BUDGET PROCESS

The City Manager's Office oversees the annual budget process, including the coordination and review of department budget requests and the final preparation of a recommended Program Performance-Based Budget for consideration and adoption by the City Council, the Community Improvement Commission (CIC) and the Alameda Reuse and Redevelopment Authority (ARRA).

The City operates on a fiscal year basis that begins July 1 of each year, and ends the following year on June 30. Preparation of an annual program performance-based budget requires an intensive effort. Ongoing dialogue with departments, advisory boards and commissions, and the City Council is critical to the development of a meaningful resource allocation plan.

After adoption, the City Council may amend the budget at any time during the fiscal year. The City Manager may adjust expenditures within a department and within a fund, per City ordinance, in so far as these amendments do not increase the total appropriations authorized by the legislative body. As departments identify new or additional revenue sources or needs throughout the year, the City Manager may consider budget amendment requests and recommend such to the appropriate legislative bodies. The City Manager meets regularly with department executives to discuss budget modifications and potential departmental needs throughout the year.

FINANCIAL MANAGEMENT GUIDELINES

In planning for and preparing the annual budget, prudent fiscal decisions are made that will sustain the long-term health and well-being of the City organization. Accordingly, the City Manager strives to make fiscal recommendations in the proposed budget that adhere to the following financial guidelines:

Balanced Budget. The annual program plan must balance resources with expenditure appropriations. The City Council requires the City Manager to control expenses in such a manner that department budgets are not expended beyond the levels that are appropriated in the annual budget or that which the City has funds to support.

Pursuit of New Revenues/Maximizing Use of Non-General Fund Revenues. City departments pursue revenue sources, when reasonable, in support of department goals. Where not prohibited by law, departments will maximize use of non-General Fund revenues prior to using General Fund revenues to fund programs. In all cases, the City Council expects that revenues are budgeted when there is substantial assurance of receipts in the fiscal year in which expenditures are planned.

Use of "One-Time" Funds. City Council policy states that one-time revenues shall be dedicated for use as one-time expenditures. Annual budgets are not increased to the point that ongoing operating costs become overly reliant on cyclical or one-time revenues sources. During periods of economic downturn or any significant State "take

aways", the use of one-time sources of funds may be used to ease the transition to downsized and/or reorganized operations.

Cost Recovery through Fees. Departments must utilize fees to recover costs where reasonable, once all cost-saving options have been explored. There must be statutory authority for the City to levy a fee, and the fee must be approved by the City Council. If permissible by law, fees and charges recover costs of the services provided, unless otherwise directed by the City Council. Programs funded by charges for services, fees, grants, and special revenue sources will pay full and fair share of all direct and indirect costs to the extent feasible and legally permitted.

Grants. Any new grant award that requires funds/matching requirements or other commitments must be reviewed by the City Manager. The City Manager reviews and approves any proposed allocation of grant monies before departmental submission of the grant application to the granting agency. When applying for grants for ongoing programs as opposed to planning or capital grants, departments must consider funding to be provided for the duration of the program. To the extent legally possible, all grant applications should be based on full costing, including overhead and indirect costs. Where matching funds are required for grant purposes, departments should provide as much "in-kind" contribution as permissible, rather than cash matches. Unless long-term funding is secure, departments should avoid adding staff to support new grant supported programs. If it is necessary to add staff, limited term positions should be used.

Interest Earnings. Unless otherwise prohibited by law or Generally Accepted Accounting Principals (GAAP), interest earnings in operating funds are allocated to each fund semi-annually, based upon its proportionate share of idle cash invested. City Council policy cautions against undue reliance on interest earnings as a recurrent revenue source.

Matching Funds/Backfill. Generally speaking, federal and state program reductions will not be backfilled with City discretionary revenues except with City Council authorization. The City Council, at its discretion, may provide "overmatches" to under-funded programs to ensure or enhance specified levels of service, based upon recommendation of the City Manager.

Cost Allocation. Overhead costs shall be allocated to all non General Fund funds, and department programs within funds based upon the cost allocation and implementation plan developed annually.

Budget Reductions. Reductions shall be evaluated on a programmatic basis to reach the appropriation levels required within available funding. When budget reductions are necessary, departments prioritize service programs and propose reductions in areas that are least effective in terms of achieving City goals. Departments also consider the potential effects on interrelated or cross-departmental programs when developing budget reductions.

Non-Emergency Mid-Year Requests. Mid-year budget and capital project requests of a non-immediate nature requiring the use of fund balance are referred to subsequent

year budget deliberations, in order to accommodate program prioritization relative to city and departmental goals and available financing sources. Mid-year budget requests, which can be absorbed within a department's budget, are considered as a component of the mid-year budget review process.

Appropriations from Unanticipated Revenues. Appropriations from departmental unanticipated revenues are not be recommended, unless the department is either reaching or exceeding its total departmental revenue estimates on a monthly or quarterly basis; its revenues are in line with historical trends for that department; and, the appropriation is consistent with departmental goals. Grant program revenues and appropriations are addressed separately.

General Fund Support/Net City Cost. General Fund Support is the amount of General Fund money allocated to a given program budget after revenues and other funding sources are netted against program expenditures. Significant variances from budgeted General Fund Support/Net City Cost amounts during the fiscal year may result in a recommendation to reduce expenditures to ensure that the budgeted net costs are achieved by fiscal year end.

Debt Financing. Debt is incurred for the purpose of financing capital projects cost effectively in those years in which the improvement will provide benefits. Debt is also incurred to reduce future costs such as refinancing (pension obligation bonds, general obligation bonds, certificates of participation) at lower interest rates. The City finances and administers debt consistent with an established City Council policy.

General Fund Balance. General Fund fund balance that is available at the close of any given fiscal year is estimated during the final stages of the budget development process for the following fiscal year. Fund balance is used to achieve and maintain the City's reserve goals, and to balance subsequent budgets only when recommended by the City Manager, and approved by the City Council. It is the policy of the City Council that the City should strive to reduce its reliance upon prior year's remaining fund balance to finance subsequent year operations.

Contingency Reserves. In the General Fund, the City shall strive to maintain a minimum of 5% of its operating budget in budgeted contingency. Contingency should be used to support economic uncertainties, one-time operating cost increases, special studies or reports necessary to fulfill the organization's mission.

DEBT MANAGEMENT

To the extent resources are available, the City provides for the routine maintenance of City facilities and infrastructure from operating resources. The City attempts to fund capital projects with grants, impact fees, or other non-recurring resources. If these funding sources are insufficient, developing new funding sources using general revenues, operating surplus, capital reserves or leveraging these resources through long-term debt is pursued.

BUDGET BASIS

The annual budget is prepared, reviewed and approved in accordance with Government Finance Officer Association (GFOA) standards. Both the budget and financial statements are prepared using Generally Accepted Accounting Principles (GAAP).

The City accounts for expenditures and revenues according to Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balanced set of accounts. The City budget is allocated across multiple operating and capital funds to allow for proper accounting of all expenditures and revenues related to a particular revenue source.

The annual budget includes all operating, capital and debt service requirements for the City for the subsequent fiscal year, and a forecast of these requirements for a second fiscal year. The annual budget also includes revenue and expenditure assumptions upon which the budget is based; the number of budgeted positions by department and programs; goals, key objectives, and performance measures for each department and program; additional information such as organization charts, workplan highlights, mission statements and executive summaries of all fund activity to facilitate transparent review of the City's allocated resources.

DEBT SCHEDULE SUMMARY

General Obligation Debt

- $10,600,000 City of Alameda General Obligation Bonds, Series 2003

Tax Increment Supported Debt

- $2,740,000 APFA 1992 Revenue Bonds, Series A (WCIP)
- $4,640,000 CIC Subordinate Tax Allocation Bonds, 2002 Series B (BWIP)
- $17,510,000 CIC Tax Allocation Refunding Bonds, Series 2003C (BWIP)
- $1,025,000 CIC Tax Allocation Refunding Bonds, Series 2003D (BWIP)
- $7,745,000 CIC Insured Tax Allocation Bonds, Series 2003A1 (Merged)
- $29,645,000 CIC Insured Tax Allocation Bonds, Series 2003A2 (Merged)
- $9,205,000 CIC Subordinate Tax Allocation Bonds, Series 2003B (Merged)

Land Secured Debt

- $17,035,000 CFD No. 1 (Harbor Bay), 1996 Series A
- $2,075,000 CFD No. 2 (Paragon Gateway), Series 1997
- $27,775,000 1999 Revenue Bonds (Harbor Bay Assessment District)
- $37,685,000 1999 Revenue Bonds (Marina Village Assessment District)

Lease Revenue Debt

- $9,080,000 APFA Variable Rate Demand Bonds, 2003 Series A (Alameda Point)
- $4,360,000 APFA Taxable VRDBs, 2003 Series B (Alameda Point)

Certificates of Participation and Enterprise Revenue Debt

- $5,850,000 COPs (1995 Sewer System Refinancing and Improvement Project)
- $11,370,000 COPs (2002 City Hall Refinancing Project)
- $4,575,000 COPs (2008 Refinancing Project)

$10,600,000

CITY OF ALAMEDA
General Obligation Bonds, Series 2003

Dated Date: April 8, 2003

Final Maturity Date: August 1, 2033

Bond Counsel: Nixon Peabody

Underwriter: Competitive Sale

Paying Agent: BNY Western Trust Company

Financial Advisor: E. Wagner & Associates, Inc.

Credit Enhancement: MBIA

Underlying Ratings: S&P - AA- Moody's - A1

Interest Rates:
NIC: 4.942% TIC: 4.916%

Outstanding Fund Balances/Investment Types
Project Fund - $0.00

Principal Retired: $1,020,000

Principal Outstanding: $9,850,000

Security for the Bonds: Full faith and credit of the City, which has the power to levy ad valorem taxes without limitation for the payment of the Bonds.

Use of Project Funds: Proceeds were used to finance the acquisition and construction of a new main library and improvements to two branch libraries within the City.

Analysis: The Series 2003 Bonds can legally be advance refunded at any time. However, since the Bonds are not callable until 2012, the City should be prepared to show reasons why advance refunding these bonds now would be advantageous. Otherwise, it would be prudent to wait until it is closer to the first call date since an advance refunding at this time would not produce a conventionally acceptable level of PV savings.

Fiscal Year Ending 6/30	Principal Due in August	Coupon	Interest Due in Aug and Feb	Total Due per Fiscal Year	Bond Balance	Call Feature
2003	$0.00	0	$157,226.94	$157,226.94	$10,600,000.00	
2004	$145,000.00	2.00%	$500,900.00	$645,900.00	$10,455,000.00	
2005	$155,000.00	2.00%	$498,000.00	$653,000.00	$10,300,000.00	
2006	$165,000.00	2.00%	$494,900.00	$659,900.00	$10,135,000.00	
2007	$175,000.00	2.00%	$491,600.00	$666,600.00	$9,960,000.00	
2008	$185,000.00	3.00%	$488,100.00	$673,100.00	$9,775,000.00	
2009	$195,000.00	4.00%	$482,550.00	$677,550.00	$9,580,000.00	
2010	$205,000.00	4.00%	$474,750.00	$679,750.00	$9,375,000.00	
2011	$220,000.00	4.00%	$466,550.00	$686,550.00	$9,155,000.00	
2012	$230,000.00	5.00%	$457,750.00	$687,750.00	$8,925,000.00	
2013	$245,000.00	5.00%	$446,250.00	$691,250.00	$8,680,000.00	Call @ 102
2014	$260,000.00	5.00%	$434,000.00	$694,000.00	$8,420,000.00	Call @ 101
2015	$275,000.00	5.00%	$421,000.00	$696,000.00	$8,145,000.00	Call @ Par
2016	$285,000.00	5.00%	$407,250.00	$692,250.00	$7,860,000.00	Call @ Par
2017	$300,000.00	5.00%	$393,000.00	$693,000.00	$7,560,000.00	Call @ Par
2018	$315,000.00	5.00%	$378,000.00	$693,000.00	$7,245,000.00	Call @ Par
2019	$335,000.00	5.00%	$362,250.00	$697,250.00	$6,910,000.00	Call @ Par
2020	$350,000.00	5.00%	$345,500.00	$695,500.00	$6,560,000.00	Call @ Par
2021	$370,000.00	5.00%	$328,000.00	$698,000.00	$6,190,000.00	Call @ Par
2022	$385,000.00	5.00%	$309,500.00	$694,500.00	$5,805,000.00	Call @ Par
2023	$405,000.00	5.00%	$290,250.00	$695,250.00	$5,400,000.00	Call @ Par
2024	$430,000.00	5.00%	$270,000.00	$700,000.00	$4,970,000.00	Call @ Par
2025	$450,000.00	5.00%	$248,500.00	$698,500.00	$4,520,000.00	Call @ Par
2026	$470,000.00	5.00%	$226,000.00	$696,000.00	$4,050,000.00	Call @ Par
2027	$495,000.00	5.00%	$202,500.00	$697,500.00	$3,555,000.00	Call @ Par
2028	$520,000.00	5.00%	$177,750.00	$697,750.00	$3,035,000.00	Call @ Par
2029	$550,000.00	5.00%	$151,750.00	$701,750.00	$2,485,000.00	Call @ Par
2030	$575,000.00	5.00%	$124,250.00	$699,250.00	$1,910,000.00	Call @ Par
2031	$605,000.00	5.00%	$95,500.00	$700,500.00	$1,305,000.00	Call @ Par
2032	$635,000.00	5.00%	$65,250.00	$700,250.00	$670,000.00	Call @ Par
2033	$670,000.00	5.00%	$33,500.00	$703,500.00	$0.00	
Total	**$10,600,000.00**		**$10,222,326.94**	**$20,822,326.94**		

$2,740,000

ALAMEDA PUBLIC FINANCING AUTHORITY
1992 Revenue Bonds, Series A
(West End Community Improvement Project – Housing Increment Loan)

Dated Date: April 1, 1992

Final Maturity Date: April 1, 2016

Bond Counsel: Jones Hall Hill & White

Underwriter: Miller & Schroeder Financial

Trustee: Bank of America

Financial Advisor: None

Credit Enhancement: None

Underlying Rating: S&P - A

Interest Rates:
NIC: 6.827% TIC: 6.799%

Outstanding Fund Balances/Investment Types
Escrow Fund - $0.00
Low/Mod Housing Fund - $0.00
Reserve Fund – Surety (IBJ)

Principal Retired: $1,445,000

Principal Outstanding: $1,295,000

Security for the Bonds: 20% Housing Set-Aside tax increment funds.

Use of Project Funds: Proceeds were used to make a loan to the CIC for the purpose of paying all principal and interest payments on its $2,315,000 WECIP 1985 Tax Allocation Bonds.

Analysis: The Series 1992 Bonds are currently callable. However, due to the relatively small amount of outstanding bonds, we would only suggest refunding them as part of a larger issue.

Fiscal Year Ending 6/30	Principal Due in April	Coupon	Interest Due in Apr and Sept	Total Due per Fiscal Year	Bond Balance	Call Feature
1992	$0.00	0	$0.00	$0.00	$2,740,000.00	
1993	$50,000.00	4.40%	$177,705.00	$227,705.00	$2,690,000.00	
1994	$55,000.00	5.00%	$175,505.00	$230,505.00	$2,635,000.00	
1995	$55,000.00	5.20%	$172,755.00	$227,755.00	$2,580,000.00	
1996	$60,000.00	5.40%	$169,895.00	$229,895.00	$2,520,000.00	
1997	$65,000.00	5.60%	$166,655.00	$231,655.00	$2,455,000.00	
1998	$65,000.00	5.80%	$163,015.00	$228,015.00	$2,390,000.00	
1999	$70,000.00	6.00%	$159,245.00	$229,245.00	$2,320,000.00	
2000	$75,000.00	6.20%	$155,045.00	$230,045.00	$2,245,000.00	
2001	$80,000.00	6.25%	$150,395.00	$230,395.00	$2,165,000.00	
2002	$90,000.00	6.35%	$145,395.00	$235,395.00	$2,075,000.00	
2003	$90,000.00	6.40%	$139,680.00	$229,680.00	$1,985,000.00	
2004	$95,000.00	6.50%	$133,920.00	$228,920.00	$1,890,000.00	
2005	$105,000.00	6.50%	$127,745.00	$232,745.00	$1,785,000.00	
2006	$115,000.00	6.60%	$120,920.00	$235,920.00	$1,670,000.00	
2007	$115,000.00	6.60%	$113,330.00	$228,330.00	$1,555,000.00	
2008	$125,000.00	6.80%	$105,740.00	$230,740.00	$1,430,000.00	Call @ 2%
2009	$135,000.00	6.80%	$97,240.00	$232,240.00	$1,295,000.00	Call @ 1-1/2
2010	$150,000.00	6.80%	$88,060.00	$238,060.00	$1,145,000.00	Call @ 1
2011	$160,000.00	6.80%	$77,860.00	$237,860.00	$985,000.00	Call @ 1/2
2012	$170,000.00	6.80%	$66,980.00	$236,980.00	$815,000.00	Call @ Par
2013	$185,000.00	6.80%	$55,420.00	$240,420.00	$630,000.00	Call @ Par
2014	$195,000.00	6.80%	$42,840.00	$237,840.00	$435,000.00	Call @ Par
2015	$205,000.00	6.80%	$29,580.00	$234,580.00	$230,000.00	Call @ Par
2016	$230,000.00	6.80%	$15,640.00	$245,640.00	$0.00	
Total	**$2,740,000.00**		**$2,850,565.00**	**$5,590,565.00**		

$4,640,000

COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA
Subordinate Taxable Tax Allocation Bonds
(Business and Waterfront Improvement Area) 2002 Series B

Dated Date: March 14, 2002

Final Maturity Date: February 1, 2012

Bond Counsel: Quint & Thimmig

Underwriter: E.J. De La Rosa & Co.

Trustee: Union Bank of California

Financial Advisor: Gardner, Underwood & Bacon

Credit Enhancement: Not Rated

Underlying Ratings: None

Interest Rates:
NIC: 7.447% TIC: 7.427%

Outstanding Fund Balances/Investment Types
Reserve Account - $464,000.00
Property Value Reserve Fund - $377,857.50

Principal Retired: $3,025,000

Principal Outstanding: $1,615,000

Security for the Bonds: BWIP net pledged tax increment.

Use of Project Funds: Proceeds were used to repay a loan from the City to the CIC related to the CIC's Business and Waterfront Project.

Analysis: These bonds are non-callable, however because the bonds are taxable, they could be defeased to maturity if the CIC could derive an economic gain from doing so.

Fiscal Year Ending 6/30	Principal Due in February	Coupon	Interest Due in Feb. and Aug.	Total Due per Fiscal Year	Bond Balance	Call Feature
2002	$0		$0	$0	$4,640,000.00	
2003	$0		$298,091.18	$298,091.18	$4,640,000.00	
2004	$0		$338,526.26	$338,526.26	$4,640,000.00	
2005	$530,000.00	6.05%	$338,526.26	$868,526.26	$4,110,000.00	
2006	$250,000.00	6.57%	$306,461.26	$556,461.26	$3,860,000.00	
2007	$450,000.00	6.98%	$290,036.26	$740,036.26	$3,410,000.00	
2008	$525,000.00	7.38%	$258,626.26	$783,626.26	$2,885,000.00	
2009	$595,000.00	7.75%	$219,881.26	$814,881.26	$2,290,000.00	
2010	$675,000.00	7.50%	$173,768.76	$848,768.76	$1,615,000.00	Non-Callable
2011	$760,000.00	7.63%	$123,143.76	$883,143.76	$855,000.00	Non-Callable
2012	$855,000.00	7.63%	$65,193.76	$920,193.76	$0	Non-Callable
Total	**$4,640,000.00**		**$2,412,255.02**	**$7,052,255.02**		

$17,510,000

COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA
Tax Allocation Refunding Bonds
(Business and Waterfront Improvement Area) Series 2003C

Dated Date: October 28, 2003

Final Maturity Date: February 1, 2032

Bond Counsel: Quint & Thimmig

Underwriter: E. J. De La Rosa & Co.

Trustee: Union Bank of California

Financial Advisor: Gardner, Underwood & Bacon

Credit Enhancement: Ambac

Underlying Rating:
S&P: A-

Interest Rates:
NIC: 4.612% TIC: 4.585%

Outstanding Fund Balances/Investment Types
Debt Reserve Account - $1,263,768.75

Principal Retired: $1,055,000

Principal Outstanding: $16,445,000

Security for the Bonds: BWIP Area net pledged tax increment.

Use of Project Funds: Proceeds were used to refinance certain outstanding obligations of the CIC.

Analysis: The Series 2003C Bonds are not callable until 2013 and are not eligible for advanced refunding consideration. These bonds cannot be considered a refunding candidate at this time.

Fiscal Year Ending 6/30	Principal Due in February	Coupon	Interest Due in Feb. and Aug.	Total Due per Fiscal Year	Bond Balance	Call Feature
2004	$0.00	0	$192,076.81	$192,076.81	$17,510,000.00	
2005	$0.00	0	$785,768.76	$785,768.76	$17,510,000.00	
2006	$0.00	0	$785,768.76	$785,768.76	$17,510,000.00	
2007	$200,000.00	2.00%	$785,768.76	$985,768.76	$17,310,000.00	
2008	$430,000.00	4.00%	$781,768.76	$1,211,768.76	$16,880,000.00	
2009	$210,000.00	4.25%	$764,568.76	$974,568.76	$16,670,000.00	
2010	$215,000.00	4.25%	$755,643.76	$970,643.76	$16,455,000.00	
2011	$225,000.00	3.20%	$746,506.26	$971,506.26	$16,230,000.00	
2012	$235,000.00	3.50%	$739,306.26	$974,306.26	$15,995,000.00	
2013	$525,000.00	3.63%	$731,081.26	$1,256,081.26	$15,470,000.00	Call @ Par
2014	$550,000.00	3.88%	$712,050.00	$1,262,050.00	$14,920,000.00	Call @ Par
2015	$570,000.00	4.00%	$690,737.50	$1,260,737.50	$14,350,000.00	Call @ Par !
2016	$590,000.00	4.50%	$667,937.50	$1,257,937.50	$13,760,000.00	Call @ Par !
2017	$610,000.00	4.50%	$641,387.50	$1,251,387.50	$13,150,000.00	Call @ Par !
2018	$640,000.00	4.30%	$613,937.50	$1,253,937.50	$12,510,000.00	Call @ Par !
2019	$670,000.00	4.40%	$586,417.50	$1,256,417.50	$11,840,000.00	Call @ Par !
2020	$695,000.00	4.50%	$556,937.50	$1,251,937.50	$11,145,000.00	Call @ Par !
2021	$720,000.00	4.50%	$525,662.50	$1,245,662.50	$10,425,000.00	Call @ Par !
2022	$755,000.00	4.63%	$493,262.50	$1,248,262.50	$9,670,000.00	Call @ Par !
2023	$785,000.00	4.63%	$458,343.76	$1,243,343.76	$8,885,000.00	Call @ Par !
2024	$825,000.00	4.75%	$422,037.50	$1,247,037.50	$8,060,000.00	Call @ Par !
2025	$860,000.00	4.75%	$382,850.00	$1,242,850.00	$7,200,000.00	Call @ Par !
2026	$900,000.00	4.75%	$342,000.00	$1,242,000.00	$6,300,000.00	Call @ Par !
2027	$935,000.00	4.75%	$299,250.00	$1,234,250.00	$5,365,000.00	Call @ Par !
2028	$980,000.00	4.75%	$254,837.50	$1,234,837.50	$4,385,000.00	Call @ Par !
2029	$1,025,000.00	4.75%	$208,287.50	$1,233,287.50	$3,360,000.00	Call @ Par !
2030	$1,070,000.00	4.75%	$159,600.00	$1,229,600.00	$2,290,000.00	Call @ Par !
2031	$1,115,000.00	4.75%	$108,775.00	$1,223,775.00	$1,175,000.00	Call @ Par !
2032	$1,175,000.00	4.75%	$55,812.50	$1,230,812.50	$0.00	
Total	**$17,510,000.00**		**$15,248,381.91**	**$32,758,381.91**		

$1,025,000

COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA
Tax Allocation Refunding Bonds
(Business and Waterfront Improvement Area) Series 2003D

Dated Date: October 28, 2003

Final Maturity Date: February 1, 2012

Bond Counsel: Quint & Thimmig

Underwriter: E. J. De La Rosa & Co.

Trustee: Union Bank of California

Financial Advisor: Gardner, Underwood & Bacon

Credit Enhancement: Ambac

Underlying Rating:
S&P: A-

Interest Rates:
NIC: 4.800% TIC: 4.801%

Outstanding Fund Balances/Investment Types
Shared Debt Reserve with Series C

Principal Retired: $490,000

Principal Outstanding: $535,000

Security for the Bonds: BWIP Area net pledged tax increment.

Use of Project Funds: Proceeds were used to refinance certain outstanding obligations of the CIC.

Analysis: The Series 2003D Bonds are non-callable and are not eligible for refunding consideration. However they could be defeased to maturity if the CIC could derive an economic or structuring benefit from doing so.

Fiscal Year Ending 6/30	Principal Due in February	Coupon	Interest Due in Feb. and Aug.	Total Due per Fiscal Year	Bond Balance	Call Feature
2004	$0.00	0	$12,026.67	$12,026.67	$1,025,000.00	
2005	$0.00	0	$49,200.00	$49,200.00	$1,025,000.00	
2006	$0.00	0	$49,200.00	$49,200.00	$1,025,000.00	
2007	$0.00	0	$49,200.00	$49,200.00	$1,025,000.00	
2008	$0.00	0	$49,200.00	$49,200.00	$1,025,000.00	
2009	$240,000.00	4.80%	$49,200.00	$289,200.00	$785,000.00	
2010	$250,000.00	4.80%	$37,680.00	$287,680.00	$535,000.00	Non-Callable
2011	$265,000.00	4.80%	$25,680.00	$290,680.00	$270,000.00	Non-Callable
2012	$270,000.00	4.80%	$12,960.00	$282,960.00	$0.00	Non-Callable
Total	**$1,025,000.00**		**$334,346.67**	**$1,359,346.67**		

$7,745,000

COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA
Insured Tax Allocation Bonds
(Merged Improvement Area) Series 2003A1

Dated Date: December 10, 2003

Final Maturity Date: March 1, 2033

Bond Counsel: Nixon Peabody

Underwriter: Stone & Youngberg

Trustee: Union Bank of California

Pricing Agent: Gardner, Underwood & Bacon

Credit Enhancement: Ambac

Underlying Rating: S&P - BBB+

Interest Rates:
NIC: 4.720% TIC: 4.692%

Outstanding Fund Balances/Investment Types
Debt Service Reserve Fund - $663,142.31

Principal Retired: $250,000

Principal Outstanding: $7,495,000

Security for the Bonds: Merged Improvement Area net pledged tax increment.

Use of Project Funds: Proceeds were used to finance and refinance certain CIC redevelopment projects and obligations.

Analysis: The Series 2003Al Bonds can legally be advance refunded at any time. However, since the Bonds are not callable until 2013, the Agency should be prepared to show reasons why advance refunding these bonds now would be advantageous. For example, a reason might be to reduce the Agency's annual debt payments by extending the maturity on the refunding bonds. Otherwise, it would be prudent to wait until it is closer to the first call date to advance refund the Bonds.

Fiscal Year Ending 6/30	Principal Due in March	Coupon	Interest Due in March & Sept	Total Due per Fiscal Year	Bond Balance	Call Feature
2004	$0.00	0	$71,674.34	$71,674.34	$7,745,000.00	
2005	$0.00	0	$353,462.50	$353,462.50	$7,745,000.00	
2006	$250,000.00	2.00%	$353,462.50	$603,462.50	$7,495,000.00	
2007	$0.00	0	$348,462.50	$348,462.50	$7,495,000.00	
2008	$0.00	0	$348,462.50	$348,462.50	$7,495,000.00	
2009	$0.00	0	$348,462.50	$348,462.50	$7,495,000.00	
2010	$0.00	0	$348,462.50	$348,462.50	$7,495,000.00	
2011	$0.00	0	$348,462.50	$348,462.50	$7,495,000.00	
2012	$0.00	0	$348,462.50	$348,462.50	$7,495,000.00	
2013	$200,000.00	3.70%	$348,462.50	$548,462.50	$7,295,000.00	Call @ 102
2014	$205,000.00	3.75%	$341,062.50	$546,062.50	$7,090,000.00	Call @ 101
2015	$210,000.00	3.85%	$333,375.00	$543,375.00	$6,880,000.00	Call @ Par
2016	$220,000.00	4.00%	$325,290.00	$545,290.00	$6,660,000.00	Call @ Par !
2017	$230,000.00	4.13%	$316,490.00	$546,490.00	$6,430,000.00	Call @ Par !
2018	$245,000.00	4.25%	$307,002.50	$552,002.50	$6,185,000.00	Call @ Par !
2019	$250,000.00	4.30%	$296,590.00	$546,590.00	$5,935,000.00	Call @ Par !
2020	$265,000.00	4.40%	$285,840.00	$550,840.00	$5,670,000.00	Call @ Par !
2021	$275,000.00	4.50%	$274,180.00	$549,180.00	$5,395,000.00	Call @ Par !
2022	$285,000.00	4.55%	$261,805.00	$546,805.00	$5,110,000.00	Call @ Par !
2023	$300,000.00	4.63%	$248,837.50	$548,837.50	$4,810,000.00	Call @ Par !
2024	$310,000.00	5.13%	$234,962.50	$544,962.50	$4,500,000.00	Call @ Par !
2025	$330,000.00	5.13%	$219,075.00	$549,075.00	$4,170,000.00	Call @ Par !
2026	$345,000.00	5.13%	$202,162.50	$547,162.50	$3,825,000.00	Call @ Par !
2027	$365,000.00	5.13%	$184,481.26	$549,481.26	$3,460,000.00	Call @ Par !
2028	$380,000.00	5.13%	$165,775.00	$545,775.00	$3,080,000.00	Call @ Par !
2029	$400,000.00	4.75%	$146,300.00	$546,300.00	$2,680,000.00	Call @ Par !
2030	$415,000.00	4.75%	$127,300.00	$542,300.00	$2,265,000.00	Call @ Par !
2031	$440,000.00	4.75%	$107,587.50	$547,587.50	$1,825,000.00	Call @ Par !
2032	$460,000.00	4.75%	$86,687.50	$546,687.50	$1,365,000.00	Call @ Par !
2033	$1,365,000.00	4.75%	$64,837.50	$1,429,837.50	$0.00	
Total	**$7,745,000.00**		**$7,747,478.10**	**$15,492,478.10**		

$29,645,000

COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA
Insured Taxable Tax Allocation Bonds
(Merged Improvement Area) Series 2003A2

Dated Date: December 10, 2003

Final Maturity Date: March 1, 2033

Bond Counsel: Nixon Peabody

Underwriter: Stone & Youngberg

Trustee: Union Bank of California

Pricing Agent: Gardner, Underwood & Bacon

Credit Enhancement: Ambac

Underlying Rating: S&P - BBB+

Interest Rates:
NIC: 6.184% TIC: 6.168%

Outstanding Fund Balances/Investment Types
Debt Service Reserve Fund - $2,567,812.50

Principal Retired: $0,00

Principal Outstanding: $29,645,000.00

Security for the Bonds: Merged Improvement Area net pledged tax increment.

Use of Project Funds: Proceeds were used to finance and refinance certain CIC redevelopment projects and obligations.

Analysis: The Series 2003A2 Bonds can legally be advance refunded at any time. However, since the Bonds are not callable until 2013, the Agency should be prepared to show reasons why advance refunding these bonds now would be advantageous. For example, a reason might be to reduce the Agency's annual debt payments by extending the maturity on the refunding bonds. Otherwise, it would be prudent to wait until it is closer to the first call date to advance refund the Bonds.

Fiscal Year Ending 6/30	Principal Due in March	Coupon	Interest Due in March & Sept	Total Due per Fiscal Year	Bond Balance	Call Feature
2004	$0.00	0	$369,029.70	$369,029.70	$29,645,000.00	
2005	$0.00	0	$1,819,872.50	$1,819,872.50	$29,645,000.00	
2006	$0.00	0	$1,819,872.50	$1,819,872.50	$29,645,000.00	
2007	$0.00	0	$1,819,872.50	$1,819,872.50	$29,645,000.00	
2008	$0.00	0	$1,819,872.50	$1,819,872.50	$29,645,000.00	
2009	$0.00	0	$1,819,872.50	$1,819,872.50	$29,645,000.00	
2010	$0.00	0	$1,819,872.50	$1,819,872.50	$29,645,000.00	
2011	$0.00	0	$1,819,872.50	$1,819,872.50	$29,645,000.00	
2012	$0.00	0	$1,819,872.50	$1,819,872.50	$29,645,000.00	
2013	$745,000.00	5.19%	$1,819,872.50	$2,564,872.50	$28,900,000.00	Call @ 102
2014	$780,000.00	5.84%	$1,781,207.00	$2,561,207.00	$28,120,000.00	Call @ 101
2015	$825,000.00	5.84%	$1,735,655.00	$2,560,655.00	$27,295,000.00	Call @ Par
2016	$875,000.00	5.84%	$1,687,475.00	$2,562,475.00	$26,420,000.00	Call @ Par !
2017	$925,000.00	5.84%	$1,636,375.00	$2,561,375.00	$25,495,000.00	Call @ Par !
2018	$985,000.00	5.84%	$1,582,355.00	$2,567,355.00	$24,510,000.00	Call @ Par !
2019	$1,035,000.00	6.13%	$1,524,831.00	$2,559,831.00	$23,475,000.00	Call @ Par !
2020	$1,105,000.00	6.13%	$1,461,385.50	$2,566,385.50	$22,370,000.00	Call @ Par !
2021	$1,170,000.00	6.13%	$1,393,649.00	$2,563,649.00	$21,200,000.00	Call @ Par !
2022	$1,240,000.00	6.13%	$1,321,928.00	$2,561,928.00	$19,960,000.00	Call @ Par !
2023	$1,320,000.00	6.13%	$1,245,916.00	$2,565,916.00	$18,640,000.00	Call @ Par !
2024	$1,395,000.00	6.25%	$1,165,000.00	$2,560,000.00	$17,245,000.00	Call @ Par !
2025	$1,490,000.00	6.25%	$1,077,812.50	$2,567,812.50	$15,755,000.00	Call @ Par !
2026	$1,575,000.00	6.25%	$984,687.50	$2,559,687.50	$14,180,000.00	Call @ Par !
2027	$1,680,000.00	6.25%	$886,250.00	$2,566,250.00	$12,500,000.00	Call @ Par !
2028	$1,780,000.00	6.25%	$781,250.00	$2,561,250.00	$10,720,000.00	Call @ Par !
2029	$1,890,000.00	6.25%	$670,000.00	$2,560,000.00	$8,830,000.00	Call @ Par !
2030	$2,010,000.00	6.25%	$551,875.00	$2,561,875.00	$6,820,000.00	Call @ Par !
2031	$2,135,000.00	6.25%	$426,250.00	$2,561,250.00	$4,685,000.00	Call @ Par !
2032	$2,270,000.00	6.25%	$292,812.50	$2,562,812.50	$2,415,000.00	Call @ Par !
2033	$2,415,000.00	6.25%	$150,937.50	$2,565,937.50	$0.00	
Total	**$29,645,000.00**		**$39,105,533.70**	**$68,750,533.70**		

$9,205,000

COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA
Subordinate Tax Allocation Bonds
(Merged Improvement Area) Series 2003B

Dated Date: December 10, 2003

Final Maturity Date: March 1, 2033

Bond Counsel: Nixon Peabody

Underwriter: Stone & Youngberg

Trustee: Union Bank of California

Pricing Agent: Gardner, Underwood & Bacon

Credit Enhancement: None

Underlying Ratings: None

Interest Rates:
NIC: 5.795% TIC: 5.766%

Outstanding Fund Balances/Investment Types
Debt Service Reserve Fund - $886,783.44

Principal Retired: $190,000

Principal Outstanding: $9,015,000

Security for the Bonds: Merged Improvement Area net pledged tax increment on a subordinated basis.

Use of Project Funds: Proceeds were used to finance and refinance certain CIC redevelopment projects and obligations.

Analysis: The Bonds are currently callable at 102% and could be refunded at any time that the present value savings would make a refunding beneficial. On or after 3/1/2014 they will be callable at 101%, and on or after 3/1/2015 they are callable at Par.

Fiscal Year Ending 6/30	Principal Due in March	Coupon	Interest Due in March & Sept	Total Due per Fiscal Year	Bond Balance	Call Feature
2004	$0.00	0	$105,957.73	$105,957.73	$9,205,000.00	Call @ 102
2005	$15,000.00	2.30%	$522,531.26	$537,531.26	$9,190,000.00	Call @ 102 !
2006	$25,000.00	2.65%	$522,186.26	$547,186.26	$9,165,000.00	Call @ 102 !
2007	$40,000.00	3.05%	$521,523.76	$561,523.76	$9,125,000.00	Call @ 102 !
2008	$50,000.00	3.45%	$520,303.76	$570,303.76	$9,075,000.00	Call @ 102 !
2009	$60,000.00	3.80%	$518,578.76	$578,578.76	$9,015,000.00	Call @ 102 !
2010	$75,000.00	4.05%	$516,298.76	$591,298.76	$8,940,000.00	Call @ 102 !
2011	$90,000.00	4.40%	$513,261.26	$603,261.26	$8,850,000.00	Call @ 102 !
2012	$105,000.00	4.70%	$509,301.26	$614,301.26	$8,745,000.00	Call @ 102 !
2013	$120,000.00	4.85%	$504,366.26	$624,366.26	$8,625,000.00	Call @ 102 !
2014	$140,000.00	5.00%	$498,546.26	$638,546.26	$8,485,000.00	Call @ 101
2015	$160,000.00	5.10%	$491,546.26	$651,546.26	$8,325,000.00	Call @ Par
2016	$180,000.00	5.20%	$483,386.26	$663,386.26	$8,145,000.00	Call @ Par !
2017	$200,000.00	5.30%	$474,026.26	$674,026.26	$7,945,000.00	Call @ Par !
2018	$225,000.00	5.40%	$463,426.26	$688,426.26	$7,720,000.00	Call @ Par !
2019	$250,000.00	5.50%	$451,276.26	$701,276.26	$7,470,000.00	Call @ Par !
2020	$280,000.00	5.60%	$437,526.26	$717,526.26	$7,190,000.00	Call @ Par !
2021	$305,000.00	5.70%	$421,846.26	$726,846.26	$6,885,000.00	Call @ Par !
2022	$340,000.00	5.75%	$404,461.26	$744,461.26	$6,545,000.00	Call @ Par !
2023	$370,000.00	5.80%	$384,911.26	$754,911.26	$6,175,000.00	Call @ Par !
2024	$410,000.00	5.85%	$363,451.26	$773,451.26	$5,765,000.00	Call @ Par !
2025	$445,000.00	5.88%	$339,466.26	$784,466.26	$5,320,000.00	Call @ Par !
2026	$490,000.00	5.88%	$313,322.50	$803,322.50	$4,830,000.00	Call @ Par !
2027	$530,000.00	5.88%	$284,535.00	$814,535.00	$4,300,000.00	Call @ Par !
2028	$580,000.00	5.88%	$253,397.50	$833,397.50	$3,720,000.00	Call @ Par !
2029	$630,000.00	5.88%	$219,322.50	$849,322.50	$3,090,000.00	Call @ Par !
2030	$685,000.00	5.90%	$182,310.00	$867,310.00	$2,405,000.00	Call @ Par !
2031	$740,000.00	5.90%	$141,895.00	$881,895.00	$1,665,000.00	Call @ Par !
2032	$800,000.00	5.90%	$98,235.00	$898,235.00	$865,000.00	Call @ Par !
2033	$865,000.00	5.90%	$51,035.00	$916,035.00	$0.00	
Total	**$9,205,000.00**		**$11,512,231.69**	**$20,717,231.69**		

$17,035,000

ALAMEDA PUBLIC FINANCING AUTHORITY
Local Agency Revenue Bonds, 1996 Series A
(Community Facilities District No. 1 (Harbor Bay) Refinancing)

Dated Date: June 12, 1996

Final Maturity Date: August 1, 2019

Bond Counsel: Jones Hall Hill & White

Underwriter: Prager, McCarthy & Sealy

Trustee: First Trust of California, National Assoc.

Special Tax Administrator: Government Finance Group

Credit Enhancement: None

Underlying Ratings: Non-Rated

Interest Rates:
NIC: 6.915% TIC: 6.901%

Outstanding Fund Balances/Investment Types
None

Principal Retired: $4,710,000

Principal Outstanding: $12,325,000

Security for the Bonds: Special taxes collected on parcels within the CFD.

Use of Project Funds: Proceeds were used by the APFA to provide funds to acquire from the City its $17,035,000 Community Facilities District No. 1 (Harbor Bay) 1996 Special Tax Refunding Bonds.

Analysis: The Bonds are currently callable and could be refunded at any time that the present value savings would make a refunding feasible.

Fiscal Year Ending 6/30	Principal Due in August	Coupon	Interest Due in August & Feb	Total Due per Fiscal Year	Bond Balance	Call Feature
1996	$0.00	0	$0.00	$0.00	$17,035,000.00	
1997	$70,000.00	4.30%	$1,182,994.79	$1,252,994.79	$16,965,000.00	
1998	$150,000.00	4.75%	$1,132,665.00	$1,282,665.00	$16,815,000.00	
1999	$185,000.00	5.00%	$1,125,540.00	$1,310,540.00	$16,630,000.00	
2000	$215,000.00	5.20%	$1,116,290.00	$1,331,290.00	$16,415,000.00	
2001	$255,000.00	5.40%	$1,105,110.00	$1,360,110.00	$16,160,000.00	
2002	$300,000.00	5.55%	$1,091,340.00	$1,391,340.00	$15,860,000.00	
2003	$340,000.00	5.70%	$1,074,690.00	$1,414,690.00	$15,520,000.00	
2004	$390,000.00	5.80%	$1,055,310.00	$1,445,310.00	$15,130,000.00	
2005	$440,000.00	5.90%	$1,032,690.00	$1,472,690.00	$14,690,000.00	
2006	$495,000.00	6.00%	$1,006,730.00	$1,501,730.00	$14,195,000.00	Call @ 102
2007	$555,000.00	6.10%	$977,030.00	$1,532,030.00	$13,640,000.00	Call @ 101
2008	$620,000.00	6.70%	$943,175.00	$1,563,175.00	$13,020,000.00	Call @ Par
2009	$695,000.00	6.70%	$901,635.00	$1,596,635.00	$12,325,000.00	Call @ Par
2010	$765,000.00	6.70%	$855,070.00	$1,620,070.00	$11,560,000.00	Call @ Par
2011	$855,000.00	6.70%	$803,815.00	$1,658,815.00	$10,705,000.00	Call @ Par
2012	$940,000.00	6.70%	$746,530.00	$1,686,530.00	$9,765,000.00	Call @ Par !
2013	$1,035,000.00	7.00%	$683,550.00	$1,718,550.00	$8,730,000.00	Call @ Par !
2014	$1,140,000.00	7.00%	$611,100.00	$1,751,100.00	$7,590,000.00	Call @ Par !
2015	$1,255,000.00	7.00%	$531,300.00	$1,786,300.00	$6,335,000.00	Call @ Par !
2016	$1,375,000.00	7.00%	$443,450.00	$1,818,450.00	$4,960,000.00	Call @ Par !
2017	$1,510,000.00	7.00%	$347,200.00	$1,857,200.00	$3,450,000.00	Call @ Par !
2018	$1,650,000.00	7.00%	$241,500.00	$1,891,500.00	$1,800,000.00	Call @ Par !
2019	$1,800,000.00	7.00%	$126,000.00	$1,926,000.00	$0.00	
Total	**$17,035,000.00**		**$19,134,714.79**	**$36,169,714.79**		

$2,075,000

CITY OF ALAMEDA
Community Facilities District No. 2
(Paragon Gateway)
Series 1997, Special Tax Bonds

Dated Date: October 23, 1997

Final Maturity Date: September 1, 2016

Bond Counsel: Nixon Peabody

Underwriter: E. Wagner & Associates

Fiscal Agent: First Trust of California, Nat. Assoc.

Financial Advisor: None

Credit Enhancement: None

Underlying Ratings: Non-Rated

Interest Rates:
NIC: 6.099% TIC: 6.096%

Outstanding Fund Balances/Investment Types
Debt Reserve Fund - $185,519.00

Principal Retired: $1,055,000

Principal Outstanding: $1,020,000

Security for the Bonds: Special taxes collected on parcels within the CFD.

Use of Project Funds: Proceeds were used to refund the City's Community Facilities District No. 2 (Paragon Gateway) Series 1990 Special Tax Bonds originally issued in the aggregate principal amount of $1,615000.

Analysis: The Bonds are currently callable at par and could be refunded at any time that the present value savings would make a refunding feasible. Please note, however, that the Bonds mature in less then eight years.

Fiscal Year Ending 6/30	Principal Due in September	Coupon	Interest Due in March & Sept.	Total Due per Fiscal Year	Bond Balance	Call Feature
1998	$90,000.00	4.25%	$94,744.00	$184,744.00	$1,985,000.00	
1999	$70,000.00	4.50%	$114,605.00	$184,605.00	$1,915,000.00	
2000	$70,000.00	4.75%	$111,455.00	$181,455.00	$1,845,000.00	
2001	$75,000.00	5.00%	$108,130.00	$183,130.00	$1,770,000.00	
2002	$80,000.00	5.10%	$104,380.00	$184,380.00	$1,690,000.00	
2003	$80,000.00	5.20%	$100,300.00	$180,300.00	$1,610,000.00	
2004	$85,000.00	5.30%	$96,140.00	$181,140.00	$1,525,000.00	
2005	$90,000.00	5.40%	$91,635.00	$181,635.00	$1,435,000.00	
2006	$95,000.00	5.50%	$86,775.00	$181,775.00	$1,340,000.00	Call @ 102
2007	$100,000.00	5.60%	$81,550.00	$181,550.00	$1,240,000.00	Call @ 101
2008	$105,000.00	6.13%	$75,950.00	$180,950.00	$1,135,000.00	Call @ Par
2009	$115,000.00	6.13%	$69,518.76	$184,518.76	$1,020,000.00	Call @ Par
2010	$120,000.00	6.13%	$62,475.00	$182,475.00	$900,000.00	Call @ Par
2011	$130,000.00	6.13%	$55,125.00	$185,125.00	$770,000.00	Call @ Par
2012	$135,000.00	6.13%	$47,162.50	$182,162.50	$635,000.00	Call @ Par
2013	$145,000.00	6.13%	$38,893.76	$183,893.76	$490,000.00	Call @ Par !
2014	$155,000.00	6.13%	$30,012.50	$185,012.50	$335,000.00	Call @ Par !
2015	$165,000.00	6.13%	$20,518.76	$185,518.76	$170,000.00	Call @ Par !
2016	$170,000.00	6.13%	$10,412.50	$180,412.50	$0.00	
Total	**$2,075,000.00**		**$1,399,782.78**	**$3,474,782.78**		

$27,775,000

CITY OF ALAMEDA
1998 Revenue Bonds
(Harbor Bay Business Park Assessment District Bond Refinancing)

Dated Date: November 20, 1998

Final Maturity Date: September 2, 2012

Bond Counsel: Jones Hall

Underwriter: Stone & Youngberg

Trustee: U.S. Bank Trust National Association

Financial Advisor: None

Credit Enhancement: None

Underlying Ratings: Non-Rated

Interest Rates:
NIC: 5.469% TIC: 5.467%

Outstanding Fund Balances/Investment Types
Debt Reserve Account - $1,400,075.00

Principal Retired: $20,015,000.00

Principal Outstanding: $7,760,000.00

Security for the Bonds: Special taxes collected on parcels within the CFD.

Use of Project Funds: Proceeds were used to purchase the entire outstanding City of Alameda Limited Obligation Refunding Improvement Bonds Harbor Bay Business Park Assessment District 92-1 Series 1998.

Analysis: The Bonds are currently callable at par and could be refunded at any time that the present value savings would make a refunding feasible. Please note, however, that the Bonds mature in less then four years.

Fiscal Year Ending 6/30	Principal Due in September	Coupon	Interest Due in March & Sept	Total Due per Fiscal Year	Bond Balance	Call Feature
1999	$1,330,000.00	4.70%	$1,114,549.19	$2,444,549.19	$26,445,000.00	Call @ 6.653
2000	$1,490,000.00	4.70%	$1,360,318.76	$2,850,318.76	$24,955,000.00	Call @ 5.764
2001	$1,565,000.00	4.70%	$1,290,288.76	$2,855,288.76	$23,390,000.00	Call @ 4.432
2002	$1,635,000.00	4.70%	$1,216,733.76	$2,851,733.76	$21,755,000.00	Call @ 3.042
2003	$1,715,000.00	4.80%	$1,139,888.76	$2,854,888.76	$20,040,000.00	Call @ 1.590
2004	$1,800,000.00	4.90%	$1,057,568.76	$2,857,568.76	$18,240,000.00	Call @ Par
2005	$1,890,000.00	5.00%	$969,368.76	$2,859,368.76	$16,350,000.00	Call @ Par !
2006	$1,985,000.00	5.00%	$874,868.76	$2,859,868.76	$14,365,000.00	Call @ Par !
2007	$2,095,000.00	5.13%	$775,618.76	$2,870,618.76	$12,270,000.00	Call @ Par !
2008	$2,200,000.00	5.20%	$668,250.00	$2,868,250.00	$10,070,000.00	Call @ Par !
2009	$2,310,000.00	5.50%	$553,850.00	$2,863,850.00	$7,760,000.00	Call @ Par !
2010	$2,450,000.00	5.50%	$426,800.00	$2,876,800.00	$5,310,000.00	Call @ Par !
2011	$2,580,000.00	5.50%	$292,050.00	$2,872,050.00	$2,730,000.00	Call @ Par !
2012	$2,730,000.00	5.50%	$150,150.00	$2,880,150.00	$0.00	
Total	**$27,775,000.00**		**$11,890,304.27**	**$39,665,304.27**		

$37,685,000

ALAMEDA PUBLIC FINANCING AUTHORITY
1999 Revenue Bonds
(1997 Revenue Bond Refinancing)
Marina Village Assessment District Bond Refinancing

Dated Date: January 15, 1999

Final Maturity Date: September 2, 2014

Bond Counsel: Jones Hall

Underwriter: Stone & Youngberg

Trustee: U. S. Bank Trust National Association

Financial Advisor: None

Credit Enhancement: None

Underlying Ratings: Non-Rated

Interest Rates:
NIC: 5.131% TIC: 5.104%

Outstanding Fund Balances/Investment Types
None

Principal Retired: $23,610,000.00

Principal Outstanding: $14,075,000.00

Security for the Bonds: Special obligations of the Authority, payable solely from payments received from the outstanding Marina Village Assessment Bonds.

Use of Project Funds: Proceeds were used to refinance the entire outstanding issue of APFA 1997 Revenue Bonds (Marina Village Assessment District).

Analysis: The Bonds are currently callable and could be refunded at any time that the present value savings would make a refunding feasible.

Fiscal Year Ending 6/30	Principal Due in September	Coupon	Interest Due in March & Sept	Total Due per Fiscal Year	Bond Balance	Call Feature
1999	$1,510,000.00	3.60%	$1,163,311.94	$2,673,311.94	$36,175,000.00	Call @ 102 !
2000	$1,900,000.00	4.10%	$1,790,540.00	$3,690,540.00	$34,275,000.00	Call @ 102 !
2001	$1,985,000.00	4.25%	$1,712,640.00	$3,697,640.00	$32,290,000.00	Call @ 102 !
2002	$2,070,000.00	4.40%	$1,628,277.50	$3,698,277.50	$30,220,000.00	Call @ 102 !
2003	$2,155,000.00	4.60%	$1,537,197.50	$3,692,197.50	$28,065,000.00	Call @ 102 !
2004	$2,270,000.00	4.70%	$1,438,067.50	$3,708,067.50	$25,795,000.00	Call @ 102 !
2005	$2,355,000.00	4.80%	$1,331,377.50	$3,686,377.50	$23,440,000.00	Call @ 102 !
2006	$2,470,000.00	4.85%	$1,218,337.50	$3,688,337.50	$20,970,000.00	Call @ 102 !
2007	$2,190,000.00	4.95%	$1,098,542.50	$3,288,542.50	$18,780,000.00	Call @ 102 !
2008	$2,295,000.00	5.00%	$990,137.50	$3,285,137.50	$16,485,000.00	Call @ 102 !
2009	$2,410,000.00	5.10%	$875,387.50	$3,285,387.50	$14,075,000.00	Call @ 102 !
2010	$2,530,000.00	5.20%	$752,477.50	$3,282,477.50	$11,545,000.00	Call @ 102 !
2011	$2,665,000.00	5.30%	$620,917.50	$3,285,917.50	$8,880,000.00	Call @ 102 !
2012	$2,810,000.00	5.35%	$479,672.50	$3,289,672.50	$6,070,000.00	Call @ 102 !
2013	$2,955,000.00	5.40%	$329,337.50	$3,284,337.50	$3,115,000.00	Call @ 102 !
2014	$3,115,000.00	5.45%	$169,767.50	$3,284,767,50	$0.00	
Total	**$37,685,000.00**		**$17,135,989.44**	**$54,820,989.44**		

$9,080,000

ALAMEDA PUBLIC FINANCING AUTHORITY
Variable Rate Demand Revenue Bonds, 2003 Series A
(Alameda Point Improvement Project)

Dated Date: December 8, 2003

Final Maturity Date: December 1, 2033

Bond Counsel: Quint & Thimmig

Underwriter: JP Morgan

Trustee: Union Bank of California

Financial Advisor: Gardner, Underwood & Bacon

Credit Enhancement: Union Bank of California

Underlying Ratings: S&P - A-1+

Interest Rates change weekly.

Outstanding Fund Balances/Investment Types: None

Principal Retired: $580,000.00

Principal Outstanding: $8,500,000.00

Security for the Bonds: Special obligations of the Authority, payable solely from lease revenue derived from rental payments made to the Alameda Reuse and Redevelopment Authority for certain land, buildings, fixtures and equipment in the Alameda Point Improvement Project Area.

Use of Project Funds: Proceeds were used to refund the outstanding APFA 1999 Series ARDBs.

Analysis: The Bonds are currently callable and could be refunded at any time and/or converted under the indenture to another financing mode such as daily, monthly or yearly variable or fixed rate to maturity. Refunding or converting the Bonds would depend entirely on the CIC's goals and objectives.

Fiscal Year Ending 6/30	Principal Due in December	Estimated Coupon	Estimated Interest	Total Due per Fiscal Year	Bond Balance	Call Feature
2004	$0.00	0	$347,322.39	$347,322.39	$9,080,000.00	
2005	$0.00	0	$363,115.68	$363,115.68	$9,080,000.00	
2006	$0.00	0	$363,199.96	$363,199.96	$9,080,000.00	
2007	$180,000.00	4.00%	$363,199.96	$543,199.96	$8,900,000.00	
2008	$200,000.00	4.00%	$356,082.65	$556,082.65	$8,700,000.00	
2009	$200,000.00	4.00%	$347,919.22	$547,919.22	$8,500,000.00	Call @ Par
2010	$200,000.00	4.00%	$340,000.00	$540,000.00	$8,300,000.00	Call @ Par !
2011	$200,000.00	4.00%	$331,999.99	$531,999.99	$8,100,000.00	Call @ Par !
2012	$200,000.00	4.00%	$324,075.18	$524,075.18	$7,900,000.00	Call @ Par !
2013	$200,000.00	4.00%	$315,926.69	$515,926.69	$7,700,000.00	Call @ Par !
2014	$300,000.00	4.00%	$307,999.98	$607,999.98	$7,400,000.00	Call @ Par !
2015	$300,000.00	4.00%	$296,000.04	$596,000.04	$7,100,000.00	Call @ Par !
2016	$300,000.00	4.00%	$284,065.88	$584,065.88	$6,800,000.00	Call @ Par !
2017	$300,000.00	4.00%	$271,936.86	$571,936.86	$6,500,000.00	Call @ Par !
2018	$300,000.00	4.00%	$259,999.98	$559,999.98	$6,200,000.00	Call @ Par !
2019	$300,000.00	4.00%	$247,999.97	$547,999.97	$5,900,000.00	Call @ Par !
2020	$300,000.00	4.00%	$236,054.75	$536,054.75	$5,600,000.00	Call @ Par !
2021	$300,000.00	4.00%	$223,948.04	$523,948.04	$5,300,000.00	Call @ Par !
2022	$400,000.00	4.00%	$212,000.01	$612,000.01	$4,900,000.00	Call @ Par !
2023	$400,000.00	4.00%	$196,000.04	$596,000.04	$4,500,000.00	Call @ Par !
2024	$400,000.00	4.00%	$180,041.77	$580,041.77	$4,100,000.00	Call @ Par !
2025	$400,000.00	4.00%	$163,961.95	$563,961.95	$3,700,000.00	Call @ Par !
2026	$400,000.00	4.00%	$147,999.96	$547,999.96	$3,300,000.00	Call @ Par !
2027	$400,000.00	4.00%	$132,000.03	$532,000.03	$2,900,000.00	Call @ Par !
2028	$400,000.00	4.00%	$116,026.95	$516,026.95	$2,500,000.00	Call @ Par !
2029	$500,000.00	4.00%	$99,976.80	$599,976.80	$2,000,000.00	Call @ Par !
2030	$500,000.00	4.00%	$79,999.99	$579,999.99	$1,500,000.00	Call @ Par !
2031	$500,000.00	4.00%	$60,000.01	$560,000.01	$1,000,000.00	Call @ Par !
2032	$500,000.00	4.00%	$40,009.30	$540,009.30	$500,000.00	Call @ Par !
2033	$500,000.00	4.00%	$19,995.38	$519,995.38	$0.00	
Total	$9,080,000.00		$7,028,859.41	$16,108,859.41		

$4,360,000

ALAMEDA PUBLIC FINANCING AUTHORITY
Taxable Variable Rate Demand Revenue Bonds, 2003 Series B
(Alameda Point Improvement Project)

Dated Date: December 8, 2003

Final Maturity Date: December 1, 2033

Bond Counsel: Quint & Thimmig

Underwriter: JP Morgan

Trustee: Union Bank of California

Financial Advisor: Gardner, Underwood & Bacon

Credit Enhancement: Union Bank of California

Underlying Ratings: S&P - A-1+

Interest Rates change weekly.

Outstanding Fund Balances/Investment Types: None

Principal Retired: $260,000.00

Principal Outstanding: $4,100,000.00

Security for the Bonds: Special obligations of the Authority, payable solely from lease revenue derived from rental payments made to the Alameda Reuse and Redevelopment Authority for certain land, buildings, fixtures and equipment in the Alameda Point Improvement Project Area.

Use of Project Funds: Proceeds were used to finance professional services required in the redevelopment process at Alameda Point

Analysis: The Bonds are currently callable and could be refunded at any time and/or converted under the indenture to another financing mode such as daily, monthly or yearly variable or fixed rate to maturity. Refunding or converting the Bonds would depend entirely on the CIC's goals and objectives.

Fiscal Year Ending 6/30	Principal Due in December	Estimated Coupon	Estimated Interest	Total Due per Fiscal Year	Bond Balance	Call Feature
2004	$0.00	0	$166,775.94	$166,775.94	$4,360,000.00	
2005	$0.00	0	$174,359.51	$174,359.51	$4,360,000.00	
2006	$0.00	0	$174,399.98	$174,399.98	$4,360,000.00	
2007	$60,000.00	4.00%	$174,399.98	$234,399.98	$4,300,000.00	Call @ Par
2008	$100,000.00	4.00%	$172,039.94	$272,039.94	$4,200,000.00	Call @ Par !
2009	$100,000.00	4.00%	$167,961.00	$267,961.00	$4,100,000.00	Call @ Par !
2010	$100,000.00	4.00%	$164,000.01	$264,000.01	$4,000,000.00	Call @ Par !
2011	$100,000.00	4.00%	$159,999.97	$259,999.97	$3,900,000.00	Call @ Par !
2012	$100,000.00	4.00%	$156,036.20	$256,036.20	$3,800,000.00	Call @ Par !
2013	$100,000.00	4.00%	$151,964.73	$251,964.73	$3,700,000.00	Call @ Par !
2014	$100,000.00	4.00%	$147,999.96	$247,999.96	$3,600,000.00	Call @ Par !
2015	$100,000.00	4.00%	$144,000.04	$244,000.04	$3,500,000.00	Call @ Par !
2016	$100,000.00	4.00%	$140,032.47	$240,032.47	$3,400,000.00	Call @ Par !
2017	$100,000.00	4.00%	$135,968.41	$235,968.41	$3,300,000.00	Call @ Par !
2018	$100,000.00	4.00%	$132,000.03	$232,000.03	$3,200,000.00	Call @ Par !
2019	$100,000.00	4.00%	$127,999.99	$227,999.99	$3,100,000.00	Call @ Par !
2020	$100,000.00	4.00%	$124,028.75	$224,028.75	$3,000,000.00	Call @ Par !
2021	$200,000.00	4.00%	$119,972.13	$319,972.13	$2,800,000.00	Call @ Par !
2022	$200,000.00	4.00%	$112,000.01	$312,000.01	$2,600,000.00	Call @ Par !
2023	$200,000.00	4.00%	$104,000.04	$304,000.04	$2,400,000.00	Call @ Par !
2024	$200,000.00	4.00%	$96,022.28	$296,022.28	$2,200,000.00	Call @ Par !
2025	$200,000.00	4.00%	$87,979.57	$287,979.57	$2,000,000.00	Call @ Par !
2026	$200,000.00	4.00%	$79,999.99	$279,999.99	$1,800,000.00	Call @ Par !
2027	$200,000.00	4.00%	$72,000.02	$272,000.02	$1,600,000.00	Call @ Par !
2028	$200,000.00	4.00%	$64,014.88	$264,014.88	$1,400,000.00	Call @ Par !
2029	$200,000.00	4.00%	$55,986.98	$255,986.98	$1,200,000.00	Call @ Par !
2030	$300,000.00	4.00%	$48,000.00	$348,000.00	$900,000.00	Call @ Par !
2031	$300,000.00	4.00%	$35,999.95	$335,999.95	$600,000.00	Call @ Par !
2032	$300,000.00	4.00%	$24,005.58	$324,005.58	$300,000.00	Call @ Par !
2033	$300,000.00	4.00%	$11,997.22	$311,997.22	$0.00	
Total	**$4,360,000.00**		**$3,525,945.56**	**$7,885,945.56**		

$5,850,000

CERTIFICATES OF PARTICIPATION
(1995 Sewer System Refinancing and Improvement Project)
CITY OF ALAMEDA
Alameda Public Improvement Corporation

Dated Date: December 14, 1995

Final Maturity Date: March 1, 2018

Bond Counsel: Jones Hall Hill & White

Underwriter: Prager, McCarthy & Sealy

Trustee: First Trust of California

Financial Advisor: None

Credit Enhancement: Ambac

Underlying Ratings: None

Interest Rates:
NIC: 4.901% TIC: 4.905%

Outstanding Fund Balances/Investment Types
None

Principal Retired: $2,820,000.00

Principal Outstanding: $3,030,000.00

Security for the COPs: The City has covenanted to make Installment Payments during each fiscal year from its sewer system enterprise revenues.

Use of Project Funds: Proceeds were used to finance the acquisition and construction of various improvements to the City sewer system.

Analysis: The COPs are currently callable and could be refunded at any time. However, the principal amount outstanding is small, therefore it is recommended that the COPs be considered for refunding only as part of a larger sewer system enterprise COPs new money and/or refunding issue.

Fiscal Year Ending 6/30	Principal Due in March	Coupon	Interest Due in Sept & March	Total Due per Fiscal Year	Bond Balance	Call Feature
1996	$205,000.00	3.55%	$49,252.89	$254,252.89	$5,645,000.00	
1997	$155,000.00	3.80%	$269,770.00	$424,770.00	$5,490,000.00	
1998	$160,000.00	4.05%	$263,880.00	$423,880.00	$5,330,000.00	
1999	$165,000.00	4.15%	$257,400.00	$422,400.00	$5,165,000.00	
2000	$175,000.00	4.30%	$250,552.50	$425,552.50	$4,990,000.00	
2001	$180,000.00	4.45%	$243,027.50	$423,027.50	$4,810,000.00	
2002	$185,000.00	4.55%	$235,017.50	$420,017.50	$4,625,000.00	
2003	$195,000.00	4.65%	$226,600.00	$421,600.00	$4,430,000.00	
2004	$205,000.00	4.75%	$217,532.50	$422,532.50	$4,225,000.00	
2005	$215,000.00	4.85%	$207,795.00	$422,795.00	$4,010,000.00	
2006	$225,000.00	4.95%	$197,367.50	$422,367.50	$3,785,000.00	Call @ 102
2007	$240,000.00	5.05%	$186,230.00	$426,230.00	$3,545,000.00	Call @ 101
2008	$250,000.00	5.10%	$174,110.00	$424,110.00	$3,295,000.00	Call @ Par
2009	$265,000.00	5.15%	$161,360.00	$426,360.00	$3,030,000.00	Call @ Par !
2010	$275,000.00	4.88%	$147,712.50	$422,712.50	$2,755,000.00	Call @ Par !
2011	$290,000.00	4.88%	$134,306.26	$424,306.26	$2,465,000.00	Call @ Par !
2012	$305,000.00	4.88%	$120,168.76	$425,168.76	$2,160,000.00	Call @ Par !
2013	$320,000.00	4.88%	$105,300.00	$425,300.00	$1,840,000.00	Call @ Par !
2014	$335,000.00	4.88%	$89,700.00	$424,700.00	$1,505,000.00	Call @ Par !
2015	$350,000.00	4.88%	$73,368.76	$423,368.76	$1,155,000.00	Call @ Par !
2016	$365,000.00	4.88%	$56,306.26	$421,306.26	$790,000.00	Call @ Par !
2017	$385,000.00	4.88%	$38,512.50	$423,512.50	$405,000.00	Call @ Par !
2018	$405,000.00	4.88%	$19,743.76	$424,743.76	$0.00	
Total	**$5,850,000.00**		**$3,725,014.19**	**$9,575,014.19**		

$11,370,000

2002 CERTIFICATES OF PARTICIPATION
(City Hall Refinancing Project)
CITY OF ALAMEDA
Alameda Public Improvement Corporation

Dated Date: September 10, 2002

Final Maturity Date: May 1, 2025

Bond Counsel: Jones Hall

Underwriter: Stone & Youngberg

Trustee: BNY Western Trust Company

Financial Advisor: Kelling, Northcross & Nobriga

Credit Enhancement: None

Underlying Ratings: S&P - A

Interest Rates:
NIC: 4.547% TIC: 4.496%

Outstanding Fund Balances/Investment Types
Debt Reserve Fund - $829,950.00

Principal Retired: $2,230,000.00

Principal Outstanding: $9,140,000.00

Security for the COPs: The City has covenanted to make Installment Payments during each fiscal year from City General Fund revenues.

Use of Project Funds: Proceeds were used to refund the City's $10,565,000 COPs, Series 1995 (City Hall Seismic Upgrade and Renovation Project).

Analysis: The Series 2002 COPs are not callable on a current basis until 2012 and are not eligible for advanced refunding consideration. These bonds cannot be considered a refunding candidate at this time.

Fiscal Year Ending 6/30	Principal Due in May	Coupon	Interest Due in Nov & May	Total Due per Fiscal Year	Bond Balance	Call Feature
2003	$0.00	$0.00	$285,367.71	$285,367.71	$11,370,000.00	
2004	$350,000.00	$0.02	$477,825.00	$827,825.00	$11,020,000.00	
2005	$360,000.00	$0.02	$469,950.00	$829,950.00	$10,660,000.00	
2006	$365,000.00	$0.02	$461,850.00	$826,850.00	$10,295,000.00	
2007	$375,000.00	$0.03	$453,637.50	$828,637.50	$9,920,000.00	
2008	$385,000.00	$0.03	$443,887.50	$828,887.50	$9,535,000.00	
2009	$395,000.00	$0.03	$432,337.50	$827,337.50	$9,140,000.00	
2010	$410,000.00	$0.05	$419,500.00	$829,500.00	$8,730,000.00	
2011	$425,000.00	$0.05	$401,050.00	$826,050.00	$8,305,000.00	
2012	$445,000.00	$0.05	$381,500.00	$826,500.00	$7,860,000.00	Call @ Par
2013	$465,000.00	$0.04	$360,362.50	$825,362.50	$7,395,000.00	Call @ Par !
2014	$485,000.00	$0.04	$342,692.50	$827,692.50	$6,910,000.00	Call @ Par !
2015	$505,000.00	$0.04	$323,292.50	$828,292.50	$6,405,000.00	Call @ Par !
2016	$525,000.00	$0.04	$302,587.50	$827,587.50	$5,880,000.00	Call @ Par !
2017	$545,000.00	$0.04	$280,275.00	$825,275.00	$5,335,000.00	Call @ Par !
2018	$570,000.00	$0.05	$256,295.00	$826,295.00	$4,765,000.00	Call @ Par !
2019	$595,000.00	$0.05	$230,645.00	$825,645.00	$4,170,000.00	Call @ Par !
2020	$625,000.00	$0.05	$203,275.00	$828,275.00	$3,545,000.00	Call @ Par !
2021	$655,000.00	$0.05	$173,900.00	$828,900.00	$2,890,000.00	Call @ Par !
2022	$685,000.00	$0.05	$142,787.50	$827,787.50	$2,205,000.00	Call @ Par !
2023	$715,000.00	$0.05	$110,250.00	$825,250.00	$1,490,000.00	Call @ Par !
2024	$755,000.00	$0.05	$74,500.00	$829,500.00	$735,000.00	Call @ Par !
2025	$735,000.00	$0.05	$36,750.00	$771,750.00	$0.00	
Total	**$11,370,000.00**		**$7,064,517.71**	**$18,434,517.71**		

$4,575,000

CERTIFICATES OF PARTICIPATION
(2008 Refinancing Project)
CITY OF ALAMEDA
Alameda Public Improvement Corporation

Dated Date: June 24, 2008

Final Maturity Date: May 1, 2022

Bond Counsel: Quint & Thimmig

Underwriter: Wedbush Morgan Securities

Trustee: Union Bank of Californai

Financial Advisor: Gardner, Underwood & Bacon

Credit Enhancement: Assured Guaranty

Underlying Ratings: S&P - AA-

Interest Rates:
NIC: 4.564% TIC: 4.560%

Outstanding Fund Balances/Investment Types
None

Principal Retired: $0

Principal Outstanding: $4,575,000

Security for the Bonds: The City has covenanted to make Installment Payments during each fiscal year from City General Fund revenues.

Use of Project Funds: Proceeds were used to refinance the acquisition and construction, installation, modernization and equipping of improvements to various City facilities and to refund the City's 1996 Police Building COPs.

Analysis: The bonds are non-callable.

Fiscal Year Ending 6/30	Principal Due in May	Coupon	Interest Due in May and Nov.	Total Due per Fiscal Year	Bond Balance	Call Feature
2009	$0.00	0	$175,336.45	$175,336.45	$4,575,000.00	Non-callable
2010	$0.00	0	$205,606.26	$205,606.26	$4,575,000.00	Non-callable
2011	$410,000.00	4.00%	$205,606.26	$615,606.26	$4,165,000.00	Non-callable
2012	$425,000.00	4.00%	$189,206.26	$614,206.26	$3,740,000.00	Non-callable
2013	$435,000.00	4.00%	$172,206.26	$607,206.26	$3,305,000.00	Non-callable
2014	$460,000.00	5.00%	$154,806.26	$614,806.26	$2,845,000.00	Non-callable
2015	$480,000.00	5.00%	$131,806.26	$611,806.26	$2,365,000.00	Non-callable
2016	$510,000.00	4.00%	$107,806.26	$617,806.26	$1,855,000.00	Non-callable
2017	$275,000.00	5.00%	$87,406.26	$362,406.26	$1,580,000.00	Non-callable
2018	$290,000.00	5.00%	$73,656.26	$363,656.26	$1,290,000.00	Non-callable
2019	$300,000.00	5.00%	$59,156.26	$359,156.26	$990,000.00	Non-callable
2020	$315,000.00	4.38%	$44,156.26	$359,156.26	$675,000.00	Non-callable
2021	$330,000.00	4.50%	$30,375.00	$360,375.00	$345,000.00	Non-callable
2022	$345,000.00	4.50%	$15,525.00	$360,525.00	$0.00	Non-callable
Total	**$4,575,000.00**		**$1,652,655.31**	**$6,227,655.31**		

GLOSSARY OF FUNDS

Governmental Funds

The funds through which most government functions typically are financed include: General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds.

General Fund

The General Fund is the chief operating fund of the City and accounts for all financial resources except those required to be accounted for in another fund.

001 **General** The General Fund accounts for all general revenues not specifically levied or collected by other funds. Revenues are derived principally from property tax, utility users' tax, motor vehicle in-lieu fees, sales tax, real-property transfer tax, franchise fees, fees for services, transfers-in from other funds to meet specific-purpose expenditures, and interest on fund balance. Expenditures are made to support all major municipal services. Sub funds within the General Fund group have been created to account for specific financial and administrative support as described below:

115 **Housing Authority Reimbursable** Accounts for City services provided to this component unit of the City. Expenditures are fully offset by reimbursement from the component unit.

117 **Alameda Municipal Power Reimbursable** Accounts for City services provided to this component unit of the City. Expenditures are fully offset by reimbursement from the component unit.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of certain revenue sources that are legally restricted to expenditures for specified purposes.

161 **Police/Fire Construction Impact** Accounts for revenue from fees calculated for police and fire service impacts as a result of new construction. Expenditures contribute to servicing the outstanding debt on the police facility.

164 **Construction Improvement** Accounts for a tax on new construction in the City, as established by ordinance. The amount of the tax is set by resolution. Revenues collected are used to defer costs of municipal services generated by the development of property. Expenditures are made in support of capital improvement projects and Public Works annual maintenance.

201 **CIC-WECIP** Accounts for tax increment proceeds (80%) and associated redevelopment costs for the West End Community Improvement Projects (WECIP). Other revenues may include interest income on fund balance and developer fees. Expenditures support the programs, projects and services

provided by the project area. The Community Improvement Commission (CIC) is the governing authority for the redevelopment project area.

201.11 2003 CIC TAX Allocation 2003A1 Revenues of the fund primarily include bond proceeds and interest income. Expenditures support redevelopment, capital projects and related administrative costs.

201.13 2003 CIC TAX Allocation 2003A2 Revenues of the fund primarily include bond proceeds and interest income. Expenditures support redevelopment, capital projects and related administrative costs.

201.15 2003 CIC TAX Allocation 2003B Revenues of the fund primarily include bond proceeds and interest income. Expenditures support redevelopment, capital projects and related administrative costs.

202 CIC-WECIP Housing Accounts for tax increment (20%) set-aside as mandated by California redevelopment law for the creation of low-and-moderate income housing units in the West End Community Improvement Project (WECIP) area. Other revenues may include interest income on fund balance and developer fees. Expenditures support affordable housing projects and programs, including administrative costs. The Community Improvement Commission (CIC) is the governing authority for the redevelopment project area.

203 CIC-BWIP Accounts for tax increment proceeds (80%) and associated redevelopment project costs for the Business and Waterfront Improvement Project (BWIP) area, including tax increment set-aside for Alameda Unified School District (AUSD) for capital improvements. Other revenues may include interest income on fund balance and developer fees. The Community Improvement Commission (CIC) is the governing authority for the redevelopment project area.

204 CIC-BWIP Housing Accounts for tax increment set-aside (20%) as mandated by California redevelopment law for the creation of low-and-moderate income housing units in the Business and Waterfront Community Improvement Project (BWIP) area. Other revenues may include interest income on fund balance and developer fees. Expenditures support affordable housing projects and programs, including administrative costs. The Community Improvement Commission (CIC) is the governing authority for the redevelopment project area.

204.4 CIC-BWIP Housing 2002 Bond Proceeds Accounts for bond proceeds and related interest income. Expenditures are made in support of affordable housing projects, programs and administrative costs.

204.5 CIC-Housing In-Lieu Fee Accounts for developer housing in-lieu fees and interest income on fund balance. Expenditures support projects, programs and administrative costs.

204.6 CIC-AUSD Housing Accounts for forty percent of the 20% tax increment, for increasing and improving the supply of low or moderate-income housing, per an agreement with Alameda Unified School District (AUSD), and constitutes indebtedness of the Community Improvement Commission (CIC) and a pledging of tax increment to repay such indebtedness. Expenditures are made in support of AUSD's low and moderate-income housing projects subject to the agreement.

205 CIC-APIP Accounts for tax increment proceeds (80%) and associated redevelopment project costs for the Alameda Point Improvement Project (APIP) area. Other revenues may include interest income on fund balance and developer fees. The Community Improvement Commission (CIC) is the governing authority for the redevelopment project area.

206 CIC-APIP Housing Accounts for tax increment (20%) set-aside as mandated by California redevelopment law for the creation of low-and-moderate income housing units in the Alameda Point Improvement Project (APIP) area. Other revenues may include interest income on fund balance and developer fees. The Community Improvement Commission (CIC) is the governing authority for the redevelopment project area.

209 Community Development Accounts for the activities and services of the Planning and Building Department. 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 department, the provision and enhancement of services, and the enforcement of municipal codes.

210 Alameda Free Library Accounts for revenues received from property taxes, the dedicated $0.0175 library allocation, library grants, and General Fund monies transferred to support library operations. Expenditures support operation of the City's branch library system, including staff, collections and facility maintenance.

210.1 Library Memorial Accounts for revenues received in the form of donations or grants for specific purposes. Expenditures are made for capital improvements, equipment, books, or other designated purposes generally to enhance or expand library services or programs.

210.2 Adult Literacy Accounts for revenues received in the form of donations or grants and expenditures made to support adult literacy programs.

211 Gas Tax Accounts for revenues and expenditures received from the State of California under Streets and Highways Code Sections 2105, 2106, 2107 and

2107.5. Expenditures are made for street maintenance and construction projects in conformance with the Streets and Highways Code requirements.

212 **XIXB Transportation Improvement** Accounts for revenues from State Proposition 42 (gasoline sales tax). Expenditures of Proposition 42 are used to fund capital projects under the Traffic Congestion Relief Act.

213 **Traffic Safety** Accounts for the City's portion of revenues from fines, forfeitures and penalties upon conviction of a traffic misdemeanor or traffic infraction committed within City boundaries in any municipal or judicial court, including bail monies forfeited. Expenditures are made for administration and the traffic safety program.

215 **County Measure B** Accounts for the City's share of the proceeds of a one-half cent sales tax increase approved by voters in November 2000, administered by the Alameda County Transportation Improvement Authority (ACTIA). The tax provides funding for a variety of transportation maintenance and capital projects. The fund is divided into five sub funds according to expenditures for the following programmatic areas.

215.1 Local Streets and Roads

215.2 Bicycle and Pedestrian Improvements

215.3 Transbay Ferry

215.4 Paratransit

216 **Tidelands** Accounts for revenues from tidelands property leases for State tidelands properties delegated to local agencies for management and control. Expenditures are made for maintenance of the properties adjacent to the tidelands properties.

217 **Proposition 1B – Streets & Roads** Accounts for revenues from Proposition 1B (transportation bonds), and interest income. Expenditures of Proposition 1B funds are used for local streets and roads, congestion relief and traffic safety.

218 **Police Grants** Account for revenues received from Federal, State, County and private grants and related reimbursement programs. Expenditures are made in support of enhanced police operations, equipment or programs as permitted by the grant agency.

218.08 State Citizens Option for Public Safety (COPS) Program 07/08

218.09 State Citizens Option for Public Safety (COPS) Program 08/09

218.10 State Citizens Option for Public Safety (COPS) Program 09/10

218.609 Justice Assistance Grant (JAG) Program 08/09

218.701 Abandoned Vehicle Abatement

218.704 Alameda Police Department (APD) Boat/Safety/Enforcement Equipment

218.705 Maddie's Fund (Pet Rescue Foundation Grant)

219 Narcotics Asset Seizure Accounts for the City's share from the sale of confiscated assets of convicted felons. Funds are used for specified police activities, i.e. debt service payments on the jail construction project.

221 Dwelling Unit Accounts for revenues from park dedication fees required of all new construction and, in accordance with State law, monies are accumulated and then appropriated for new park acquisition and development. By ordinance, a designated percentage is transferred to the Library Construction Fund and the Open Space Fund.

223 Parking In-Lieu Accounts for the City's in-lieu-parking fees, allowed in-lieu of parking requirements for new construction. Expenditures include acquisition of land for parking, construction of new parking facilities, improvements to existing off-street or on-street parking facilities including landscaping, installation of bicycle lanes and paths, and installation of bicycle racks and lockers.

224 Parking Meter Accounts for revenues collected from parking meters and City lots. Expenditure of these revenues is for parking and transportation related projects. The sub fund accounts specifically for the revenues and expenditures derived from and related to the Civic Center Garage.

224.1 Civic Center Garage Accounts for revenues and expenditures of the Civic Center parking garage facility. Revenues derive from hourly meter fees, monthly pass sales, promotional discounts from retailers, parking citations, interest income, and transfers from the parking meter fund, if required, to supplement debt service on the garage. Expenditures are for the contracted management fee of the garage operator, maintenance, contract management, enforcement, and other operational costs, as well as transfers to Fund 422, (Debt Service HUD 108 Loan), to offset debt service.

225 TSM/TDM Accounts for the collection of traffic mitigation fees from developers to fund the implementation of the City Transportation System Management/ Transportation Demand Management (TSM/TDM) programs. Expenditures are for capital improvement projects related to traffic and transportation flow.

226 Citywide Pavement Restoration Accounts for fees received from developers for pavement restoration and is expended on resurfacing streets following development construction.

227 **Commercial Revitalization** Accounts for grant funds intended for the City's commercial revitalization programs. Revenues may include rental income, bond funds made available, developer's contributions and transfers from Fund 224.1 (Civic Center Garage).

227.1 **Theater/Parking Structure Project** Accounts for grant and loan revenues received and expenditures made for the reconstruction of the Historic Alameda Theater and the construction of the multi-story Civic Center Garage.

228 **Housing in Lieu** Accounts for revenues from housing developers of nine units or less, as payment in-lieu of providing affordable units for purchase within their development project. Expenditures are made for creation of new affordable housing units citywide and for the down-payment assistance program.

235 **HOME** Accounts for County disbursed HOME funds for HOME eligible activities in the City, provided by the U.S. Department of Housing and Urban Development (HUD) through the Federal Home Investment Partnerships Program (HOME). HOME funds can be used for acquisition, conversion, new construction and rehabilitation of single-and/or multiple-family housing.

236 **CDBG** Accounts for grant funds received under the Community Development Act of 1974 for activities approved and subject to Federal regulations. Expenditures fund programs, projects and grants to support low and moderate income families through provision of housing, expansion of economic opportunities, aid in the prevention or elimination of blight, and various other social and community services, eligible under the U.S. Department of Housing and Urban Development (HUD) grant requirements.

248 **HOME Repayment** Accounts for HOME funds disbursed by the County, and utilized to execute contracts for HOME-funded activities. Revenues in the fund derive from principal and interest repayments on loans. Expenditures are made for HOME-eligible activities per State and County requirements.

249 **Rehabilitation CDBG Housing Loan Program** Accounts for loan repayments of low interest and subsidized loan programs. Repayments are used to fund additional loans, including administrative charges and loan processing. Revenues represent payments in connection with low interest and subsidized loans via Community Development Block Grant (CDBG) funds.

256 **FISC Lease Revenue** Accounts for revenue from the Fleet Industrial Supply Center (FISC) leasing activity. Expenditures support related operations and capital improvement expenditures.

256.1 **FISC/Catellus** Accounts for revenues from land sales and tax increment for the development of the Bayport Housing project. Expenditures are for infrastructure improvements within the project.

256.3 **FISC/Catellus/Prologis Alameda Landing** This sub fund accounts for revenues from developer's contribution and expenditures that are reimbursed through billing Catellus/Prologis for all project costs, including vendors, consultants, and citywide staff time and costs.

259 **Vehicle Registration AB434** Accounts for revenues from fees imposed on registered vehicles associated with Assembly Bill 434. Expenditures fund the Bay Area Air Quality Management District and Alameda County Congestion Management Agency projects which mitigate air pollution caused by vehicle emissions. Revenues are primarily interest income on fund balance, subsequent to a grant received prior to 2000. Expenditures support local transportation system management programs.

265 **Housing Development – Housing Authority Reimbursement** Accounts for staff time allocated for Housing Authority (HA) related projects. Revenues are derived from cost reimbursement from the Housing Authority; expenditures reflect administrative costs associated with affordable housing development.

265.1 **HA Section 8 Projects** Revenues are primarily principal and interest payments. Expenditures record loss from defaults on projects.

266 **Affordable Housing** Accounts for fees assessed all commercial developers. Revenues fund projects and programs that increase and improve the supply of low- and moderate-income housing citywide.

267 **Human Services** Accounts for administration of the Social Service Human Relations Board (SSHRB). Revenues derive from General Fund transfers, donations, and grants. Expenditures are made in support of SSHRB programs and administrative oversight.

268 **Lead** Accounts for grant funds from the Alameda County Lead Poisoning Prevention Program to fund programs which assist low-and moderate-income owner-occupants in rehabilitating substandard housing.

270 **Solid Waste Surcharge** Accounts for revenue from the solid waste surcharge on residential and commercial accounts; expenditures fund the closure and gas monitoring of the former Doolittle landfill.

273 **Curbside Recycling** Accounts for revenues collected under agreement with the City's solid waste franchise. Expenditures fund recycling programs City-wide, including administrative costs.

274 **Waste Reduction Surcharge** Accounts for revenues and expenditures related to the waste management and recycling programs. Revenues are derived from a combination of fees paid by the franchisee, interest income, state and county grants including County Measure D. Expenditures are made in support of programs intended to reduce solid waste at landfills.

274.1 **City Waste Management Program** Accounts specifically for revenues from franchise recycling fees and expenditures in support of the City's Waste Management Program.

275 **Island City Maintenance** Comprised of seven sub funds that account for revenues from special assessments, and expenditures in support of landscaping and maintenance throughout the city, as required under various assessment district acts.

275.1 **Island City Maintenance 84-2 Zone** 1 Defined by Lincoln Avenue between Sherman Street and St. Charles Street, this zone is responsible for the maintenance of the landscaped median in the 1100 and 1200 blocks of Lincoln Avenue, including the utilities for operating the irrigation.

275.2 **Island City Maintenance 84-2 Zone 2** Defined by Webster Street from Central Avenue to Lincoln Avenue, Zones 1 & 2 work together and fund landscape maintenance, semi-annual sidewalk steam cleaning, and seasonal banners/decorations. The West Alameda Business Association (WABA) administers a $55,000 annual contract, funded by the zones, for daily litter and graffiti removal, cleaning of the sidewalk and other public areas, weekly mechanical sweeping of the sidewalk, and related costs.

275.3 **Island City Maintenance 84-2 Zone 3** Defined by Webster Street from Lincoln Avenue to Atlantic Avenue contiguous to Zone 2, this zone is responsible for litter and graffiti removal, cleaning of the sidewalk and public areas and related costs.

275.4 **Island City Maintenance 84-2 Zone 4** Defined by Park Street from the bridge to San Jose Avenue including areas of Webb Street, and Lincoln, Santa Clara, and Central Avenues, this zone funds landscape maintenance, semi-annual sidewalk steam cleaning, supplies, and seasonal banners/decorations. Through the Park Street Business Association (PSBA), the zone contributes approximately $54,000 to partially fund two, part-time employees who perform litter and graffiti removal and daily mechanical sweeping of the sidewalk and other public areas.

275.5 **Island City Maintenance 84-2 Zone 5** Defined by Harbor Bay Business Park, this zone funds irrigation and landscape maintenance costs within the Harbor Bay Business Park (HBBP), including tree trimming, sidewalk and pathway repairs, and streetlight maintenance costs.

275.6 **Island City Maintenance 84-2 Zone 6** Defined by Marina Village commercial areas, this zone funds irrigation and landscape maintenance costs within the commercial areas of Marina Village,

including tree trimming, sidewalk and pathway repairs, street lighting maintenance, and energy costs.

275.7 **Island City Maintenance 84-2 Zone 7** Defined by 1100 and 1200 blocks of Bay Street, this zone was created at the request of the property owners who wanted enhanced maintenance for the elm trees on Bay Street.

276 **Marina Cove Maintenance Assessment District 01-01** Accounts for revenue from special assessments levied on property owners in the Maintenance Assessment District (MAD). Expenditures are made in support of improvements and services such as landscape maintenance, protection systems, utilities, water, repairs and administration. The assessment district is generally described as the area North of Buena Vista Avenue, South of Clement Avenue, and West of Grand Street.

276.1 **Marina Cove Reserve 01-01** Accounts for the annual maintenance reserve contingency portion of the assessments. Expenditures are held in reserve to be used for major maintenance, replacement or improvement projects.

278 **Bayport Municipal Services District 03-1** Accounts for the special assessments and related expenditures for various municipal services provided in Community Facilities District No. 03-1, including City administration and County tax collection.

279 **Assessment District Administration** Accounts for transfers from assessment district funds and expenditures made in support of the administration of landscaping, maintenance, and municipal service districts.

280 **Athletic Recreation Trust** Accounts for revenues from user fees charged for recreation programs, and expenditures made in support of these programs.

285 **Public Art** Accounts for the collection of the public art fee from developers for the acquisition and installation of public art on the development site. Developer contributions support the purchase and placement of public art in new commercial, industrial, residential and municipal areas City wide. Revenues represent only the fee portion assessed, since developers have the option of fulfilling the public art requirement by funding art installations and programs in the community independent of the City.

286 **Historical Advisory Board** Accounts for all fines, fees or other monies arising from the administration of the City Historical Advisory Board.

620 **Transportation Services** Accounts for the City of Alameda's senior and paratransit transportation program, which provides door-to-door transportation for the frail, elderly and disabled individuals. Primary revenue source is County Measure B funds.

814 **Adams Street House** Accounts for proceeds from sale of the Adams Street House deposited in a trust fund for the benefit of Senior Citizen programs.

858 **Alameda Reuse and Redevelopment Authority** Accounts for lease income revenue and related activities, and general operation expenditures associated with the reuse of the Alameda Naval Base.

876 **Dike Maintenance** Accounts for monies collected from property owners for the maintenance of the Bay Farm Island dikes and for improvements made on behalf of the Bay Farm Island Reclamation District. Expenditures fund dike repair and maintenance.

Capital Project Funds

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

302 **Wastewater Capital Reserve** Accounts for revenues transferred from the Sanitary Sewer fund in accordance with the State Water Resources Control Board's requirement that the City ensure that a funding source is available for future expansion, major repair or replacement costs and/or loan repayment related to the wastewater facilities.

310 **Capital Improvement Project** Accounts for funds expended for major capital improvement projects not provided for in one of the other capital project funds.

310.05 **Capital Improvement Administration** Accounts for revenues from fees, permits and transfers from other funds. Expenditures are made in support of the administration of engineering, costs associated with land development, permit review, transportation and traffic planning, operations and capital improvement projects.

310.1 **FISC/Catellus Traffic Fee** Accounts for revenues from Traffic Fees (TF) collected to mitigate transportation impacts identified in the Environmental Impact Report (EIR) for the Catellus project. The Fleet Industrial Supply Center (FISC)/Catellus Development was approved prior to the adoption of the Citywide Development Impact Fee and pays only this fee of $2,674 per residential unit. The amount is based upon the percentage share of Phase I residential 2020 trips as determined in the Environmental Impact Report (EIR). The FISC/Catellus EIR identified 18 separate traffic mitigation measures included in the Mitigation Monitoring and Reporting Program for a total of $18 million, of which $1,296,804 is due to impacts from Phase I residential development. Phase II mitigations are under consideration at this time. Until sufficient funds are available from the forthcoming FISC/Catellus development and from existing West End developments to fund the cost of these large capital projects, these mitigation fund balances will continue to increase. Projects are

included in the CIP budget until such time as sufficient funds become available.

312 **Marina Village Assessment District 89-1** Accounts for assessments collected from properties within the district to finance the construction of public improvements in the assessment district as needed.

313 **Harbor Bay Island (HBI) 92-1 Special Assessment District** Accounts for fees collected from properties within the district which finance the construction of public improvements in the assessment district as needed.

317 **Library Construction** Accounts for revenues from a State grant, donations from individuals, The Alameda Free Library Foundation, Friends of the Alameda Free Library, interest income, and transfers from the Dwelling Unit Fund which fund a portion of the refurbishing costs associated with the new main library, support expenditures for Library technology, installed art, books and manuals, furniture, equipment, electrical work, strategic planning, and other capital improvements.

318 **Open Space Improvement** Accounts for the transfer of a specified percentage of the proceeds of the sale of land for open space expansion within City limits.

328 **2003 Alameda Point Revenue Bond Project** Accounts for residual revenue from Demand Revenue Bond proceeds issued in 2003, interest income, which can be used for construction and improvement projects in the Alameda Point area.

340 **Citywide Development Fee (CDF)** Accounts for revenues from citywide development impact fees required from certain new developments in accordance with State law to be used to mitigate the impacts on the expansion and condition of public facilities imposed by new development. Fees fund various improvement or replacement categories such as public safety, parks, recreation, public buildings, traffic and other facilities.

340.11 West End Traffic Safety

340.12 West End Parks and Recreation

340.13 West End Public Facilities

340.14 West End Public Safety

340.21 Northern Waterfront Traffic Safety

340.22 Northern Waterfront Parks and Recreation

340.23 Northern Waterfront Public Facilities

340.24 Northern Waterfront Public Safety

340.31 Central and East End Area Traffic Safety

340.32 Central and East End Areas Parks and Recreation

340.33 Central and East End Areas Public Facilities

340.34 Central and East End Areas Public Safety

340.41 Bay Farm Traffic Safety

340.42 Bay Farm Parks and Recreation

340.43 Bay Farm Public Facilities

340.44 Bay Farm Public Safety

350 **Transportation Improvement** Accounts for funds derived from the construction improvement tax generated on Harbor Bay Island; an allocation of tax increment of the Harbor Bay Business Park; interest income on fund balance. Expenditures support the transportation improvement infrastructure agreement with Harbor Bay Isle, primarily with capital project support to the Harbor Bay Ferry to date.

351 **Urban Runoff** Accounts for revenues from property tax assessments used for expenditures associated with the City's compliance under the Alameda County Urban Runoff Clean Water Program.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

421 **Debt Service Library Bond 2003** General obligation bonds issued in March 2003 to finance the acquisition and construction of a new main library and improvements to two branches. Repayment of the bonds is secured by voter approved Measure "O" property tax.

422 **Debt Service HUD 108 Loan** Accounts for debt service on the HUD 108 loan for the Civic Center Parking Garage/Historic Theater project. Revenues include loan drawdowns, rental income from the historic theater and several other ground-floor retail outlets, including transfers from Fund 224.1 (Civic Center Garage).

423 **Debt Service 2008 Refinance Project COP** Accounts for revenues transferred from the Police/Fire Construction Impact Fund, the Narcotics Asset Seizure Special Revenue Fund, the Library Fund, the Golf Fund, and the General Fund to support debt payments of principal and interest on the 2008

refinancing of Police Building/Jail, and the Library/Golf Certificates of Participation.

462 **Debt Service CIC Subordinate Bonds** Issued on March 13, 2002 to finance various housing and other redevelopment purposes in accordance with the amended Community Improvement Plan for the Business and Waterfront Improvement Project (BWIP). These bonds are secured by a first pledge of and lien on all of the tax increment revenues generated by BWIP, except for any parity obligations.

464 **Debt Service Refinance City Hall 2002** Accounts for the proceeds from the 2002 Certificates of Participation Fund 418 (City Hall Refinancing Project), used to repurchase the City's 1995 Certificates of Participation, which were in turn issued to finance the City Hall and certain Fire Station Facilities Seismic Upgrade and Renovation Projects.

465 **Debt Service 2003 Tax Allocation Refunding BWIP** Issued in October 2003 to refund the Community Improvement Commission (CIC) Business and Waterfront Improvement Project (BWIP) Tax Allocation Bonds, 2002, Series A and the Alameda Community Facilities District No. 4 Special Tax Bonds, Series 2002-A. These bonds are secured by a first pledge of and lien on all of the tax increment revenues generated in the BWIP project area except for any parity obligations.

466 **Debt Service 2003 CIC Tax Allocation Bonds** Bonds were issued December 2003 to finance certain development projects, repay an interfund loan from the City in the amount of $2,200,000, and fulfill certain obligations per an Owner's Participation Agreement between the Community Improvement Commission (CIC) and Marina Village. These bonds are secured by a first pledge of and lien on all of the tax increment revenues generated in the merged Business and Waterfront Improvement Project (BWIP) and West End Community Improvement Project (WECIP) project area except for any parity obligations.

468 **Debt Service 2003 Alameda Point Improvement Project Revenue Bonds** Accounts for debt service on Demand Revenue Bonds issued in December 2003 by the Alameda Public Financing Authority to refund the 1999 Alameda Reuse and Redevelopment Authority (ARRA) Revenue Bonds and to finance professional land use planning and other activities required in the redevelopment process at Alameda Point. Debt will be repaid solely from rental revenues paid to ARRA.

Proprietary Funds

Proprietary funds account for the City's business-type activities, and are categorized as Enterprise Funds or Internal Service Funds depending upon whether the customer served is primarily external or internal.

Enterprise Funds

Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services, and must be used when debt issued is backed solely by fees and charges to the enterprise, or when there is a legal requirement or policy decision to fully recover the cost of providing services for an activity through activity fees or charges.

601 **Golf Course** Accounts for all financial transactions related to the Chuck Corica Golf Complex, including revenues generated from course operation and expenditures made related to its operations. The capital assets include land, property and equipment.

601.1 **Golf Course Replacement Reserve** Accounts for transfer of the annual depreciation amounts from the Golf Course Fund. Expenditures are held in reserve to be used for major maintenance, replacement or improvement projects.

602 **Sewer Service** Accounts for all transactions related to the operation of the municipal sewer system including operations, maintenance, capital financing, debt service, billing and collections. Capital assets are comprised of property and equipment.

602.1 **Sewer Service Replacement Reserve** Accounts for transfer of the annual depreciation amount from the Sewer Fund. Expenditures are held in reserve to be used for major maintenance, replacement or improvement projects.

621 **Ferry Service** Accounts for all transactions related to the provision of ferry services including, but not limited to the contractual payments to service line operators and ferry vessel acquisition and maintenance. Specific operator/service lines are recorded in the following sub funds:

621.1 **Harbor Bay Ferry (East)** Accounts for the operations and capital improvements of ferry services operating at the Harbor Bay terminal.

621.2 **Alameda/Oakland Ferry (West)** Accounts for the operations and capital improvements of ferry services operating at the Main Street/Alameda Landing terminal.

Internal Service Funds

Internal service funds account for the financing of goods or services provided by one fund or department to other funds or departments on a cost reimbursement or per unit basis.

701 **Equipment Replacement Reserve** Accounts for equipment replacement reserves for the City's Managed Vehicle Replacement program and other equipment replacement where the value of equipment is singularly greater than $25,000 or has a minimum useful life of 10 years. Revenues are derived from operating department charges in an amount equal to annual depreciation of

existing equipment, and from the sale of discarded assets. Expenditures are for replacement of equipment which supports municipal operations.

702 Central Stores Accounts for the City's central store operation. Revenue includes reimbursement from departments for the distributed costs of items purchased by the fund such as paper, toner cartridges and other copying expenses.

703 Fleet Maintenance Accounts for the maintenance and replacement of vehicles and equipment used by all City departments. The source of revenue is reimbursement from departments for the cost of providing fleet maintenance services, including funding of a replacement reserve.

704 Technology Services Accounts for the systems administration of the City's computer and telecommunication services and costs associated with various information technology equipment including a replacement reserve. The source of revenue is a per unit charge from departments for services rendered.

704.1 Technology Services Replacement Reserve Accounts for transfer of the annual depreciation amounts from the Technology Services Fund. Expenditures are held in reserve to be used for major maintenance, replacement or improvement projects.

706 Facility Maintenance Accounts for building maintenance services for certain City facilities including a deferred maintenance reserve. The source of revenue is reimbursement from departments for the cost of providing facility maintenance services including funding a replacement reserve.

706.1 Facility Maintenance Replacement Reserve Accounts for funds transferred from the Facility Maintenance Fund. Expenditures are held in reserve to be used for major maintenance, replacement or improvement projects.

711 Workers' Compensation Self Insurance Accounts for the City's workers' compensation program, including administration, claims liability, claims incurred but not reported, based on historical trend information provided by the City's third party administrators. Revenues are derived from administrative charges to departments for services rendered, including a reserve for future claims.

712 Risk Management Accounts for the City's general liability expenditures including administration, and the deductible or uninsured portion of general liability claims. Revenues are derived from administrative charges to departments, including a reserve for future claims.

715 Unemployment Insurance Accounts for revenue collected through charges to departments based on an estimate from prior-year unemployment claims. Expenditures are made for unemployment insurance claims and nominal administration costs of the program.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the City as trustee or agent and which cannot be used to support the City's programs or services.

Pension Trust Funds

Pension trust funds are used to account for assets of defined benefit pension plans, defined contribution plans, other post employment benefit plans, or other employee benefit plans held by the City in a trustee capacity.

720 **Post Employment Benefits** Accounts for revenues transferred from the General Fund based on the approved annual required payments for other post-employment benefits (OPEB), as required by the City's employee agreements. At year-end, revenues are reclassified as charges to departments, as appropriate, to match the actual fund expenditures for these OPEB benefits.

801 **Police/Fire Pension 1079** Accounts for the resources accumulated for the payment of pension benefits enacted under plan #1079. Contributions transferred from the General Fund provide current year or pay-as-you go benefits for retirees and qualified beneficiaries covered by this fund.

802 **Police/Fire Pension 1082** Accounts for the resources accumulated for the payment of pension benefits enacted under plan #1082. Contributions transferred from the General Fund provide current year or pay-as-you go benefits for retirees and qualified beneficiaries covered by this fund.

Agency Funds

Agency Funds account for assets held by the City in a custodial capacity for individuals, governmental entities, and non-public organizations, including non-formal trusts, as well as assessment district debt for which the City is not obligated in any manner.

458 **Debt Service 508 84-3A** Accounts for revenues from property tax, special assessments and interest income, and provides funding for bonded debt.

460 **Debt Service 510 84-3B** Accounts for revenues from property tax, special assessments and interest income, and provides funding for bonded debt.

823 **Waste Management Joint Refuse Rate Review Committee (JRRRC) Trust** Accounts for refuse charges collected to pay for operations of the committee.

824 **Mastick Senior Center Trust** Accounts for assets held for the Mastick Senior Center Advisory Board to provide services and facilities which enhance the quality of life for senior citizens.

832 **Debt Service Fund 312 89-1** Accounts for revenues from property-tax special assessments and interest income, and provides funding for bonded debt related to Marina Village Assessment District 89-1.

835 **1998 Revenue Bond Debt** Accounts for revenues from property-tax special assessments and interest income, and provides funding for the debt service for the refinanced Harbor Bay Assessment District bonds.

836 **1999 Revenue Bond Debt** Accounts for revenues from property-tax special assessments and interest income and provides funding for the debt service for the refinanced Marina Village Assessment District bonds.

860 **Assessment District Community Facilities District #1** Established to finance acquisition and construction of facilities within the district (Harbor Bay).

861 **Assessment District Community Facilities District #2** Established to finance the construction and acquisition of public improvements at the Marina Village (Paragon Gateway, Lincoln Property).

GLOSSARY OF TERMS

A

Accounting System — The total structure of records and procedures that record, classify, and report information on the financial position and operations of a government unit or any of its funds, account groups, and organizational components.

Accounts Payable — Amounts owing to private persons, firms, or corporations for goods and services received.

Accounts Receivable — Amounts owing from private persons, firms, or corporations for goods and services furnished.

Accrued Interest — Interest earned on a security from the last interest payment date, but not including the settlement (dated) date. This amount is payable by the buyer of the bonds to the seller.

Ad Valorem Tax — A tax based on the value (or assessed value) of property.

Administrative Controls — Controls intended to prevent the waste or misuse of public funds at the operating level. The most common types of administrative controls are an encumbrance system and competitive bids.

Advance Refunding — A procedure by which an outstanding debt issue is eliminated from the municipality's gross debt in advance of its natural maturity by issuing a new bond issue to call the existing debt. The proceeds from the new issue are used to purchase U. S. Treasury obligations to secure payments of interest and principal of the "refunded issue" until the outstanding issue is called.

Agency Fund — A fiduciary type fund (see Fund types) which is used to account for transactions where the city is acting as an agent for other governmental units, private organizations or individuals. Because this fund type is custodial in nature, the measurement of results of operations is not appropriate.

Allocation — The practice of assigning costs among various cost centers on some predetermined reasonable basis (e.g. percentages) as opposed to distribution of expenses on a unit charge or direct identification basis.

Amortization

The process of paying the principal amount of an issue of bonds by periodic payments either directly to bondholders or to a sinking fund for the benefit of bondholders. Payments are usually calculated to include interest in addition to a partial payment of the original principal amount. See: Debt Service.

Amortization Schedule

A table showing the gradual repayment of an amount of indebtedness, such as a mortgage or bond, within a period of time. (See: Debt Service Schedule.)

Appropriation

An authorization granted by a legislative body to make expenditures and to incur legal obligations for specific purposes. An appropriation is limited in amount and limited as to the time period in which it may be expended.

Arbitrage

The simultaneous buying and selling of the same or similar securities taking positive advantage of price variations. With respect to the issuance of municipal bonds, arbitrage usually refers to the difference between the interest paid on the bonds issued and the interest earned by investing the bond proceeds in other securities. Arbitrage profits are permitted on bond proceeds for various temporary periods after issuance of municipal bonds.

Assessed Valuation

An annual determination of the just or fair market value of property for purposes of ad valorem taxation. If a tax on property is imposed by virtue of the value of its use, the assessed valuation is its classified use value.

Assessment Bond

A bond secured by direct fixed lien(s) on properties assessed to finance acquisition and construction of local benefit facilities.

Audit

An investigation of the accuracy and correct operation of an agency's accounting system, including validation of inventories and existing equipment, documentation of proper legal authority to implement agency activities, adequacy of controls on fraud, waste, and mismanagement, and the effectiveness of the agency's programs.

Audit Report

The report prepared by an auditor covering the audit or investigation of an entity's financial position for a given period of time. As a general rule, the report should include: (a) a statement of the scope of the audit; (b) explanatory comments concerning exceptions from generally accepted auditing standards; (c) opinions; (d) explanatory comments concerning verification procedures; (e) financial statements and schedules; and (f) statistical tables, supplementary comments and recommendations. The auditor's signature follows item (c) or (d).

Audit Trail — The supporting transactions and other evidence used to verify account balances.

Audited Statement — Financial statement which has been examined by an auditor and upon which the auditor has expressed or disclaimed an opinion.

Authority — A unit or agency of government established to perform specialized functions, usually financed by service charges, fees or tolls, although it may also have taxing powers. An authority may be independent of other governmental units, or it may depend upon other units for its creation, funding or operation. See: Special Districts.

Average Life — The average amount of time that money is outstanding or invested. It is computed by dividing the total number of bond years by the total number of bonds.

B

Balance Sheet — A statement which discloses the assets, liabilities, and equity of a financial entity at a specified date, properly classified to exhibit the financial condition of the financial entity at that date.

Balloon Maturity — A final bond maturity which is inordinately larger in amount than any prior serial maturity.

Balloon Payment — A principal payment to satisfy a balloon maturity, which is much larger than prior or future principal payments.

Basis — The annual percentage of income from an investment. The basis yield on a security reflects the interest rate, the length of time to maturity, and the accrual of discounts or amortization of premium. Also called "yield to maturity."

Basis Point — One one-hundredth of one percent, i.e. one percent equals 100 basis points. Yields on municipal securities are usually quoted in increments of basis points.

Basis Price — The price expressed in percent as yield to maturity or net return on the investment.

Bearer Bond — A security that has no identification as to owner. It is presumed to be owned, therefore, by the bearer or the person who holds it. Bearer bonds are freely and easily negotiable since ownership can be quickly transferred from seller to buyer. Also called bearer securities or coupon bonds.

Benchmarking

The process of critically evaluating a program's or services' activities, function, operations, and processes to achieve a desired level of performance.

Bid

A proposal to purchase an issue of bonds offered for sale either in a competitive offering or on a negotiated basis, specifying the interest rate(s) for each maturity and the purchase price which is usually stated in terms of par, par plus a premium or par minus a discount.

Bidding Syndicate

One or more firms of underwriters that act together to submit a proposal to underwrite a bond issue.

Blue Sky Laws

Common term for state securities law, which vary from state to state. Generally refers to provision related to prohibitions against fraud, dealer and broker regulations, and securities registration.

Bond

Written evidence of the issuer's obligation to repay a specified principal amount on a date certain (maturity date), together with interest at a stated rate, or according to a formula for determining that rate. Bonds may be classified according to maturity (serial vs. term), source of payment (general obligation vs. revenue), method of transfer (bearer vs. registered), issuer (state vs. municipality vs. special district) or price (discount vs. premium).

Bond Anticipation Notes (BANS)

Interim short-term tax-exempt obligations used to provide funds for construction or completion of an enterprise. The proceeds of a future bond issue are pledged to pay the note at maturity. Upon completion and the final costing of the project, permanent financing is provided by a tax-exempt bond issue, and the bond anticipation notes are retired.

Bond Buyer

A trade paper of the municipal bond industry published in New York City each business day, which contains advertisements for offerings of new issues of municipal bonds, notices of bond redemptions, statistical analyses of market activity, results of previous bond sales, and articles relating to financial markets and public finance.

Bond Buyer

A daily trade paper of the municipal bond industry advertising future sales and summarizing results of recent sales.

Bond Contract

The legal agreement between the issuer and the debtholder, which defines the security and terms of the debt. Usually found in: (a) any substantive resolution, ordinance or bond legislation authorizing the debt; (b) the trust indenture (if applicable); and (c) the form of the bond itself.

Bond Counsel

Legal counsel which serves to protect the interests of the issuer and gives an opinion as to the tax-exempt nature of the security.

Bond Election

A process whereby the qualified voters of a governmental unit are given the opportunity to approve or disapprove a proposed issue of municipal securities. An election is most commonly required in connection with general obligation bonds. Requirements for voter approval may be imposed by constitution, statute or local ordinance.

Bond Insurance

A form of credit enhancement that is provided by private, for-profit insurance companies. For a premium, insurance companies will agree to guarantee interest and principal payments to bondholders if the issuer cannot make payments. Bonds with insurance carry the credit rating of the insurer instead of the issuer, most typically AAA.

Bond Proceeds

The money paid to the issuer by the purchaser or underwriter for a new issue of municipal bonds, used to finance the project or purpose for which the bonds were issued and to pay certain costs of issuance as may be provided in the bond contract.

Bond Purchase Agreement

The contract between the underwriter and the issuer setting forth the final terms, prices and conditions upon which the underwriter purchases a new issue of municipal bonds for offering to the investing public.

Bond Rating

Designation of relative investment quality assigned to bonds by credit rating agencies grading the likelihood that the obligation will be repaid on time and in full.

Bond Register

The listing of the names and addresses of the current registered owners of the debt, as maintained by the trustee or bond registrar.

Bond Resolution

The document or documents representing action of the issuer authorizing the issuance and sale of municipal bonds. Issuance of the bonds is usually approved in the authorizing resolution, and the sale is usually authorized in a separate document known as the "sale or award resolution. All of such resolutions, read together, constitute the bond resolution, which describes the nature of the obligation and the issuer's duties to the bondholders.

Bond Year

The number of ($1,000) bonds in a particular maturity multiplied by the number of years of life of that maturity.

Bonded Debt

The portion of an issuer's total indebtedness represented by outstanding bonds.

Bondholder — The owner of a municipal bond, to whom payments of principal and interest are made. The owner of a bearer bond is the person having possession of it, while the owner of a registered bond is the person whose name is noted on the bond register.

Book-Entry — Centralized system for the holding and accounting of ownership and transfer of ownership of securities.

Book Value — Refers to the value of a held security as carried in the records of an investor, which may differ from current market value of the security.

Broker — A person or firm, other than a bank, which acts as an intermediary by purchasing and selling securities for others rather than for its own account.

Budget — A plan for the allocation of resources necessary to provide City services in accordance with established goals and objectives.

Budget Message — A narrative overview of the financial plan and program objectives contained in the operating budget. The budget message also presents highlights of new programs or services, information about the state of the local economy, and future goals and plans of the City.

Budgetary Controls — The control or management of a government or enterprise with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

C

Callable Bond — A bond which permits or requires the issuer to redeem the obligation before the stated maturity date at a specified price, usually at or above par by giving notice of redemption in a manner specified in the bond contract.

Call Features — Provisions for redemption by the issuer of a bond or bonds prior to the stated maturity of the securities. Such redemption provisions may be mandatory, or may be exercisable at the option of the issuer.

Call Price — The price, as established in the bond contract, at which bonds will be redeemed if called. Call price is generally at a premium and stated as a percentage of the principal amount called.

Capital Appreciation Bond (CABs)

Long-term tax exempt security sold at a large discount. Yield is reinvested at a stated rate until maturity at which time the investor receives total payment of both principal and interest.

Capital Improvement Plan (CIP)

A financial plan of proposed capital improvement projects and the means of financing them, usually prepared for a five-year period.

Capital Market

The market for equity securities and debt obligations with maturities in excess of one year.

Capital Outlay

An operating budget category which accounts for all furniture, equipment, and vehicles with a unit cost of more than $1,000 and an estimated useful life of more than one year.

Capital Projects Fund

A governmental fund type (see Fund types) created to account for all resources used by a governmental unit to acquire designated fixed assets, except those financed by enterprise funds.

Capitalized Interest

A portion of the proceeds of a bond issue set aside to pay interest on the bonds until the enterprise to be funded by those bonds is constructed, operating and capable of providing revenues for debt service.

Certificates of Participation (COPs)

A financing technique which provides long-term financing through a lease, installment sale agreement, or loan agreement. COP's allow the public to purchase, in $5,000 increments, participation in a stream of lease payments, installment payments, or loan payments, relating to the acquisition or construction of specific equipment, land, or facilities.

Charter City

A city or county which derives its local powers from a legal charter independent of state statutes.

Closing

The meeting of concerned parties on the date of delivery to sign bonds and requisite legal documents and deliver the bonds in exchange for payment of the purchase price.

Commercial Paper

Short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30-45 days.

Committee on Uniform Security Identification Procedures (CUSIP)

The Committee on Uniform Security Identification Security Procedures. It also refers to the standard alpha-numeric coding system utilized throughout the financial community for identification of security issues. This system was established to develop a uniform method of identifying municipal and corporate securities.

Competitive Bid

A method of submitting proposals to purchase a new issue of bonds by which the bonds are awarded to the underwriting syndicate presenting the best bid according to stipulated criteria set forth in the notice of sale. Underwriting bonds in this manner is also referred to as a competitive or public sale.

Competitive Sale

A method of bond sale whereby the issuer invites sealed bids from interested underwriting syndicates , with the syndicate providing the lowest responsible borrowing cost being awarded the. bonds.

Conditional Rating

Moody's bond rating for which the security will depend upon the completion of some act or the fulfillment of some condition by the issuer.

Conduit Financing

Bonds issued by a governmental unit to finance a project to be used primarily by a third party. The security for such bonds is the credit of the private user rather than governmental issuer. Generally such bonds do not constitute obligations of the issuer because the corporate obligor is liable for generating the pledged revenues.

Confirmation

A written document confirming an oral transaction in municipal securities that provides pertinent information to the customer concerning the securities and the terms of the transaction.

Contingent Liabilities

Liabilities or obligations which become the financial responsibility of another at a given date when certain conditions are not met.

Costs of Issuance

Expenses associated with the sale of a new issue of municipal securities, including such items as underwriter's spread, printing, legal fees and credit rating costs.

Coupon

The detachable part of a bond which specifies the date, place and dollar amount of interest payable. Bondholders detach the coupons from bonds usually semi-annually, and present them to the issuer's paying agent for payment or to the bondholder's bank for collection.

Coupon Bond

A bearer bond or a bond registered as to principal only, carrying coupons as evidence of future interest payments. Traditionally, most municipal bonds have been issued in coupon form. However, the Tax Equity and Fiscal Responsibility Act of 1982 requires that all municipal securities with maturities longer than one year be issued in fully registered form.

Coupon Rate

The annual rate of interest payable on a bond, expressed as a percentage of the principal amount.

Covenants

Legal contractual obligations (promises) securing a bond issue typically including revenue coverage, insurance, maintenance, financial reporting, etc.

Coverage

The ratio of pledged revenues available annually to pay debt service, as compared to the annual debt service requirement. This ratio is one indication of the margin of safety for payment of debt service. This term is usually connected with revenue bonds. It indicates the margin of safety for payment of debt service, reflecting the number of times by which annual net revenues exceed annual principal and interest (debt service) obligations.

Credit Enhancement

The availability of additional outside support designed to improve an issuer's own credit standing. Examples include bank lines of credit or collateralized funds.

Current Yield

The ratio of the annual dollar amount of interest to the purchase price of a bond, stated as a percentage. For example, a $1,000 bond purchased at par with an 8% coupon pays $80 per year, or a current yield of 8%. The same bond, if purchased at a discounted price of $800, would have a current yield of 10%.

D

Dated Date

The date of a bond issue, printed on each bond, from which interest usually starts to accrue, although the bonds may actually be delivered at some later date.

Dealer

An individual , corporation or any other legal entity engaged in the business of buying and selling securities for his own account, through a broker or otherwise, but does not include a bank or any individual buying or selling securities for his own account.

Debt Limit

The statutory or constitutional maximum debt that an issuer can legally incur.

Debt Ratios

Comparative statistics showing the relationship between the issuer's outstanding debt and such factors as its tax base, income or population. Such ratios are often used in the process of determining credit quality of an issue, especially in the case of general obligation bonds.

Debt Service

The amount of money necessary to pay interest on an outstanding debt, the serial maturities of principal for serial bonds and the required contributions to an amortization or sinking fund for term bonds. Debt service on bonds may be

calculated on a calendar year, fiscal year or bond fiscal year basis. See: Amortization.

Debt Service Fund — A governmental type fund (see Fund types) that accounts for monies reserved for the repayment of City issued debt.

Debt Service Schedule — A table listing the annual payments necessary to meet debt service requirements over the period of time the bonds are to be outstanding.

Default — Breach of some covenant, promise or duty imposed by the bond contract. The most serious default occurs when the issuer fails to pay principal, interest, or both, when due. Other, "technical" defaults result when specifically defined events of default occur, such as failure to meet covenants. Technical defaults may include failing to charge rates sufficient to meet rate covenants or failing to maintain insurance on the project. If the issuer defaults in the payment of principal, interest or both, or if a technical default is not cured within a specified period of time, the bondholders or trustee may exercise legally available rights and remedies for enforcement of the bond contract.

Defeasance — Termination of the rights and interests of the bondholder under terms of bond documents.

Deficit — The excess of the liabilities of a fund over its assets or the excess of expenditures over revenues during an accounting period.

Delivery Date — The date on which securities are delivered in exchange for proceeds. The delivery date is considered the date of issuance for new securities.

Denomination — The face amount or pay value of a security that the issuer promises to pay on the maturity date. Most municipal bonds are issued in a minimum denomination of $5,000, although some issues are available in $1,000 denominations.

Department — An organizational unit comprised of one or more divisions.

Direct Debt — The sum of the total bonded debt and any unfunded debt (typically short-term notes) of the issuer. Direct debt may be incurred in the government's own name or assumed through the annexation of territory or consolidation with another governmental unit.

Discount — The amount by which the purchase price of a security is less than the principal amount or par value.

Divided Account (Western) An underwriting agreement in which each member of an underwriting group is liable only for his allocation of the issue and not for any unsold portion by the other underwriters.

Division An organizational unit, within a department, that handles a specific area of responsibility assigned to that department.

Dollar Bond A bond which is quoted and traded in dollars rather than yield to maturity basis applicable to most municipal bonds.

Double-Barrel Bond A bond for which the payment of interest and principal is secured by the revenues generated by the financed facility and the full faith and credit of the issuer.

Dow Jones Municipal Index Weekly index of discount priced major name municipal bonds.

Downgrade The lowering of a bond rating by a rating service; or, the replacing of an issue in a municipal bond portfolio with one of a lower quality.

Due Diligence The process of investigating the issuer of municipal securities (often undertaken by underwriter's counsel) to ensure that all material facts related to the sale are fully disclosed.

E

Effective Interest Rate The actual rate of interest earned by the investor on bonds purchased, after allowing for premiums, discounts or accrued interest over the period of the investment.

Effectiveness The measure of how well a program achieves its stated goals, objectives, and outcomes.

Efficiency The measure of how well inputs are utilized to produce outputs

Encumbrance A financial commitment in the form of a purchase order or contract for which part of an appropriation is reserved. It ceases to be an encumbrance when paid or when the liability is incurred.

Enterprise Activity A revenue-generating project or business which supplies funds necessary to pay debt service on bonds issued to finance the facility. The debts of such projects are self-liquidating when the projects earn sufficient monies to cover all debt service and other requirements imposed under the bond contract. Common examples include water and sewer plants, electric supply facilities and private business projects financed with industrial development bonds.

Enterprise Fund — A proprietary type fund (see Fund types) established to account for the total costs of those governmental facilities and services that are operated in a manner similar to private enterprise. These programs are entirely, or predominately, self-supporting.

Escrow Account — Fund established to hold pledged money or securities used to pay debt service.

Estimated Full Value — Estimated value of taxable property within an issuer's jurisdiction used as basis for determining property taxes and debt burden.

Excise Tax — An indirect tax levied upon the manufacture, sale or consumption of commodities or upon the license to pursue certain occupations or upon corporate privileges within a taxing jurisdiction.

Exempt Securities — Issues not subjected to the Securities Act of 1933 or Securities Exchange Act of 1934. In general, these securities include any obligations of the U. S. Government, any of its territories states or municipalities.

Expenditures — When accounts are kept on the accrual basis or the modified accrual basis, this term designates the cost of goods delivered or services rendered, whether paid or unpaid. When the accounts are kept on the cash basis, the term designates only actual cash disbursements for these purposes.

Expiration Date — Future date at which the demand feature of a security ends.

F

Face Amount — The par value (i.e., principal or maturity value) of a security appearing on the face of the instrument.

Feasibility Study — A report of the financial practicality of a proposed project and financing thereof, which may include estimates of revenues that will be generated and a review of the physical, operating, economic or engineering aspects of the proposed project.

Federal Funds — Refers to immediately available funds representing non-interest bearing deposits at Federal Reserve banks frequently used to pay for new issues of municipal bonds.

Financial Advisor — A consultant to an issuer of securities who provides the issuer with advice with respect to the structure, timing, terms, or other similar matters concerning a new issue of securities.

Firm Market — A quotation on a municipal bond given by a broker/dealer who is wiling and able to trade immediately.

Fiscal Year — A twelve-month period which determines the time frame for financial reporting, budgeting and accounting. At the end of the fiscal year, financial position and results of operations are determined.

Fitch's Investor Service — An independent service company who provides ratings for municipal bonds and other financial information to investors.

Fixed Assets — Assets with a life longer than 1 year and a unit value over $1,000 which are intended to be held or used, such as land, buildings, vehicles, equipment, or furniture.

Fixed Costs — Costs in any project or program that remain constant regardless of the increase or decrease in units produced.

Flat Scale — A list of serial bond reoffering prices showing little or no difference between short, intermediate, and long term yields over the maturity range of an issue.

Flat Yield Curve — Little or no difference between short, intermediate and long term interest rates.

Floating Debt — A short-term debt maturing in five years or less.

Flow of Funds — Priority of application of gross revenues of a project as typically prescribed in a bond indenture to properly secure bonds: (a) operation and maintenance fund; (b) debt service (principal and interest); (c) debt service reserve fund; (d) reserve maintenance fund; (e) renewal and replacement fund; (f) surplus fund

Franchise — A special privilege granted by a government, permitting the continued use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

Full Disclosure — The accurate and timely dissemination of any and all information pertinent to a security issue and the issuer of those securities; most information is conveyed to the investors through the Official Statement of the issuer.

Full Faith and Credit — An unconditional pledge of a government's taxing power that secures general obligation bonds.

Fully Registered — A bond which has been registered as to both principal and interest according to the bond contract. Such bonds are payable only to the owner, or to order of the owner, whose name is noted on records of the issuer.

Fund — An independent, self-balancing accounting entity used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Accounting — The legal requirement for agencies to establish separate accounts for separate programs; that is, to segregate revenues and other resources, together with all related liabilities, obligations, and reserves, for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Fund accounting, in a broad sense, is required by the government to demonstrate agency compliance with requirements of existing legislation for which funds have been appropriated or otherwise authorized.

Fund Balance — The amount of financial resources immediately available for use. This generally represents the excess of total assets over total liabilities.

Fund Types — There are three major fund types used in governmental accounting. Each type of fund is defined below:

Governmental type funds - These funds (General, Special Revenue, Capital Projects, and Debt Service) are those funds through which most governmental functions are typically financed. The governmental fund measurement focus is on a "financial flow" basis, accounting for sources and uses of available expendable financial resources, not on net income determinations.

Proprietary type funds - These funds (Enterprise and Internal Service) are used to account for the City's ongoing activities which are similar to those found in the private sector. As in private industry, the emphasis is on net income determination.

Fiduciary type funds - These funds (Expendable Trust, Non-expendable Trust, and Agency) are used to account for assets held by the City in a trustee capacity or as an agent for other governmental units, private organizations or individuals.

Funded Debt — The aggregate amount of the tax exempt issuer's debt obligations.

Future Value — A measure of the time value of money - i.e., the amount an investor would receive in the future by investing today at a given interest rate.

Gann Appropriations Limit

Article XIIIB of the California Constitution was amended by Proposition 4, "The Gann Initiative," in 1979. This article limits the growth of governmental spending by multiplying the limit for the prior year tax proceeds by a growth factor. The 1979 base year limit amount consists of all tax proceeds appropriated in that year.

General Fund

A governmental type fund (see Fund types) and the primary fund of the City that is used to account for those revenues and expenditures that are not legally restricted. The general fund accounts for the ordinary operations of the City that are financed from taxes and other general revenues.

General Ledger

The accounting record of all accounts in the chart of accounts, showing the beginning balance, all transactions, and the current balance.

General Obligation Bond

A bond secured by the pledge of the issuer's full faith, credit, and taxing power without limit as to taxing rate or amount.

GFOA

Government Finance Officers Association

Goal

A statement of direction, purpose or intent based on the needs of the community. Operationally, a goal is a broad statement of what a program expects to achieve sometime in the future.

Good Delivery

The presenting of a municipal bond which can be properly identified as to issuer, seal of the issuer, certificate number, par value , interest rate , maturity date, has the legal opinion attached or printed on the bond and has all unpaid coupons, if any, attached to the bond.

Good Faith Deposit

A deposit given to the issuer by the underwriters upon the award of the bonds indicating the underwriters' commitment to take final delivery of the securities and proceed with their underwriting and distribution; the deposit is. usually 1% to 5% of the principal amount of the security issued.

Governmental Accounting Standards Board (GASB)

The Governmental Accounting Standards Board establishes standards for state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

Governmental Bonds One of two categories of bonds established under the Tax Reform Act of 1986. Bonds issued by localities for the financing of traditional activities and which meet certain tests (related to private use and security) would continue to be tax-exempt and generally not subject to any volume limits.

Grant Contribution or gift of cash or other assets from another governmental entity to be used or expended for a specified purpose, activity, or facility. The City receives funds from the State and Federal government to operate specific types of programs.

Grant Anticipation Note (GANS) are issued by public agencies to obtain interim financing for projects while awaiting receipt of permanent funding through loans or grants.

Gross Debt The sum total of an issuer s debt obligations.

Gross Revenue Pledge Term used to describe a pledge of all revenues to the payment of debt service prior to their use for any other costs.

Gross Spread The dollar difference between the price which the issuer receives for its securities and the price which the investing public pays for those securities; the gross revenue accruing to the underwriters of a security prior to any costs or expenses.

H

Housing Authority Bonds A bond issued by a local public housing authority to finance public housing and are often secured by U. S. Government assistance agreements which guarantee full payment of interest and principal.

Housing Revenue Bond Bond secured by revenues derived from payments made from mortgages which financed single or multi-family housing units.

I

Indenture A deed of trust established between the issuer and the creditor (or trustee) to specify the full terms and covenants of the bond issue.

Industrial Development Bonds Securities issued by a state, a local government or a

(IDBs)	development agency to finance the construction or purchase of industrial, commercial or manufacturing facilities to be purchased by or leased to a private user.
Infrastructure	Facilities on which the continuance and growth of a community depend, such as roads, water lines, sewers, public buildings, parks, etc.
Inputs	Resources allocated for the execution of activities and work processes so that stated goals, objectives, and outcomes can be achieved.
Institutional Sales	Sales of securities to large investors with sizable sums of money for investment and reinvestment, such as banks, casualty insurance companies, and mutual funds.
Interest	Compensation for the use of borrowed money, generally expressed as an annual percentage of the principal amount.
Interest Rate	The annual percentage of principal payable for the use of borrowed money.
Interfund Transfers	Amounts permanently transferred from one fund to another to reimburse the fund for expenditures or to finance the operation of that fund.
Internal Control	The plan of organization and all of the coordinating methods and measures adopted within an agency to safeguard the agency's assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.
Internal Service Fund	A proprietary type fund (see Fund types) that accounts for income received and expenses incurred for services or commodities provided by that fund to user departments.
Inverted Scale	A list of serial bond reoffering prices when the yields are higher on the short term maturities than on the long term maturities.
Invested Sinking Fund	Fund established for the repayment of a term bond into which periodic required deposits are made and invested and then used to call or redeem the term bond.
Investment Banker	A broker/dealer firm that underwrites new issues and provides financial counseling to issuers of securities.
Investment Grade	The broad credit designation given bonds which have a high probability of being paid. Such bonds have few, if any, speculative features and are rated at least BBB/Baa. Bank

examiners require that most bonds held in bank portfolios be investment grade.

Issuance — Authorization, sale and delivery of a new issue of municipal securities.

Issue Date — The original issuance date for a new municipal bond issue from which interest accrues.

Issuer — A state, political subdivision, agency or authority that borrows money through the sale of bonds or notes.

J

Joint Powers Authority (JPA) — A public agency created by a joint exercise of powers agreement between two or more governmental agencies. The authority may be given power to perform any function which the participants to the agreement are empowered to perform and which will be of benefit to the parties.

Junior Lien Bonds — Bonds which have a subordinate claim against pledged revenues.

K

L

Lead Manager — The senior firm of the underwriting management team for a securities issue. The lead manager has primary responsibility for most of the planning and administrative functions during preparation of the issue for sale.

Lease Rental Bond — Bond usually issued by non-profit authority and secured by lease payments made by municipality leasing the project financed by bond proceeds. Source of lessee payments may vary from property taxes to General Fund resources to revenues of an enterprise.

Lease Revenue Bonds — Bonds secured by a lease agreement and rental payments from one public agency (lessee) to another (lessor). Lease payments are typically made from revenue sources including general fund, enterprise fund or user fees.

Legal Opinion

An opinion concerning the validity of a securities issue with respect to statutory authority, constitutionality, procedural conformity, and usually the exemption of interest from federal and state income taxes. The legal opinion is usually rendered by a law firm recognized as specializing in public borrowings, often referred to as "bond counsel." This opinion must be either printed or attached to the securities.

Letter of Credit (LOC)

An agreement, usually with a commercial bank, to honor demands for payment upon compliance with conditions established in the agreement. Bank letters of credit are sometimes used as additional sources of security for municipal bond and note issues. Letters of credit may also be used to provide liquidity for commercial paper and demand bonds.

Level Debt Service

An arrangement of serial maturities in which the amount of principal maturing increases at approximately the same rate as the amount of interest declines, resulting in substantially equal annual debt service payments over the life of the bonds.

Limited Tax Bond

A bond secured by a pledge of a tax or category of taxes which is limited as to rate or amount.

Line-Item Budget

A budget format that delineates the amount planned to be spent for each separate expenditure category of goods or service within each program, division, and department.

Liquidity

Usually refers to the ability to convert assets (such as investments) into cash.

M

Manager

The leading member or members of an underwriting syndicate charged with primary responsibility for conducting the affairs of the syndicate. The manager generally takes the largest underwriting commitment and generally handles negotiations in a negotiated underwriting of a new issue of municipal securities and directs the processes by which bids are calculated for a competitive underwriting.

Mandatory Redemption Fund

A separate account into which the issuer makes periodic deposits to purchase bonds in the open market or to pay the costs of calling bonds in accordance with the mandatory redemption schedule in the bond contract. Such an account is also known as a bond amortization fund.

Mark Down — The fee charged by a dealer when he sells a security for a client. The fee is subtracted from the price to give a "net" price to the client.

Mark to Market — Valuing the inventory of held securities at its current market value.

Market Value — Price at which a security can be traded in the current market.

Marketability — The ease or difficulty with which bonds can be sold in the capital market. A bond's marketability depends upon such factors as its interest rate, security, maturity, timing of issuance, volume of comparable issues being sold and credit quality as determined or affected by the lien status, tax or revenue base and terms of the bond contract.

Master Resolution — Legal document establishing the terms and conditions for an issuer's offering of parity bonds.

Maturity — The date upon which the principal of a municipal bond becomes due and payable to the bondholder.

Mission — The principal purpose for which an organization, department or entity exists.

Money Market — The market for short term debt obligations of one year or less.

Moody's Investor Service — An independent service company which provides credit ratings for municipal bonds and other financial information to investors.

Mortgage Revenue Bond — A tax-exempt security issued by a state, certain agencies or authorities, or a local government to make or purchase loans (including mortgages or other owner-financing). The primary security for such bonds is typically the payments on the mortgagees) acquired with the bond proceeds.

Municipal Bond — A general term referring to bonds of local governmental subdivisions such as cities, towns, villages, counties and special districts as well as states and subdivisions thereof, which are exempt from federal income taxation. Also includes other tax-exempt debt done as conduit financings.

Municipal Code — The document that contains all City Council approved ordinances currently in effect. The Code defines city policies related to city administration, building codes, planning and zoning regulations, sanitation and health standards, and public safety.

Municipal Securities Broker — A broker engaged in the business of effecting transactions in municipal securities for the account of others.

Municipal Securities Rulemaking Board (MSRB) — An independent self-regulatory organization established by the Securities Acts Amendments of 1975. It is charged with primary rulemaking authority over dealers, dealer banks, and brokers in municipal securities. Its members are divided into three categories securities firms representatives, bank dealer representatives, and public members, each category having equal representation on the Board.

Mutilated Certificate — A certificate which is not in a form to make it possible to determine the issuers name , seal of the issuer, certificate number, interest rate, par value or maturity date.

N

National Association of Securities Dealers (NASD) — A self-regulatory association formed for the purpose of promoting high business standards, rules of fair practice and self-discipline among members in the securities industry and investment banking.

Negative Covenants — Promises contained in the bond contract, whereby the issuer obligates itself to refrain from doing certain acts. One common example of a negative covenant is a promise not to sell or encumber the project.

Negative Credit Factors — Those characteristics which could adversely affect the credit standing of an issuer, such as declining population, decreasing revenue sources, regulatory restrictions on operations of the issuer, poor debt ratios and structural weaknesses of the issue, such as insufficient coverage requirements, weak additional bonds tests and subordinate lien position.

Negative Yield Curve — Short-term interest rates are higher than long-term interest rates.

Negotiated Sale — The sale of a new issue of municipal securities by an issuer through an exclusive agreement with a previously selected underwriter or underwriting syndicate. A negotiated sale should be distinguished from a competitive sale, which requires public bidding by the underwriters. Primary points of negotiation for the issuer are the interest rate and purchase price, which reflect the issuer's costs of offering its securities in the market. The sale of a new issue of bonds in this manner is also known as a negotiated underwriting.

Negotiated Underwritings

In a negotiated underwriting the issuer of municipal securities chooses one underwriter or a group of underwriters to develop a marketing program and to sell its bonds to investors. There is no competitive bid for the issue.

Net Direct Debt

Total direct debt of a municipality less all self-supporting debt, any sinking funds and tax anticipation notes and revenue anticipation notes.

Net Interest Cost
NIC

A common method of computing the interest expense to the issuer of bonds, and which usually serves as the basis of award in a competitive sale. NIC allows for premium and discount and represents the dollar amount of interest payable over the life of an issue, without taking into account the time value of money. While net interest cost actually refers to the dollar amount of the issuer's interest cost, it is also used in reference to the average net interest cost rate, which reflects the overall rate of interest to be paid by the issuer over the life of the bonds.

Net Overall Debt

Net debt of an issuer plus applicable share of debt of all overlapping jurisdictions.

Net Revenue

Net revenues equal gross revenues minus expenses of operation and maintenance, excluding depreciation.

Net Revenue Pledge

Net revenues (gross revenues minus expenses of operation and maintenance) which are pledged for the payment of debt service on revenue bonds.

Net Trade

A principal transaction where the executed price includes the dealer mark-up or markdown.

Net Yield to Maturity

The effective return after the imposition of capital gains taxes.

New Issue

Bonds offered to investors for the first time.

New Issue Market

Market for new issues of municipal bonds.

No Litigation Certificate

Document provided at the closing of a bond issue which certifies that there is no current litigation affecting the issuer's offering in any materially adverse way.

Nominal Quotation

An indication of price given only for purpose of providing a valuation.

Nominal Yield

The annual return of a bond as stated on the certificate based upon the par value of 000.

Non-Callable Bond

A bond that cannot be called for redemption at the option of the issuer before its specified maturity date.

Non-Profit Organization (NPO)

An entity that can be formed to issue tax-exempt bonds to construct and acquire facilities for a public purpose. The facilities may be leased and the rental payments become a direct obligation of the general fund of the occupying public agency.

Normal Yield Curve

Short term interest rates are lower than long term interest rates.

Note

A written, short-term promise of the issuer to repay a specified principal amount on a date certain, together with interest at a stated rate, or according to a formula for determining that rate, payable from a defined source of anticipated revenue. Notes usually mature in less than 5 years.

Notice for Tenders

An invitation by the issuer of bonds, or its representative for bondholders to offer the issuer's bonds at a predetermined price, or a price at which the bondholder is willing to sell to the issuer. The notice for tenders usually authorizes the issuer to reject tender offers in whole or in part.

Notice of Redemption

A publication of the issuer's intention to call outstanding bonds prior to their stated maturity dates, in accordance with the bond contract.

Notice of Sale

A publication by an issuer describing an anticipated new offering of municipal bonds. It generally contains the date, time and place of sale, amount of issue, type of bond, amount of good faith deposit, basis of award, name of bond counsel, maturity schedule, method, time and place of delivery, and bid form.

O

Object Accounts

An account used to classify expenditures, i.e. full-time salaries, utilities, professional services, office supplies, etc.

Object Category

A broad category used to identify expenditures by the nature of the goods or services purchased. There are four major object categories: Personal Services, Materials and Supplies, Capital Outlay, Fixed Charges

Objective

A defined method to accomplish an established goal. A broader definition is that an objective is something to be accomplished in specific, well-defined, and measurable terms that is achievable within a specific time frame.

Offer

The lowest price a seller is willing to take to affect a sale of a security. Also known as "ask."

Offering Circular

A document generally prepared by the underwriters about an issue of securities expected to be offered in the primary market. The document discloses to the investor basic information regarding the securities to be offered and is used as an advertisement for the sale of municipal bonds.

Official Statement

A comprehensive statement containing information about the security being offered and about the issuer of that security. Full disclosure of all pertinent facts is required in this document. A Preliminary Official Statement (or "Red Herring) is often available prior to the final official statement, which is typically printed only when the final pricing and terms of the security issue have been decided. The Official Statement is similar to a prospectus.

Operating Budget

A financial and organizational plan for furthering the goals of the City through its departments which includes expenditures for personal, materials, supplies, fixed charges, etc.

Order Period

A period of time after the pricing of a series of bonds in which syndicate members solicit orders for the purchase of securities held by the underwriting group.

Ordinance

A formal legislative enactment by the City Council. An ordinance has the full force and effect of law within City boundaries, unless it is in conflict with a higher form of law, such as a State Statute or Constitutional provision. An ordinance has a higher legal standing than a resolution.

Original Issue Discount

An amount representing the difference between par value and the original public offering price which will be tax-exempt income to the bondholder if held to maturity.

Original Issue Discount

An amount which represents the difference by which par value exceeds the public offering price of a new issue or part of an issue of municipal bonds. Original issue discount is amortized over the life of the bonds and is generally treated as tax-exempt interest. When the investor sells the bonds before maturity, any profit or loss realized on such sale is figured on the adjusted cost basis for tax purposes. The adjusted cost basis is calculated for each year the bonds are outstanding by adding the accretion value to the original offering price.

Outcomes

The intended results that should be achieved by a government or its departments responsible for undertaking a specific goal and objective.

Outputs — Goods produced and services performed by a government and/or delivered to customers

Overlapping Debt — The portion of debt of other governmental units for which residents of a particular municipality are responsible, i.e., schools, counties, irrigation districts, etc.

P

Par Value — The amount of principal which must be paid at maturity. Par value is also referred to as the face amount of a security.

Par Bond — A bond selling at face value.

Parity Bonds — Securities which are secured by an equal lien position (priority of claim) on revenue sources or property pledged to the repayment of previously outstanding bonds.

Pay-As-You-Go Basis (Cash) — A term used to describe the financial policy of a governmental unit which finances its capital outlays from current revenues rather than by borrowing. A governmental unit which pays for some improvements from current revenues and for others by borrowing is on a partial or modified pay-as-you-go basis.

Pay-As-You-Use Basis (Debt) — A term used to describe the financial policy of a governmental unit which finances its capital outlays through debt, either long or short-term borrowings, such as leases, bonds, etc.

Paying Agent — The entity responsible for the payment of interest and principal on municipal bonds on behalf of the issuer. The paying agent is usually a bank or trust company, but may be the treasurer or some other officer of the issuer.

Payment Date — The date at which the interest of a municipal bond is due to the bondholder.

Per Capita Debt — The amount of an issuer's debt divided by population, which is used as an indication of the issuer's credit position by reference to the proportionate debt borne per resident. See: Debt Ratios.

Performance Benchmark — A standard that a government and its departments attempt to achieve and compare their performance against.

Performance Measure — A specific quantitative or qualitative assessment of results obtained through a program or activity.

Performance Measurement

The process for determining how a program is accomplishing its mission, goals, and objectives through the delivery of products, services or processes. Performance measurement is defined as a systematic process of evaluating the outcomes of inputs to outputs for specific government programs and services that are delivered to customers with respect to effectiveness, efficiency, quality, and return on investment.

Performance Measurement System

A comprehensive and systematic process of using performance measurements to assess, monitor, and improve the accomplishment of program and service delivery goals and objectives.

Performance Standard

A generally agreed upon minimum level of performance that a government and/or its departments should achieve per a given number of transactions.

Performance-based Budgeting

Appropriating financial resources to programs and services based on overall performance and contribution to the government's overall mission, goals, and objectives.

Placement Ratio

The percentage figure of all new offerings which were sold during a given week.

Pledged Revenues

The funds obligated for payment of debt service and other deposits required by the bond contract.

Point

One percent of par. One point is worth $10 per $1 000.

Position Trading

Buying and selling blocks of municipal bonds for inventory.

Positive Credit Factors

Characteristics which may provide strength to the credit of an issuer, such as increasing tax base, diversification of industry in the region, favorable debt ratios, sound financial operations and reporting; and structural strengths of an issue, such as strong additional bonds and coverage tests, rate covenants and superior lien status.

Preliminary Official Statement (POS)

A preliminary version of the official statement which is used by the issuer or underwriters to describe the proposed issue of municipal bonds prior to the determination of an interest rate and offering price. The preliminary official statement is a marketing tool used to gauge buyers' interest in the issue and is relied upon by potential purchasers in making their investment decisions.

Premium

The amount by which the cost price (market value) exceeds the principal amount (par value) of a municipal bond.

Premium

The amount by which the price paid for a security exceeds par value, generally representing the difference between the

nominal interest rate and the actual or effective return to the investor.

Premium Call Price — The price over par value, expressed as a percentage of par, which the issuer agrees to pay upon redemption of its outstanding bonds prior to the stated maturity date as provided in the bond contract.

Present Value — A measure of the time value of money - i.e., the amount of money an investor would exchange today for a future stream of principal and interest payments.

Pricing — The process of determining interest rates, yields, and underwriter s spread of an issue in order to determine the overall cost of borrowing to the issuer. The pricing of an issue seeks to provide a fair and marketable rate to issuer, purchaser, and underwriter alike.

Primary Market — The market for new municipal bond issues.

Principal — The face amount or par value of a bond or issue of bonds payable on stated dates of maturity.

Prior Issue — An outstanding issue of municipal bonds. The term is usually used in the context of refunding to denote the obligations being refinanced, sometimes called refunded bonds. It is also used with respect to previous bond issues which normally possess a first or senior lien on pledged revenues.

Private Activity Bonds — One of two categories of bonds established under Tax Reform Act of 1986. Depending on meeting certain tests, such bonds can be issued as tax-exempt, generally subject to state volume caps.

Private Placement — With respect to municipal securities, the term may be used in reference to negotiated sales directly to institutional or private investors rather than through a public offering.

Process Benchmark — Measures that assess how well a program's core business functions and work process contribute to effectiveness, efficiency, and service quality.

Program — A clearly identified service or activity of the government, which lends itself to analysis, management and control.

Program Budget — A budget format in which expenditures are based primarily on the service or activity and secondarily on the object account.

Project Notes — Short-term notes issued by local authorities to build low cost housing. The notes are generally backed by the full faith and credit of the U.S. Government.

Promissory Notes — Notes issued by select public agencies for a period of time (usually less than five years) secured by a lien and pledge of enterprise revenues.

Protective Covenants — Protective provisions of an indenture to be followed by the issuer to assure bondholder security. Covenants relate to items such as maintenance of adequate rates, maintenance of the facility and the proper books and records, and tests for issuance of additional party bonds.

Purchase Contract — Agreement between the issuer and underwriter outlining the final terms, conditions and prices for the sale of the new securities.

Put Bonds — Bonds which allow the owner to resell the bonds back to the issuer at a pre-determined price under certain conditions, thus protecting the purchaser from large increases in market interest rates which would erode the principal value of the fixed income security.

Q

Qualified Legal Opinion — A conditional affirmation of the legality of bonds, before or after they are sold. An unqualified or clean legal opinion, on the other hand, is an unconditional affirmation of the legality of bonds.

Quality — The level of satisfaction expressed by customers of a particular program with respect to goods and services delivered to them by a governmental unit or department.

Quote — The bid and asked price at which a dealer stands ready to buy or sell securities firm quote. If a quote is not" firm, it is a "subject" quote, i.e., subject to confirmation by another dealer.

R

Ratings — Designations used by independent investors' services to provide relative indications of investment quality for a municipal bond.

Rating Report — The report released by rating agencies announcing their rating decision and explaining the rationale behind it.

Reclamation

A procedure providing for the return by the receiving party of securities previously accepted for delivery or a demand by the delivering party for return of securities which have been delivered.

Red-Herring

A term used to denote a preliminary official statement.

Redemption

A transaction in which the issuer pays an outstanding obligation at a specified price, usually at or above par prior to the specified maturity date, or "calls the bonds," by giving notice in the manner prescribed in the bond contract. Redemptions may be either mandatory or optional.

Refunding

The sale of a new issue of bonds in order to payoff a previously issued series of bonds to replace a restrictive bond resolution with a less restrictive one. If the new issue is sold after the first call date of the prior issue, the prior is said to be refunded." If the new issue is sold before the first call date of the prior issue, the prior is "advance refunded" and the proceeds of the new issue are placed in escrow until prior bonds can be called.

Registered Bond

A bond which has a name printed on the certificate identifying the owner. The owner is "registered" with the issuer or its agent. All bonds with a maturity greater than one year are issued in registered form.

Registrar

The person or entity responsible for maintaining records on behalf of the issuer for the purpose of noting the owners of registered bonds. The paying agent frequently performs this function.

Reimbursements

Payments remitted by another agency, department, or fund to help to defray the costs of a particular service or activity for which the reimbursing party obtained some benefit. These amounts are recorded as expenditures, or expenses, in the reimbursing fund and as a reduction of expenditures, or expenses, in the fund that is reimbursed.

Repurchase Agreement (REPO)

An agreement consisting of two simultaneous transactions whereby the investor purchases securities from a bank or dealer, and the bank or dealer agrees to repurchase the securities at the same price on a certain future date. The interest rate on a RP is that which the dealer pays the investor for the use of his funds. Reverse repurchase agreements are the mirror image of RPs, when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

Reoffered — New issue securities which are purchased from the issuer by the underwriting dealers and reoffered to the public.

Reserve — An account which records the portion of the fund balance which must be segregated for some future use and which is, therefore, not available for further appropriation or expenditure.

Reserve Fund — A fund provided for in most revenue bond issues which must be drawn upon to pay debt service if the pledged revenue sources do not generate sufficient funds to cover debt service. Reserve funds are often initially funded and maintained at maximum annual debt service. If used in whole or in part, they generally must be replenished from the first available funds.

Residual — Balance remaining in syndicate account after payment of sales credits and other expenses, normally identified as underwriting profit.

Resolution — A special order of the City Council which requires less legal formality than an ordinance in terms of public notice and the number of public readings prior to approval. A resolution has lower legal standing than an ordinance and is usually approved by a simple majority of council members present. The adoption of the operating budget, however, or any other resolutions concerning spending requires approval by three of the council members present at time of adoption.

Retail Sales — Sale of securities in relatively small blocks to individual investors and small institutions.

Retirement of Debt — The repayment of principal and interest due to the bondholders to extinguish outstanding debt obligations.

Revenue Anticipation Note (RANs) — A short term municipal debt obligation where the proceeds of future revenues are pledged as security to the retirement of the notes at maturity.

Revenue Bonds — Bonds payable from a specific source of revenue and which do not pledge the full faith and credit of the issuer. Revenue bonds are payable from identified sources of revenue, and do not permit the bondholders to compel taxation or legislative appropriation of funds not pledged for payment of debt service. Pledged revenues may be derived from operation of the financed project, grants and excise or other specified non-ad valorem taxes.

Revenue Forecasting — Any of several systematic approaches used by governments to estimate the levels of revenue that can be expected in future years.

Revenues — Items or sources of income, such as income from taxes, licenses, permits, etc.

S

Salaries and Benefits — An operating budget category that generally accounts for full-time and part-time salaries, overtime costs, and fringe benefits.

Scale — Re-offering terms to the public of a municipal bond issue showing prices or yields of each maturity of the issue.

Securities and Exchange Commission (SEC) — The federal agency responsible for supervising and regulating the securities industry. Generally, municipal securities are exempt from the SEC's registration and reporting requirements. However, the SEC has responsibility for the approval of Municipal Securities Rulemaking Board rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

Secondary Market — Market for bonds previously offered and sold.

Securities Act of 1933 — A federal law for the purpose of protecting the public in the issuance and distribution of securities by requiring full disclosure by the issuer.

Securities Exchange Act of 1934 — A federal law for the purpose of protecting the public in the trading of securities on the stock exchanges and the over-the-counter market.

Security — The revenue sources and other funds of an issuer which are to be used for payment of debt service on a series bonds.

Self-Supporting Debt — Debt requiring no additional revenue other than the specific revenue designated for debt service.

Senior Lien Bonds — Bonds having a prior claim on pledged revenues.

Serial Bonds — An issue that has scheduled annual or semi-annual maturities over a period of years.

Serial Issue — An issue of bonds having maturities scheduled over several years, thereby allowing the issuer to amortize principal over a period of years. Maturity schedules for serial bonds often provide for level debt service or level principal payments.

Series Number — A symbol or phrase used to identify or name an issue of securities, for example, "Revenue Bonds, 1978 Series A."

Settlement

Delivery of and payment for a new issue of municipal bonds. Settlement usually occurs within 30 days after the bonds are awarded to the underwriters, which allows for printing of the bonds and the completion of certain legal matters. With regard to the purchase of a bond in the secondary market, settlement occurs upon payment for the bond, usually five business days after purchase.

Settlement Date

The date used in price and interest computations, usually the date of delivery.

Sinking Fund

An account, often called a debt service fund, into which the issuer makes periodic deposits to assure the timely availability of sufficient monies for the payment of debt service requirements. The revenues to be deposited into the sinking fund and payments the reform are determined by the terms of the bond contract.

Special Assessment

Charges imposed against property in a particular locality because that property receives a special benefit by virtue of some public improvement, separate and apart from the general benefit accruing to the public at large Special assessments must be apportioned according to the value of the benefit received, rather than the cost of the improvement, and may not exceed the value of such benefit. When the value of the benefit exceeds the cost of the improvement, however, the special assessment may not exceed the cost of the improvement.

Special Assessment Bond

A bond for the financing of local improvements which benefit specific properties secured by a lien against the properties and are payable solely or principally from special assessments to the owners. The proceeds are used for sidewalks, streets, gutters, sewers, water systems, and other similar improvements.

Special Districts

Single or limited purpose units of government formed under state enabling legislation to meet certain local needs not satisfied by existing general purpose governments in a given geographical area. Special districts may be granted taxing powers. An independent special district is one whose governing body is an independent entity and whose budget is established independently of the local governing authority.

Special Obligation Bonds

That portion of a full cash refunding bond issue which is secured by the interest earnings on United States Government securities purchased with the proceeds of the refunding bonds.

Special Revenue Fund — A governmental type (see Fund types) fund that separately accounts for monies that are restricted as to use by the City Council, the state, or the federal government.

Special Tax Bond — A form of revenue bond secured by a special tax, such as a gasoline tax, or franchise tax on local business operations.

Spread — The gross profit in a municipal underwriting frequently expressed as an amount per bond. The gross spread is the difference between what the issuer receives and the offering price to the public.

Standard and Poor's — An independent service company that provides credit ratings for municipal bonds and other financial information to investors.

Structuring an Issue — The process of building a bond issue in accordance with the legislative authorization and the requirements of the issuer, so that a sound financial plan is created and the bonds stand as a viable debt security. Development of maturity structure, processing of legal documents, and determination of bond security are part of this process.

Subject Market — A quotation on a municipal bond given by a broker/dealer who is unable to trade immediately.

Subventions — Revenue collected by the state (or other level of government) which is allocated to the City on a formula basis. The major subventions from the State of California include motor vehicle license fees and gasoline taxes.

Surplus Fund — Account established under bond resolution where all funds remaining after specified uses are deposited.

Swap — An investor sells one security and simultaneously buys another of similar quality, but with a different interest rate to realize a capital loss for tax purposes.

Syndicate — A group of investment bankers who buy (underwrite) a new bond issue from the issuing municipality and offer it for resale to the general public.

Syndicate Manager — Lead underwriter who directs the account and handles the books and records. See "Managing Underwriter.

T

Take Down

The discount from the offering price allowed to member of an underwriting account on any bonds he sells.

Take or Pay Contract

A sales agreement which requires the purchaser to pay the seller whether or not goods or services are available and, if available, whether or not the purchaser uses them. This type of requirement is generally used in electric power sales contracts which stipulate that payments will be made by the purchasers to the electricity wholesaler whether or not the power supply projects are complete or operational. Such payments are not conditioned upon the performance of the wholesaler, the completion or operation of the power project or the use of the goods or services.

Target Population

The individuals that a program or service was designed to serve based on eligibility, need, or demand.

Tax

Compulsory charges levied by a governmental unit for the purpose of raising revenue. Taxes should be distinguished from special assessments, which are levied according to the actual benefits derived, and from fees which must bear a reasonable relation to the costs of administration or regulation and are imposed under the police power. Tax revenues are used to pay for services or improvements provided for the general public benefit.

Tax Anticipation Note (TANS)

A short-term note where the proceeds of a forthcoming tax collection are pledged as security to repay the notes at maturity.

Tax Base

The total property and resources available for taxation.

Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982

Major federal tax legislation, which resulted in substantially lower tax rates for individuals and made other changes to the Internal Revenue Code and federal statutes.

Tax Exempt Bond

Bonds whose interest is exempt from federal income taxation pursuant to Section 103 of the Internal Revenue Code, and may or may not be exempt from state income or personal property taxation in the jurisdiction where issued.

Tax Increment

Tax increment is the primary source of revenue that redevelopment agencies have to undertake redevelopment projects. It is based on the assumption that a revitalized project area will generate more property taxes than were being produced before redevelopment. When a redevelopment project area is adopted, the current assessed values of the property within the project area are designated as the base year value. Tax increment is derived from the increased assessed value of property, not from an increase in tax rate. Any increases in property value, as assessed

because of change of ownership or new construction, will increase tax revenue generated by the property.

Tax Increment Bonds — Bonds secured by the incremental property tax revenues generated from a redevelopment project area. As usually structured, a project area is designated, its property tax base frozen, and revenue from the incremental growth of the property base used to provide additional funds for further redevelopment or for debt service on bonds issued for redevelopment purposes.

Tax Rate — The amount of tax stated in terms of a unit of the tax base; for example 10 mills per dollar of assessed valuation of taxable property.

Tax Rate Limit — The maximum rate or millage of tax which a local government may levy. This limit may apply to taxes raised for a particular purpose or for all purposes; to a single government, or class of governments; or to all governments operating in a particular area.

Tax Reform Act of 1986 — Legislation enacted which among other major changes to federal tax provisions greatly affects ability of localities to issue tax-exempt securities.

Tax Roll — The official list showing the amount of taxes levied against each taxpayer or parcel of property, prepared and authenticated in proper form to warrant the collecting officers to proceed with the enforcement of the tax

Taxable Bonds — Refers to municipal bonds the interest of which is subject to Federal income taxation under the Internal Revenue Code.

Taxable Yield Equivalent — The interest rate which must be paid on a taxable bond to earn the bondholder the same return as that earned on a tax-exempt bond. Because interest earned on municipal bonds is not subject to federal income taxation, a taxable bond must yield an amount sufficient to make up for the tax liability incurred by the bondholder. The taxable yield equivalent varies according to the bondholder's marginal tax bracket. The formula for determining the taxable yield equivalent is tax-free yield divided by 100% of the marginal tax bracket

Tender Offer — The procedure whereby the municipality offers to buy outstanding bonds in the open market.

Term Bond — A bond which has a single maturity (typically the longest maturities) with a sinking fund operating for a term of years prior to the maturity date.

Term Issue

An issue of municipal securities that has a single stated maturity.

Tombstone

An advertisement placed by underwriters announcing the results of a new municipal bond offering.

Total Overall Debt

Net direct debt plus the issuer's applicable share of the direct debt of all overlapping jurisdictions.

Treasury Securities

Debt obligations of the United States Government sold by the Treasury Department in the forms of bills, notes and bonds. *Bills* - Short-term obligations which mature in 1 year or less, and are sold at a discount in lieu of paying periodic interest. *Notes* - Interest bearing obligations which mature between 1 year and 10 years. *Bonds* - Interest bearing long-term obligations which generally mature in 10 years or more.

True Interest Cost (TIC)

Under this method of computing the borrower's cost, interest cost is defined as the rate, compounded semiannually, necessary to discount the amounts payable on the respective principal and interest maturity dates to the purchase price received for the bonds. TIC computations produce a figure slightly different from the NIC method since TIC considers the time-value of money while NIC does not.

Trust Fund

A fiduciary type (see Fund types) fund that holds monies in a trustee capacity. Typically, these monies would either be held in a trust account (wherein the principal and the interest can't be expended by the City in accordance with trust agreements.), or non-expendable trusts (wherein the principal must remain intact but any income derived form the trust can be expended in accordance with trust agreement).

Trust Indenture

A contract between the issuer of municipal securities and a trustee for the benefit of the bondholders. The trustee administers the funds or property specified in the indenture in a fiduciary capacity on behalf of the bondholders. The trust indenture, which is generally a part of the bond contract establishes the rights, duties, responsibilities and remedies of the issuer and trustee and determines the exact nature of the security for the bonds.

Trustee

A bank or agent which serves as the custodian of funds and official representative of municipal bondholders. The trustee holds and manages the assets of an issuer in a fiduciary capacity under the terms of the Trust Indenture.

U

Underlying Rating — An assessment of a bond's credit, without considering external credit also referred to as unenhanced ratings.

Underwrite — The process of purchasing all or any part of a new issue of municipal securities from the issuer, and offering said securities for sale to investors.

Underwriter — A dealer firm that purchases municipal bonds from the issuer and resells the bonds to the public while assuming the risk of ownership until the bonds are sold.

Underwriter's Counsel — An attorney or law firm retained to represent the interests of the underwriters in connection with the purchase of a bond issue. The duties of underwriter's counsel may include review of the issuer ordinance and documentation on behalf of the underwriter; review of the official statement to determine adequacy of disclosure; negotiation of the agreement among underwriters; and preparation of the due diligence opinion.

Undivided Account (Eastern) — An underwriting agreement in which each member of an underwriting group is liable for any unsold portion of the issue by the other underwriters.

Unlimited Tax Bond — A municipal bond secured by a tax pledge which is unlimited as to rate or amount.

Upgrade — The raising of a bond rating by a rating service, or, the replacing of an issue in a municipal bond portfolio with one of a higher quality.

User Charges — Charges to an individual or entity for public services that are directly received by and benefit that individual or entity.

V

Validation — The procedure by which the municipal bond's legality is tested and affirmed in the courts. Also, certification (as by issuer, trustee or other agent) that mutilated securities, are valid obligations for "good delivery."

Valuations — A service offered by municipal bond dealers to price bonds which are relatively inactive.

Variable Interest Rate — A method of determining the interest to be paid on a bond issue by reference to an index or according to a formula or other standard of measurement at intervals as stated in the bond contract. One common method is to calculate the interest rate as a percentage of the prime rate published by a

named financial institution on specified dates. It may also be the interest rate determined by the remarketing agent to be necessary to allow all bonds to trade at par.

Visible Supply — The total dollar volume of bonds to be offered over the next 30 days. The visible supply, which is compiled and published in *the Bond Buyer,* indicates the near-term activity in the municipal market and maybe the determining factor in establishing an offering date.

W

Warrant — Security, generally short-term in nature, issued by a municipality and used in the payment of bills.

Workload Measures — Indicators that quantify the amount of output performed by a department, program or service.

X

Y

Yield — The net annual percentage of income from a municipal bond. The yield reflects interest rate length of time to maturity, amortization of premium or accretion of discount. Also called "yield to maturity"

Yield Curve — A chart showing the relationship between interest rates and maturities over a period of time.

Yield to Call — Annual percentage return on an investment calculated to the earliest call date.

Yield to Maturity — The rate of return earned by the investor from the time of purchase of the security to its maturity.

Z

Zero Coupon Bond

A bond which pays no interest, but is issued at a deep discount from par, appreciating to its full value at maturity.