NEW ISSUE—FULL BOOK-ENTRY

RATING:
S&P: "AA+"
See "RATING" herein.

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the City with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

$9,010,000

(Alameda County, California)
2013 General Obligation Refunding Bonds

Dated: Date of Delivery **Due: August 1, as shown below**

The $9,010,000 City of Alameda (Alameda County, California), 2013 General Obligation Refunding Bonds (the "Bonds"), are being issued pursuant to the provisions of Article 9 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code and a resolution of the City Council of the City of Alameda (the "City").

The Bonds are being issued to (a) refund, on a current basis, the City of Alameda General Obligation Bonds, Series 2003 (the "2003 Bonds"), and (b) pay for costs of issuance of the Bonds. The 2003 Bonds were issued to finance the construction and renovation of various public libraries. See "REFUNDING PLAN" herein.

The Bonds are general obligations of the City, payable solely from ad valorem property taxes levied by the City and collected by Alameda County (the "County"). The City Council is empowered and is obligated to levy *ad valorem* taxes for the payment of principal of and interest on the Bonds upon all property subject to taxation by the City, without limitation of rate or amount (except certain personal property which is taxable at limited rates). See "THE BONDS" and "AD VALOREM PROPERTY TAXATION" herein.

The Bonds are issuable in denominations of $5,000 and any integral multiple thereof. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2014. See "THE BONDS" herein. The Bonds will be delivered in fully registered form only and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as paying agent, to DTC or its nominee, which will in turn remit such payment to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are subject to optional redemption prior to maturity as described herein. See "THE BONDS—Redemption" herein.

MATURITY SCHEDULE

$5,680,000 Serial Bonds

CUSIP† Prefix: 010752

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix	Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
2014	$400,000	3.000%	0.200%	BH5	2021	$405,000	3.000%	2.450%	BQ5
2015	340,000	3.000	0.450	BJ1	2022	415,000	3.000	2.670	BR3
2016	345,000	3.000	0.800	BK8	2023	430,000	3.000	2.900	BS1
2017	355,000	3.000	1.100	BL6	2024	445,000	3.000	3.070	BT9
2018	365,000	3.000	1.550	BM4	2025	455,000	3.250	3.250	BU6
2019	380,000	3.000	1.900	BN2	2026	470,000	3.250	3.420	BV4
2020	390,000	3.000	2.150	BP7	2027	485,000	3.375	3.550	BW2

$1,565,000 3.750% Term Bonds maturing August 1, 2030; Price: 98.160%, to yield 3.900%—CUSIP†: 010752 BX0

$1,765,000 4.000% Term Bonds maturing August 1, 2033; Price: 98.381%, to yield 4.120%—CUSIP†: 010752 BY8

This cover page contains information for quick reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Quint & Thimmig LLP, Larkspur, California. Certain legal matters also will be passed upon for the City by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and by the City Attorney. It is anticipated that the Bonds in definitive form will be delivered through the facilities of DTC on or about October 16, 2013.

Dated: September 25, 2013

†Copyright 2013, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services Bureau, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Bonds. The City is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the City with respect to the Bonds that has been deemed "final" by the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the City or the Underwriter. This Official Statement and the information contained herein are subject to completion or amendment without notice.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Estimates and Projections. When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the City and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by the City.

The City maintains a website. Unless specifically indicated otherwise, the information presented on such website is ***not*** incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

Document Summaries. All summaries of the Paying Agent Agreement or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the City, or the other parties described in this Official Statement, or the condition of the property within the City since the date of this Official Statement.

City's Website. The City maintains a website. Unless specifically indicated otherwise, the information presented on such website is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

CITY OF ALAMEDA

2263 Santa Clara Avenue
Alameda, California 94501
http://www.alamedaca.gov/

CITY COUNCIL MEMBERS

Marie L. Gilmore, *Mayor*
Marilyn Ezzy Ashcraft, *Vice Mayor*
Lena Tam, *Councilmember*
Stewart G. Chen, *Councilmember*
Tony Daysog, *Councilmember*

CITY OFFICIALS

John A. Russo, *City Manager*
Elizabeth Warmerdam, *Assistant City Manager*
Alexander Nguyen, *Assistant City Manager*
Kevin Kearney, *City Auditor*
Kevin Kennedy, *City Treasurer*
Fred Marsh, *Finance Director*
Janet C. Kern, *City Attorney*
Lara Weisiger, *City Clerk*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel
Quint & Thimmig LLP
Larkspur, California

Financial Advisor
Public Financial Management, Inc.
San Francisco, California

Paying Agent
The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

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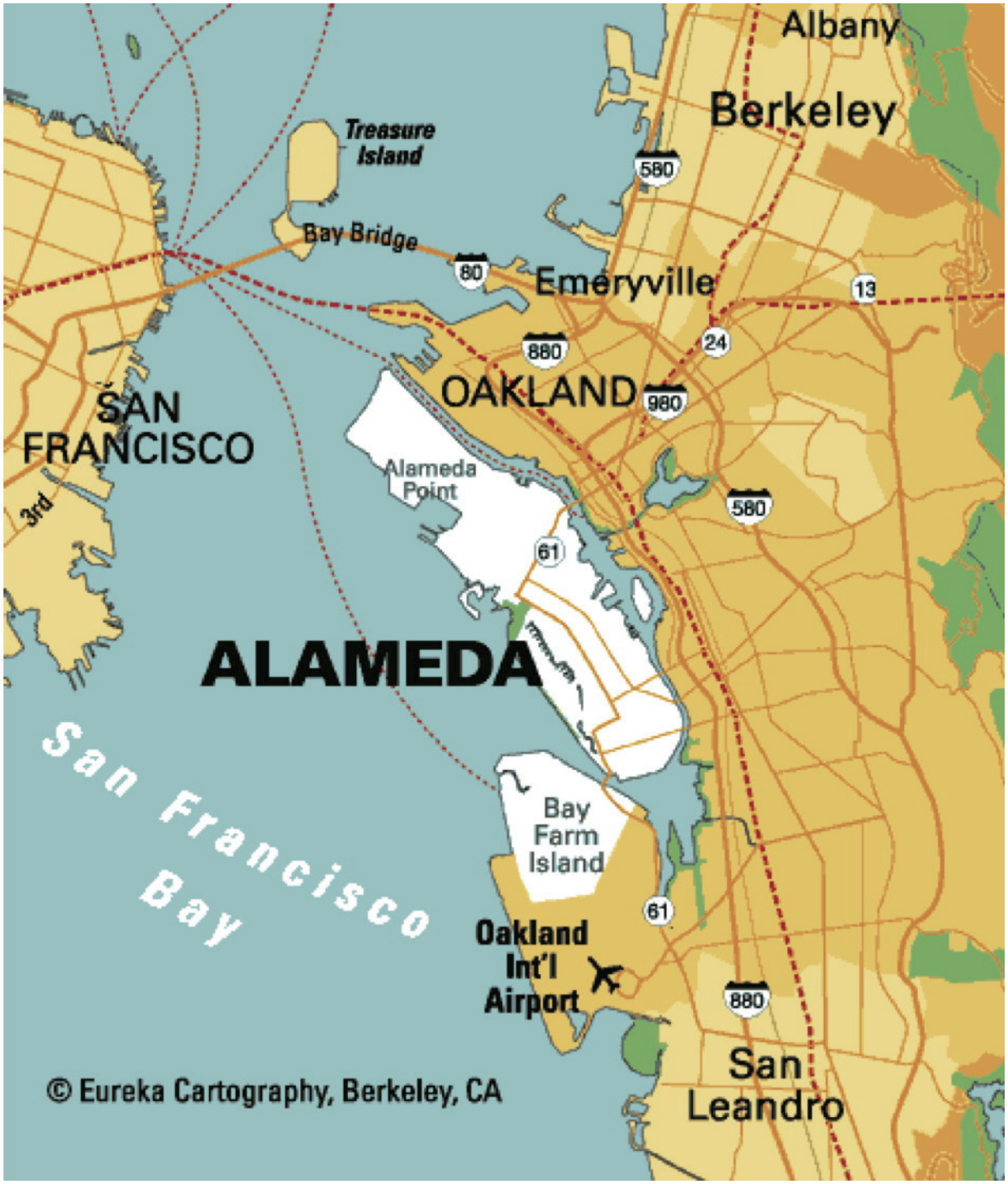

OFFICIAL STATEMENT

$9,010,000
CITY OF ALAMEDA
(Alameda County, California)
2013 General Obligation Refunding Bonds

The purpose of this Official Statement, which includes the cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the bonds captioned above (the "Bonds") by the City of Alameda (the "City"). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Paying Agent Agreement (as defined below).

INTRODUCTION

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

The City. The City is located in Alameda County (the "County"). The City is located on Alameda Island and Bay Farm Island, and is adjacent to and west of Oakland and in eastern San Francisco Bay across from San Francisco and South San Francisco, in the San Francisco Bay Area. It is part of the San Francisco Bay metropolitan area. The City was incorporated in 1854. Its first Charter was granted by the State of California in 1916, and the City continues to operate as a charter city. Municipal operations are conducted under the Council-Manager form of government. The City has a current population of approximately 75,000.

See APPENDIX A—GENERAL DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY OF ALAMEDA AND ALAMEDA COUNTY and APPENDIX B—CITY OF ALAMEDA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012, for certain demographic, statistical and financial information regarding the City.

Authority for Issuance. The Bonds are issued pursuant to the Constitution and laws of the State, including the provisions of Article 9 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code. The Bonds are authorized to be issued pursuant to a resolution (the "Resolution"), adopted by the City Council on September 17, 2013.

The Bonds are being issued to (a) refund, on a current basis, the City of Alameda General Obligation Bonds, Series 2003" (the "2003 Bonds"), issued to finance the construction and renovation of various public libraries, in the original principal amount of $10,600,000, of which $8,680,000 aggregate principal amount remains outstanding, and (b) pay for costs of issuance of the Bonds. See "SOURCES AND USES OF FUNDS—Bonds" and "REFUNDING PLAN."

Security and Sources of Payment for the Bonds. The Bonds are general obligations of the City payable solely from *ad valorem* property taxes levied by the City and collected by the County. The City Council is

empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS."

Payment and Registration of the Bonds. The Bonds will be dated their date of original issuance and delivery (the "Dated Date") and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple of $5,000, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described below. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See "THE BONDS" and APPENDIX E—DTC AND THE BOOK-ENTRY ONLY SYSTEM.

Interest on the Bonds accrues from the Dated Date and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2014. See "THE BONDS—Description of the Bonds."

Early Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to their maturity as described in "THE BONDS—Redemption."

Tax Exemption. In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the City with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding or concerning any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

Offering and Delivery of the Bonds. The Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds will be available for delivery in through the facilities of DTC on or about October 16, 2013.

Continuing Disclosure. The City will covenant for the benefit of the Bondholders to make available certain financial information and operating data relating to the City and to provide notices of the occurrence of certain enumerated events, if material, in compliance with S.E.C. Rule 15c2-12(b)(5). The specific nature of the information to be made available and of the notices of material events is summarized below under "CONTINUING DISCLOSURE." See APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

Other Information. This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available for inspection at the office of the Finance Director, City of Alameda, 2263 Santa Clara Avenue, Alameda, CA 94501, (510) 747-4888. The City may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

The information set forth herein has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the City. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

REFUNDING PLAN

The Bonds are being issued to (a) refund, on a current basis, the 2003 Bonds, and (b) pay for costs of issuance of the Bonds.

Refunding of the Refunded 2003 Bonds. The 2003 Bonds were issued on April 8, 2003, in the principal amount of $10,600,000. At closing, a portion of the net proceeds of the Bonds will be deposited with The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank") in an escrow fund (the "Escrow Fund"). The Escrow Bank will hold all amounts deposited in the Escrow Fund in cash, uninvested. Such amount will be applied, on November 1, 2013, to the redemption in full of the 2003 Bonds at a redemption price equal to 101% of the principal amount thereof, plus accrued interest to such date.

The amounts held by the Escrow Bank in the Escrow Fund are pledged solely to the payment of the 2003 Bonds. The funds deposited in the Escrow Fund will not be available for the payment of debt service with respect to the Bonds.

Payment of Costs of Issuance. A portion of the proceeds of the Bonds will be retained by the Paying Agent in a costs of issuance account and used to pay costs associated with the issuance of the Bonds. Any proceeds of sale of the Bonds not needed to redeem the 2003 Bonds or to pay costs of issuance of the Bonds will be applied to pay debt service on the Bonds.

Sources and Uses of Funds

The estimated sources and uses of funds with respect to the Bonds will be applied as follows:

Sources of Funds	
Principal Amount of Bonds	$9,010,000.00
Plus: Original Issue Premium	90,488.00
Less: Underwriter's Discount	(102,913.72)
Total Sources	$8,997,574.28
Uses of Funds	
Deposit to Escrow Fund	$8,871,683.33
Deposit to Costs of Issuance Account [1]	125,890.95
Total Uses	$8,997,574.28

[1] Includes Bond Counsel and Disclosure Counsel fees, financial advisor fees, rating fees, printing expenses and other costs of issuance with respect to the Bonds.

THE BONDS

Authority for Issuance

The Bonds are issued under the provisions of Chapter 4 (commencing with section 43600) of Division 4 of Title 4 of the California Government Code and section 53506 *et seq*. of the California Government Code, the Bond Resolution and the Paying Agent Agreement.

Description of the Bonds

Book-Entry Form. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of DTC. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action premised on such notice.

The Paying Agent, the City, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

See APPENDIX E—DTC AND THE BOOK-ENTRY ONLY SYSTEM.

Interest. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year (the "Interest Payment Dates"), commencing February 1, 2014.

Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated prior to an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is registered and authenticated prior to a Interest Payment Date and after the close of business on the fifteenth day of the month preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is registered and authenticated prior to January 15, 2011, in which event it will bear interest from the date of original issuance and authentication of the Bonds; *provided,* however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Denominations and Maturity. The Bonds will be issued in the denomination of $5,000 each or any integral multiple of $5,000. The Bonds mature August 1 in the years 2014 through 2043, in the amounts set forth on the cover page of this Official Statement. See the maturity schedule on the cover page hereof and "DEBT SERVICE SCHEDULE" below.

Paying Agent

The Bank of New York Mellon Trust Company, N.A., will act as the transfer agent, bond registrar, authenticating agent and paying agent for the Bonds (the "Paying Agent"). As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action premised on such notice.

The Paying Agent, the City and the Underwriter (as defined herein) have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Payment

Interest on the Bonds (including the final interest payment upon maturity or early redemption) is payable by check of the Paying Agent mailed on the Interest Payment Date to the owner thereof at such owner's address as it appears on the Bond Register maintained by the Paying Agent at the close of business on the 15th day of the month preceding the Interest Payment Date, or at such other address as the owner may have filed with the Paying Agent for that purpose; *provided* that an owner of $1,000,000 or more aggregate principal amount of Bonds, or the owner of all of the Bonds at the time outstanding, will, at his or her option, receive payment of interest by wire transfer to an account in the United States of America designated by such owner to the Paying Agent no later than the 15th day of the month immediately preceding the applicable Interest Payment Date.

Principal of the Bonds is payable in lawful money of the United States of America at the principal office of the Paying Agent.

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 2023, are not subject to redemption prior to their fixed maturity dates. The Bonds maturing on or after August 1, 2024, are subject to redemption prior to their respective maturity dates as a whole or in part on any date, as designated by the City and, absent any such designation, pro rata among maturities and by lot within a maturity, from money provided at the option of the City, in each case on and after August 1, 2023, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 2030, are subject to mandatory sinking fund redemption in part, by lot, prior to their stated maturity date, on each August 1 on and after August 1, 2028, to and including August 1, 2030, at a redemption price equal to 100% of the principal amount thereof called for redemption, plus accrued interest to the redemption date, without premium, as follows:

Term Bond Due August 1, 2032

Sinking Fund Payment Date (August 1)	Sinking Fund Payment
2028	$500,000
2029	525,000
2030†	540,000

†Maturity

The Bonds maturing on August 1, 2033, are subject to mandatory sinking fund redemption in part, by lot, prior to their stated maturity date, on each August 1 on and after August 1, 2031, to and including August 1, 2033, at a redemption price equal to 100% of the principal amount thereof called for redemption, plus accrued interest to the redemption date, without premium, as follows:

Term Bond Due August 1, 2032

Sinking Fund Payment Date (August 1)	Sinking Fund Payment
2031	$565,000
2032	585,000
2033†	615,000

†Maturity

Redemption Procedure. The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the bond registration books maintained by the Paying Agent and to the Securities Depositories (as such term is defined in the Paying Agent Agreement); but such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Bonds.

The Paying Agent will not mail any notice of redemption until it has sufficient moneys on deposit to pay the redemption price of all Bonds to be redeemed; *provided*, however, that such restriction will not apply when the Bonds are redeemed with the proceeds of another obligation of the City; and provided further that in the event the Bonds are being redeemed with such proceeds, the City will have the right to cancel the notice of redemption by providing written notice of such cancellation to the Paying Agent at least seven business days prior to the date set for redemption.

Such notice will state the redemption date and the redemption price and, if less than all of the then outstanding Bonds are to be called for redemption, will designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and will require that such Bonds be then surrendered at the principal office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Partial Redemption. Upon surrender of Bonds redeemed in part only, the City will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the City, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption. From and after the date fixed for redemption, if notice of such redemption has been duly given as provided in the Paying Agent Agreement and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption will has been duly provided, such Bonds so called will cease to be entitled to any benefit under the Paying Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Registration, Transfer and Exchange of Bonds

If the book-entry system as described above and in Appendix E is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.

Bond Register. The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds (the "Bond Register"), which will at all times be open to inspection by the City upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the Bonds.

Transfer. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept by the Paying Agent, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent will require the payment by the owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds are surrendered for transfer, the City will execute and the Paying Agent will authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds will be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption (except with respect to the unredeemed portion thereof).

Exchange. Bonds may be exchanged at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Paying Agent will require the payment by the owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds will be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption (except with respect to the unredeemed portion thereof).

Defeasance

The City has the option to pay and discharge the entire indebtedness on all or any portion of the outstanding Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, and interest and any premium on, such outstanding Bonds, as and when they become due and payable;

(b) by depositing with the Paying Agent, in trust, at or before maturity, money which, together with, in the event of a discharge of all of the Bonds, the amounts then on deposit in the funds and accounts provided for in the Paying Agent Agreement is fully sufficient to pay such outstanding Bonds, including all principal, interest and redemption premiums; or

(c) by irrevocably depositing with the Paying Agent or other agent designated by the City, in trust, cash and Federal Securities (as defined below) in such amount as the City will determine as confirmed by an independent certified public accountant will, together with the interest to accrue thereon and, in the event of a discharge of all of the Bonds, moneys then on deposit in the fund and accounts provided for in the Paying Agent Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

If the City has taken any of the actions specified in (a), (b) or (c) above, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption will have been given as in the Paying Agent Agreement provided or provision satisfactory to the Paying Agent will have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds will not have been surrendered for payment, the pledge of the funds and moneys provided for in the Paying Agent Agreement and all other obligations of the City under the Paying Agent Agreement with respect to such outstanding Bonds will cease and terminate. Notice of such election will be filed with the Paying Agent. Notwithstanding the foregoing, the obligation of the City to pay or cause to be paid to the owners of the Bonds not so surrendered and paid all sums due thereon and all amounts owing to the Paying Agent pursuant to the Paying Agent Agreement will continue in any event.

Upon compliance by the City with the foregoing with respect to all bonds outstanding, any funds held by the Paying Agent after payment of all fees and expenses of the Paying Agent, which are not required for the purposes of the preceding paragraph, will be paid over to the City.

"Federal Securities" means Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

SEMI-ANNUAL DEBT SERVICE

The following table shows the scheduled semi-annual debt service for the Bonds:

Interest Payment Date [1]	Principal [1]	Interest	Total
2/1/14	—	$ 88,613.80	$ 88,613.80
8/1/14	$ 400,000	151,909.38	551,909.38
2/1/15	—	145,909.38	145,909.38
8/1/15	340,000	145,909.38	485,909.38
2/1/16	—	140,809.38	140,809.38
8/1/16	345,000	140,809.38	485,809.38
2/1/17	—	135,634.38	135,634.38
8/1/17	355,000	135,634.38	490,634.38
2/1/18	—	130,309.38	130,309.38
8/1/18	365,000	130,309.38	495,309.38
2/1/19	—	124,834.38	124,834.38
8/1/19	380,000	124,834.38	504,834.38
2/1/20	—	119,134.38	119,134.38
8/1/20	390,000	119,134.38	509,134.38
2/1/21	—	113,284.38	113,284.38
8/1/21	405,000	113,284.38	518,284.38
2/1/22	—	107,209.38	107,209.38
8/1/22	415,000	107,209.38	522,209.38
2/1/23	—	100,984.38	100,984.38
8/1/23	430,000	100,984.38	530,984.38
2/1/24	—	94,534.38	94,534.38
8/1/24	445,000	94,534.38	539,534.38
2/1/25	—	87,859.38	87,859.38
8/1/25	455,000	87,859.38	542,859.38
2/1/26	—	80,465.63	80,465.63
8/1/26	470,000	80,465.63	550,465.63
2/1/27	—	72,828.13	72,828.13
8/1/27	485,000	72,828.13	557,828.13
2/1/28	—	64,643.75	64,643.75
8/1/28	500,000	64,643.75	564,643.75
2/1/29	—	55,268.75	55,268.75
8/1/29	525,000	55,268.75	580,268.75
2/1/30	—	45,425.00	45,425.00
8/1/30	540,000	45,425.00	585,425.00
2/1/31	—	35,300.00	35,300.00
8/1/31	565,000	35,300.00	600,300.00
2/1/32	—	24,000.00	24,000.00
8/1/32	585,000	24,000.00	609,000.00
2/1/33	—	12,300.00	12,300.00
8/1/33	615,000	12,300.00	627,300.00
TOTAL	$9,010,000	$3,621,992.06	$12,631,992.06

[1] Includes mandatory sinking fund payments

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the City, payable solely from *ad valorem* property taxes levied by the City and collected by the County. The City is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Levy and Collection. The City will levy and the County will collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is maintained by the City and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due. If and to the extent the amount of such *ad valorem* taxes collected is insufficient to pay debt service on the Bonds, the City is obligated under the Paying Agent Agreement to use any other moneys lawfully available therefore to pay debt service on the Bonds.

City property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

Annual Tax Rates. The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the City and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the City may cause the annual tax rate to fluctuate.

Economic and other factors beyond the City's control, such as economic recession, deflation of land values, a relocation out of the City or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood or other natural disaster, could cause a reduction in the assessed value within the City and necessitate a corresponding increase in the annual tax rate.

Debt Service Fund

The City will establish the Debt Service Fund (the "Debt Service Fund"), which will be established as a separate fund to be maintained distinct from all other funds of the City. Into the Debt Service Fund will be deposited: (1) the proceeds of *ad valorem* taxes levied to pay debt service on the Bonds; and (2) if any, other moneys lawfully available to pay debt service on the Bonds as provided in the Paying Agent Agreement.

All moneys in the Debt Service Fund will be used and withdrawn by the City solely for the purpose of paying the principal of and interest on the Bonds as they become due and payable. At least five Business Days prior to each Interest Payment Date, commencing in January 1, 2014 the City will transfer to the Paying Agent moneys on deposit in the Debt Service Fund for application by the Paying Agent on the next succeeding Interest Payment Date to the payment of principal of and interest on the Bonds.

Bond Service Fund

The Paying Agent Agreement establishes, as a separate fund, the Bond Service Fund, to be held by the Paying Agent. All moneys received by the Paying Agent from the City from the Debt Service Fund will be deposited into the Bond Service Fund. The moneys on deposit in the Bond Service Fund will be used solely to pay principal and interest on the Bonds when due.

Limited Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* tax levied by the City, and collected by the County, for the payment of principal and interest on the Bonds. Although the County is obligated to levy and collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt of the County.

PROPERTY TAXATION

Property Tax Collection Procedures

In California, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state assessed public utilities' property and property, the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property

on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization ("SBE") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property," a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Alternative Method of Tax Apportionment—Teeter Plan

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq*. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to local political subdivisions, including the City, for which the County acts as the tax-levying or tax-collecting agency. The City began participating in the County's Teeter Plan beginning in fiscal 1995.

The Teeter Plan is applicable to all tax levies on secured property for which the County acts as the tax-levying or tax-collecting agency, or for which the County treasury is the legal depository of the tax collections.

The *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan. The City will receive 100% of the *ad valorem* property tax on secured property levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the City) for which the County acts as the tax-levying or tax-collecting agency.

Assessed Valuation

Assessed Valuation History. The table below shows a five-year history of the City's assessed valuation.

TABLE 1
Assessed Valuations of Taxable Property
Fiscal Years 2009-10 to 2013-14

Fiscal Year	Local Secured	Utility	Unsecured	Total
2009-10	$8,796,462,645	$25,718,737	$536,786,045	$9,358,967,427
2010-11	8,767,561,741	30,754,568	486,282,942	9,284,599,251
2011-12	8,851,986,300	10,495,070	524,614,003	9,387,095,373
2012-13	8,916,551,434	10,495,070	496,000,269	9,423,046,773
2013-14	9,462,141,169	10,495,038	476,558,073	9,949,194,280

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of parcels in the City, according to assessed valuation. As shown, the majority of land in the City is used for residential purposes.

TABLE 2
Assessed Valuation and Parcels by Land Use
Fiscal Year 2013-14

Non-Residential:	2013-14 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Commercial	$ 615,678,264	6.51%	620	3.01%
Office	529,726,653	5.60	154	0.75
Vacant Commercial	73,708,881	0.78	57	0.28
Industrial	337,101,279	3.56	99	0.48
Vacant Industrial	4,673,186	0.05	21	0.10
Recreational	32,332,314	0.34	13	0.06
Government/Social/Institutional	95,183,018	1.01	842	4.09
Subtotal Non-Residential	$1,688,403,595	17.84%	1,806	8.77%
Residential:				
Single Family Residence	$5,219,669,094	55.16%	12,487	60.65%
Condominium/Townhouse	987,064,675	10.43	3,585	17.41
Houseboat	7,721,116	0.08	41	0.20
2-4 Residential Units	771,660,324	8.16	2,047	9.94
5+ Residential Units/Apartments	748,538,402	7.91	552	2.68
Cooperatives	34,353,998	0.36	4	0.02
Vacant Residential	4,729,965	0.05	65	0.32
Subtotal Residential	$7,773,737,574	82.16%	18,781	91.23%
Total	$9,462,141,169	100.00%	20,587	100.00%

Source: California Municipal Statistics, Inc.
(1) Local Secured Assessed Valuation; excluding tax-exempt property.

Assessed Valuation of Single Family Residential Parcels. The following table shows a break down of the assessed valuations of Single Family Residential parcels in the City, according to assessed valuation.

TABLE 3
Per Parcel 2013-14 Assessed Valuation of Single Family Homes

	No. of Parcels	2013-14 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	12,487	$5,219,669,094	$418,008	$402,010

2013-14 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	184	1.474%	1.474%	$ 8,101,208	0.155%	0.155%
$50,000 - $99,999	1,416	11.340	12.813	106,298,840	2.037	2.192
$100,000 - $149,999	733	5.870	18.683	89,538,802	1.715	3.907
$150,000 - $199,999	469	3.756	22.439	83,015,935	1.590	5.498
$200,000 - $249,999	683	5.470	27.909	154,494,756	2.960	8.457
$250,000 - $299,999	833	6.671	34.580	229,123,873	4.390	12.847
$300,000 - $349,999	928	7.432	42.012	301,023,666	5.767	18.614
$350,000 - $399,999	955	7.648	49.660	357,544,680	6.850	25.464
$400,000 - $449,999	906	7.256	56.915	384,862,105	7.373	32.837
$450,000 - $499,999	879	7.039	63.955	417,927,267	8.007	40.844
$500,000 - $549,999	870	6.967	70.922	456,706,239	8.750	49.594
$550,000 - $599,999	748	5.990	76.912	428,182,715	8.203	57.797
$600,000 - $649,999	704	5.638	82.550	439,399,180	8.418	66.215
$650,000 - $699,999	615	4.925	87.475	415,118,091	7.953	74.168
$700,000 - $749,999	398	3.187	90.662	288,999,725	5.537	79.705
$750,000 - $799,999	344	2.755	93.417	265,831,090	5.093	84.798
$800,000 - $849,999	263	2.106	95.523	216,586,114	4.149	88.947
$850,000 - $899,999	176	1.409	96.933	153,764,255	2.946	91.893
$900,000 - $949,999	95	0.761	97.694	87,452,439	1.675	93.569
$950,000 - $999,999	53	0.424	98.118	51,385,783	0.984	94.553
$1,000,000 and greater	235	1.882	100.000	284,312,331	5.447	100.000
Total	12,487	100.000%		$5,219,669,094	100.000%	

Source: California Municipal Statistics, Inc.
(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in Tax Rate Area TRA 21-000 for each $100 of assessed valuation during the fiscal years 2008-09 through 2012-13.

TABLE 4
Summary of Ad Valorem Tax Rates
$1 per $100 of Assessed Valuation
Fiscal Years 2008-09 to 2012-13
(Tax Rate Area 21-000)

Ad Valorem Tax	2008-09	2009-10	2010-11	2011-12	2012-13
1% General Fund Levy	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Alameda Unified School District	0.0479	0.0498	0.0520	0.0527	0.0553
Peralta Community College District	0.0362	0.0430	0.0430	0.0436	0.0434
Bay Area Rapid Transit District	0.0090	0.0057	0.0031	0.0041	0.0043
East Bay Regional Park District	0.0100	0.0108	0.0084	0.0071	0.0051
East Bay Municipal Utility District Special District No. 1	0.0064	0.0065	0.0067	0.0067	0.0068
City of Alameda	0.0245	0.0245	0.0244	0.0249	0.0260
Total Tax Rate	1.1340%	1.1403%	1.1376%	1.1391%	1.1409%

Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

The following table is a five-year summary of *ad valorem* property tax levies, dollars delinquent and delinquency rates on property within the City. Because the City currently participates in the Teeter Plan, the amount of *ad valorem* property taxes received by the City is equal to the amount levied rather than the amount collected by the County. See "—Alternative Method of Apportionment—Teeter Plan," above.

TABLE 5
Total Tax Levies and Collections
(As of June 30)
2008-09 through 2012-13
(In Thousands)

Fiscal Year	Gross Tax Levy	Current Tax Collections	Percentage of Current Levy Collected	Delinquent Tax Collections	Total Collections
2008-09	$45,548	$45,548	100%	—	$45,548
2009-10	44,308	44,308	100	—	44,308
2010-11	44,304	44,304	100	—	44,304
2011-12	36,215	36,215	100	—	36,215
2012-13	35,149	35,149	100	—	35,149

Source: Annual Financial Statements, Government Funds, Statement of Revenues, Expenditures and Changes in Fund Balances.

Major Taxpayers

The following table shows the largest taxpayers in the City as determined by their secured assessed valuations in 2013-14:

TABLE 6
Largest 2013-14 Local Secured Taxpayers

	Property Owner	Primary Land Use	2013-14 Assessed Valuation	% of Total (1)
1.	Legacy Partners I Alameda LLC	Office Building	$ 214,675,882	2.27%
2.	Jamestown Harsch Alameda Towne Centre LP	Shopping Center	185,187,025	1.96%
3.	KW Alameda LLC	Apartments	95,795,578	1.01%
4.	Wind River Systems Inc.	Office Building	64,495,955	0.68%
5.	Amstar 105 LLC	Office Building	46,920,000	0.50%
6.	SKS Harbor Bay Associates LLC	Office Building	42,932,659	0.45%
7.	Peets Operating Co.	Industrial	42,549,211	0.45%
8.	VF Outdoor Inc.	Office Building	37,905,954	0.40%
9.	Woodstock Homes Corporation	Cooperatives	35,735,586	0.38%
10.	Crea Bridgeside LLC	Shopping Center	34,100,000	0.36%
11.	Ballena Village LLC	Apartments	31,377,353	0.33%
12.	South Shore Beach & Tennis Club	Apartments	26,532,560	0.28%
13.	SRM Marina Investors LLC	Commercial	26,366,800	0.28%
14.	OakmontSL of Alameda LP	Assisted Living	23,339,550	0.25%
15.	Oakland Raiders LP	Office Building	22,235,142	0.23%
16.	Dollinger Harbor Bay Associates LP	Office Building	21,949,995	0.23%
17.	BRE ESA Properties LLC	Hotel/Motel	18,519,120	0.20%
18.	Bantry Bay Properties	Apartments	18,062,873	0.19%
19.	AMP Capital Titan Harbor Bay Property LLC	Office Building	17,900,000	0.19%
20.	Timber Dell Properties LLC	Apartments	17,481,529	0.18%
	Totals		$1,024,062,772	10.82%

Source: California Municipal Statistics, Inc.
(1) 2013-14 Local Secured Assessed Valuation: $9,462,141,169.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective as of September 1, 2013. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 7
Statement of Direct and Overlapping Bonded Debt
(As of September 1, 2013)

2013-14 Assessed Valuation:	$9,949,194,280	
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Applicable % [1]	Debt 9/1/13
Bay Area Rapid Transit District	1.880%	$ 7,655,156
Peralta Community College District	13.232	53,414,938
Alameda Unified School District	100.000	63,105,326
East Bay Regional Park District	2.897	6,064,870
East Bay Municipal Utility District, Special District No. 1	12.374	2,295,996
City of Alameda	**100.000**	**8,680,000**
City of Alameda Community Facilities District No. 1	100.000	8,815,000
City of Alameda 1915 Act Bonds	100.000	4,215,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		154,246,286
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Alameda County and Coliseum Authority General Fund Obligations	4.770%	30,459,223
Alameda County Pension Obligations	4.767	5,209,263
Alameda-Contra Costa Transit District Certificates of Participation	5.567	1,567,389
Peralta Community College District Pension Obligations	13.232	20,979,877
Alameda Unified School District Certificates of Participation	100.000	1,015,000
City of Alameda General Fund Obligations[2]	**100.000**	**10,700,000**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		69,930,752
OVERLAPPING TAX INCREMENT DEBT:		71,030,000
COMBINED TOTAL DEBT[3]		$295,207,038
Ratios to 2013-14 Assessed Valuation:		
Direct Debt ($8,680,000)	**0.09%**	
Total Direct and Overlapping Tax and Assessment Debt	1.55%	
Combined Direct Debt ($19,380,000)	**0.19%**	
Combined Total Debt	2.97%	
Ratio to Redevelopment Incremental Valuation ($1,473,472,996):		
Total Overlapping Tax Increment Debt	4.82%	

Source: California Municipal Statistics, Inc.
(1) Based on 2012-13 ratios.
(2) Excludes issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the City for the payment thereof. See "The Bonds—Security for the Bonds" above. Articles XIIIA, XIIIB, XIIIC and XIIID of the State Constitution, Propositions 62, 111, and 218 and 1A, and certain other provisions of law discussed below are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the City to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the City to levy taxes for payment of the Bonds. The tax levied by the City for payment of the Bonds was approved by the City's voters in compliance with Article XIIIA and all applicable laws.

Article XIIIA of the State Constitution

On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the State Constitution. Article XIIIA, as amended, limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service (i) on indebtedness approved by the voters prior to July 1, 1978, (ii) on bonded indebtedness approved by a two-thirds vote on or after July 1, 1978, for the acquisition or improvement of real property or (iii) bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters voting on the proposition. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster, and in other minor or technical ways.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full market value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100 percent of market value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Article XIIIB of the State Constitution

In addition to the limits Article XIIIA imposes on property taxes that may be collected by local governments, certain other revenues of the State and most local governments are subject to an annual "appropriations limit" imposed by Article XIIIB which effectively limits the amount of such revenues those entities are permitted to spend. Article XIIIB, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to "proceeds of taxes," which consist of tax revenues, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service." "Proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds. Article XIIIB also does not limit appropriation of local revenues to pay debt service on Bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in case of emergency; however, the appropriations limit for the next three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Proposition 111 requires that each agency's actual appropriations be tested against its limit every two years.

If the aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years.

The City has never exceeded its appropriations limit.

Articles XIIIC and XIIID of the State Constitution

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIIC and XIIID to the California Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City require a majority vote and taxes for specific purposes, even if deposited in the City's General Fund, require a two-thirds vote. The voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a "special benefit," as defined in Article XIIID, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. If the City is unable to continue to collect these revenues, the services and programs funded with these revenues would have to be curtailed and/or the City's General Fund might have to be used to support them. The City is unable to predict whether or not in the future it will be able to continue all existing services and programs funded by the fees, charges and assessments in light of Proposition 218 or, if these services and programs are continued, which amounts (if any) would be used from the City's General Fund to continue to support these activities.

Article XIIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund.

Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986, general election and (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the City be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of *ad valorem* taxes on real property by local governmental entities except as permitted by Article XIIIA, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

California appellate court cases have overturned the provisions of Proposition 62 pertaining to the imposition of taxes for general government purposes. However, the California Supreme Court upheld Proposition 62 in its decision on September 25, 1995, in *Fresno County Transportation Authority v. Guardino*.

This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities. The City has not experienced any substantive adverse financial impact as a result of the passage of this initiative.

Proposition 1A

Proposition 1A, proposed by the Legislature in connection with the State's Fiscal Year 2004-05 Budget, approved by the voters in November 2004 and generally effective in Fiscal Year 2006-07, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provides, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the motor vehicle license fee rate currently in effect, 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 1A may result in increased and more stable City revenues. The magnitude of such increase and stability is unknown and would depend on future actions by the State. However, Proposition 1A could also result in decreased resources being available for State programs. This reduction, in turn, could affect actions taken by the State to resolve budget difficulties. Such actions could include increasing State taxes, decreasing spending on other State programs or other action, some of which could be adverse to the City.

Possible Future Initiatives

Articles XIIIA, XIIIB, XIIIC and XIIID and Propositions 62, 111, 218 and 1A were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the City or the City's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the City.

LEGAL MATTERS

Approval of Legal Proceedings

The legality of the sale, execution and delivery of the Bonds is subject to the approval of Quint & Thimmig LLP, Larkspur, California, acting as Bond Counsel. A proposed form of such legal opinion is

attached hereto as Appendix C. Quint & Thimmig LLP, Larkspur, California, is also acting as disclosure counsel to the City in connection with the issuance of the Bonds. Certain matters will be passed upon for the City by Janet C. Kern, Esq., the City Attorney.

Payment of the fees and expenses of Quint & Thimmig LLP are contingent upon issuance of the Bonds.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to the purchasers at the time of the original delivery of the Bonds. The City is not aware of any litigation pending or threatened questioning the political existence of the City or contesting the City's ability to receive ad valorem taxes or to collect other revenues or contesting the City's ability to issue and repay the Bonds.

Tax Matters

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix C.

CONTINUING DISCLOSURE

The City will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the City by not later than nine months after the end of the City's fiscal year (which date would be the March 31 following the current end of the City's fiscal year on June 30), commencing March 31, 2014, with the report for the 2012-13 fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE, attached to this Official Statement. These covenants have been made in order to assist the Underwriter (as defined below) in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

Except for the late filing of its 201 audited financial statements, City has had no instance in the previous five years in which it failed to comply in all material respects with any previous continuing disclosure obligation under the Rule.

RATING

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), has assigned the rating of "AA+" to the Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P at 55 Water Street, New York, NY 10041. Generally, a rating agency bases it rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price for the Bonds.

FINANCIAL ADVISOR

The City has retained Public Financial Management, Inc., of San Francisco, California, as financial advisor (the "Financial Advisor") in connection with the issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

UNDERWRITING

Under the terms of a competitive bid held on September 25, 2013, Morgan Stanley & Co. LLC (the "Underwriter") has agreed to purchase the Bonds at a price of $8,997,574.28 (which is equal to the aggregate principal amount of the Bonds of $9,010,000.00, plus a net original issue premium of $90,488.00, less an Underwriter's discount of $102,913.72). The Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the "Official Notice of Sale," including the approval of certain legal matters by counsel and certain other conditions.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the cover page of this Official Statement. The Underwriter may offer and sell to certain dealers and others at a price lower than the offering prices stated on the cover page hereof. The offering price may be changed from time to time by the Underwriter.

Morgan Stanley, parent company of the Underwriter, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, the Underwriter may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, the Underwriter may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

EXECUTION

The execution of this Official Statement and its delivery have been approved by the City Council.

CITY OF ALAMEDA

By /s/ John A. Russo
City Manager

APPENDIX A

GENERAL DEMOGRAPHIC INFORMATION REGARDING THE CITY OF ALAMEDA AND ALAMEDA COUNTY

The City

The City was incorporated in 1854 and is located in Alameda County, a growing region in the eastern portion of the San Francisco Bay Area. The City has a permanent staff of 502 City employees (including Alameda Municipal Power) and serves approximately 75,000 residents in a land area of 19.45 square miles.

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

Population

The following table shows a historical comparison of the respective populations of the City, the County and the State of California since 2000.

Population Comparison

Year	City of Alameda	Percent Change	Alameda County	Percent Change	State of California	Percent Change
2000	72,259	-	1,443,939	-	33,873,086	-
2001	72,529	0.4%	1,457,185	0.9%	34,256,789	1.1%
2002	72,749	0.3%	1,467,063	0.7%	34,725,516	1.4%
2003	72,612	-0.2%	1,467,892	0.1%	35,163,609	1.3%
2004	71,980	-0.9%	1,466,407	-0.1%	35,570,847	1.2%
2005	71,727	-0.4%	1,462,736	-0.3%	35,869,173	0.8%
2006	71,558	-0.2%	1,462,371	0.0%	36,116,202	0.7%
2007	72,031	0.7%	1,470,622	0.6%	36,399,676	0.8%
2008	72,598	0.8%	1,484,085	0.9%	36,704,375	0.8%
2009	73,166	0.8%	1,497,799	0.9%	36,966,713	0.7%
2010	73,717	0.8%	1,509,240	0.8%	37,223,900	0.7%
2011	74,081	0.5%	1,521,157	0.8%	37,427,946	0.5%
2012	74,640	0.8%	1,532,137	0.7%	37,678,563	0.7%

Sources: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 & 2010 Census Counts (as of January 1). Benchmark. Sacramento, California, November 2012. State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State, 2011 and 2012.

Early History

The island Alameda occupies was originally a peninsula connected to Oakland. Much of it was low-lying and marshy, but on higher ground the peninsula and adjacent parts of what is now downtown Oakland were home to one of the largest coastal oak forests in the world. The area was therefore called Encinal, Spanish for "oak grove". Alameda is Spanish for "grove of poplar trees" or "tree-lined avenue", and was chosen by popular vote when the City was founded in 1853.

Budgetary Policies and Processes

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

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

Employment

The City is home to a strong mix of large, medium and small firms. The City employment opportunities include: education at the Alameda Unified School District, apparel design and manufacture at North Face Inc., and health care at Telecare corp.

The largest employers in the City of Alameda as of June 30, 2012 are as follows:

Ten Largest Employers
2011-12

Employer	Number of Employees
Telecare Corp	2,100
Alameda Unified School District	1,330
North Face Inc.	600
City of Alameda	502
Alameda Hospital	492
Celera Corp	490
Associated Third Party Administration	250
Bay Ship & Yacht Co	250
College of Alameda	216
Associated Third Party	200

Source: The City of Alameda 2012 CAFR.

The following table presents the annual average wage and salary employment figures by industry classification for the County for the years 2007 through 2011.

Industry Employment & Labor Force - by Annual Average
March 2012 Benchmark

	2007	2008	2009	2010	2011[1]
Civilian Labor Force	746,300	757,700	761,300	762,000	765,300
Civilian Employment	711,200	711,000	681,500	676,000	686,100
Civilian Unemployment	35,100	46,700	79,800	85,900	79,200
Unemployment Rate	4.7%	6.2%	10.5%	11.3%	10.4%
Total Farm	800	700	700	700	600
Manufacturing	73,700	72,300	64,100	61,400	61,700
Trade, Transportation & Utilities	137,000	131,800	121,700	117,600	117,700
Information	16,000	16,100	14,900	14,000	13,700
Financial Activities	33,300	30,600	22,400	22,900	22,700
Professional & Business Services	108,600	112,900	102,800	107,500	108,800
Educational and Health Services	79,500	83,000	89,500	88,700	88,300
Leisure and Hospitality	54,800	56,300	53,900	54,500	55,100
Other Services	23,700	23,700	22,900	23,200	23,500
Government	131,700	124,600	121,200	116,100	114,700
Total All Industries	702,900	692,300	647,700	636,900	636,700

Source: California Employment Development Department, Labor Market Information Division.
(1) Latest available full-year data.

The following table sets forth certain information regarding employment in the City from calendar year 2008 through 2011.

Average Annual Civilian Labor Force
Employment and Unemployment
Calendar Years 2008-2012

Year	Labor Force	Employment	Unemployment Number	Rate
2008	40,200	38,500	1,700	4.2%
2009	39,700	36,900	2,900	7.2%
2010	39,700	36,600	3,100	7.8%
2011	40,000	37,100	2,800	7.1%
2012	40,700	38,200	2,500	6.2%

Source: California Employment Development Department

Construction Activity

"Single Family Housing" includes detached, semi-detached, rowhouse and townhouse units. Rowhouses and townhouses are included when each unit is separated from the adjacent unit by an unbroken ground-to-roof party or fire wall. Condominiums are included in single-family when they are of zero-lot-line or zero-property-line construction; when units are separated by an air space; or, when units are separated by an unbroken ground-to-roof party or fire wall. "Multi-Family Housing" includes duplexes, 3-4-unit structures and apartment-type structures with five units or more. Multi-family housing also includes condominium units in structures of more than one living unit that do not meet the above single-family housing definition. "Residential Alterations and Additions" means alterations, additions, and conversions to residential structures, excluding special installation permits for electrical, plumbing, heating, air-conditioning, or similar mechanical work, or installation of fire escapes, elevators, signs, etc.

"New Commercial" includes new hotels and motels, office and bank buildings, stores and other mercantile buildings, parking garages, service stations, and amusement and recreational buildings. "New Industrial" includes manufacturing plants and affiliated buildings. "Other New Nonresidential" includes churches and religious buildings, hospitals and institutional buildings, schools and educational buildings, residential garages, public works and utilities buildings, and miscellaneous nonresidential structures. "Nonresidential Alterations and Additions" means alterations, additions, and conversions to nonresidential structures, excluding special installation permits for electrical, plumbing, heating, air conditioning, or similar mechanical work, or installation of fire escapes, elevators and signs, etc.

Building Permits and Valuation
(Dollars in Thousands)

	2007	2008	2009	2010	2011
Permit Valuation:					
New Single-family	$ 39,598	$ 408	$ 879	$ 5,985	$ 1,899
New Multi-family	380	0	0	0	0
Res. Alterations/Additions	24,314	14,510	10,553	11,465	19,659
Total Residential	64,292	14,918	11,432	17,430	21,558
Total Nonresidential	47,101	7,897	2,144	1,794	35,991
Total All Building	$111,394	$ 22,815	$ 13,576	$ 19,224	$ 57,549
New Dwelling Units:					
Single Family	110	2	3	16	24
Multiple Family	2	0	0	0	0
Total	112	2	3	16	24

Sources: Construction Industry Research Board: "Building Permit Summary."
Note: Totals may not add due to independent rounding.

Income

The following table summarizes the median household effective buying income for the City, the County of Alameda, the State of California and the nation for the years 2006 through 2012.

Effective Buying Income

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2006	City of Alameda	$ 1,971,105	$52,819
	County of Alameda	35,772,898	53,171
	California	764,120,963	46,275
	United States	6,107,092,244	41,255
2007	City of Alameda	$ 2,072,000	$54,911
	County of Alameda	37,572,278	54,688
	California	814,894,438	48,203
	United States	6,300,794,040	41,792
2008	City of Alameda	$ 2,110,295	$56,044
	County of Alameda	28,889,500	55,987
	California	832,531,445	48,952
	United States	6,443,994,426	42,303
2009	City of Alameda	$ 2,196,838	$58,598
	County of Alameda	40,053,865	57,997
	California	844,823,318	49,736
	United States	6,571,536,767	43,252
2010	City of Alameda	$ 2,120,325	$55,813
	County of Alameda	53,692,142	68,047
	California	801,393,027	47,177
	United States	6,365,020,076	41,368
2011	City of Alameda	$ 2,159,753	$55,644
	County of Alameda	54,491,135	67,801
	California	814,578,457	47,062
	United States	6,438,704,663	41,253
2012	City of Alameda	$ 2,419,335	$58,897
	County of Alameda	43,677,855	55,396
	California	864,088,827	47,307
	United States	6,737,867,730	41,358

Source: Nielsen, Inc.

Commercial Activity

In early 2007 the Board of Equalization began a process of converting business codes of sales and use tax permit holders to North American Industry Classification System (NAICS) codes. This process is now complete; over one million permit holders were converted from the previous business coding system to the NAICS codes. Beginning in 2009, reports summarize taxable sales and permits using the NAICS codes. As a result of the coding change, however, industry-level data for 2009 are not comparable to that of prior years. The latest full-year data available from the State is for calendar year 2010.

The following summary shows the annual volume of taxable sales within the City since 2007.

Taxable Transactions
(Dollars in Thousands)

	2007	2008
Apparel stores	$ 16,332	$ 21,912
General merchandise	47,872	38,177
Foods stores	49,923	54,970
Eating and drinking places	85,193	91,746
Home furnishings and appliances	42,160	47,435
Building materials	19,557	20,035
Automotive Group	95,109	67,190
Service stations	47,803	53,394
All other retail stores	54,661	52,948
Total Retail Outlets	458,600	447,507
All other outlets	105,857	182,921
Total All Outlets	564,457	630,428

	2009 (1)	2010	2011 (2)
Retail Store and Food Services			
Motor Vehicle and Parts Dealers	$ 22,469	$ 25,647	$ 18,916
Home Furnishings and Appliance Stores	22,772	14,014	15,645
Bldg. Matrl. and Garden Equip. and Supplies	15,594	16,685	17,943
Food and Beverage Stores	57,408	58,256	63,843
Gasoline Stations	44,175	52,226	89,631
Clothing and Clothing Accessories Stores	23,486	28,674	32,943
General Merchandise Stores	#	#	#
Food Service and Drinking Places	89,218	93,017	99,828
Other Retail Group	83,958	85,963	88,075
Total Retail and Food Services	359,079	374,483	406,828
All Other Outlets	186,548	168,685	176,586
Total All Outlets (3)	545,627	543,168	583,410

Source: California Board of Equalization, Taxable Sales in California (Sales & Use Tax).
(1) Starting in 2009, categories were revised from prior years.
(2) Most recent annual data available.
(3) Totals may not add up due to independent rounding.
Sales omitted because their publication would result in the disclosure of confidential information.

Education

Public primary and secondary education in Alameda is the responsibility of the Alameda Unified School District, which is legally separate from the City government (as is common throughout California). The College of Alameda, a two-year community college in the West End is part of the Peralta Community College District. The city has numerous private primary schools, and one private high school, St. Joseph Notre Dame High School, a Catholic school.

Utilities and Water Supply

Alameda Municipal Power (AMP) is the City's not-for-profit electric municipal utility, serving residents and businesses for over 126 years. AMP provides power to more than 34,000 customers at rates up to 20 percent

below neighboring communities. The utility is a leader in the promotion of clean, sustainable and renewable power, making the City the lowest greenhouse-gas emitting community in Alameda County and one of the lowest in the state.

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APPENDIX B

CITY OF ALAMEDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012

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City of Alameda
California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012

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CITY OF ALAMEDA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

PREPARED BY THE

FINANCE DEPARTMENT

City of Alameda

People and Places in the City

INTRODUCTORY SECTION

City of Alameda

People and Places in the City

City of Alameda, California

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012
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City of Alameda
Finance Department
2263 Santa Clara Avenue, Room 220
Alameda, California 94501
(510) 747-4881

December 3, 2012

Honorable Mayor and
Members of the City Council

We are pleased to present the City of Alameda (City) Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2012. The information in this Comprehensive Annual Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and includes an unqualified opinion on the report by the City's independent certified public accountants. Although we rely on the standards and expertise of these external authorities, the responsibility for the accuracy and fairness of this report rests with the City.

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

City Profile

The City was incorporated in 1854 and is located in Alameda County, a growing region in the eastern portion of the San Francisco Bay Area. The City has a permanent staff of 502 City employees (including Alameda Municipal Power) and serves approximately 75,000 residents in a land area of 19.45 square miles.

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

City departments and areas of responsibility comprise of the following:

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

Administrative Services includes Finance and Human Resources.

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

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

Honorable Mayor and
Members of the City Council

December 3, 2012

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

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

Economic Condition and Outlook

In spite of the effects of the economy in prior years, the City has been able to maintain General Fund reserves at the City Council's established level of 20% of expenditures, and present a balanced budget for the General Fund for FY 12-13. This has been achieved through a combination of structural budget reductions, use of one-time funds, and the use of a small portion of available General Fund reserves. Unfortunately, the City's difficult fiscal challenges do not end with the passage of the FY 12-13 budget. The downturn in previous years of revenues and projected increase in costs has resulted in projected General Fund deficits ranging from $2 to $6 million annually beginning in FY 13-14, as presented in the adopted budget for FY 12-13. Absent any corrective action, the City's available reserves will be exhausted during FY 16-17.

5 Year Projections for FY12-13 through 16-17
(In Millions) - with reductions

	12-13	13-14	14-15	15-16	16-17
Revenues	$71.1	$71.6	$71.2	$ 72.5	$ 73.8
Expenses (net of reductions)	$71.8	$73.9	$75.5	$ 77.4	$ 79.5
Use of Prior Years Fund Balance	$ (0.7)	$ (2.3)	$ (4.3)	$ (4.9)	$ (5.7)
Ending Available Fund Balance	$17.1	$14.8	$10.5	$ 5.6	$ (0.1)
% of Expenses	24%	20%	14%	7%	0%

The five-year forecast includes the following assumptions:

- Revenue growth of 1-3% annually, versus average revenue growth of 6% that occurred between FY 03-04 and FY 07-08.
- New Miscellaneous / Safety PERS rates, including employee contributions towards the employer rate for Safety and Miscellaneous employees.
- Health and Other Post-Employment Benefit increases of 12% per year, with Miscellaneous employees picking up between 15-25% of the annual increase beginning during FY 12-13, increasing up to 50% by 2015.
- 3% increases for all non-personnel expenses resulting from inflation beginning in FY 14-15.

Staff will be working with council to address these projected shortfalls as part of the preparation of the City's two year budget for Fiscal Years 13-14 and 14-15.

Honorable Mayor and
Members of the City Council

December 3, 2012

Accounting System And Budgetary Control

Note 1 in the Basic Financial Statements provides a detailed explanation of the City's significant accounting policies. Internal accounting controls are designed to provide reasonable assurance regarding safeguarding of assets against loss, accuracy and reliability of accounting data, and adherence to prescribed policies. The concept of reasonable assurance recognizes that the cost of a control measure should not exceed benefits likely to be derived and that the evaluation of costs and benefits require estimates and judgments by management.

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

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

Major Initiatives and Projects

As part of the budget preparation process, the City Council adopts goals and objectives for the next year and evaluates the progress made on the goals established as part of the previous budget. The following represent some of the most significant goals established for both Fiscal Year 2012-13 and 2013-14:

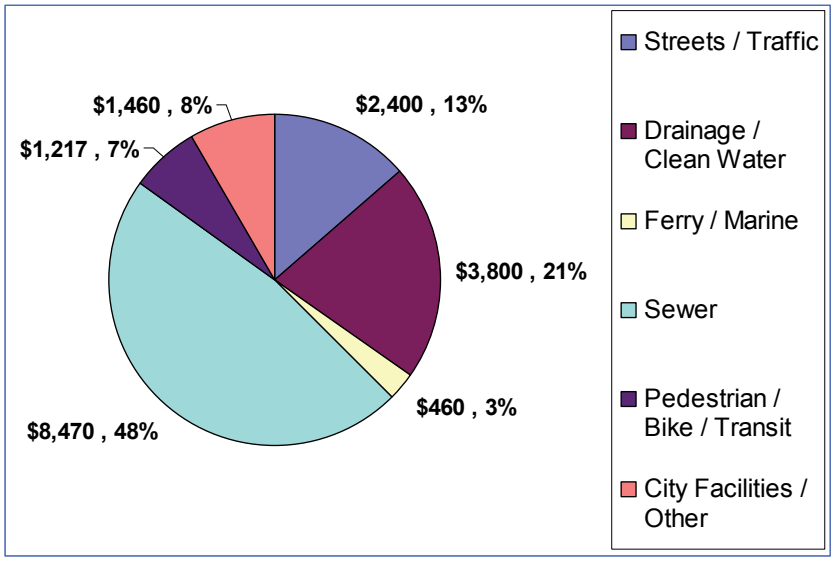
- Continue to improve the availability of records and information on the City's website and in electronic format.
- Work cooperatively with the Alameda Unified School District (AUSD) to evaluate and develop a long-term plan to upgrade swim centers.
- Complete negotiation and implementation of a long-term agreement for the operation and maintenance of the Chuck Corica Golf Complex.
- Develop solutions to enhance emergency medical service delivery within the city.
- Increase efforts in traffic enforcement to reduce the number of pedestrian-related accidents.

Public Works is recommending capital projects totaling approximately $18 million and maintenance projects totaling approximately $4 million for FY 12-13, which include a variety of street, building, sewer, park, and traffic projects, as summarized on the graph on the next page. The majority (69%) of the costs relate to sewer and drainage improvements required as a result of new wet weather sewer overflow mandates and Clean Water Permit requirements.

Honorable Mayor and
Members of the City Council

December 3, 2012

Capital Projects for FY 12-13 - In Thousands



The Capital Improvement Section of the budget provides additional details regarding the projects to be funded in FY 12-13.

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, 2011. This was the 22nd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City was required to produce a report that met their high standards for reporting, as well as one that adhered to GAAP and other legal requirements. A Certificate of Achievement is valid for one year only. It is anticipated that the current CAFR will continue to meet the Certificate of Achievement Program's requirements.

The City also received the GFOA's Distinguished Budget Presentation Award for its two-year budget document for FY 2013 and 2014. In order to qualify for the Award, the City's budget document had to meet specific criteria as a policy document, a financial plan and a communications device.

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

Respectfully submitted,

Elizabeth Warmerdam
Assistant City Manager

Fred Marsh
Controller

City of Alameda

City Council

Marie Gilmore
Mayor

Rob Bonta
Vice Mayor

Doug deHaan
Councilmember

Beverly Johnson
Councilmember

Lena Tam
Councilmember

City of Alameda

Principal Officers

ELECTED OFFICIALS

Kevin Kearney, City Auditor

Kevin Kennedy, City Treasurer

CHARTER OFFICERS

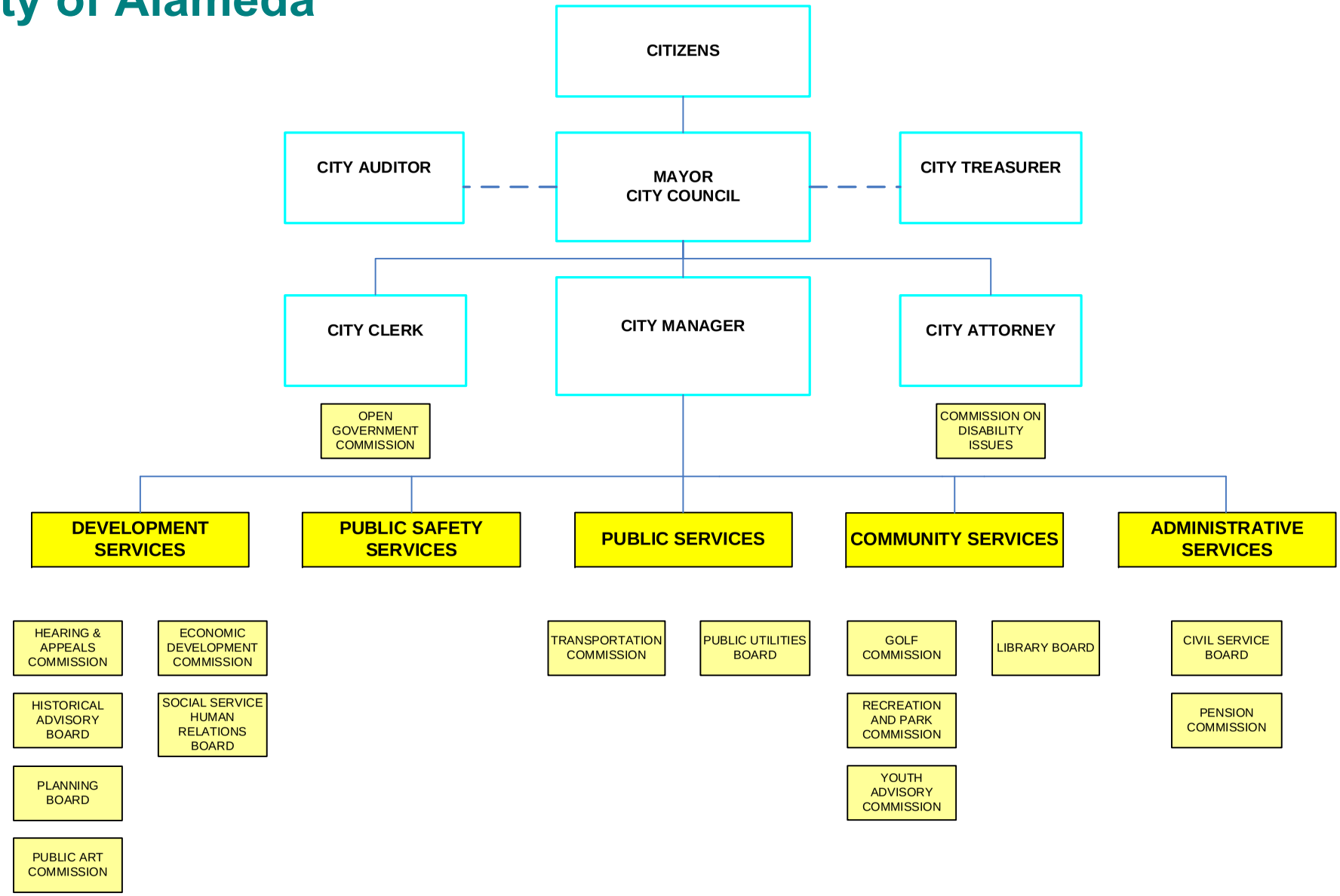
City Manager, John A. Russo
City Attorney, Janet Kern
City Clerk, Lara Weisiger

EXECUTIVE MANAGEMENT TEAM

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

Chief of Police, Michael Noonan
Chief Operating Officer, Alameda Point, Jennifer Ott
Community Development Director, Lori Taylor
Fire Chief, Mike D'Orazi
General Manager, Alameda Municipal Power, Girish Balachandran
Human Resources Director, Holly Brock-Cohn
Library Director, Jane Chisaki
Public Works Director, Matthew T. Naclerio
Recreation and Park Director, Amy Wooldridge

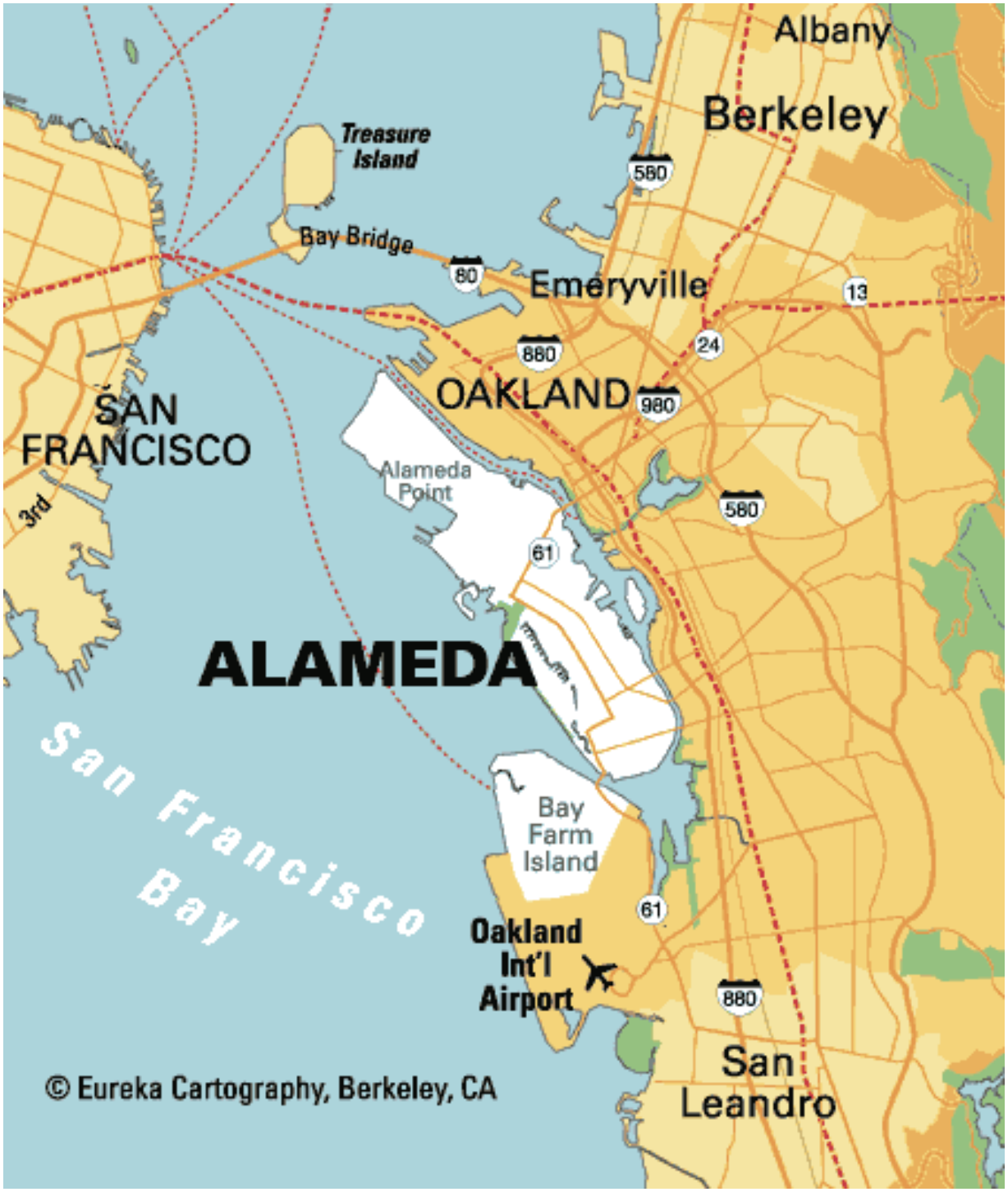
City of Alameda



City of Alameda Budget and Forecast

Regional Map

The City of Alameda is seven miles east of San Francisco, situated within San Francisco Bay, and less than one mile west of the City of Oakland, directly west of Interstate 880. Alameda is a brief drive north of Oakland International Airport, which borders the City on the southeast.



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, 2011

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.

City of Alameda

People and Places in the City

FINANCIAL SECTION

City of Alameda

People and Places in the City

MAZE & ASSOCIATES

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 (City), California, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component unit financial statements of the Alameda Municipal Power, which represents 18% and 42% of the assets and revenues and 40% and 31% of liabilities and expenses of the reporting entity, respectively. These component unit financial statements were audited by other auditors, whose report thereon has been furnished to us. Our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of these auditors.

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 unit, each major fund, and the aggregate remaining fund information of the City of Alameda, California, at June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 14, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the Community Improvement Commission of the City of Alameda has been dissolved and its assets turned over to and liabilities assumed by the Successor Agencies effective January 31, 2012.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2012, 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the City of Alameda's financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section are presented for purposes of additional analysis and are not a required part of the financial statements. The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Maze & Associates

December 3, 2012

City Of Alameda, California
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2012

This management overview and analysis of the City's financial activities and performance is being presented for the fiscal year ended June 30, 2012. 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 other required supplementary information, including budgetary comparison information on the City's General Fund.

Financial Highlights

- The City had net assets at June 30, 2012 of $387 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, 2012, the City's governmental funds reported combined ending fund balances of $81 million. Of the total fund balance, 78% of this amount is either restricted, committed or assigned, indicating it is not available for new expenditures as it has been legally committed to or otherwise set aside for future uses. The remaining amount constitutes fund balances accounted for in the City's General and other special funds, available for future programs, projects, and services, subject to any spending restrictions imposed by those funds.

- At the close of FY11-12, the General Fund fund balance was $23 million. The City Council has established a policy for cash reserves at a minimum of 20% of General Fund expenditures for costs associated with economic and other uncertainties. At June 30, 2012, the unreserved, undesignated fund balance (i.e. available funds) is $20 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, community services, housing and general government support. Property taxes, sales and use taxes, state subventions and fees for service finance most of these activities.

Business-type Activities – includes the golf complex and the sewer system, where fees for service principally finance the activity.

Discretely Presented Component Units – Alameda Municipal Power is a legally separate reporting entity, but is important because the City is financially accountable for this entity.

Fund Financial Statements

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

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

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

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

- General Fund
- Community Improvement Commission (CIC) Special Revenue Fund (closed as of 2/1/2012)
- FISC Lease Revenue
- Base Reuse
- Housing Special Revenue
- Capital Improvement Projects

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

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

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

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

Government Activities Financial Analysis

Net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by $387 million at the close of FY11-12, an increase of $53 million or 16% from FY10-11 due to the transfer of debt from the City's former CIC to the Successor Agency Private Purpose Trust Funds. Information on net assets is presented in the summary table on the following page:

Summary of Net Assets
June 30, 2012 and 2011
(In Millions)

	Governmental Activities		Business-Type Activities		Totals	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Current / Other Assets	$115	$146	$20	$20	$135	$166
Capital Assets	292	290	50	46	342	336
Total Assets	**$407**	**$436**	**$70**	**$66**	**$477**	**$502**
Long-term Liabilities	$43	$116	$6	$6	$49	$122
Other Liabilities	39	44	2	1	41	45
Total Liabilities	**$82**	**$160**	**$8**	**$7**	**$90**	**$167**
Net Assets:						
Invested in Capital Assets, Net of Debt	$249	$174	$44	$39	$293	$213
Restricted	58	82			58	82
Unrestricted	18	20	18	19	36	39
Total Net Assets	**$325**	**$276**	**$62**	**$58**	**$387**	**$334**

The largest portion of the City's net assets (76%) 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 by 38% during the year due to the above noted transfer of debt to the Successor Agency. Long-Term Liabilities also decreased by $73 million due to this transfer.

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

Restricted net assets, that portion of the City's net assets (15%) subject to restrictions on how they may be used, decreased $24 million this year. Unrestricted net assets, the portion of the City's net assets available for use (9%), decreased $2 million this year. Other liabilities decreased a total of $5 million. A summary of Changes in Net Assets is presented on the following page:

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

	Governmental Activities		Business-Type		Totals	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Revenues						
Program Revenues						
Charges for Services	$28,966	$28,319	$11,406	$10,483	$40,372	$38,802
Operating Grants & Contributions	9,899	7,828		2,418	9,899	10,246
Capital Grants and Contributions	5,112	5,578			5,112	5,578
General Revenues						0
Property Taxes	27,965	30,205			27,965	30,205
Incremental Property Taxes	5,749	11,869			5,749	11,869
Special Assessments	1,844	1,887			1,844	1,887
Sales Taxes	6,036	5,077			6,036	5,077
Utility Users Tax	8,787	9,182			8,787	9,182
Other Taxes	13,453	13,918			13,453	13,918
Motor Vehicle in Lieu Fees	5,874	6,120			5,874	6,120
Investment Earnings	618	5,059	193	398	811	5,457
Other	5,803	6,507	57	420	5,860	6,927
Total Revenues	**$120,106**	**$131,549**	**$11,656**	**$13,719**	**$131,762**	**$145,268**
Expenses						
General Government	$15,237	$10,498			$15,237	$10,498
Police	25,905	26,854			25,905	26,854
Fire	23,970	24,532			23,970	24,532
Public Works	13,738	17,323			13,738	17,323
Community Development	5,718	25,148			5,718	25,148
Community Services	8,741	9,262			8,741	9,262
Housing	14,453	7,925			14,453	7,925
Interest on Long-Term Debt	4,142	5,148			4,142	5,148
Ferry Services				$12,044	0	12,044
Golf Course			$3,815	3,688	3,815	3,688
Sewer Services			3,864	4,599	3,864	4,599
Total Expenses	**$111,904**	**$126,690**	**$7,679**	**$20,331**	**$119,583**	**$147,021**
Change in Net Assets Before Transfers	$8,202	$4,859	$3,977	($6,612)	$12,179	($1,753)
Transfers, Net	206	(1,628)	(206)	1,628	0	0
Change, Net	8,408	3,231	3,771	(4,984)	12,179	(1,753)
Beginning Net Assets	275,802	272,571	58,484	63,468	334,286	336,039
Net Liabilities assumed by Successor Agency	40,765				40,765	0
Ending Net Assets	**324,975**	**275,802**	**62,255**	**58,484**	**387,230**	**334,286**

Decreases in CIC property tax increment (received by the Successor Agency beginning in February 2012) and investment earnings contributed to an overall decrease in revenues. Program expenses decreased due to the assumption by the Successor Agency of redevelopment agency expenditures beginning in February 2012. A summary of Expense and Revenues by Program for Governmental Activities is shown below:

Expense and Program Revenue - Governmental Activities
Fiscal Year 2011-2012

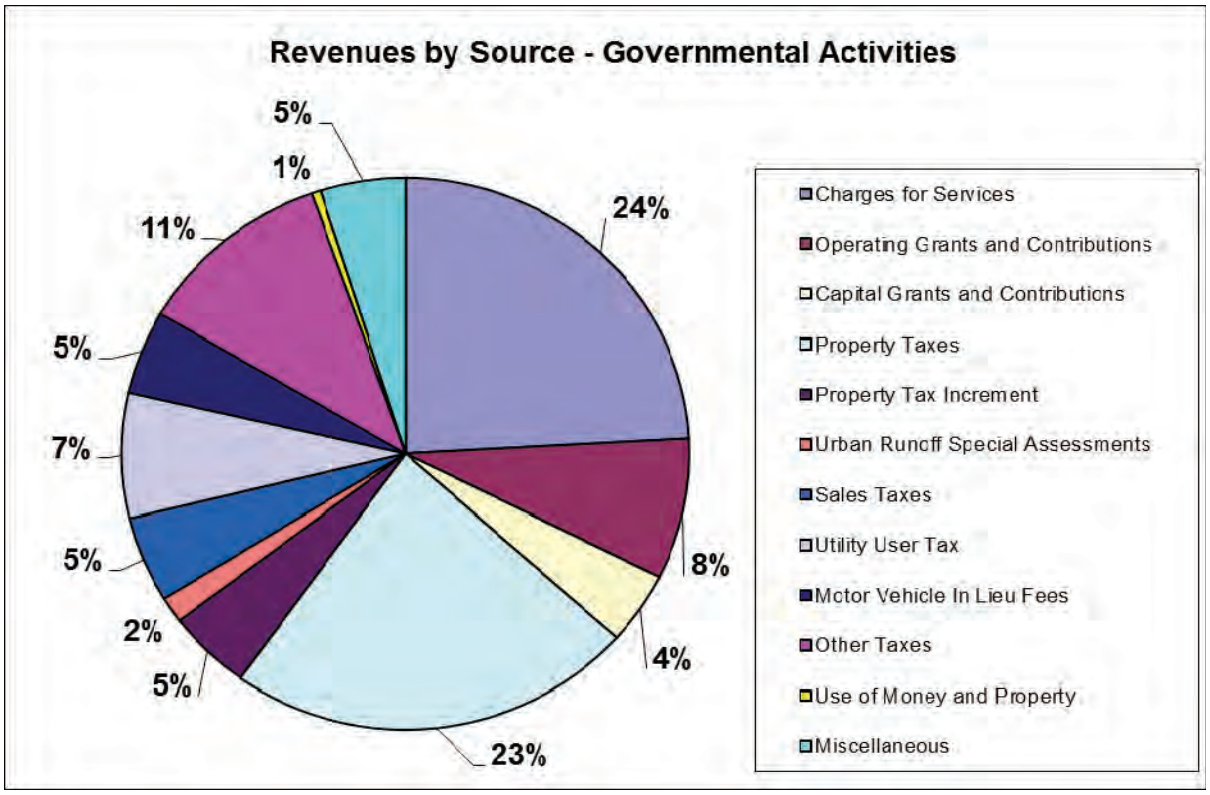
(dollars in thousands)

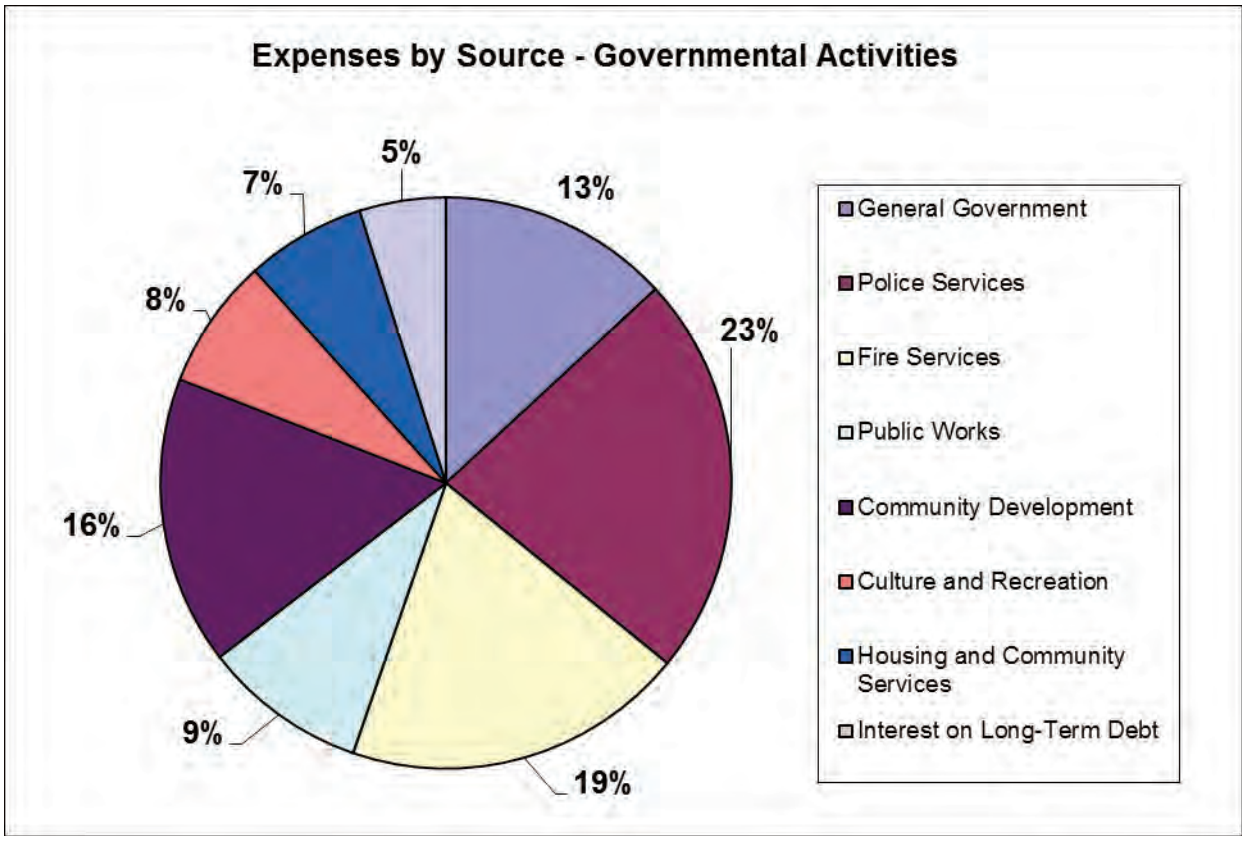
	Expense	Revenue	Net Difference
General Government	$15,237	$6,899	($8,338)
Police	25,905	1,569	(24,336)
Fire	23,970	3,389	(20,581)
Public Works	13,738	14,340	602
Community Development	5,718	11,543	5,825
Community Services	8,741	3,660	(5,081)
Housing	14,453	2,576	(11,877)
Interest on Long-Term Debt	4,142	0	(4,142)
	$111,904	$43,976	($67,928)

Revenues by Source - Governmental Activities

(dollars in thousands)

	2012	2011	Difference
Charges for Services	$28,966	$28,319	$647
Operating Grants and Contributions	9,899	7,828	2,071
Capital Grants and Contributions	5,112	5,578	(466)
Property Taxes	27,965	30,205	(2,240)
Property Tax Increment	5,749	11,869	(6,120)
Urban Runoff Special Assessments	1,844	1,887	(43)
Sales Taxes	6,036	5,077	959
Utility User Tax	8,787	9,182	(395)
Motor Vehicle In Lieu Fees	5,874	6,120	(246)
Other Taxes	13,453	13,918	(465)
Use of Money and Property	618	5,059	(4,441)
Miscellaneous	5,803	6,507	(704)
	$120,106	$131,549	($11,443)


Revenues by Source - Governmental Activities
24%
8%
4%
23%
5%
2%
5%
7%
5%
11%
1%
5%
Charges for Services
Operating Grants and Contributions
Capital Grants and Contributions
Property Taxes
Property Tax Increment
Urban Runoff Special Assessments
Sales Taxes
Utility User Tax
Motor Vehicle In Lieu Fees
Other Taxes
Use of Money and Property
Miscellaneous


Expenses by Source - Governmental Activities
13%
23%
19%
9%
16%
8%
7%
5%
General Government
Police Services
Fire Services
Public Works
Community Development
Culture and Recreation
Housing and Community Services
Interest on Long-Term Debt

Business-type Activities Financial Analysis

These activities increased the City's net assets by $4 million overall, as discussed below:

Golf Course. Net assets of the Golf Course Fund at June 30, 2012, were $4 million, comprised of capital assets, net of related debt of $3 million, and unrestricted assets of $1 million available to fund operations and improvements to the golf complex. Golf Course revenues totaled $4 million, generated primarily from user fees. Operating expenses and transfers out for services provided totaled $4 million, including depreciation, resulting in a change in net assets of less than $.1 million.

Sewer Services. Net assets of the Sewer Service Fund at June 30, 2012, were $58 million, consisting primarily of net assets invested in capital assets, net of related debt, of $41 million. The remaining $17 million includes a $3 million advance for a capital improvement project and the remaining balance of $14 million, which is available to fund operations and future sewer related improvement and maintenance projects. The Sewer Services fund generated income and transfers in of $11 million and incurred $7 of expenditures, for a net increase in assets of $4 million.

Expense and Program Revenue
Business-type Activity
Fiscal Year 2011-2012
(dollars in thousands)

	Revenue	Expense	Difference
Golf Course	$3,958	$3,815	$143
Sewer Services	7,447	3,864	3,583
	$11,405	$7,679	$3,726

Revenues by Source
Business-type Activities
(dollars in thousands)

	2012	2011	Difference
Charges for Services	$11,406	$10,483	$923
Operating Grants and Contributions	0	2,418	(2,418)
Unrestricted Investment Earnings/Rents	193	398	(205)
Miscellaneous Revenues	58	420	(362)
	$11,657	$13,719	($2,062)

Financial Analysis of the Government's Funds

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

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

As of June 30, 2012, the City of Alameda's governmental funds reported combined ending fund balances of $81 million, a decrease of $13 million from the prior fiscal year largely due to the transfer of assets in February 2012 to the Successor Agency from the City's former CIC. Approximately $18 million or 22% of the combined ending fund balance constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remaining balance is either *restricted, committed or assigned* to indicate that it is *not* available for new spending because it has been committed to liquidate contracts and purchase orders from the prior fiscal period; pay debt service; or fund future uses.

The General Fund is the chief operating fund of the City. At June 30, 2012, unreserved, undesignated fund balance (cash reserve) of the General Fund was $20 million; the total fund balance, including restricted, committed and assigned resources, was $23 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28% of total General Fund expenditures and transfers. The fund balance of the City of Alameda's General Fund increased by approximately $.3 million from the prior fiscal year (1%) due to higher sales tax revenue received by the City.

Fund balance in the Community Improvement Commission decreased $5 million during the year, as it ceased operations effective February 2012 and transferred its remaining balances to the Successor Agency.

The FISC Lease Revenue Special Revenue Fund had a deficit fund balance of $2 million at June 30, 2012, due to an assumption of an advance from the Sewer Fund previously made to the former CIC, which was subsequently disallowed by the State as part of the dissolution of the CIC.

The Alameda Reuse and Redevelopment Authority Special Revenue Fund had a restricted fund balance of $6 million at June 30, 2012. Fund balance decreased $1 million primarily due to one-time expenditures incurred in the project area.

The Housing Special Revenue Fund had a committed fund balance of $1 million at June 30, 2012. Fund balance decreased $1 million primarily due to one-time expenditures incurred for affordable housing projects.

The Capital Improvement Projects Capital Project Fund has a total fund balance of $5 million as of June 30, 2012, all committed for current and future capital projects. The fund incurred $11 million for capital projects during FY11-12, including the following:

- Stargell Extension
- City Building Renovations
- Park Street Streetscape Phase 2
- Street Resurfacing
- Krusi Park
- Sidewalk Program Fiscal Year 2011-12
- Sewer Infrastructure Improvements

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, 2012, were $1 million for the Golf Fund and $17 million for the Sewer Fund.

Internal Service Funds. The Worker's Compensation Insurance Fund net asset deficit reflects future claims liabilities maturing in five to ten years. Other Internal Service Funds have net assets to offset this deficit.

Unrestricted net assets (deficits) at June 30, 2012, are as follows by fund (reported in thousands):

Internal Service Fund	Net Assets
Equipment Replacement	$3,330
Central Services	84
Fleet Maintenance	250
Technology Services	1,165
Facilities Maintenance	439
Worker's Compensation Insurance	(3,770)
Risk Management Insurance	15
Unemployment Insurance	209
OPEB	228

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, 2012, totals $387 million (net of accumulated depreciation), an increase of approximately $53 million from the prior period due to the transfer of the CIC long-term debt to the Successor Agency. Investment in capital assets includes land, buildings and systems improvements, machinery and equipment, sewer lines, 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		Totals	
	2012	2011	2012	2011	2012	2011
Land	$5,818	$5,871	$177	$177	$5,995	$6,048
Buildings and systems	150,453	156,965	851	869	151,304	157,834
Infrastructure	64,592	64,592	40,498	41,597	105,090	106,189
Construction in progress	61,826	55,977	7,654	2,728	69,480	58,705
Machinery and equipment	9,084	6,242	648	329	9,732	6,571
Total	$291,773	$289,647	$49,828	$45,700	$341,601	$335,347

Long-term Debt

At June 30, 2012, the City had $48 million in outstanding debt, including $14 million in Certificates of Participation and $12 million in General Obligation Bonds.

The City's total debt decreased $74 million during FY11-12 due to the transfer of the former CIC long term debt to the Successor Agency. The schedule below is a summary schedule of outstanding debt as of June 30, 2012.

Outstanding Debt
(dollars in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Certificates of Participation	$11,600	$12,470	$2,160	$2,465	$13,760	$14,935
Revenue Bonds	12,000	12,300			12,000	12,300
Tax Allocation Bonds	0	74,255			0	74,255
General Obligation Bonds	9,155	9,375			9,155	9,375
HUD Section 108 Loan	6,529	6,691			6,529	6,691
Other Long Term Obligations	3,350	600	3,499	3,777	6,849	4,377
Total	$42,634	$115,691	$5,659	$6,242	$48,293	$121,933

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 items that could significantly impact its financial health in the future:

- During Calendar Year 2012, the City entered into new employment agreements with most of its bargaining groups, which included changes for amounts paid for pension and health benefits and other special pays. The projected costs/savings from each of these new agreements will be incorporated into the City's budget for Fiscal Years 2013-14 and 2014-15.

- The City offers post-employment health benefits to its retirees, as described in Note 10. 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 will have a third party prepare an updated actuarial study in 2013 of these benefits and their future costs, which currently projects the City's future liability to be approximately $86 million, based on a 4.5% return and a 30 year period. Should the City experience returns lower than 4.5%, this liability could rise in the future.

- Alameda Point and its final conveyance from the Navy to the City will have a positive impact on future economic development in the City. The timing of the development process, however, cannot be determined at this point.

- Note 14 to the financial statements discusses the dissolution of the City's former CIC recent changes in California Legislation that could affect the continued existence of redevelopment agencies within the State, including the City's CIC.

- Note 15 to the financial statements discuss several events that occurred subsequent to the end of Fiscal Year 2011-12 and their financial impact on the City, including the issuance of additional debt for sewer infrastructure, a new operating lease for its golf course, and a settlement agreement in regards to the redevelopment of the former naval station at Alameda Point.

Request for Information

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

The Statement of Net 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 unit of Alameda Municipal Power is included in these statements as separate columns.

City of Alameda

People and Places in the City

City of Alameda
Statement of Net Assets
June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Alameda Municipal Power
ASSETS				
Cash and cash equivalents (Note 2)	$85,173,089	$15,542,342	$100,715,431	$37,066,189
Restricted cash and investments (Note 2)	6,272,405	670,249	6,942,654	4,515,565
Accounts receivable	9,874,028	395,461	10,269,489	5,204,085
Interest receivable	388,234		388,234	20,000
Internal balances (Note 3D)	(3,000,000)	3,000,000		
Due from other governments				
Loans receivable (Note 4)	16,190,637		16,190,637	25,300
Materials, parts and supplies		99,361	99,361	2,478,278
Prepaids, deposits, bond discounts and issue costs	16,099	245,530	261,629	393,147
Share of certain NCPA projects and reserve (Note 12)				16,782,759
Capital assets (Note 5):				
Non-depreciable	67,644,298	7,831,346	75,475,644	1,654,935
Depreciable, net of accumulated depreciation	224,128,622	41,997,138	266,125,760	35,561,408
Total Assets	406,687,412	69,781,427	476,468,839	103,701,666
LIABILITIES				
Accounts payable	3,703,835	1,165,743	4,869,578	3,507,705
Accrued payroll	1,889,276	13,865	1,903,141	
Interest payable	318,761	62,585	381,346	790,167
Unearned revenue	1,624,109	49,794	1,673,903	
Refundable deposits	2,456,869	490,949	2,947,818	463,386
Due to other agencies	29,778		29,778	
Claims payable (Note 11B):				
Due within one year	2,542,704		2,542,704	240,000
Due in more than one year	5,940,176		5,940,176	751,684
Compensated absences (Note 1H):				
Due within one year	3,385,425	84,753	3,470,178	707,420
Due in more than one year				4,519
Net pension obligation (Note 9D)	552,000		552,000	
Net OPEB obligation, due in more than one year (Note 10)	16,635,574		16,635,574	
Long-term debt (Note 6):				
Due within one year	1,993,817	802,687	2,796,504	3,239,130
Due in more than one year	40,640,037	4,856,091	45,496,128	28,947,130
Purchased power balancing account (Note 1J)				16,451,898
Total Liabilities	81,712,361	7,526,467	89,238,828	55,103,039
NET ASSETS (Note 8):				
Invested in capital assets, net of related debt	249,436,223	44,169,706	293,605,929	29,166,859
Restricted for:				
Capital projects	20,483,068		20,483,068	
Debt service	1,746,119		1,746,119	
Redevelopment and housing	8,477,896		8,477,896	
Public safety	650,511		650,511	
Planning and building	598,902		598,902	
Recycling	4,943,655		4,943,655	
Culture and recreation	2,538,669		2,538,669	
Maintenance Assessment Districts	4,000,133		4,000,133	
Transportation	10,848,643		10,848,643	
Tidelands properties	2,960,300		2,960,300	
Other special purpose projects	658,127		658,127	
NCPA projects and reserve				4,515,565
Total Restricted Net Assets	57,906,023		57,906,023	4,515,565
Unrestricted	17,632,805	18,085,254	35,718,059	14,916,203
Total Net Assets	$324,975,051	$62,254,960	$387,230,011	$48,598,627

See accompanying notes to financial statements.

City of Alameda
Statement of Activities
For the year ended June 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	$15,237,357	$6,899,450		
Police	25,904,606	1,181,455	$362,553	$24,410
Fire	23,970,035	2,156,989	1,231,795	
Public works	13,738,143	6,694,970	2,565,144	5,079,733
Community development	5,718,100	9,261,637	2,281,525	
Community services	8,741,325	2,771,489	881,699	7,430
Housing	14,452,825		2,575,915	
Interest on long-term debt	4,142,152			
Total Governmental Activities	111,904,543	28,965,990	9,898,631	5,111,573
Business-type Activities:				
Golf course	3,814,979	3,958,933	375	
Sewer services	3,864,222	7,447,477		
Total Business-type Activities	7,679,201	11,406,410	375	
Total Primary Government	$119,583,744	$40,372,400	$9,899,006	$5,111,573
Component Unit:				
Alameda Municipal Power	54,520,590	51,526,195		
Total Component Units	$54,520,590	$51,526,195		
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				
Extraordinary item (Note 14B):				
Assets transferred to/liabilities assumed by Successor Agency				
Transfers (Note 3C)				
Total general revcenues, transfers and extraordinary items				
Change in Net Assets				
Beginning Net Assets				
Ending Net Assets				

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Alameda Municipal Power
($8,337,907)		($8,337,907)	
(24,336,188)		(24,336,188)	
(20,581,251)		(20,581,251)	
601,704		601,704	
5,825,062		5,825,062	
(5,080,707)		(5,080,707)	
(11,876,910)		(11,876,910)	
(4,142,152)		(4,142,152)	
(67,928,349)		(67,928,349)	
	144,329	144,329	
	3,583,255	3,583,255	
	3,727,584	3,727,584	
(67,928,349)	3,727,584	(64,200,765)	
			($2,994,395)
			(2,994,395)
27,965,276		27,965,276	
5,748,695		5,748,695	
1,844,180		1,844,180	
6,035,950		6,035,950	
8,787,016		8,787,016	
4,921,032		4,921,032	
4,477,426		4,477,426	
1,294,691		1,294,691	
1,271,253		1,271,253	
1,489,036		1,489,036	
5,874,386		5,874,386	
617,852	192,687	810,539	119,699
5,803,134	58,146	5,861,280	54,142
40,764,726		40,764,726	
207,258	(207,258)		
117,101,911	43,575	117,145,486	173,841
49,173,562	3,771,159	52,944,721	(2,820,554)
275,801,489	58,483,801	334,285,290	51,419,181
$324,975,051	$62,254,960	$387,230,011	$48,598,627

City of Alameda

People and Places in the City

The funds described below were determined to be Major Funds of the City of Alameda in FY11-12. Individual non-major funds may be found in the Supplemental Information section.

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

Community Improvement Commission Project Area Special Revenue Fund
This fund accounted for the general activities of the Commission (i.e. Redevelopment Agency) of the City of Alameda not accounted for in other funds through January 31, 2012.

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

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

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

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

City of Alameda
Governmental Funds
Balance Sheet
June 30, 2012

	General	Community Improvement Commission Special Revenue	FISC Lease Revenue Special Revenue	Base Reuse Special Revenue
ASSETS				
Cash and cash equivalents (Note 2)	$17,873,686		$2,028,847	$8,173,364
Restricted cash and investments (Note 2)	6,000			
Accounts receivable	6,112,908			85,515
Interest receivable	388,234			
Due from other funds (Note 3A)	196,795			
Advances to other funds (Note 3B)	480,000			
Loans receivable (Note 4)	2,200,000			
Prepaids and deposits	5,205		2,000	
Total Assets	$27,262,828		$2,030,847	$8,258,879
LIABILITIES				
Accounts payable	$1,240,734		$54,241	$310,170
Accrued payroll	1,828,165		477	6,175
Due to other funds (Note 3A)				
Due to other agencies	11,630			
Advances from other funds (Note 3B)			3,480,000	
Deferred revenue	800,214			
Pass-through obligations				
Refundable deposits	363,317		96,905	1,605,612
Total Liabilities	4,244,060		3,631,623	1,921,957
FUND BALANCES (Note 8):				
Nonspendable	2,685,205			
Restricted				6,336,922
Committed	400,000			
Assigned	315,045			
Unassigned	19,618,518		(1,600,776)	
Total Fund Balances	23,018,768		(1,600,776)	6,336,922
Total Liabilities and Fund Balances	$27,262,828		$2,030,847	$8,258,879

See accompanying notes to financial statements.

Housing Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
$1,277,478	$3,778,034	$41,214,240	$74,345,649
	580,073	5,203,345	5,789,418
13,148	1,412,635	2,162,941	9,787,147
			388,234
			196,795
			480,000
10,921,730		3,068,907	16,190,637
		8,894	16,099
$12,212,356	$5,770,742	$51,658,327	$107,193,979
$12,248	$600,359	$954,567	$3,172,319
	14,458	39,406	1,888,681
		196,795	196,795
	2,855	15,293	29,778
			3,480,000
10,921,730		3,322,802	15,044,746
	38,246	352,789	2,456,869
10,933,978	655,918	4,881,652	26,269,188
		8,894	2,694,099
		18,105,740	24,442,662
1,278,378	5,114,824	28,662,041	35,455,243
			315,045
			18,017,742
1,278,378	5,114,824	46,776,675	80,924,791
$12,212,356	$5,770,742	$51,658,327	$107,193,979

City of Alameda

People and Places in the City

City of Alameda
Reconciliation of
Governmental Funds -- Fund Balances
with Governmental Net Assets
June 30, 2012

Total fund balances reported on the governmental funds balance sheet	$80,924,791
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.	287,850,998
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	10,827,440
Restricted cash and investments	482,987
Accounts receivable	86,881
Capital assets	3,921,922
Accounts payable	(531,516)
Accrued payroll	(595)
Claims payable	(8,482,880)
Compensated absences	(136,561)
Long-term debt	(3,257,194)
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.	13,420,637
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	(318,761)
Net pension obligation	(552,000)
Long-term debt	(39,376,660)
Compensated absences	(3,248,864)
Net OPEB obligation	(16,635,574)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$324,975,051

See accompanying notes to financial statements.

City of Alameda
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2012

	General	Community Improvement Commission Special Revenue
REVENUES		
Property taxes	$22,361,895	$7,094,427
Other local taxes	28,418,847	
Licenses and permits	1,620,247	
Revenues from other agencies	6,138,529	
Charges for current services	6,724,294	
Fines and forfeitures	715,321	
Use of money and property	1,749,239	89,164
Other	5,325	972,090
Total Revenues	67,733,697	8,155,681
EXPENDITURES		
Current:		
General government	4,613,645	
Police	26,671,501	
Fire	23,735,534	
Public works	1,129,448	
Community development		1,124,457
Pass-through obligations/ERAF		480,000
Community Services	4,313,913	
Housing		963,031
Capital outlay	21,741	
Debt service:		
Principal	67,360	35,000
Interest	19,029	138,732
Total Expenditures	60,572,171	2,741,220
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,161,526	5,414,461
OTHER FINANCING SOURCES (USES)		
Sale of capital assets		
Transfers in (Note 3C)	2,927,139	4,258,995
Transfers (out) (Note 3C)	(9,766,891)	(3,448,451)
Total Other Financing Sources (Uses)	(6,839,752)	810,544
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEMS	321,774	6,225,005
EXTRAORDINARY ITEMS (Note 14)		
Assets transferred to/liabilities assumed by Successor Agency		(11,627,578)
NET CHANGE IN FUND BALANCE	321,774	(5,402,573)
BEGINNING FUND BALANCES	22,696,994	5,402,573
ENDING FUND BALANCES (DEFICITS)	$23,018,768	

See accompanying notes to financial statements.

FISC Lease Revenue Special Revenue	Base Reuse Special Revenue	Housing Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
				$6,758,867	$36,215,189
				312,928	28,731,775
			$25,155	1,316,792	2,962,194
	$132,350		3,043,730	10,536,732	19,851,341
	25,889		2,424,206	4,351,904	13,526,293
				715,628	1,430,949
$1,024,176	13,057,452	$257,656	49,405	1,685,793	17,912,885
	162,149	300,000	784,604	1,559,862	3,784,030
1,024,176	13,377,840	557,656	6,327,100	27,238,506	124,414,656
				3,891,362	8,505,007
				1,026,438	27,697,939
					23,735,534
				3,916,146	5,045,594
489,420	13,062,247			3,283,765	17,959,889
					480,000
				3,564,900	7,878,813
		485,383		13,064,597	14,513,011
			10,646,118	2,301,691	12,969,550
				2,742,000	2,844,360
57,638				3,485,453	3,700,852
547,058	13,062,247	485,383	10,646,118	37,276,352	125,330,549
477,118	315,593	72,273	(4,319,018)	(10,037,846)	(915,893)
				8,213	8,213
	23,025		5,226,545	10,162,622	22,598,326
(3,031,982)	(1,190,005)	(834,282)	(2,848,357)	(4,491,588)	(25,611,556)
(3,031,982)	(1,166,980)	(834,282)	2,378,188	5,679,247	(3,005,017)
(2,554,864)	(851,387)	(762,009)	(1,940,830)	(4,358,599)	(3,920,910)
				(8,826,918)	(20,454,496)
(2,554,864)	(851,387)	(762,009)	(1,940,830)	(13,185,517)	(24,375,406)
954,088	7,188,309	2,040,387	7,055,654	59,962,192	105,300,197
($1,600,776)	$6,336,922	$1,278,378	$5,114,824	$46,776,675	$80,924,791

City of Alameda
Reconciliation of the
Net Change in Fund Balance - Governmental Funds
with the Change in Governmental Net Assets
For the year ended June 30, 2012

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	($24,375,406)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay therefore added back to fund balance	12,969,550
Non-capitalized capital outlay expenditures were re-classified to various governmental activities	(6,015,702)
Loss on retirement of capital assets is deducted from fund balance	(187,638)
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of 580,489 which has already been allocated to service funds)	(7,907,995)
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	2,840,317
Long-term debt assumed by Successor Agency	73,473,717
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	(2,261,907)
Interest payable	785,425
Net pension obligation	(4,000)
Net OPEB obligation	(4,915,041)
Compensated absences	850,310
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	3,921,932
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$49,173,562

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	$22,401,035	$22,401,035	$22,361,895	($39,140)
Other local taxes	26,358,245	26,358,245	28,418,847	2,060,602
Licenses and permits	1,763,000	1,763,000	1,620,247	(142,753)
Revenues from other agencies	6,128,700	6,172,900	6,138,529	(34,371)
Charges for current services	6,663,785	6,663,785	6,724,294	60,509
Fines and forfeitures	525,110	525,110	715,321	190,211
Use of money and property	1,926,540	1,926,540	1,749,239	(177,301)
Other revenue			5,325	5,325
Total Revenues	65,766,415	65,810,615	67,733,697	1,923,082
EXPENDITURES:				
Current:				
General government	7,598,140	6,990,140	4,613,645	2,376,495
Police	25,153,527	26,716,527	26,671,501	45,026
Fire	23,076,155	24,101,095	23,735,534	365,561
Public works	1,185,057	1,192,017	1,129,448	62,569
Community Services	4,227,895	4,354,575	4,313,913	40,662
Capital outlay	20,000	20,000	21,741	(1,741)
Debt service:				
Principal	67,360	67,360	67,360	
Interest	19,029	19,029	19,029	
Total Expenditures	61,347,163	63,460,743	60,572,171	2,888,572
NET CHANGE IF FUND REVENUES	4,419,252	2,349,872	7,161,526	4,811,654
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)	4,360,735	4,375,415	2,927,139	(1,448,276)
Transfers (out) (Note 3C)	(10,554,475)	(9,855,475)	(9,766,891)	88,584
Total other financing sources (uses)	(6,193,740)	(5,480,060)	(6,839,752)	(1,359,692)
NET CHANGE IN FUND BALANCE	($1,774,488)	($3,130,188)	321,774	$3,451,962
Beginning fund balance			22,696,994	
Ending fund balance			$23,018,768	

See accompanying notes to financial statements.

City of Alameda
Community Improvement Commission
Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	$12,854,445	$12,854,445	$7,094,427	($5,760,018)
Use of money and property	181,540	181,540	89,164	(92,376)
Other			972,090	972,090
Total Revenues	13,035,985	13,035,985	8,155,681	(4,880,304)
EXPENDITURES:				
Current:				
Community Development	1,775,526	1,190,526	1,124,457	66,069
Pass-through obligations/ERAF	2,634,550	2,209,550	480,000	1,729,550
Housing	3,081,325	2,955,325	963,031	1,992,294
Debt service:				
Principal	2,158,970	2,158,970	35,000	2,123,970
Interest	237,955	237,955	138,732	99,223
Total Expenditures	9,888,326	8,752,326	2,741,220	6,011,106
EXCESS OF REVENUES OVER EXPENDITURES	3,147,659	4,283,659	5,414,461	1,130,802
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)	5,115,890	3,000,000	4,258,995	1,258,995
Transfers (out) (Note 3C)		(3,672,074)	(3,448,451)	223,623
Total other financing sources (uses)	5,115,890	(672,074)	810,544	1,482,618
NET CHANGE IN FUND BALANCE BEFORE EXTRAORDINARY ITEMS	$8,263,549	$3,611,585	6,225,005	$2,613,420
EXTRAORDINARY ITEM (Note 14)			(11,627,578)	
NET CHANGE IN FUND BALANCE			(5,402,573)	
Beginning fund balance			5,402,573	
Ending fund balance				

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenues from other agencies	$70,200	$70,200		($70,200)
Use of money and property	1,116,400	1,116,400	$1,024,176	(92,224)
Total Revenues	1,186,600	1,186,600	1,024,176	(162,424)
EXPENDITURES:				
Current:				
Community development	974,011	974,011	489,420	484,591
Debt service:				
Interest		57,600	57,638	(38)
Total Expenditures	974,011	1,031,611	547,058	484,553
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	212,589	154,989	477,118	322,129
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 3C)	(150,000)	(3,150,000)	(3,031,982)	118,018
Total other financing sources (uses)	(150,000)	(3,150,000)	(3,031,982)	118,018
NET CHANGE IN FUND BALANCE	$62,589	($2,995,011)	(2,554,864)	$440,147
Beginning fund balance			954,088	
Ending fund balance (deficit)			($1,600,776)	

See accompanying notes to financial statements.

City of Alameda
Base Reuse
Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies			$132,350	$132,350
Charges for current services	$24,000	$24,000	25,889	1,889
Use of money and property	11,803,140	13,742,280	13,057,452	(684,828)
Other	391,140	165,000	162,149	(2,851)
Total Revenues	12,218,280	13,931,280	13,377,840	(553,440)
EXPENDITURES:				
Current:				
Community development	12,949,410	14,662,410	13,062,247	1,600,163
Total Expenditures	12,949,410	14,662,410	13,062,247	1,600,163
EXCESS OF REVENUES OVER EXPENDITURES	(731,130)	(731,130)	315,593	1,046,723
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)	222,635	222,635	23,025	(199,610)
Transfers (out) (Note 3C)	(1,417,735)		(1,190,005)	(1,190,005)
Total other financing sources (uses)	(1,417,735)	222,635	(1,166,980)	(1,389,615)
NET CHANGE IN FUND BALANCE	($2,148,865)	($508,495)	(851,387)	($342,892)
Beginning fund balance			7,188,309	
Ending fund balance			$6,336,922	

See accompanying notes to financial statements.

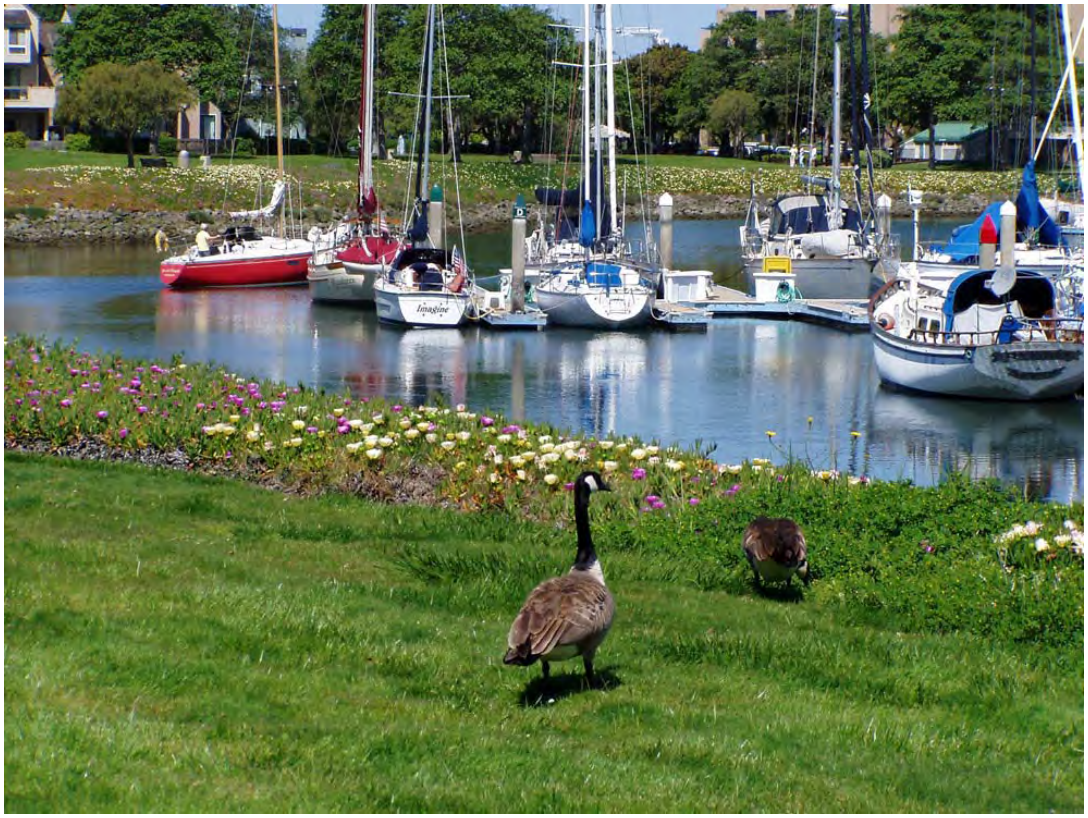
City of Alameda
Housing
Special Revenue Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
for the year ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	$250,000	$250,955	$257,656	$6,701
Other	30,000	3,000	300,000	297,000
Total Revenues	280,000	253,955	557,656	303,701
EXPENDITURES:				
Current:				
Housing	667,020	667,020	485,383	181,637
Total Expenditures	667,020	667,020	485,383	181,637
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(387,020)	(413,065)	72,273	485,338
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)				
Transfers (out) (Note 3C)	(350,000)	(483,416)	(834,282)	(350,866)
Total other financing sources (uses)	(350,000)	(483,416)	(834,282)	(350,866)
NET CHANGE IN FUND BALANCE	($737,020)	($896,481)	(762,009)	$134,472
Beginning fund balance			2,040,387	
Ending fund balance			$1,278,378	

See accompanying notes to financial statements.

City of Alameda

People and Places in the City



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.

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

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

City of Alameda
Proprietary Funds
Statement of Net Assets
June 30, 2012

	Business-type Actvities Enterprise Funds			Governmental Activities- Internal Service Funds
	Golf Course	Sewer Services	Totals	
ASSETS				
Current Assets				
Cash and cash equivalents (Note 2)	$1,238,540	$14,303,802	$15,542,342	$10,827,440
Accounts receivable	17,706	377,755	395,461	86,881
Materials, parts and supplies	99,361		99,361	
Prepaids, deposits and bond discounts	10,927	234,603	245,530	
Total Current Assets	1,366,534	14,916,160	16,282,694	10,914,321
Noncurrent Assets				
Restricted cash and investments (Note 2)		670,249	670,249	482,987
Advances to other funds (Note 3B)		3,000,000	3,000,000	
Capital assets (Note 5):				
Non-depreciable	176,899	7,654,447	7,831,346	
Depreciable, net	3,198,792	38,798,346	41,997,138	3,921,922
Total Non-current assets	3,375,691	50,123,042	53,498,733	4,404,909
Total Assets	4,742,225	65,039,202	69,781,427	15,319,230
LIABILITIES				
Current Liabilities:				
Accounts payable	22,696	1,143,047	1,165,743	531,516
Claims payable (Note 11)				2,542,704
Accrued payroll	53	13,812	13,865	595
Interest payable		62,585	62,585	
Due to other funds (Note 3A)				
Unearned revenue	49,794		49,794	
Refundable deposits	250,000	240,949	490,949	
Compensated absences (Note 1H)		84,753	84,753	136,561
Long-term debt - current (Note 6)	73,810	728,877	802,687	297,157
Total Current Liabilities	396,353	2,274,023	2,670,376	3,508,533
Claims payable - noncurrent (Note 11)				5,940,176
Long-term debt - noncurrent (Note 6)	165,187	4,690,904	4,856,091	2,960,037
Total Liabilities	561,540	6,964,927	7,526,467	12,408,746
NET ASSETS (Note 8):				
Invested in capital assets, net of related debt	3,136,694	41,033,012	44,169,706	961,885
Unrestricted	1,043,991	17,041,263	18,085,254	1,948,599
Total Net Assets	$4,180,685	$58,074,275	$62,254,960	$2,910,484

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, 2012

	Business-type Actvities Enterprise Funds			Governmental Activities- Internal Service Funds
	Golf Course	Sewer Services	Totals	
OPERATING REVENUES				
Charges for services	$3,958,933	$7,447,477	$11,406,410	$10,559,372
Miscellaneous	6,157		6,157	2,010,513
Total Operating Revenues	3,965,090	7,447,477	11,412,567	12,569,885
OPERATING EXPENSES				
General administrative	586,353	1,074,214	1,660,567	268,358
Wages and benefits	38,945	1,094,472	1,133,417	2,167,579
Insurance				5,926,508
Contractual services	2,804,153	218,262	3,022,415	1,658,556
Depreciation	366,512	1,035,218	1,401,730	580,489
Utilities		69,407	69,407	260,923
Supplies and maintenance	22	153,375	153,397	1,119,001
Total Operating Expenses	3,795,985	3,644,948	7,440,933	11,981,414
Operating Income (Loss)	169,105	3,802,529	3,971,634	588,471
NONOPERATING REVENUES (EXPENSES)				
Operating grants and contributions	375		375	43,510
Interest income	1,634	191,053	192,687	69,463
Rent and other	51,989		51,989	
Interest (expense)	(18,994)	(219,274)	(238,268)	
Total Nonoperating Revenues (Expenses)	35,004	(28,221)	6,783	112,973
Income (Loss) Before Transfers	204,109	3,774,308	3,978,417	701,444
Transfers in (Note 3C)		3,201,725	3,201,725	3,433,488
Transfers (out) (Note 3C)	(157,824)	(3,251,159)	(3,408,983)	(213,000)
Change in net assets	46,285	3,724,874	3,771,159	3,921,932
BEGINNING NET ASSETS (DEFICITS)	4,134,400	54,349,401	58,483,801	(1,011,448)
ENDING NET ASSETS	$4,180,685	$58,074,275	$62,254,960	$2,910,484

See accompanying notes to financial statements.

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

	Business-type Actvities Enterprise Funds			Governmental Activities- Internal Service Funds
	Golf Course	Sewer Services	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$4,202,253	$7,656,324	$11,858,577	$12,649,515
Payments to suppliers	(2,797,913)	(398,386)	(3,196,299)	(5,497,232)
Payments to employees	(639,251)	(1,483,795)	(2,123,046)	(2,510,231)
Claims paid				(2,449,804)
Cash Flows from Operating Activities	765,089	5,774,143	6,539,232	2,192,248
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Operating grants and contributions	375		375	
Interfund payments				(716)
Transfers in		3,201,725	3,201,725	3,220,488
Transfers (out)	(157,824)	(3,251,159)	(3,408,983)	
Cash Flows from Noncapital Financing Activities	(157,449)	(49,434)	(206,883)	3,219,772
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	(303,722)	(5,226,638)	(5,530,360)	(3,847,981)
Equipment purchase agreement proceeds	303,722		303,722	3,257,194
Principal payments on capital debt	(183,575)	(703,047)	(886,622)	
Interest paid	(18,994)	(233,751)	(252,745)	
Cash Flows from Capital and Related Financing Activities	(202,569)	(6,163,436)	(6,366,005)	(590,787)
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in restricted investments		(240,949)	(240,949)	(482,987)
Operating grants and contributions				43,510
Interest income	1,634	191,053	192,687	69,463
Rent and other revenue received	51,989		51,989	
Cash Flows from Investing Activities	53,623	(49,896)	3,727	(370,014)
Net Cash Flows	458,694	(488,623)	(29,929)	4,451,219
Cash and investments at beginning of period	779,846	14,792,425	15,572,271	6,376,221
Cash and investments at end of period	$1,238,540	$14,303,802	$15,542,342	$10,827,440
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income	$169,105	$3,802,529	$3,971,634	$588,471
Adjustments to reconcile operating income to cash flows from operating activities:				
Depreciation	366,512	1,035,218	1,401,730	580,489
Change in assets and liabilities:				
Accounts receivable and refundable deposits	248,090	208,847	456,937	79,630
Materials, parts and supplies	(32,062)		(32,062)	
Prepaids and deposits	(10,927)	42,658	31,731	135,000
Accounts payable	14,923	702,206	717,129	(168,793)
Claims payable				1,051,745
Accrued payroll	(1,365)	(26,859)	(28,224)	(74,258)
Deferred revenue	23,401		23,401	
Compensated absences	(12,588)	9,544	(3,044)	(36)
Cash Flows from Operating Activities	$765,089	$5,774,143	$6,539,232	$2,192,248

See accompanying notes to financial statements.

Trust funds are used to account for assets held by the City as a trustee agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the 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.

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

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

City of Alameda
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2012

	Pension Trust Funds	Successor Agency Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents (Note 2)		$17,065,627	
Restricted cash and investments (Note 2)	$917	9,116,975	$9,053,218
Accounts receivable		646,776	1,214
Deferred loans (Note 14B)		13,477,177	
Total Assets	917	40,306,555	9,054,432
LIABILITIES			
Accounts payable		67,150	
Accrued payroll		481	
Interest payable		1,222,682	
Pass-through obligations		946,157	
Payable to the Housing Authority		19,902,771	
Due to members			367,736
Due to bondholders			8,686,696
Long term debt (Note 14C):			
Due within one year		1,665,000	
Due in more than one year		71,163,717	
Total Liabilities		94,967,958	9,054,432
NET ASSETS			
Restricted for:			
Held in Trust for private purpose		(54,661,403)	
Employees' pension benefits	917		
Total Net Assets	$917	($54,661,403)	

See accompanying notes to financial statements.

City of Alameda
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
for the year ended June 30, 2012

	Pension Trust Funds	Successor Agency Private Purpose Trust Funds
ADDITIONS		
Employer contributions	$1,958,576	
Property taxes		$5,214,801
Use of money and property		150,567
Other		2,352,919
Total Additions	1,958,576	7,718,287
DEDUCTIONS		
Administration		184,361
Retirements and other benefits	1,942,139	
Contractual services	15,997	909,027
Transfer to Successor Agency Debt Service Fund		1,866,169
Community development expense		1,425,985
Debt service:		
Interest and fiscal charges		2,192,660
Total Deductions	1,958,136	6,578,202
EXTRAORDINARY ITEM		
Assets transferred to/liabilities assumed by Successor Agency		(55,801,488)
CHANGE IN NET ASSETS	440	(54,661,403)
NET ASSETS, BEGINNING OF YEAR	477	
NET ASSETS, END OF YEAR	$917	($54,661,403)

See accompanying notes to financial statements.

City of Alameda

People and Places in the City

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City of Alameda

People and Places in the City

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

Blended Component Units

The Community Improvement Commission of the City of Alameda (CIC) was established to assist in the clearance and rehabilitation of City areas determined to be in a declining condition. The Commission has the same governing board as the City, all accounting and administrative functions are performed by City staff, and the Commission receives advances from the City to finance operations. The financial activities of the Commission have been included in the Community Improvement Commission Special Revenue Fund, Community Improvement Commission Debt Service Fund, and Community Improvement Commission Capital Projects Fund. As discussed in Note 14, the CIC was dissolved effective January 31, 2012.

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

The Alameda Reuse and Redevelopment Authority (ARRA) was a separate government entity whose purpose was 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 was 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. On February 7, 2012, ARRA was dissolved and became a department of the City.

Note 1 - Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units

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

The Housing Authority of the City of Alameda, California was established to provide housing for the City's low-and-moderate income residents. As of April 20, 2012 the Authority was no longer considered a component unit of the City due to the fact that they are no longer substantially integrated with the City.

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

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.

B. Basis of Presentation

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

C. Major Funds

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

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

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

Community Improvement Commission Special Revenue Fund - This fund accounted for the general activities of the Commission of the City not accounted for in other funds through January 31, 2012.

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

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

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

Capital Improvement Projects Fund - This fund accounts for monies for major capital improvement projects not provided for in a separate and specific capital project fund.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The City also reports the following fund types:

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

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

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

Agency Funds - These funds account for assets held by the City as an agent for certain assessment districts in the City, the 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, proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred,* regardless of when the related cash flows take place. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

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*.

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

All proprietary and similar trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when 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.

E. Budgets and Budgetary Accounting

The City adopts a budget annually for all funds except for the Vehicle Registration Fee Special Revenue Fund. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted by the City Council, and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget during the fiscal year. The City Manager or his designee is authorized to transfer budgeted amounts between departments and between line items within any fund. However, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. All appropriations lapse at year end. Supplemental changes in appropriations that have been adopted by the City Council have been included in the budget versus actual statements.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except for the major Capital Improvements Projects Fund, which is budgeted at total cost in the budget year it is approved. Unexpended balances of this fund are reappropriated in the subsequent year as necessary to complete the projects.

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

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

H. Compensated Absences

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

Compensated absences activity for the year ended June 30, 2012, is as follows:

	Primary Government			Component Unit	
	Governmental Activities	Business-Type Activities	Subtotal	Alameda Municipal Power	Total
Beginning Balance	$4,235,771	$87,797	$4,323,568	$643,533	$4,967,101
Additions	2,781,575	67,812	2,849,387	616,833	3,466,220
Payments	(3,631,921)	(70,856)	(3,702,777)	(548,427)	(4,251,204)
Ending Balance	$3,385,425	$84,753	$3,470,178	$711,939	$4,182,117
Current Portion	$3,385,425	$84,753	$3,470,178	$707,420	$4,177,598

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

K. Transfer from Alameda Municipal Power

The City Charter provides that Alameda Municipal Power transfer to the City's General Fund certain excess earnings as defined in the Charter. During fiscal year 2010-11, there were no excess earnings to be transferred. However, the Public Utilities Board by resolution has directed that $2,800,000 be contributed to the City's General Fund, in accordance with these provisions, during the fiscal year ended June 30, 2012.

L. Use of Estimates

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

M. New and Closed Funds

Vehicle Registration Fee Special Revenue Fund was established to account for these fees collected by the County to be used to sustain the County's transportation network and reduce traffic congestion.

The Parking Special Revenue Fund was previously reported as a part of the Community Improvement Commission Special Revenue Fund. As the result of the dissolution of the Community Improvement Commission, discussed in Note 14, this part of the fund is now being presented as a City fund.

The Successor Agency Private Purpose Trust Fund was established to account for the activities of the Successor Agency of the former Community Improvement Commission.

The Community Improvement Commission Special Revenue Fund, the Community Improvement Commission Debt Service Fund and the Community Improvement Commission Capital Projects Fund were closed as of January 31, 2012 as the result of the dissolution of the Community Improvement Commission discussed in Note 14.

The Alameda Reuse and Redevelopment Authority Special Revenue, Capital Projects and Debt Service Funds were renamed to the Base Reuse Special Revenue, Capital Projects and Debt Service Funds.

Note 2 - Cash and Investments

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

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

A. Policies

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

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

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

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

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not use is restricted under the terms of City debt instruments or agency agreements. Cash and investments as of June 30, 2012, as presented on the Statement of Net Assets and Statement of Fiduciary Net Assets are as follows:

Cash and investments available for operations:	
City	$100,715,431
Alameda Municipal Power	37,066,189
Restricted cash and investments:	
City	6,942,654
Alameda Municipal Power	4,515,565
Total cash and investments of primary government and component units	149,239,839
Restricted cash and investments in Fiduciary Funds (separate statement):	
Cash and cash equivalents	17,065,627
Restricted cash and investments	18,171,110
Total cash and investments	$184,476,576

Note 2 - Cash and Investments (Continued)

Cash and investments as of June 30, 2012 are composed of the following categories:

	Amounts
City	$142,894,822
Component Unit:	
Alameda Municipal Power	41,581,754
Total	$184,476,576

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

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

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

Authorized Investment Type	Maximum Maturity (A)	Minimum Credit Quality	Maximum 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	N/A	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
CDs - non-negotiable / CDAR	3 Years	N/A	30%	5%
Local Agency Debt	5 Years	A	5%	5%

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

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, 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.

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

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

(A) The Maximum term of any investment shall not exceed five years unless expressly authorized by the Public Utilities Board
(B) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC)

Note 2 - Cash and Investments (Continued)

D. Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	30 days	Top Four Rating Categories	No Limit	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

Note 2 - Cash and Investments (Continued)

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	N/A	N/A	No Limit	No Limit
State Obligations	N/A	AA	No Limit	No Limit
U.S. Agency Securities (A)	N/A	N/A	No Limit	No Limit
Commercial Paper	N/A	P1	No Limit	No Limit
Certificates of Deposit	N/A	P1	No Limit	No Limit
Bankers Acceptances	1 year	P1	No Limit	No Limit
Money Market Mutual Funds	N/A	AAAm	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	$40,000,000 per account	$40,000,000 per account
Investment Agreements (B)	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)

(B) Investment agreements, including guaranteed investment contracts, repurchase agreements, forward purchase agreements and reserve fund put agreements

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, 2012:

Investment Type	12 Months or less	One to Five Years	Total
City of Alameda:			
U.S. Government-Sponsored	$1,669,751		$1,669,751
Enterprise Agencies			
Non-callable	2,385,924	$33,716,100	36,102,024
Callable		760,413	760,413
Corporate Securities			
Non-callable	2,021,730	16,214,409	18,236,139
Callable		2,581,755	2,581,755
Guaranteed Investment Contracts		886,783	886,783
US Treasury Notes and Bills	1,931,742	16,449,095	18,380,837
Money Market Mutual Funds	11,276,777		11,276,777
California Local Agency Investment Fund	38,046,346		38,046,346
California Asset Management Program	456,849		456,849
Certificate of Deposits	3,645,369		3,645,369
Commercial Paper	1,298,721		1,298,721
Municipal Bonds		1,933,266	1,933,266
Total Investments	$62,733,209	$72,541,821	135,275,030
Cash deposits with banks and on hand			7,619,792
Total Cash and Investments			$142,894,822

Note 2 - Cash and Investments (Continued)

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 or less
Investments:	
Bond Mutual Funds	$4,515,566
Money Market	141,132
U.S. Treasury Notes	999,062
Local Agency Investment Fund	22,422,814
Certificate of Deposits	7,990,528
Total Investments	36,069,102
Cash with Banks and Petty Cash	5,512,652
Total Cash and Investments	$41,581,754

The City and Alameda Municipal Power 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 and Alameda Municipal Power report their investments in LAIF at the fair value amounts provided by LAIF, which is the same as the value of the pool share. At June 30, 2012 the fair value approximated cost of the investments of the City and Alameda Municipal Power. The balance, available for withdrawal on demand, is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. 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, 2012, these investments had an average maturity of 268 days.

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2012 the fair value approximated is the City's cost. At June 30, 2012, these investments have an average maturity of 53 days.

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, 2012, for each City's investment type as provided by Standard and Poor's:

Investment Type	AAA	AAAm	AA	AA+	AA-	A	A+	A-	A-1+	Total
City of Alameda:										
U.S. Government-Sponsored				$1,669,751						$1,669,751
Enterprise Agencies										
Non-callable				36,102,024						36,102,024
Callable				760,413						760,413
Corporate Securities										
Non-callable	$1,530,512		$1,750,478	3,263,141	$2,933,460	$4,441,298	$3,685,323	$631,927		18,236,139
Callable						2,581,755				2,581,755
Commercial Paper									$1,298,721	1,298,721
Municipal Bonds			1,125,410	807,856						1,933,266
Certificate of Deposits									799,759	799,759
Money Market Mutual Funds		$11,276,777								11,276,777
California Asset Management Program		456,849								456,849
Totals	$1,530,512	$11,733,626	$2,875,888	$42,603,185	$2,933,460	$7,023,053	$3,685,323	$631,927	$2,098,480	75,115,454
Not rated:										
City of Alameda:										
California Local Agency Investment Fund										38,046,346
Certificate of Deposits										2,845,610
Guaranteed Investment Contracts										886,783
										41,778,739
Exempt:										
City of Alameda:										
US Treasury Notes and Bills										18,380,837
Total Investments										$135,275,030

Presented below is the actual rating as of June 30, 2012, for each Alameda Municipal Power investment type as provided by Standard and Poor's:

Investments with Fiscal Agent	
AAAm:	
Bond Mutual Funds	$4,515,566
Not rated:	
Certificate of Deposits	7,160,000
Certificate of Deposits (Bank of Alameda)	830,528
Money Market	141,132
Local Agency Investment Fund	22,422,814
Exempt:	
U.S. Treasury Notes	999,062
Cash with Banks and Petty Cash	5,512,652
Total Investments	$41,581,754

Note 2 - Cash And Investments (Continued)

G. Concentration of Credit Risk

The City's investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. However, the City is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer, held by individual City Funds in the securities of issuers other than U. S. Treasury securities, mutual funds and external investment pools. At June 30, 2012, those investments consisted of:

Reporting Unit	Issuer	Investment Type	Reported Amount
Entity Wide:	Federal Home Loan Mortgage Corporation	U.S. Government-Sponsored Enterprise Agencies	$12,186,715
	Federal Home Loan Banks	U.S. Government-Sponsored Enterprise Agencies	9,075,131
	Federal National Mortgage Association	U.S. Government-Sponsored Enterprise Agencies	7,447,107

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

The City's investments include U.S. Government-Sponsored Enterprise Agencies and Corporate Notes that have an embedded call feature. At June 30, 2012, those investments consisted of:

Investment Type	Maturity Date	Callable Date	Reported Amount
Federal Home Loan Mortgage Corporation	12/12/2014	12/12/2012	$280,450
Federal National Mortgage Association	5/29/2015	11/29/2012	479,963
US Bancorp Note	9/13/2013	8/13/2013	2,581,755

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, 2012, the amounts of current interfund balances were as follows:

Due From Other Funds	Due To Other Funds	
General Fund	Non-Major Governmental Funds	$196,795

B. Long-Term Advances

The General Fund advanced $1,258,995 to the Community Improvement Commission Special Revenue Fund. The advance is to be repaid in future years from the proceeds of property tax increments as funds become available. The General Fund advance bears interest at 6%. Due to the dissolution of the CIC, as discussed in Note 14 below the City determined the advance would be uncollectible therefore the advance was written off.

The General Fund has advanced $1,440,000 to the FISC Lease Special Revenue Fund to pay for the public safety of former Navy property. The advance bears interest at 6% and will be repaid from future lease revenue as funds become available. As of June 30, 2012, this advance had a balance of $480,000.

Note 3 - Interfund Transactions (Continued)

The Sewer Enterprise Fund advanced $3,000,000 to the Community Improvement Commission Special Revenue Fund as matching funds for construction of the Webster Street/Wilver Stargell Avenue Intersection Project. These advances bear interest at 3% until paid in full. The advance is expected to be repaid by 2014. Due to the dissolution of the Commission effective February 1, 2012, the City and the Successor Agency have come to agreement so that the obligation to repay the advance is transferred over to the FISC Lease Special Revenue Fund payable from future developments in the area. As of June 30, 2012, the FISC Lease Special Revenue Fund has recorded this advance with a balance of $3,000,000.

C. Transfers Between City Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between City funds during fiscal year 2011-12 were as follows:

Fund Receiving Transfers	Fund Making Transfer	Amount Transferred	
General Fund	FISC Lease Revenue Special Revenue Fund	$1,238	B
	Base Reuse Special Revenue Fund	25,889	B
	Capital Improvement Projects Fund	2,556,335	D
	Sewer Services Enterprise Fund	10,000	B
	Non-Major Governmental Funds	120,677	B
	Internal Service Funds	213,000	D
Community Improvement Commission Special Revenue Fund	General Fund	1,258,995	F
	Sewer Services Enterprise Fund	3,000,000	F
Base Reuse Special Revenue Fund	FISC Lease Revenue Special Revenue Fund	665	A
	Non-Major Governmental Funds	22,360	B
Capital Improvement Projects Fund	General Fund	1,780,000	A
	FISC Lease Revenue Special Revenue Fund	21,189	A
	Base Reuse Special Revenue Fund	70,381	A
	Golf Course Enterprise Fund	15,000	A
	Sewer Services Enterprise Fund	241,159	A
	Non-Major Governmental Funds	3,098,816	A
Sewer Services Enterprise Fund	FISC Lease Revenue Special Revenue Fund	3,000,000	A
	Non-Major Governmental Funds	201,725	A
Non-Major Governmental Funds	General Fund	3,294,408	A,B
	Community Improvement Commission Special Revenue Fund	3,448,451	B
	FISC Lease Revenue Special Revenue Fund	8,890	B
	Base Reuse Special Revenue Fund	1,093,735	B
	Housing Special Revenue Fund	834,282	E
	Capital Improvement Projects Fund	292,022	D
	Golf Course Enterprise Fund	142,824	A,B
	Non-Major Governmental Funds	1,048,010	A,C,E
Internal Service Funds	General Fund	3,433,488	B
		$29,233,539	

The reasons for these transfers are set forth below:
(A) To fund capital or storm drain projects
(B) To fund library, indirect costs and debt service
(C) To partially fund ferry services
(D) To transfer unused capital project funds back to original funding source
(E) To fund housing projects
(F) To write-off loans between the City's funds and the former CIC

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 and former CIC has engaged in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the City's and former CIC's terms. Some of these loans may be forgiven at the completion of the loan term if all stipulated conditions are met. Other loans and notes are expected to be repaid in full.

As discussed in Note 14B, with the dissolution of the CIC, $13,477,177 of the housing rehabilitation and affordable housing loans were transferred to the Successor Agency Private Purpose Trust Fund on February 1, 2012. At June 30, 2012, the Successor Agency held $13,477,177 of the loans receivable arising from these programs.

The City's outstanding balance of the loans receivable from these programs at June 30, 2012 was $10,921,730 which has been offset with deferred revenue. Included in the outstanding balance was a receivable for $1,081,650 from the Housing Authority. The City has determined that $719,706 of the outstanding balance may have to be written off in the future therefore they have established an allowance for doubtful accounts for this amount.

B. 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, 2012, the remaining principal balance was $2,200,000.

C. 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, 2012, Alameda Municipal Power had expended $627,300 for street light replacement, and the City had made payments of $602,000. Annual installments of $40,000 are scheduled until the loan is repaid. At June 30, 2012, the outstanding balance was $25,300.

D. Multiplex Cinema

As part of a Disposition and Development Agreement 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. During the fiscal year, the City decided that the CIC's parking fund should be reported as a part of the City fund, as the CIC is not responsible for repayment of the debt related to this loan, therefore the following loans outstanding are included in the City's loans receivables balance. As of June 30, 2012, the City has loans outstanding with Alameda Entertainment Associates totaling $3,068,907.

Note 4 - Loans Receivable (Continued)

E. CIC Loan

The CIC entered into a loan with The Alameda Islander, L.P., a California based limited partnership to for the amount $8.6 million dollars on September 27, 2011. The loan is for improvement of property located at 2428 Central Ave in the City of Alameda. The loan bears 0% interest and is to be repaid in full on September 27, 2068. Payment is to be deferred until the completion of the loan terms. As discussed in Note 14E with the dissolution of the CIC, this loan was transferred to the Successor Agency Private Purpose Trust Fund on February 1, 2012.

G. Downtown Historic Theatre Complex and Parking Garage Project.

On October 16, 2004, the CIC 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 CIC entered into a loan agreement with the Alameda Entertainment Associates L.P., as discussed on Note 4D. In FY04-05, the CIC purchased the land for the site of the project from assigned purchase option for $811,120. In FY05-06, the CIC acquired the historic theatre by eminent domain. Project construction was completed in fiscal year FY07-08. There were construction expenses in FY10-11 resulting from loan disbursement to Alameda Entertainment Associates for the improvement of the Alameda Theatre balcony, reimbursement of tenant improvements for the Burgermeister restaurant pursuant to the lease between the CIC and Burgermeister, and payment of expenditures for final renovation improvements. In FY11-12, the City decided that the CIC Parking fund should not be reported as a part of the CIC, but instead, reported as a City Fund.

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
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.

Note 5 – Capital Assets (Continued)

A. Capital Asset Additions and Retirements

City capital asset activities for the year ended June 30, 2012, are as follows:

	Balance at June 30, 2011	Additions	Retirements	Transfers	Balance at June 30, 2012
Governmental activities					
Capital assets not being depreciated:					
Land	$5,871,384		($52,965)		$5,818,419
Construction in progress	55,977,314	$6,571,305	(49,332)	($673,408)	61,825,879
Total capital assets not being depreciated	61,848,698	6,571,305	(102,297)	(673,408)	67,644,298
Capital assets being depreciated:					
Buildings	252,860,063		(91,750)		252,768,313
Machinery and equipment	25,019,668	4,099,760	(583,725)		28,535,703
Infrastructure:					
Streets	95,495,419	91,218	(527)		95,586,110
Landscape	20,479,187				20,479,187
Storm drains	19,122,586			673,408	19,795,994
Portable water systems	1,353,939				1,353,939
Parks	7,664,569	39,546			7,704,115
Marina facilities	24,285,397				24,285,397
Total capital assets being depreciated	446,280,828	4,230,524	(676,002)	673,408	450,508,758
Less accumulated depreciation:					
Buildings	(95,895,402)	(3,276,699)	6,936		(99,165,165)
Machinery and equipment	(18,778,156)	(1,257,424)	583,725		(19,451,855)
Infrastructure:					
Streets	(57,412,017)	(2,483,640)			(59,895,657)
Landscape	(15,682,700)	(540,380)			(16,223,080)
Storm drains	(7,913,568)	(335,423)			(8,248,991)
Portable water systems	(1,149,151)	(12,330)			(1,161,481)
Parks	(2,638,998)	(281,370)			(2,920,368)
Marina facilities	(19,012,321)	(301,218)			(19,313,539)
Total accumulated depreciation	(218,482,313)	(8,488,484)	590,661		(226,380,136)
Net capital assets being depreciated	227,798,515	(4,257,960)	(85,341)	673,408	224,128,622
Governmental activity capital assets, net	$289,647,213	$2,313,345	($187,638)		$291,772,920

Note 5 - Capital Assets (Continued)

	Balance at June 30, 2011	Additions	Transfers	Balance at June 30, 2012
Business-type activities				
Capital assets, not being depreciated:				
Land and improvement	$176,899			$176,899
Construction in progress	2,728,217	$4,926,230		7,654,447
Total capital assets not being depreciated	2,905,116	4,926,230		7,831,346
Capital assets, being depreciated:				
Buildings	1,133,476			1,133,476
Sewer lines	64,559,409			64,559,409
Streets	188,016		$13,980	201,996
Storm drains	314,356			314,356
Golf improvements	4,404,494		(198,531)	4,205,963
Office furniture and equipment	2,339,416	604,130	184,551	3,128,097
Net capital assets being depreciated	72,939,167	604,130		73,543,297
Less accumulated depreciation for:				
Buildings	(264,346)	(17,584)		(281,930)
Sewer lines	(25,095,932)	(972,736)		(26,068,668)
Streets	(141,424)	(5,623)		(147,047)
Storm drains	(75,701)	(4,193)		(79,894)
Golf improvements	(2,327,607)	(160,621)		(2,488,228)
Office furniture and equipment	(2,239,419)	(240,973)		(2,480,392)
Total accumulated depreciation	(30,144,429)	(1,401,730)		(31,546,159)
Net capital assets being depreciated	42,794,738	(797,600)		41,997,138
Business-type activity capital assets, net	$45,699,854	$4,128,630		$49,828,484

Note 5 - Capital Assets (Continued)

B. Alameda Municipal Power's Capital Assets

Alameda Municipal Power capital asset activities for the year ended June 30, 2012, are as follows:

	Balance June 30, 2011	Additions	Retirements	Transfers	Balance June 30, 2012
Capital assets not being depreciated:					
Land and Rights	$153,643				$153,643
Construction Work in Progress	1,719,491	$1,735,137	($277,813)	($1,675,523)	1,501,292
Total capital assets not being depreciated	1,873,134	1,735,137	(277,813)	(1,675,523)	1,654,935
Capital assets being depreciated:					
Utility Plant	70,314,925			1,585,439	71,900,364
Service Center Building	7,843,636				7,843,636
Machinery and Equipment	8,739,161		86,377	90,084	8,915,622
Transportation Equipment	2,593,727	144,787			2,738,514
Computer Equipment	3,256,643	150,201	(118,414)		3,288,430
Furniture and Fixtures	599,107		7,075		606,182
Easements	185,500				185,500
Total capital assets being depreciated	93,532,699	294,988	(24,962)	1,675,523	95,478,248
Less accumulated depreciation for:					
Utility Plant	40,910,033	2,244,824			43,154,857
Service Center Building	3,056,042	165,868			3,221,910
Machinery and Equipment	7,510,288	765,227			8,275,515
Transportation Equipment	1,572,178	187,235			1,759,413
Computer Equipment	2,867,826	140,673	(27,719)		2,980,780
Furniture and Fixtures	404,929	17,936			422,865
Easements	98,000	3,500			101,500
Total accumulated depreciation	56,419,296	3,525,263	(27,719)		59,916,840
Total depreciable assets	37,113,403	(3,230,275)	2,757	1,675,523	35,561,408
Business activity capital assets, net	$38,986,537	($1,495,138)	($275,056)		$37,216,343

Note 5 - Capital Assets (Continued)

C. 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.

D. Depreciation Allocation

Depreciation expense is charged to functions and programs based upon usage of the related assets. The amounts allocated to each function or program is as follows:

Governmental Activities	
General government	$540,423
Police	217,704
Fire	232,501
Public works	4,034,811
Community development, planning and building	2,403,547
Culture and recreation	1,059,498
Total Governmental Activities	$8,488,484
Business-Type Activities	
Golf course	$366,512
Sewer services	1,035,218
Total Business-Type Activities	$1,401,730
Discretely Presented Component Units:	
Alameda Municipal Power	$3,525,263

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.

Note 6 – Long-Term Debt (Continued)

A. *City Long-Term Debt*

The City's long-term debt activities for the year ended June 30, 2012, are as follows:

	Balance June 30, 2011	Additions	Retirements	Transferred to Successor Agency	Balance June 30, 2012	Current Portion
Governmental Activity Debt:						
Certificates of Participation:						
2002 City Hall	$8,305,000		$445,000		$7,860,000	$465,000
2008 Refinancing Project	4,165,000		425,000		3,740,000	435,000
Total Certificates of Participation	12,470,000		870,000		11,600,000	900,000
2003 General Obligation Bonds	9,375,000		220,000		9,155,000	230,000
2003 ARRA Demand Revenue Bonds	12,300,000		300,000		12,000,000	300,000
Leases Payable	134,720	$3,257,194	67,360		3,324,554	364,517
HUD Section 108 Loan	6,691,000		162,000		6,529,000	174,000
Other Loans Payable	65,300		40,000		25,300	25,300
Subtotal	41,036,020	3,257,194	1,659,360		42,633,854	1,993,817
CIC Long-Term Debt:						
2002 Series A & B Subordinate Taxable Tax Allocation Bonds	855,000		855,000			
2003 Tax Allocation Refunding Bonds	16,500,000			$16,500,000		
2003 Tax Allocation Bonds, Series A1, A2 & B	45,990,000			45,990,000		
2011 Tax Allocation Bonds, Series A & B	11,035,000		295,000	10,740,000		
Discount	(125,326)		(4,043)	(121,283)		
2006 CRA/ERAF Loan Program	400,000		35,000	365,000		
Total CIC	74,654,674		1,180,957	73,473,717		
Total Governmental Activity Debt	115,690,694	3,257,194	2,840,317	73,473,717	42,633,854	1,993,817
Business Activity Debt:						
1995 Certificates of Participation	2,465,000		305,000		2,160,000	320,000
State Construction Loan	59,571		22,328		37,243	23,085
State Water Resources Control Board	967,591		127,050		840,541	130,608
State Revolving Fund Loan, 1998	1,059,745		120,877		938,868	124,020
State Revolving Fund Loan, 1999	528,170		52,632		475,538	54,050
State Revolving Fund Loan, 2004	1,042,751		75,160		967,591	77,114
Equipment Purchase Agreements	118,850	303,722	183,575		238,997	73,810
Total Business Activity Debt	6,241,678	303,722	886,622		5,658,778	802,687
Total City Debt	$121,932,372	$3,560,916	$3,726,939	$73,473,717	$48,292,632	$2,796,504

With the dissolution of the CIC as discussed in Note 14, a Successor Agency assumed the long-term debt and loans of the CIC as of February 1, 2012, which has been reported as a transfer above and as an Extraordinary Item in the Statement of Activities. For a detailed discussion of each of the Bonds and loan above, see Note 14 below.

Note 6 – Long-Term Debt (Continued)

B. Alameda Municipal Power Long-Term Debt

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

	Original Issue Amount	Balance June 30, 2011	Retirements	Balance June 30, 2012	Current Portion
2008 Truck (Altel Model AM-55)- Capital Lease	$176,295	$105,282	$25,034	$80,248	$26,445
2009 Truck (Altel Model D3060) - Capital Lease	229,168	142,098	32,736	109,362	34,336
Revenue Bonds, Series 2010A	8,700,000	8,700,000		8,700,000	
Taxable Revenue Bonds, Series	22,985,000	22,985,000	895,000	22,090,000	1,040,000
Loan from City of Alameda	2,200,000	2,200,000		2,200,000	2,200,000
Deferred amount on refunding	n/a	(1,055,001)	(61,651)	(993,350)	(61,651)
Total long-term debt		$33,077,379	$891,119	$32,186,260	$3,239,130

C. Debt Service Requirements - City and Alameda Municipal Power

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

	Governmental Activities		Business-Type Activities		Component Unit Alameda Municipal Power	
For the Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2013	$1,993,817	$1,575,315	$802,687	$208,700	$3,300,781	$1,578,846
2014	1,957,860	1,491,735	822,602	178,273	1,129,386	1,548,668
2015	2,136,724	1,417,882	837,727	147,379	1,163,204	1,511,204
2016	2,273,752	1,338,886	789,587	110,953	1,133,330	1,476,899
2017	2,094,947	1,259,036	2,209,344	171,350	1,170,000	1,435,053
2018-2022	11,436,937	5,049,925	196,831	7,708	6,730,000	6,203,441
2023-2027	11,184,817	2,651,198			9,115,000	3,873,265
2028-2032	6,650,000	1,071,180			9,437,909	949,339
2033-2037	2,905,000	171,293				
Total	$42,633,854	$16,026,450	$5,658,778	$824,363	$33,179,610	$18,576,715
Less deferred amount on refunding					(993,350)	
Total					32,186,260	

Note 6 – Long-Term Debt (Continued)

D. 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 General Fund revenues, 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.

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 commenced 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.

Note 6 – Long-Term Debt (Continued)

2002 Community Improvement Commission Subordinate Taxable Tax Allocation Bonds, Series A & B

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

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 $14,773,632 in remaining debt service on the Bonds, which is scheduled to occur in 2034. As disclosed in the bond indenture documents, pledged future sublease revenues are expected to provide coverage over debt service of 1.5 during the life of the Bonds. For FY11-12, sublease revenues amounted to $13,057,452 which represented coverage of 29.02% over the $450,024 in debt service.

Leases and Loans Payable

Leases Payable – At June 30, 2012, the City held the following leases payable. Under the lease agreements, ownership of the capital assets reverts to the City at the end of the lease terms. Since the leases are in essence financing arrangements, the costs of the capital assets and the amounts of the lease terms have been included in the City's financial statements.

Fire Truck 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. Balance of the lease as of June 30, 2012, was $67,360.

Fire Apparatus Lease Payable – On October 19, 2011, the City entered into a lease agreement in the amount of $1,750,000 with Oshkosh Capital to acquire two fire apparatus vehicles. The City agreed to pay the lease starting on October 19, 2012, in annual payments of $147,127, which includes interest, for fifteen years. Balance of the lease as of June 30, 2012, was $1,750,000.

Radio Lease Payable – On October 1, 2011, the City entered into a lease agreement in the amount of $1,507,194 with Holman Capital Corporation to acquire 206 hand-held radios and 124 vehicle radios. The City agreed to pay the lease starting on October 11, 2012, in annual payments of $231,896, which includes interest rate of 1.89%, for 7 years. Balance of the lease as of June 30, 2012, was $1,507,194.

Note 6 – Long-Term Debt (Continued)

HUD Section 108 Loan – On January 5, 2006, the City entered into an agreement to borrow $7,000,000 from the Housing and Urban Development Department. In September 2006, the City drew down $4,000,000 for the construction of the Alameda Theater Garage Project. In August 2007, the City drew down an additional $3,000,000 for the same project. Principal and interest payments of both loans are due semi-annually on August and February through 2027. The loan carries a variable interest rate of 20 points above the LIBOR rate. Repayments of the loans are funded by a BEDI (Brownfields Economic Development Initiative) grant, parking garage and retail and cinema lease revenues. The outstanding balance as of June 30, 2012 is $6,529,000.

Other Loan Payable -- The City entered into a loan with Alameda Municipal Power for the replacement of deteriorated street lights. Through June 30, 2012, Alameda Municipal Power had expended $627,300 for street light replacement, and the City had made payments of $602,000. Annual installments of $40,000 are scheduled until the loan is repaid. At June 30, 2012, the outstanding balance was $25,300.

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 was used for 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 $2,542,932 in remaining debt service on the City's Sewer System Refinancing & Improvement Certificates of Participation Bonds, which is scheduled to occur in 2018. As disclosed in the originating offering documents, projected net revenues are expected to provide coverage over debt service of 1.2 over the life of the Bonds. For fiscal year 2011-12, Sewer Fund revenues, including operating revenues and non-operating interest earnings, amounted to $7,638,530. Operating costs, including operating expenses and excluding interest, depreciation or amortizations, amounted to $4,837,748. Net Revenues available for debt service amounted to $2,800,782 which represented coverage of 6.6 over the $425,169 in debt service.

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, 2012, was $37,243.

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, 2012, was $840,541.

Note 6 - Long-Term Debt (Continued)

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, 2012 was $938,868.

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, 2012, was $475,538.

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, 2012, was $967,591.

Equipment Purchase Agreements

At June 30, 2012, the City held the following equipment purchase agreements payable. Under the purchase agreements, ownership of the equipment reverts to the City at the end of the purchase agreement terms. Since the purchase agreements are in essence financing arrangements, the costs of the equipment and the amounts of the purchase agreement terms have been included in the City's financial statements.

On April 18, 2001, the City entered into a non-cancelable lease agreement in the amount of $404,934 with Textron Financial Corporation to acquire certain electric golf equipment. On April 5, 2004, the City traded-in the golf equipment in exchange for a new lease agreement with Textron Financial Corporation in the amount of $444,077. On July 12, 2007, the City again traded in the golf equipment in exchange for a new non-cancelable lease agreement with Textron Financial Corporation in the amount of $449,753. Under the new lease agreement the City agreed to pay $8,879 for 49 months. The balance of the lease was paid off as of June 30, 2012.

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. The balance of the lease was paid off as of June 30, 2012.

On August 1, 2011, the City entered into a lease agreement in the amount of $303,722 with Yamaha Motor Corporation, U.S.A., to acquire 120 golf cars. The City agreed to pay the lease in monthly payments of $7,500, which includes interest, for 48 months. The outstanding balance of the lease agreement as of June 30, 2012, was $238,997.

E. Alameda Municipal Power Certificates of Participation and Bonds Payable

Revenue Bonds, Series 2010A/B (AMP Refinancing) - As described in an indenture agreement dated August 1, 2010, Revenue Bonds, Series 2010A/B were issued to provide funds, together with certain other available monies, to 1) prepay the obligations of AMP for the Electric System Revenue Certificates of Participation Series 2000A, 2) prepay the obligations of AMP for the Taxable Electric System Revenue Certificates of Participation, Series 2000AT, 3) fund a deposit to the Common

Note 6 - Long-Term Debt (Continued)

Reserve Account, and 4) prepay the costs of issuance of the 2010 Bonds. Revenue Bonds, Series 2010A bear interest at 4.375% to 5.25%, payable January 1 and July 1 of each year.

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

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

Capital Lease Obligation – On June 1, 2008, Alameda Municipal Power entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was $176,295 and is due in monthly principal and interest installments of $2,533 through June, 2015. Accumulated depreciation for the vehicle is $71,118 as of June 30, 2012.

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 $96,623 as of June 30, 2012.

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

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, 2012, the combined outstanding debt amount for all of these assessment districts was $16,690,000.

Note 8 – Net Assets and Fund Balances

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

A. Net Assets

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

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

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and funds restricted for low and moderate housing purposes.

Unrestricted describes the portion of Net Assets which is not restricted to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's balance may be reserved or designated for future expenditure.

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

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

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

Note 8 – Net Assets and Fund Balances (Continued)

Committed fund balances have constraints imposed by formal action (through a resolution) of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Manager or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

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

Note 8 – Net Assets and Fund Balances (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2012, are below:

Classifications	General Fund	FISC Lease Revenue Special Revenue	Base Reuse Special Revenue	Housing Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total
Nonspendable:							
Items not in spendable form							
Loans	$2,200,000						$2,200,000
Advances to other funds	480,000						480,000
Prepaids and inventories	5,205					$8,894	14,099
Total Nonspendable	2,685,205					8,894	2,694,099
Restricted for:							
Capital projects							
Affordable Housing							
Redevelopment activities			$6,336,922				6,336,922
Streets and roads						8,445,506	8,445,506
Public safety						657,780	657,780
Assessment Districts						6,960,433	6,960,433
Debt service						2,042,021	2,042,021
Total Restricted			6,336,922			18,105,740	24,442,662
Committed to:							
Capital projects	400,000				$5,114,824	16,969,020	22,483,844
Community Development						598,902	598,902
Culture and recreation						2,110,011	2,110,011
Library Operations						428,658	428,658
Affordable Housing				$1,278,378			1,278,378
Redevelopment Activities						649,233	649,233
Parking Meter/Garage Operations/Projects						2,962,562	2,962,562
Waste Management						4,943,655	4,943,655
Total Committed	400,000			1,278,378	5,114,824	28,662,041	35,455,243
Assigned to:							
Senior Center Projects	240,065						240,065
Future Operational Costs	74,980						74,980
Total Assigned	315,045						315,045
Unassigned:							
Reserve policy	14,446,594						14,446,594
Residual fund balance in excess of policy	5,171,924						5,171,924
Fund balance deficits		(1,600,776)					(1,600,776)
Total Unassigned	19,618,518	(1,600,776)					18,017,742
Total Fund Balances	$23,018,768	($1,600,776)	$6,336,922	$1,278,378	$5,114,824	$46,776,675	$80,924,791

Note 8 – Net Assets and Fund Balances (Continued)

C. Fund Balance Deficits

The funds below had fund balance deficits or net asset deficits in the amounts shown at June 30, 2012. Future revenues are expected to offset these deficits.

Special Revenue Fund:	
FISC Lease Revenue	$1,600,776
Internal Service Fund:	
Workers' Compensation Insurance	3,770,016

Note 9 - Pension Plans

A. CALPERS Safety and Miscellaneous Employees Plans

All Full time City employees are eligible to participate in pension plans offered by the California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan, which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect for fiscal year 2011-12, are summarized as follows:

	Safety	Miscellaneous
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	55
Monthly benefits, as a % of annual salary	3.000%	2.000%
Required employee contribution rates	9.000%	7.000%
Required employer contribution rates	38.683% (A)	14.561%

(A) Employees contribute 2% of the total % reported above in addition to their 90% share.

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.

Note 9 - Pension Plans (Continued)

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.50% is assumed, including inflation at 2.75%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis within twenty years. Investment gains and losses are accumulated as realized; ten percent of the net balance is amortized annually.

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

Safety Plan Actuarial

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2009	$279,456,021	$211,424,453	$68,031,568	75.7%	$21,925,105	310.3%
2010	290,369,467	218,842,250	71,527,217	75.4%	21,251,762	336.6%
2011	308,606,464	227,619,418	80,987,046	73.8%	21,523,174	376.3%

Miscellaneous Plan Actuarial

Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2009	$204,998,845	$180,293,062	$24,705,783	87.9%	$30,957,730	79.8%
2010	210,927,819	187,904,871	23,022,948	89.1%	28,225,541	81.6%
2011	222,550,387	197,051,737	25,498,650	88.5%	27,996,755	91.1%

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 2012, 2011, and 2010, were $13,449,867, $12,082,061, and $10,368,070. 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 29 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.

Note 9 - Pension Plans (Continued)

Plan 1082 is a closed plan consisting of two retired employees who receive monthly pension benefits of $1,435 and $2,289 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, 2012. 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.

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

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

Note 9 - Pension Plans (Continued)

For fiscal year ending June 30, 2012, annual pension costs were $1,900,000 for Plan 1079 and $62,000 for Plan 1082. Actual contributions made by the City during the year were $1,913,782 for Plan and 1079 and $44,353 for Plan 1082.

	Plan 1079 (000's omitted)	Plan 1082 (000's omitted)	Total (000's omitted)
Annual Required Contribution (ARC)	$1,914	$75	$1,989
Interest on Net Pension Obligation	13	11	24
Amortization of Net Pension Obligation	(27)	(24)	(51)
Annual Pension Cost	1,900	62	1,962
Contributions (Benefit Payments)	1,914	44	1,958
(Decrease) Increase in Net OPEB obligations	(14)	18	4
Net Pension Obligation at June 30, 2011	294	254	548
Net Pension Obligation at June 30, 2012	$280	$272	$552

E. Trend Information - Plans 1079 and 1082

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

Plan 1079:

Fiscal Year Ending	Annual Pension Cost (APC) (000's omitted)	Percentage of APC Contributed	Net Pension Obligation (000's omitted)
6/30/2010	$2,155	101%	$309
6/30/2011	2,007	101%	294
6/30/2012	1,900	101%	280

Plan 1082:

Fiscal Year Ending	Annual Pension Cost (APC) (000's omitted)	Percentage of APC Contributed	Net Pension Obligation (000's omitted)
6/30/2010	$67	64%	$234
6/30/2011	63	68%	254
6/30/2012	62	71%	272

Note 9 - Pension Plans (Continued)

SCHEDULE OF FUNDING PROGRESS

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

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

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, 2012, total contributions of $211,209 were made based on a total amount of covered compensation of $2,816,422.

One 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, 2012, amounted to $1,710, 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.

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 Alameda Municipal Power. The employees include all department directors. The appointees include the City Manager, City Clerk and the City Attorney. This plan is qualified under Section 401(a) of the Internal Revenue Code. Each participant has a plan account to which contributions were 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.

Effective beginning in fiscal year 2011-2012 no additional employer or employee contributions are being made to the two plans and no new enrollment in the plan will be allowed.

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 January 1, 2011, the latest actuarial study available, there were 551 employees active, 442 employees retired, and 204 employees who are retired but choose not receive benefits for a total of 1,197 participants in the Plan.

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

Note 10 – Post Employment Health Care Benefits (Continued)

The provisions and benefits of the City's Other Post Employment Benefit Plan, in effect at June 30, 2012, are summarized as follows:

	Miscellaneous
■ Eligibility	● Retire directly from City under CalPERS ● Age 50 and 5 years of CalPERS service or disability
■ Medical Benefit	● PEMHCA Minimum Employer Contribution ● PEMHCA Minimum Employer Contribution: AB 2544 ► Now 5% of active contribution times years City in PEMHCA ► Joined PEMHCA in 1992 for all bargaining units ► $102.60/month in 2011(95% of 108.00) ► 112.00/month in 2012 (100% of 112.00)
■ Dental Benefit	● None
■ Other OPEB	● No City contribution for vision insurance, life insurance, or Medicare Part B
■ Surviving Spouse Benefits	● Contribution continues to surviving spouse
■ Pay-As-You-Go Cost (000's)	

Fiscal Year	Medical	Dental	Total
2011/12	$2,270	$155	$2,425
2010/11	2,105	146	2,251
2009/10	1,856	139	1,995
2008/09	n/a	n/a	1,954

	Safety / Appointed Officials				
■ Medical Benefit	Retired	<1/1/11		≥1/1/11	
	Hired	<7/1/95	≥7/1/95	≤6/7/11	>6/7/11
	Benefit	Full Premium for retiree and spouse		Up to higher of Kaiser or Blue Shield Bay area coverage elected up to 2 party	Up to higher of Kaiser or Blue Shield Bay Area for single coverage
	Post- Medicare Cap	n/a		Based on Medicare Premiums	
	PEMHCA minimum if	< 15 YOS **(A)** (APOA) only	<20 YOS **(A)** (APOA & APMA)	<5 YOS **(A)**	< 10 YOS **(A)**
	● PEMHCA Minimum Employer Contribution: AB 2544 ► Now 5% of active contribution times years City in PEMHCA ► Joined PEMHCA in 1992 for all bargaining units ► $102.60/month in 2011(95% of 108.00) ► 112.00/month in 2012 (100% of 112.00)				
■ Dental Benefit	● Full premium for retiree and spouse				
■ Other OPEB	● No City contribution for vision insurance, life insurance, or Medicare Part B				
■ Surviving Spouse	● Contribution continues to surviving spouse				
■ Pay-As-You-Go Cost (000's)					

Fiscal Year	Medical	Dental	Total
2011/12	$2,270	$155	$2,425
2010/11	2,105	146	2,251
2009/10	1,856	139	1,995
2008/09	n/a	n/a	1,954

(A) Years of service

Note 10 – Post Employment Health Care Benefits (Continued)

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a January 1, 2011, actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.5% investment rate of return; (b) 3% projected annual salary increase; (c) 3.5 of general inflation increase; and (d) a healthcare trend of declining annual increases ranging from 9.4% in 2013 to 5% for years starting 2021. The actuarial methods and assumptions used include techniques that "smooth" the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually, as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability as of June 30, 2011, is being amortized using a 28-year closed amortization period. Assumption changes, plan changes and gains or losses are being amortized using a 15-year closed period.

The City accounts for the OPEB Obligation on an accrual basis. During the fiscal year ended June 30, 2012, 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)	$7,571,000
Interest on Net OPEB Obligation	528,000
Adjustment to ARC	(759,000)
Annual Pension Cost	7,340,000
Contributions made	(2,424,959)
(Decrease) increase in net OPEB obligations	4,915,041
Net OPEB obligation at June 30, 2011	11,720,533
Net OPEB obligation at June 30, 2012	$16,635,574
Percentage of ARC Contributed	32%

The Plan's annual OPEB cost and actual contributions for fiscal years ended June 30, 2010, 2011, 2012 are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2010	$5,793,820	$1,995,112	34%	$7,782,572
6/30/2011	6,193,000	2,255,039	36%	11,720,533
6/30/2012	7,340,000	2,424,959	33%	16,635,574

As of June 30, 2012 approximately 502 participants were eligible to receive benefits.

Note 10 – Post Employment Health Care Benefits (Continued)

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

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

Note 11 - Risk Management

The City 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 and Alameda Municipal Power are members of the California Joint Powers Risk Management Authority (CJPRMA), which covers general liability claims. The City and Alameda Municipal Power have self-insured retention of $500,000 per claim. Once the self-insured retention is met, CJPRMA becomes responsible for payment of all claims up to the limit. During the fiscal year ended June 30, 2012, the City contributed $580,742 for coverage during the current year.

The City and Alameda Municipal Power are members of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) which covers workers' compensation claims up to statutory limits. The City and Alameda Municipal Power have self-insured retention of up to $350,000 per claim. During the fiscal year ended June 30, 2012, the City and Alameda Municipal Power contributed $674,754 and $267,468 respectively, for current year coverage.

Note 11 - Risk Management (Continued)

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:

	Coverage Limits	
Type of Coverage	City	Alameda Municipal Power
Liability	$40,000,000	$40,000,000
Auto - Physical damage	$5,000,000	Actual cash value
Workers' Compensation	Statutory	Statutory w/ $5,000,000 in Employer's Liability
All Risk Fire & Property except earthquake and flood	Replacement Cost	Replacement Cost
Boiler & Machinery	$21,250,000	Replacement Cost
Terrorism	$10,000,000	$10,000,000
Vessel	$1,000,000	N/A

Note 11 - Risk Management (Continued)

B. Insurance Internal Service Funds

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

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

	2012	2011
Beginning balance	$1,288,448	$1,176,809
Liability for current fiscal year claims	195,504	381,575
Increase (decrease) in estimated liability for prior year claims	66,289	(123,757)
Claims paid in current year	(34,587)	(146,179)
Ending balance	$1,515,654	$1,288,448
Current portion	$34,587	$146,179

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:

	2012	2011
Beginning balance	$6,142,687	$6,279,974
Liability for current fiscal year claims	1,350,519	1,479,771
Increase (decrease) in estimated liability for prior year claims	1,982,137	2,043,102
Claims paid in current year	(2,508,117)	(3,660,160)
Ending balance	$6,967,226	$6,142,687
Current portion	$2,508,117	$3,660,160

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, 2012 and 2011 for purchased power were $25,878,402 and $25,159,235, 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 $1,260,883 and $1,289,824 for power exchange distribution and budget settlement monies returned to the NCPA General Operating Reserve (GOR), for the fiscal year ended June 30, 2012 and 2011, respectively.

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

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

	Fiscal Year Ended June 30	
	2012	2011
Beginning balance	$15,998,430	$24,224,505
Increase in equity in NCPA projects	784,329	(8,226,075)
Ending balance	$16,782,759	$15,998,430

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

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

	June 30	
	2012	2011
General Operating Reserve	$14,233,970	$12,271,583
Purchased Power & Transmission	128,128	390,333
Associated Member Services		
Alameda Municipal Power's share of NCPA Power Projects:		
Geothermal Projects/Power Line	2,137,422	2,400,624
Calaveras Hydroelectric Project	654,484	502,271
Combustion Turbine Project No. 1	(359,486)	127,141
Combustion Turbine Project No. 2	(11,759)	306,478
	$16,782,759	$15,998,430

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

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

B. Projects in which Alameda Municipal Power is a Participant

Geothermal Projects

A power purchase agreement with NCPA obligates AMP for 17.05407% of the debt service for two NCPA 110-megawatt geothermal steam powered generating plants, Plant Number 1 and Plant Number 2, located in the Geysers area in Northern California. AMP is obligated to pay 16.8825% of the operating costs of both plants. NCPA continues to pursue alternatives for improving and extending steam field reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA has increased steam production in the vicinity of reinjection wells and has evaluated a number of alternatives to increase water reinjection at strategic locations. Effective April 1, 2010, Turlock Irrigation District withdrew as an NCPA participant.

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

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

AMP is obligated to pay its contractual share of the debt until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2012, the book value of this Project's plant, equipment and other assets was $90,745,161 while its long-term debt totaled $32,326,753 and other liabilities totaled $45,757,832. AMP's share of the Project's long-term debt and other liabilities amounted to $13,316,600 at that date.

Calaveras Hydroelectric Project

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

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

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

Under its power purchase agreement with NCPA, AMP is obligated to pay 10.9774% of this Project's debt service and operating costs. The project entitlement share on the Hydroelectric Projects funded with the 2009 Refunding Series C and 2008 Taxable Refunding Series D obligations is 10%. At June 30, 2012, the book value of this Project's plant, equipment and other assets was $428,444,545, while its long-term debt totaled $359,901,570 and other liabilities totaled $61,998,123. AMP's share of the Project's long-term debt and other liabilities amounted to $42,189,969 at that date.

Note 12 – Alameda Municipal Power Ventures (Continued)

Combustion Turbine Project No. 1

In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities including Alameda, began full commercial operation in June 1986 and provides reserve and peaking power. In December 1998, NCPA issued $43,165,000 in fixed rate revenue bonds, the proceeds of which were used to refund outstanding revenue bonds and to pay costs of issuance of the debt. Under the NCPA power purchase agreement, AMP is obligated to pay 13.092% of this Project's debt service and operating costs. During August 2010, phase 2 of the First Amendment to the Agreement finalized the transfer of ownership of two NCPA electricity generating units to the City of Roseville due to a misalignment of ISO control areas. The transfer reduced the generation output of the project to 74 MW, and increased the entitlement share to 21.82% Although AMP's project percentage share increases, its resulting generating capacity entitlement remains constant at 16.05 MW. At June 30, 2012, the book value of this Project's plant, equipment and other assets was $1,297,021 while its long-term debt totaled $0, and other liabilities totaled $2,944,528. AMP's share of the Project's long-term debt and other liabilities amounted to $642,496 at that date.

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

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

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

At June 30, 2012, the book value of this Project's plant, equipment and other assets was $56,340,574 while its long-term debt totaled $50,314,466 and other liabilities totaled $6,088,001. AMP's share of the Project's long-term debt and other liabilities amounted to $10,716,469 at that date.

Graeagle Hydroelectric Project

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

Note 12 – Alameda Municipal Power Ventures (Continued)

Western Area Power Administration

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

Other Power Purchase Agreements

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

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

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

- ***Highwinds Project Power Purchase***

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

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

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

California Electric Industry Restructuring

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

Note 12 – Alameda Municipal Power Ventures (Continued)

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 nodel 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.

Transmission Agency of Northern California (TANC)

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

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

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

In May 2009, TANC issued $67.0 million of tax-exempt 2009 Series A bonds and $6.18 million of taxable 2009 Series B bonds. The proceeds of the Series A bonds were used to retire a bank loan that refinanced $30.3 million of TANC's tax-exempt commercial paper and also to refund $34.7 million of TANC's 2003 Series C Auction Rate Securities. The proceeds of the Series B bonds were used to retire a bank loan that refinanced $56.3 million of TANC's taxable commercial paper. The 2009 refunding increased future aggregate debt service payments by $19.3 million, but resulted in a total economic gain of $6.5 million, the difference between present value of the old and new debt service payments. TANC has issued Revenue Bonds for $435,790,000 and eliminated its obligations for the Tax Exempt Commercial Paper notes. As of June 30, 2012 and 2011, AMP's share of this debt is $4,456,433 and $4,670,313, 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 and Successor Agency

The Successor Agency, through the former CIC, 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 are accounted for in the Successor Agency's financials.

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

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

B. Alameda 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, 2012 was $95,792,000. Under certain circumstances, AMP may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, AMP may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants. These "step up" provisions are generally capped at a 25 percent increase.

ii) Lease Agreement with Alameda Reuse and Redevelopment Authority

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

Contingent Liabilities

i) Lawsuits and Litigation

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

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. Vectrens' suit alleges that the City breached its obligation under the 2004 Installment Sale Agreement to manage the Telecom System properly and to charge appropriate rates, resulting in the non-payment of installments from net telecom revenues totaling $6.3 million, plus accrued interest at the 9% default rate, for total damages of approximately $10 million. Vectren amended its complaint in early 2009 to allege an additional breach of contract claim, based upon AMP's sale of the Telecom System to Comcast in November 2008, without Vectren's consent. Fact discovery in the case is now complete, and the case proceeded to a jury trial in February and March 2010, following which the jury returned a verdict in Vectren's favor for $1.95 million. Both sides have filed post-trial motions for judgment as a matter of law, which were argued in July 2010 and remain under submission with the Court. In addition to the jury award, Vectren claims costs of suit against AMP totaling approximately $115,000. On August 4, 2010, the Court Clerk reduced Vectren's costs bill to $79,688. Both sides appealed the jury verdict and denial of post-trial motions with the 9th Circuit Court of Appeals. Oral argument of the appeals is schedule for January 18, 2013.

iii) Nuveen Municipal High Income Opportunity Fund

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

A preliminary settlement conference was conducted on October 28, 2009, a second settlement conference in March 2010, and further settlement conference on July 20, 2010. Fact discovery was completed on October 15, 2010. AMP filed summary judgment motion in January 2011 against Nuveen, which was granted on May 16, 2011 on all claims. AMP has since filed motion for recover of defense costs totaling $2.3 million which the court denied. AMP appealed and filed bill of costs seeking $132,000 in litigation expenses, Court awarded $91,516 in costs in AMP's favor and against Nuveen and Osher jointly and severally.

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

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 and in January 2011, the City filed a motion for summary judgment on all of Osher's claims against it. This motion was granted on all claims on May 16, 2011; consequently, the City has filed a motion for recovery of defense costs, totaling $1.5 million which the court denied.

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

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities

A. Redevelopment Dissolution

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

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

In addition, ABx1 26 and AB1484 direct the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between the agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office has scheduled, but not yet completed its asset transfer review.

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

Under provisions of AB1484 the Housing Authority of the City of Alameda elected to become the Housing Successor. On July 31, 2012 certain housing assets were transferred from the Successor Agency to the Housing Authority, which has been recorded as a payable to the Housing Authority in the amount of $19,902,771.

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

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

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

A summary of the CIC's assets distributed to and liabilities assumed by the Successor Agency and Housing Successor, reported as an Extraordinary Item is presented below:

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

	Beginning Balance January 31, 2012 (Prior to transfer)	Transfer to Successor Agency Private-Purpose Trust Funds	Transfer to Affordable Housing Authority **(A)**	Other Adjustments	Balance February 1, 2012
ASSETS					
Current assets:					
Cash and investments	$13,166,774	($10,537,592)	($2,629,182)		$ -
Total current assets	13,166,774	(10,537,592)	(2,629,182)		
Noncurrent assets:					
Restricted cash and investments	14,652,440	(9,998,052)	(4,654,388)		-
Notes receivable	13,477,177		(13,477,177)		-
Advance to other funds	808,781		(808,781)		
Total noncurrent assets	28,938,398	(9,998,052)	(18,940,346)		-
Total Assets	42,105,172	(20,535,644)	(21,569,528)		-
LIABILITIES					
Current liabilities:					
Account Payable	158,200	(77,668)	(80,532)		-
Accrued Payroll	9,282	(9,282)			-
Deferred Revenue	13,477,177			(13,477,177) **(B)**	-
Pass-through Obligations	8,126,410	(3,546,157)	(4,580,253)		-
Interest payable	1,222,682	(1,222,682)			
Long-term debt - due within one year	645,000	(645,000)			-
Total current liabilities	23,638,751	(5,500,789)	(4,660,785)	(13,477,177)	
Noncurrent liabilities:					
Advance from Other Funds	808,781	(808,781)			-
Advances from the City of Alameda	4,258,995			(4,258,995) **(C)**	-
Long-term debt - due in more than one year	79,357,717	(72,828,717)		(6,529,000) **(D)**	-
Total noncurrent liabilities	84,425,493	(73,637,498)		(10,787,995)	-
Total Liabilities	108,064,244	(79,138,287)	(4,660,785)	(24,265,172)	-
NET ASSETS (Transferred)	($65,959,072)	$58,602,643	($16,908,743)	$24,265,172	-

(A) Assets/liabilities were not transferred to the Housing Authority until July 2012. See Note 14A.
(B) Deferred revenue associated with the loans receivable on the original balances of the loans was reversed.
(C) Advances were written off as the State determined they were not eligible for reimbursement.
(D) The City determined that the HUD Section 108 Loan was not to be transferred to the Successor Agency.

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

Cash and investments of the Successor Agency as of June 30, 2012 are discussed in Note 2. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2012.

In addition to the above amounts, as discussed in Note 3B the CIC had two interfund advances from the City which have been written off as a result of the implementation of ABx1 26.

B. Loans Receivable

Upon dissolution of the CIC, all loans receivable were transferred to the Successor Agency from the former CIC as of February 1, 2012. The balances of the notes receivable were as follows:

Shinsei Garden Apartments, LP	$1,411,187
Alameda Islander, LP	8,600,000
Satellite Housing Inc./ Housing Consortium	1,400,000
The Breakers at Bayport	1,408,790
First Time Homebuyers	87,200
Alameda Development Corporation	570,000
Total	$13,477,177

Since these loans are considered housing assets under the California Health and Safety Code on July 31, 2012, these loans were transferred to the Housing Authority of the City of Alameda, the Housing Successor of the CIC.

C. Long-Term Debt

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 1, 2012.

Current Year Transaction and Balances

	Transfer from Community Improvement Commission as of February 1, 2012	Retirements	Balance June 30, 2012	Due within one year	Due more than one year
2003 Tax Allocation Refunding Bonds, Series	$16,500,000	$505,000	$15,995,000	$525,000	$15,470,000
2003 Tax Allocation Bonds, Series A1, A2 & B	45,990,000	105,000	45,885,000	1,065,000	44,820,000
2011 Tax Allocation Bonds, Series A & B	10,740,000		10,740,000		10,740,000
Discount	(121,283)		(121,283)		(121,283)
Total Bonds	73,108,717	610,000	72,498,717	1,590,000	70,908,717
2006 CRA/ERAF Loan Program	365,000	35,000	330,000	75,000	255,000
Total	$73,473,717	$645,000	$72,828,717	$1,665,000	$71,163,717

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

2003 Community Improvement Commission Tax Allocation Refunding Bonds

On October 1, 2003, the Community Improvement Commission issued Tax Allocation Refunding Bonds related to the Business and Waterfront Improvement Area in the principal amount of $18,535,000, with Series 2003 C issued in the amount of $17,510,000 and Series 2003 D in the amount of $1,025.000. The proceeds were used to retire the 2002 Financing Authority Variable Rate Revenue Bonds. The Bonds are payable from tax increment revenues receivable by the Project Area. Principal is payable annually on February 1, with interest payable semi-annually on February 1 and August 1 through February 2032. The interest rates on the bonds vary from 2% to 4.75%. The outstanding balance as of June 30, 2012 was $15,995,000.

2003 Community Improvement Commission Tax Allocation Bonds

On December 1, 2003, the Community Improvement Commission issued Series 2003 Al 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 Al and A2 are secured by a pledge of certain tax increment revenues for the Merged Project Area. The Series 2003 B are secured by a subordinate pledge of tax revenues. Interest is payable semiannually on March 1 and September 1 through 2033; principal is payable annually on March 1 through 2033. The interest rates on the bonds vary between 2 to 6.25%. The outstanding balance as of June 30, 2012 was $45,885,000.

2011 Community Improvement Commission Tax Allocation Bonds

On May 1, 2011, the Community Improvement Commission issued Series 2011 A Subordinated Tax Allocation Housing Bonds in the principal amount of $9,870,000 and Series 2011 B Subordinated Tax Allocation Housing Bonds in the principal amount of $1,165,000, for a total original principal amount of $11,035,000, for the Commission's merged improvement areas. Proceeds from the sale of the Bonds will be used to (a) finance certain housing activities of the Agency, (b) refinance the obligations of the Agency under a 1992 Loan Agreement, (c) make a deposit to the Reserve Account for the Bonds in an amount equal to the initial Reserve Requirement, and (d) pay the costs of issuing the Bonds. The Series 2011 A and B are secured by a subordinate pledge of tax revenues. Principal and interest are payable annually on September 1 through 2041. The interest rates on the bonds vary between 2 to 8.5%. The bond was issued with $125,326 discount. The outstanding balance as of June 30, 2012 was $10,861,283, net of discount.

With the dissolution of the CIC discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the CIC, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Using both property taxes received by the CIC prior to the dissolution and by the Successor Agency after the dissolution total collections were $12,400,583 which represented coverage of 2.09 of the $5,946,271 of debt service.

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

ERAF Loan Program

In April 2007, the Community Improvement Commission borrowed $695,000 from the California Statewide Communities Development Authority to pay for Educational Revenue Augmentation Fund (ERAF) payments due to Alameda County. Both principal and interest payments are made semiannually on November and March through March 2016. The loan carries a 6% interest rate. The outstanding balance as of June 30, 2012 was $330,000.

Annual debt service requirements are shown below:

For the Year Ending June 30	Principal	Interest
2013	$1,665,000	$4,303,083
2014	1,755,000	4,227,970
2015	1,850,000	4,141,920
2016	1,955,000	4,049,896
2017	1,965,000	3,948,043
2018-2022	11,945,000	18,058,067
2023-2027	16,445,000	14,304,205
2028-2032	23,140,000	8,761,889
2033-2037	9,800,000	2,528,875
2038	2,430,000	568,651
Less Discount:	(121,283)	
Total	$72,828,717	$64,892,599

D. State Asset Transfer Review

The activities of the former CIC and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller's Office will be conducting a review of the propriety of asset transfers between the former CIC or the Successor Agency and any public agency that occurred on or after January 1, 2011 and the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

E. State Approval of Enforceable Obligations

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

Note 15 – Subsequent Events

A. Long-Term Debt Subsequent to Year End

On September 18, 2012, the City approved the issuance of 2012 Sewer Revenue Bonds to finance and refinance improvements to the City's municipal sewer system. The principal amount of the Bond was $14,715,000 and final maturity date of the Bonds is March 1, 2042. A portion of the proceeds from the issuance will also be used to refund the 1995 Certificates of Participation.

B. Operating Lease

In August 2012 the City Council approved a twenty year lease with an option of a five year extension between the City and Greenway Golf Associates, Inc. for the long-term maintenance and operations of the Chuck Corica Golf Complex. The agreement stipulates minimum rent payments to the City that escalate over time to $350,000 or 10% of gross revenue up to $4,000,0000 and 12% of gross revenues in excess of $12,000,000 in years 9-20.

C. Settlement Agreement

In December 2012, the City, the former Community Improvement Commission, the Alameda Reuse and Redevelopment Authority and a third party vendor reached a settlement agreement in regards to the redevelopment of the U.S. Naval Air Station at Alameda Point. The City will in total pay $4.325 million to the third party vendor by July 2014. Once the first payment is made by the City each party shall execute and file a Stipulation of Dismissal of the Federal Action and Federal Counter-Claim.

City of Alameda

People and Places in the City

Special Revenue Funds:

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

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

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

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

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

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

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

Commercial Revitalization
This fund accounts for funds to be used for the City's commercial revitalization programs.

Community Development Block Grant
This fund accounts for grant funds received under the Community Development Act of 1974 for activities approved and subject to federal regulations.

Garbage/Recycling Surcharge
This fund accounts for revenues and expenditures of the City's waste management and recycling programs.

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

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

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

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

Parking
This fund accounts for revenues from the Civic Center garage and City parking lots. Expenditures support parking and transportation related projects

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

Debt Service Funds:

City Hall/Library Bonds
This fund accounts for the repayment of two bonds that were issued to fund various improvements and the construction of a new library.

Community Improvement Commission
This fund accounted for debt service expenditures of the Commission through January 31, 2012.

Base Reuse
The 2003 Variable Rate Demand Revenue Bonds were issued in December 2003 by the Alameda Public Financing Authority to refund the 1999 Base Reuse Revenue Bonds and to finance professional land use planning and other activities required in the redevelopment process at Alameda Point. The debt will be repaid solely from lease revenues related to base reuse.

Capital Projects Fund:

Construction Impact Fee
This fund accounts for revenues from development impact fees required from certain new developments. Funds are used to mitigate the impacts on public facilities and infrastructure caused by these developments.

Streets/Transportation
This fund accounts for expenditures for street and transportation projects.

Community Improvement Commission
This fund accounted for capital project expenditures of the Commission through January 31, 2012.

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

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

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

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

City of Alameda
Non-Major Governmental Funds
Balance Sheet
June 30, 2012

	SPECIAL REVENUE FUNDS						
	Community Development	Library	Gas Tax	Asset Seizure/ Traffic Safety	County Measure B	Tidelands	Parking Meter
ASSETS							
Cash and cash equivalents	$890,947	$427,992	$14,000	$91,086	$4,310,779	$3,011,248	$2,761,360
Restricted cash and investments			3,553,024				
Accounts receivable	32,752	73,191	671		301,105		2,244
Loans receivable							
Prepaid and deposits							
Total Assets	$923,699	$501,183	$3,567,695	$91,086	$4,611,884	$3,011,248	$2,763,604
LIABILITIES							
Accounts payable	$64,868	$67,552	$64,145			$50,464	$27,143
Accrued payroll	14,175	4,973	1,230			484	2,022
Due to other funds							
Due to other agencies	4,863						
Deferred revenue							
Refundable deposits	240,891						
Total Liabilities	324,797	72,525	65,375			50,948	29,165
FUND EQUITY							
Fund balances							
Nonspendable							
Restricted			3,502,320	$91,086	$4,611,884	2,960,300	
Committed	598,902	428,658					2,734,439
Unassigned							
Total Fund Balances	598,902	428,658	3,502,320	91,086	4,611,884	2,960,300	2,734,439
Total Liabilities and Fund Balances	$923,699	$501,183	$3,567,695	$91,086	$4,611,884	$3,011,248	$2,763,604

SPECIAL REVENUE FUNDS

Commercial Revitalization	Community Development Block Grant	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund	Waste Reduction Surcharge	Maintenance Assessment Districts
$678,357		$1,291,467	$2,082,773	$155,545	$3,545,974	$3,693,868
						344,493
1,773	$311,600	14,583	308,857	729,034	134,088	64,776
8,894						
$689,024	$311,600	$1,306,050	$2,391,630	$884,579	$3,680,062	$4,103,137
$18,954	$120,727	$14,720	$239,238	$78,991	$13,428	$100,752
		70	4,484	290	3,809	2,252
	190,873					
					10,430	
			13,767	238,604		
11,943			24,130			
30,897	311,600	14,790	281,619	317,885	27,667	103,004
8,894						
				566,694		4,000,133
649,233		1,291,260	2,110,011		3,652,395	
658,127		1,291,260	2,110,011	566,694	3,652,395	4,000,133
$689,024	$311,600	$1,306,050	$2,391,630	$884,579	$3,680,062	$4,103,137

(Continued)

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

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS			CAPITAL PROJECTS FUND
	Parking	Vehicle Registration Fee	City Hall/ Library Bonds	Community Improvement Commission	Base Reuse	Construction Impact Fee
ASSETS						
Cash and cash equivalents	$261,236	$277,697	$885,663		$293,927	$929,417
Restricted cash and investments			829,505		2,174	
Accounts receivable		53,605	30,951			926
Loans receivable	3,068,907					
Prepaid and deposits						
Total Assets	$3,330,143	$331,302	$1,746,119		$296,101	$930,343
LIABILITIES						
Accounts payable					$199	
Accrued payroll						
Due to other funds						
Due to other agencies						
Deferred revenue	$3,068,907					
Refundable deposits	33,113					
Total Liabilities	3,102,020				199	
FUND EQUITY						
Fund balances						
Nonspendable						
Restricted		331,302	$1,746,119		$295,902	
Committed	228,123					$930,343
Unassigned						
Total Fund Balances	228,123	331,302	1,746,119		295,902	930,343
Total Liabilities and Fund Balances	$3,330,143	$331,302	$1,746,119		$296,101	$930,343

CAPITAL PROJECTS FUND						
Streets/ Transportation	Community Improvement Commission	Base Reuse	Citywide Development Fee	Urban Runoff Strom Drain Fee	Maintenance Assessment Districts	Total Nonmajor Governmental Funds
$2,335,077			$2,904,097	$7,784,482	$2,587,248	$41,214,240
				17,300	456,849	5,203,345
6,072				96,713		2,162,941
						3,068,907
						8,894
$2,341,149			$2,904,097	$7,898,495	$3,044,097	$51,658,327
$10,459				$82,927		$954,567
				5,617		39,406
5,922						196,795
						15,293
150					$1,374	3,322,802
				42,712		352,789
16,531				131,256	1,374	4,881,652
						8,894
						18,105,740
2,324,618			$2,904,097	7,767,239	3,042,723	28,662,041
2,324,618			2,904,097	7,767,239	3,042,723	46,776,675
$2,341,149			$2,904,097	$7,898,495	$3,044,097	$51,658,327

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

	SPECIAL REVENUE FUNDS				
	Community Development	Library	Gas Tax	Asset Seizure/ Traffic Safety	County Measure B
REVENUES					
Property taxes		$1,523,828			
Other taxes					
Licenses and permits	$1,282,007				
Revenue from other agencies		39,281	$2,127,103		$1,845,358
Charges for current services	923,419	80,212	27,692		
Fines and forfeitures	545,739			$12,732	
Use of money and property	12,901	21,796	35,045	593	45,009
Other revenues			4,553		
Total Revenues	2,764,066	1,665,117	2,194,393	13,325	1,890,367
EXPENDITURES					
Current:					
General government				3,932	
Public safety					
Public works			832,909		
Community Development	3,283,765				
Community Services		3,394,085			
Housing					
Capital outlay	342	37,285		2,252	
Debt service:					
Principal			40,000		
Interest		788			
Total Expenditures	3,284,107	3,432,158	872,909	6,184	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(520,041)	(1,767,041)	1,321,484	7,141	1,890,367
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets					
Transfers in	8,890	2,131,380			66,839
Transfers (out)		(230,595)	(76,953)	(39,912)	(1,560,751)
Total Other Financing Sources (Uses)	8,890	1,900,785	(76,953)	(39,912)	(1,493,912)
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEMS	(511,151)	133,744	1,244,531	(32,771)	396,455
EXTRAORDINARY ITEM					
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor					
NET CHANGE IN FUND BALANCE	(511,151)	133,744	1,244,531	(32,771)	396,455
BEGINNING FUND BALANCES	1,110,053	294,914	2,257,789	123,857	4,215,429
ENDING FUND BALANCES	$598,902	$428,658	$3,502,320	$91,086	$4,611,884

SPECIAL REVENUE FUNDS

Tidelands	Parking Meter	Commercial Revitalization	Community Development Block Grant	Garbage/ Recycling Surcharge	Athletic Recreation	Grants Fund	Waste Reduction Surcharge	Maintenance Assessment Districts
								$1,821,218
				$175,000				
						$1,125		
			$1,755,030		$607,335	3,461,773	$303,269	
	$779,564				2,087,441		387,120	
	157,157							
$833,107	29,033	$139,201		13,133	274,728	11,303	31,626	24,800
583,702	10,039	201,139			20,445	28,384	785	108
1,416,809	975,793	340,340	1,755,030	188,133	2,989,949	3,502,585	722,800	1,846,126
630,148	384,097			170,864	2,325,918			347,887
						1,026,438		
28,759							616,319	1,092,801
		426,398	2,011,253			1,980,194		
			4,562			430,149		
	4,321							17
658,907	388,418	426,398	2,015,815	170,864	2,325,918	3,436,781	616,319	1,440,705
757,902	587,375	(86,058)	(260,785)	17,269	664,031	65,804	106,481	405,421
			269,985			44,196	204,805	44,232
(2,888)	(502,506)					(35,436)		
(2,888)	(502,506)		269,985			8,760	204,805	44,232
755,014	84,869	(86,058)	9,200	17,269	664,031	74,564	311,286	449,653
755,014	84,869	(86,058)	9,200	17,269	664,031	74,564	311,286	449,653
2,205,286	2,649,570	744,185	(9,200)	1,273,991	1,445,980	492,130	3,341,109	3,550,480
$2,960,300	$2,734,439	$658,127		$1,291,260	$2,110,011	$566,694	$3,652,395	$4,000,133

(Continued)

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

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS			CAPITAL PROJECTS FUND
	Parking	Vehicle Registration Fee	City Hall/ Library Bonds	Community Improvement Commission	Base Reuse	Construction Impact Fee
REVENUES						
Property taxes			$644,396			$269,237
Other taxes						
Licenses and permits						33,660
Revenue from other agencies		$330,830				57,561
Charges for current services						
Fines and forfeitures						
Use of money and property	$16,480	472	4,529	$32,816	$1,580	8,912
Other	200,799					
Total Revenues	217,279	331,302	648,925	32,816	1,580	369,370
EXPENDITURES						
Current:						
General government						28,300
Public safety						
Public works						
Development services						
Recreation and parks						
Housing and community services						48,856
Capital outlay						
Debt service:						
Principal			1,252,000	1,150,000	300,000	
Interest			1,398,216	2,051,102	31,009	
Total Expenditures			2,650,216	3,201,102	331,009	77,156
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	217,279	331,302	(2,001,291)	(3,168,286)	(329,429)	292,214
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets						
Transfers in			2,421,703	3,448,451		191,904
Transfers (out)	(190,703)					(428,863)
Total Other Financing Sources (Uses)	(190,703)		2,421,703	3,448,451		(236,959)
NET CHANGE IN FUND BALANCES	26,576	331,302	420,412	280,165	(329,429)	55,255
EXTRAORDINARY ITEMS (NOTE 15)						
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor				(8,752,791)		
NET CHANGE IN FUND BALANCE	26,576	331,302	420,412	(8,472,626)	(329,429)	55,255
BEGINNING FUND BALANCES	201,547		1,325,707	8,472,626	625,331	875,088
ENDING FUND BALANCES	$228,123	$331,302	$1,746,119		$295,902	$930,343

CAPITAL PROJECTS FUNDS						
Streets/ Transportation	Community Improvement Commission	Base Reuse	Citywide Development Fee	Urban Runoff Strom Drain Fee	Maintenance Assessment District Capital Projects	Total Nonmajor Governmental Funds
$434,554				$2,065,634		$6,758,867
109,723			$28,205			312,928
						1,316,792
	$9,192					10,536,732
33,935				32,521		4,351,904
						715,628
20,622	$472	$103	27,253	75,643	24,636	1,685,793
443,656	62,405			3,847		1,559,862
1,042,490	72,069	103	55,458	2,177,645	24,636	27,238,506
216						3,891,362
						1,026,438
934,735				410,623		3,916,146
						3,283,765
170,815						3,564,900
	8,597,896					13,064,597
216	77	1,750		1,716,809	108,249	2,301,691
						2,742,000
						3,485,453
1,105,982	8,597,973	1,750		2,127,432	108,249	37,276,352
(63,492)	(8,525,904)	(1,647)	55,458	50,213	(83,613)	(10,037,846)
				8,213		8,213
149,812			303,735	876,690		10,162,622
(1,233)		(22,360)	(863,840)	(535,548)		(4,491,588)
148,579		(22,360)	(560,105)	349,355		5,679,247
85,087	(8,525,904)	(24,007)	(504,647)	399,568	(83,613)	(4,358,599)
	(74,127)					(8,826,918)
85,087	(8,600,031)	(24,007)	(504,647)	399,568	(83,613)	(13,185,517)
2,239,531	8,600,031	24,007	3,408,744	7,367,671	3,126,336	59,962,192
$2,324,618			$2,904,097	$7,767,239	$3,042,723	$46,776,675

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, 2012

	COMMUNITY DEVELOPMENT			LIBRARY		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes				$1,457,400	$1,523,828	$66,428
Other taxes						
Licenses and permits	$1,440,000	$1,282,007	($157,993)			
Revenue from other agencies				51,915	39,281	(12,634)
Charges for current services	990,500	923,419	(67,081)	80,000	80,212	212
Fines and forfeitures	670,250	545,739	(124,511)			
Use of money and property	15,000	12,901	(2,099)	8,000	21,796	13,796
Other	25,000		(25,000)			
Total Revenues	3,140,750	2,764,066	(376,684)	1,597,315	1,665,117	67,802
EXPENDITURES						
Current:						
General government						
Public safety						
Public works						
Community Development	3,559,946	3,274,875	285,071			
Community Services				3,550,030	3,394,085	155,945
Housing						
Capital outlay		342	(342)	49,450	37,285	12,165
Debt service:						
Principal						
Interest					788	(788)
Total Expenditures	3,559,946	3,275,217	284,729	3,599,480	3,432,158	167,322
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(419,196)	(511,151)	(91,955)	(2,002,165)	(1,767,041)	235,124
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets						
Transfers in				2,131,380	2,131,380	
Transfers (out)				(230,595)	(230,595)	
Total Other Financing Sources (Uses)				1,900,785	1,900,785	
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEMS	($419,196)	(511,151)	($91,955)	($101,380)	133,744	$235,124
EXTRAORDINARY ITEM						
Assets transferred to/Liabilities assumed by Successor Agency/Housing Successor						
NET CHANGE IN FUND BALANCE	($419,196)	(511,151)	($91,955)	($101,380)	133,744	$235,124
BEGINNING FUND BALANCES (DEFICITS)		1,110,053			294,914	
ENDING FUND BALANCES (DEFICITS)		$598,902			$428,658	

GAS TAX			ASSET SEIZURE/TRAFFIC SAFETY			COUNTY MEASURE B		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$1,227,111	$2,127,103	$899,992				$1,243,350	$1,845,358	$602,008
5,000	27,692	22,692						
			$132,000	$12,732	($119,268)			
2,000	35,045	33,045	1,000	593	(407)	32,000	45,009	13,009
1,300	4,553	3,253						
1,235,411	2,194,393	958,982	133,000	13,325	(119,675)	1,275,350	1,890,367	615,017
				3,932	(3,932)			
896,260	832,909	63,351						
				2,252	(2,252)			
40,000	40,000							
936,260	872,909	63,351		6,184	(6,184)			
299,151	1,321,484	1,022,333	133,000	7,141	(125,859)	1,275,350	1,890,367	615,017
							66,839	66,839
(1,251,475)	(76,953)	1,174,522	(152,000)	(39,912)	112,088	(3,605,859)	(1,560,751)	2,045,108
(1,251,475)	(76,953)	1,174,522	(152,000)	(39,912)	112,088	(3,605,859)	(1,493,912)	2,111,947
($952,324)	1,244,531	$2,196,855	($19,000)	(32,771)	($13,771)	($2,330,509)	396,455	$2,726,964
($952,324)	1,244,531	$2,196,855	($19,000)	(32,771)	($13,771)	($2,330,509)	396,455	$2,726,964
	2,257,789			123,857			4,215,429	
	$3,502,320			$91,086			$4,611,884	

(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, 2012

	TIDELANDS			PARKING METER		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services				$693,800	$779,564	$85,764
Fines and forfeitures				60,000	157,157	97,157
Use of money and property	$1,030,677	$833,107	($197,570)	21,650	29,033	7,383
Other		583,702	583,702		10,039	10,039
Total Revenues	1,030,677	1,416,809	386,132	775,450	975,793	200,343
EXPENDITURES						
Current:						
General government	796,499	630,148	166,351	537,853	384,097	153,756
Public safety						
Public works	223,507	28,759	194,748			
Community Development						
Community Services						
Housing						
Capital outlay						
Debt service:						
Principal						
Interest					4,321	(4,321)
Total Expenditures	1,020,006	658,907	361,099	537,853	388,418	149,435
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,671	757,902	747,231	237,597	587,375	349,778
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets						
Transfers in				328,555		(328,555)
Transfers (out)	(237,721)	(2,888)	234,833	(832,305)	(502,506)	329,799
Total Other Financing Sources (Uses)	(237,721)	(2,888)	234,833	(503,750)	(502,506)	1,244
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEMS	($227,050)	755,014	$982,064	($266,153)	84,869	$351,022
EXTRAORDINARY ITEM						
Assets transferred to/Liabilities assumed by Successor Agency/Housing Successor						
NET CHANGE IN FUND BALANCE	($227,050)	755,014	$982,064	($266,153)	84,869	$351,022
BEGINNING FUND BALANCES (DEFICITS)		2,205,286			2,649,570	
ENDING FUND BALANCES (DEFICITS)		$2,960,300			$2,734,439	

COMMERCIAL REVITALIZATION			COMMUNITY DEVELOPMENT BLOCK GRANT			GARBAGE/RECYCLING SURCHARGE		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
						$175,000	$175,000	
			$3,068,755	$1,755,030	($1,313,725)			
$145,860	$139,201	($6,659)				11,700	13,133	$1,433
	201,139	201,139						
145,860	340,340	194,480	3,068,755	1,755,030	(1,313,725)	186,700	188,133	1,433
						293,845	170,864	122,981
435,485	426,398	9,087	3,550,471	2,011,253	1,539,218			
			1,700	4,562	(2,862)			
435,485	426,398	9,087	3,552,171	2,015,815	1,536,356	293,845	170,864	122,981
(289,625)	(86,058)	203,567	(483,416)	(260,785)	222,631	(107,145)	17,269	124,414
			483,416	269,985	(213,431)			
			483,416	269,985	(213,431)			
($289,625)	(86,058)	$203,567		9,200	$9,200	($107,145)	17,269	$124,414
($289,625)	(86,058)	$203,567		9,200	$9,200	($107,145)	17,269	$124,414
	744,185			(9,200)			1,273,991	
	$658,127						$1,291,260	

(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, 2012

	ATHLETIC RECREATION			GRANTS FUND		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits				$1,875	$1,125	($750)
Revenue from other agencies	$305,500	$607,335	$301,835	4,187,397	3,461,773	(725,624)
Charges for current services	1,754,055	2,087,441	333,386			
Fines and forfeitures						
Use of money and property	278,765	274,728	(4,037)	4,100	11,303	7,203
Other	8,500	20,445	11,945	15,000	28,384	13,384
Total Revenues	2,346,820	2,989,949	643,129	4,208,372	3,502,585	(705,787)
EXPENDITURES						
Current:						
General government	2,326,141	2,325,918	223			
Public safety				898,555	1,026,438	(127,883)
Public works						
Community Development						
Community Services						
Housing				2,609,585	1,980,194	629,391
Capital outlay				506,612	430,149	76,463
Debt service:						
Principal						
Interest						
Total Expenditures	2,326,141	2,325,918	223	4,014,752	3,436,781	577,971
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20,679	664,031	643,352	193,620	65,804	(127,816)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets						
Transfers in				44,200	44,196	(4)
Transfers (out)					(35,436)	(35,436)
Total Other Financing Sources (Uses)				44,200	8,760	(35,440)
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEMS	$20,679	664,031	$643,352	$237,820	74,564	($163,256)
EXTRAORDINARY ITEM						
Assets transferred to/Liabilities assumed by Successor Agency/Housing Successor						
NET CHANGE IN FUND BALANCE	$20,679	664,031	$643,352	$237,820	74,564	($163,256)
BEGINNING FUND BALANCES (DEFICITS)		1,445,980			492,130	
ENDING FUND BALANCES (DEFICITS)		$2,110,011			$566,694	

WASTE REDUCTION SURCHARGE			MAINTENANCE ASSESSMENT DISTRICTS SPECIAL REVENUE			PARKING		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			$1,801,779	$1,821,218	$19,439			
$399,488	$303,269	($96,219)						
351,000	387,120	36,120						
35,500	31,626	(3,874)	32,091	24,800	(7,291)	$15,480	$16,480	$1,000
2,500	785	(1,715)		108	108	200,995	200,799	(196)
788,488	722,800	(65,688)	1,833,870	1,846,126	12,256	216,475	217,279	804
			472,750	347,887	124,863			
1,008,534	616,319	392,215	1,296,090	1,092,801	203,289			
3,000		3,000						
				17	(17)			
1,011,534	616,319	395,215	1,768,840	1,440,705	328,135			
(223,046)	106,481	329,527	65,030	405,421	340,391	216,475	217,279	804
	204,805	204,805	222,990	44,232	(178,758)			
(24,750)		24,750	(256,750)		256,750	(190,715)	(190,703)	12
(24,750)	204,805	229,555	(33,760)	44,232	77,992	(190,715)	(190,703)	12
($247,796)	311,286	$559,082	$31,270	449,653	$418,383	$25,760	26,576	$816
($247,796)	311,286	$559,082	$31,270	449,653	$418,383	$25,760	26,576	$816
	3,341,109			3,550,480			201,547	
	$3,652,395			$4,000,133			$228,123	

(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, 2012

	CITY HALL/LIBRARY BONDS			COMMUNITY IMPROVEMENT COMMISSION DEBT SERVICE		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	$682,150	$644,396	($37,754)			
Other taxes						
Licenses and permits						
Revenue from other agencies						
Charges for current services						
Fines and forfeitures						
Use of money and property	9,300	4,529	(4,771)	$4,529	$32,816	$28,287
Other						
Total Revenues	691,450	648,925	(42,525)	4,529	32,816	28,287
EXPENDITURES						
Current:						
General government						
Public safety						
Public works						
Community Development						
Community Services						
Housing						
Capital outlay						
Debt service:						
Principal	1,252,000	1,252,000		1,150,000	1,150,000	
Interest	1,388,850	1,398,216	(9,366)	2,051,079	2,051,102	(23)
Total Expenditures	2,640,850	2,650,216	(9,366)	3,201,079	3,201,102	(23)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,949,400)	(2,001,291)	(51,891)	(3,196,550)	(3,168,286)	28,264
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets						
Transfers in	1,854,420	2,421,703	567,283	3,672,074	3,448,451	(223,623)
Transfers (out)						
Total Other Financing Sources (Uses)	1,854,420	2,421,703	567,283	3,672,074	3,448,451	(223,623)
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEMS	($94,980)	420,412	$515,392	$475,524	280,165	($195,359)
EXTRAORDINARY ITEM						
Assets transferred to/Liabilities assumed by Successor Agency/Housing Successor					(8,752,791)	
NET CHANGE IN FUND BALANCE	($94,980)	420,412	$515,392	$475,524	(8,472,626)	($195,359)
BEGINNING FUND BALANCES (DEFICITS)		1,325,707			8,472,626	
ENDING FUND BALANCES (DEFICITS)		$1,746,119				

BASE REUSE DEBT SERVICE			CONSTRUCTION IMPACT FEE			STREETS/TRANSPORTATION		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
						$460,000	$434,554	($25,446)
			$240,000	$269,237	$29,237	34,000	109,723	75,723
			15,000	33,660	18,660			
			179,522	57,561	(121,961)			
						31,500	33,935	2,435
$1,500	$1,580	$80	5,900	8,912	3,012	17,450	20,622	$3,172
							443,656	443,656
1,500	1,580	80	440,422	369,370	(71,052)	542,950	1,042,490	499,540
			5,520	28,300	(22,780)	220	216	4
						500,000	934,735	(434,735)
						210,625	170,815	39,810
			179,522	48,856	130,666			
			22,953		22,953	220	216	4
300,000	300,000							
46,500	31,009	15,491						
346,500	331,009	15,491	207,995	77,156	130,839	711,065	1,105,982	(394,917)
(345,000)	(329,429)	15,571	232,427	292,214	59,787	(168,115)	(63,492)	104,623
			191,900	191,904	4	195,624	149,812	(45,812)
			(846,301)	(428,863)	417,438	(1,233)	(1,233)	
			(654,401)	(236,959)	417,442	194,391	148,579	(45,812)
($345,000)	(329,429)	$15,571	($421,974)	55,255	$477,229	$26,276	85,087	$58,811
($345,000)	(329,429)	$15,571	($421,974)	55,255	$477,229	$26,276	85,087	$58,811
	625,331			875,088			2,239,531	
	$295,902			$930,343			$2,324,618	

(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, 2012

	COMMUNITY IMPROVEMENT COMMISSION CAPITAL PROJECTS			BASE REUSE		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes						
Other taxes						
Licenses and permits						
Revenue from other agencies		$9,192	$9,192			
Charges for current services						
Fines and forfeitures						
Use of money and property		472	472	$330	$103	($227)
Other		62,405	62,405			
Total Revenues		72,069	72,069	330	103	(227)
EXPENDITURES						
Current:						
General government						
Public safety						
Public works						
Community Development						
Community Services						
Housing	$8,600,000	8,597,896	2,104			
Capital outlay		77		50	1,750	(1,700)
Debt service:						
Principal						
Interest						
Total Expenditures	8,600,000	8,597,973	2,104	50	1,750	(1,700)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,600,000)	(8,525,904)	74,096	280	(1,647)	(1,927)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets						
Transfers in						
Transfers (out)				(222,635)	(22,360)	200,275
Total Other Financing Sources (Uses)				(222,635)	(22,360)	200,275
NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEMS	($8,600,000)	(8,525,904)	$74,096	($222,355)	(24,007)	$198,348
EXTRAORDINARY ITEM						
Assets transferred to/Liabilities assumed by Successor Agency/Housing Successor		(74,127)				
NET CHANGE IN FUND BALANCE	($8,600,000)	(8,600,031)	$74,096	($222,355)	(24,007)	$198,348
BEGINNING FUND BALANCES (DEFICITS)		8,600,031			24,007	
ENDING FUND BALANCES (DEFICITS)						

CITYWIDE DEVELOPMENT FEE			URBAN RUNOFF STORM DRAIN FEE			MAINTENANCE ASSESSMENT DISTRICT CAPITAL PROJECTS		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			$2,233,153	$2,065,634	($167,519)			
$69,615	$28,205	($41,410)						
			76,800	32,521	(44,279)			
23,765	27,253	3,488	75,000	75,643	$643	$4,350	$24,636	$20,286
			1,500	3,847	2,347			
93,380	55,458	(37,922)	2,386,453	2,177,645	(208,808)	4,350	24,636	20,286
				410,623	(410,623)			
			2,813,537	1,716,809	1,096,728		108,249	(108,249)
			2,813,537	2,127,432	686,105		108,249	(108,249)
93,380	55,458	(37,922)	(427,084)	50,213	477,297	4,350	(83,613)	(87,963)
				8,213	8,213			
303,735	303,735		856,310	876,690	20,380			
(1,526,023)	(863,840)	662,183	(3,883,866)	(535,548)	3,348,318			
(1,222,288)	(560,105)	662,183	(3,027,556)	349,355	3,376,911			
($1,128,908)	(504,647)	$624,261	($3,454,640)	399,568	$3,854,208	$4,350	(83,613)	($87,963)
($1,128,908)	(504,647)	$624,261	($3,454,640)	399,568	$3,854,208	$4,350	(83,613)	($87,963)
	3,408,744			7,367,671			3,126,336	
	$2,904,097			$7,767,239			$3,042,723	

City of Alameda

People and Places in the City

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

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

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

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

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

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

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

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

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

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

Unemployment Insurance
This fund accounts for the administration of the City's unemployment insurance program and payment of unemployment claim payments.

Other Post Employment Benefits (OPEB)
This fund accounts for expenditures for other post-employment benefits (OPEB).

City of Alameda
Internal Service Funds
Combining Statement of Net Assets
June 30, 2012

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
ASSETS				
Current Assets:				
Cash and cash equivalents	$3,502,085	$80,435	$354,058	$1,507,680
Accounts receivable	49,368	3,700	5,987	
Total Current Assets	3,551,453	84,135	360,045	1,507,680
Noncurrent Assets:				
Restricted cash and investments (Note 2)	75,951			
Capital assets, depreciable, net	3,720,216			201,706
Total Non-current Assets	3,796,167			201,706
Total Assets	7,347,620	84,135	360,045	1,709,386
LIABILITIES				
Current Liabilities:				
Accounts payable	83	14	72,170	281,335
Accrued payroll			595	
Compensated absences			37,532	61,597
Claims payable:				
Due within one year				
Equipment lease payable				
Due within one year	297,157			
Total Current Liabilities	297,240	14	110,297	342,932
Long-Term Liabilities:				
Claims payable:				
Due in more than one year				
Equipment purchase agreement	2,960,037			
Total Long-Term Liabilities	2,960,037			
Total Liabilities	3,257,277	14	110,297	342,932
NET ASSETS				
Invested in capital assets, net of related debt	760,179			201,706
Unrestricted	3,330,164	84,121	249,748	1,164,748
Total Net Assets (Deficits)	$4,090,343	$84,121	$249,748	$1,366,454

Facilities Maintenance	Workers' Compensation Insurance	Risk Management Insurance	Unemployment Insurance	OPEB	Total
$493,803	$2,787,777	$1,665,931	$208,621	$227,050	$10,827,440
	27,106	126		594	86,881
493,803	2,814,883	1,666,057	208,621	227,644	10,914,321
	407,036				482,987
					3,921,922
	407,036				4,404,909
493,803	3,221,919	1,666,057	208,621	227,644	15,319,230
45,731	11,440	120,743			531,516
					595
9,559	13,269	14,604			136,561
	2,508,117	34,587			2,542,704
					297,157
55,290	2,532,826	169,934			3,508,533
	4,459,109	1,481,067			5,940,176
					2,960,037
	4,459,109	1,481,067			8,900,213
55,290	6,991,935	1,651,001			12,408,746
					961,885
438,513	(3,770,016)	15,056	208,621	227,644	1,948,599
$438,513	($3,770,016)	$15,056	$208,621	$227,644	$2,910,484

City of Alameda
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For The Year Ended June 30, 2012

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
OPERATING REVENUES				
Charges for services		$148,446	$1,391,116	$1,879,785
Miscellaneous	$1,240,317			18,335
Total Operating Revenues	1,240,317	148,446	1,391,116	1,898,120
OPERATING EXPENSES				
General administrative	74,447	(3,145)	72,064	54,524
Wages and benefits	12,378	29,419	590,122	760,543
Insurance				
Contractual services		72,022	73,450	330,885
Supplies and maintenance	72,680	6,935	785,511	186,510
Utilities		173	12,839	81,315
Depreciation	462,853			117,636
Total Operating Expenses	622,358	105,404	1,533,986	1,531,413
Operating Income (Loss)	617,959	43,042	(142,870)	366,707
NONOPERATING REVENUES (EXPENSES)				
Operating grants and contributions	43,510			
Interest income	37,092	746	4,112	14,887
Total Nonoperating Revenues (Expenses)	80,602	746	4,112	14,887
Income (Loss) Before Transfers	698,561	43,788	(138,758)	381,594
Transfers in	50,004		300,000	
Transfers out				(80,000)
Net Transfers	50,004		300,000	(80,000)
Change in Net Assets	748,565	43,788	161,242	301,594
BEGINNING NET ASSETS (DEFICITS)	3,341,778	40,333	88,506	1,064,860
ENDING NET ASSETS (DEFICITS)	$4,090,343	$84,121	$249,748	$1,366,454

Facilities Maintenance	Workers' Compensation Insurance	Risk Management Insurance	Unemployment Insurance	OPEB	Total
	$4,661,873	$2,468,069		$10,083	$10,559,372
$751,861					2,010,513
751,861	4,661,873	2,468,069		10,083	12,569,885
6,804	19,294	38,969	$5,401		268,358
201,578	128,908	281,677	162,954		2,167,579
	2,695,850	805,699		2,424,959	5,926,508
181,148	130,445	851,160	1,620	17,826	1,658,556
61,714	573	5,078			1,119,001
161,887	2,548	2,161			260,923
					580,489
613,131	2,977,618	1,984,744	169,975	2,442,785	11,981,414
138,730	1,684,255	483,325	(169,975)	(2,432,702)	588,471
					43,510
5,303	6,871	(548)	1,000		69,463
5,303	6,871	(548)	1,000		112,973
144,033	1,691,126	482,777	(168,975)	(2,432,702)	701,444
			423,312	2,660,172	3,433,488
		(83,000)	(50,000)		(213,000)
		(83,000)	373,312	2,660,172	3,220,488
144,033	1,691,126	399,777	204,337	227,470	3,921,932
294,480	(5,461,142)	(384,721)	4,284	174	(1,011,448)
$438,513	($3,770,016)	$15,056	$208,621	$227,644	$2,910,484

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

	Equipment Replacement	Central Services	Fleet Maintenance	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$1,235,631	$144,746	$1,386,571	$1,941,355
Payments to suppliers	(72,654)	(80,168)	(906,026)	(565,533)
Payments to employees	(86,825)	(27,464)	(680,200)	(840,802)
Claims paid				
Cash Flows from Operating Activities	1,076,152	37,114	(199,655)	535,020
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund receipts (payments)				
Transfers, net	50,004		300,000	(80,000)
Cash Flows from Noncapital Financing Activities	50,004		300,000	(80,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	(3,847,981)			
Equipment purchase agreement proceeds	3,257,194			
Cash Flows from Capital and Related Financing Activities	(590,787)			
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (increase) in restricted investments	(75,951)			
Operating grants and contributions	43,510			
Interest income	37,092	746	4,112	14,887
Cash Flows from Capital and Related Investing Activities	4,651	746	4,112	14,887
Net Cash Flows	540,020	37,860	104,457	469,907
Cash and investments at beginning of period	2,962,065	42,575	249,601	1,037,773
Cash and investments at end of period	$3,502,085	$80,435	$354,058	$1,507,680
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	$617,959	$43,042	($142,870)	$366,707
Adjustments to reconcile operating income to cash flows from operating activities:				
Depreciation	462,853			117,636
Change in assets and liabilities:				
Accounts receivable	(4,686)	(3,700)	(4,545)	43,235
Prepaids and deposits				
Accounts payable	26	(1,038)	(34,226)	33,177
Compensated absences			4,251	1,162
Claims payable				
Accrued payroll		(1,190)	(22,265)	(26,897)
Cash Flows from Operating Activities	$1,076,152	$37,114	($199,655)	$535,020

Facilities Maintenance	Workers' Compensation Insurance	Risk Management Insurance	Unemployment Insurance	OPEB	Total
$751,861	$4,697,396	$2,482,292		$9,663	$12,649,515
(404,074)	(99,587)	(924,785)	($1,620)	(2,442,785)	(5,497,232)
(218,747)	(146,686)	(341,152)	(168,355)		(2,510,231)
	(1,871,311)	(578,493)			(2,449,804)
129,040	2,579,812	637,862	(169,975)	(2,433,122)	2,192,248
			(716)		(716)
		(83,000)	373,312	2,660,172	3,220,488
		(83,000)	372,596	2,660,172	3,219,772
					(3,847,981)
					3,257,194
					(590,787)
	(407,036)				(482,987)
					43,510
5,303	6,871	(548)	1,000		69,463
5,303	(400,165)	(548)	1,000		(370,014)
134,343	2,179,647	554,314	203,621	227,050	4,451,219
359,460	608,130	1,111,617	5,000		6,376,221
$493,803	$2,787,777	$1,665,931	$208,621	$227,050	$10,827,440
$138,730	$1,684,255	$483,325	($169,975)	($2,432,702)	$588,471
					580,489
	35,523	14,223		(420)	79,630
	135,000				135,000
675	(101,021)	(66,386)			(168,793)
(1,968)	5,443	(8,924)			(36)
	824,539	227,206			1,051,745
(8,397)	(3,927)	(11,582)			(74,258)
$129,040	$2,579,812	$637,862	($169,975)	($2,433,122)	$2,192,248

City of Alameda

People and Places in the City

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

Private Purpose Trust Funds

Successor Agency Special Revenue Fund
This fund accounts for the operations of the agency.

Successor Agency Capital Projects Fund
This fund accounts for capital projects of the agency.

Successor Agency Debt Service Fund
This fund accounts for the debt service related payments of the agency.

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 the 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, 2012

	PENSION TRUST FUNDS		
	Police and Fire Pension #1079	Police and Fire Pension #1082	Total
ASSETS			
Restricted cash and investments	$393	$524	$917
Total Assets	$393	$524	$917
FUND BALANCE			
Reserved for:			
Employees' pension benefits	$393	$524	$917
Total Equity	$393	$524	$917

City of Alameda
Pension Trust Funds
Combining Statement of Changes in Net Assets
for the year ended June 30, 2012

	PENSION TRUST FUNDS		
	Plan #1079	Plan #1082	TOTALS
ADDITIONS			
Employer contributions	$1,914,176	$44,400	$1,958,576
Total Additions	1,914,176	44,400	1,958,576
DEDUCTIONS			
Retirement and other benefits	1,897,882	44,257	1,942,139
Contractual services	15,901	96	15,997
Total Deductions	1,913,783	44,353	1,958,136
INCREASE (DECREASE) IN NET ASSETS	393	47	440
NET ASSETS HELD IN (DUE TO) TRUST FOR PENSION BENEFITS			
Beginning of year	0	477	477
End of year	$393	$524	$917

City of Alameda
Successor Agency Private Purpose Trust Funds
Combining Balance Sheet
June 30, 2012

	PRIVATE PURPOSE TRUST FUNDS			
	Successor Agency Special Revenue	Successor Agency Debt Service	Successor Agency Capital Project	Total
ASSETS				
Cash and cash equivalents	$15,687,289	$1,368,523	$9,815	$17,065,627
Restricted cash and investments	2,613,589	6,503,386		9,116,975
Accounts receivable	646,776			646,776
Deferred loans	13,477,177			13,477,177
Total Assets	$32,424,831	$7,871,909	$9,815	$40,306,555
LIABILITIES				
Accounts payable	$67,150			$67,150
Accrued payroll	481			481
Interest payable		1,222,682		1,222,682
Pass-through obligations	946,157			946,157
Payable to the Housing Authority	19,902,771			19,902,771
Long term debt:				
Due within one year	75,000	1,590,000		1,665,000
Due in more than one year	255,000	70,908,717		71,163,717
Total Liabilities	21,246,559	73,721,399		94,967,958
NET ASSETS				
Held in trust for private purpose	$11,178,272	($65,849,490)	$9,815	($54,661,403)

City of Alameda
Successor Agency Private Purpose Trust Funds
Combining Statement of Changes in Net Assets
For the year ended June 30, 2012

	PRIVATE PURPOSE TRUST FUNDS			
	Successor Agency Special Revenue	Successor Agency Debt Service	Successor Agency Capital Project	TOTALS
ADDITIONS				
Property taxes	$5,214,801			$5,214,801
Use of money and property	126,720	$23,649	$198	150,567
Other	486,750	1,866,169		2,352,919
Total Additions	5,828,271	1,889,818	198	7,718,287
DEDUCTIONS				
Administration	184,361			184,361
Contractual services	844,517		64,510	909,027
Transfer to Successor Agency Debt Service Fund	1,866,169			1,866,169
Community development expense	1,425,985			1,425,985
Debt service:				
Interest and fiscal charges	31,960	2,160,700		2,192,660
Total Deductions	4,352,992	2,160,700	64,510	6,578,202
Change in net assets before extraordinary item	1,475,279	(270,882)	(64,312)	1,140,085
EXTRAORDINARY ITEM				
Asset transferred to/liabilities assumed by Successor Agency	9,702,993	(65,578,608)	74,127	(55,801,488)
Beginning of year				
End of year	$11,178,272	($65,849,490)	$9,815	($54,661,403)

City of Alameda
Agency Funds
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
Assessment Districts				
Assets				
Restricted cash and investments	$21,124,002		$12,438,520	$8,685,482
Accounts receivable	27,395,212	$1,214	27,395,212	1,214
Total Assets	$48,519,214	$1,214	$39,833,732	$8,686,696
Liabilities				
Due to bondholders	$48,519,214	$1,214	$39,833,732	$8,686,696
Mastick Senior Center				
Assets				
Restricted cash and investments	$323,538	$44,198		$367,736
Liabilities				
Due to members	$323,538	$44,198		$367,736
Totals All Agency Funds				
Assets				
Restricted cash and investments	$21,447,540	$44,198	$12,438,520	$9,053,218
Accounts receivable	27,395,212	1,214	27,395,212	1,214
Total Assets	$48,842,752	$45,412	$39,833,732	$9,054,432
Liabilities				
Refundable deposits				
Due to members	323,538	$44,198		$367,736
Due to bondholders	48,519,214	1,214	39,833,732	8,686,696
Total Liabilities	$48,842,752	$45,412	$39,833,732	$9,054,432

STATISTICAL SECTION

City of Alameda

People and Places in the City

City of Alameda, California

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 Balances of Governmental Funds

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

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

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

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

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

1. Demographic and Economic Statistics
2. Principal Employers

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

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

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

City of Alameda

People and Places in the City

ity of Alameda
let Assets by Component
ast Ten Fiscal Years (a)
Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Governmental activities										
Invested in capital assets, net of related debt	$116,456,794	$132,621,927	$124,741,406	$149,626,890	$158,716,508	$169,776,636	$169,927,104	$179,200,175	$173,302,089	$249,436,223
Restricted	51,888,403	144,673,265	116,647,178	102,723,054	79,816,104	86,336,351	86,483,930	81,018,431	81,525,686	57,906,023
Unrestricted	19,237,422	(81,824,156)	(40,784,740)	(18,104,392)	13,312,902	8,764,362	16,106,522	17,744,797	21,985,164	17,632,805
Total govemmental activities net assets	$187,582,619	$195,471,036	$200,603,844	$234,245,552	$251,845,514	$264,877,349	$272,517,556	$277,963,403	$276,812,939	$324,975,051
Business-type activities										
Invested in capital assets, net of related debt	$51,668,490	$38,512,292	$41,430,248	$41,606,226	$41,973,568	$42,515,505	$44,928,147	$45,131,483	$39,458,176	$44,169,706
Restricted		1,083,977	1,106,890	1,145,471						
Unrestricted	17,280,942	17,488,537	19,470,915	19,401,658	19,774,563	20,318,503	17,184,286	18,336,223	19,025,625	18,085,254
Total business-type activities net assets	$68,949,432	$57,084,806	$62,008,053	$62,153,355	$61,748,131	$62,834,008	$62,112,433	$63,467,706	$58,483,801	$62,254,960
Primary government										
Invested in capital assets, net of related debt	$168,125,284	$171,134,219	$166,171,654	$191,233,116	$200,690,076	$212,292,141	$214,855,251	$224,331,658	$213,414,695	$293,605,929
Restricted	51,888,403	145,757,242	117,754,068	103,868,525	79,816,104	86,336,351	86,483,930	81,018,431	81,525,686	57,906,023
Unrestricted	36,518,364	(64,335,619)	(21,313,825)	1,297,266	33,087,465	29,082,865	33,290,808	36,081,020	39,344,911	35,718,059
Total primary government net assets	$256,532,051	$252,555,842	$262,611,897	$296,398,907	$313,593,645	$327,711,357	$334,629,989	$341,431,109	$334,285,292	$387,230,011

Source: City Finance Department

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

	For the Fiscal Year Ended June 30,			
	2003	**2004**	**2005**	**2006**
Expenses				
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	16,665,180	18,215,641	17,920,317	14,093,939
Community Services	6,599,712	8,625,168	6,758,918	7,114,677
Housing	6,155,962	5,059,414	4,687,684	3,395,317
Interest on Long-Term Debt	4,130,840	9,767,781	6,429,215	5,918,480
Total Governmental Activities Expenses	98,225,676	106,973,793	106,922,920	99,150,824
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	12,827,451	11,699,195	11,572,041	11,743,482
Total Primary Government Expenses	$111,053,127	$118,672,988	$118,494,961	$110,894,306
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	$74,752,373	$80,833,448	$83,698,924	$84,445,460
Program Revenues				
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	15,277,921	13,103,655	11,891,979	12,395,013
Community Services	1,462,654	1,399,564	2,581,142	2,926,120
Housing				
Operating Grants and Contributions	7,095,519	10,397,197	8,170,805	16,571,222
Capital Grants and Contributions	8,853,630	8,722,254	10,946,725	15,576,210
Total Government Activities Program Revenues	41,247,377	47,408,546	47,948,893	62,418,961
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	13,799,458	11,788,120	16,300,013	11,391,903
Total Primary Government Program Revenues	$55,046,835	$59,196,666	$64,248,906	$73,810,864
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	$69,361,036	$77,429,452	$83,827,898	$89,694,415
Net (Expense)/Revenue				
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	($56,006,292)	($59,476,322)	($54,246,055)	($31,834,487)

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

2007	2008	2009	2010	2011	2012
$20,160,089	$13,942,578	$11,725,432	$15,456,715	$18,188,575	$15,237,357
25,632,978	26,769,167	26,137,009	26,798,928	26,889,284	25,904,606
23,911,788	24,645,039	22,123,701	22,861,254	24,532,288	23,970,035
4,465,955	12,628,974	18,746,655	10,939,983	18,950,456	13,738,143
22,986,738	19,189,329	22,163,130	19,248,260	16,550,661	5,718,100
7,730,394	8,275,998	8,125,339	8,749,436	9,296,269	8,741,325
5,802,261	6,668,775	7,415,214	7,975,615	7,261,310	14,452,825
6,307,727	6,351,470	6,100,624	5,764,642	5,677,260	4,142,152
116,997,930	118,471,330	122,537,104	117,794,833	127,346,103	111,904,543
3,274,613	4,469,475	3,756,857	4,200,933	3,357,896	
4,645,595	5,009,337	4,380,267	3,914,763	3,917,153	3,814,979
4,244,145	4,320,760	4,726,773	4,359,415	4,598,661	3,864,222
12,164,353	13,799,572	12,863,897	12,475,111	11,873,710	7,679,201
$129,162,283	$132,270,902	$135,401,001	$130,269,944	$139,219,813	$119,583,744
$25,890,669	$25,717,763	$26,750,656	$30,114,145	31,077,746	
63,267,230	61,075,579	61,522,873	56,686,475	50,902,652	54,520,590
$89,157,899	$86,793,342	$88,273,529	$86,800,620	$81,980,398	
$13,697,081	$5,244,071	$6,202,753	$7,065,225	$8,378,706	$6,899,450
179,212	918,369	1,211,316	1,196,533	1,248,344	1,181,455
	1,917,703	2,528,403	2,459,169	1,875,008	2,156,989
1,488,380	7,149,848	7,135,253	5,234,368	6,743,825	6,694,970
13,265,740	12,520,166	12,050,332	9,628,742	9,628,742	9,261,637
1,940,528	2,396,147	2,328,111	2,600,886	2,643,386	2,771,489
	438,278				
14,350,320	12,969,596	6,816,299	7,401,177	7,753,440	9,898,631
11,063,279	5,535,687	4,307,127	6,703,662	8,305,292	5,111,573
55,984,540	49,089,865	42,579,594	42,289,762	46,576,743	43,976,194
17,726				222	
4,226,422	4,187,705	4,161,463	3,768,555	3,546,251	3,958,933
5,667,296	5,826,652	5,901,599	6,068,908	6,936,223	7,447,477
1,990,515	3,000,763	2,356,878	2,245,111	2,245,111	
11,884,233	13,015,120	12,419,940	12,082,574	12,727,807	11,406,410
$67,868,773	$62,104,985	$54,999,534	$54,372,336	$59,304,550	$55,382,604
$3,368,311	$3,294,371	$3,369,634	$2,957,381	2,959,697	
60,552,680	61,857,720	54,987,323	49,284,110	51,237,727	51,526,195
27,623,882	21,419,640	21,595,495	28,796,857	29,390,234	
$91,544,873	$86,571,731	$79,952,452	$81,038,348	$83,587,658	$51,526,195
($61,013,390)	($69,381,465)	($79,957,511)	($75,505,071)	(75,504,996)	(67,928,349)
(262,394)	(784,452)	(443,957)	(392,537)	1,027,225	3,727,584
2,386,974	(221,611)	(8,321,077)	(5,762,272)	1,607,260	
($58,888,810)	($70,387,528)	($88,722,545)	($81,659,880)	($72,870,511)	($64,200,765)

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

	For the Fiscal Year Ended June 30,			
	2003	**2004**	**2005**	**2006**
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property Taxes	$15,987,519	$17,773,235	$19,007,465	$21,332,157
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
Extraordinary item				
Total Government Activities	29,775,773	67,453,664	64,106,835	70,373,571
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	19,833,281	(11,953,551)	195,275	496,881
Total Primary Government	$49,609,054	$55,500,113	$64,302,110	$70,870,452
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	$644,601	$341,058	$2,369,805	$2,315,772
Change in Net Assets				
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	($6,397,238)	($3,976,209)	$10,056,055	$33,787,010
Changes in Net Assets				
Component units Activities	($4,746,736)	($3,062,938)	$2,498,779	$7,564,727

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

Source: City Finance Department

2007	2008	2009	2010	2011	2012
$26,137,534	$27,413,398	$28,056,019	$30,779,575	$30,205,060	$27,965,276
12,266,563	14,043,703	15,634,394	11,631,272	11,868,722	5,748,695
2,668,301	1,738,422	1,857,611	1,897,652	1,886,557	1,844,180
4,967,130	5,140,774	5,412,461	4,880,379	5,077,031	6,035,950
8,702,101	9,301,200	9,049,473	8,822,075	9,182,248	8,787,016
4,177,736	3,389,197	3,124,066	4,647,057	5,896,294	4,921,032
	1,605,512	1,626,089	4,403,092	4,451,081	4,477,426
	1,088,342	1,178,705	1,084,850	1,118,732	1,294,691
	1,654,175	1,672,842	1,278,940	1,255,240	1,271,253
7,184,959	2,392,876	1,956,106	891,109	1,197,746	1,489,036
5,479,921	5,748,775	5,994,956	6,041,729	6,120,156	5,874,386
5,897,661	8,066,247	6,843,179	3,836,073	5,059,361	617,852
345,906	1,427,356	4,090,462	742,404	4,080,095	5,803,134
1,293,540	(596,677)	1,101,353	(1,114,750)	(1,628,137)	207,258
					40,764,726
79,121,352	82,413,300	87,597,716	79,821,457	85,770,186	117,101,911
1,004,169	1,126,277	730,441	348,032		192,687
146,541	147,375	93,294	285,028		58,146
(1,293,540)	596,677	(1,101,353)	1,114,750	1,628,137	(207,258)
(142,830)	1,870,329	(277,618)	1,747,810	1,628,137	43,575
$78,978,522	$83,009,977	$86,496,363	$80,936,207	$87,398,323	$117,145,486
$2,804,872	$2,974,858	$1,744,742	$356,673	$1,965,040	$119,699
			506,590	249,207	54,142
	(32,097,496)	25,251,400			
$2,804,872	($29,122,638)	$26,996,142	$863,263	$2,214,247	$173,841
$18,107,962	$13,031,835	$7,640,205	$4,316,386	$2,828,006	$49,173,562
(405,224)	1,085,877	(721,575)	1,355,273	3,473,803	3,771,159
$17,702,738	$14,117,712	$6,918,630	$5,671,659	$6,301,809	$52,944,721
$5,191,846	($29,344,249)	$18,675,065	($4,899,009)	$3,821,507	($2,820,554)

City of Alameda

People and Places in the City

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

	For the Fiscal Year Ended June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Pre-GASB 54 Classifications:										
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		
GASB 54 Classifications:										
Nonspendable										$2,685,205
Restricted									$400,000	
Committed									603,629	400,000
Assigned									16,693,535	315,045
Unassigned										19,618,518
Total General Fund	$18,867,440	$18,716,707	$22,113,795	$24,573,726	$22,820,855	$19,694,113	$21,514,121	$21,649,225	$17,697,164	$23,018,768
All Other Governmental Funds										
Pre-GASB 54 Classifications:										
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		
GASB 54 Classifications:										
Nonspendable									$45,639,192	$8,894
Restricted									36,594,620	24,442,662
Committed									10,965	35,055,243
Assigned									(9,200)	
Unassigned										(1,600,776)
Total all other governmental funds	$52,070,866	$94,693,201	$85,462,363	$82,922,280	$77,362,473	$83,824,112	$85,838,312	$80,116,590	$82,235,577	$57,906,023

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

Source: City of Alameda Finance Department

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

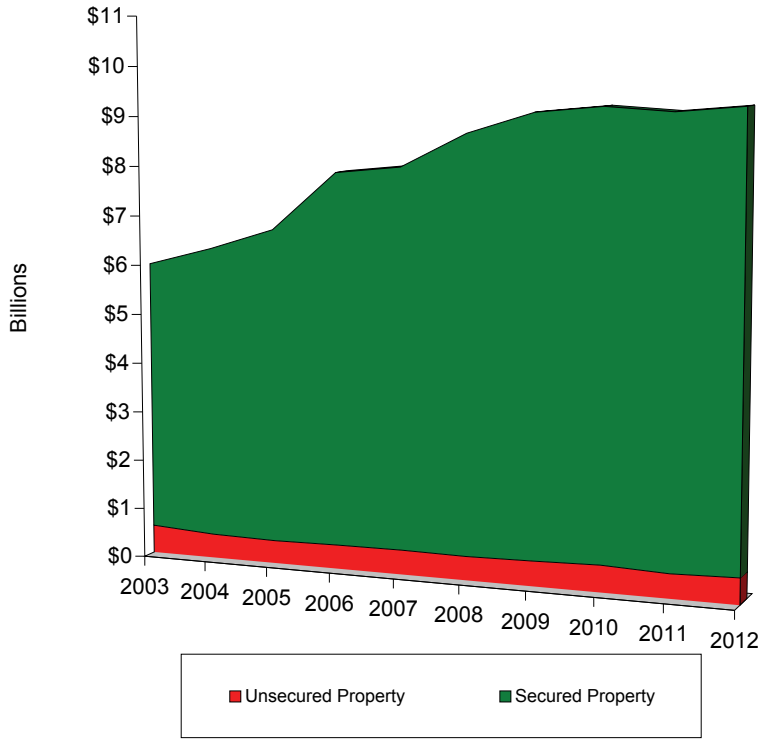
	For the Fiscal Year Ended June 30,				
	2003	**2004**	**2005**	**2006**	**2007**
Revenues					
Property taxes	$27,491,873	$29,947,878	$32,976,420	$37,320,071	$39,938,739
Other local taxes	20,743,798	22,236,960	24,120,443	27,682,138	26,125,551
Licenses and permits	2,485,586	2,928,479	3,664,147	4,316,809	4,281,863
Revenue from other agencies	17,955,265	16,905,698	22,233,324	35,629,270	29,797,193
Charges for current services	9,324,938	10,079,831	9,291,266	10,705,681	9,952,910
Fines and forfeitures	933,675	897,087	907,001	941,793	992,593
Use of money and property	14,965,122	14,517,984	15,444,762	15,791,585	18,624,311
Other	971,470	953,026	3,550,257	1,168,243	1,437,521
Total Revenues	94,871,727	98,466,943	112,187,620	133,555,590	131,150,681
Expenditures					
Current:					
General government	10,569,472	11,020,370	15,208,034	15,161,220	13,761,022
Police	20,164,707	21,372,121	21,986,900	24,563,122	25,244,920
Fire	17,999,297	18,061,798	18,898,538	22,795,320	23,634,196
Public Works	6,992,184	7,844,588	7,382,093	7,120,517	7,892,558
Community Development	27,202,280	19,887,277	15,319,311	12,677,375	28,512,408
Community Services	5,639,792	6,034,698	6,177,938	6,331,629	6,621,934
Housing	6,649,001	6,900,786	6,400,799	4,369,609	6,249,589
Capital outlay (b)	11,719,561	19,409,657	18,907,960	39,505,003	23,667,913
Debt service:					
Principal repayment	1,745,853	10,363,174	1,560,568	1,564,295	1,918,623
Interest and fiscal charges	3,856,685	9,288,334	6,283,053	6,033,431	6,255,397
Total Expenditures	112,538,832	130,182,803	118,125,194	140,121,521	143,758,560
Excess (deficiency) of revenues over (under) expenditures	(17,667,105)	(31,715,860)	(5,937,574)	(6,565,931)	(12,607,879)
Other Financing Sources (Uses)					
Contribution from (to) other entities	2,500,000	3,731,721			
Transfers in	17,150,259	35,648,704	24,240,787	41,355,020	42,858,538
Transfers (out)	(17,749,270)	(35,749,307)	(24,244,606)	(41,077,819)	(41,588,363)
Sale of capital assets	11,166,506	7,556,344	23,443	5,176,704	25,026
Payment to escrow agent	(10,565,000)	(15,570,000)			
Bond issuance premium (discount) on debt					
Issuance of long-term debt	22,994,507	78,570,000	84,200	1,031,874	4,000,000
Total other financing sources (uses)	25,497,002	74,187,462	103,824	6,485,779	5,295,201
Extraordinary item					
Net Change in fund balances	$7,829,897	$42,471,602	($5,833,750)	($80,152)	($7,312,678)
Debt service as a percentage of noncapital expenditures	5.6%	17.7%	7.9%	7.6%	6.8%

NOTE:
(a) The City implemented GASB Statement 34 in fiscal year 2003.
(b) Calculation of percentage only includes non-capitalized expenditures that is not being reflected on the capital outlay line.

Source: City Finance Department

2008	2009	2010	2011	2012
$43,189,504	$45,548,024	$44,308,500	$44,304,076	$36,215,189
25,463,825	24,588,234	27,032,505	29,209,243	28,731,775
3,792,899	3,361,091	3,172,848	3,389,609	2,962,194
24,321,452	19,408,936	19,354,972	18,584,868	19,851,341
11,987,586	10,264,260	12,252,283	12,102,124	13,526,293
1,239,607	1,463,269	1,434,684	1,350,974	1,498,967
20,264,478	20,329,314	17,208,171	17,595,184	17,912,885
1,795,035	4,516,237	791,233	5,454,018	3,716,012
132,054,386	129,479,365	125,555,196	131,990,096	124,414,656
11,315,409	13,114,355	9,756,226	4,130,188	8,505,007
26,544,338	25,770,329	26,749,247	27,612,111	27,697,939
24,338,086	22,932,133	22,589,195	24,297,287	23,735,534
9,255,632	10,198,469	4,682,917	6,324,136	5,045,594
24,230,719	19,673,992	19,288,336	22,899,662	17,959,889
7,258,611	7,006,083	7,738,644	8,292,609	8,358,813
7,075,267	8,117,536	10,060,973	8,460,735	14,513,011
11,845,020	11,212,641	15,527,159	17,392,517	12,969,550
2,533,420	7,479,565	2,569,040	3,169,360	2,844,360
6,375,793	6,099,165	5,675,982	5,732,593	3,700,852
130,772,295	131,604,268	124,637,719	128,311,198	125,330,549
1,282,091	(2,124,903)	917,477	3,678,898	(915,893)
			(1,347,013)	
29,641,624	39,525,272	16,789,896	20,625,790	22,598,326
(30,614,587)	(38,281,393)	(23,293,991)	(24,690,492)	(25,611,556)
25,769	21,507		735,000	8,213
			(985,000)	
	118,725		(125,326)	
3,000,000	4,575,000		11,035,000	
2,052,806	5,959,111	(6,504,095)	5,247,959	(3,005,017)
				(20,454,496)
$3,334,897	$3,834,208	($5,586,618)	$8,926,857	($24,375,406)
8.0% (b)	10.9% (b)	7.4% (b)	7.6% (b)	5.5% (b)

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
2003	$5,426,195,345	6.19%	$564,982,533	2.05%	$5,991,177,878
2004	5,865,562,253	8.10%	485,153,311	-14.13%	6,350,715,564
2005	6,316,942,645	7.70%	460,263,932	-5.13%	6,777,206,577
2006	7,469,413,342	18.24%	482,582,523	4.85%	7,432,630,955
2007	7,600,603,000	1.76%	493,333,000	2.23%	7,951,995,865
2008	8,299,483,280	9.20%	477,194,312	-3.27%	8,776,677,592
2009	8,699,660,252	4.82%	501,285,753	5.05%	9,226,664,742
2010	8,796,462,645	1.11%	536,786,045	7.08%	9,436,632,497
2011	8,767,561,741	-0.33%	486,282,942	-9.41%	9,284,599,251
2012	8,851,986,300	0.96%	524,614,003	7.88%	9,387,095,373

(a) California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.
(b) Estimated full market information is not available
(c) See page 157 for information regarding the total direct rate applied to the property tax assessed base.
(d) See the following page for the total direct rate applied to the assessed valuation base for each year.

Source: Alameda County Auditor Controller Office Certificate of Assessed Valuations

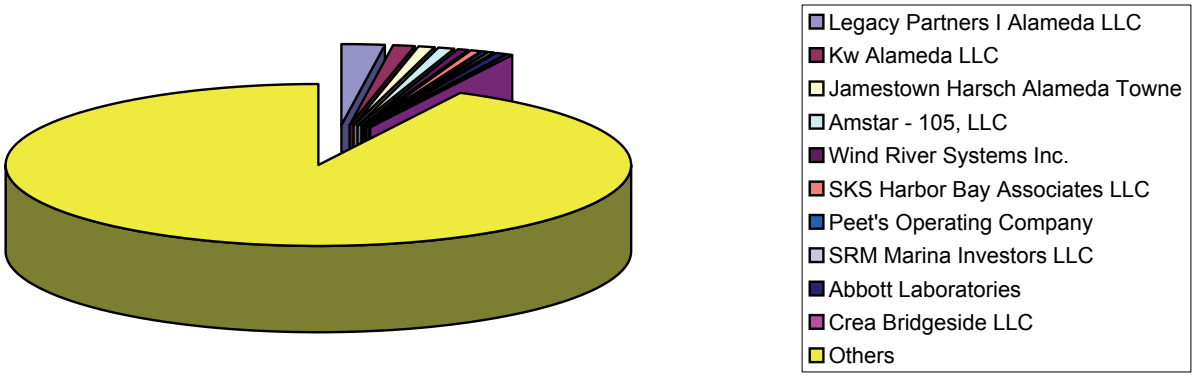
City of Alameda
Property Tax Rates
All Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Basic County Wide Levy (1)	City	Alameda Unified School Bonds	Alameda Unified School District	BART	Peralta College	Total
2003	1.0000	0.0175	0.0610	flat rate	N/A	0.0176	1.0961
2004	1.0000	0.0318	N/A	0.1960	N/A	0.0280	1.2558
2005	1.0000	0.3330	0.0549	0.1960	0.0058	0.0280	1.2847
2006	1.0000	0.0255	0.0496	N/A	0.0050	0.0272	1.1073
2007	1.0000	0.0255	0.0496	N/A	0.0050	0.0272	1.1073
2008	1.0000	0.0247	0.0469	N/A	0.0076	0.0223	1.1015
2009	1.0000	0.0245	0.0479	N/A	0.0090	0.0362	1.1176
2010	1.0000	0.0245	0.0498	N/A	0.0057	0.0430	1.1230
2011	1.0000	0.0244	0.0520	N/A	0.0031	0.0430	1.1225
2012	1.0000	0.0249	0.0527	N/A	0.0041	0.0436	1.1253

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

City of Alameda
Principal Property Taxpayers
Current Year and Ten Years Ago

Current Year Taxpayers

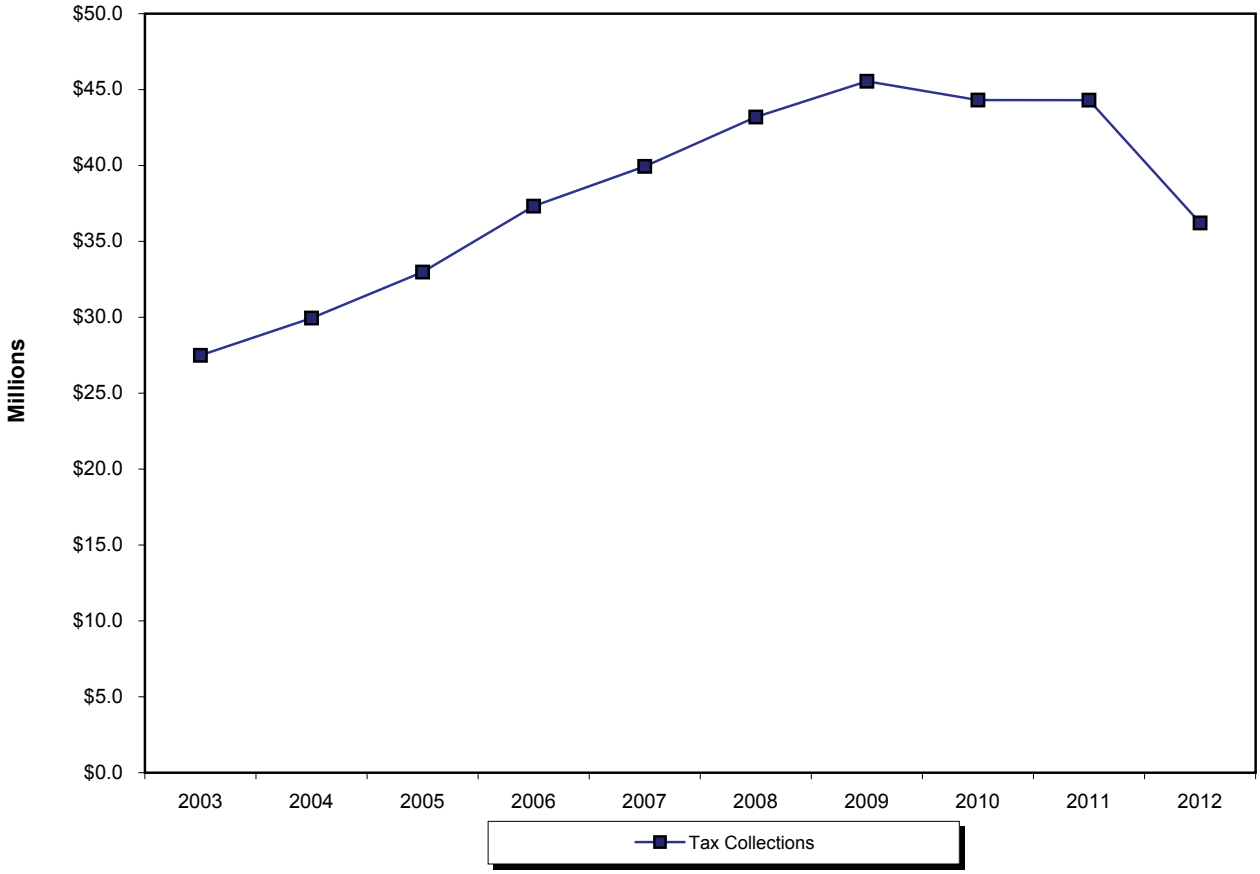


	2011-12			2002-03		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Legacy Partners I Alameda LLC	$210,076,003	1	2.24%			
Kw Alameda LLC	105,529,615	2	1.12%			
Jamestown Harsch Alameda Towne	83,165,293	3	0.89%			
Amstar - 105, LLC	63,244,450	4	0.67%			
Wind River Systems Inc.	59,371,217	5	0.63%	$61,979,692	3	1.03%
SKS Harbor Bay Associates LLC	41,265,906	6	0.44%			
Peet's Operating Company	40,359,035	7	0.43%			
SRM Marina Investors LLC	35,410,051	8	0.38%			
Abbott Laboratories	32,761,433	9	0.35%			
Crea Bridgeside LLC	32,274,000	10	0.34%			
Alameda Real Estate Investment				209,861,859	1	3.50%
Ascend Communications				105,395,319	2	1.76%
Harsh Investment				38,641,416	4	0.64%
Limar Realty Corp 13 & Realty Corp 1				35,925,440	5	0.60%
City of Alameda Health Care District				30,163,910	6	0.50%
TCI Cablevision of California				28,648,151	7	0.48%
Sumitomo Bank Leasing & Finance Inc.				27,413,401	8	0.46%
Ballena Village LLC				26,308,878	9	0.44%
South Shore Beach and Tennis Club				25,005,788	10	0.42%
Subtotal	$703,457,003		7.49%	$589,343,854		9.84%

Total Net Assessed Valuation:
Fiscal Year 2011-12 $9,387,095,373
Fiscal Year 2002-03 $5,991,177,878

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls.

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



Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (a)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2003	$27,491,873	$27,491,873	100%	0	$27,491,873	100%
2004	29,947,878	29,947,878	100%	0	29,947,878	100%
2005	32,976,420	32,976,420	100%	0	32,976,420	100%
2006	37,320,071	37,320,071	100%	0	37,320,071	100%
2007	39,938,739	39,938,739	100%	0	39,938,739	100%
2008	43,189,504	43,189,504	100%	0	43,189,504	100%
2009	45,548,024	45,548,024	100%	0	45,548,024	100%
2010	44,308,500	44,308,500	100%	0	44,308,500	100%
2011	44,304,076	44,304,076	100%	0	44,304,076	100%
2012	36,215,189	36,215,189	100%	0	36,215,189	100%

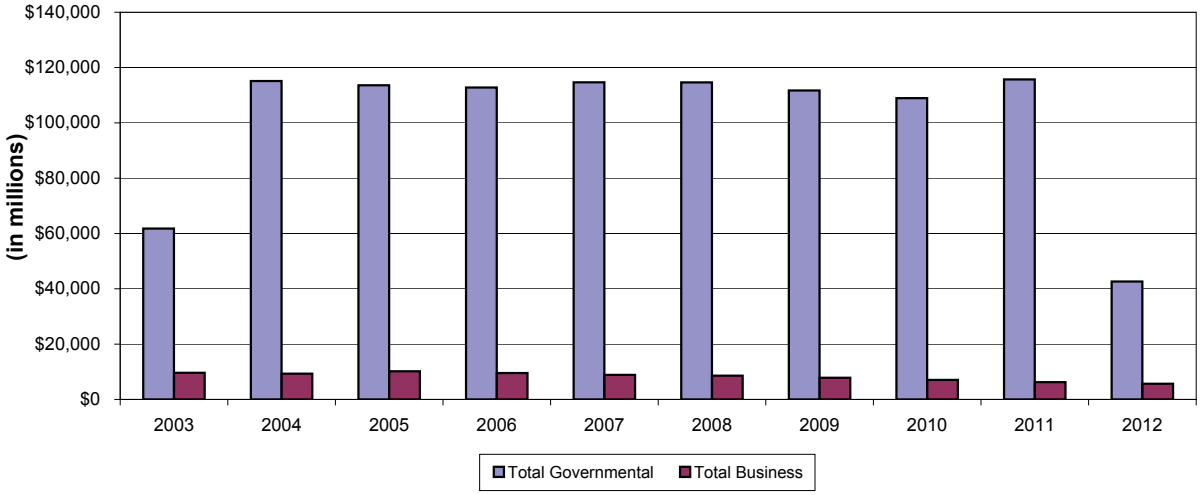
Source: City of Alameda Records

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

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

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

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



	Governmental Activities					
Fiscal Year	Tax Allocation Bonds	Certificates of Participation	General Obligation Bond	Revenue Bonds	Loans & Lease Purchases	Total
2003	$4,640,000	$18,510,000	$10,600,000	$26,405,000	$1,625,511	$61,780,511
2004	69,770,000	17,230,000	10,600,000	15,330,000	2,181,320	115,111,320
2005	69,225,000	16,605,000	10,455,000	15,225,000	2,071,962	113,581,962
2006	68,700,000	15,960,000	10,300,000	15,110,000	2,724,932	112,794,932
2007	68,010,000	15,290,000	10,135,000	14,995,000	6,241,387	114,671,387
2008	67,005,000	14,595,000	9,960,000	14,630,000	8,666,301	114,644,787
2009	65,900,000	13,715,000	9,775,000	14,195,000	8,139,871	111,724,871
2010	64,685,000	13,305,000	9,580,000	13,745,000	7,620,380	108,935,380
2011	74,254,674	12,470,000	9,375,000	12,300,000	7,291,020	115,690,694
2012	0 (b)	11,600,000	9,155,000	12,000,000	9,878,854	42,633,854

	Business-Type Activities					
Fiscal Year	Certificates of Participation	Loans & Lease Purchases	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2003	$4,430,000	$5,191,545	$9,621,545	$71,402,056	3.07%	$975
2004	4,225,000	5,087,209	9,312,209	124,423,529	5.18%	1,697.97
2005	4,010,000	6,182,578	10,192,578	123,774,540	4.85%	1,700.62
2006	3,785,000	5,750,127	9,535,127	122,330,059	4.51%	1,681.26
2007	3,545,000	5,323,440	8,868,440	123,539,827	4.19%	1,696.79
2008	3,295,000	5,305,043	8,600,043	123,513,227	3.94%	1,683.68
2009	3,030,000	4,813,515	7,843,515	119,568,386	3.82%	1,629.91
2010	2,755,000	4,304,311	7,059,311	115,994,691	3.73%	1,552.06
2011	2,465,000	3,776,678	6,241,678	121,932,372	4.48%	1,616.95
2012	2,160,000	3,498,778	5,658,778	48,292,632	1.75%	647.01

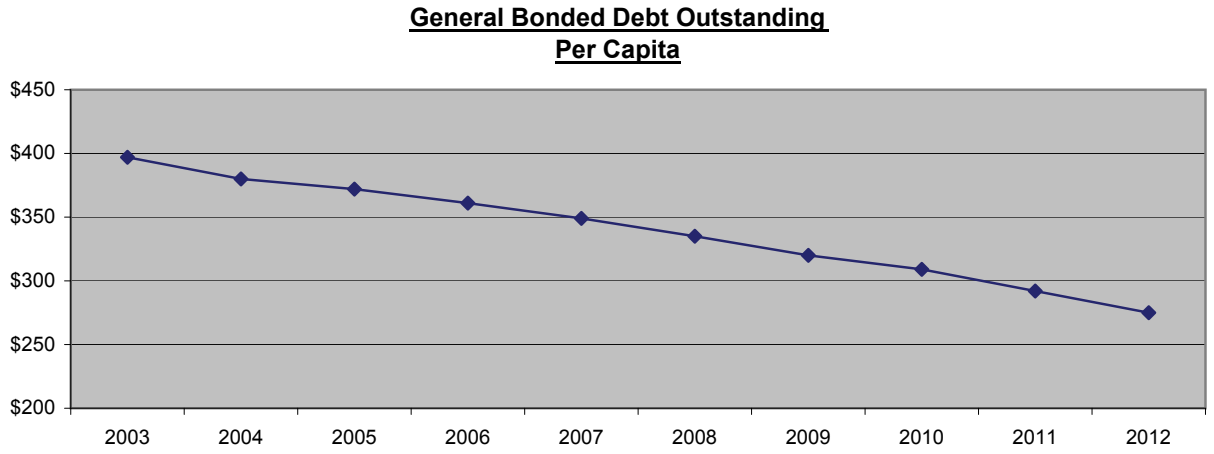
Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

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

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

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

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



	General Bonded Debt Outstanding				
Fiscal Year	Certificates of Participation Governmental Activities	General Obligation Bond	Total	Percentage of Actual Taxable Value of Property	Per Capita
2003	$18,510,000	$10,600,000	$29,110,000	0.49%	$397
2004	17,230,000	10,600,000	27,830,000	0.44%	379.79
2005	16,605,000	10,455,000	27,060,000	0.40%	371.80
2006	15,960,000	10,300,000	26,260,000	0.35%	360.91
2007	15,290,000	10,135,000	25,425,000	0.32%	349.21
2008	14,595,000	9,960,000	24,555,000	0.28%	334.72
2009	13,715,000	9,775,000	23,490,000	0.25%	320.21
2010	13,305,000	9,580,000	22,885,000	0.24%	309.12
2011	12,470,000	9,375,000	21,845,000	0.24%	292.30
2012	11,600,000	9,155,000	20,755,000	0.22%	275.23

Source: City of Alameda Finance Department

City of Alameda
Computation of Direct and Overlapping Debt
June 30, 2012

2011-12 Assessed Valuation:	$9,387,095,373
Redevelopment Incremental Valuation:	1,422,165,776
Adjusted Assessed Valuation:	$7,964,929,597

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/12	% Applicable (1)	City's Share of Debt 6/30/12
Bay Area Rapid Transit District	$412,540,000	1.826%	$7,532,980
Peralta Community College District	427,080,000	14.307	61,102,336
Alameda Unified School District	71,975,326	100	71,975,326
East Bay Regional Park District	129,525,000	2.837	3,674,624
East Bay Municipal Utility District, Special District No. 1	21,650,000	13.221	2,862,347
City of Alameda	**9,155,000**	**100**	9,155,000
City of Alameda Facilities District No. 1	9,775,000	100	9,775,000
City of Alameda Facilities District No. 2	770,000	100	770,000
City of Alameda 1915 Act Bonds	6,415,000	100	6,415,000
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			$173,262,613

Ratios to 2010-11 Assessed Valuation:

Direct Debt ($9,155,000)	**0.10%**
Total Direct and Overlapping Tax Assessment Debt	1.85%

DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Alameda County and Coliseum Authority General Fund Obligations	$669,510,500	4.717%	$31,580,810
Alameda County Pension Obligations	131,540,555	4.717	6,204,768
Alameda-Contra Costa Transit District Certificates of Participation	34,485,000	5.725	1,974,266
Peralta Community College District Pension Obligations	160,149,090	14.307	22,912,530
Alameda Unified School District Certificates of Participation	1,260,000	100	1,260,000
City of Alameda General Fund Obligations	**11,600,000**	**100**	**11,600,000**
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT			$75,532,374
TOTAL DIRECT DEBT			**$20,755,000**
TOTAL OVERLAPPING DEBT			$228,039,987
COMBINED TOTAL DEBT			$248,794,987 (2)

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the authority.
(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to Adjusted Assessed Valuation:

Total Direct Debt ($20,755,000)	**0.26%**
Combined Total Debt	3.12%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12: $0

AB:($459)

Note: The overlap is calculated based upon information by the City and County

City of Alameda
Computation of Legal Bonded Debt Margin
June 30, 2012

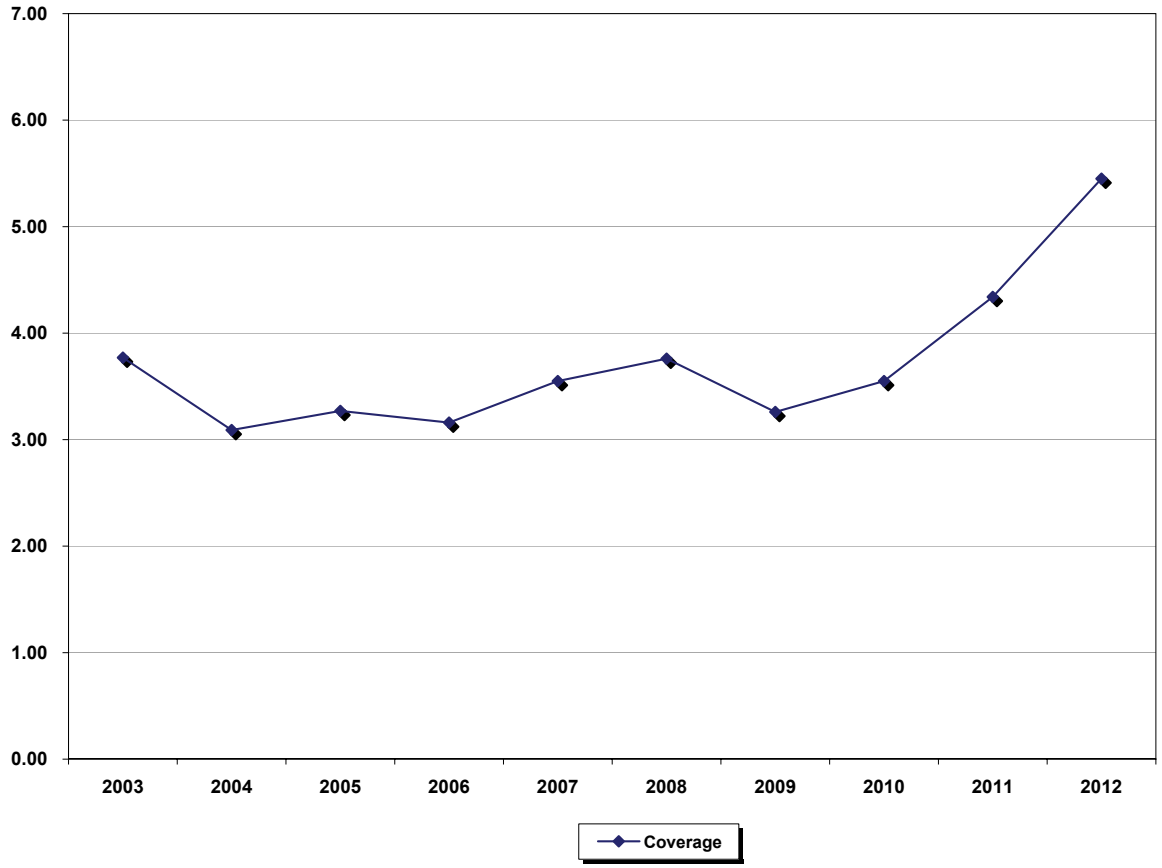
ASSESSED VALUATION:		
Secured property assessed value, net of exempt real property	$8,851,986,300	
BONDED DEBT LIMIT (15% OF ASSESSED VALUE)		$1,327,797,945
AMOUNT OF DEBT SUBJECT TO LIMIT:		
Total Bonded Debt (a)	$34,915,000	
Less:		
Revenue Bonds	12,000,000	
Certificates of Participations	13,760,000	
Amount of debt subject to limit		9,155,000
LEGAL BONDED DEBT MARGIN		$1,318,642,945

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2003	$898,676,682	$22,057,055	$876,619,627	2.52%
2004	952,607,335	87,638,529	864,968,806	10.13%
2005	1,016,580,986	93,934,540	922,646,446	10.18%
2006	1,140,090,450	42,126,174	1,097,964,276	3.84%
2007	1,140,090,450	42,466,779	1,097,623,671	3.87%
2008	1,244,922,492	9,960,000	1,234,962,492	0.81%
2009	1,304,949,038	9,775,000	1,295,174,038	0.75%
2010	1,319,469,397	9,580,000	1,309,889,397	0.73%
2011	1,315,134,261	38,556,717	1,276,577,544	3.02%
2012	1,327,797,945	9,155,000	1,318,642,945	0.69%

Source: City Finance Department

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

City of Alameda
Sewer Fund Debt Coverage
Last Ten Fiscal Years

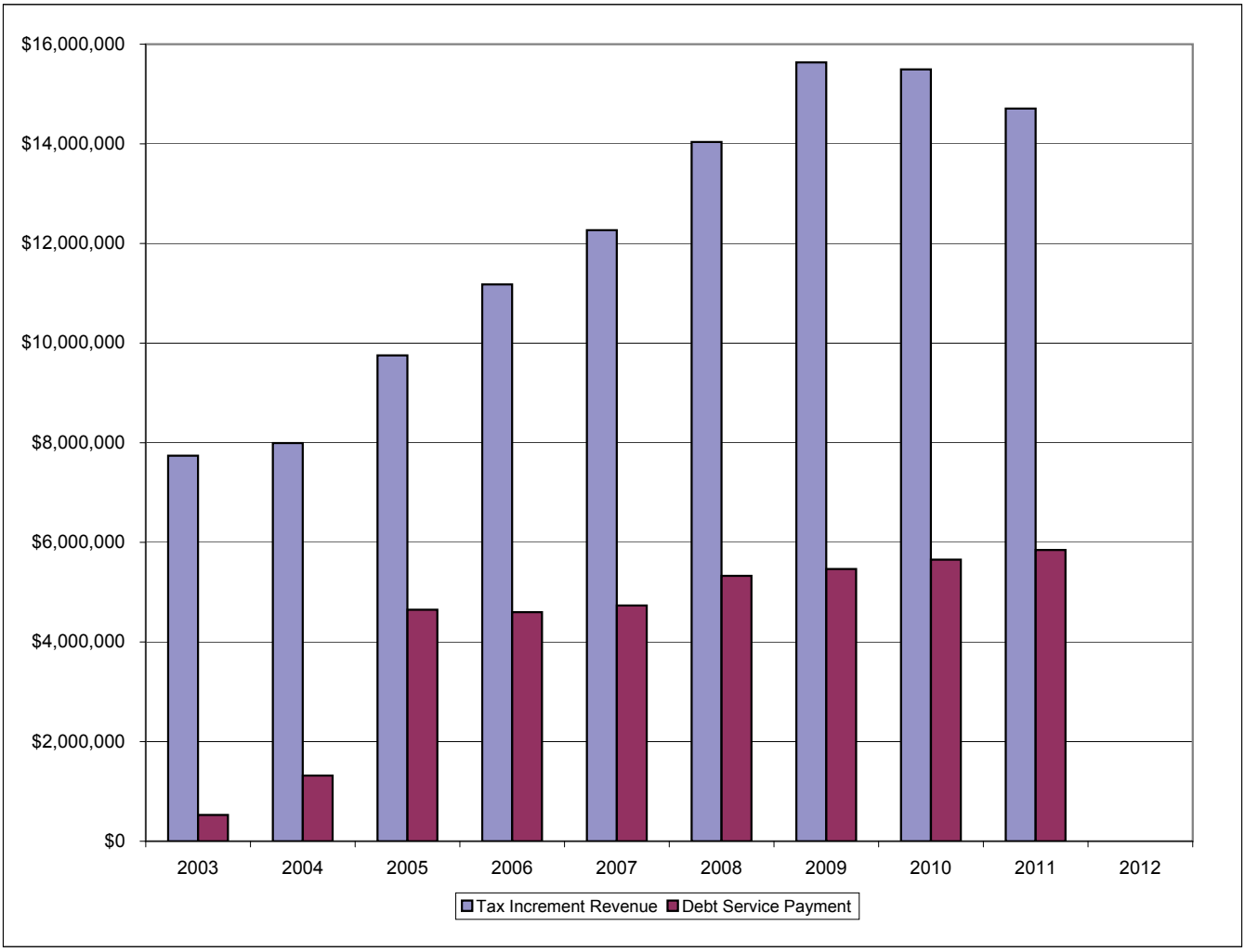


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2003	$5,375,026	$2,303,181	$3,071,845	$448,038	$367,356	$815,394	3.77
2004	5,200,564	2,676,271	2,524,293	464,930	351,415	816,345	3.09
2005	5,358,572	2,352,626	3,005,946	557,150	361,729	918,879	3.27
2006	5,510,703	2,610,725	2,899,978	563,839	354,612	918,451	3.16
2007	6,557,677	3,284,973	3,272,704	588,054	334,260	922,314	3.55
2008	6,802,936	3,344,067	3,458,869	607,573	312,675	920,248	3.76
2009	6,540,313	3,432,587	3,107,726	632,247	322,293	954,540	3.26
2010	6,362,273	3,075,856	3,286,417	652,237	272,959	925,196	3.55
2011	7,322,938	3,328,747	3,994,191	677,500	242,891	920,391	4.34
2012	7,638,530	2,609,730	5,028,800	703,047	219,274	922,321	5.45

Notes: (1) Includes all Sewer Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
(2) Includes all Sewer Operating Expenses less Depreciation and Interest

Source: City of Alameda Annual Financial Statements

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

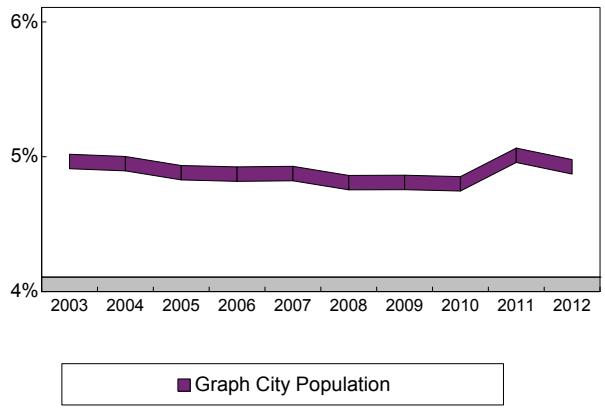


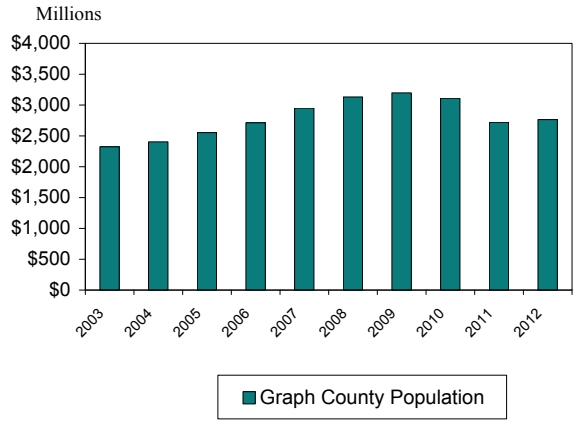
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2003	$7,739,233	$90,000	$437,771	$527,771	14.66
2004	7,993,280	95,000	1,223,210	1,318,210	6.06
2005	9,753,286	650,000	3,997,104	4,647,104	2.10
2006	11,178,320	640,000	3,957,871	4,597,871	2.43
2007	12,266,563	805,000	3,928,195	4,733,195	2.59
2008	14,037,684	1,190,000	4,137,493	5,327,493	2.63
2009	15,634,394	1,300,000	4,165,670	5,465,670	2.86
2010	15,494,892	1,582,000	4,070,898	5,652,898	2.74
2011	14,708,012	1,722,000	4,124,257	5,846,257	2.52
2012	(a)	(a)	(a)	(a)	(a)

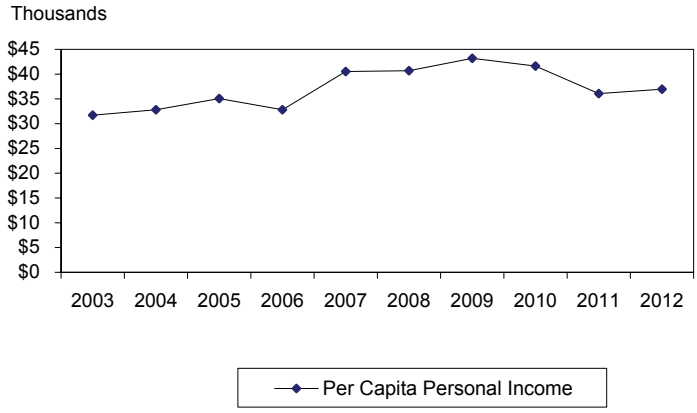
(a) Upon the dissolution of the Community Improvement Commission effective January 31, 2012, a Successor Agency assumed the liabilities of the former Community Improvement Commission, including the Tax Allocation Bonds.

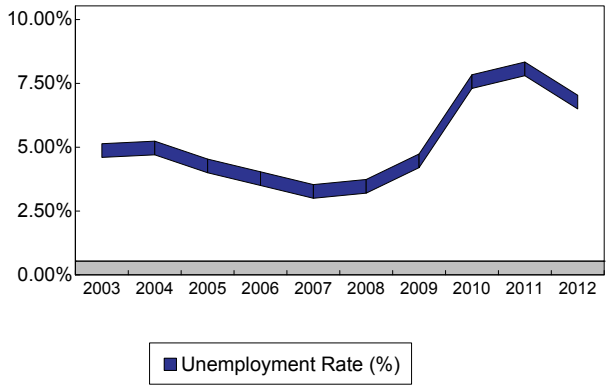
Source: City of Alameda Annual Financial Statements

City of Alameda
Demographic and Economic Statistics
Last Ten Fiscal Years









Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Alameda County Population	City Population % of County
2003	73,240	$2,322,517,000	$31,711	4.6%	$1,491,209	4.91%
2004	73,278	2,403,681,000	32,802	4.7%	1,496,968	4.90%
2005	72,782	2,552,837,000	35,075	4.0%	1,507,500	4.83%
2006	72,761	2,711,584,000	32,802	3.5%	1,510,303	4.82%
2007	72,808	2,950,462,000	40,524	3.0%	1,509,981	4.82%
2008	73,359	3,131,575,000	40,688	3.2%	1,543,000	4.75%
2009	74,032	3,197,344,000	43,189	4.2%	1,556,657	4.76%
2010	74,736	3,110,554,000	41,621	7.3%	1,574,857	4.75%
2011	75,409	2,719,701,000	36,066	7.8%	1,521,157	4.96%
2012	74,640	2,763,776,399	36,962	6.5%	1,532,137	4.87%

Source: California State Department of Finance

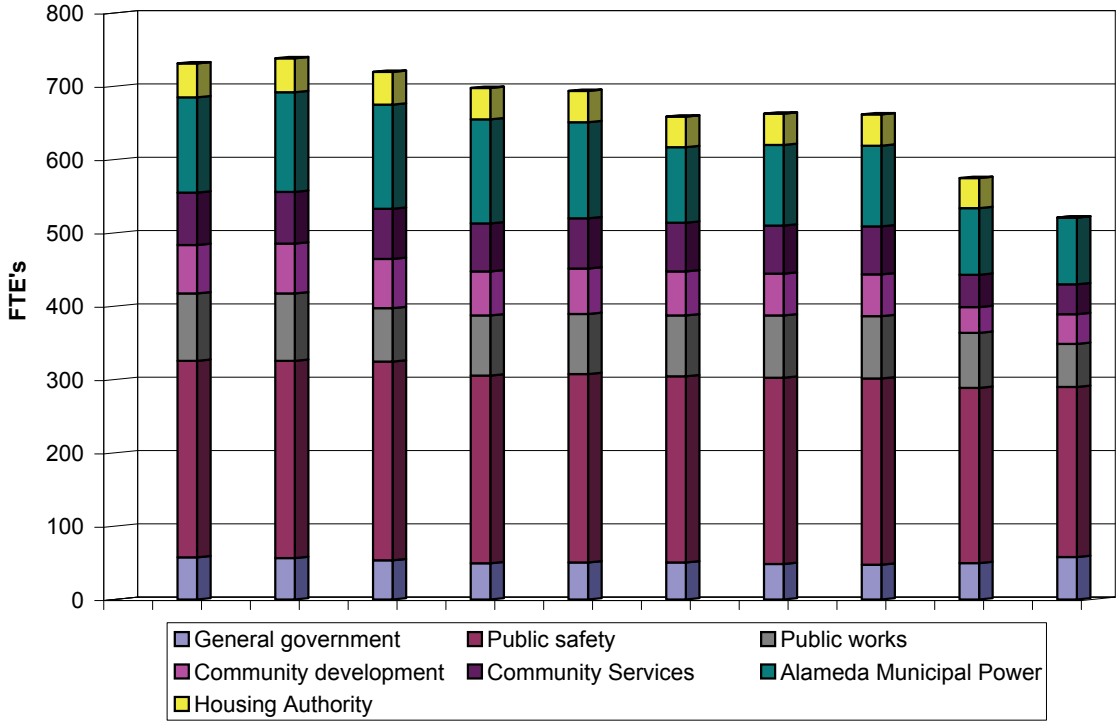
City of Alameda
Principal Employers
Current Year and Six Years Ago (A)

	2011-12			2006-07		
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Telecare Corp	2,100	1	2.81%			
Alameda Unified School District	1,330	2	1.78%	1,000	1	1.33%
North Face Inc.	600	3	0.80%			
City of Alameda	502	4	0.67%	626	3	0.84%
Alameda Hospital	492	5	0.66%	600	4	0.80%
Celera Corp	490	6	0.66%	215	10	0.29%
Associated Third Party Administration	250	7	0.33%			
Bay Ship & Yacht Co	250	8	0.33%			
College of Alameda	216	9	0.29%	472	5	0.63%
Associated Third Party	200	10	0.27%			
Abbott Diabetes Care				671	2	0.90%
Safeway Stores				345	6	0.46%
Wind River Systems				339	7	0.45%
Kaiser Foundation Health Plan				252	8	0.34%
UT Starcom Inc.				223	9	0.30%
Subtotal	3,000		4.019%	3,743		6.329%
Total City Day Population	74,640			74,940		

Sources: City of Alameda, Infousa.com

(A) Employment information not available for fiscal year 2001-2002

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



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
General government	57.50	56.50	53.50	49.50	50.50	50.50	48.50	47.50	49.70	58.00
Public safety	268.00	269.00	271.00	256.00	257.00	254.00	254.00	254.00	239.00	232.00
Public works	92.00	92.00	73.00	82.00	82.00	83.00	85.00	85.00	75.00	58.60
Community development	66.00	68.00	67.00	60.00	62.00	60.00	57.00	57.00	35.20	40.60
Community Services	71.50	70.50	68.50	65.50	68.50	66.50	65.50	65.50	44.00	40.75
Alameda Municipal Power	130.00	136.00	142.00	142.00	131.00	103.00	110.00	110.00	91.00	91.00
Housing Authority	46.20	46.20	44.70	42.70	42.70	41.70	42.70	42.70	41.00	
Total	731.20	738.20	719.70	697.70	693.70	658.70	662.70	661.70	574.90	520.95

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

Source: City of Alameda

City of Alameda

People and Places in the City

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

	2003	2004	2005	2006
General Information				
Area in square miles	10.1	10.1	22.7	22.7
Number of registered voters	39,780	39360	40,968	41,755
Number of Hospitals	1	1	1	1
Education:				
Student enrollment	(A)	(A)	10,383	9,975
Elementary schools	12	12	12	10
Junior high schools	3	3	3	3
High schools	2	2	2	3
Continuation schools	1	1	1	1
Independent study	1	1	1	1
Teachers (full & part time)	528	637	650	621
Function/Program				
Fire:				
Fire calls for service	6,070	6,003	(A)	(A)
Primary fire inspections conducted	(A)	1,700	3,050	3,215
Police:				
Police calls for Service	72,584	65,535	66,634	67,816
Law violations:				
Part I and Part II crimes	7,897	6,741	6,128	6,479
Physical arrests (adult and juvenile)	5,530	4,712	4,036	4,441
Traffic violations	16,845	15,370	16,154	16,205
Sewer				
Storm drain inlets	(A)	(A)	(A)	2,100
Sewer service connections	(A)	(A)	(A)	29,789
Solid Waste				
Refuse Landfill (tons per year)	(A)	(A)	(A)	35,504
Recyclables Processed (tons per year)	(A)	(A)	(A)	10,936

2007	2008	2009	2010	2011	2012
22.7	22.7	22.7	22.7	22.7	22.7
37,307	40,238	42,547	42,547	41,665	42,547
1	1	1	1	1	1
9,975	10,260	9,770	8,704	8,704	8,704
11	10	10	10	10	10
3	3	3	3	3	3
3	3	3	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
650	514 FTE	638	628	628	628
(A)	(A)	4,360	6,100	6,100	6,100
3,215	(A)	2,485	1,991	1,991	1,991
6,883	69,272	69,061	65,963	65,963	65,963
5,824	5,705	5,705	5,141	5,141	5,141
3,574	3,661	3,461	3,103	3,103	3,103
11,721	12,058	12,265	12,000	12,000	12,000
2,100	2,280	2,280	2,300	2,300	2,300
29,789	30,525	30,525	20,590	20,590	20,590
39,584	36,640	31,485.53	33,280.00	33,280.00	33,280.00
14,354	20,816	18,864.14	17,777.00	17,777.00	17,777.00

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

	2003	2004	2005	2006
Planning & Building:				
Number of Building Permits issued	4,964	5,131	7,011	6,197
Recreation and Parks:				
Youth & Teens:				
Number of youth programs	89	90	92	98
Number of youth attendees	22,259	28,479	33,550	22,915
Seniors:				
Number of senior programs	75	79	81	84
Number of senior attendees	117,099	161,216	160,762	167,269
Number of meals served	14,435	14,243	12,154	12,209
Number of Mastick Senior Center attendees	117,099	161,216	160,762	167,269
Golf:				
Number of rounds played	198,113	178,937	151,607	134,114
Library:				
Volumes in Collection (thousands)	184	189	198	193
Total Volumes Borrowed (thousands)	517	508	499	494
Finance:				
Number of Business Licenses issued	8,295	8,732	9,038	9,283
Alameda Power and Telecom:				
Number of electric customers	32,957	33,059	33,188	33,869
Number of kilowatt hours sold	367,521,970	379,852,595	378,328,730	377,792,038
Reliability rate	99.99	99.99	99.99	99.99
Number of telecom customers	8,708	12,001	15,462	16,770
Housing Authority:				
Number of Section 8 vouchers	1,583	1,625	1,625	1,675
Number of managed units	559	559	559	559

Source: City of Alameda

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

2007	2008	2009	2010	2011	2012
5,979	5,297	5,231	4,575	4,575	4,575
102	110	148	151	151	151
23,831	26,766	29,596	153,056	153,056	153,056
96	101	110	114	114	114
166,788	169,552	151,065	153,056	153,056	153,056
11,203	51,962	9,512	9,672	9,672	9,672
166,788	169,352	151,065	153,056	153,056	153,056
144,811	133,250	121,250	118,000	118,000	118,000
224	203	200	216	216	216
483	573	591	630	630	630
10,251	(A)	9,462	8,638	8,638	8,638
33,892	34,030	34,272	34,231	34,231	34,231
389,286,575	392,955,223	387,847,929	383,119,780	383,119,780	383,119,780
99.99	99.99	99.99	99.99	99.99	99.99
16,374	16,316	(B)	(B)	(B)	(B)
1,675	1,675	1,675	1,845	1,845	1,845
559	559	559	572	572	572

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

	2003	2004	2005	2006
Function/Program				
Fire:				
Fire stations	5	5	5	5
Police:				
Police stations	1	1	1	1
Public works:				
Miles of streets	(A)	135	135	135
Miles of bike lanes	(A)	(A)	10	10
Traffic Signals	(A)	(A)	78	78
Wastewater				
Miles of sanitary sewers	(A)	(A)	(A)	160
Miles of storm sewers	(A)	(A)	(A)	41
Recreation and Parks:				
City parks	29	29	31	31
City parks acreage	141	141	149	149
Playgrounds	11	11	11	11
City trails/Bike paths	(A)	(A)	12	12
Community centers	12	12	12	12
Senior centers	1	1	1	1
Sports centers				
Performing arts centers				
Swimming pools (B)	5	5	5	5
Tennis courts (C)	19	19	19	19
Baseball/softball diamonds (D)	15	15	15	15
Soccer/football fields (E)	2	2	2	2
Golf:				
Acres of Greens	5.39	5.39	5.39	5.39
Number of electric golf carts	(A)	(A)	150	150
Library:				
City Libraries	3	3	3	3
Alameda Power and Telecom:				
Miles of lines	239	2,456	245	147
Street lights	(A)	(A)	(A)	6,359

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					
2007	2008	2009	2010	2011	2012
5	5	4	3	3	3
1	1	1	1	1	1
138	141	141	141	141	141
10	12	15	15	15	15
78	78	78	78	78	78
160	165	165	165	165	165
41	41	41	41	41	41
31	31	32	32	32	32
149	152	156	156	156	156
11	11	11	13	13	13
12	13	13	13	13	13
12	13	13	13	13	13
1	1	1	1	1	1
5	5	5	5	5	5
19	19	19	19	19	19
15	15	15	18	18	18
2	2	3	3	3	3
5.39	5.39	5.39	5.39	5.39	5.39
150	120	120	120	120	120
3	3	3	3	3	3
256	257	257	257	257	257
6,365	6,370	6,440	6,069	6,069	6,069

City of Alameda

People and Places in the City

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

City Council
City of Alameda
2263 Santa Clara Avenue
Alameda, California 94501

OPINION: $9,010,000 City of Alameda (Alameda County, California) 2013 General Obligation Refunding Bonds

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Members of the City Council:

We have acted as bond counsel to the City of Alameda (the "City") in connection with the issuance by the City of $9,010,000 principal amount of its City of Alameda (Alameda County, California) 2013 General Obligation Refunding Bonds (the "Bonds"), pursuant to Article 9 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code (the "Act"), a resolution adopted by the City Council of the City (the "Council") on September 17, 2013 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Council contained in the Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The City is duly created and validly existing as a municipal corporation and chartered city with the power to issue the Bonds and to perform its obligations under the Resolution and the Bonds.

2. The Resolution has been duly adopted by the Council of the City and creates a valid first lien on the funds pledged under the Resolution for the security of the Bonds.

3. The Bonds have been duly authorized, executed and delivered by the City and the Bonds are valid and binding general obligations of the City. The Council is required to levy a tax upon all taxable property in the City for the interest and redemption of all outstanding bonds of the City, including the Bonds. The Bonds are payable from an *ad valorem* tax levied without limitation as to rate or amount.

5. Subject to the City's compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative

minimum tax for certain corporations. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be subject to the bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering this opinion, we have relied upon certifications of the City and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the CITY OF ALAMEDA (the "City") in connection with the issuance of $9,010,000 City of Alameda 2013 General Obligation Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the City Council of the City on September 17, 2013 (the "Resolution"). Pursuant to Section 5.07 of the Resolution, the City covenants and agrees as follows:

Section 1. **Definitions**. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

"*Annual Report*" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Beneficial Owner*" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"*Dissemination Agent*" shall mean The Bank of New York Mellon Trust Company, N.A., or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation. In the absence of such a designation, the City shall act as the Dissemination Agent.

"*EMMA*" or "*Electronic Municipal Market Access*" means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"*Listed Events*" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Participating Underwriter*" shall mean any original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. **Purpose of the Disclosure Certificate**. This Disclosure Certificate is being executed and delivered by the City for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 3. **Provision of Annual Reports**.

(a) *Delivery of Annual Report*. The City shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the City's fiscal year (which currently ends on June 30), commencing with the report for the 2012-13 Fiscal Year, which is due not later than March 31, 2014, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4

of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year*. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent*. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the City.

(d) *Report of Non-Compliance*. If the City is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the City shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the City is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification*. The Dissemination Agent shall, if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. **Content of Annual Reports**. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the City for the preceding fiscal year, prepared in accordance generally accepted accounting principles. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited final statement of the City, the Annual Report shall also include operating data with respect to the City for preceding fiscal year, substantially similar to that provided in the corresponding tables and charts in the official statement for the Bonds describing assessed valuations and tax collection records.

(c) *Cross References.* Any or all of such items may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on EMMA. The City shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. **Reporting of Listed Events**.

(a) *Reportable Events.* The City shall, or shall cause the Dissemination Agent (if not the City) to, give notice of the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Unscheduled draws on debt service reserves reflecting financial difficulties.

(3) Unscheduled draws on credit enhancements reflecting financial difficulties.

(4) Substitution of credit or liquidity providers, or their failure to perform.

(5) Defeasances.

(6) Rating changes.

(7) Tender offers.

(8) Bankruptcy, insolvency, receivership or similar event of the obligated person.

(9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(b) *Material Reportable Events.* The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) Non-payment related defaults.

(2) Modifications to rights of security holders.

(3) Bond calls.

(4) The release, substitution, or sale of property securing repayment of the securities.

(5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Resolution.

Section 6. **Identifying Information for Filings with EMMA**. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. **Termination of Reporting Obligation**. The City's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. **Dissemination Agent**.

(a) *Appointment of Dissemination Agent*. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the City, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the City. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the City shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the City.

(b) *Compensation of Dissemination Agent*. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the City from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the City, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the City or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the City. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

(c) *Responsibilities of Dissemination Agent*. In addition of the filing obligations of the Dissemination Agent set forth in Sections 3(e) and 5, the Dissemination Agent shall be obligated, and hereby agrees, to provide a request to the City to compile the information required for its Annual Report at least 30 days prior to the date such information is to be provided to the Dissemination Agent pursuant to subsection (c) of Section 3. The failure to provide or receive any such request shall not affect the obligations of the City under Section 3.

Section 9. **Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the City that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances*. If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted.

(b) *Compliance as of Issue Date*. The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion*. The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the City shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. **Additional Information**. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. **Default**. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Bond owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. **Duties, Immunities and Liabilities of Dissemination Agent**. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Resolution. The obligations of the City under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. **Beneficiaries**. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: [Closing Date]

CITY OF ALAMEDA, CALIFORNIA

By _____
Name _____
Title _____

ACKNOWLEDGED:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Dissemination Agent

By _____
Name _____
Title _____

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Alameda

Name of Issue: City of Alameda 2013 General Obligation Refunding Bonds

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dissemination Agent

By _____
Authorized Officer

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APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix E has been provided by The Depository Trust Company ("DTC"), New York, NY, for use in securities offering documents, and the City does not take responsibility for the accuracy or completeness thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants mill act in the manner described in this Official Statement.

The following description of DTC, the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is

owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). On August 8, 2011, Standard & Poor's downgraded its rating of DTC from AAA to AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

THE FISCAL AGENT, AS LONG AS A BOOK-ENTRY-ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES ONLY TO CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE. ANY FAILURE OF CEDE & CO., OR ITS SUCCESSOR AS DTC'S PARTNERSHIP NOMINEE TO ADVISE ANY PARTICIPANT, OR OF ANY PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy

assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

12. THE CITY AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL, INTEREST OR PREMIUM, IF ANY, WITH RESPECT TO THE BONDS PAID TO DTC OR ITS NOMINEE AS THE REGISTERED OWNER, OR WILL DISTRIBUTE ANY REDEMPTION NOTICES OR OTHER NOTICES, TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CITY AND THE UNDERWRITER ARE NOT RESPONSIBLE OR LIABLE FOR THE FAILURE OF DTC OR ANY PARTICIPANT TO MAKE ANY PAYMENT OR GIVE ANY NOTICE TO A BENEFICIAL OWNER WITH RESPECT TO THE BONDS OR AN ERROR OR DELAY RELATING THERETO.

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