>106,203</u>     | <u>83,825</u>                    | <u>299,150</u>                     | <u>196,477</u>     | <u>102,673</u>                   | <u>2,190,473</u>    | <u>1,978,201</u>   | <u>212,272</u>                   |
| (5,028)           | 84,948             | 89,976                           | 167,890                            | 367,363            | 199,473                          | (15,000)            | 128,316            | 143,316                          |
|                   |                    |                                  | (28,460)                           | (28,464)           | (4)                              | 25,000              | 25,000             |                                  |
|                   |                    |                                  |                                    |                    |                                  | (10,000)            | (5,751)            | 4,249                            |
|                   |                    |                                  | (28,460)                           | (28,464)           | (4)                              | 15,000              | 19,249             | 4,249                            |
| <u>(\$5,028)</u>  | 84,948             | <u>\$89,976</u>                  | <u>\$139,430</u>                   | 338,899            | <u>\$199,469</u>                 |                     | 147,565            | <u>\$147,565</u>                 |
|                   | 926,338            |                                  |                                    | 1,155,255          |                                  |                     | 1,125,851          |                                  |
|                   | <u>\$1,011,286</u> |                                  |                                    | <u>\$1,494,154</u> |                                  |                     | <u>\$1,273,416</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, 2010

|  | ISLAND CITY<br>MAINTENANCE ASSESSMENT<br>DISTRICT 84-2 |                    |  | WASTE REDUCTION SURCHARGE |                    |  |
|--|--|--------------------|--|---------------------------|--------------------|--|
|  | Budget   | Actual             | Variance<br>Favorable<br>(Unfavorable) | Budget                    | Actual             | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |  |                    |  |                           |                    |  |
| Property taxes   | \$1,188,810  | \$1,184,790        | (\$4,020)                              |                           |                    |  |
| Other taxes  |  |                    |  |                           | \$50               | \$50                                   |
| Licenses and permits   |  |                    |  | \$340,000                 | 358,773            | 18,773                                 |
| Revenue from other agencies                                  |  |                    |  | 425,000                   | 389,432            | (35,568)                               |
| Charges for current services                                 | 9,900  |                    | (9,900)                                |                           |                    |  |
| Fines and forfeitures  |  |                    |  |                           |                    |  |
| Use of money and property                                    | 7,130  | 15,513             | 8,383                                  | 45,000                    | 63,057             | 18,057                                 |
| Affordable housing fee                                       |  |                    |  |                           |                    |  |
| Other  |  | 9,120              | 9,120                                  | 2,500                     | 2,171              | (329)                                  |
| <b>Total Revenues</b>  | <u>1,205,840</u>                                       | <u>1,209,423</u>   | <u>3,583</u>                           | <u>812,500</u>            | <u>813,483</u>     | <u>983</u>                             |
| <b>EXPENDITURES</b>  |  |                    |  |                           |                    |  |
| Current:   |  |                    |  |                           |                    |  |
| General government   |  |                    |  |                           |                    |  |
| Public safety  |  |                    |  |                           |                    |  |
| Public works   | 1,632,640  | 1,026,108          | 606,532                                | 1,143,790                 | 795,837            | 347,953                                |
| Development services   |  |                    |  |                           |                    |  |
| Recreation and parks   |  |                    |  |                           |                    |  |
| Housing and community services                               |  |                    |  |                           |                    |  |
| Capital outlay   |  |                    |  | 3,000                     |                    | 3,000                                  |
| Debt service:  |  |                    |  |                           |                    |  |
| Principal  |  |                    |  |                           |                    |  |
| Interest   |  | 40                 | (40)                                   |                           |                    |  |
| <b>Total Expenditures</b>                                    | <u>1,632,640</u>                                       | <u>1,026,148</u>   | <u>606,492</u>                         | <u>1,146,790</u>          | <u>795,837</u>     | <u>350,953</u>                         |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>(426,800)</u>                                       | <u>183,275</u>     | <u>610,075</u>                         | <u>(334,290)</u>          | <u>17,646</u>      | <u>351,936</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                    |  |                           |                    |  |
| Transfers in   | 44,240   | 44,232             | (8)                                    |                           |                    |  |
| Transfers (out)  | (110,890)  | (110,904)          | (14)                                   | (799,000)                 | (799,000)          |  |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>(66,650)</u>  | <u>(66,672)</u>    | <u>(22)</u>                            | <u>(799,000)</u>          | <u>(799,000)</u>   |  |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <u>(\$493,450)</u>                                     | 116,603            | <u>\$610,053</u>                       | <u>(\$1,133,290)</u>      | (781,354)          | <u>\$351,936</u>                       |
| <b>BEGINNING FUND BALANCES (DEFICITS)</b>                    |  | <u>994,017</u>     |  |                           | <u>4,254,951</u>   |  |
| <b>ENDING FUND BALANCES (DEFICITS)</b>                       |  | <u>\$1,110,620</u> |  |                           | <u>\$3,473,597</u> |  |

| CURBSIDE RECYCLING |                  |                                  | HOUSING DEVELOPMENT |                  |                                  | PARKING IN-LIEU |                  |                                  |
|--------------------|------------------|----------------------------------|---------------------|------------------|----------------------------------|-----------------|------------------|----------------------------------|
| Budget             | Actual           | Variance Favorable (Unfavorable) | Budget              | Actual           | Variance Favorable (Unfavorable) | Budget          | Actual           | Variance Favorable (Unfavorable) |
| \$1,500            | \$2,893          | \$1,393                          | \$3,020             | \$4,434          | \$1,414                          | \$2,000         | \$2,444          | \$444                            |
| <u>1,500</u>       | <u>2,893</u>     | <u>1,393</u>                     | <u>3,020</u>        | <u>4,434</u>     | <u>1,414</u>                     | <u>2,000</u>    | <u>2,444</u>     | <u>444</u>                       |
| \$100,000          | 8,803            | 91,197                           |                     |                  |                                  |                 | 216              | (216)                            |
|                    |                  |                                  |                     |                  |                                  | 2,000           |                  | 2,000                            |
| <u>100,000</u>     | <u>8,803</u>     | <u>91,197</u>                    |                     |                  |                                  | <u>2,000</u>    | <u>216</u>       | <u>1,784</u>                     |
| <u>(98,500)</u>    | <u>(5,910)</u>   | <u>92,590</u>                    | <u>3,020</u>        | <u>4,434</u>     | <u>1,414</u>                     |                 | <u>2,228</u>     | <u>2,228</u>                     |
|                    |                  |                                  |                     | (3,345)          | (3,345)                          |                 |                  |                                  |
|                    |                  |                                  |                     | (3,345)          | (3,345)                          |                 |                  |                                  |
| <u>(\$98,500)</u>  | <u>(5,910)</u>   | <u>\$92,590</u>                  | <u>\$3,020</u>      | <u>1,089</u>     | <u>(\$1,931)</u>                 | <u>2,228</u>    | <u>2,228</u>     | <u>\$2,228</u>                   |
|                    | <u>181,483</u>   |                                  |                     | <u>136,458</u>   |                                  |                 | <u>151,391</u>   |                                  |
|                    | <u>\$175,573</u> |                                  |                     | <u>\$137,547</u> |                                  |                 | <u>\$153,619</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, 2010

|  | DIKE MAINTENANCE |                  |  | MARINA COVE MAINTENANCE<br>DISTRICT 01-01 |                  |  |
|--|------------------|------------------|--|---|------------------|--|
|  | Budget           | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget                                    | Actual           | Variance<br>Favorable<br>(Unfavorable) |
| REVENUES   |                  |                  |  |   |                  |  |
| Property taxes                                       |                  |                  |  | \$87,500                                  | \$86,872         | (\$628)                                |
| Other taxes  |                  |                  |  |   |                  |  |
| Licenses and permits                                 |                  |                  |  |   |                  |  |
| Revenue from other agencies                          |                  |                  |  |   |                  |  |
| Charges for current services                         |                  |                  |  |   |                  |  |
| Fines and forfeitures                                |                  |                  |  |   |                  |  |
| Use of money and property                            | \$700            | \$5,246          | \$4,546                                | 3,000                                     | 5,910            | 2,910                                  |
| Affordable housing fee                               |                  |                  |  |   |                  |  |
| Other  |                  |                  |  |   |                  |  |
| Total Revenues                                       | <u>700</u>       | <u>5,246</u>     | <u>4,546</u>                           | <u>90,500</u>                             | <u>92,782</u>    | <u>2,282</u>                           |
| EXPENDITURES   |                  |                  |  |   |                  |  |
| Current:   |                  |                  |  |   |                  |  |
| General government                                   |                  |                  |  |   |                  |  |
| Public safety  |                  |                  |  |   |                  |  |
| Public works   |                  |                  |  | 68,440                                    | 67,463           | 977                                    |
| Development services                                 |                  |                  |  |   |                  |  |
| Recreation and parks                                 |                  |                  |  |   |                  |  |
| Housing and community services                       |                  |                  |  |   |                  |  |
| Capital outlay                                       |                  |                  |  |   |                  |  |
| Debt service:  |                  |                  |  |   |                  |  |
| Principal  |                  |                  |  |   |                  |  |
| Interest   |                  |                  |  |   |                  |  |
| Total Expenditures                                   |                  |                  |  | <u>68,440</u>                             | <u>67,463</u>    | <u>977</u>                             |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>700</u>       | <u>5,246</u>     | <u>4,546</u>                           | <u>22,060</u>                             | <u>25,319</u>    | <u>3,259</u>                           |
| OTHER FINANCING SOURCES (USES)                       |                  |                  |  |   |                  |  |
| Transfers in   |                  |                  |  | 24,790                                    |                  | (24,790)                               |
| Transfers (out)                                      |                  |                  |  | (33,070)                                  | (8,280)          | 24,790                                 |
| Total Other Financing Sources (Uses)                 |                  |                  |  | <u>(8,280)</u>                            | <u>(8,280)</u>   |  |
| NET CHANGE IN FUND BALANCES                          | <u>\$700</u>     | <u>5,246</u>     | <u>\$4,546</u>                         | <u>\$13,780</u>                           | <u>17,039</u>    | <u>\$3,259</u>                         |
| BEGINNING FUND BALANCES (DEFICITS)                   |                  | <u>330,260</u>   |  |   | <u>366,552</u>   |  |
| ENDING FUND BALANCES (DEFICITS)                      |                  | <u>\$335,506</u> |  |   | <u>\$383,591</u> |  |

| TSM/TDM            |                  |                                  | PUBLIC ART     |                 |                                  | HISTORICAL ADVISORY BOARD |                |                                  |
|--------------------|------------------|----------------------------------|----------------|-----------------|----------------------------------|---------------------------|----------------|----------------------------------|
| Budget             | Actual           | Variance Favorable (Unfavorable) | Budget         | Actual          | Variance Favorable (Unfavorable) | Budget                    | Actual         | Variance Favorable (Unfavorable) |
|                    |                  |                                  | \$3,500        |                 | (\$3,500)                        |                           | \$2,875        | \$2,875                          |
| \$10,000           | \$21,376         | \$11,376                         |                |                 |                                  |                           |                |                                  |
| 900                | 2,241            | 1,341                            | 600            | \$670           | 70                               |                           | 37             | 37                               |
| <u>10,900</u>      | <u>23,617</u>    | <u>12,717</u>                    | <u>4,100</u>   | <u>670</u>      | <u>(3,430)</u>                   |                           | <u>2,912</u>   | <u>2,912</u>                     |
| 115,520            | 216              | 115,304                          |                |                 |                                  |                           |                |                                  |
| <u>115,520</u>     | <u>216</u>       | <u>115,304</u>                   |                |                 |                                  |                           |                |                                  |
| <u>(104,620)</u>   | <u>23,401</u>    | <u>128,021</u>                   | <u>4,100</u>   | <u>670</u>      | <u>(3,430)</u>                   |                           | <u>2,912</u>   | <u>2,912</u>                     |
| <u>(8,200)</u>     | <u>(1,418)</u>   | <u>6,782</u>                     |                |                 |                                  |                           |                |                                  |
| <u>(8,200)</u>     | <u>(1,418)</u>   | <u>6,782</u>                     |                |                 |                                  |                           |                |                                  |
| <u>(\$112,820)</u> | 21,983           | <u>\$134,803</u>                 | <u>\$4,100</u> | 670             | <u>(\$3,430)</u>                 |                           | 2,912          | <u>\$2,912</u>                   |
|                    | <u>119,418</u>   |                                  |                | <u>72,806</u>   |                                  |                           |                |                                  |
|                    | <u>\$141,401</u> |                                  |                | <u>\$73,476</u> |                                  |                           | <u>2,002</u>   |                                  |
|                    |                  |                                  |                |                 |                                  |                           | <u>\$4,914</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, 2010

|  | ADAMS STREET HOUSE |                  |  | POLICE/FIRE CONSTRUCTION IMPACT FEE |                 |  |
|--|--------------------|------------------|--|-------------------------------------|-----------------|--|
|  | Budget             | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget                              | Actual          | Variance<br>Favorable<br>(Unfavorable) |
| REVENUES   |                    |                  |  |                                     |                 |  |
| Property taxes                                       |                    |                  |  |                                     |                 |  |
| Other taxes  |                    |                  |  |                                     |                 |  |
| Licenses and permits                                 |                    |                  |  | \$15,000                            | \$7,381         | (\$7,619)                              |
| Revenue from other agencies                          |                    |                  |  |                                     |                 |  |
| Charges for current services                         |                    |                  |  |                                     |                 |  |
| Fines and forfeitures                                |                    |                  |  |                                     |                 |  |
| Use of money and property                            | \$2,500            | \$5,334          | \$2,834                                |                                     |                 |  |
| Affordable housing fee                               |                    |                  |  |                                     |                 |  |
| Other  |                    |                  |  |                                     |                 |  |
| Total Revenues                                       | <u>2,500</u>       | <u>5,334</u>     | <u>2,834</u>                           | <u>15,000</u>                       | <u>7,381</u>    | <u>(7,619)</u>                         |
| EXPENDITURES   |                    |                  |  |                                     |                 |  |
| Current:   |                    |                  |  |                                     |                 |  |
| General government                                   |                    |                  |  |                                     |                 |  |
| Public safety  |                    |                  |  |                                     |                 |  |
| Public works   |                    |                  |  |                                     |                 |  |
| Development services                                 |                    |                  |  |                                     |                 |  |
| Recreation and parks                                 |                    |                  |  |                                     |                 |  |
| Housing and community services                       |                    |                  |  |                                     |                 |  |
| Capital outlay                                       |                    |                  |  |                                     |                 |  |
| Debt service:  |                    |                  |  |                                     |                 |  |
| Principal  |                    |                  |  |                                     |                 |  |
| Interest   |                    |                  |  |                                     |                 |  |
| Total Expenditures                                   |                    |                  |  |                                     |                 |  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>2,500</u>       | <u>5,334</u>     | <u>2,834</u>                           | <u>15,000</u>                       | <u>7,381</u>    | <u>(7,619)</u>                         |
| OTHER FINANCING SOURCES (USES)                       |                    |                  |  |                                     |                 |  |
| Transfers in   |                    |                  |  |                                     |                 |  |
| Transfers (out)                                      |                    |                  |  |                                     | 49,319          | 49,319                                 |
| Total Other Financing Sources (Uses)                 |                    |                  |  | <u>(56,700)</u>                     | <u>(56,700)</u> |  |
| NET CHANGE IN FUND BALANCES                          | <u>\$2,500</u>     | <u>5,334</u>     | <u>\$2,834</u>                         | <u>(\$41,700)</u>                   |                 | <u>\$41,700</u>                        |
| BEGINNING FUND BALANCES (DEFICITS)                   |                    | <u>330,150</u>   |  |                                     |                 |  |
| ENDING FUND BALANCES (DEFICITS)                      |                    | <u>\$335,484</u> |  |                                     |                 |  |

| CONSTRUCTION IMPACT FEE |                  |                                  | COMMUNITY DEVELOPMENT |                    |                                  | POLICE GRANTS     |                 |                                  |
|-------------------------|------------------|----------------------------------|-----------------------|--------------------|----------------------------------|-------------------|-----------------|----------------------------------|
| Budget                  | Actual           | Variance Favorable (Unfavorable) | Budget                | Actual             | Variance Favorable (Unfavorable) | Budget            | Actual          | Variance Favorable (Unfavorable) |
| \$235,000               | \$245,509        | \$10,509                         | \$1,219,390           | \$1,309,154        | 89,764                           | \$332,338         | \$160,175       | (\$172,163)                      |
|                         |                  |                                  | 876,460               | 960,517            | 84,057                           |                   |                 |                                  |
| 2,000                   | 3,617            | 1,617                            | 220,720               | 656,726            | 436,006                          | 750               | 2,837           | 2,087                            |
|                         |                  |                                  | 5,000                 | 29,790             | 24,790                           |                   |                 |                                  |
| <u>237,000</u>          | <u>249,126</u>   | <u>12,126</u>                    | <u>2,321,570</u>      | <u>2,956,187</u>   | <u>634,617</u>                   | <u>333,088</u>    | <u>163,012</u>  | <u>(170,076)</u>                 |
|                         |                  |                                  |                       |                    |                                  | 429,172           | 150,626         | 278,546                          |
|                         |                  |                                  | 3,288,140             | 3,212,249          | 75,891                           |                   |                 |                                  |
|                         |                  |                                  |                       |                    |                                  |                   | 23,943          | (23,943)                         |
|                         |                  |                                  | <u>3,288,140</u>      | <u>3,212,249</u>   | <u>75,891</u>                    | <u>429,172</u>    | <u>174,569</u>  | <u>254,603</u>                   |
| <u>237,000</u>          | <u>249,126</u>   | <u>12,126</u>                    | <u>(966,570)</u>      | <u>(256,062)</u>   | <u>710,508</u>                   | <u>(96,084)</u>   | <u>(11,557)</u> | <u>84,527</u>                    |
| <u>(405,000)</u>        | <u>(68,030)</u>  | <u>336,970</u>                   | <u>887,260</u>        | <u>970,516</u>     | <u>83,256</u>                    |                   |                 |                                  |
| <u>(405,000)</u>        | <u>(68,030)</u>  | <u>336,970</u>                   | <u>887,260</u>        | <u>970,516</u>     | <u>83,256</u>                    |                   |                 |                                  |
| <u>(\$168,000)</u>      | 181,096          | <u>\$349,096</u>                 | <u>(\$79,310)</u>     | 714,454            | <u>\$793,764</u>                 | <u>(\$96,084)</u> | (11,557)        | <u>\$84,527</u>                  |
|                         | <u>51,598</u>    |                                  |                       | <u>516,756</u>     |                                  |                   | <u>91,598</u>   |                                  |
|                         | <u>\$232,694</u> |                                  |                       | <u>\$1,231,210</u> |                                  |                   | <u>\$80,041</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, 2010

|  | HOUSING IN-LIEU |             |  | ASSESSMENT DISTRICT ADMIN |           |  |
|--|-----------------|-------------|--|---------------------------|-----------|--|
|  | Budget          | Actual      | Variance<br>Favorable<br>(Unfavorable) | Budget                    | Actual    | Variance<br>Favorable<br>(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                            | \$10,800        | \$16,916    | \$6,116                                |                           |           |  |
| Affordable housing fee                               |                 |             |  |                           |           |  |
| Other  |                 |             |  |                           |           |  |
| Total Revenues                                       | 10,800          | 16,916      | 6,116                                  |                           |           |  |
| EXPENDITURES   |                 |             |  |                           |           |  |
| Current:   |                 |             |  |                           |           |  |
| General government                                   |                 |             |  | \$147,630                 | \$151,752 | (\$4,122)                              |
| Public safety  |                 |             |  |                           |           |  |
| Public works   |                 |             |  |                           |           |  |
| Development services                                 |                 |             |  |                           |           |  |
| Recreation and parks                                 |                 |             |  |                           |           |  |
| Housing and community services                       | 968,906         | 335,279     | 633,627                                |                           |           |  |
| Capital outlay                                       |                 |             |  |                           |           |  |
| Debt service:  |                 |             |  |                           |           |  |
| Principal  |                 |             |  |                           |           |  |
| Interest   |                 |             |  |                           |           |  |
| Total Expenditures                                   | 968,906         | 335,279     | 633,627                                | 147,630                   | 151,752   | (4,122)                                |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (958,106)       | (318,363)   | 639,743                                | (147,630)                 | (151,752) | (4,122)                                |
| OTHER FINANCING SOURCES (USES)                       |                 |             |  |                           |           |  |
| Transfers in   |                 | 3,345       | 3,345                                  | 147,630                   | 147,648   | 18                                     |
| Transfers (out)                                      |                 |             |  |                           |           |  |
| Total Other Financing Sources (Uses)                 |                 | 3,345       | 3,345                                  | 147,630                   | 147,648   | 18                                     |
| NET CHANGE IN FUND BALANCES                          | (\$958,106)     | (315,018)   | \$643,088                              | (4,104)                   | (4,104)   | (\$4,104)                              |
| BEGINNING FUND BALANCES (DEFICITS)                   |                 | 1,394,781   |  |                           |           |  |
| ENDING FUND BALANCES (DEFICITS)                      |                 | \$1,079,763 |  |                           | (\$4,104) |  |

| 2002 CITY HALL REFINANCING<br>CERTIFICATES OF PARTICIPATION |                  |  | 2003 LIBRARY BONDS |                  |  | COMMUNITY IMPROVEMENT<br>COMMISSION SUBORDINATE BONDS BWII |                  |  |
|---|------------------|--|--------------------|------------------|--|--|------------------|--|
| Budget  | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget             | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget   | Actual           | Variance<br>Favorable<br>(Unfavorable) |
|   |                  |  | \$577,310          | \$603,552        | \$26,242                               |  |                  |  |
| \$40,900  | \$7,325          | (\$33,575)                             | 400                | (2,143)          | (2,543)                                | \$5,000  | \$4,597          | (\$403)                                |
| <u>40,900</u>   | <u>7,325</u>     | <u>(33,575)</u>                        | <u>577,710</u>     | <u>601,409</u>   | <u>23,699</u>                          | <u>5,000</u>   | <u>4,597</u>     | <u>(403)</u>                           |
|   |                  |  |                    |                  |  | \$2,700  | 51               | 2,649                                  |
| \$410,000   | 410,000          |  | 195,000            | 195,000          |  | \$675,000  | \$675,000        |  |
| 421,500   | 421,408          | 92                                     | 478,650            | 487,039          | (8,389)                                | 173,770  | 173,769          | 1                                      |
| 831,500   | 831,408          | 92                                     | 673,650            | 682,039          | (8,389)                                | 851,470  | 848,820          | 2,650                                  |
| <u>(790,600)</u>  | <u>(824,083)</u> | <u>(33,483)</u>                        | <u>(95,940)</u>    | <u>(80,630)</u>  | <u>15,310</u>                          | <u>(846,470)</u>   | <u>(844,223)</u> | <u>2,247</u>                           |
|   |                  |  |                    |                  |  | 848,770  | 848,769          | (1)                                    |
|   |                  |  |                    |                  |  | <u>848,770</u>   | <u>848,769</u>   | <u>(1)</u>                             |
| <u>(\$790,600)</u>  | <u>(824,083)</u> | <u>(\$33,483)</u>                      | <u>(\$95,940)</u>  | <u>(80,630)</u>  | <u>\$15,310</u>                        | <u>\$2,300</u>   | 4,546            | <u>\$2,246</u>                         |
|   | <u>1,819,220</u> |  |                    | <u>270,635</u>   |  |  | <u>610,829</u>   |  |
|   | <u>\$995,137</u> |  |                    | <u>\$190,005</u> |  |  | <u>\$615,375</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, 2010

|  | COMMUNITY IMPROVEMENT<br>COMMISSION 2003 TAX ALLOCATION<br>REFUNDING BONDS BWIP |                    |  | COMMUNITY IMPROVEMENT COMMISSION<br>2003 TAX ALLOCATION BONDS WECIP |                    |  |
|--|---|--------------------|--|---|--------------------|--|
|  | Budget  | Actual             | Variance<br>Favorable<br>(Unfavorable) | Budget  | Actual             | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |   |                    |  |   |                    |  |
| Property taxes   |   |                    |  |   |                    |  |
| Other taxes  |   |                    |  |   |                    |  |
| Licenses and permits   |   |                    |  |   |                    |  |
| Revenue from other agencies                                  |   |                    |  |   |                    |  |
| Charges for current services                                 |   |                    |  |   |                    |  |
| Fines and forfeitures  |   |                    |  |   |                    |  |
| Use of money and property                                    | \$71,500  | \$2,832            | (\$68,668)                             | \$149,000   | \$43,249           | (\$105,751)                            |
| Affordable housing fee                                       |   |                    |  |   |                    |  |
| Other  |   |                    |  |   |                    |  |
| Total Revenues   | <u>71,500</u>   | <u>2,832</u>       | <u>(68,668)</u>                        | <u>149,000</u>  | <u>43,249</u>      | <u>(105,751)</u>                       |
| <b>EXPENDITURES</b>  |   |                    |  |   |                    |  |
| Current:   |   |                    |  |   |                    |  |
| General government   | 3,000   | 310                | 2,690                                  | \$6,000   | 5,235              | 765                                    |
| Public safety  |   |                    |  |   |                    |  |
| Public works   |   |                    |  |   |                    |  |
| Development services   |   |                    |  |   |                    |  |
| Recreation and parks   |   |                    |  |   |                    |  |
| Housing and community services                               |   |                    |  |   |                    |  |
| Capital outlay   |   |                    |  |   |                    |  |
| Debt service:  |   |                    |  |   |                    |  |
| Principal  | 465,000   | 465,000            |  | \$75,000  | 75,000             |  |
| Interest   | 793,300   | 793,324            | (24)                                   | 2,684,640   | 2,684,634          | 6                                      |
| Total Expenditures   | <u>1,261,300</u>  | <u>1,258,634</u>   | <u>2,666</u>                           | <u>2,765,640</u>  | <u>2,764,869</u>   | <u>771</u>                             |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>(1,189,800)</u>  | <u>(1,255,802)</u> | <u>(66,002)</u>                        | <u>(2,616,640)</u>  | <u>(2,721,620)</u> | <u>(104,980)</u>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |   |                    |  |   |                    |  |
| Transfers in   | 1,258,330   | 1,258,324          | (6)                                    | 2,759,640   | 2,739,349          | (20,291)                               |
| Transfers (out)  |   |                    |  |   |                    |  |
| Total Other Financing Sources (Uses)                         | <u>1,258,330</u>  | <u>1,258,324</u>   | <u>(6)</u>                             | <u>2,759,640</u>  | <u>2,739,349</u>   | <u>(20,291)</u>                        |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <u>\$68,530</u>   | <u>2,522</u>       | <u>(\$66,008)</u>                      | <u>\$143,000</u>  | <u>17,729</u>      | <u>(\$125,271)</u>                     |
| <b>BEGINNING FUND BALANCES (DEFICITS)</b>                    |   | <u>1,735,105</u>   |  |   | <u>5,032,426</u>   |  |
| <b>ENDING FUND BALANCES (DEFICITS)</b>                       |   | <u>\$1,737,627</u> |  |   | <u>\$5,050,155</u> |  |

| ALAMEDA POINT IMPROVEMENT<br>PROJECT 2003 REVENUE BONDS |                  |  | HUD 108          |                  |  | 2008 REFINANCE PROJECT COP |                  |  |
|---|------------------|--|------------------|------------------|--|----------------------------|------------------|--|
| Budget  | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget           | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget                     | Actual           | Variance<br>Favorable<br>(Unfavorable) |
|   |                  |  | \$83,280         | \$83,282         | \$2                                    |                            |                  |  |
| \$11,000  | \$4,452          | (\$6,548)                              | 950              | 10,534           | 9,584                                  | \$22,400                   | \$4,396          | (\$18,004)                             |
| <u>11,000</u>   | <u>4,452</u>     | <u>(6,548)</u>                         | <u>84,230</u>    | <u>93,816</u>    | <u>9,586</u>                           | <u>22,400</u>              | <u>4,396</u>     | <u>(18,004)</u>                        |
| 300,000   | 300,000          |  | 152,000          | 152,000          |  |                            |                  |  |
| 502,500   | 97,037           | 405,463                                | 366,180          | 366,173          | 7                                      | 205,610                    | 207,845          | (2,235)                                |
| 802,500   | 397,037          | 405,463                                | 518,180          | 518,173          | 7                                      | 205,610                    | 207,845          | (2,235)                                |
| <u>(791,500)</u>  | <u>(392,585)</u> | <u>398,915</u>                         | <u>(433,950)</u> | <u>(424,357)</u> | <u>9,593</u>                           | <u>(183,210)</u>           | <u>(203,449)</u> | <u>(20,239)</u>                        |
| 800,000   | 41               | (799,959)                              | 597,042          | 597,038          | (4)                                    | 205,610                    | 205,606          | (4)                                    |
| <u>800,000</u>  | <u>41</u>        | <u>(799,959)</u>                       | <u>597,042</u>   | <u>597,038</u>   | <u>(4)</u>                             | <u>205,610</u>             | <u>205,606</u>   | <u>(4)</u>                             |
| <u>\$8,500</u>  | <u>(392,544)</u> | <u>(\$401,044)</u>                     | <u>\$163,092</u> | 172,681          | <u>\$9,589</u>                         | <u>\$22,400</u>            | 2,157            | <u>(\$20,243)</u>                      |
|   | <u>903,114</u>   |  |                  | <u>467,435</u>   |  |                            | <u>290,297</u>   |  |
|   | <u>\$510,570</u> |  |                  | <u>\$640,116</u> |  |                            | <u>\$292,454</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, 2010

|  | TRANSPORTATION IMPROVEMENT |             |  | LIBRARY CONSTRUCTION |           |  |
|--|----------------------------|-------------|--|----------------------|-----------|--|
|  | Budget                     | Actual      | Variance<br>Favorable<br>(Unfavorable) | Budget               | Actual    | Variance<br>Favorable<br>(Unfavorable) |
| REVENUES   |                            |             |  |                      |           |  |
| Property taxes                                       | \$400,000                  | \$467,366   | \$67,366                               |                      |           |  |
| Other taxes  | 50,000                     | 40,789      | (9,211)                                |                      |           |  |
| Licenses and permits                                 |                            |             |  |                      |           |  |
| Revenue from other agencies                          |                            |             |  |                      |           |  |
| Charges for current services                         |                            |             |  |                      |           |  |
| Fines and forfeitures                                |                            |             |  |                      |           |  |
| Use of money and property                            | 19,500                     | 32,655      | 13,155                                 |                      | \$2,136   | \$2,136                                |
| Affordable housing fee                               |                            |             |  |                      |           |  |
| Other  |                            |             |  |                      |           |  |
| Total Revenues                                       | 469,500                    | 540,810     | 71,310                                 |                      | 2,136     | 2,136                                  |
| EXPENDITURES   |                            |             |  |                      |           |  |
| Current:   |                            |             |  |                      |           |  |
| General government                                   |                            |             |  |                      |           |  |
| Public safety  |                            |             |  |                      |           |  |
| Public works   |                            |             |  |                      |           |  |
| Development services                                 |                            |             |  |                      |           |  |
| Recreation and parks                                 |                            |             |  |                      |           |  |
| Housing and community services                       |                            |             |  |                      |           |  |
| Capital outlay                                       | 220                        | 216         | 4                                      | \$147,910            | 33,729    | 114,181                                |
| Debt service:  |                            |             |  |                      |           |  |
| Principal  |                            |             |  |                      |           |  |
| Interest   |                            |             |  |                      |           |  |
| Total Expenditures                                   | 220                        | 216         | 4                                      | 147,910              | 33,729    | 114,181                                |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | 469,280                    | 540,594     | 71,314                                 | (147,910)            | (31,593)  | 116,317                                |
| OTHER FINANCING SOURCES (USES)                       |                            |             |  |                      |           |  |
| Transfers in   |                            |             |  |                      |           |  |
| Transfers (out)                                      | (\$1,614,641)              | (616,882)   | 997,759                                |                      |           |  |
| Total Other Financing Sources (Uses)                 | (1,614,641)                | (616,882)   | 997,759                                |                      |           |  |
| NET CHANGE IN FUND BALANCES                          | (\$1,145,361)              | (76,288)    | \$1,069,073                            | (\$147,910)          | (31,593)  | \$116,317                              |
| BEGINNING FUND BALANCES (DEFICITS)                   |                            | 1,962,159   |  |                      | 148,677   |  |
| ENDING FUND BALANCES (DEFICITS)                      |                            | \$1,885,871 |  |                      | \$117,084 |  |

| URBAN RUNOFF STORM DRAIN FEE |                    |  | HARBOR BAY ISLE 92-1<br>SPECIAL ASSESSMENT DISTRICT |                  |  | MARINA VILLAGE 89-1<br>SPECIAL ASSESSMENT DISTRICT |                    |  |
|------------------------------|--------------------|--|---|------------------|--|--|--------------------|--|
| Budget                       | Actual             | Variance<br>Favorable<br>(Unfavorable) | Budget  | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget   | Actual             | Variance<br>Favorable<br>(Unfavorable) |
| \$2,815,490                  | \$2,147,245        | (\$668,245)                            |   |                  |  |  |                    |  |
| 3,600                        |                    | (\$3,600)                              |   | \$11,559         | \$11,559                               |  |                    |  |
| 65,000                       | 44,880             | (20,120)                               |   |                  |  |  |                    |  |
| 56,450                       | 131,105            | 74,655                                 | \$12,040  | \$2,654          | (\$9,386)                              | \$40,850   | \$8,285            | (\$32,565)                             |
| 80,000                       | 4,715              | (75,285)                               |   |                  |  |  |                    |  |
| <u>3,020,540</u>             | <u>2,327,945</u>   | <u>(692,595)</u>                       | <u>12,040</u>                                       | <u>14,213</u>    | <u>2,173</u>                           | <u>40,850</u>                                      | <u>8,285</u>       | <u>(32,565)</u>                        |
| 3,162,860                    | 2,075,610          | 1,087,250                              | 508,730   |                  | 508,730                                |  |                    |  |
| <u>3,162,860</u>             | <u>2,075,610</u>   | <u>1,087,250</u>                       | <u>508,730</u>                                      |                  | <u>508,730</u>                         |  |                    |  |
| <u>(142,320)</u>             | <u>252,335</u>     | <u>394,655</u>                         | <u>(496,690)</u>                                    | <u>14,213</u>    | <u>510,903</u>                         | <u>40,850</u>                                      | <u>8,285</u>       | <u>(32,565)</u>                        |
| 831,660                      | 831,660            |  |   |                  |  |  |                    |  |
| <u>(2,633,423)</u>           | <u>(499,978)</u>   | <u>2,133,445</u>                       |   |                  |  |  |                    |  |
| <u>(1,801,763)</u>           | <u>331,682</u>     | <u>2,133,445</u>                       |   |                  |  |  |                    |  |
| <u>(\$1,944,083)</u>         | 584,017            | <u>\$2,528,100</u>                     | <u>(\$496,690)</u>                                  | 14,213           | <u>\$510,903</u>                       | <u>\$40,850</u>                                    | 8,285              | <u>(\$32,565)</u>                      |
|                              | <u>7,668,242</u>   |  |   | <u>967,930</u>   |  |  | <u>2,818,447</u>   |  |
|                              | <u>\$8,252,259</u> |  |   | <u>\$982,143</u> |  |  | <u>\$2,826,732</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, 2010

|  | CITYWIDE DEVELOPMENT FEE |                    |  | WASTEWATER CAPITAL RESERVE |                 |  |
|--|--------------------------|--------------------|--|----------------------------|-----------------|--|
|  | Budget                   | Actual             | Variance<br>Favorable<br>(Unfavorable) | Budget                     | Actual          | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |                          |                    |  |                            |                 |  |
| Property taxes   |                          |                    |  |                            |                 |  |
| Other taxes  |                          |                    |  |                            |                 |  |
| Licenses and permits   | \$299,690                | \$48,559           | (\$251,131)                            |                            |                 |  |
| Revenue from other agencies                                  |                          |                    |  |                            |                 |  |
| Charges for current services                                 |                          |                    |  |                            |                 |  |
| Fines and forfeitures  |                          |                    |  |                            |                 |  |
| Use of money and property                                    | 22,350                   | 44,278             | 21,928                                 | \$300                      | \$424           | \$124                                  |
| Affordable housing fee                                       |                          |                    |  |                            |                 |  |
| Other  |                          |                    |  |                            |                 |  |
| <b>Total Revenues</b>  | <u>322,040</u>           | <u>92,837</u>      | <u>(229,203)</u>                       | <u>300</u>                 | <u>424</u>      | <u>124</u>                             |
| <b>EXPENDITURES</b>  |                          |                    |  |                            |                 |  |
| Current:   |                          |                    |  |                            |                 |  |
| General government   |                          |                    |  |                            |                 |  |
| Public safety  |                          |                    |  |                            |                 |  |
| Public works   |                          |                    |  |                            |                 |  |
| Development services   |                          |                    |  |                            |                 |  |
| Recreation and parks   |                          |                    |  |                            |                 |  |
| Housing and community services                               |                          |                    |  |                            |                 |  |
| Capital outlay   |                          | 9,076              | (9,076)                                |                            |                 |  |
| Debt service:  |                          |                    |  |                            |                 |  |
| Principal  |                          |                    |  |                            |                 |  |
| Interest   |                          |                    |  |                            |                 |  |
| <b>Total Expenditures</b>                                    |                          | <u>9,076</u>       | <u>(9,076)</u>                         |                            |                 |  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>322,040</u>           | <u>83,761</u>      | <u>(238,279)</u>                       | <u>300</u>                 | <u>424</u>      | <u>124</u>                             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                          |                    |  |                            |                 |  |
| Transfers in   | 303,730                  | 303,732            | 2                                      | \$8,120                    | 8,124           | 4                                      |
| Transfers (out)  | (332,494)                | (309,639)          | 22,855                                 |                            | (53,317)        | (53,317)                               |
| <b>Total Other Financing Sources (Uses)</b>                  | <u>(28,764)</u>          | <u>(5,907)</u>     | <u>22,857</u>                          | <u>8,120</u>               | <u>(45,193)</u> | <u>(53,313)</u>                        |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <u>\$293,276</u>         | <u>77,854</u>      | <u>(\$215,422)</u>                     | <u>\$8,420</u>             | <u>(44,769)</u> | <u>(\$53,189)</u>                      |
| <b>BEGINNING FUND BALANCES (DEFICITS):</b>                   |                          | <u>2,780,217</u>   |  |                            | <u>44,769</u>   |  |
| <b>ENDING FUND BALANCES (DEFICITS):</b>                      |                          | <u>\$2,858,071</u> |  |                            |                 |  |

| OPEN SPACE IMPROVEMENT |                  |  | ALAMEDA POINT IMPROVEMENT<br>PROJECT 2003 REVENUE BONDS |                  |  |
|------------------------|------------------|--|---|------------------|--|
| Budget                 | Actual           | Variance<br>Favorable<br>(Unfavorable) | Budget  | Actual           | Variance<br>Favorable<br>(Unfavorable) |
| \$250,000              | \$248,921        | (\$1,079)                              |   |                  |  |
| 5,000                  | 14,660           | 9,660                                  | \$1,200   | \$330            | (\$870)                                |
| <u>255,000</u>         | <u>263,581</u>   | <u>8,581</u>                           | <u>1,200</u>  | <u>330</u>       | <u>(870)</u>                           |
| 985,000                | 950,053          | 34,947                                 | 336,390   | 75               | 336,315                                |
| <u>985,000</u>         | <u>950,053</u>   | <u>34,947</u>                          | <u>336,390</u>  | <u>75</u>        | <u>336,315</u>                         |
| <u>(730,000)</u>       | <u>(686,472)</u> | <u>43,528</u>                          | <u>(335,190)</u>  | <u>255</u>       | <u>335,445</u>                         |
|                        |                  |  |   | (41)             | (41)                                   |
|                        |                  |  |   | (41)             | (41)                                   |
| <u>(\$730,000)</u>     | <u>(686,472)</u> | <u>\$43,528</u>                        | <u>(\$335,190)</u>                                      | 214              | <u>\$335,404</u>                       |
|                        | <u>1,059,546</u> |  |   | <u>330,785</u>   |  |
|                        | <u>\$373,074</u> |  |   | <u>\$330,999</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 operations, reimbursed through charges assessed to other City departments.

### **CENTRAL GARAGE**

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

### **TECHNOLOGY SERVICES**

This fund accounts for computer and telephone charges and information system upgrades. Reimbursements occur through administrative charges assessed to other departments based upon their proportional share of program costs.

### **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).

### **EQUIPMENT REPLACEMENT**

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

### **FACILITIES MAINTENANCE**

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

CITY OF ALAMEDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2010

|   | <u>Central<br/>Store</u> | <u>Central<br/>Garage</u> | <u>Technology<br/>Services</u> | <u>Workers'<br/>Compensation<br/>Insurance</u> |
|---|--------------------------|---------------------------|--------------------------------|--|
| ASSETS  |                          |                           |                                |  |
| Current Assets:                                 |                          |                           |                                |  |
| Cash and cash equivalents                       | \$42,516                 | \$150,998                 | \$398,659                      |  |
| Accounts receivable                             |                          | 13,860                    | 32,610                         | \$97,031                                       |
| Prepays and deposits                            |                          |                           |                                | 135,000  |
| Total Current Assets                            | <u>42,516</u>            | <u>164,858</u>            | <u>431,269</u>                 | <u>232,031</u>                                 |
| Capital assets, depreciable, net                |                          |                           | <u>419,630</u>                 |  |
| Total Assets                                    | <u>42,516</u>            | <u>164,858</u>            | <u>850,899</u>                 | <u>232,031</u>                                 |
| LIABILITIES                                     |                          |                           |                                |  |
| Current Liabilities:                            |                          |                           |                                |  |
| Accounts payable                                | 4,321                    | 44,191                    | 108,200                        | 8,870  |
| Accrued payroll                                 | 1,089                    | 20,176                    | 23,885                         | 5,874  |
| Due to other funds                              |                          |                           |                                | 633,241  |
| Compensated absences                            |                          | 32,248                    | 56,670                         | 12,442   |
| Claims payable:                                 |                          |                           |                                |  |
| Due within one year                             |                          |                           |                                | <u>2,909,600</u>                               |
| Total Current Liabilities                       | <u>5,410</u>             | <u>96,615</u>             | <u>188,755</u>                 | <u>3,570,027</u>                               |
| Claims payable:                                 |                          |                           |                                |  |
| Due in more than one year                       |                          |                           |                                | <u>3,370,374</u>                               |
| Total Long-Term Liabilities                     |                          |                           |                                | <u>3,370,374</u>                               |
| Total Liabilities                               | <u>5,410</u>             | <u>96,615</u>             | <u>188,755</u>                 | <u>6,940,401</u>                               |
| NET ASSETS                                      |                          |                           |                                |  |
| Invested in capital assets, net of related debt |                          |                           | 419,630                        |  |
| Unrestricted                                    | <u>37,106</u>            | <u>68,243</u>             | <u>242,514</u>                 | <u>(6,708,370)</u>                             |
| Total Net Assets (Deficits)                     | <u>\$37,106</u>          | <u>\$68,243</u>           | <u>\$662,144</u>               | <u>(\$6,708,370)</u>                           |

| <u>Risk<br/>Management<br/>Insurance</u> | <u>Unemployment<br/>Insurance</u> | <u>OPEB</u>         | <u>Equipment<br/>Replacement</u> | <u>Facilities<br/>Maintenance</u> | <u>Total</u>                |
|--|-----------------------------------|---------------------|----------------------------------|-----------------------------------|-----------------------------|
| \$881,862                                |                                   |                     | \$3,368,131                      | \$219,177                         | \$5,061,343                 |
| 80,516                                   |                                   | \$455               |                                  |                                   | 224,472                     |
|  |                                   |                     |                                  |                                   | 135,000                     |
| <u>962,378</u>                           |                                   | <u>455</u>          | <u>3,368,131</u>                 | <u>219,177</u>                    | <u>5,420,815</u>            |
|  |                                   |                     |                                  |                                   | 419,630                     |
| <u>962,378</u>                           |                                   | <u>455</u>          | <u>3,368,131</u>                 | <u>219,177</u>                    | <u>5,840,445</u>            |
| 114,855                                  |                                   |                     | \$49,360                         | \$26,207                          | 356,004                     |
| 12,225                                   |                                   |                     |                                  | 7,579                             | 70,828                      |
|  | \$878                             |                     |                                  |                                   | 634,119                     |
| 23,945                                   |                                   |                     |                                  | 13,840                            | 139,145                     |
| <u>40,898</u>                            |                                   |                     |                                  |                                   | <u>2,950,498</u>            |
| <u>191,923</u>                           | <u>878</u>                        |                     | <u>49,360</u>                    | <u>47,626</u>                     | <u>4,150,594</u>            |
| <u>1,135,911</u>                         |                                   |                     |                                  |                                   | <u>4,506,285</u>            |
| <u>1,135,911</u>                         |                                   |                     |                                  |                                   | <u>4,506,285</u>            |
| <u>1,327,834</u>                         | <u>878</u>                        |                     | <u>49,360</u>                    | <u>47,626</u>                     | <u>8,656,879</u>            |
|  |                                   |                     |                                  |                                   | 419,630                     |
| <u>(365,456)</u>                         | <u>(878)</u>                      | <u>455</u>          | <u>3,318,771</u>                 | <u>171,551</u>                    | <u>(3,236,064)</u>          |
| <u><u>(\$365,456)</u></u>                | <u><u>(\$878)</u></u>             | <u><u>\$455</u></u> | <u><u>\$3,318,771</u></u>        | <u><u>\$171,551</u></u>           | <u><u>(\$2,816,434)</u></u> |

CITY OF ALAMEDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

|   | Central<br>Store | Central<br>Garage | Technology<br>Services | Workers'<br>Compensation<br>Insurance |
|---|------------------|-------------------|------------------------|---------------------------------------|
| <b>OPERATING REVENUES</b>                     |                  |                   |                        |                                       |
| Charges for services                          | \$150,346        | \$1,225,258       | \$2,001,423            | \$3,585,817                           |
| Miscellaneous                                 |                  |                   |                        | 26,642                                |
| <b>Total Operating Revenues</b>               | <b>150,346</b>   | <b>1,225,258</b>  | <b>2,001,423</b>       | <b>3,612,459</b>                      |
| <b>OPERATING EXPENSES</b>                     |                  |                   |                        |                                       |
| General administrative                        | 2,857            | 73,818            | 54,640                 | 20,063                                |
| Wages and benefits                            | 35,975           | 575,446           | 864,736                | 180,918                               |
| Insurance                                     |                  |                   |                        | 3,132,736                             |
| Contractual services                          | 81,128           | 54,113            | 410,929                | 113,283                               |
| Supplies and maintenance                      | 44,658           | 631,047           | 84,344                 | 865                                   |
| Utilities                                     | (738)            | 8,982             | 105,377                | 41                                    |
| Depreciation                                  |                  |                   | 140,844                |                                       |
| <b>Total Operating Expenses</b>               | <b>163,880</b>   | <b>1,343,406</b>  | <b>1,660,870</b>       | <b>3,447,906</b>                      |
| <b>Operating Income (Loss)</b>                | <b>(13,534)</b>  | <b>(118,148)</b>  | <b>340,553</b>         | <b>164,553</b>                        |
| <b>NONOPERATING REVENUES (EXPENSES)</b>       |                  |                   |                        |                                       |
| Interest income                               | 200              | 1,987             | 4,222                  |                                       |
| Interest (expense)                            |                  |                   | (32,282)               |                                       |
| <b>Total Nonoperating Revenues (Expenses)</b> | <b>200</b>       | <b>1,987</b>      | <b>(28,060)</b>        |                                       |
| <b>Income (Loss) Before Transfers</b>         | <b>(13,334)</b>  | <b>(116,161)</b>  | <b>312,493</b>         | <b>164,553</b>                        |
| <b>Transfers in</b>                           |                  |                   |                        |                                       |
| <b>Net Transfers</b>                          |                  |                   |                        |                                       |
| <b>Change in Net Assets</b>                   | <b>(13,334)</b>  | <b>(116,161)</b>  | <b>312,493</b>         | <b>164,553</b>                        |
| <b>BEGINNING NET ASSETS (DEFICITS)</b>        | <b>50,440</b>    | <b>184,404</b>    | <b>349,651</b>         | <b>(6,872,923)</b>                    |
| <b>ENDING NET ASSETS (DEFICITS)</b>           | <b>\$37,106</b>  | <b>\$68,243</b>   | <b>\$662,144</b>       | <b>(\$6,708,370)</b>                  |

| <u>Risk<br/>Management<br/>Insurance</u> | <u>Unemployment<br/>Insurance</u> | <u>OPEB</u>        | <u>Equipment<br/>Replacement</u> | <u>Facilities<br/>Maintenance</u> | <u>Total</u>             |
|--|-----------------------------------|--------------------|----------------------------------|-----------------------------------|--------------------------|
| \$2,555,751<br>(3)                       |                                   | \$7,418            | \$512,834                        | \$71,025<br>764,340               | \$9,597,038<br>1,303,813 |
| <u>2,555,748</u>                         |                                   | <u>7,418</u>       | <u>512,834</u>                   | <u>835,365</u>                    | <u>10,900,851</u>        |
| 42,277                                   |                                   |                    | 254,324                          | 6,808                             | 454,787                  |
| 319,902                                  | \$268,228                         |                    |                                  | 236,331                           | 2,481,536                |
| 901,477                                  |                                   | 1,995,112          |                                  |                                   | 6,029,325                |
| 967,965                                  | 1,495                             | 5,275              |                                  | 263,912                           | 1,898,100                |
| 3,993                                    |                                   |                    | 89,865                           | 46,377                            | 901,149                  |
| 1,022                                    |                                   |                    |                                  | 113,751                           | 228,435                  |
|  |                                   |                    |                                  |                                   | 140,844                  |
| <u>2,236,636</u>                         | <u>269,723</u>                    | <u>2,000,387</u>   | <u>344,189</u>                   | <u>667,179</u>                    | <u>12,134,176</u>        |
| <u>319,112</u>                           | <u>(269,723)</u>                  | <u>(1,992,969)</u> | <u>168,645</u>                   | <u>168,186</u>                    | <u>(1,233,325)</u>       |
| 22,560                                   |                                   |                    | 54,205                           | 3,365                             | 86,539<br>(32,282)       |
| <u>22,560</u>                            |                                   |                    | <u>54,205</u>                    | <u>3,365</u>                      | <u>54,257</u>            |
| <u>341,672</u>                           | <u>(269,723)</u>                  | <u>(1,992,969)</u> | <u>222,850</u>                   | <u>171,551</u>                    | <u>(1,179,068)</u>       |
|  | <u>300,000</u>                    | <u>1,993,424</u>   | <u>3,095,921</u>                 |                                   | <u>5,389,345</u>         |
|  | <u>300,000</u>                    | <u>1,993,424</u>   | <u>3,095,921</u>                 |                                   | <u>5,389,345</u>         |
| 341,672                                  | 30,277                            | 455                | 3,318,771                        | 171,551                           | 4,210,277                |
| <u>(707,128)</u>                         | <u>(31,155)</u>                   |                    |                                  |                                   | <u>(7,026,711)</u>       |
| <u>(\$365,456)</u>                       | <u>(\$878)</u>                    | <u>\$455</u>       | <u>\$3,318,771</u>               | <u>\$171,551</u>                  | <u>(\$2,816,434)</u>     |

CITY OF ALAMEDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2010

|  | Central<br>Store | Central<br>Garage | Technology<br>Services |
|--|------------------|-------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                  |                   |                        |
| Receipts from customers  | \$153,917        | \$1,213,459       | \$1,968,813            |
| Payments to suppliers  | (150,524)        | (697,087)         | (512,776)              |
| Payments to employees  | (37,743)         | (596,840)         | (840,566)              |
| Claims paid  |                  |                   |                        |
| <b>Cash Flows from Operating Activities</b>  | <b>(34,350)</b>  | <b>(80,468)</b>   | <b>615,471</b>         |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                                 |                  |                   |                        |
| Interfund receipts (payments)  |                  |                   | (11,999)               |
| Transfers, net   |                  |                   |                        |
| <b>Cash Flows from Noncapital Financing Activities</b>                                 |                  |                   | <b>(11,999)</b>        |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                        |                  |                   |                        |
| Principal payments on capital debt   |                  |                   | (176,753)              |
| Interest paid on capital debt  |                  |                   | (32,282)               |
| <b>Cash Flows from Capital and Related Financing Activities</b>                        |                  |                   | <b>(209,035)</b>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                  |                   |                        |
| Interest income  | 200              | 1,987             | 4,222                  |
| <b>Net Cash Flows</b>  | <b>(34,150)</b>  | <b>(78,481)</b>   | <b>398,659</b>         |
| Cash and investments at beginning of period  | 76,666           | 229,479           |                        |
| Cash and investments at end of period  | <u>\$42,516</u>  | <u>\$150,998</u>  | <u>\$398,659</u>       |
| Reconciliation of operating income (loss) to net cash flows from operating activities: |                  |                   |                        |
| Operating income (loss)  | (\$13,534)       | (\$118,148)       | \$340,553              |
| Adjustments to reconcile operating income to cash flows from operating activities:     |                  |                   |                        |
| Depreciation   |                  |                   | 140,844                |
| Change in assets and liabilities:  |                  |                   |                        |
| Accounts receivable  | 3,571            | (11,799)          | (32,610)               |
| Prepays and deposits   |                  |                   |                        |
| Accounts payable   | (25,476)         | (2,945)           | 87,874                 |
| Compensated absences   |                  | 32,248            | 56,670                 |
| Claims payable   |                  |                   |                        |
| Accrued payroll  | 1,089            | 20,176            | 22,140                 |
| <b>Cash Flows from Operating Activities</b>  | <b>(34,350)</b>  | <b>(80,468)</b>   | <b>\$615,471</b>       |

| Workers' Compensation Insurance | Risk Management Insurance | Unemployment Insurance | OPEB                 | Equipment Replacement | Facilities Maintenance | Total              |
|---------------------------------|---------------------------|------------------------|----------------------|-----------------------|------------------------|--------------------|
| \$3,543,698                     | \$2,475,232               |                        | \$6,963              | \$512,834             | \$835,365              | \$10,710,281       |
| (105,332)                       | (985,176)                 | (\$1,495)              | (2,000,387)          | (40,505)              | (397,833)              | (4,891,115)        |
| (186,801)                       | (334,261)                 | (268,228)              |                      | (254,324)             | (221,720)              | (2,740,483)        |
| (2,205,243)                     | (874,905)                 |                        |                      |                       |                        | (3,080,148)        |
| <u>1,046,322</u>                | <u>280,890</u>            | <u>(269,723)</u>       | <u>(1,993,424)</u>   | <u>218,005</u>        | <u>215,812</u>         | <u>(1,465)</u>     |
| (1,046,322)                     |                           | (30,277)               |                      |                       |                        | (1,088,598)        |
|                                 |                           | <u>300,000</u>         | <u>1,993,424</u>     | <u>3,095,921</u>      |                        | <u>5,389,345</u>   |
| <u>(1,046,322)</u>              |                           | <u>269,723</u>         | <u>1,993,424</u>     | <u>3,095,921</u>      |                        | <u>4,300,747</u>   |
|                                 |                           |                        |                      |                       |                        | (176,753)          |
|                                 |                           |                        |                      |                       |                        | <u>(32,282)</u>    |
|                                 |                           |                        |                      |                       |                        | <u>(209,035)</u>   |
|                                 | <u>22,560</u>             |                        |                      | <u>54,205</u>         | <u>3,365</u>           | <u>86,539</u>      |
|                                 | <u>303,450</u>            |                        |                      | <u>3,368,131</u>      | <u>219,177</u>         | <u>4,176,786</u>   |
|                                 | <u>578,412</u>            |                        |                      |                       |                        | <u>884,557</u>     |
|                                 | <u>\$881,862</u>          |                        |                      | <u>\$3,368,131</u>    | <u>\$219,177</u>       | <u>\$5,061,343</u> |
| \$164,553                       | \$319,112                 | (\$269,723)            | (\$1,992,969)        | \$168,645             | \$168,186              | (\$1,233,325)      |
|                                 |                           |                        |                      |                       |                        | 140,844            |
| (68,761)                        | (80,516)                  |                        | (455)                |                       |                        | (190,570)          |
| 8,857                           | (12,196)                  |                        |                      | 49,360                | 26,207                 | 131,681            |
| 12,442                          | 23,945                    |                        |                      |                       | 13,840                 | 139,145            |
| 927,493                         | 26,572                    |                        |                      |                       |                        | 954,065            |
| 1,738                           | 3,973                     |                        |                      |                       | 7,579                  | 56,695             |
| <u>\$1,046,322</u>              | <u>\$280,890</u>          | <u>(\$269,723)</u>     | <u>(\$1,993,424)</u> | <u>\$218,005</u>      | <u>\$215,812</u>       | <u>(\$1,465)</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 assets held for Mastic Senior Center Advisory Board to provide services and facilities which enhance the quality of life for senior citizens.

CITY OF ALAMEDA  
PENSION TRUST FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2010

|                                 | PENSION TRUST FUNDS                 |                                     |       |
|---------------------------------|-------------------------------------|-------------------------------------|-------|
|                                 | Police and<br>Fire Pension<br>#1079 | Police and<br>Fire Pension<br>#1082 | Total |
| ASSETS                          |                                     |                                     |       |
| Restricted cash and investments |                                     |                                     |       |
| Total Assets                    |                                     |                                     |       |
| FUND BALANCE                    |                                     |                                     |       |
| Reserved for:                   |                                     |                                     |       |
| Employees' pension benefits     |                                     |                                     |       |
| Total Equity                    |                                     |                                     |       |

CITY OF ALAMEDA  
PENSION TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

|   | PENSION TRUST FUNDS |            |             |
|---|---------------------|------------|-------------|
|   | Plan #1079          | Plan #1082 | TOTALS      |
| ADDITIONS   |                     |            |             |
| Employer contributions                                    | \$2,176,763         | \$42,675   | \$2,219,438 |
| Total Additions   | 2,176,763           | 42,675     | 2,219,438   |
| DEDUCTIONS  |                     |            |             |
| Retirement and other benefits                             | 2,165,710           | 42,579     | 2,208,289   |
| Contractual services                                      | 11,053              | 96         | 11,149      |
| Total Deductions  | 2,176,763           | 42,675     | 2,219,438   |
| INCREASE (DECREASE) IN NET ASSETS                         |                     |            |             |
| NET ASSETS HELD IN (DUE TO) TRUST FOR<br>PENSION BENEFITS |                     |            |             |
| Beginning of year   | _____               | _____      | _____       |
| End of year   | _____               | _____      | _____       |

CITY OF ALAMEDA  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2010

|   | Balance<br>June 30, 2009 | Additions           | Deductions          | Balance<br>June 30, 2010 |
|---|--------------------------|---------------------|---------------------|--------------------------|
| <hr/> <u>Assessment Districts</u> <hr/>         |                          |                     |                     |                          |
| <u>Assets</u>                                   |                          |                     |                     |                          |
| Restricted cash and investments                 | \$45,155,746             | \$12,512,145        | \$16,070,166        | \$41,597,725             |
| Accounts receivable                             | 40,195,866               | 32,293,923          | 40,195,866          | 32,293,923               |
| Total Assets                                    | <u>\$85,351,612</u>      | <u>\$44,806,068</u> | <u>\$56,266,032</u> | <u>\$73,891,648</u>      |
| <u>Liabilities</u>                              |                          |                     |                     |                          |
| Due to bondholders                              | <u>\$85,351,612</u>      | <u>\$44,806,068</u> | <u>\$56,266,032</u> | <u>\$73,891,648</u>      |
| <hr/> <u>Waste Management JRRRC Trust</u> <hr/> |                          |                     |                     |                          |
| <u>Assets</u>                                   |                          |                     |                     |                          |
| Restricted cash and investments                 | \$152,373                | \$844               | \$152,373           | \$844                    |
| <u>Liabilities</u>                              |                          |                     |                     |                          |
| Refundable deposits                             | \$152,373                | \$844               | \$152,373           | \$844                    |
| <hr/> <u>Mastick Senior Center</u> <hr/>        |                          |                     |                     |                          |
| <u>Assets</u>                                   |                          |                     |                     |                          |
| Restricted cash and investments                 | \$490,852                | \$59,319            |                     | \$550,171                |
| <u>Liabilities</u>                              |                          |                     |                     |                          |
| Due to members                                  | \$490,852                | \$59,319            |                     | \$550,171                |
| <hr/> <u>Totals- All Agency Funds</u> <hr/>     |                          |                     |                     |                          |
| <u>Assets</u>                                   |                          |                     |                     |                          |
| Restricted cash and investments                 | \$45,798,971             | \$12,572,308        | \$16,222,539        | \$42,148,740             |
| Accounts receivable                             | 40,195,866               | 32,293,923          | 40,195,866          | 32,293,923               |
| Total Assets                                    | <u>\$85,994,837</u>      | <u>\$44,866,231</u> | <u>\$56,418,405</u> | <u>\$74,442,663</u>      |
| <u>Liabilities</u>                              |                          |                     |                     |                          |
| Refundable deposits                             | \$152,373                | \$844               | \$152,373           | \$844                    |
| Due to members                                  | 490,852                  | 59,319              |                     | 550,171                  |
| Due to bondholders                              | 85,351,612               | 44,806,068          | 56,266,032          | 73,891,648               |
| Total Liabilities                               | <u>\$85,994,837</u>      | <u>\$44,866,231</u> | <u>\$56,418,405</u> | <u>\$74,442,663</u>      |

## 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 presents with respect to the City's overall financial health. In contrast to the Financial Section, the Statistical Section information is not subject to independent audit.

### ***Financial Trends***

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

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

### ***Revenue Capacity***

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

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

### ***Debt Capacity***

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

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

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

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

1. Demographic and Economic Statistics
2. Principal Employers

### ***Operating Information***

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

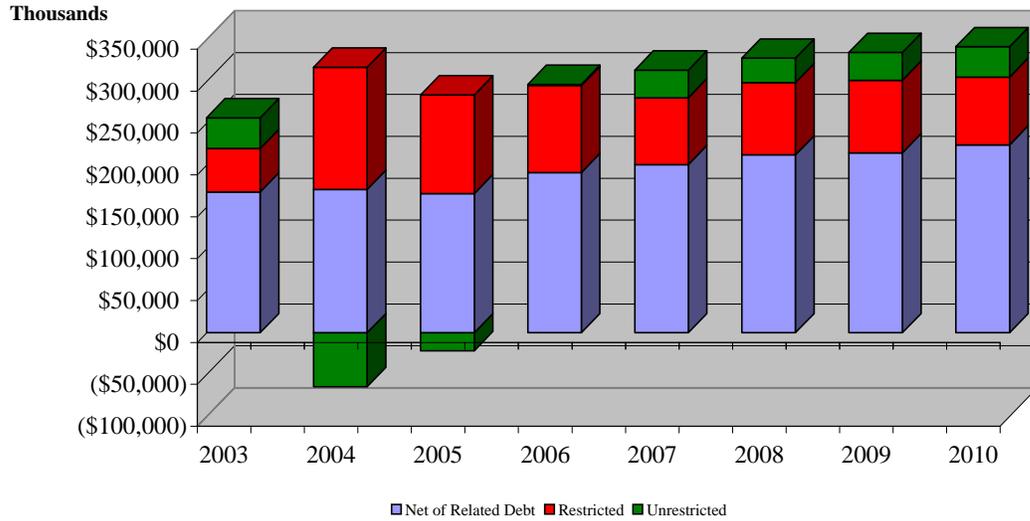
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

### ***Sources***

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

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**CITY OF ALAMEDA  
NET ASSETS BY COMPONENT  
LAST EIGHT FISCAL YEARS (a)  
(ACCRUAL BASIS OF ACCOUNTING)**



|  | For the Fiscal Year Ended June 30 |                      |                      |                      |                      |                      |                      |                      |
|--|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2003                              | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 |
| <b>Governmental activities</b>                     |                                   |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets,<br>net of related debt | \$116,456,794                     | \$132,621,927        | \$124,741,406        | \$149,626,890        | \$158,716,508        | \$169,776,636        | \$169,927,104        | \$179,200,175        |
| Restricted   | 51,888,403                        | 144,673,265          | 116,647,178          | 102,723,054          | 79,816,104           | 86,336,351           | 86,483,930           | 80,874,514           |
| Unrestricted                                       | 19,237,422                        | (81,824,156)         | (40,784,740)         | (18,104,392)         | 13,312,902           | 8,764,362            | 16,106,522           | 17,888,714           |
| Total governmental activities net assets           | <u>\$187,582,619</u>              | <u>\$195,471,036</u> | <u>\$200,603,844</u> | <u>\$234,245,552</u> | <u>\$251,845,514</u> | <u>\$264,877,349</u> | <u>\$272,517,556</u> | <u>\$277,963,403</u> |
| <b>Business-type activities</b>                    |                                   |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets,<br>net of related debt | \$51,668,490                      | \$38,512,292         | \$41,430,248         | \$41,606,226         | \$41,973,568         | \$42,515,505         | \$44,928,147         | \$45,131,483         |
| Restricted   |                                   | 1,083,977            | 1,106,890            | 1,145,471            |                      |                      |                      |                      |
| Unrestricted                                       | 17,280,942                        | 17,488,537           | 19,470,915           | 19,401,658           | 19,774,563           | 20,318,503           | 17,184,286           | 18,336,223           |
| Total business-type activities net assets          | <u>\$68,949,432</u>               | <u>\$57,084,806</u>  | <u>\$62,008,053</u>  | <u>\$62,153,355</u>  | <u>\$61,748,131</u>  | <u>\$62,834,008</u>  | <u>\$62,112,433</u>  | <u>\$63,467,706</u>  |
| <b>Primary government</b>                          |                                   |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets,<br>net of related debt | \$168,125,284                     | \$171,134,219        | \$166,171,654        | \$191,233,116        | \$200,690,076        | \$212,292,141        | \$214,855,251        | \$224,331,658        |
| Restricted   | 51,888,403                        | 145,757,242          | 117,754,068          | 103,868,525          | 79,816,104           | 86,336,351           | 86,483,930           | 80,874,514           |
| Unrestricted                                       | 36,518,364                        | (64,335,619)         | (21,313,825)         | 1,297,266            | 33,087,465           | 29,082,865           | 33,290,808           | 36,224,937           |
| Total primary government net assets                | <u>\$256,532,051</u>              | <u>\$252,555,842</u> | <u>\$262,611,897</u> | <u>\$296,398,907</u> | <u>\$313,593,645</u> | <u>\$327,711,357</u> | <u>\$334,629,989</u> | <u>\$341,431,109</u> |

Note:

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

Source: City Finance Department

**CITY OF ALAMEDA**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT FISCAL YEARS (a)**  
**(ACCRUAL BASIS OF ACCOUNTING)**

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

Note: (a) Information prior to fiscal year 2007 is not available  
Source: City Finance Department

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

**CITY OF ALAMEDA**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT FISCAL YEARS (a)**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(continued)**

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

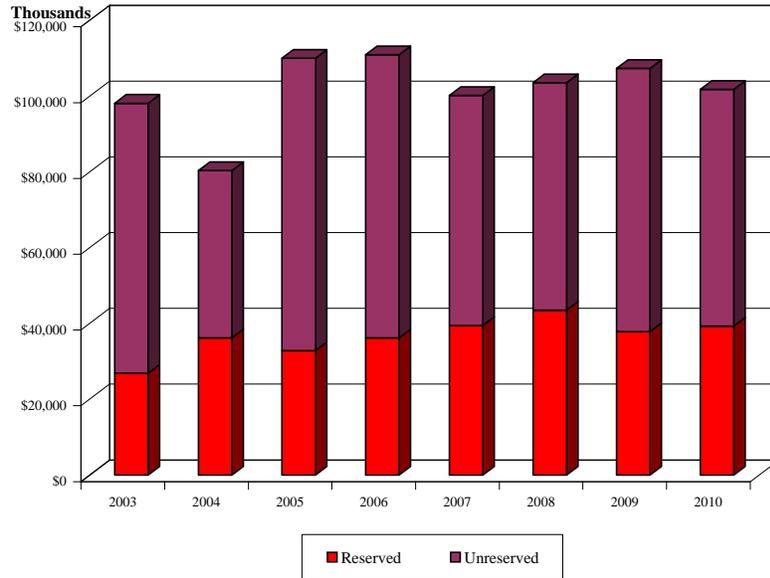
Note:

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

Source: City Finance Department

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

**CITY OF ALAMEDA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST EIGHT FISCAL YEARS (b)  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**



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

Source: City of Alameda Finance Department

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**CITY OF ALAMEDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS (a)**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|  | For the Fiscal Year Ended June 30, |                     |                      |                    |
|--|------------------------------------|---------------------|----------------------|--------------------|
|  | 2003                               | 2004                | 2005                 | 2006               |
| <b>Revenues</b>  |                                    |                     |                      |                    |
| Property taxes   | \$27,491,873                       | \$29,947,878        | \$32,976,420         | \$37,320,071       |
| Other local taxes  | 20,743,798                         | 22,236,960          | 24,120,443           | 27,682,138         |
| Licenses and permits   | 2,485,586                          | 2,928,479           | 3,664,147            | 4,316,809          |
| Revenue from other agencies                                  | 17,955,265                         | 16,905,698          | 22,233,324           | 35,629,270         |
| Charges for current services                                 | 9,324,938                          | 10,079,831          | 9,291,266            | 10,705,681         |
| Fines and forfeitures  | 933,675                            | 897,087             | 907,001              | 941,793            |
| Use of money and property                                    | 14,965,122                         | 14,517,984          | 15,444,762           | 15,791,585         |
| Other  | 971,470                            | 953,026             | 3,550,257            | 1,168,243          |
| <b>Total Revenues</b>  | <b>94,871,727</b>                  | <b>98,466,943</b>   | <b>112,187,620</b>   | <b>133,555,590</b> |
| <b>Expenditures</b>  |                                    |                     |                      |                    |
| Current:   |                                    |                     |                      |                    |
| General government   | 10,569,472                         | 11,020,370          | 15,208,034           | 15,161,220         |
| Police   | 20,164,707                         | 21,372,121          | 21,986,900           | 24,563,122         |
| Fire   | 17,999,297                         | 18,061,798          | 18,898,538           | 22,795,320         |
| Public Works   | 6,992,184                          | 7,844,588           | 7,382,093            | 7,120,517          |
| Community Development, planning and Building                 | 27,202,280                         | 19,887,277          | 15,319,311           | 12,677,375         |
| Culture and recreation                                       | 5,639,792                          | 6,034,698           | 6,177,938            | 6,331,629          |
| Housing and community services                               | 6,649,001                          | 6,900,786           | 6,400,799            | 4,369,609          |
| Capital outlay   | 11,719,561                         | 19,409,657          | 18,907,960           | 39,505,003         |
| Debt service:  |                                    |                     |                      |                    |
| Principal repayment  | 1,745,853                          | 10,363,174          | 1,560,568            | 1,564,295          |
| Interest and fiscal charges                                  | 3,856,685                          | 9,288,334           | 6,283,053            | 6,033,431          |
| <b>Total Expenditures</b>                                    | <b>112,538,832</b>                 | <b>130,182,803</b>  | <b>118,125,194</b>   | <b>140,121,521</b> |
| Excess (deficiency) of revenues over<br>(under) expenditures | (17,667,105)                       | (31,715,860)        | (5,937,574)          | (6,565,931)        |
| <b>Other Financing Sources (Uses)</b>                        |                                    |                     |                      |                    |
| Contribution from another entity                             | 2,500,000                          | 3,731,721           |                      |                    |
| Transfers in   | 17,150,259                         | 35,648,704          | 24,240,787           | 41,355,020         |
| Transfers (out)  | (17,749,270)                       | (35,749,307)        | (24,244,606)         | (41,077,819)       |
| Sale of capital assets                                       | 11,166,506                         | 7,556,344           | 23,443               | 5,176,704          |
| Payment to escrow agent                                      | (10,565,000)                       | (15,570,000)        |                      |                    |
| Bond issuance premium on debt                                |                                    |                     |                      |                    |
| Issuance of long-term debt                                   | 22,994,507                         | 78,570,000          | 84,200               | 1,031,874          |
| <b>Total other financing sources (uses)</b>                  | <b>25,497,002</b>                  | <b>74,187,462</b>   | <b>103,824</b>       | <b>6,485,779</b>   |
| <b>Net Change in fund balances</b>                           | <b>\$7,829,897</b>                 | <b>\$42,471,602</b> | <b>(\$5,833,750)</b> | <b>(\$80,152)</b>  |
| Debt service as a percentage of<br>noncapital expenditures   |                                    |                     |                      |                    |
|  | 5.6%                               | 17.7%               | 7.9%                 | 7.6%               |

**NOTE:**

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

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

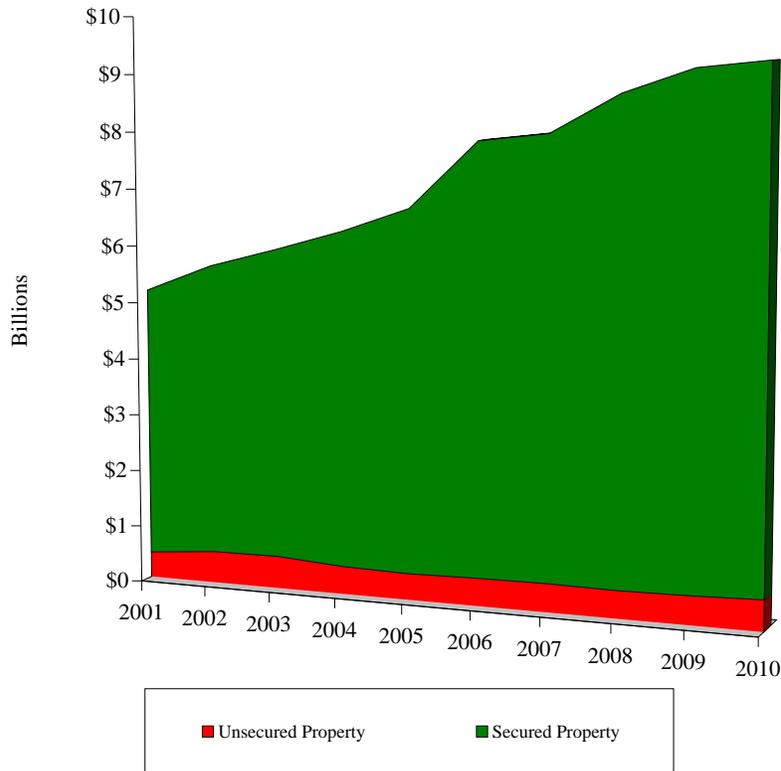
6.8%

7.5%

11.3%

7.6%

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



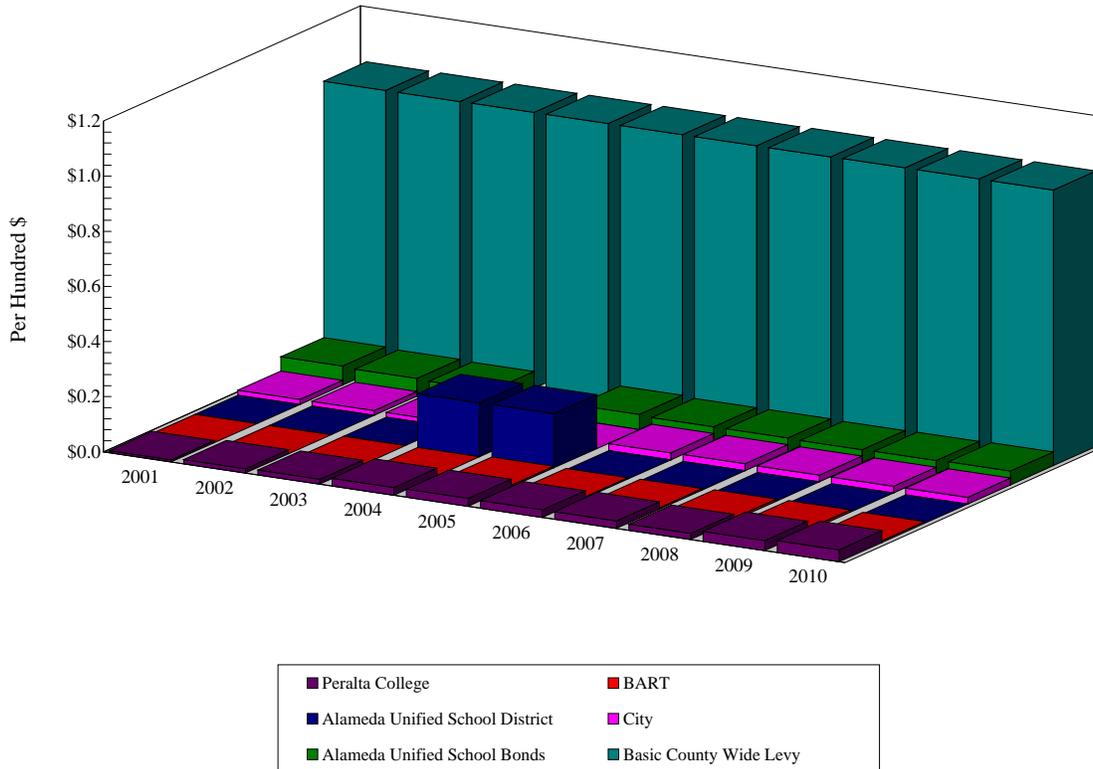
| Fiscal Year | Secured Property | Percent Change | Unsecured Property | Percent Change | Total Assessed  |
|-------------|------------------|----------------|--------------------|----------------|-----------------|
| 2001        | \$4,734,149,408  | 7.13%          | \$448,218,363      | 26.75%         | \$5,182,367,771 |
| 2002        | 5,110,118,698    | 7.94%          | 553,644,347        | 23.52%         | 5,663,763,045   |
| 2003        | 5,426,195,345    | 6.19%          | 564,982,533        | 2.05%          | 5,991,177,878   |
| 2004        | 5,865,562,253    | 8.10%          | 485,153,311        | -14.13%        | 6,350,715,564   |
| 2005        | 6,316,942,645    | 7.70%          | 460,263,932        | -5.13%         | 6,777,206,577   |
| 2006        | 7,469,413,342    | 18.24%         | 482,582,523        | 4.85%          | 7,951,995,865   |
| 2007        | 7,600,603,000    | 1.76%          | 493,333,000        | 2.23%          | 8,093,936,000   |
| 2008        | 8,299,483,280    | 9.20%          | 477,194,312        | -3.27%         | 8,776,677,592   |
| 2009        | 8,699,660,252    | 14.46%         | 501,285,753        | 1.61%          | 9,200,946,005   |
| 2010        | 8,796,462,645    | 5.99%          | 536,786,045        | 12.49%         | 9,333,248,690   |

(a) California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

(b) Estimated full market information is not available

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**

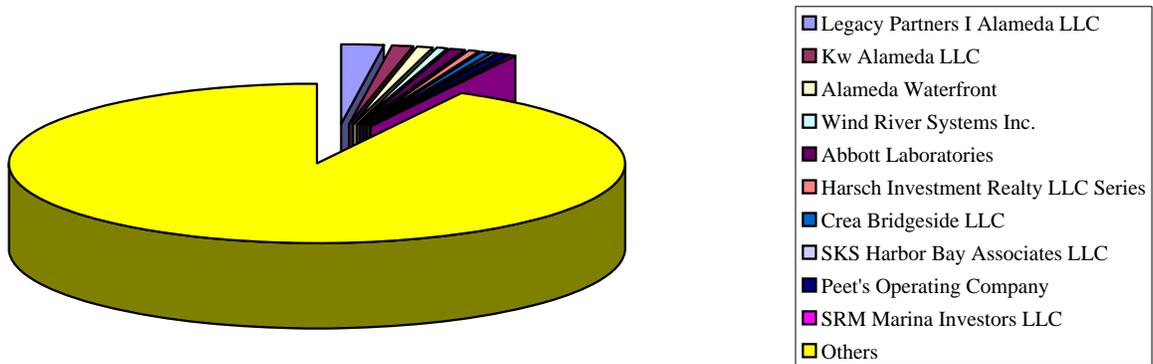


| Fiscal Year | Basic County Wide Levy | City   | Alameda Unified School Bonds | Alameda Unified School District | BART   | Peralta College | Total  |
|-------------|------------------------|--------|------------------------------|---------------------------------|--------|-----------------|--------|
| 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 |
| 2009        | 1.0000                 | 0.0245 | 0.0479                       | N/A                             | 0.0090 | 0.0362          | 1.1176 |
| 2010        | 1.0000                 | 0.0245 | 0.0498                       | N/A                             | 0.0057 | 0.0430          | 1.1230 |

Source: Alameda County Assessors Office

**CITY OF ALAMEDA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

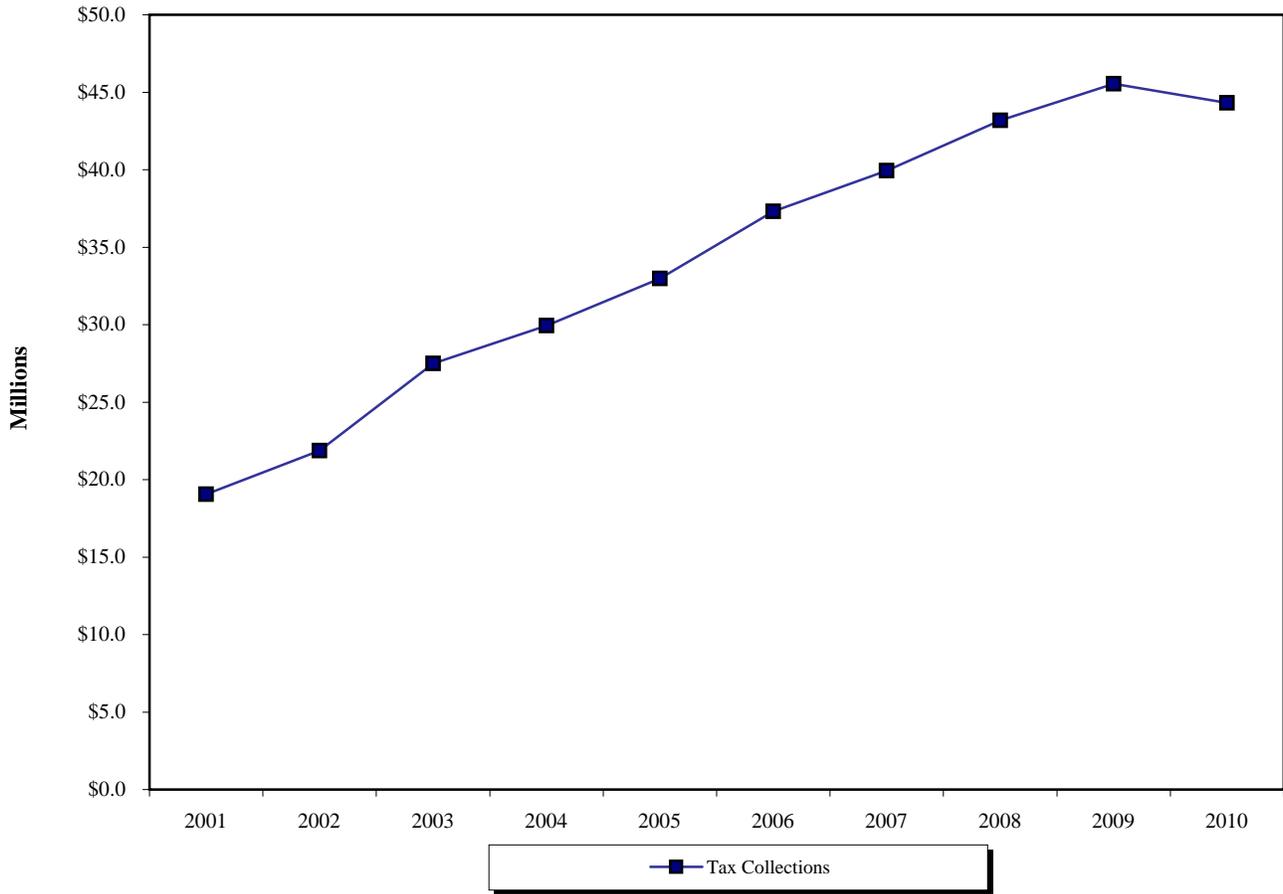
**Current Year Taxpayers**



| Taxpayer                            | 2009-10                |      |   | 2000-01                |      |   |
|-------------------------------------|------------------------|------|---|------------------------|------|---|
|                                     | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Legacy Partners I Alameda LLC       | \$211,301,364          | 1    | 2.26%   |                        |      |   |
| Kw Alameda LLC                      | 109,702,439            | 2    | 1.17%   |                        |      |   |
| Alameda Waterfront                  | 67,120,900             | 3    | 0.72%   |                        |      |   |
| Wind River Systems Inc.             | 65,292,376             | 4    | 0.70%   | \$36,429,011           | 3    | 0.69%   |
| Abbott Laboratories                 | 63,014,111             | 5    | 0.67%   |                        |      |   |
| Harsch Investment Realty LLC Series | 62,166,355             | 6    | 0.66%   |                        |      |   |
| Crea Bridgeside LLC                 | 42,614,317             | 7    | 0.46%   |                        |      |   |
| SKS Harbor Bay Associates LLC       | 41,054,995             | 8    | 0.44%   |                        |      |   |
| Peet's Operating Company            | 38,796,697             | 9    | 0.41%   |                        |      |   |
| SRM Marina Investors LLC            | 35,227,658             | 10   | 0.38%   |                        |      |   |
| Alameda Real Estate Investment      |                        |      |   | 197,326,591            | 1    | 3.74%   |
| Lucent Technologies                 |                        |      |   | 118,052,816            | 2    | 2.24%   |
| Sumitomo Bank Leasing and Finance   |                        |      |   | 33,825,989             | 4    | 0.64%   |
| Harsch Investment                   |                        |      |   | 29,490,445             | 5    | 0.56%   |
| Ballena Village LLC                 |                        |      |   | 24,074,681             | 6    | 0.46%   |
| South Shore Beach and Tennis Club   |                        |      |   | 24,074,681             | 7    | 0.46%   |
| Lincoln Recp Empire Opoco LLC       |                        |      |   | 21,231,196             | 8    | 0.40%   |
| Are-1431 Harbor Bay                 |                        |      |   | 20,936,610             | 9    | 0.40%   |
| Limar Realty Corporation 33         |                        |      |   | 19,400,000             | 10   | 0.37%   |
| Subtotal                            | <u>\$736,291,212</u>   |      | <u>7.87%</u>                                    | <u>\$505,442,020</u>   |      | <u>9.59%</u>                                    |
| Total Net Assessed Valuation:       |                        |      |   |                        |      |   |
| Fiscal Year 2009-10                 | \$9,358,967,427        |      |   |                        |      |   |
| Fiscal Year 2000-01                 | \$5,270,909,011        |      |   |                        |      |   |

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls.

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



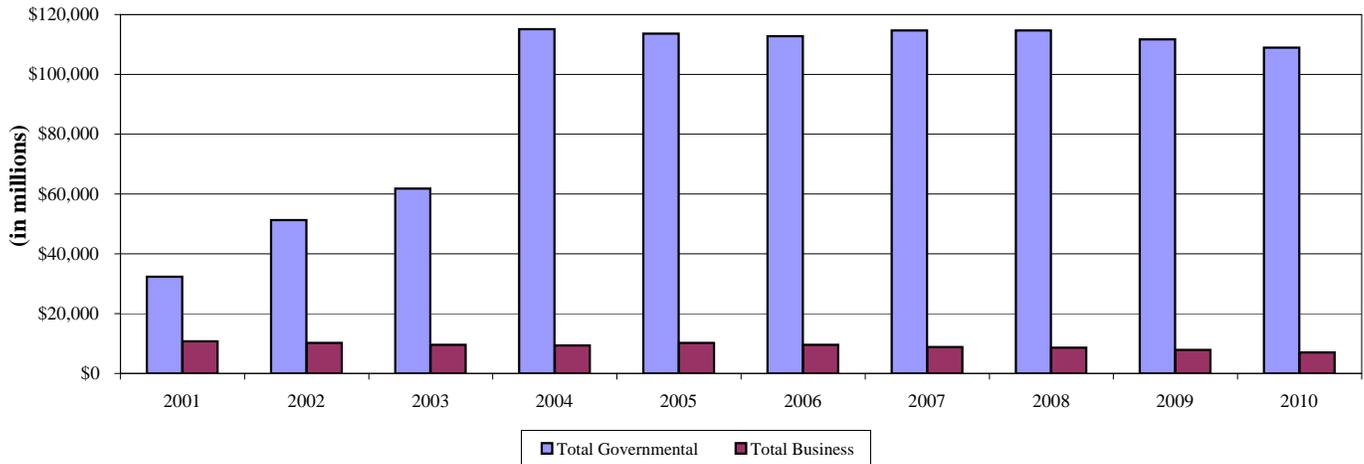
| <b>Fiscal Year</b> | <b>Total Tax Levy (a)</b> | <b>Current Tax Collections</b> | <b>Percent of Levy Collected</b> | <b>Delinquent Tax Collections (a)</b> | <b>Total Tax Collections</b> | <b>Percent of Total Tax Collections to Tax Levy</b> |
|--------------------|---------------------------|--------------------------------|----------------------------------|---------------------------------------|------------------------------|---|
| 2001               | \$19,057,692              | \$19,057,692                   | 100%                             | \$0                                   | \$19,057,692                 | 100%  |
| 2002               | 21,859,978                | 21,859,978                     | 100%                             | 0                                     | 21,859,978                   | 100%  |
| 2003               | 27,491,873                | 27,491,873                     | 100%                             | 0                                     | 27,491,873                   | 100%  |
| 2004               | 29,947,878                | 29,947,878                     | 100%                             | 0                                     | 29,947,878                   | 100%  |
| 2005               | 32,976,420                | 32,976,420                     | 100%                             | 0                                     | 32,976,420                   | 100%  |
| 2006               | 37,320,071                | 37,320,071                     | 100%                             | 0                                     | 37,320,071                   | 100%  |
| 2007               | 39,938,739                | 39,938,739                     | 100%                             | 0                                     | 39,938,739                   | 100%  |
| 2008               | 43,189,504                | 43,189,504                     | 100%                             | 0                                     | 43,189,504                   | 100%  |
| 2009               | 45,548,024                | 45,548,024                     | 100%                             | 0                                     | 45,548,024                   | 100%  |
| 2010               | 44,308,500                | 44,308,500                     | 100%                             | 0                                     | 44,308,500                   | 100%  |

Source: City of Alameda Records

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

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

**CITY OF ALAMEDA**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**



**Governmental Activities**

| Fiscal Year | Governmental Activities |                               |                         |               |                         | Total        |
|-------------|-------------------------|-------------------------------|-------------------------|---------------|-------------------------|--------------|
|             | Tax Allocation Bonds    | Certificates of Participation | General Obligation Bond | Revenue Bonds | Loans & Lease Purchases |              |
| 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    | 6,241,387               | 114,671,387  |
| 2008        | 67,005,000              | 14,595,000                    | 9,960,000               | 14,630,000    | 8,666,301               | 114,644,787  |
| 2009        | 65,900,000              | 13,715,000                    | 9,775,000               | 14,195,000    | 8,139,871               | 111,724,871  |
| 2010        | 64,685,000              | 13,305,000                    | 9,580,000               | 13,745,000    | 7,620,380               | 108,935,380  |

**Business-Type Activities**

| Fiscal Year | Business-Type Activities      |                         |              | Total Primary Government | Percentage of Personal Income (a) | Per Capita (a) |
|-------------|-------------------------------|-------------------------|--------------|--------------------------|-----------------------------------|----------------|
|             | Certificates of Participation | Loans & Lease Purchases | Total        |                          |                                   |                |
| 2001        | \$4,810,000                   | \$5,973,671             | \$10,783,671 | \$43,111,795             | 1.93%                             | 596.63         |
| 2002        | 4,625,000                     | 5,590,353               | 10,215,353   | 61,480,466               | 2.68%                             | 844.43         |
| 2003        | 4,430,000                     | 5,191,545               | 9,621,545    | 71,402,056               | 3.07%                             | 958.76         |
| 2004        | 4,225,000                     | 5,087,209               | 9,312,209    | 124,423,529              | 5.18%                             | 1,673.35       |
| 2005        | 4,010,000                     | 6,182,578               | 10,192,578   | 123,774,540              | 4.85%                             | 1,659.60       |
| 2006        | 3,785,000                     | 5,750,127               | 9,535,127    | 122,330,059              | 4.51%                             | 1,644.11       |
| 2007        | 3,545,000                     | 5,323,440               | 8,868,440    | 123,539,827              | 4.19%                             | 1,641.64       |
| 2008        | 3,295,000                     | 5,305,043               | 8,600,043    | 123,513,227              | 3.94%                             | 1,628.97       |
| 2009        | 3,030,000                     | 4,813,515               | 7,843,515    | 119,568,386              | 3.82%                             | 1,576.94       |
| 2010        | 2,755,000                     | 4,304,311               | 7,059,311    | 115,994,691              | 3.73%                             | 1,490.20       |

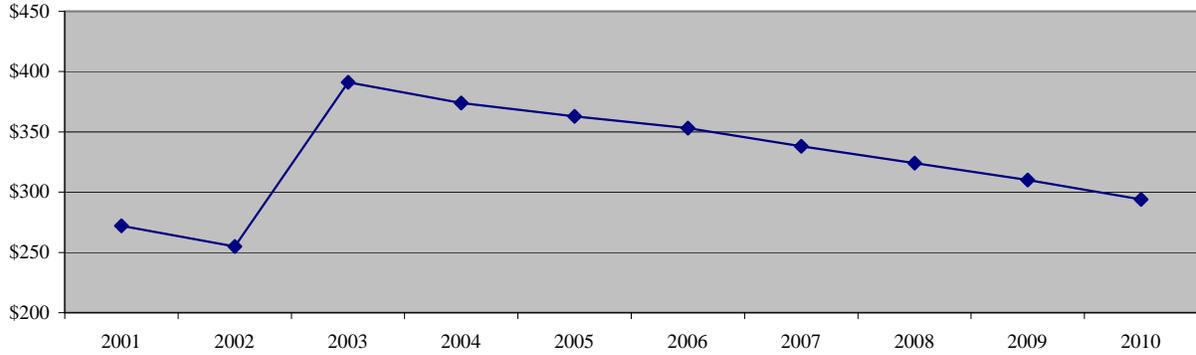
Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources: City of Alameda  
 State of California, Department of Finance (population)  
 U.S. Department of commerce, Bureau of the Census (income)

(a) See page 196 (Demographic Statistics) for personal income and population data.

**CITY OF ALAMEDA  
RATIO OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

**General Bonded Debt Outstanding  
Per Capita**



**General Bonded Debt Outstanding**

| <b>Fiscal Year</b> | <b>Certificates of Participation<br/>Governmental Activities</b> | <b>General Obligation<br/>Bond</b> | <b>Total</b> | <b>Percentage of<br/>Actual Taxable<br/>Value of<br/>Property</b> | <b>Per<br/>Capita</b> |
|--------------------|--|------------------------------------|--------------|---|-----------------------|
| 2001               | \$19,650,000   |                                    | \$19,650,000 | 0.38%   | 271.94                |
| 2002               | 18,595,000   |                                    | 18,595,000   | 0.33%   | 255.40                |
| 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                |
| 2009               | 13,715,000   | 9,775,000                          | 23,490,000   | 0.25%   | 309.80                |
| 2010               | 13,305,000   | 9,580,000                          | 22,885,000   | 0.24%   | 294.01                |

Source: City of Alameda Finance Department

**CITY OF ALAMEDA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2010**

2009-10 Net Assessed Valuation

\$8,796,462,645

|   | Net<br>Debt<br>Outstanding | Percentage<br>Applicable<br>To City of<br>Alameda | Amount<br>Applicable<br>To City of<br>Alameda |
|---|----------------------------|---|---|
| <b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>               |                            |   |   |
| Bay Area Rapid Transit District                                     | \$420,000,000              | 1.80%   | \$7,564,200                                   |
| Peralta Community College District                                  | 445,645,000                | 14.18%  | 63,210,287                                    |
| Alameda Unified School District                                     | 79,415,326                 | 100.00%   | 79,415,326                                    |
| Oakland Unified School District                                     | 726,160,000                | 0.00%   | 363   |
| East Bay Regional Park District                                     | 196,775,000                | 2.75%   | 5,401,474                                     |
| East Bay Municipal Utility District, Special District No. 1         | 27,255,000                 | 13.09%  | 3,566,589                                     |
| City of Alameda   | 9,580,000                  | 100.00%   | 9,580,000                                     |
| City of Alameda Facilities District No. 1                           | 12,325,000                 | 100.00%   | 12,325,000                                    |
| City of Alameda Facilities District No. 2                           | 1,020,000                  | 100.00%   | 1,020,000                                     |
| City of Alameda 1915 Act Bonds                                      | 22,395,000                 | 100.00%   | 22,395,000                                    |
| TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT            | <u>\$1,940,570,326</u>     |   | <u>204,478,239</u>                            |
| <b>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>                    |                            |   |   |
| Alameda County and Coliseum Authority General Fund Obligations      | \$419,006,000              | 4.612%  | 19,324,557                                    |
| Alameda County Pension Obligations                                  | 178,386,819                | 4.612%  | 8,227,200                                     |
| Alameda-Contra Costa Transit District Certificates of Participation | 40,335,000                 | 14.184%   | 2,256,340                                     |
| Peralta Community College District Pension Obligations              | 155,369,090                | 100.000%  | 22,037,552                                    |
| Alameda Unified School District Certificates of Participation       | 1,570,000                  | 0.000%  | 1,570,000                                     |
| Oakland Unified School District Certificates of Participation       | 64,430,000                 | 0.000%  | 32  |
| City of Alameda General Fund Obligations                            | 13,305,000                 | 100.000%  | 13,305,000                                    |
| TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT                      | <u>\$872,401,909</u>       |   | <u>66,720,681</u>                             |
| GROSS COMBINED TOTAL DEBT   |                            |   | <u>\$271,198,920</u>                          |
| NET COMBINED TOTAL DEBT   |                            |   | <u>\$271,198,920</u>                          |

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

| <b>RATIOS TO 2009-10 ASSESSED VALUATION:</b>           |        |
|--|--------|
| Direct Debt  | 10.00% |
| Total Gross Direct and Overlapping Tax Assessment Debt | 2.32%  |
| Total Net Direct and Overlapping Tax Assessment Debt   | 2.32%  |

Source: California Municipal Statistics, Inc.

**CITY OF ALAMEDA  
COMPUTATION OF LEGAL BONDED DEBT MARGIN  
JUNE 30, 2010**

ASSESSED VALUATION:

|   |                 |
|---|-----------------|
| Secured property assessed value, net of<br>exempt real property | \$8,796,462,645 |
|---|-----------------|

|   |                 |
|---|-----------------|
| BONDED DEBT LIMIT (15% OF ASSESSED VALUE) | \$1,319,469,397 |
|---|-----------------|

AMOUNT OF DEBT SUBJECT TO LIMIT:

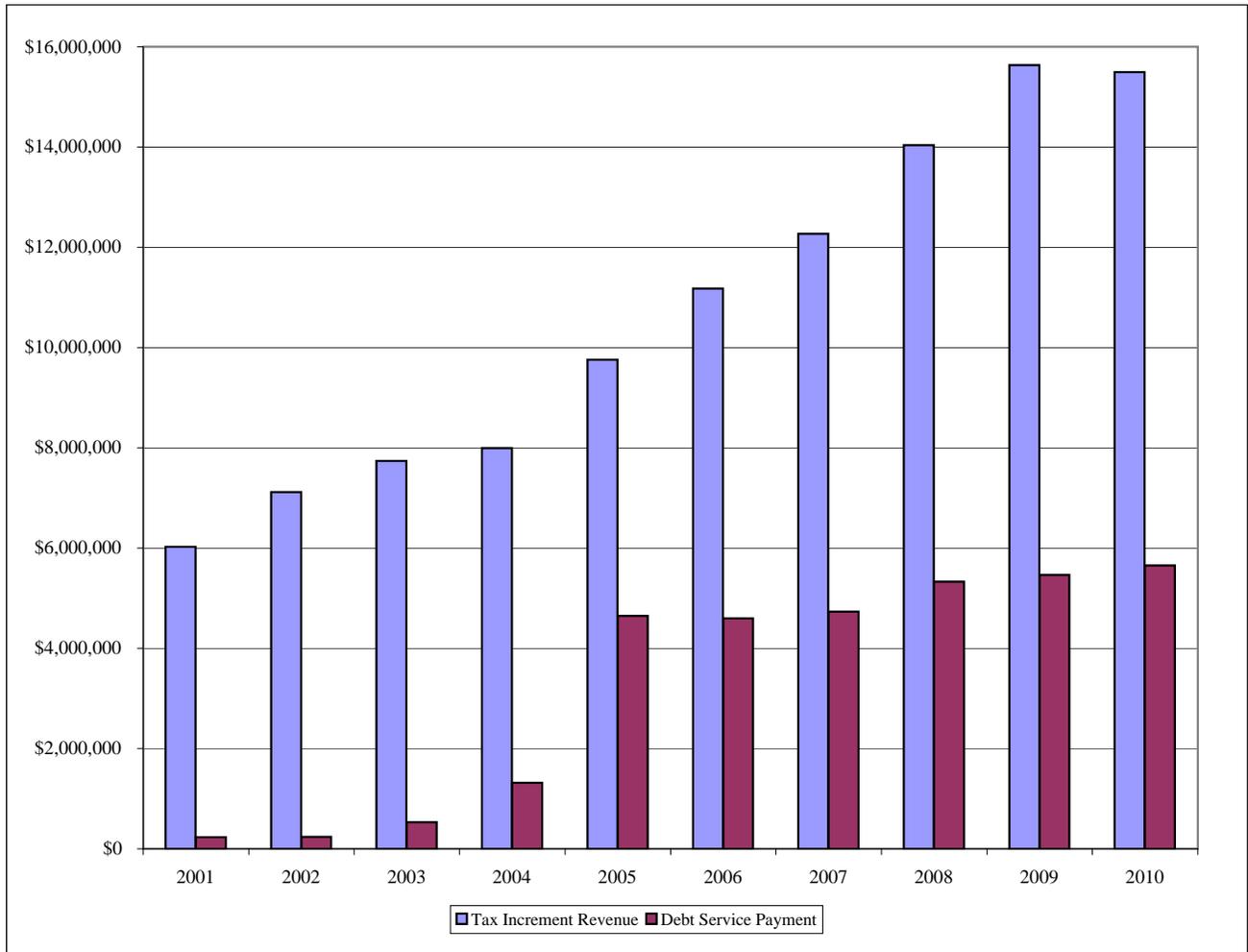
|                                |               |
|--------------------------------|---------------|
| Total Bonded Debt              | \$143,115,000 |
| Less:                          |               |
| Tax Allocation Bonds           | 64,685,000    |
| Revenue Bonds                  | 13,745,000    |
| Certificates of Participations | 55,105,000    |

|                                 |           |
|---------------------------------|-----------|
| Amount of debt subject to limit | 9,580,000 |
|---------------------------------|-----------|

|                          |                 |
|--------------------------|-----------------|
| LEGAL BONDED DEBT MARGIN | \$1,309,889,397 |
|--------------------------|-----------------|

| Fiscal<br>Year | Debt<br>Limit | Total Net Debt<br>Applicable to<br>Limit | Legal<br>Debt<br>Margin | Total net debt<br>applicable to the limit<br>as a percentage<br>of debt limit |
|----------------|---------------|--|-------------------------|---|
| 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%   |
| 2009           | 1,304,949,038 | 9,775,000                                | 1,295,174,038           | 0.75%   |
| 2010           | 1,319,469,397 | 9,580,000                                | 1,309,889,397           | 0.73%   |

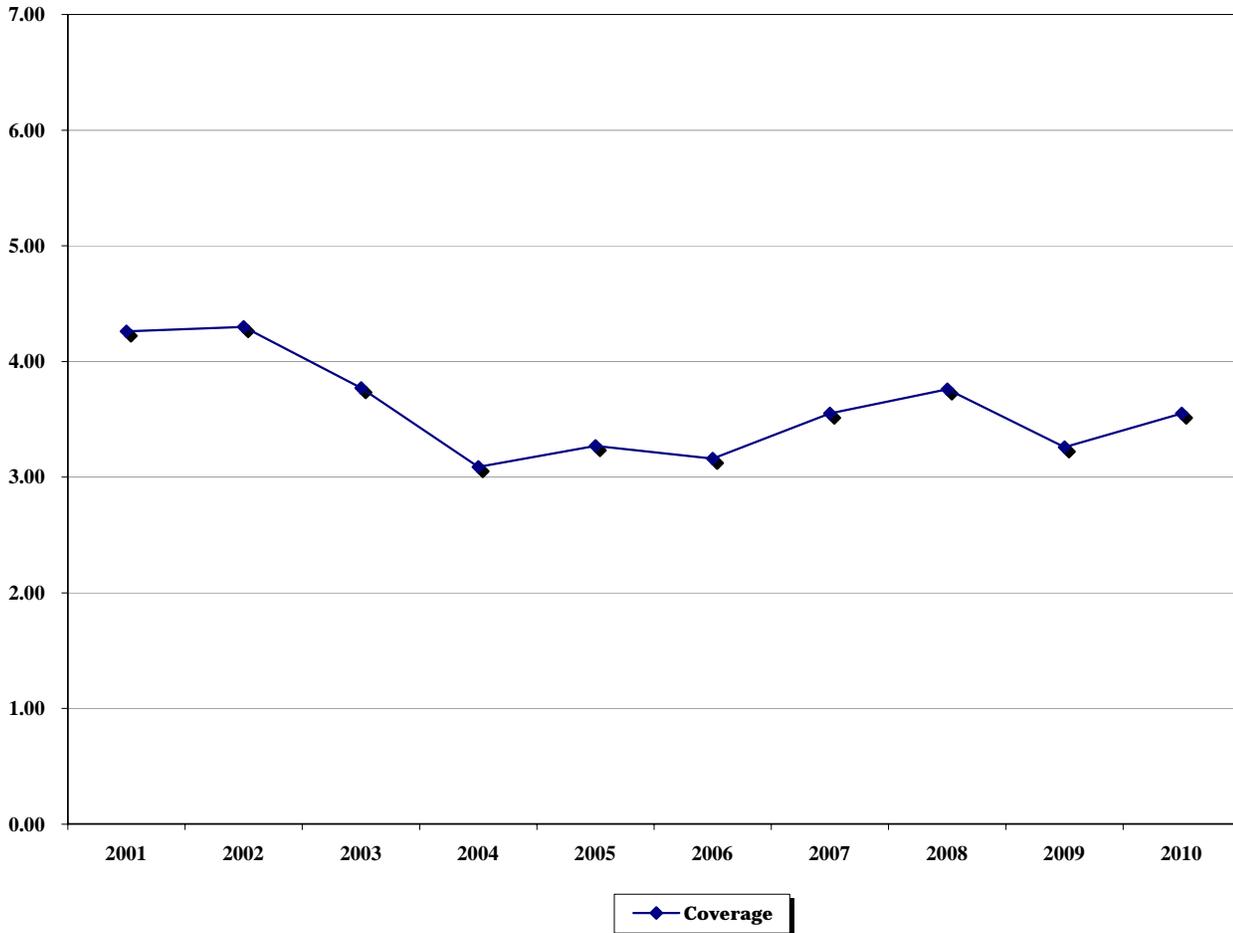
**CITY OF ALAMEDA**  
**BONDED DEBT PLEDGED REVENUE COVERAGE**  
**CIC REVENUE BONDS AND TAX ALLOCATION BONDS**  
**LAST TEN FISCAL YEARS**



| Fiscal Year | Tax Increment Revenue | Debt Service Requirements |           |           | Coverage |
|-------------|-----------------------|---------------------------|-----------|-----------|----------|
|             |                       | Principal                 | Interest  | Total     |          |
| 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     |
| 2009        | 15,634,394            | 1,300,000                 | 4,165,670 | 5,465,670 | 2.86     |
| 2010        | 15,494,892            | 1,582,000                 | 4,070,898 | 5,652,898 | 2.74     |

Source: City of Alameda Annual Financial Statements

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

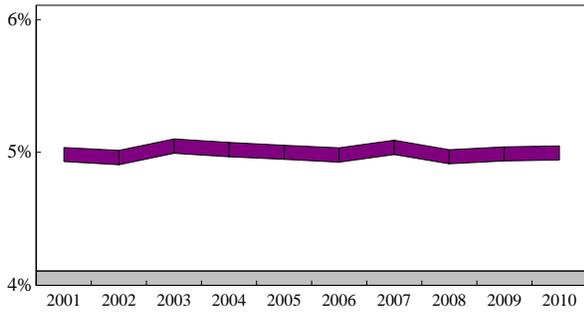


| Fiscal Year | Gross Revenue (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements |           |           | Coverage |
|-------------|-------------------|------------------------|--|---------------------------|-----------|-----------|----------|
|             |                   |                        |  | Principal                 | Interest  | Total     |          |
| 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     |
| 2009        | 6,540,313         | 3,432,587              | 3,107,726                              | 632,247                   | 322,293   | 954,540   | 3.26     |
| 2010        | 6,362,273         | 3,075,856              | 3,286,417                              | 652,237                   | 272,959   | 925,196   | 3.55     |

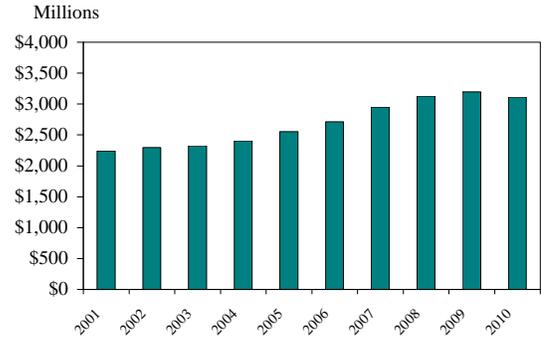
Notes: (1) Includes all Sewer operating revenues, non-operating interest revenue, connection Fees, other non-operating revenue  
(2) Includes all Sewer operating expenses less depreciation and interest

Source: City of Alameda Annual Financial Statements

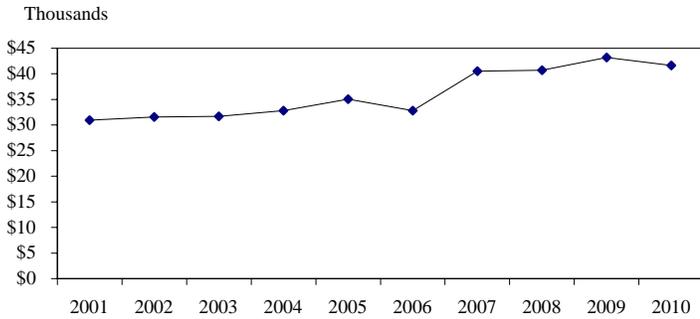
**CITY OF ALAMEDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**



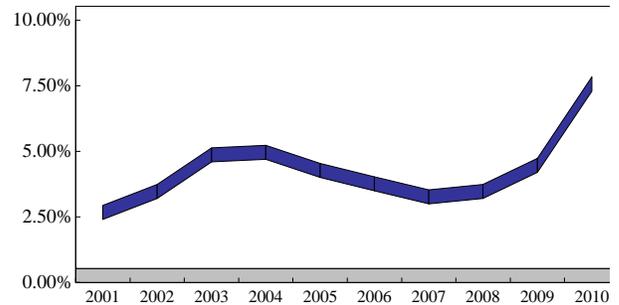
■ City Population as a % of County Population



■ 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 |
|-------------|-----------------|-----------------------|----------------------------|-----------------------|---------------------------|-----------------------------|
| 2001        | 72,259          | \$2,238,737,000       | \$30,982                   | 2.4%                  | 1,465,508                 | 4.93%                       |
| 2002        | 72,807          | 2,296,904,000         | 31,548                     | 3.2%                  | 1,483,311                 | 4.91%                       |
| 2003        | 74,473          | 2,322,517,000         | 31,711                     | 4.6%                  | 1,491,209                 | 4.99%                       |
| 2004        | 74,356          | 2,403,681,000         | 32,802                     | 4.7%                  | 1,496,968                 | 4.97%                       |
| 2005        | 74,581          | 2,552,837,000         | 35,075                     | 4.0%                  | 1,507,500                 | 4.95%                       |
| 2006        | 74,405          | 2,711,584,000         | 32,802                     | 3.5%                  | 1,510,303                 | 4.93%                       |
| 2007        | 75,254          | 2,950,462,000         | 40,524                     | 3.0%                  | 1,509,981                 | 4.98%                       |
| 2008        | 75,823          | 3,131,575,000         | 40,688                     | 3.2%                  | 1,543,000                 | 4.91%                       |
| 2009        | 76,824          | 3,197,344,000         | 43,189                     | 4.2%                  | 1,556,657                 | 4.94%                       |
| 2010        | 77,838          | 3,110,554,000         | 41,621                     | 7.3%                  | 1,574,857                 | 4.94%                       |

Source: California State Department of Finance

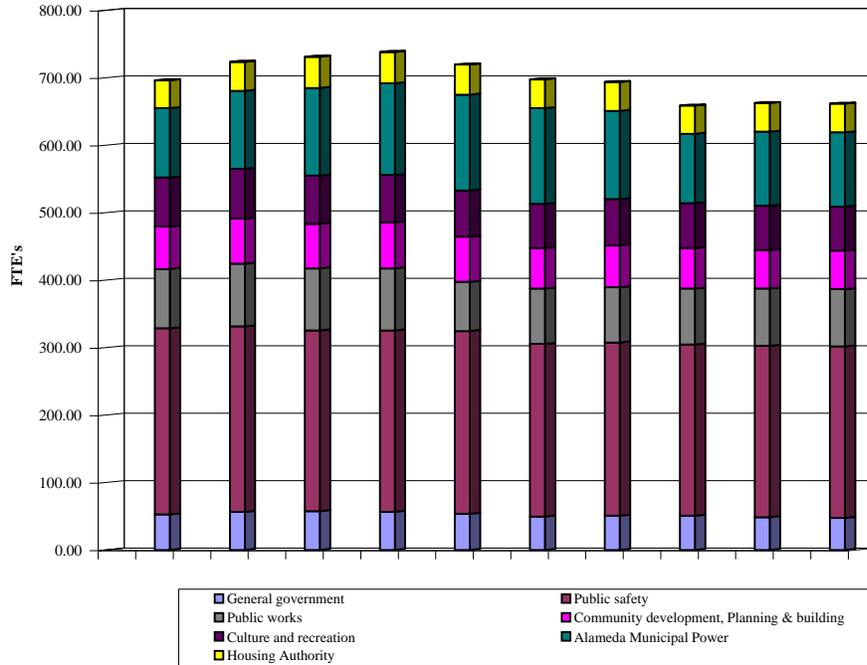
**CITY OF ALAMEDA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND FOUR YEARS AGO (A)**

| <u>Employer</u>                       | <u>2009-10</u>             |             |  | <u>2005-06</u>             |             |  |
|---------------------------------------|----------------------------|-------------|--|----------------------------|-------------|--|
|                                       | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| UT Starcom Inc.                       | 2,400                      | 1           | 3.08%                                      | 237                        | 7           | 0.30%                                      |
| U.S. Coast Guard                      | 2,200                      | 2           | 2.83%                                      |                            |             |  |
| Telecare Corp                         | 2,100                      | 3           | 2.70%                                      |                            |             |  |
| Wind River Systems                    | 1,673                      | 4           | 2.15%                                      | 417                        | 5           | 0.54%                                      |
| Alameda Unified School District       | 1,068                      | 5           | 1.37%                                      | 647                        | 2           | 0.83%                                      |
| City of Alameda                       | 620                        | 6           | 0.80%                                      | 697                        | 1           | 0.90%                                      |
| Celera                                | 551                        | 7           | 0.71%                                      |                            |             |  |
| Alameda Hospital                      | 492                        | 8           | 0.63%                                      | 456                        | 4           | 0.59%                                      |
| Bay Ship & Yacht Co                   | 250                        | 9           | 0.32%                                      |                            |             |  |
| Bay View Nursing & Rehab Ctr          | 180                        | 10          | 0.23%                                      |                            |             |  |
| Abbott Diabetes Care, Inc.            |                            |             |  | 435                        | 3           | 0.56%                                      |
| College of Alameda                    |                            |             |  | 278                        | 6           | 0.36%                                      |
| Golden State Overnight                |                            |             |  | 232                        | 8           | 0.30%                                      |
| Associated Third Party Administration |                            |             |  | 207                        | 9           | 0.27%                                      |
| Kaiser Foundation Health Plan         |                            |             |  | 205                        | 10          | 0.26%                                      |
| Subtotal                              | <u>11,534</u>              |             | <u>14.818%</u>                             | <u>3,811</u>               |             | <u>4.896%</u>                              |
| Total City Day Population             | <u>77,838</u>              |             |  | <u>111,640</u>             |             |  |

Sources: City of Alameda, Infousa.com

(A) Employment information not available for fiscal year 2000-01

**CITY OF ALAMEDA  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**



| Function                                   | 2001          | 2002          | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General government                         | 52.50         | 56.25         | 57.50         | 56.50         | 53.50         | 49.50         | 50.50         | 50.50         | 48.50         | 47.50         |
| Public safety                              | 276.00        | 275.00        | 268.00        | 269.00        | 271.00        | 256.00        | 257.00        | 254.00        | 254.00        | 254.00        |
| Public works                               | 88.00         | 93.00         | 92.00         | 92.00         | 73.00         | 82.00         | 82.00         | 83.00         | 85.00         | 85.00         |
| Community development, Planning & building | 63.00         | 67.00         | 66.00         | 68.00         | 67.00         | 60.00         | 62.00         | 60.00         | 57.00         | 57.00         |
| Culture and recreation                     | 72.50         | 73.50         | 71.50         | 70.50         | 68.50         | 65.50         | 68.50         | 66.50         | 65.50         | 65.50         |
| Alameda Municipal Power                    | 103.00        | 116.00        | 130.00        | 136.00        | 142.00        | 142.00        | 131.00        | 103.00        | 110.00        | 110.00        |
| Housing Authority                          | 41.30         | 42.90         | 46.20         | 46.20         | 44.70         | 42.70         | 42.70         | 41.70         | 42.70         | 42.70         |
| <b>Total</b>                               | <b>696.30</b> | <b>723.65</b> | <b>731.20</b> | <b>738.20</b> | <b>719.70</b> | <b>697.70</b> | <b>693.70</b> | <b>658.70</b> | <b>662.70</b> | <b>661.70</b> |

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**

|                                       | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|
| <b>General Information</b>            |             |             |             |             |
| Area in square miles                  | 10.1        | 10.1        | 10.1        | 10.1        |
| Number of registered voters           | 38,123      | 37,055      | 39,780      | 39,360      |
| 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         | 528         | 637         |
| <b>Function/Program</b>               |             |             |             |             |
| <b>Fire:</b>                          |             |             |             |             |
| Fire calls for service                | 5,608       | 5,712       | 6,070       | 6,003       |
| Primary fire inspections conducted    | (A)         | (A)         | (A)         | 1,700       |
| <b>Police:</b>                        |             |             |             |             |
| Police calls for Service              | 66,047      | 73,484      | 72,584      | 65,535      |
| Law violations:                       |             |             |             |             |
| Part I and Part II crimes             | 7,739       | 7,893       | 7,897       | 6,741       |
| Physical arrests (adult and juvenile) | 4,039       | 4,638       | 5,530       | 4,712       |
| Traffic violations                    | 12,269      | 16,643      | 16,845      | 15,370      |
| <b>Sewer</b>                          |             |             |             |             |
| Storm drain inlets                    | (A)         | (A)         | (A)         | (A)         |
| Sewer service connections             | (A)         | (A)         | (A)         | (A)         |
| <b>Solid Waste</b>                    |             |             |             |             |
| Refuse Landfill (tons per year)       | (A)         | (A)         | (A)         | (A)         |
| Recyclables Processed (tons per year) | (A)         | (A)         | (A)         | (A)         |

| 2005   | 2006   | 2007   | 2008    | 2009      | 2010      |
|--------|--------|--------|---------|-----------|-----------|
| 22.7   | 22.7   | 22.7   | 22.7    | 22.7      | 22.7      |
| 40,968 | 41,755 | 37,307 | 40,238  | 42,547    | 42,547    |
| 1      | 1      | 1      | 1       | 1         | 1         |
| 10,383 | 9,975  | 9,975  | 10,260  | 9,770     | 8,704     |
| 12     | 10     | 11     | 10      | 10        | 10        |
| 3      | 3      | 3      | 3       | 3         | 3         |
| 2      | 3      | 3      | 3       | 3         | 4         |
| 1      | 1      | 1      | 1       | 1         | 1         |
| 1      | 1      | 1      | 1       | 1         | 1         |
| 650    | 621    | 650    | 514 FTE | 638       | 628       |
| (A)    | (A)    | (A)    | (A)     | 4,360     | 6,100     |
| 3,050  | 3,215  | 3,215  | (A)     | 2,485     | 1,991     |
| 66,634 | 67,816 | 6,883  | 69,272  | 69,061    | 65,963    |
| 6,128  | 6,479  | 5,824  | 5,705   | 5,705     | 5,141     |
| 4,036  | 4,441  | 3,574  | 3,661   | 3,461     | 3,103     |
| 16,154 | 16,205 | 11,721 | 12,058  | 12,265    | 12,000    |
| (A)    | 2,100  | 2,100  | 2,280   | 2,280     | 2,300     |
| (A)    | 29,789 | 29,789 | 30,525  | 30,525    | 20,590    |
| (A)    | 35,504 | 39,584 | 36,640  | 31,485.53 | 33,280.00 |
| (A)    | 10,936 | 14,354 | 20,816  | 18,864.14 | 17,777.00 |

**CITY OF ALAMEDA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
(Continued)

|   | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|---|-------------|-------------|-------------|-------------|
| <b>Planning &amp; Building:</b>           |             |             |             |             |
| Number of Building Permits issued         | 7,273       | 4,182       | 4,964       | 5,131       |
| <b>Recreation and Parks:</b>              |             |             |             |             |
| Youth & Teens:                            |             |             |             |             |
| Number of youth programs                  | 85          | 80          | 89          | 90          |
| Number of youth attendees                 | 19,375      | 20,183      | 22,259      | 28,479      |
| Seniors:                                  |             |             |             |             |
| Number of senior programs                 | 64          | 70          | 75          | 79          |
| Number of senior attendees                | 57,753      | 70,197      | 117,099     | 161,216     |
| Number of meals served                    | 14,124      | 14,064      | 14,435      | 14,243      |
| Number of Mastick Senior Center attendees | 57,753      | 70,197      | 117,099     | 161,216     |
| <b>Golf:</b>                              |             |             |             |             |
| Number of rounds played                   | 222,212     | 206,977     | 198,113     | 178,937     |
| <b>Library:</b>                           |             |             |             |             |
| Volumes in Collection (thousands)         | 179         | 181         | 184         | 189         |
| Total Volumes Borrowed (thousands)        | 457         | 492         | 517         | 508         |
| <b>Finance:</b>                           |             |             |             |             |
| Number of Business Licenses issued        | (A)         | 8,075       | 8,295       | 8,732       |
| <b>Alameda Power and Telecom:</b>         |             |             |             |             |
| Number of electric customers              | 32,765      | 32,853      | 32,957      | 33,059      |
| Number of kilowatt hours sold             | 383,124,513 | 366,835,346 | 367,521,970 | 379,852,595 |
| Reliability rate                          | 99.99       | 99.99       | 99.99       | 99.99       |
| Number of telecom customers               |             | 5,755       | 8,708       | 12,001      |
| <b>Housing Authority:</b>                 |             |             |             |             |
| Number of Section 8 vouchers              | 1,632       | 1,632       | 1,583       | 1,625       |
| Number of managed units                   | 559         | 559         | 559         | 559         |

Source: City of Alameda

Note: (A) Information not available  
(B) Telecom sold in November 2008

| 2005        | 2006        | 2007        | 2008        | 2009        | 2010        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 7,011       | 6,197       | 5,979       | 5,297       | 5,231       | 4,575       |
| 92          | 98          | 102         | 110         | 148         | 151         |
| 33,550      | 22,915      | 23,831      | 26,766      | 29,596      | 153,056     |
| 81          | 84          | 96          | 101         | 110         | 114         |
| 160,762     | 167,269     | 166,788     | 169,552     | 151,065     | 153,056     |
| 12,154      | 12,209      | 11,203      | 51,962      | 9,512       | 9,672       |
| 160,762     | 167,269     | 166,788     | 169,352     | 151,065     | 153,056     |
| 151,607     | 134,114     | 144,811     | 133,250     | 121,250     | 118,000     |
| 198         | 193         | 224         | 203         | 200         | 216         |
| 499         | 494         | 483         | 573         | 591         | 630         |
| 9,038       | 9,283       | 10,251      | (A)         | 9,462       | 8,638       |
| 33,188      | 33,869      | 33,892      | 34,030      | 34,272      | 34,231      |
| 378,328,730 | 377,792,038 | 389,286,575 | 392,955,223 | 387,847,929 | 383,119,780 |
| 99.99       | 99.99       | 99.99       | 99.99       | 99.99       | 99.99       |
| 15,462      | 16,770      | 16,374      | 16,316      | (B)         | (B)         |
| 1,625       | 1,675       | 1,675       | 1,675       | 1,675       | 1,845       |
| 559         | 559         | 559         | 559         | 559         | 572         |

**CITY OF ALAMEDA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

|                                   | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|-----------------------------------|-------------|-------------|-------------|-------------|
| <b>Function/Program</b>           |             |             |             |             |
| <b>Fire:</b>                      |             |             |             |             |
| Fire stations                     | 5           | 5           | 5           | 5           |
| <b>Police:</b>                    |             |             |             |             |
| Police stations                   | 1           | 1           | 1           | 1           |
| <b>Public works:</b>              |             |             |             |             |
| Miles of streets                  | (A)         | (A)         | (A)         | 135         |
| Miles of bike lanes               | (A)         | (A)         | (A)         | (A)         |
| Traffic Signals                   | (A)         | (A)         | (A)         | (A)         |
| <b>Wastewater</b>                 |             |             |             |             |
| Miles of sanitary sewers          | (A)         | (A)         | (A)         | (A)         |
| Miles of storm sewers             | (A)         | (A)         | (A)         | (A)         |
| <b>Recreation and Parks:</b>      |             |             |             |             |
| City parks                        | 29          | 29          | 29          | 29          |
| City parks acreage                | 141         | 141         | 141         | 141         |
| Playgrounds                       | 11          | 11          | 11          | 11          |
| City trails/Bike paths            | (A)         | (A)         | (A)         | (A)         |
| Community centers                 | 12          | 12          | 12          | 12          |
| Senior centers                    | 1           | 1           | 1           | 1           |
| Sports centers                    |             |             |             |             |
| Performing arts centers           |             |             |             |             |
| Swimming pools (B)                | 5           | 5           | 5           | 5           |
| Tennis courts (C)                 | 19          | 19          | 19          | 19          |
| Baseball/softball diamonds (D)    | 15          | 15          | 15          | 15          |
| Soccer/football fields (E)        | 2           | 2           | 2           | 2           |
| <b>Golf:</b>                      |             |             |             |             |
| Acres of Greens                   | 5.39        | 5.39        | 5.39        | 5.39        |
| Number of electric golf carts     | (A)         | (A)         | (A)         | (A)         |
| <b>Library:</b>                   |             |             |             |             |
| City Libraries                    | 3           | 3           | 3           | 3           |
| <b>Alameda Power and Telecom:</b> |             |             |             |             |
| Miles of lines                    | 166         | 237         | 239         | 2,456       |
| Street lights                     | (A)         | (A)         | (A)         | (A)         |

Source: City of Alameda

Note: (A) Information not available

(B) Owned by Alameda Unified School District but operated jointly by City and District

(C) 16 courts are owned by the City, 3 owned by Alameda Unified School District but operated jointly by City and District

(D) 14 baseball fields in City parks with three owned by College of Alameda

(E) 1 Dedicated soccer field in City Parks with one not owned by City at Alameda Point

**Fiscal Years**

| <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 5           | 5           | 5           | 5           | 4           | 3           |
| 1           | 1           | 1           | 1           | 1           | 1           |
| 135         | 135         | 138         | 141         | 141         | 141         |
| 10          | 10          | 10          | 12          | 15          | 15          |
| 78          | 78          | 78          | 78          | 78          | 78          |
| (A)         | 160         | 160         | 165         | 165         | 165         |
| (A)         | 41          | 41          | 41          | 41          | 41          |
| 31          | 31          | 31          | 31          | 32          | 32          |
| 149         | 149         | 149         | 152         | 156         | 156         |
| 11          | 11          | 11          | 11          | 11          | 13          |
| 12          | 12          | 12          | 13          | 13          | 13          |
| 12          | 12          | 12          | 13          | 13          | 13          |
| 1           | 1           | 1           | 1           | 1           | 1           |
| 5           | 5           | 5           | 5           | 5           | 5           |
| 19          | 19          | 19          | 19          | 19          | 19          |
| 15          | 15          | 15          | 15          | 15          | 18          |
| 2           | 2           | 2           | 2           | 3           | 3           |
| 5.39        | 5.39        | 5.39        | 5.39        | 5.39        | 5.39        |
| 150         | 150         | 150         | 120         | 120         | 120         |
| 3           | 3           | 3           | 3           | 3           | 3           |
| 245         | 147         | 256         | 257         | 257         | 257         |
| (A)         | 6,359       | 6,365       | 6,370       | 6,440       | 6,069       |

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