

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012



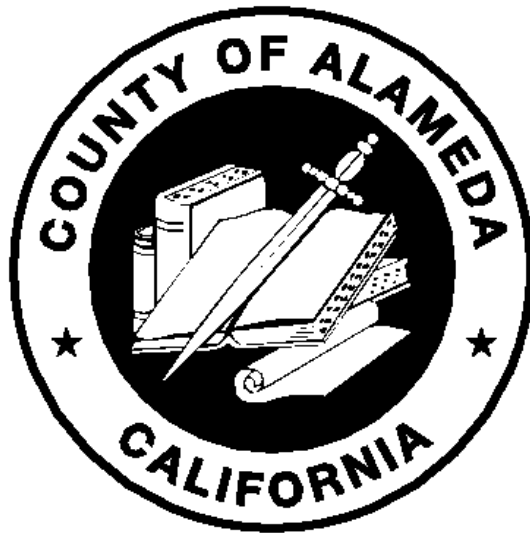
*100 Families Alameda County: Art & Social Change* brings together diverse, intergenerational families to create art together while strengthening the health of families and communities. Images show family members and neighbors, their completed artworks, and sections of the Highland Hospital community mural.

Patrick O’Connell, Auditor-Controller

Cover Images: 100 Families Alameda County: Art & Social Change is a program that brings together multigenerational families to enliven, celebrate, and strengthen the power and health of families and their communities through the inspiring and transformative process of making art. This program contributes to Alameda County's vision to be one of the best counties in which to live, work, and do business while fostering safe neighborhoods and thriving communities. Families from the Highland Hospital community worked with teaching artists Joaquin Newman and Eduardo Pineda during five art workshops conducted at Highland Hospital. Newman and Pineda combined photographs of the families and the families' completed artworks, along with images of natural environments to create a temporary public art mural for the Hospital. Under the auspices of Alameda County New Beginnings, 100 Families Alameda County became an official program of the Alameda County Arts Commission in 2010. For more information, visit [www.100Families.com](http://www.100Families.com). New Beginnings is a public-private partnership benefiting the youth of Alameda County. For more information, visit [www.acgov.org/newbeginnings](http://www.acgov.org/newbeginnings). Primary funding for this mural project is provided through the County's "Percent for Public Art" ordinance. Photographs of the families and individual artworks are by Sibila Savage. Mural design was created by Joaquin Newman and Eduardo Pineda. Artwork © the Artists. Images courtesy of Alameda County Arts Commission.

Back Cover, Bottom Image: The Highland Hospital Acute Tower Replacement (ATR) Project, a \$668-million design and construction job, is crucial for providing continued healthcare services to the people of Alameda County. The project will bring Highland Hospital into compliance with state laws which require acute care hospital buildings to meet seismic-safety requirements by 2020. Completion of the ATR Project is anticipated in 2017. In addition to meeting seismic safety standards, the ATR project will allow Highland Hospital to provide cost effective, quality healthcare services in a new state-of-the-art building. Illustration of the future Highland Hospital Acute Care Tower and Courtyard supplied by the Alameda County General Services Agency, courtesy of Clark Design/Build and the Smith Group.

# **COUNTY OF ALAMEDA STATE OF CALIFORNIA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2012**

**Patrick O'Connell  
Auditor-Controller**

# COUNTY OF ALAMEDA, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2012

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**COUNTY OF ALAMEDA, CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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## **INTRODUCTORY SECTION**





# ALAMEDA COUNTY AUDITOR-CONTROLLER AGENCY PATRICK O'CONNELL

AUDITOR-CONTROLLER/CLERK-RECORDER

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December 28, 2012

The Honorable Board of Supervisors  
Alameda County  
County Administration Building  
Oakland, CA 94612

Members of the Board of Supervisors and the Citizens of Alameda County:

The Comprehensive Annual Financial Report (CAFR) of Alameda County (the County) for the fiscal year ended June 30, 2012, is hereby submitted in compliance with the provisions of Sections 25250 and 25253 of the Government Code of the State of California.

The CAFR has been prepared by the Auditor-Controller's Office in compliance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not surpass their benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

The CAFR has been audited by the independent certified public accounting firm of Macias Gini & O'Connell LLP. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the County of Alameda for the year ended June 30, 2012, are free of material misstatements. The independent certified public accounting firm has issued an unqualified ("clean") opinion on the County's financial statements for the fiscal year ended June 30, 2012.

Management's Discussion and Analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

In addition to the annual audit of this CAFR, the County is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the 1996 amendments to that act, and the US Office of Management and Budget Circular A-133, *"Audits of States, Local Governments and Non-Profit Organizations."* Information related to the single audit, including the schedule of expenditures of federal awards, findings and questioned costs, and the auditor's report on the internal control and compliance with applicable laws and regulations, is presented in a separate publication.

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The CAFR includes all funds of the County. The County provides a full range of services, including public protection; social services; health care for the indigent; construction and maintenance of highways, streets and other infrastructure; recreational activities; library services and cultural events. In addition to general government activities, this CAFR includes activities of the Alameda County Medical Center Hospital Authority (as a discretely presented component unit), the Alameda County Employees' Retirement Association and certain special districts and county service areas. The Oakland-Alameda Coliseum Authority, which includes the Oakland-Alameda County Coliseum Financing Corporation as its blended component unit, is a joint venture between the County and the City of Oakland, each funding up to 50 percent of the Coliseum Authority's operating costs and debt service requirements, to the extent such funding is necessary. Finally, information about the Master Tobacco Settlement Corporation is included (as a blended component unit).

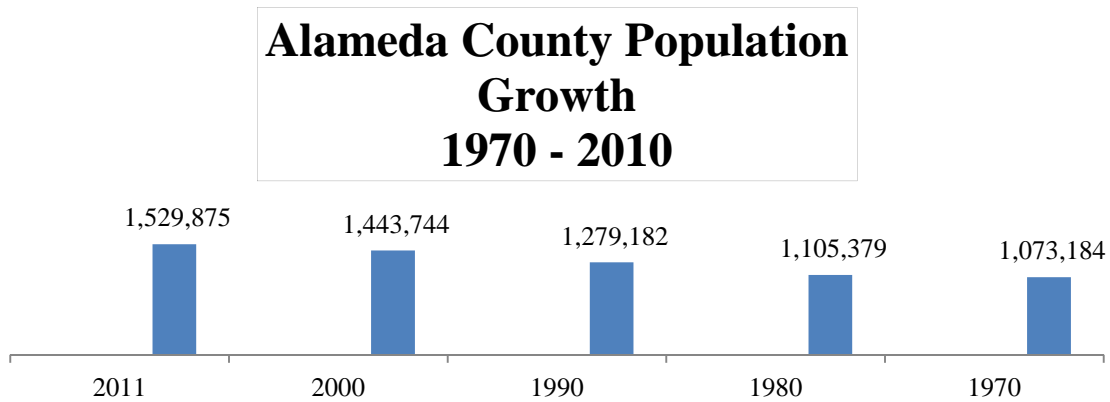
## ALAMEDA COUNTY

### Profile of Government:

Alameda County was established in 1853 and is governed by a five-member Board of Supervisors elected by popular vote. Other elected officials include the Auditor-Controller/Recorder, Assessor, Treasurer-Tax Collector, District Attorney, and Sheriff/Coroner. The Board of Supervisors is responsible for providing policy direction, approving the County budget, and representing the County in a number of areas including special districts. The County Administrator reports to the Board and is responsible for delivering County services.

### Local Economy:

Located on the east side of the San Francisco Bay, Alameda County encompasses 813 square miles and extends from Albany in the North to Fremont in the South and Livermore in the East. The population of Alameda County exceeds 1.5 million making it the seventh most populous county in California according to US Census Bureau data. Population growth in Alameda County has been fairly consistent during the last forty years making it a desirable place to live and work.



### **Source US Census 2010**

Alameda County possesses a large and diverse economic base, consisting of research and high technology, professional services, manufacturing, farming, finance, transportation, wholesale and retail trade, higher education, medical and health services, and government services. The County also has a diversified industrial base that provides well paying jobs to its residents.

In international trade, Alameda County has a long history of strong cultural and business ties with Pacific Rim trading partners. Because of its central location and state-of-the-art port facilities, it is

a major port for the Pacific Rim trade. The County's extensive network of air, sea, highway and rail facilities have made the County a major transportation hub for regional, national and international trade.

The Port of Oakland serves an essential role for the agricultural and manufacturing sectors of the California economy. California is the leading agricultural state in the nation, producing \$43.5 billion in farm receipts for calendar year 2011. California farm products, such as fruits, nuts, vegetables, rice and raw cotton are exported through the Port of Oakland, as are other products, including animal feed, chemicals, lumber, recycled paper and scrap metal. The Port is one of the top twenty shipping facilities in the world in annual container traffic and ranks in the top four nationally. The Port of Oakland loads and discharges more than 99 percent of the containerized goods moving through Northern California, the nation's fourth largest metropolitan area.

Oakland International Airport (OAK), owned and operated by the Port of Oakland, is a world class international airport handling in excess of 9 million passengers and over 1.1 billion pounds of cargo annually. Calendar year 2011 saw the total number of passengers handled at OAK decrease slightly to 9,266,570 a decrease of 2.9 percent. Air cargo traffic also slightly decreased to 1.08 billion pounds in calendar year 2011, down from 1.106 billion pounds in calendar year 2010 or a decrease of 2.4 percent. Landed weights decreased by 1.84 percent to 8.5 billion pounds in calendar year 2011. Despite the decreases in passengers and air cargo traffic in 2011, the first six months of 2012 has seen improvements in both areas. Passenger traffic for the first six months of 2012 is up significantly by 8.56 percent compared to the same period of 2011. Air cargo traffic is also up slightly for the first six months of 2012 by 0.98 percent. The airport is the regional center for cargo distribution for Federal Express, United States Postal Service, United Parcel Service and Airborne Express.

In addition to its focus on passenger and cargo operations, the airport operates a successful general and corporate aviation facility at the Oakland Airport's North Field. Approximately 60 tenants run businesses at the North Field, consisting of airline charters, flight and aircraft maintenance schools, flying clubs, aerial advertising and photography, aircraft maintenance, repair and sales of aircraft components, and aircraft fueling. The Rolls Royce Corporation is the North Field's largest employer with more than 380 employees.

The Livermore Valley is home to one of California's oldest wine regions with a rich winemaking tradition dating back to 1840. Currently, the Livermore Valley has 40 plus wineries, and more than 5000 acres of vineyards. Wineries vary in size from limited release, 100-case special reserves to 400,000-case mass produced operations. The region's climate is ideal for producing fully ripened, balanced grapes for winemaking. The Livermore Valley's long and rich tradition of winemaking makes it a true tourist destination for wine lovers.

Alameda County is also the home of Ernest Orlando Lawrence Berkeley National Laboratory and Lawrence Livermore National Laboratory. Both sites are world-renowned scientific centers, where cutting-edge science and engineering are used to break new ground to enhance national security. Other areas of research at the two locations include developments in energy, biomedicine, and environmental science.

Many institutions of higher education are located in Alameda County, including the prestigious University of California at Berkeley, California State University of the East Bay, Mills College, Holy Names University, the California College of Arts and Crafts, seven community colleges and many vocational and specialty schools. These institutions of higher learning help to produce an educated work force to drive the economy of the Bay Area.

A number of major freeways, bridges, the Alameda-Contra Costa Transit system (AC Transit) and the Bay Area Rapid Transit system (BART) provide the County with a modern and efficient transportation system.

## **ECONOMIC OUTLOOK**

California's economy continues to suffer because of the lasting impacts of the Great Recession. Unemployment in California continues to be higher than the nationwide average. United States Department of Labor statistics show that nationally, the unemployment rate was at 8.2 percent in June 2012, down from 9.1 percent in June 2011. However, unemployment in California stood at 10.6 percent in June 2012, down from the June 2011 rate of 11.8 percent. In Alameda County, the unemployment rate dropped from 10.9 percent in June 2011 to 9.5 percent in June 2012. While these numbers reflect a positive trend the overall unemployment rate in Alameda County is still uncharacteristically high for a region with such a diverse economic foundation.

The State of California and its ongoing budget problems have had a major impact on the County of Alameda's ability to provide essential services to its most vulnerable population. On June 22, 2012, the Board of Supervisors adopted a budget for the 2012 – 2013 Fiscal Year by closing an \$88.1 million funding gap through a combination of permanent ongoing reductions, revenue increase and one-time strategies.

California's economic recovery remains slow but is showing signs of improvement. The UCLA Anderson School of business forecast for California calls for the state's unemployment rate to be at 7.9 percent and within the 0.4 percent of the U.S. rate by the end of 2012. The forecast calls for employment growth of 1.8 percent, 1.6 percent and 2.4 percent in 2012, 2013 and 2014 respectively.

One of the major causes of the Great Recession was the collapse of the housing bubble hitting California and parts of Alameda County especially hard. During the first half of 2012 particular segments of the California housing market is showing signs of growth including Alameda County. DataQuick News reports that the median price of homes in Alameda County has risen by 10.30 percent from September 2011 to September 2012. This represents an increase in the median price of Alameda County sales from \$344,500 in September 2011 to \$380,000 in September 2012.

While the signs point to a long economic recovery for California, Alameda County is positioning itself to be one of the leaders in California out of the difficult economic times. Alameda County continues to be a location where innovation and new ideas in industry are welcomed and encouraged. Tesla Motors purchased the former NUMI automobile factory in Fremont. The Tesla Factory is the only auto assembly plant in California, and the first facility dedicated exclusively to the mass production of electric vehicles. Also, the Lawrence Berkeley National Laboratory and Lawrence Livermore National Laboratory continue to be word leaders in research and development in the areas of alternative energy and national defense.

Despite the poor economic predictions for the foreseeable future, the leadership of Alameda County continues to employ sound fiscal judgment to address the severe economic issues it is facing. In the last three fiscal years Alameda County has closed budget gaps totaling \$378.4 million while still providing essential services to the citizens of Alameda County.

## **MAJOR INITIATIVES**

The County closed an \$88.1 million funding gap by using a combination of permanent ongoing reductions, revenue increases and one-time strategies.

County employees and labor organizations partnered with the County to reduce costs by agreeing to forgo Cost of Living Adjustments (COLAs) for close to four years, contribute towards medical premiums, and implement a lower level of retirement benefits for new employees.

The Auditor-Controller's Office successfully implemented Governmental Accounting Standards Board (GASB) Statement No. 54 for fund balance reporting.

The Assessor's Office timely submitted the 2011 – 2012 local assessment roll of \$200.4 billion, containing 444,000 real estate parcels and 47,500 business property accounts. The modest 0.37 percent roll increase from 2010 – 2011 reflects the stabilization of assessed values following significant declines in market value recognized in 2009 and 2010.

The County Administrator's Office implemented the Master Owner Controlled Insurance Program for County construction projects, providing greater access to insurance for small local contractors at lower cost.

The Information Technology Department was awarded a 2011 Digital Government Best of the Web Finalist for the Alameda County website for the third year in a row.

### **RELEVANT FINANCIAL POLICIES**

Internal Control: The management of the County is responsible for establishing and maintaining adequate internal controls to assure that County operations are effective and efficient, applicable laws and regulations are followed, and financial reports are reliable. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that cost-benefit analyses require estimates and judgments by management.

Countywide internal control standards are established by the Auditor-Controller's Office. The Board of Supervisors adopted a policy that requires County departments to conduct triennial self-assessments of their internal controls, using control self-assessment tools developed by the Auditor-Controller's Office, and make improvements to enhance their fiscal accountability. The County's internal audit staff monitors the countywide assessment program.

Audit of Financial Statements: The County Charter and the California Government Code require an annual audit of the financial statements of the County. The accounting firm of Macias Gini & O'Connell LLP was selected by the County to perform the audit for fiscal year 2011-12. The independent auditor's report on the Basic Financial Statements is included in the financial section of this report and states that the County's Basic Financial Statements present fairly, in all material respects, the financial position of the County, as of June 30, 2012, and the changes in its financial position and the cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Audit of the Alameda County Employees' Retirement Association (ACERA): ACERA engaged the accounting firm of Williams, Adley & Company, LLP to perform an audit of its financial statements. The independent auditor's report states that ACERA's financial statements present fairly, in all material respects, the plan net assets of ACERA, as of December 31, 2011, and the changes in plan net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Audit of the Alameda County Medical Center Hospital Authority (ACMC): ACMC engaged the accounting firm of Macias Gini and O'Connell LLP, to perform an audit of its financial statements. The independent auditor's report states that ACMC's financial statements present fairly, in all material respects, the financial position of ACMC, as of June 30, 2012, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Single Audit: The County engaged the accounting firm of Macias Gini & O'Connell LLP to perform the annual audit of the expenditure of federal awards required by the Single Audit Act of 1984 and Amendments of 1996, and the related OMB Circular A-133. As part of the Single Audit, tests were made to determine the adequacy of internal controls related to the administration of federal financial assistance programs and to determine that the County had complied with applicable laws and regulations. The Single Audit report is available separately from this report.

Budgetary Controls: In accordance with the provisions of Sections 29000 through 29143, of the Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and adopts a budget for each fiscal year. Activities of the general fund, special revenue funds and capital projects fund are included in the annual budget. Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established for major expenditure categories in each budget unit. The budgeted expenditures become law through the passage of the Appropriation Ordinance. This Ordinance constitutes the authorized spending threshold for the fiscal year, and cannot be exceeded, except by subsequent amendment of the budget by the Board of Supervisors. In the governmental funds, an encumbrance system is used to ensure effective budgetary control and to enhance cash planning and control. As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound fiscal management.

Pension and Other Postemployment Benefit Trust Fund Operations: All investment managers, under the supervision of the Board of Retirement, invest funds of the Alameda County Employees' Retirement Association (ACERA). ACERA operates as a cost-sharing multi-employer defined benefit plan for employees of Alameda County, the Superior Court of California for Alameda County, the Zone 7 Water Agency, and five participating special districts located in the County but not under the control of the County Board of Supervisors. All risks and costs are shared by the participating entities.

ACERA's funding objective is to meet long-term benefit obligations through contributions and investment income (loss). Total contributions of \$240.9 million, net investment loss of (\$40.7) million, postemployment medical benefits on behalf of employers of \$32.3 million, Employer Implicit Subsidy from Postemployment Medical Benefits of \$4.4 million, transfers for Other Postemployment Benefits related administrative expenses of \$.4 million, and miscellaneous income of \$0.7 million combined for a total increase of \$238 million which includes transfers-in of \$37.2 million. Of the total contributions of \$240.9 million, the employers' share was \$162.9 million while the employees' share was \$78 million. Total contributions increased by the same amount of \$15.7 million compared with the previous year. For 2011, overall changes to plan net assets were \$238 million, compared to increases of \$908.5 million in 2010.

The net assets held in trust for pension and other postemployment benefits were \$5.1 billion at December 31, 2011. All of the assets were available to meet ACERA's ongoing obligations to plan participants and their beneficiaries. The net assets held in trust for total benefits decreased by \$150.1 million or 3 percent, primarily as a result of decline in investment performance in 2011. The actuarial value of the assets as a percentage of the actuarial accrued liability (funded ratio) for ACERA was 76.6 percent at December 31, 2011, a decline of .9 percent from December 31, 2010. According to the Supplemental Retirees Benefits reserve (SRBR) actuarial valuation completed as of December 31, 2011, the Postemployment Medical Benefits and the Non-OPEB Benefits were 72 percent and 36.1 percent funded, respectively.

Total retirement benefit payments for 2011 were \$300.2 million which represented a \$22.5 million or 8.1 percent increase over the prior year.

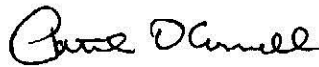
The postemployment medical benefits expense for 2011 was \$31.6 million, up \$1.8 million or 5.9 percent over the prior year.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Alameda for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This was the twenty-eighth consecutive year that Alameda County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGEMENTS**

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated services of the entire staff of the Auditor-Controller's Office. I would like to express my appreciation to all members of the departments who assisted and contributed to its preparation. In addition, I acknowledge the leadership and support provided by the Board of Supervisors and the County Administrator, which have made the preparation of this report possible.



Patrick O'Connell  
Auditor-Controller  
of Alameda County

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Alameda  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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



*Linda C. Danison*

President

*Jeffrey R. Enen*

Executive Director



**COUNTY OF ALAMEDA, CALIFORNIA**  
**ELECTED AND APPOINTED PUBLIC OFFICIALS**

**As of June 30, 2012**

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**ELECTED OFFICIALS**

**Board of Supervisors**

Scott Haggerty	District 1
Richard Valle	District 2
Wilma Chan	District 3
Nathan Miley	District 4
Keith Carson	District 5

**Department Heads**

Ronnie Thomsen	Assessor
Patrick O'Connell	Auditor-Controller-Clerk-Recorder
Nancy O'Malley	District Attorney
Gregory Ahern	Sheriff-Coroner
Donald R. White	Treasurer-Tax Collector

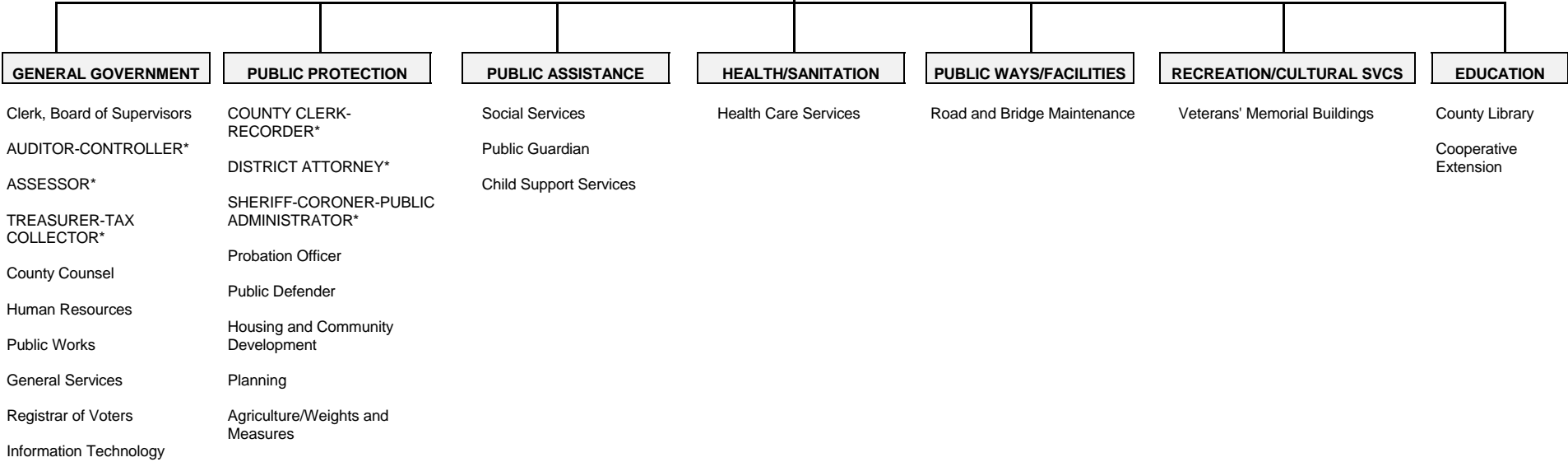
**APPOINTED DEPARTMENT HEADS**

Susan Muranishi	County Administrator
Vacant	Clerk, Board of Supervisors
Christopher Bazar	Director, Community Development
Lucrecia Farfan-Ramirez	Director, Cooperative Extension
Donna Ziegler	County Counsel
Aki Nakao	Director, General Services
Alex Briscoe	Director, Health Care Services
Vacant	Director, Human Resource Services
David G. Macdonald	Director, Information Technology
Jean Hofacket	County Librarian
La Donna Harris	Acting Chief Probation Officer
Diane Bellas	Public Defender
Daniel Woldesenbet	Director, Public Works
David G. Macdonald	Registrar of Voters
Lori Cox	Director, Social Services Agency

**COUNTY OF ALAMEDA ELECTORS**

**BOARD OF SUPERVISORS**

**COUNTY ADMINISTRATOR**



\* Elected Officials



## **FINANCIAL SECTION**

Sacramento

Oakland

LA/Century City

Newport Beach

San Diego

Seattle

The Grand Jury and Honorable Members  
of the Board of Supervisors  
County of Alameda, California

### Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Alameda, California (County), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Alameda County Employees' Retirement Association (ACERA), which represents 69.4%, 73.6%, and 5.0%, respectively, of the assets, net assets/fund balances, and revenues/additions of the aggregate remaining fund information as of and for the year ended June 30, 2012. The ACERA financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for ACERA, are based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1.A. to the financial statements, the California State Legislature enacted legislation that dissolved the redevelopment agencies in the State of California as of February 1, 2012. On February 1, 2012, the County, as the Successor Agency to the Redevelopment Agency of the County of Alameda, became responsible for overseeing the dissolution process and the wind down of redevelopment activity.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit

performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of funding progress, and the budgetary comparison schedules for the General Fund, Property Development, Flood Control and Grant Revenue special revenue funds listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, the combining financial statements and other supplementary information, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Macias Gini & Connell LLP*

Oakland, California  
December 28, 2012

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2012**

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**Management's Discussion and Analysis**

This section of the County of Alameda's (the County) Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**Financial Highlights**

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$1,725,062 (net assets). Of this amount, \$627,179 is restricted for specified purposes and is not available to meet the government's ongoing obligations to citizens and creditors, \$585,788 is invested in capital assets (net of related debt), and \$512,095 is available to meet the County's ongoing obligations to citizens and creditors.
- The government's total net assets increased for fiscal year 2012 by \$48,135. The increase in net assets is less than fiscal year 2011 by \$98,141. The largest increase in variance came from Health and Sanitation, by \$107,408.
- As of June 30, 2012, the County's governmental funds reported a combined ending fund balance of \$2,008,785, a decrease of \$155,830 in comparison with the prior year. Less than one percent of this total amount, \$14,037, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the general funds was \$23,305 or one percent of total general fund expenditure of \$1,909,409.
- The County's gross long-term debt (excluding unamortized premiums, discounts and refunding losses) decreased by \$55,322 during the fiscal year 2012. This was primarily due to County taking title of North County Center for Self Sufficient project; the new released Lease Revenue Refunding 2012 bonds, the defeasance of series 2001A and the transfer of Eden Redevelopment 2006A debt from former Redevelopment Agency to Successor Agency.
- The County received \$9,246 in American Recovery and Reinvestment Act funds in fiscal year 2012, this is \$35,930 less than the \$45,176 received in fiscal year 2011.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the County of Alameda's basic financial statements. The County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business.

COUNTY OF ALAMEDA, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Amounts expressed in thousands)  
JUNE 30, 2012

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The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods, such as revenues related to uncollected taxes and earned but unused vacation and compensating time off.

The government-wide statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities of the County include general government, public protection, public assistance, health and sanitation, public ways and facilities, recreation and cultural services, and education. The County currently does not have any business type activities.

The government-wide financial statements include not only the County of Alameda (known as the primary government), but also a legally separate hospital authority for which the County appoints the Board of Trustees. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 19-20 of this report.

**Fund financial statements**

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: **governmental**, **proprietary**, and **fiduciary** funds.

Governmental funds

Governmental funds are used to account for essentially the same functions that are reported as government activities in the government-wide financial statements. The County reports most of its basic services in governmental funds. These statements, however, focus on: (1) how cash and other financial assets can readily be converted to available resources and (2) year-end balances that are available for spending. This information may be useful in evaluating the County's near-term financing requirements.

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

The County maintains several individual governmental funds organized according to their type (special revenue, capital projects, debt service, and general fund). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenses, and changes in fund balances

**COUNTY OF ALAMEDA, CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Amounts expressed in thousands)  
JUNE 30, 2012**

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for the major funds, including general, property development, flood control, grant revenue, capital projects, and debt service. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 21-24 of this report.

Proprietary funds

Proprietary funds are generally used to account for services for a government's business-type activities (activities supported by fees or charges). There are two types of proprietary funds and they are enterprise and internal service funds.

The County does not maintain any enterprise fund, which is used to report the same functions as business-type activities in the government-wide financial statements.

The County does maintain internal service funds, which are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles, maintenance of buildings, risk management services, communications services and information technology services. These services predominantly benefit government rather than business-type functions. Therefore, they have been included within government activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages 25-27 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The County reports unapportioned taxes, as well as the external portion of the Treasurer's investment pool, the pension, other employee benefit trust funds and other agency funds under the fiduciary funds.

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

**Notes to the basic financial statements**

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-86 of this report.

**Required supplementary information**

This report contains required supplementary information concerning the County's progress in its obligation to provide pension, postemployment medical, and other postemployment benefits to its employees; along with budget-to-actual information for the County's general and major special revenue funds. Required supplementary information can be found on pages 87-92 of this report.



**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2012**

**Other supplementary information**

The combining statements referred to in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combined and individual fund statements and schedules can be found on pages 94-125 of this report. Budgetary comparisons for the County's capital projects and non-major special revenue funds are also presented.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Alameda County, assets exceeded liabilities by \$1,725,062 at June 30, 2012.

A portion of the County's net assets, \$585,788 or 34 percent, reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure), less related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**County of Alameda**  
**Net Assets**  
**June 30, 2012**

	<b>Governmental Activities</b>	
	2012	2011
<b>Assets:</b>		
Current and other assets	\$ 2,470,179	\$2,578,161
Capital assets	1,233,333	1,119,620
Total assets	3,703,512	3,697,781
<b>Liabilities:</b>		
Current liabilities	406,128	398,699
Long-term liabilities	1,572,322	1,622,155
Total liabilities	1,978,450	2,020,854
<b>Net assets:</b>		
Invested in capital assets		
net of related debt	585,788	404,686
Restricted	627,179	697,984
Unrestricted (deficit)	512,095	574,257
Total net assets	\$ 1,725,062	\$ 1,676,927

A portion of the County's net assets, \$627,179, represents resources that are subject to external restrictions as to how they may be used. Unrestricted net assets in the amount of \$512,095 may be used to meet the government's ongoing obligations to citizens and creditors.

There was a decrease of \$70,805 in restricted net assets reported in connection with the County's government activities.

The County's net assets increased by \$48,135 during the fiscal year 2012 versus an increase of \$146,276 before transfers for fiscal year 2011. As compared to last fiscal year, expenses increased by

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2012**

\$81,740. General revenues increased by a total of \$51,353. There was a decrease in charges for services of \$74,002 and an increase in operating and capital grants and contributions of \$41,583 over fiscal year 2011.

**County of Alameda**  
**Changes in Net Assets**  
**June 30, 2012**

	<b>Governmental</b>	
	<b>Activities</b>	
	<b>2012</b>	<b>2011</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 524,727	\$ 598,729
Operating grants and contributions	1,269,542	1,232,027
Capital grants and contributions	9,618	5,550
General revenues:		
Property taxes	411,821	399,701
Sales taxes - shared revenues	169,375	150,328
Other taxes	27,948	27,503
Interest and investment income	8,924	5,751
Other	50,577	34,009
Total Revenues	<u>2,472,532</u>	<u>2,453,598</u>
<b>Expenses:</b>		
General government	129,436	141,862
Public protection	766,855	752,191
Public assistance	682,936	674,181
Health and sanitation	649,431	584,815
Public ways and facilities	45,437	43,312
Recreation and cultural services	608	608
Education	24,356	22,863
Interest and long-term debt	90,003	87,490
Total expenses	<u>2,389,062</u>	<u>2,307,322</u>
Increase/(decrease) in net assets	83,470	146,276
Extraordinary loss	(35,335)	-
Change in net assets	48,135	146,276
Net assets - beginning	1,676,927	1,530,651
Net assets - end of period	<u>\$ 1,725,062</u>	<u>\$ 1,676,927</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2012**

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**Governmental activities**

Government activities increased the County's net assets by \$48,135, and accounted for the total addition in net assets of the County.

Operating grants and contributions increased \$37,515 or about 3 percent during the year. Redevelopment pass-through revenue increased by \$25,327 as a result of the Redevelopment Dissolution Law. In addition, the County received \$10,072 of new realignment revenue for local community corrections as a result of realignment legislation which became effective during fiscal year 2012. Capital grants and contributions increased \$4,068 as a result of higher Federal Aids for the Alameda County Medical Center's Acute Tower Replacement project.

Charges for services decreased \$74,002 or 12 percent from fiscal year 2011. This decrease was primarily due to the one-time revenue recorded in fiscal year 2011, a reduction of \$57,000 in allowance for uncollectible accounts receivable from the Alameda County Medical Center, a loss of services revenue of \$36,188 from the Sheriff Department; as the California Department of Correction changed the County's service contract for Santa Rita jail to realign revenue offset by an increase in Health Care Services charges of \$15,130.

General revenues increased by \$51,353 or 8 percent overall in the fiscal year 2012.

- Property tax revenues increased by \$12,120 or 3 percent primarily because of the tax increments returned of the County following the dissolution of redevelopment agencies in the state of California following Assembly Bill ABX1 26.
- Sales and use tax revenue increased by \$19,047 or 13 percent due to increased consumer spending as the economy continues to recover slightly with a decreased unemployment rate compared to fiscal year 2011. Public protection received \$11,312 more sales tax revenue than in the prior year and the Measure B transportation sales tax increased by \$4,680.
- Other taxes increased \$445 or 2 percent because of an increase in taxes collected from businesses in unincorporated areas.
- Interest and investment income increased by \$3,173 or 55 percent. The increase was attributable by a combination of factors. The total adjustment of cash market value by GASB in fiscal year 2012 was \$2,898 higher than fiscal year 2011. The average daily balance of funds invested through the Treasurer increased 8 percent during fiscal year 2012. The gross annual yield on the Treasurer's pooled investments decreased from 0.55 percent in 2011 to 0.41 percent in fiscal year 2012. The net interest rate for the last quarter of fiscal year 2012 was 0.49 percent.
- Other revenue increased \$16,568 or 49 percent largely because of the for capital lease write off on 2000 San Pablo Avenue, Oakland building as the County taking title of North County Center for Self Sufficient project.

Expenses related to governmental activities increased \$81,740 or 4 percent during fiscal year 2012.

The major changes in expenses related to governmental activities are in the following areas. Public assistance expenses increased \$8,755, health and sanitation expenses increased by \$64,616, general government expenses decreased by \$12,426 and public protection expenses increased by \$14,664 from fiscal year 2011.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2012**

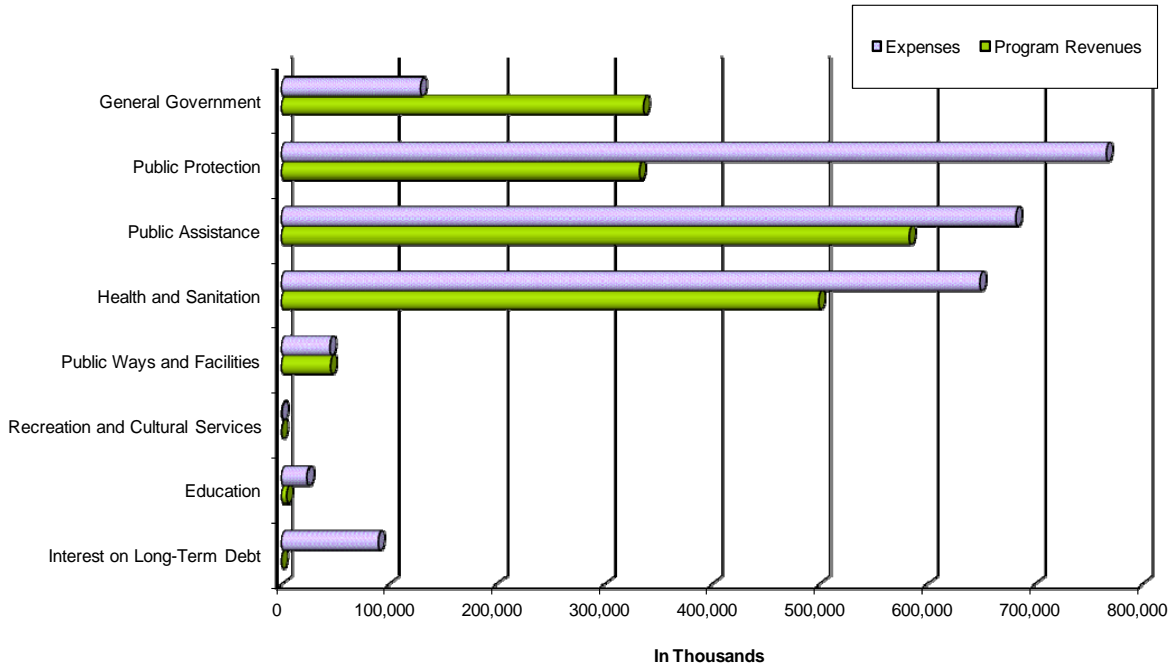
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- The \$8,755 increase in public assistance expenses was due in large part to an increase of \$24,832 in structure and improvement expense from the capital lease write off on the 2000 San Pablo Avenue, Oakland building and \$19,338 reduction in expenses, as the County did not receive Social Services Recovery Grants in fiscal year 2012 .
- The \$64,616 increase in Health and Sanitation was primarily due to the increased contracts with Alameda County Medical Center and contractors to expand primary care services to newly eligible clients according to the California Section 1115 Waiver. In preparation for health care reform and the increased expenses in behavioral health care programs, including the Mental Health Block Grant programs, to match with increased revenue from the State.
- The \$12,426 decrease in general government expenses was primarily caused by a \$4,457 decrease in services and supplies of the Surplus Properties department, including a reduction of \$2,250 in payment for BART as the County paid off the last installment in fiscal year 2011, and a decrease in non-program expenses by \$7,812 as the reduction in County's obligation to fund the Oakland-Alameda County Coliseum Authority's deficit for fiscal year 2012.
- The \$14,664 increase in public protection expenses was due to the Alameda County's capital contribution to the Flood Control – Zone 7's fund of \$5,130 and an increase in risk management claims expenses and current liabilities by \$6,683.

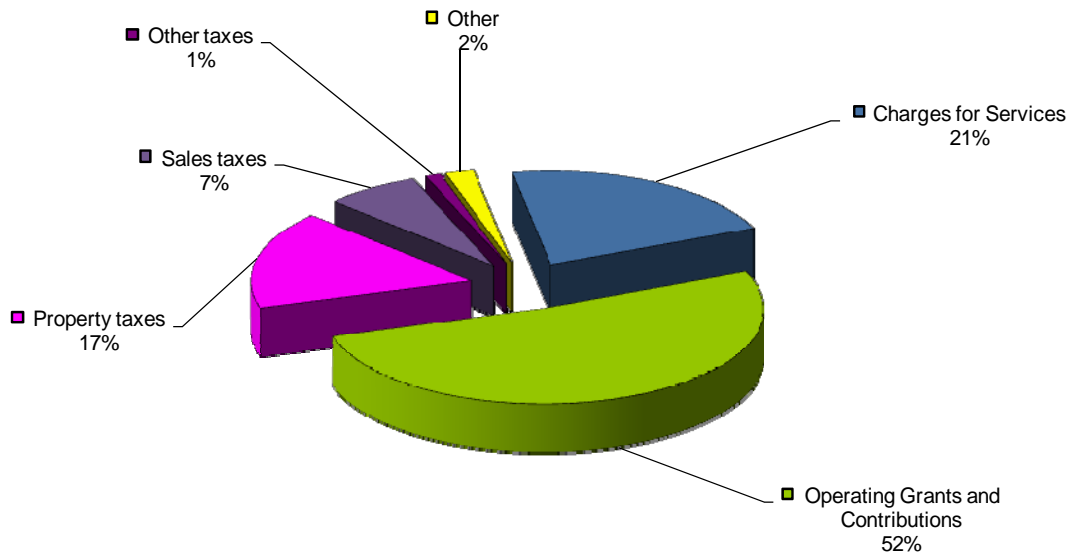
COUNTY OF ALAMEDA, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
 (Amounts expressed in thousands)  
 JUNE 30, 2012

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2012**

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**Financial Analysis of the County's Funds**

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The governmental funds reported by the County include: general, special revenue, debt service, and capital projects.

As of June 30, 2012, the County's governmental funds reported combined ending fund balances of \$2,008,785, a decrease of \$155,830 or 7 percent as compared to fiscal year 2011. Approximately 1 percent of this total amount (\$14,037) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance consists of non-spendable (\$4,743), restricted (\$896,429), committed (\$989,363), or assigned (\$104,213).

Revenue for governmental funds overall totaled approximately \$2,403,048 for the fiscal year 2012, which represents a decrease of \$69,705 or 3 percent from the fiscal year 2011. Expenses for governmental funds, totaling \$2,644,224, increased by \$223,357 or 9 percent from the fiscal year 2011. The governmental funds' expenditures exceeded revenues by \$241,176 or 9 percent.

The general fund is the primary operating fund of the County. At the end of fiscal year 2012, the unassigned fund balance of the general fund was \$23,305, while total fund balance was \$1,082,864. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenses. Unassigned fund balance represents 1 percent of total general fund expenses of \$1,909,409, while total fund balance represents 57 percent of that same amount.

General fund revenues decreased by \$29,539 or 1 percent to \$1,941,056. This is due to the following factors:

- Taxes revenue increased by \$31,078 or 7 percent. This was a result of an increase in sales taxes by \$14,315 mostly due to higher consumer spending and an increase in property taxes by \$16,468 and additional property taxes being returned to the County after the dissolution of redevelopment agencies.
- State aid increased by \$46,285 or 7 percent. This was mainly due to the increase of the Realignment in Sales Tax by \$19,354 due to high consumer spending and \$23,227 of the Title XIX Health Related revenue associated with Adult Protective Services (APS) and In-home Supportive Services (IHSS), partially from additional revenue and reclassification from the Federal Aid revenue.
- Other Aid increased by \$25,689 or \$113 percent. Due to the Redevelopment dissolution, the Redevelopment agencies had to remit pass-through payments for fiscal year 2011 and 2012 to Alameda County, whereas only payment for fiscal year 2010 was made in fiscal year 2011.
- Charges for services decreased by \$89,814 or 28 percent. The primary reason for these reduced charges for services was the change in payment structure from the State of California to the County's Sheriff's Department. The revenues earned from contract for inmates services and court

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2012**

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security services recorded as charge for services revenue in fiscal year 2011 are booked to State aid revenues for fiscal year 2012, causing the reduction in charge for service revenues by \$20,450 and \$21,040 respectively. The revenue gap between fiscal year 2012 and 2011 of \$50,298 is due to fiscal year 2011 included some revenue from fiscal year 2010.

- Other revenue decreased by \$51,195 or 57 percent, the decrease was primarily due to a one-time revenue increase in fiscal year 2011 from an allowance reduction of \$57,000 for uncollectible accounts receivable from the Alameda County Medical Center.

General fund expenditures increased by \$136,981 from fiscal year 2011, totaling \$1,909,409. Overall, the general fund's performance resulted in revenues exceeding expenditures in the fiscal year 2012, by \$31,647. In fiscal year 2011, the general fund revenues exceeded expenditures by \$198,167.

The property development fund total fund balance was \$317,460. This fund accounts for activities related to the development and sale of County surplus land. The net increase in the fund balance during the fiscal year 2012 was \$8,502. This was primarily due to the sale of Staples Range, a surplus property in the Tri Valley area.

The fund balance in the flood control fund decreased in 2012 from \$173,138 to \$163,058 or 6 percent primarily due to increases in maintenance and project activities during fiscal year 2012.

The capital projects fund has a total fund balance of \$153,734, a decrease of \$105,229 from fiscal year 2011. The decrease was primarily attributable to the construction of the Alameda County Medical Center's Acute Tower.

The fund balance in the debt service fund decreased \$20,451 from \$110,618 to \$90,167. This decrease was primarily from a higher payment to the escrow agent than the proceeds from issuance of Lease Revenue Refunding Bonds Series 2012.

### **Proprietary funds**

The County's proprietary fund statements of internal service funds are reported with government activities in the government-wide financial statements. The County does not have an enterprise fund to report.

The net assets of the internal service fund increased by \$5,074, which is due to operating income of \$13,210, which was reduced by transfers-out of \$9,033 for debt service.

### **Fiduciary funds**

The County maintains fiduciary funds for the assets of the Alameda County Employees' Retirement Association (ACERA) and funds held in trust for employees for before-tax reimbursement of health care expenses. As of December 31, 2011, ACERA's fiscal year end, the net assets of ACERA and the other employee benefits trust totaled approximately \$5,074,398 representing a decrease of \$150,097 in net assets from the prior year's net assets. The decrease was attributable to a decline in investment performance in fiscal year 2011.

As of June 30, 2012, the investment trust fund's net assets totaled \$1,510,592, a \$92,362 increase in net assets. The increase in net assets of the investment trust fund was due to contributions exceeding withdrawals to the fund by \$83,617, plus net investment income of \$8,745.

**COUNTY OF ALAMEDA, CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Amounts expressed in thousands)  
JUNE 30, 2012**

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**General fund budgetary highlights**

The County's final budget of the general fund differs from the original budget in that it contains supplemental appropriations approved during the fiscal year. The difference of \$164,478 between the original budget and the final amended budget represents increased appropriations, the significant appropriations are briefly summarized:

- General government increased appropriations by \$3,947. The increase was due to an additional appropriation of \$1,013 as a result of unemployment insurance contingency, and \$1,137 for a mid-year Board approved salary and benefits adjustments.
- The public protection departments increased appropriations by \$20,480. This included \$7,825 of mid-year salary and benefit increases approved by the Board of Supervisors. An additional appropriation of \$6,810 was for budget adjustments within County and Flood Control Funds.
- The public assistance departments increased appropriations by \$72,773. This included an additional appropriation of \$45,753 for budget adjustments within County and Flood Control Funds for fiscal year 2011-12. It also included \$12,000 of increased appropriation in Title IV-E Waiver reinvestment funded by Federal and State Title IV-Waiver revenue and Title IV-E Waiver Fiscal Management Rewards. An appropriation increase of \$4,832 to Social Services Agency budget was included for continued provision of CalWORKs services, due to unexpected State funding returned to the CalWORKS program.
- Appropriations for health and sanitation increased by \$67,255. The increase includes a \$20,889 to provide continued medical care services to indigent patients under the HealthPAC plan, \$7,100 to provide Pharmacy Benefit Administrator services for patients in the Low Income Health program who need access to HIV/AIDS drugs funded by additional Federal award, and a \$11,697 adjustment as the result of the calculation of the final fund balance of FY2010-11.

Overall, the County's actual general fund revenues under-realized its budgeted fiscal year 2012 revenues by \$29,533 or 1 percent. Revenues that had significant variances include:

- Fines, forfeitures, and penalties revenue exceeded the budget by \$13,648 or 83 percent. This is due to the under-budgeting of penalties for delinquent taxes by \$16,497.
- State aid revenue was over-realized by \$14,898 or 2 percent. State aid in Social Services Administration, Health, Public Assistance, and Public Protection programs were less than budget by \$139,724. However, the State realignment funding was higher than budget by \$155,050. The major increase of \$68,511 in sales taxes realignment was due to the new Assembly Bill 118 passing funding of several Children and Family Services programs and the Adult Protective Services programs, via realignment instead of State aid, which was not budgeted for fiscal year 2012.
- Other aid revenue was over-realized by \$26,099 or 117 percent. The Redevelopment dissolution required the Redevelopment agencies to remit pass-through payments for both fiscal year 2011 and 2012 to Alameda County, whereas the original budget only expected fiscal year 2011 revenue.
- Charges for current services under-realized budget by \$76,280 or 25 percent. The reduced charge for services was from a change in payment structure from the State of California to the County's Sheriff's Department. The revenues earned from inmates and court security services have been changed to realignment revenues, which were accounted for in State Aid revenues. The payment structure changes occurred in fiscal year 2012 and caused the under-realization in State aid revenues by \$16,664 and \$21,411, respectively.



**COUNTY OF ALAMEDA, CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Amounts expressed in thousands)  
JUNE 30, 2012**

- Other revenue was less than budget by \$14,065 or 27 percent. This is primarily due to a \$12,826 under-realization of the Tobacco Tax Settlement revenue.

Variations between budget and actual expenditures in the general fund reflect overall expenditures decreased the adjusted budget by \$144,926 or 7 percent. In general, this represents savings from the major government functions, primarily due to vacancies, delays in start-up of new programs or projects, cost-containment measures and contingency appropriations, not spent. Significant savings came from the following County functions:

- General Government's total actual expenditures was \$22,274 or 14 percent less than budget. This included \$4,367 of savings, due to utilization of fiscal year 2011 Fiscal Management Reward and a \$10,544 decrease in payment to the Oakland-Alameda County Coliseum Authority, because of a reduction in revenue.
- Public protection spent \$20,332 or 3 percent less than budget. Budget savings of \$6,607 was due to savings on Probation-Juvenile's field services and staff vacancies. The Sheriff Department saved \$3,065 in unfunded positions and the Cal-ID program. Child Support Department saved \$3,075 due to delayed hiring, reduced service contract, and lower office expenditures. A savings of \$1,329 was due to lower criminal conflict caseloads resulted in lower expenditures for court-appointed counsel.
- Public assistance spent \$18,885 or 3 percent less than budget. A reduction in full-time staff in the Social Services Agency resulted in savings of \$4,655. The Children and Family Services Department and Title IV Waiver reinvestment program saved \$13,465.
- Health and sanitation expenditures were \$79,735 or 12 percent less than budget. Behavioral Health Care Services saved \$46,299 due to delayed hiring, liquidations of previous year encumbrances, and program expenditures. Health Care Indigent saved \$12,521 by deferring encumbrance with Ramsell Pharmacy. Public Health Department spent \$8,512 less than budget due to staff vacancies and reduced office expenditures.

**Capital assets and debt administration**

Capital Assets

The County's investment in capital assets for its governmental activities amounts to \$1,233,333 (net of accumulated depreciation), as shown in the table below. This investment includes land, buildings and improvements, machinery and equipment, roads, bridges, flood control canals and other infrastructure. The total increase in the County's investment in capital assets for fiscal year 2012 was \$113,713 or 10 percent.

**Capital Assets Net of Accumulated Depreciation  
June 30, 2012**

	<b>Governmental Activities</b>	
	<u>2012</u>	<u>2011</u>
Land and other assets not being depreciated	\$ 349,929	\$ 223,826
Structures and improvements, machinery and equipment, and infrastructure, net of depreciation	883,404	895,794
Total	<u>\$ 1,233,333</u>	<u>\$1,119,620</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2012**

Major capital asset events that occurred during fiscal year 2012 include:

- Infrastructure projects in the road fund added \$7,773 to construction in progress.
- Construction on the Phase II of Alameda County Medical Center's Acute Tower resulted in an increase in construction costs of \$88,549. The construction of Ashland Youth Center resulted in a net increase of \$17,155.

For government-wide statement of net assets presentation, depreciable capital assets are depreciated from the date they are placed into service through the end of the current fiscal year.

Governmental fund financial statements record capital asset purchases as expenditures.

Additional information about the County's capital assets can be found in Note 4 (page 52) of the financial statements.

Debt Administration

The County had long-term obligations outstanding of \$1,763,287, excluding unamortized premiums and refunding losses of \$1,830, as of June 30, 2012. Of this amount, \$39,249 is certificate of participation bonds; \$277,774 is tobacco securitization bonds; \$410,116 is pension obligation bonds; \$575,655 is lease revenue bonds; \$41,251 is net pension obligation; \$153,056 is net OPEB obligation, and \$4,357 is capital leases. The remainder, \$261,829, includes special assessment debt with government commitment and other long-term obligations of the County.

**Outstanding Long-term Obligations**  
**June 30, 2012**

	<b>Governmental</b>	
	<b>Activities</b>	
	<u>2012</u>	<u>2011</u>
Certificates of participation	\$ 39,249	\$ 140,914
Tobacco securitization bonds	277,774	274,880
Special assessment debt with governmental commitment	-	220
Pension obligation bonds	410,116	446,593
Lease revenue bonds	575,655	458,190
Tax allocation bonds	-	31,890
Capital leases	4,357	29,516
Net pension obligation	41,251	42,085
Net OPEB obligation	153,056	116,467
Other long-term obligations	261,829	277,854
Total	<u>\$ 1,763,287</u>	<u>\$ 1,818,609</u>

The County's total debt decreased by \$55,322. The net decrease was attributable to changes in long-term obligations. Lease revenue bonds increased \$117,465 as the County taking title of North County Center Self Sufficiency Bonds of \$45,675 and due to the issuance of Lease Revenue Refunding 2012 bonds of \$75,915. The County reduced the principal balance of certificates of participation by \$100,699 mostly due to the defeasance of series 2001A of \$97,455. Tax allocations bonds decreased by \$31,890

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2012**

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as the County transferred Eden Redevelopment 2006A debt from the former Redevelopment Agency to Successor Agency. Capital leases reduced by \$25,159; \$24,831 of lease payable was removed as the County exercised the right to purchase the North County Self Sufficiency Center at 2000 San Pablo Avenue, Oakland.

Alameda County's legal debt limit is 1.25 percent of total assessed value. As of June 30, 2012, the legal limit was \$2.45 billion; however, the County did not have any general obligation bonds and, therefore, has not used any of its debt limitation.

Ratings on general obligation debt and lease revenue increased due to the County's covenant to budget and appropriate lease payments, supported by what are considered strong general credit characteristics of the County. Although Alameda County has no general obligation debt it has general obligation equivalent ratings as follows:

	<u>2012 Rating</u>	<u>2011 Rating</u>
Moody's	Aa2	Aa2
Standard and Poor's	AA+	AA+
Fitch	AA+	AA-

In addition, the County's lease-based financings are rated as follows:

	<u>2012 Rating</u>	<u>2011 Rating</u>
Moody's	A1	A1
Standard and Poor's	AA	AA
Fitch	AA	AA-

The County of Alameda's long-term obligations can be found in note 6 (page 56) of the notes to the basic financial statements.

**Economic factors and next year's budget and rates**

- According to the U.S. Department of Labor, the unemployment rate for Alameda County was 9.5 percent in June 2012, compared to the revised rate of 10.9 percent in June 2011. The State's seasonally adjusted unemployment rate was 10.6 percent in June 2012.
- The assessed value of the County's property decreased by 2.6 percent in 2010 and 1.5 percent in 2011. A positive growth of 0.1 percent was recorded in 2012.
- The County government experienced an increase in sales tax revenue during fiscal year 2012, due to an economic recovery and improvements in the housing market. Spending for goods and services throughout the state and the country showed signs of improvement as unemployment rates, as indicated above, began to decrease.

All of the above factors were considered in preparing the County's budget for fiscal year 2013.

The County adopted its fiscal year 2013 budget on June 22, 2012 before the State of California adopted its own budget on June 27, 2012.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2012**

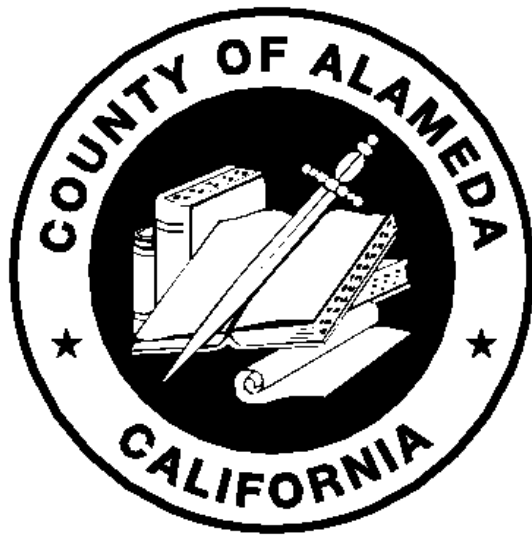
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**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Below is the contact information for questions about this report or requests for additional financial information.

Alameda County  
Office of the Auditor-Controller  
1221 Oak Street, Room 249  
Oakland, CA 94612

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# **BASIC FINANCIAL STATEMENTS**

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF NET ASSETS

JUNE 30, 2012

(amounts expressed in thousands)

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Alameda County Medical Center</u>
<b>ASSETS</b>		
Current assets:		
Cash and investments with County Treasurer	\$ 1,339,311	\$ 43,074
Cash and investments with fiscal agents	407,562	-
Restricted cash	-	318
Deposits with others	3,749	1,835
Receivables, net of allowance for uncollectible accounts	337,989	174,052
Due from component unit	2,145	-
Due from primary government	-	11,419
Advance to component unit	885	-
Inventory of supplies	276	4,033
Prepaid items	4,534	1,892
Loans receivable	13,400	-
<b>Total current assets</b>	<u>2,109,851</u>	<u>236,623</u>
Noncurrent assets:		
Restricted assets - cash and investments with County Treasurer	67,374	-
Restricted assets - cash and investments with fiscal agents	160,060	-
Unamortized bond issuance cost	18,062	-
Properties held for resale	7,983	-
Due from component unit, net of allowance	96,721	-
Advance to component unit	3,934	-
Loans receivable	6,194	-
Capital assets:		
Land and other assets not being depreciated	349,929	19,708
Structures and improvements, machinery and equipment, infrastructure, net of depreciation	883,404	29,449
<b>Total capital assets, net</b>	<u>1,233,333</u>	<u>49,157</u>
<b>Total noncurrent assets</b>	<u>1,593,661</u>	<u>49,157</u>
<b>Total assets</b>	<u>3,703,512</u>	<u>285,780</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses	188,968	88,908
Due to component unit	4,254	-
Due to primary government	-	2,145
Compensated employee absences payable	39,213	9,214
Estimated liability for claims and contingencies	24,178	5,411
Certificates of participation and bonds payable	98,274	-
Lease obligations	207	-
Loans and notes payable	26,410	-
Accrued interest payable	4,225	-
Unearned revenue	15,886	-
Advance from primary government	-	885
Obligation to fund Coliseum Authority deficit	4,513	-
<b>Total current liabilities</b>	<u>406,128</u>	<u>106,563</u>
Noncurrent liabilities:		
Net pension obligation	41,251	8,452
Net OPEB obligation	153,056	31,475
Compensated employee absences payable	25,997	7,764
Estimated liability for claims and contingencies	73,793	17,751
Certificates of participation and bonds payable	1,206,350	-
Lease obligations	4,150	-
Loans and notes payable	10,830	-
Due to primary government	-	127,721
Advance from primary government	-	3,934
Obligation to fund Coliseum Authority deficit	56,895	-
<b>Total noncurrent liabilities</b>	<u>1,572,322</u>	<u>197,097</u>
<b>Total liabilities</b>	<u>1,978,450</u>	<u>303,660</u>
Net Assets		
Invested in capital assets, net of related debt	585,788	44,338
Restricted:		
Public protection	317,034	-
Public assistance	30,448	-
Health and sanitation	176,441	-
Public ways and facilities	73,190	-
Education	13,628	-
Other purposes	16,438	23,836
<b>Unrestricted (deficit)</b>	<u>512,095</u>	<u>(86,054)</u>
<b>Total net assets (deficit)</b>	<u>\$ 1,725,062</u>	<u>\$ (17,880)</u>

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012  
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Alameda County Medical Center
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 129,436	\$ 126,244	\$ 210,246	\$ -	\$ 207,054	\$ -
Public protection	766,855	200,720	131,057	870	(434,208)	-
Public assistance	682,936	13,499	570,146	-	(99,291)	-
Health and sanitation	649,431	171,185	319,983	8,683	(149,580)	-
Public ways and facilities	45,437	9,964	36,189	-	716	-
Recreation and cultural services	608	148	-	-	(460)	-
Education	24,356	2,967	1,921	65	(19,403)	-
Interest on long-term debt	90,003	-	-	-	(90,003)	-
<b>Total governmental activities</b>	<u>2,389,062</u>	<u>524,727</u>	<u>1,269,542</u>	<u>9,618</u>	<u>(585,175)</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 2,389,062</u>	<u>\$ 524,727</u>	<u>\$ 1,269,542</u>	<u>\$ 9,618</u>	<u>(585,175)</u>	<u>-</u>
Alameda County Medical Center	\$ 540,500	\$ 454,934	\$ 16	\$ -	-	(85,550)
General revenues:						
Property taxes					411,821	-
Sales taxes - shared revenues					169,375	83,788
Other taxes					27,948	-
Interest and investment income					8,924	417
Other					50,577	15,564
Total general revenues					<u>668,645</u>	<u>99,769</u>
Extraordinary loss					<u>(35,335)</u>	<u>-</u>
Change in net assets					<u>48,135</u>	<u>14,219</u>
Net assets (deficit) - beginning of period					<u>1,676,927</u>	<u>(32,099)</u>
Net assets (deficit) - end of period					<u>\$ 1,725,062</u>	<u>\$ (17,880)</u>

The notes to the basic financial statements are an integral part of this statement.



COUNTY OF ALAMEDA, CALIFORNIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

(amounts expressed in thousands)

	General	Property Development	Flood Control	Grant Revenue	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
<b>Assets:</b>								
Cash and investments with County Treasurer	\$ 809,111	\$ 1,521	\$ 165,706	\$ 104	\$ -	\$ 37,109	\$ 178,000	\$ 1,191,551
Cash and investments with fiscal agents	-	297,236	-	-	110,326	-	-	407,562
Restricted assets - cash and investments with County Treasurer	-	-	-	-	67,374	-	-	67,374
Restricted assets - cash and investments with fiscal agents	3,730	-	-	-	81,894	53,032	21,404	160,060
Deposits with others	629	-	-	-	-	-	3,120	3,749
Receivables, net of allowance for uncollectible accounts	284,036	638	1,860	20,676	1,285	26	27,889	336,410
Due from other funds	120,173	-	-	-	-	-	-	120,173
Due from component unit	98,280	-	-	-	-	-	-	98,280
Advance to component unit	-	-	-	-	-	4,819	-	4,819
Inventory of supplies	-	-	1	-	-	-	180	181
Properties held for resale	255	829	-	-	6,899	-	-	7,983
Prepaid items	-	-	-	-	-	-	155	155
Loans receivable	1,452	17,256	-	886	-	-	-	19,594
<b>Total assets</b>	<b>\$ 1,317,666</b>	<b>\$ 317,480</b>	<b>\$ 167,567</b>	<b>\$ 21,666</b>	<b>\$ 267,778</b>	<b>\$ 94,986</b>	<b>\$ 230,748</b>	<b>\$ 2,417,891</b>
<b>Liabilities:</b>								
Accounts payable and accrued expenditures	\$ 140,236	\$ 20	4,317	\$ 10,718	\$ 13,466	-	\$ 10,828	\$ 179,585
Due to other funds	-	-	-	18,908	100,578	-	687	120,173
Due to component unit	3,900	-	-	242	-	-	40	4,182
Deferred revenue	77,231	-	192	-	-	4,819	7,038	89,280
Unearned revenue	13,435	-	-	1,066	-	-	1,385	15,886
<b>Total liabilities</b>	<b>234,802</b>	<b>20</b>	<b>4,509</b>	<b>30,934</b>	<b>114,044</b>	<b>4,819</b>	<b>19,978</b>	<b>409,106</b>
<b>Fund balances (deficit):</b>								
Nonspendable	4,408	-	-	-	-	-	335	4,743
Restricted	288,068	-	163,058	-	149,268	90,167	205,868	896,429
Committed	667,437	317,460	-	-	4,466	-	-	989,363
Assigned	99,646	-	-	-	-	-	4,567	104,213
Unassigned	23,305	-	-	(9,268)	-	-	-	14,037
<b>Total fund balances (deficit)</b>	<b>1,082,864</b>	<b>317,460</b>	<b>163,058</b>	<b>(9,268)</b>	<b>153,734</b>	<b>90,167</b>	<b>210,770</b>	<b>2,008,785</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,317,666</b>	<b>\$ 317,480</b>	<b>\$ 167,567</b>	<b>\$ 21,666</b>	<b>\$ 267,778</b>	<b>\$ 94,986</b>	<b>\$ 230,748</b>	<b>\$ 2,417,891</b>

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF ALAMEDA, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012  
(amounts expressed in thousands)

<b>Fund balances – total governmental funds</b>	\$ 2,008,785
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,222,381
Bond issuance costs are not financial resources and, therefore, are not reported in the funds.	18,062
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities (except those reported in the internal service funds) are as follows:	
Certificates of participation and bonds payable	(1,304,624)
Compensated employee absences payable	(62,075)
Lease obligations	(4,357)
Loans and note payable	(37,240)
Other liabilities	(61,408)
Total long-term liabilities	<u>(1,469,704)</u>
The net OPEB obligation pertaining to governmental fund types is not recorded in governmental fund statements.	(153,056)
The net pension obligation pertaining to governmental fund types is not recorded in governmental fund statements.	(41,251)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current period expenditures. Those assets are offset by deferred revenue in the governmental funds and thus not included in fund balance.	89,280
Interest on long-term debt is not accrued in the funds, but is recognized as an expenditure when due.	(4,225)
Internal service funds are used by management to charge the costs of fleet management, building maintenance, communications, information technology, and risk management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	<u>54,790</u>
<b>Net assets of governmental activities</b>	<u><u>\$ 1,725,062</u></u>

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	General	Property Development	Flood Control	Grant Revenue	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>								
Taxes	\$ 497,802	\$ -	\$ 29,754	\$ -	\$ -	\$ 2,075	\$ 79,356	\$ 608,987
Licenses and permits	7,493	-	4,708	238	-	-	1,158	13,597
Fines, forfeitures, and penalties	30,082	-	-	-	4,941	-	1,053	36,076
Use of money and property	9,131	4,458	1,434	(127)	1,006	815	3,785	20,502
State aid	707,385	-	304	17,143	65	-	32,872	757,769
Federal aid	369,434	-	123	77,809	-	8,683	9,226	465,275
Other aid	48,488	-	5,050	-	3,464	-	4,750	61,752
Charges for services	232,584	-	12,534	111	-	23,660	96,652	365,541
Other revenue	38,657	400	382	2,169	196	1,079	30,666	73,549
<b>Total revenues</b>	<b>1,941,056</b>	<b>4,858</b>	<b>54,289</b>	<b>97,343</b>	<b>9,672</b>	<b>36,312</b>	<b>259,518</b>	<b>2,403,048</b>
<b>Expenditures:</b>								
Current								
General government	124,855	920	-	-	-	-	415	126,190
Public protection	540,495	-	64,369	33,286	-	-	119,230	757,380
Public assistance	649,011	-	-	37,985	-	-	15,118	702,114
Health and sanitation	587,450	-	-	32,622	-	-	24,421	644,493
Public ways and facilities	1,840	-	-	-	-	-	47,979	49,819
Recreation and cultural services	671	-	-	-	-	-	-	671
Education	163	-	-	-	-	-	23,287	23,450
Debt service								
Principal	-	-	-	-	-	94,626	3,615	98,241
Interest	-	-	-	-	-	37,045	10,450	47,495
Payment to refunded bond escrow agent	-	-	-	-	-	82,031	-	82,031
Bond issuance costs	594	-	-	-	-	223	-	817
Capital outlay	4,330	-	-	-	107,193	-	-	111,523
<b>Total expenditures</b>	<b>1,909,409</b>	<b>920</b>	<b>64,369</b>	<b>103,893</b>	<b>107,193</b>	<b>213,925</b>	<b>244,515</b>	<b>2,644,224</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>31,647</b>	<b>3,938</b>	<b>(10,080)</b>	<b>(6,550)</b>	<b>(97,521)</b>	<b>(177,613)</b>	<b>15,003</b>	<b>(241,176)</b>
<b>Other financing sources (uses):</b>								
Issuance of loans and commercial paper notes	-	-	-	-	-	-	785	785
Issuance of debt	45,675	-	-	-	-	-	-	45,675
Proceeds from sale of land	-	15,130	-	-	-	-	-	15,130
Refunding bonds issued	641	-	-	-	-	75,274	-	75,915
Premium on refunding bonds	-	-	-	-	-	10,300	-	10,300
Transfers-in	2,915	-	-	92	10,411	76,115	29,833	119,366
Transfers-out	(60,932)	(10,566)	-	(880)	-	-	(38,085)	(110,463)
<b>Total other financing sources (uses)</b>	<b>(11,701)</b>	<b>4,564</b>	<b>-</b>	<b>(788)</b>	<b>10,411</b>	<b>161,689</b>	<b>(7,467)</b>	<b>156,708</b>
Extraordinary loss	-	-	-	-	(18,119)	(4,527)	(48,716)	(71,362)
<b>Net change in fund balances</b>	<b>19,946</b>	<b>8,502</b>	<b>(10,080)</b>	<b>(7,338)</b>	<b>(105,229)</b>	<b>(20,451)</b>	<b>(41,180)</b>	<b>(155,830)</b>
Fund balance (deficit) - beginning of period	1,062,918	308,958	173,138	(1,930)	258,963	110,618	251,950	2,164,615
Fund balance (deficit) - end of period	<u>\$ 1,082,864</u>	<u>\$ 317,460</u>	<u>\$ 163,058</u>	<u>\$ (9,268)</u>	<u>\$ 153,734</u>	<u>\$ 90,167</u>	<u>\$ 210,770</u>	<u>\$ 2,008,785</u>

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF ALAMEDA, CALIFORNIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012  
(amounts expressed in thousands)**

<b>Net change in fund balances – total governmental funds</b>	<b>\$ (155,830)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Some revenues will not be collected within the accrual period established for governmental funds. As a result, they are not considered as available revenues in the governmental funds. This change reflects the increase in the deferred revenue that occurred during the year.	<u>33,523</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Decrease in net pension obligation	834
Increase in postemployment medical benefits obligation	(23,862)
Increase in other postemployment benefits obligation	(12,726)
Decrease in compensated absences	1,480
Decrease in obligation to fund Coliseum Authority deficit	11,042
Total	<u>(23,232)</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The statement of activities reports the gain or loss on disposal of capital assets but the governmental funds do not report any gain or loss. Governmental funds do not report capital assets; hence, capital assets transferred to and from governmental fund to proprietary fund are not recorded in the governmental fund.	
Capital outlay	168,320
Depreciation expense	(50,716)
Net loss on disposal of capital assets	(59)
Total	<u>117,545</u>
The net income of certain activities of internal service funds is reported with governmental activities.	<u>5,074</u>
Current debt refunding provides current financial resources to governmental funds but has no effect on net assets	<u>(75,915)</u>
Proceeds from issuance of long-term debt are reported as financing sources in governmental funds, but increase liabilities in the statement of net assets.	<u>(45,675)</u>
Loan proceeds reported as financing sources in governmental funds, but increase liabilities in the statement of net assets.	<u>(785)</u>
Net decrease in accrued interest decreases the liability in the statement of net assets and results in a reduction of expenses in the statement of activities.	<u>662</u>
Bond issuance costs are expended in the governmental funds when paid but are capitalized and amortized in the statement of net assets. This is the amount by which amortization expense in the current period exceeded the current year bond issuance costs.	<u>(66)</u>
Bond premiums are recognized in the governmental funds when the bonds are issued, and are deferred and amortized in the statement of net assets.	<u>(10,300)</u>
The repayment of the principal of long-term debt, capital leases, and loans and the current refunding of debt consume the current financial resources of governmental funds. These transactions, however, have no effect on net assets.	
Principal payment on long-term debt	98,241
Payment to escrow for refunded debt	82,031
Principal payment on capital leases and loans	26,500
Total	<u>206,772</u>
Interest accreted on bonds and certificates payable.	<u>(39,102)</u>
Amortization of bond premiums, bond discounts and refunding loss.	<u>(563)</u>
The net book value of capital assets and the outstanding debt of the Redevelopment Agencies were written off as a result of state legislation. The statement of activities reports these write-offs as extraordinary item but the governmental funds do not report capital assets and long-term debt.	<u>36,027</u>
<b>Changes in net assets of governmental activities</b>	<b><u>\$ 48,135</u></b>

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2012  
 (amounts expressed in thousands)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets:</b>	
Current assets:	
Cash and investments with County Treasurer	\$ 147,760
Other receivables	1,579
Due from component unit	586
Inventory of supplies	95
Prepaid items	4,379
Total current assets	<u>154,399</u>
Noncurrent assets:	
Capital assets:	
Structures and improvements, machinery and equipment, infrastructure, net of depreciation	<u>10,952</u>
Total noncurrent assets	<u>10,952</u>
<b>Total assets</b>	<u>165,351</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	9,383
Compensated employee absences payable	1,825
Estimated liability for claims and contingencies	24,178
Due to component unit	72
Total current liabilities	<u>35,458</u>
Noncurrent liabilities:	
Compensated employee absences payable	1,310
Estimated liability for claims and contingencies	73,793
Total noncurrent liabilities	<u>75,103</u>
<b>Total liabilities</b>	<u>110,561</u>
<b>Net assets</b>	
Invested in capital assets, net of related debt	10,952
Unrestricted	43,838
<b>Total net assets</b>	<u>\$ 54,790</u>

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>	
Charges for services	\$ 200,918
<b>Total operating revenues</b>	<u>200,918</u>
<b>Operating expenses:</b>	
Salaries and benefits	59,943
Contractual services	6,795
Utilities	11,352
Repairs and maintenance	5,727
Other supplies and expenses	56,021
Insurance claims and expenses	26,167
Depreciation	3,487
Telephone	3,569
County indirect costs	6,384
Dental claims	7,812
Other	451
<b>Total operating expenses</b>	<u>187,708</u>
<b>Operating income</b>	13,210
<b>Non-operating revenues:</b>	
Interest and investment income	760
Gain on sale of capital assets	7
<b>Total non-operating revenues</b>	<u>767</u>
<b>Income before transfers</b>	13,977
Transfers-in	130
Transfers-out	<u>(9,033)</u>
Change in net assets	5,074
Total net assets - beginning of period	<u>49,716</u>
<b>Total net assets - end of period</b>	<u>\$ 54,790</u>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(amounts expressed in thousands)**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities</b>	
Internal activity - receipts from other funds	\$ 201,686
Payments to suppliers	(84,784)
Payments to employees	(59,973)
Internal activity - payments to other funds	(6,384)
Claims paid	(28,813)
Other receipts (payments)	(451)
<b>Net cash provided by operating activities</b>	<b>21,281</b>
<b>Cash flows from noncapital financing activities</b>	
Transfers-in	130
Transfers-out	(9,033)
<b>Net cash used in noncapital financing activities</b>	<b>(8,903)</b>
<b>Cash flows from capital and related financing activities</b>	
Acquisition of capital assets	(2,563)
Proceeds from sale of capital assets	93
<b>Net cash used in capital and related financing activities</b>	<b>(2,470)</b>
<b>Cash flows from investing activities:</b>	
Interest on investments	760
<b>Net cash provided by investing activities</b>	<b>760</b>
<b>Net increase in cash and cash equivalents</b>	10,668
Cash and cash equivalents - beginning of period	137,092
<b>Cash and cash equivalents - end of period</b>	<b>\$ 147,760</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 13,210
Adjustments for non-cash activities:	
Depreciation	3,487
Changes in assets and liabilities:	
Other receivables	768
Inventory of supplies	(40)
Prepaid items	(42)
Accounts payable and accrued expenses	(1,239)
Compensated employee absences payable	(30)
Estimated liability for claims and contingencies	5,166
Total adjustments	8,071
<b>Net cash provided by operating activities</b>	<b>\$ 21,281</b>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2012**  
(amounts expressed in thousands)

	<b>Pension and Other Employee Benefits Trust Funds</b>	<b>Investment Trust Fund</b>	<b>Private Purpose Trust Fund</b>	<b>Agency Funds</b>
<b>Assets:</b>				
Cash and investments with County Treasurer	\$ 2,198	\$ 1,540,964	\$ 42,936	\$ 174,896
Investments, at fair value:				
Short-term investments	144,922	-	19,204	-
Domestic equities	1,194,408	-	-	-
Domestic equity commingled funds	848,614	-	-	-
International equities	987,022	-	-	-
International equity commingled funds	196,391	-	-	-
Domestic fixed income	774,484	-	-	-
International fixed income	290,971	-	-	-
Real estate - separate properties	96,828	-	-	-
Real estate - commingled funds	223,929	-	-	-
Real Return Pool	108,926	-	-	-
Private equity and alternatives	186,716	-	-	-
Total investments	<u>5,053,211</u>	<u>-</u>	<u>19,204</u>	<u>-</u>
Investment of securities lending collateral	439,350	-	-	-
Deposits with others	543	-	-	-
Taxes receivable	-	-	-	241,294
Other receivables	29,811	-	1,798	-
Interest receivable	12,981	1,712	42	131
Unamortized bond issuance cost	-	-	757	-
Properties held for redevelopment	-	-	13,986	-
Prepaid items	-	3,862	-	-
Capital assets, net of accumulated depreciation	<u>6,274</u>	<u>-</u>	<u>2,794</u>	<u>-</u>
<b>Total assets</b>	<u>5,544,368</u>	<u>1,546,538</u>	<u>81,517</u>	<u>416,321</u>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	28,958	35,946	1,204	7,513
Securities lending obligation	439,350	-	-	-
Due to other governmental units	-	-	6,812	408,808
Notes payable - noncurrent	-	-	1,322	-
Bonds payable - due within one year	-	-	742	-
Bonds payable - noncurrent	-	-	30,737	-
<b>Total liabilities</b>	<u>468,308</u>	<u>35,946</u>	<u>40,817</u>	<u>416,321</u>
<b>Net Assets</b>				
Held in trust for pension	4,460,031	-	-	
Held in trust for postemployment medical benefits	547,347	-	-	
Held in trust for other postemployment benefits	67,020	-	-	
Held in trust for other employee benefits	1,662	-	-	
Held in trust for other purposes	-	1,510,592	40,700	
<b>Total net assets held in trust</b>	<u>\$ 5,076,060</u>	<u>\$ 1,510,592</u>	<u>\$ 40,700</u>	

The notes to the basic financial statements are an integral part of this statement.



COUNTY OF ALAMEDA, CALIFORNIA  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
(amounts expressed in thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Fund	Private Purpose Trust Fund
<b>Additions:</b>			
Contributions:			
Employees	\$ 82,337	\$ -	\$ -
Employer	162,879	-	-
Contributions on pooled investments	-	6,994,963	3,195
<b>Total contributions</b>	<u>245,216</u>	<u>6,994,963</u>	<u>3,195</u>
Investment income:			
Interest	64,210	6,551	140
Dividends	59,574	-	-
Net increase (decrease) in fair value of investments	(155,271)	2,194	31
Real estate	24,396	-	-
Securities lending income	3,329	-	-
<b>Total investment income</b>	<u>(3,762)</u>	<u>8,745</u>	<u>171</u>
Less investment expenses:			
Investment expenses	29,166	-	-
Securities lending borrower rebates and management fees	937	-	-
Real estate	6,829	-	-
<b>Total investment expenses</b>	<u>36,932</u>	<u>-</u>	<u>-</u>
<b>Net investment income</b>	<u>(40,694)</u>	<u>8,745</u>	<u>171</u>
Miscellaneous income	664	-	-
<b>Total additions, net</b>	<u>205,186</u>	<u>7,003,708</u>	<u>3,366</u>
<b>Deductions:</b>			
Benefit payments	336,081	-	-
Refunds of contributions	5,406	-	-
Administration expenses	13,768	-	-
Distribution from pooled investments	-	6,911,346	6,504
Contribution to other agencies	-	-	4,129
Interest expenses	-	-	715
<b>Total deductions</b>	<u>355,255</u>	<u>6,911,346</u>	<u>11,348</u>
Extraordinary gain	-	-	35,335
<b>Change in net assets</b>	<u>(150,069)</u>	<u>92,362</u>	<u>27,353</u>
Net assets - beginning of period	5,226,129	1,418,230	13,347
Net assets - end of period	<u>\$ 5,076,060</u>	<u>\$ 1,510,592</u>	<u>\$ 40,700</u>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2012**

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**1. Summary of Significant Accounting Policies**

**A. Scope of Financial Reporting Entity**

The County of Alameda is a political subdivision chartered on March 25, 1853, by the State of California, and as such, it can exercise the powers specified by the constitution and statutes of the State of California. The County operates under its charter and is governed by an elected five member Board of Supervisors, providing the following services to its citizens, as authorized by its charter: election administration, public protection, public assistance, health care, road and transportation, recreation and education.

The financial reporting entity consists of the County of Alameda (the primary government) and its component units. Component units are legally separate organizations for which the Board of Supervisors is financially accountable, or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

As required by accounting principles generally accepted in the United States, the County's basic financial statements present the County of Alameda and its component units which are discussed below:

**Blended Component Units** - Blended component units are, in substance, part of the County's operations and their financial data are combined with data of the primary government. These component units have a June 30 fiscal year-end, with the exception of the Alameda County Employees' Retirement Association (ACERA), which has a December 31 fiscal year-end. The financial activities of ACERA for the year ended December 31, 2011, are included herein.

• *Alameda County Flood Control and Water Conservation Districts (Flood Control Districts)*

The Flood Control Districts were established to provide flood control services within specific areas of the County. Although the Flood Control Districts are legally separate from the County, they are reported as if they were part of the primary government because the flood control districts governing board is composed solely of the members of the County Board of Supervisors. The financial transactions of the Flood Control Districts are reported within the flood control fund. The books and records for the Flood Control Districts are maintained by the County. Additional financial data for the Flood Control Districts may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

• *Alameda County Fire Department (Fire Department)*

The Fire Department was established in 1993 as a consolidation of several County fire districts to provide fire protection services in the unincorporated areas of the County. Since then, the cities of San Leandro and Dublin have contracted with the Fire Department to provide fire protection services within their city limits as well. Although the Fire Department is legally separate from the County, it is reported as if it were part of the primary government because it is governed by the County Board of Supervisors. The activities of the Fire Department are reported within non-major governmental funds. The books and records for the Fire Department are maintained by the County. Additional financial data for the Fire Department may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

• *Alameda County Employees' Retirement Association (ACERA)*

ACERA is a multiple-employer public retirement system organized under the 1937 Retirement Act. The County is the major participant and contributes 76.63 percent of total employer contributions. ACERA is governed by a nine-member board that includes the County treasurer, four County citizens appointed by the Board of Supervisors and four members elected by the ACERA membership. Although ACERA is legally separate from the County, it is reported as part of the County's reporting entity because it benefits the County by providing substantial services to the County's employees. The activities of ACERA are reported within the pension and other employee benefit trust funds. Complete financial statements for ACERA may be obtained from the Alameda County Employees' Retirement Association, 475 14<sup>th</sup> Street, Suite 1000, Oakland, CA 94612.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2012**

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Post employment healthcare benefits currently provided by ACERA include medical, dental, and vision benefits. These benefits are reported in the pension and other employee benefit trust funds in the financial statements consistent with GASB Statement No 43. Other forms of post employment benefits provided by ACERA include supplemental cost of living allowance and death benefits. These benefits are reported in the pension and other employee benefit trust funds in the financial statements consistent with GASB Statement No. 25, as they are considered pension benefits.

- *Alameda County Public Facilities Corporation (Corporation)*

The Corporation is a legal entity established to account for the proceeds of certificate of participation issues and other financings for the County. The Board of Directors of the Corporation is comprised of the members of the Board of Supervisors; therefore, the Corporation is considered a component unit. The activities of the Corporation are reported within the debt service governmental fund. The books and records for the Corporation are maintained by the County. Additional financial data for the Corporation may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

- *County Service Areas (CSA)*

CSAs are special districts established by the Board of Supervisors for the purpose of providing specific services to County residents. Although the CSAs are legally separate from the County, they are reported as if they were part of the primary government because they are governed by the County Board of Supervisors. The books and records of these CSAs are maintained by the County, and their activities are reported within non-major governmental funds. Additional financial data for the CSAs may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

- *Alameda County Redevelopment Agency (Redevelopment Agency)*

The Redevelopment Agency was reactivated by the Board of Supervisors on December 14, 1999, in order to proceed with the Eden area redevelopment plan in the unincorporated area of Alameda County. The Redevelopment Agency board was composed of the members of the Board of Supervisors and was therefore considered to be a part of the primary government.

On June 28, 2011, Assembly Bill x1 26 (ABx1 26) was enacted. On December 29, 2011, the California Supreme Court upheld the constitutionality of ABx1 26, and all redevelopment agencies in California were dissolved by operation of law effective February 1, 2012. The books and records of the Redevelopment Agency up to the date of dissolution are maintained by the County and its activities are reported within non-major governmental funds.

- *Alameda County Tobacco Asset Securitization Authority (Authority)*

The Authority was established to account for the activities related to the tobacco securitization bonds and revenues generated from the master settlement agreement with the four largest US tobacco manufacturers. The Authority provides services exclusively to the County and its activities are reported within non-major governmental funds as a debt service fund. The books and records for the Authority are maintained by the County. Additional financial data for the Authority may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

- *Alameda County Joint Powers Authority (Joint Powers Authority)*

The Joint Powers Authority was formed by and between the County and the Redevelopment Agency to assist the County in the financing of public capital improvements. The Joint Powers Authority is included as part of the primary government because the governing board consists of the members of the Board of Supervisors. The activities of the Joint Powers Authority are reported within the debt service governmental fund. The books and records for the Joint Powers Authority are maintained by the County. Additional financial data for the Joint Powers Authority may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2012**

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• *Alameda County Redevelopment Successor Agency (Successor Agency)*

The Successor Agency was formed to wind down the affairs, including all assets except the housing assets, of the former Redevelopment Agency which was dissolved as a result of the State of California ABx1 26. The Successor Agency's governing board consists of the members of the Board of Supervisors. The books and records of the Successor Agency are maintained by the County and its activities are reported within the fiduciary funds as a private purpose trust fund. Additional financial data for the Successor Agency may be obtained from the Alameda County Community Development Agency, 224 W. Winton Avenue, Hayward, CA 94544.

**Discretely Presented Component Unit** - The following component unit is reported in a separate column in the basic financial statements to emphasize that it is legally separate from the County. Although it has a significant relationship with the County, the entity does not provide services solely to the County and, therefore, is presented discretely.

• *Alameda County Medical Center Hospital Authority (ACMC)*

The ACMC is governed by an eleven-member board of trustees, appointed by a majority vote of the Board of Supervisors of the County. Pursuant to the agreement dated July 1, 1998, between the County and the ACMC, the ACMC manages and operates the county hospitals and clinics. The County pays the ACMC for the provision of indigent care. The hospital facilities and related debt are presented in the governmental activities of the County's statement of net assets. All equipment is the property of the ACMC. The ACMC has a June 30 fiscal year-end. The financial activities of the ACMC for the year ended June 30, 2012, are shown herein. Complete financial statements for the ACMC may be obtained from the Alameda County Medical Center Hospital Authority, 1411 E. 31<sup>st</sup> Street, Oakland, CA 94602.

The ACMC's governing body is not substantially the same as the County's and the ACMC does not provide services entirely or almost entirely to the County. However, the County is accountable for the ACMC through the appointment of the ACMC's board and the ability to remove appointed members at will.

**Other Organizations** - There are other governmental agencies that provide services within the County of Alameda. These entities have independent governing boards and the County is not financially accountable for them. The County's basic financial statements, except for certain cash held by the County as an agent, do not reflect operations of the Alameda Alliance for Health, Alameda County Mosquito Abatement District, Alameda County Resource Conservation District, Alameda County Transportation Authority, Alameda County Schools Insurance Group (ACSIG) and Alameda County Office of Education. The County is represented in three regional agencies, the San Francisco Bay Area Rapid Transit District (BART), the Bay Area Air Quality Management District (BAAQMD) and the Metropolitan Transportation Commission (MTC), which are also excluded from the County's reporting entity.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements, i.e., the statement of net assets and the statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. The effect of inter-fund activity has been removed from these statements. Governmental activities normally are supported by taxes and inter-governmental revenues. The discretely presented component unit is reported separately from the primary government due to its separate legal standing.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, of which the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

COUNTY OF ALAMEDA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
(amounts in tables expressed in thousands)  
JUNE 30, 2012

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**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements, proprietary fund statements and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds do not have a measurement focus and thus, report only assets and liabilities. However, agency funds use the accrual basis of accounting when recognizing receivables and payables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 180 days of the end of the current fiscal period. It is the County's policy to submit claims for federal and state grant revenues within 90 days of the end of the program cycle and payment is generally received within 90 days thereafter. Expenditures are recognized when the liability is incurred, except for interest on long-term debt and payments related to vacation, sick leave, claims and judgments, which are recorded when due.

Property taxes, other local taxes, licenses, interest, and intergovernmental revenues associated with the current fiscal period are all considered as being susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the County receives cash.

The County reports the following major governmental funds:

The **General Fund** is the general operating fund of the County. It is used to account for all financial resources and transactions except those required to be accounted for in another fund.

The **Property Development Fund** accounts for the sale and development of surplus County land.

The **Flood Control Fund** is used to account for taxes, assessments and other revenues collected in specific areas of the County which are restricted for the provision of flood control services within those areas.

The **Grant Revenue Fund** is used to account for various federal, state or private grants that are not otherwise accounted for in another special revenue fund.

The **Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary fund types and trust funds.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Additionally, the County reports the following fund types:

The **Internal Service Funds** are used to account for the financing of goods or services provided by one County department or agency to other departments or agencies of the County or to other governments on a cost-reimbursement basis. Internal Service funds account for the activities of the centralized communications, information technology, building maintenance, motor pool, and the County's risk management programs.

The **Pension and Other Employee Benefit Trust Funds** reflect the activities of the ACERA and the Employees' Cafeteria Benefit Plan. ACERA accounts for employee and County contributions to retirement and postemployment benefits and the earnings or losses from investments. It also accounts for the disbursements made for employee retirements, withdrawals, postemployment benefits, disability

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2012**

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and death benefits as well as administrative expenses. The other employee benefit trust fund holds pre-tax dollars deducted from County employees' gross pay for subsequent reimbursement of allowable health care and dependent care costs.

The **Investment Trust Fund** accounts for the external portion of the Treasurer's investment pool. The funds of the Alameda County school and community college districts, the Trial Courts, the Law Library, the Zone 7 Water Agency, and independent special districts that participate in the Treasurer's pool are accounted for within the Investment Trust Fund.

The **Private Purpose Trust Fund** reflects the activities of the Alameda County Redevelopment Successor Agency for assets, except the housing assets, of the former Alameda County Redevelopment Agency and the activities of the Public Guardian in managing the assets of conservatees of the County.

The **Agency Funds** account for the resources held by the County in a custodial capacity on behalf of other agencies. These resources include property taxes receivable which are held pending disputes or litigation and apportionment, payroll deduction and collection clearing funds, and local agencies' share of federal and state program funds.

The effect of interfund activities have been eliminated from the government-wide financial statements. Exceptions to this rule are charges between functions because elimination of these charges would distort the direct costs and program revenues reported in the statement of activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the County's internal service funds are charges for customer services including vehicle usage and maintenance fees, building rent and maintenance fees, and telecommunication and information technology system support charges. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

**Effect of Component Unit with Differing Fiscal Year-End**

ACERA has a fiscal year ending on December 31. The amounts reflected in the June 30, 2012 financial statements are the balances as of ACERA's fiscal year ended December 31, 2011. The difference in the cash balance and interfund transactions are reconciled in the Cash and Investments footnote (Note 2).

**D. Cash and Investments**

The County follows the practice of pooling cash and investments of all funds with the County Treasurer, except for certain restricted funds which are generally held by outside custodians and classified as "Cash and investments with fiscal agents" on the accompanying financial statements. The earned interest yield on all funds held by the County Treasurer for fiscal year 2011-2012 was approximately .41 percent. The fair value of the Treasurer's pool is determined on a quarterly basis. The adjustment to the cash balance of all participants in the pool is based on the cash balance at the valuation date. The change in the fair value of the investments is recognized in the year in which the change occurred.

**Investment in the Treasurer's Pool**

The Treasurer's investment pool comprises two components: (1) pooled deposits and investments and (2) specific investments. Specific investments are individual investments that are made separately from the pooled investments at the request of a specific depositor in the County Treasury. The interest earnings on specific investments are recorded only in the fund from which the investment was made.

Pursuant to the California Education Code, receipts of college and school districts must be deposited with the appropriate county. The Alameda County schools and colleges account for 39.04 percent of the net assets in the Treasurer's pool. The deposits held for these entities are included in the investment trust fund.

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The funds of the independent special districts and cities that participate in the Treasurer's pool are also accounted for in the investment trust fund.

In addition to the Treasurer's investment pool, the County has other funds that are held by trustees. These funds are related to the issuance of debt and the investments of Surplus Property Development and ACERA.

**Investment Valuation**

Certain U.S. government securities that have a remaining maturity at time of purchase of one year or less are carried at amortized cost, which approximates market value. Investments with maturity of more than one year, whether pooled or specific, are carried at fair value. The fair value of investments is based on current market prices. The fair value of investments in open-end mutual funds is determined based on the fund's current share price.

For pooled investments, the fair value of participants' position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal. In the event that a certain fund overdraws its share of pooled cash, the overdraft is reported as being due to the general fund.

**Investment Income**

Income from pooled investments is allocated to the individual funds or external participants at the end of each quarter based on the fund or participant's average daily cash balance during the quarter in relation to the average daily balance of total pooled cash. County management has determined that the investment income related to certain funds should be allocated to the general fund. The income is reported in the fund that earned the interest. A transfer is then recorded to transfer an amount equal to the interest earnings to the general fund.

It is the County's policy to charge interest to those funds that have a negative average daily cash balance. The interest charged is reported as negative interest revenue. In certain instances, County management or State law has determined that the negative interest related to the fund should be allocated to the general fund. The negative interest revenue is recorded in the fund that is charged with the interest. A transfer is then recorded to transfer an amount equal to the negative interest revenue from the general fund.

Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

**E. Taxes Receivable**

The State of California Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless an additional amount for general obligation debt has been approved by the voters. Assessed value is calculated at 100 percent of market value as defined by Article XIII A and may be adjusted by no more than two percent per year unless the property is sold or transferred. These general property tax rates do not apply to taxes levied to pay the interest and principal on any indebtedness incurred prior to June 6, 1978, or subsequently approved by the voters. Supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction. The State legislature has determined the method of distribution among the counties, cities, school districts and other districts of receipts from the 1 percent property tax levy.

**The County assesses properties and levies and collects property taxes as follows:**

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	January 1	January 1
Lien dates	January 1	January 1
Due dates	50% on November 1 50% on February 1	Upon receipt of billing
Delinquent after	December 10 (for November) April 10 (for February)	August 31

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The taxes are secured by liens on the property being taxed. The term "secured" refers to taxes on land and buildings, while "unsecured" refers to taxes on personal property other than land and buildings.

Secured taxes are distributed to the general fund, the flood control fund, the non-major governmental funds, the school districts and the cities of Alameda and Piedmont, who are participants in the Teeter Plan, as follows: 50 percent of the levy in December, 45 percent in April and the remaining 5 percent in August of each year. The remaining recipients of property tax revenues, who elected not to participate in the Teeter Plan, receive their share of actual current and delinquent taxes and penalties as they are collected.

**F. Inter-fund Receivables/Payables/Advances**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund financial statements.

**G. Inventory of Supplies**

Supplies inventory is recorded at cost and charged on a weighted-average basis. The costs of these inventories in the governmental funds are recorded as expenditures when consumed rather than when purchased.

**H. Capital Assets**

Capital assets, which include land, easements, construction in progress, structures and improvements, machinery and equipment, software, infrastructure assets, and an historical artifact, are reported in the government-wide financial statements. The County capitalizes equipment and computer software with minimum cost of \$5,000 and \$250,000, respectively, and an estimated useful life in excess of one year. Structures and improvements and infrastructure with a value of at least \$250,000 are capitalized. Land, entitlements, and items in collections costing at least \$5,000 are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital additions are recorded as expenditures throughout the governmental funds and as assets in the government-wide financial statements to the extent that the County's capitalization threshold is met.

Capital assets, including capital leases, of the primary government and its component units are depreciated using the straight-line method applied over the estimated useful lives of the assets, using the following estimated useful lives:

<u>Type of Asset</u>	<u>Estimated Useful Life in Years</u>
Structures and Improvements	30
Machinery and Equipment	3-20
Software	5-10
Infrastructure	10-100

The majority of the infrastructure assets are being depreciated over a 30 to 60 year period. Land, easements, construction in progress, and collections are not depreciated.

**I. Compensated Employee Absences**

The County permits its employees to accumulate up to fifty days of unused vacation leave over their working career. The unused vacation leave, compensatory time, and unexpired in-lieu compensatory time are redeemed in cash upon termination or by extended absence immediately preceding retirement. Such cash payments of absences are recognized as expenditures of the governmental funds in the year of payment. Employees are not reimbursed for accumulated sick leave.



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Estimated unpaid vacation leave, compensatory time, and unexpired in-lieu compensatory time at June 30, 2012, are accrued and recorded in the government-wide and proprietary fund financial statements. The estimated obligation includes an amount for salary-related payments (i.e. payroll taxes) associated with the compensated leaves. All retired or terminated employees as of June 30, 2012, have been compensated for any accumulated vacation, compensatory time, and unexpired in-lieu compensatory time.

**J. Bond Issuance Costs and Premiums/Discounts**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Unamortized bond issuance costs are reported on the statement of net assets and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**K. Fund Balances/Net Assets**

**Fund Balances**

As prescribed by Statement 54 of the Governmental Accounting Standards Board (GASB), fund balance should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following are the fund balance classifications:

*Nonspendable Fund Balance* – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted Fund Balance* – amounts with constraints placed on their use either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – amounts that are established for specific purposes pursuant to constraints imposed by formal action (through ordinance or resolution) of the Board of Supervisors, the County's highest level of decision-making authority. The Board of Supervisors establishes, modifies, or removes commitments of fund balance for specific purposes through ordinance or resolution, either action is equally binding as the other. The commitments can be changed or rescinded only by taking the same formal action that imposed the constraint. The formal action that commits fund balance to a specific purpose must occur prior to the end of the reporting period but the amount may be determined in a subsequent period.

*Assigned Fund Balance* – amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted or committed. The intent can be established by the Board of Supervisors or by a body or official designated by the Board of Supervisors.

*Unassigned Fund Balance* – residual classification for the general fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. This is also the residual for negative fund balances of other governmental funds.

The Board of Supervisors has adopted an accounting policy whereby the authority to assign fund balance to specific purposes is delegated to the County Administrator in consultation with the County Auditor-Controller.

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It is the County's policy to apply expenditures to the appropriate fund balance components if they can be specifically identified and in the following order if not:

- Apply to restricted fund balance when both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, or
- Apply to committed fund balance, then assigned fund balance, and finally unassigned fund balance when committed, assigned, or unassigned fund balances are available.

**Minimum Fund Balance**

The County appropriates an annual amount of up to five percent of the total General Fund budget within a designated contingency account and establishes a goal of maintaining a designated fund balance at a level of at least ten percent of the General Fund annual budgeted operating expenditures. The County's policy is to pay current operating expenditures with current operating revenues. Budgetary procedures that fund current expenditures at the expense of future needs are avoided. The contingency account is to:

- Provide for non-recurring unforeseen expenditures of an emergency nature;
- Maximize short-term borrowable capital;
- Provide orderly budgetary adjustments when revenues are lost through the actions of other governmental bodies;
- Provide the local match or required "Maintenance of Effort" appropriation for public or provide programs and grants that may become available; and
- Meet unexpected nominal increases in service delivery costs.

The Board of Supervisors has the sole discretion in authorizing the use of this fund.

**Invested in Capital Assets, Net of Related Debt**

This category of net assets groups all capital assets into one component. Accumulated depreciation and the outstanding balances of debt, excluding unexpended bond proceeds, related to the acquisition, construction, or improvement of the capital assets reduce the balance in this category.

**Restricted Net Assets**

Restricted net assets are those assets, net of their related liabilities, that have constraints placed on their use by creditors, grantors, contributors, or by enabling legislation. Accordingly, restricted assets may include unspent grant revenues, certain fees and charges and restricted tax revenues.

**L. Self-Insurance**

The County is self-insured for general liability, automobile liability, medical malpractice, workers' compensation and employer's liability, and dental insurance claims. Internal service funds are used to account for the County's self-insurance activities. It is the County's policy to provide in each fiscal year, by premiums charged to affected operating funds, amounts sufficient to cover the estimated charges for self-insured claims, excess insurance and administrative costs. The risk management internal service fund's estimated liability for claims and contingencies is actuarially determined and includes claims incurred but not reported.

**M. Inter-fund Transfers**

Inter-fund transfers are generally recorded as transfers-in or out except for certain types of transactions that are described below.

- (1) Charges for services are recorded as revenues of the performing fund and expenditures of the requesting fund. Unbilled costs are recognized as an asset of the performing fund at the end of the fiscal year.

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- (2) Reimbursements for expenditures, initially made by one fund that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed.

**N. Refunding of Debt**

On the government-wide financial statements, gains or losses from advance refundings are deferred and amortized into expense if they occurred subsequent to June 30, 2001.

**O. Cash Flows**

A statement of cash flows is presented for proprietary fund types. Cash and cash equivalents include all unrestricted and restricted highly liquid investments with original purchase maturities of three months or less. Pooled cash and investments in the County's Treasury represent monies in a cash management pool. Such accounts are similar in nature to demand deposits.

**P. Joint Venture**

The County is a participant with the City of Oakland in a joint exercise of powers agreement known as the Oakland-Alameda County Coliseum Authority (the Coliseum Authority), which was formed on July 1, 1995, to assist the City of Oakland and the County in the financing of public capital improvements in the Oakland-Alameda County Coliseum Complex pursuant to the Marks-Roos Local Bond Pooling Act of 1985. Under this agreement, which formed the Coliseum Authority, the County is responsible for funding up to 50 percent of the Coliseum Authority's operating costs and debt service requirements, to the extent such funding is necessary. See Note 14 for further information on the Coliseum Authority joint venture.

**Q. Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**R. New Pronouncements**

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements ("SCAs"), which are a type of public-private or public-public partnership. This Statement requires disclosures about an SCA including a general description of the arrangement and information about the associated assets, liabilities, and deferred inflows, the rights granted and retained, and guarantees and commitments. Application of this Statement is effective for the County's fiscal year ending June 30, 2013.

In November 2010, GASB issued Statement No.61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34*. The Statement modifies certain requirements for inclusion of component units in the financial reporting entity. The requirements of this Statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. Application of this Statement is effective for the County's fiscal year ending June 30, 2013.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board ("FASB") Statements and Interpretations
2. Accounting Principles Board Opinions

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3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' ("AICPA") Committee on Accounting Procedure

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements." This Statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. Application of this Statement is effective for the County's fiscal year ending June 30, 2013.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This Statement also amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2013.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is intended to clarify the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Application of this statement is effective for the County's fiscal year ending June 30, 2014.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012*, an amendment of GASB Statements No. 10 and No. 62, to resolve conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This statement amends Statement No. 10, *Codification of Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government's risk financing activities to the general fund and the internal service fund type. This statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate. Application of this statement is effective for the County's fiscal year ending June 30, 2014.

In June 2012, the GASB issued two new standards, GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* to improve the guidance for accounting and reporting on the pensions that governments provide to their employees.

Key changes include:

- Separating how the accounting and financial reporting is determined from how pensions are funded.
- Employers with defined benefit pension plans will recognize a net pension liability, as defined by the standard, in their government-wide, proprietary and fiduciary fund financial statements.
- Incorporating ad hoc cost-of-living adjustments and other ad hoc postemployment benefit changes into projections of benefit payments, if an employer's past practice and future expectations of granting them indicate they are essentially automatic.
- Using a discount rate that applies (a) the expected long-term rate of return on pension plan investments for which plan assets are expected to be available to make projected benefit payments, and (b) the interest rate on a tax-exempt 20-year AA/Aa or higher rated municipal bond index to projected benefit payments for which plan assets are not expected to be available for long-term investment in a qualified trust.
- Adopting a single actuarial cost allocation method – entry age normal – rather than the current choice among six actuarial cost methods.

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- Requiring more extensive note disclosures and required supplementary information.

The statements relate to accounting and financial reporting and do not apply to how governments approach the funding of their pension plans. At present, there generally is a close connection between the ways many governments fund pensions and how they account for and report information about them in audited financial reports. The statements would separate how the accounting and financial reporting is determined from how pensions are funded. Application of Statement 67 is effective for financial statements for the County's fiscal year ending June 30, 2014. Application of Statement 68 is effective for the County's fiscal year ending June 30, 2015.

**2. Cash and Investments**

**A. Deposits**

As of June 30, 2012, the County's cash and deposits were as follows:

	<u>Bank Balance</u>	<u>Carrying Value</u>
Deposits with financial institutions	\$ 427,259	\$ 443,995
Cash on hand		8,909
Deposits in transit		1,584
Adjustment to restate pension trust fund cash balance to December 31, 2011		530
Total cash and deposits		<u>\$ 455,018</u>

**Custodial Credit Risk – Deposits**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside entity. The County's investment policy requires that deposits in banks must meet the requirements of California Government Code. Of the \$443,995,000 deposits with financial institutions, \$3,263,000 was covered by federal depository insurance, \$46,500,000 was collateralized with securities held by pledging financial institutions in County's name, and \$377,497,000 was collateralized with securities held by pledging financial institutions, or its trust departments or agent, but not in County's name. As required by California Government Code Section 53652, the market value of the pledged securities must equal at least 110 percent of the County's deposits, with the exception of mortgage-backed securities, which must equal at least 150 percent.

As of December 31, 2011, ACERA reported a deposit of \$530,000. Cash held with a financial institution in a pooled money market fund was \$226,000, of which \$118,800 was uninsured and uncollateralized, and subject to custodial credit risk.

**B. Investments**

County investments consist of (a) Treasurer's investments, (b) Investments with fiscal agents and (c) ACERA's investments.

a. Treasurer's Investments

Funds with the County Treasurer are invested pursuant to the annual investment policy established by the Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority, preservation of capital, liquidity and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. Authorized instruments in which the Treasurer can invest include U.S. Treasury securities, banker's acceptances, federal, state and local government securities, commercial paper, medium-term corporate notes,

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negotiable certificates of deposit, local agency investment fund, money market funds, mutual funds that invest in authorized securities, and mortgage-backed securities. Although the investment policy permits the Treasurer to invest in reverse repurchase agreements, or to engage in securities lending, such investment activities were not made during the year ended June 30, 2012.

On June 10, 1997, the Board of Supervisors created the Treasury Oversight Committee pursuant to Section 27131 of the Government Code. The Committee is responsible for ensuring that the Treasurer's investment pool is audited annually and for reviewing and monitoring the Treasurer's investment policy.

There were no derivative investments in the investment pool for the year ended June 30, 2012.

As of June 30, 2012 Treasurer's investments consisted of the following:

Investment Type	Credit Rating S&P's/Moody's	Investment Maturities (in Years)		Fair Value
		Less than 1	1 to 5	
Federal agency notes and bonds	AA+ / Aaa	\$ 134,993	\$ 1,704,193	1,839,186
Federal agency discounted notes	A-1+ / P-1	210,976	-	210,976
U.S. Treasury Coupon and bills	N/A	150,219		150,219
Medium term notes	AA+/Aa	15,116	101,351	116,467
Commercial Paper	A-1+ / P-1	149,798		149,798
Negotiable CD	A-1+ / P-1	74,994	-	74,994
Local Agency Investment Fund	Not rated	50,000	-	50,000
Mutual funds	AAAm / Aaa	95,000	-	95,000
Municipal	Not rated	69,400	-	69,400
Total investments		<u>\$ 950,496</u>	<u>\$ 1,805,544</u>	<u>\$ 2,756,040</u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rate will affect the fair value of an investment. In accordance with the investment policy, the Treasurer manages the risk exposure by limiting the weighted average maturity of its investment portfolio to not more than two years at any time.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Treasurer manages this risk exposure by complying with the Government Code and the Treasurer's more restrictive investment policy regarding the credit ratings of various types of investments. The investment policy prescribes the following rating requirements:

Banker's Acceptances: at least A-rated when issued by a domestic bank; and at least AA-rated when issued by a U.S. branch of a foreign bank.

Commercial Paper: prime rated by at least one rating agency if maturity does not exceed 30 days; and prime rated by at least two rating agencies, if maturity exceeds 30 days.

Medium-Term Corporate Notes: at least A-rated if maturity is less than three years from purchase date; and at least AA-rated if maturity is longer than three years from purchase date.

Negotiable Certificates of Deposit: at least A-rated if issued by a domestic bank; and at least AA-rated if issued by a U.S. branch of a foreign bank.

Money Market Funds: the fund must attain the highest ranking or the highest letter and numerical rating by at least two of the three largest nationally recognized rating services; or if not rated, must retain an investment adviser registered with the SEC having not less than five years experience investing in the

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securities and obligations as authorized by subdivisions (a) to (m) of Government Code Section 53601, inclusive, and with assets under management in excess of \$500,000,000.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. The investment policy sets no limit on the amount the County may invest in any one issuer. As of June 30, 2012, more than 5 percent of the Treasurer's investments were in the Federal Farm Credit Bank (44.64%), Federal Home Loan Bank (21.57%), and Federal Home Loan Mortgage Corporation (6.90%).

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's pool for the fiscal year ended June 30, 2012. Cash and deposits do not include \$ 1,262 thousand in department revolving funds.

Statement of Net Assets

Assets:	
Cash and deposits	\$ 452,905
Investments (at fair value)	2,756,040
Accrued interest	3,523
Total assets	\$3,212,468
Total Liabilities	-
Net Assets	\$3,212,468
Equity of internal pool participants	\$1,701,876
Equity of external pool participants	1,510,592
Total Net Assets	\$3,212,468

Statement of Changes in Net Assets

Net change in investments by pool participants	\$ 40,308
Net assets at July 1, 2011	3,172,160
Net assets at June 30, 2012	\$3,212,468

The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2012, to support the value of shares in the pool.

As of June 30, 2012, the Treasurer's cash and investment pool was carried at fair value, based on the current market price of the investment holdings. During the fiscal year, the fair value of the cash and investment pool was determined quarterly and reported to the Board of Supervisors at the end of each calendar quarter. To request a copy of an Investment Report, contact Investment Officer at the Alameda County Treasurers' Office at 1221 Oak Street, Room 131, Oakland or call (510) 272-6800 for the fair value, the principal amount, ranges of interest rates, and maturities dates of each investment classification for the Treasurer's pool.

Each fund's equity in the pool is the fund's actual cash position as of any given date. Any "value" that served to either increase or decrease the pool's valuation as a result of the current fair value of the pool on June 30, 2012, has been allocated to each fund based on the average cash balance during the last quarter of the fiscal year.

Other Disclosures

As of June 30, 2012, the County's investment in Local Agency Investment Fund (LAIF) is \$50 million. The LAIF is part of the Pooled Money Investment Account (PMIA), and the Local Investment Advisory Board (LIAB), which consists of five members as designated by State statute, provides oversight for LAIF. All securities are purchased under the authority of Government Code Sections 16430 and 16480.4. The total amount invested by all cities,

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counties, special districts, nonprofit corporations, or qualified quasigovernmental agencies in LAIF is \$21.89 billion as of June 30, 2012. Of that amount, 96.53% was invested in non-derivative financial products and 3.47% in structured notes and asset backed securities as of June 30, 2012.

**b. Investments with Fiscal Agents**

The County's general fund, property development fund, capital projects fund, debt service fund, non-major governmental funds, and fiduciary funds have investments with fiscal agents.

As of June 30, 2012, investments with fiscal agents consisted of the following:

Investment Type	Credit Rating S&P's/Moody's	Investment Maturities (in Years)			Fair Value
		Less than 1	1 to 5	More than 5	
Cash and Deposits	N/A	\$ 110,335	\$ -	\$ -	\$110,335
EBRCSA revenue bonds	<sup>1</sup> Not rated	-	786	2,896	3,682
Money market funds	AAAm / Aaa-mf	28,672	-	-	28,672
U.S. Treasury securities	N/A	1,479	-	-	1,479
Federal agency notes and bonds	AA+ / Aaa BBB+ AA+ / A3-	160,500	192,040	-	352,540
Corporate bonds	Aaa	46,204	41,784	2,129	90,117
Total cash and investments with fiscal agent		<u>\$ 347,190</u>	<u>\$ 234,610</u>	<u>\$ 5,025</u>	<u>\$586,825</u>

<sup>1</sup> East Bay Regional Community System Authority

**Interest Rate Risk**

The investment policy for the property development fund limits the maximum maturity of any issue to no more than five years from the purchase date. The County's Financial Management Policy and various bond indentures do not contain provisions that address the interest rate risk of investments made by other County funds.

**Credit Risk**

The investment policy for the property development fund and various bond indentures for other funds limit the funds' investments in commercial paper, guaranteed investment contract, and money market funds to the highest two ratings issued by nationally recognized statistical rating organizations.

**Concentration of Credit Risk**

As of June 30, 2012, more than 5 percent of total investments with fiscal agents were in the Federal Home Loan Bank (9.31%), the Federal National Mortgage Association (29.63%), and the Federal Home Loan Mortgage Corporation (21.13%).

The investment policy for the property development fund and various bond indentures for other funds place no limit on the amount the funds may invest in any one issuer. As of June 30, 2012, more than 5 percent of the property development fund's investments were in the Federal Home Loan Bank (17.26%), the Federal National Mortgage Association (27.47%), and the Federal Home Loan Mortgage Corporation (30.73%).

As of June 30, 2012, more than five percent of the debt service fund's investments were in the Federal Home Loan Mortgage Corporation (61.56%), the Federal National Mortgage Association (19.57%), and the Federal Home Loan Bank (6.24%). In addition, more than 5 percent of the non-major governmental funds' investments were in FCAR Owner Trust (72.97%) and J.P. Morgan (26.81%).



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c. Investments of Alameda County Employees Retirement Association (ACERA)

Government Code Section 31595 allows the Board of Retirement to invest funds at its discretion. Instruments authorized by the Board of Retirement are U.S. equity, international equity, U.S. and international fixed income, real estate and Treasurer's pooled investments. ACERA is prohibited from investing in securities issued by the County of Alameda or any agency thereof. Additionally, ACERA may not invest in futures, written options, swaps or structured notes, unless specific authorization is obtained from the Board of Retirement in advance of the investment. The ACERA investments shown in the statement of fiduciary net assets are as of ACERA's fiscal year ended December 31, 2011.

ACERA has chosen to manage the investment risks described by GASB Statement No. 40 and 53 by contractually requiring each portfolio investment manager to abide by restrictive investment guidelines specifically tailored to that individual manager rather than adopting across-the-board investment policies with respect to these investment risks. The guidelines stipulate the investment style, the performance objective, performance benchmarks, and portfolio characteristics. For example, in the case of foreign currency risk, the policy guidelines for the U.S. dollar equity portfolios differ from those for the non-U.S. dollar equity portfolios. Likewise in the case of credit risk, the guidelines for one fixed income manager stipulate a minimum acceptable credit rating for each debt instrument while the guidelines for a different fixed income portfolio merely require that the average of credit ratings for a certain fair value percentage of the portfolio meet a minimum requirement. Each manager is likewise subject to a "manager standard of care" that establishes a fiduciary relationship requiring the manager to act prudently and solely in the best interest of ACERA. ACERA's guidelines require each manager's investment return performance to compare favorably with the performance of the relevant passive market index such as the Barclays Capital Aggregate Bond Index. ACERA's investment staff continually monitors all investment managers for compliance with the respective guidelines.

Concentration of Credit Risk

The individual investment guidelines for each fixed-income manager restrict concentrations greater than 5 percent in the securities of any one issuer (excluding all government and agency securities). As of December 31, 2011, ACERA had no investments in a single issuer that equaled or exceeded 5 percent of ACERA's net assets.

Credit Risk

The individual investment guidelines for each fixed-income investment manager describe applicable restrictions on credit risk. The credit risk restrictions by investment portfolio (with portfolio style) are as follows:

- A minimum of 51 percent of the market value of the portfolio must be rated BBB- or higher by Standard & Poor's (S&P) or Baa3 or higher by Moody's Investor Services (Moody's). (Medium Grade Fixed Income)
- Investments must be rated Baa/BBB or better by Moody's/S&P at time of purchase. (Enhanced Index Fixed Income)
- The average credit quality of the portfolio shall be grade "A" or better based on Moody's and/or S&P. Individual securities shall be of investment-grade quality, i.e., Baa3/BBB- and above. (Global Fixed Income)

The credit quality ratings of a security (e.g., from Moody's or S&P) give an indication of the degree of credit risk for that security.

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The Credit Risk Analysis table discloses the fair value of debt investments by type and credit rating as of December 31, 2011.

**Credit Risk Analysis**

<u>Debt Investments by Type</u>	<u>Adjusted Moody's Credit Rating</u>									
	<u>Total</u>	<u>Aaa</u>	<u>Aa</u>	<u>A</u>	<u>Baa</u>	<u>Ba</u>	<u>B</u>	<u>Caa</u>	<u>Ca and below</u>	<u>Not Rated</u>
Collateralized mortgage obligations	\$ 108,105	\$ 53,458	\$ 9,800	\$ 4,641	\$ 6,784	\$ 1,791	\$ 10,224	\$ 17,752	\$ 3,655	\$ -
Convertible bonds	36,562	-	-	6,782	893	12,718	6,385	3,576	-	6,208
Corporate bonds	371,531	13,638	24,958	71,947	150,749	36,526	57,388	5,544	2,309	8,472
Federal Home Loan Mortgage Corp.	34,980	-	34,980	-	-	-	-	-	-	-
Federal National Mortgage Assn.	75,098	-	75,098	-	-	-	-	-	-	-
Government issues	377,259	86,934	24,814	58,084	39,515	23,776	-	-	1,237	142,899
Government National Mortgage Assn. I, II	22,987	-	22,987	-	-	-	-	-	-	-
Municipal	9,268	-	404	8,005	859	-	-	-	-	-
Other asset-backed securities	29,665	2,405	-	1,802	3,479	5,254	1,191	10,307	5,227	-
Subtotal debt investments	<u>1,065,455</u>	<u>156,435</u>	<u>193,041</u>	<u>151,261</u>	<u>202,279</u>	<u>80,065</u>	<u>75,188</u>	<u>37,179</u>	<u>12,428</u>	<u>157,579</u>
<b>External Investment Pools of Debt Securities</b>										
Securities Lending Cash Collateral Fund										
Liquidation Pool	383,450	-	-	-	-	-	-	-	-	383,450
Duration Pool	53,066	-	-	-	-	-	-	-	-	53,066
Master Custodian Short-Term Investment Fund	106,503	-	-	-	-	-	-	-	-	106,503
Subtotal external investment pools	<u>543,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>543,019</u>
Total	<u>\$ 1,608,474</u>	<u>\$ 156,435</u>	<u>\$ 193,041</u>	<u>\$ 151,261</u>	<u>\$ 202,279</u>	<u>\$ 80,065</u>	<u>\$ 75,188</u>	<u>\$ 37,179</u>	<u>\$ 12,428</u>	<u>\$ 700,598</u>

This table displays the fair value of investments by credit rating in increasing magnitude of risk. Investments are classified by Moody's credit rating. If a Moody's rating is not available, then the S&P rating is used. Also, whenever both ratings for an investment exist, then the lower of the two ratings is used.

**Custodial Credit Risk**

The individual investment guidelines for each investment manager require that managed investments be held and maintained with the master custodian in the name of ACERA. The master custodian may rely on sub-custodians. The custodial requirement does not apply to real estate investments, investments in commingled pools, and private equity and alternative investments. As of December 31, 2011, ACERA had no investments that were exposed to custodial credit risk.

ACERA's investments include collateral associated with derivatives activity. As of December 31, 2011, collateral for derivatives were \$2.2 million. The collateral margins are maintained in margin accounts at financial services firms that provide brokerage services. Each account is uninsured and uncollateralized, and subject to custodial credit risk.

**Interest Rate Risk**

ACERA has investments in three external investment pools containing debt securities that are subject to interest rate risk. ACERA has no general policy on interest rate risk for investments in external pools. The Interest Rate Risk Analysis – Duration of External Investment Pools of Debt Securities table indicates interest rate risk for the investments in these pools in terms of the duration of the pool securities as of December 31, 2011. Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present values of cash flows, weighted for those cash flows as a percentage of the investment's full price.

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**Interest Rate Risk Analysis -  
Duration of External Investment Pools of Debt Securities**

<u>External Investment Pools of Debt Securities</u>	<u>Fair Value</u>	<u>Duration</u>
Securities Lending Cash Collateral Fund		
Liquidity Pool	\$ 383,450	26 days
Duration Pool	53,066	35 days
Master Custodian Short-Term Investment Fund	106,503	-
Total	<u>\$ 543,019</u>	

Separately, ACERA has investments in three fixed-income portfolios containing debt securities that are subject to interest rate risk. ACERA manages interest rate risk by setting limits on portfolio duration for each portfolio. The interest rate restrictions by investment portfolio (with portfolio style) are as follows:

- Duration Band: Barclays Baa Credit Capital Index duration +/- 2.5 years (Medium Grade Fixed Income)
- Duration: Match the Barclays Capital Aggregate Bond Index duration (Enhanced Index Fixed Income)
- Duration Band: 1-10 years duration (Global Fixed Income)

The Interest Rate Risk Analysis – Duration of Fixed Income Portfolios table indicates interest rate risk for the investments in these portfolios.

**Interest Rate Risk Analysis – Duration of Fixed Income Portfolios**

<u>Debt Investments by Type</u>	<u>Fair Value</u>	<u>Duration in Years</u>
Collateralized mortgage obligations	\$ 108,105	3.5
Convertible bonds	36,562	7.9
Corporate bonds	371,531	6.4
Federal Home Loan Mortgage Corp.	34,980	2.4
Federal National Mortgage Assn.	75,098	3.2
Government issues	377,259	7.2
Government National Mortgage Assn. I, II	22,987	2.6
Municipal	9,268	11.5
Other asset-backed securities	29,665	4.2
Total debt investments with duration	<u>1,065,455</u>	

Fair Value Highly Sensitive to Changes in Interest Rate

The terms of a debt investment may cause its fair value to be highly sensitive to interest rate changes. The two Interest Rate Risk Analysis – Duration tables above disclose the degree to which ACERA's investments are sensitive to interest rate changes due simply to the remaining term to maturity. In contrast, ACERA's investments with fair values that are highly sensitive to interest rates due to other factors are disclosed on the Interest Rate Risk Analysis – Highly Sensitive table as of December 31, 2011. ACERA has no general investment policy with respect to investments with fair values that are highly sensitive to changes in interest rates.

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**Interest Rate Risk Analysis – Highly Sensitive  
Fair Value of Investments with Fair Values  
Highly Sensitive to Changes in Interest Rates**

<u>Investment Type</u>	<u>Investment Description</u>	<u>Interest Rates</u>	<u>Fair Value</u>
Collateralized mortgage obligation	Mortgage-related securities	5.5 to 6.0%	<u>\$ 4,792</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. ACERA has no general investment policy with respect to foreign currency risk.

The Foreign Currency Risk Analysis table shows the fair value of investments by currency denomination and investment type, as of December 31, 2011. It provides an indication of the magnitude of ACERA's foreign currency risk for each foreign currency.

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**Foreign Currency Risk Analysis**

<b>Currency</b>	<b>Common Stock and Depository Receipts</b>	<b>International Equity Mutual Funds</b>	<b>Corporate Bonds</b>	<b>Foreign Currency</b>	<b>Government Issues</b>	<b>Currency Swaps</b>	<b>Total Exposure Net of Currency Swaps</b>
Australia Dollar	\$ 49,085	\$ -	\$ 8,535	\$ (195)	\$ 26,956	\$ (1,794)	\$ 82,587
Brazil Real	3,686	-	4,337	-	12,510	390	20,923
Canada Dollar	51,961	-	-	105	34,483	(61)	86,488
Chile Peso	-	-	946	-	-	(160)	786
China Yuan Renminbi	-	-	-	-	-	224	224
Colombia Peso	-	-	1,430	-	1,207	-	2,637
Denmark Krone	11,836	-	-	17	-	29	11,882
Egypt Pound	-	-	-	-	-	-	-
Euro Currency	270,166	-	895	24,710	6,983	1,262	304,016
Hong Kong Dollar	51,761	-	-	255	-	24	52,040
Hungary Forint	-	-	-	-	7,968	-	7,968
Iceland Krona	-	-	-	-	-	-	-
India Rupee	6,100	-	1,796	-	1,134	-	9,030
Indonesia Rupiah	3,552	-	1,947	-	8,993	3	14,495
Israel Shekel	2,361	-	-	-	-	(2)	2,359
Japan Yen	170,833	-	592	23	-	(348)	171,100
Malaysia Ringgit	2,256	-	-	239	13,668	7	16,170
Mexico Peso	3,757	-	1,058	1,009	25,798	(135)	31,487
New Russia Ruble	-	-	-	-	-	-	-
New Taiwan Dollar	5,554	-	-	-	-	8	5,562
New Zealand Dollar	591	-	1,890	5	16,461	66	19,013
Norway Krone	1,656	-	-	36	10,359	(338)	11,713
Peru Nouveau Sol	-	-	-	-	-	-	-
Philippine Peso	-	-	-	-	6,889	-	6,889
Poland Zloty	3,574	-	-	-	13,964	17	17,555
Singapore Dollar	14,648	-	5,566	57	-	(50)	20,221
South Africa Rand	8,512	-	-	91	10,443	57	19,103
South Korea Won	14,624	-	5,993	1,628	12,753	41	35,039
Sweden Krona	18,849	-	-	15	-	(67)	18,797
Switzerland Franc	69,544	-	-	99	-	425	70,068
Thailand Baht	3,213	-	-	46	-	(25)	3,234
Turkey Lira	-	-	-	9	-	(514)	(505)
UK Pound Sterling	171,508	-	-	134	23,790	(193)	195,239
Various Currencies	-	136,725	-	-	-	-	136,725
<b>TOTAL</b>	<b>\$ 939,627</b>	<b>\$ 136,725</b>	<b>\$ 34,985</b>	<b>\$ 28,283</b>	<b>\$ 234,359</b>	<b>\$ (1,134)</b>	<b>\$ 1,372,845</b>

**Securities Lending**

Board of Retirement policies authorize ACERA to participate in a securities lending program. Securities lending transactions are short-term collateralized loans of ACERA securities to broker-dealers and banks that allow ACERA to invest and receive earnings on the loan collateral for a loan rebate fee. ACERA has signed a securities lending agreement authorizing the securities lending agent to lend ACERA securities to broker-dealers and banks pursuant to a loan agreement.

For the year ended December 31, 2011, on behalf of ACERA, the securities lending agent lent ACERA's securities (government bonds, corporate stocks, corporate bonds, and international equities and fixed income) under this agreement and received cash (United States and foreign currency), securities issued or guaranteed by the United States government, sovereign debt and irrevocable bank letters-of-credit as collateral. ACERA did not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were

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required to deliver collateral for each loan equal to at least 102% of the market value of the loaned security for domestic securities or sovereign debt issued by foreign governments, and 105% for international securities. Moreover, borrowers were required to maintain the market value of collateral on a daily basis.

ACERA did not impose any restrictions for the year ended December 31, 2011, on the amount of the loans that the custodian made on its behalf. The custodian indemnified ACERA by agreeing to purchase replacement securities or return cash collateral in the event the borrower failed to return the loaned securities and the collateral was inadequate to replace the securities lent or the borrower failed to pay ACERA for income distributions by the securities issuers where the securities are on loan. There were no losses during the year ended December 31, 2011, resulting from a default of the borrowers or the securities lending agent.

For the year ended December 31, 2011, ACERA and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in short term investment pools managed by the securities lending agent. During fiscal year 2011, the short term investment fund was separated into two investment pools: 1) a liquidity pool and 2) a duration pool. As of December 31, 2011, the liquidity pool had an average duration of 26 days and an average weighted final maturity of 71 days for USD collateral. The duration pool had an average duration of 35 days and an average weighted final maturity of 648 days for USD collateral. For the year ended December 31, 2011, ACERA had no credit risk exposure to borrowers because the amounts ACERA owes them exceeded the amounts they owe ACERA.

As of December 31, 2011, ACERA had securities on loan with a fair value of \$428.2 million for cash collateral of \$439.3 million.

**Summary of County Deposits and Investments**

The following table is a summary of the deposits and investments as of June 30, 2012:

Cash:	
Cash On Hand and Deposits in Transit	\$ 10,507
Cash In Bank - with County Treasurer	376,303
Adjust ACERA cash to 12/31/2011	530
Restricted Cash - with County Treasurer	67,374
Restricted Cash - with Component Unit (ACMC)	<u>318</u>
Total Cash	<u>455,032</u>
Investments:	
In Treasurer's Pool	\$ 2,756,040
with ACERA	5,053,211
with fiscal agents	586,825
Securities lending - ACERA	<u>439,350</u>
Total Investments	<u>8,835,426</u>
Total Cash and Investments	<u>\$ 9,290,458</u>
Primary Government	\$ 9,247,066
Component Unit (ACMC)	43,392
Total Cash and Investments	<u>\$ 9,290,458</u>

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Total County deposits and investments at fair value are as follows:

	Primary Government			Component Unit
	Governmental Activities	Fiduciary Funds	Total	
Cash and investments with County Treasurer	\$ 1,339,311 <sup>1</sup>	\$ 1,760,994 <sup>2</sup>	\$ 3,100,305	\$ 43,074
Cash and investments with fiscal agents	407,562	5,072,415	5,479,977	-
Restricted Assets:				
Cash with County Treasurer	67,374	-	67,374	-
Cash and investments with fiscal agents	160,060	-	160,060	318
Invested securities lending collateral	-	439,350	439,350	-
Total cash and investments	<u>\$ 1,974,307</u>	<u>\$ 7,272,759</u>	<u>\$ 9,247,066</u>	<u>\$ 43,392</u>
Deposits and cash on hand			\$ 411,640	\$ 43,392
Investments			8,835,426	-
Total deposits and investments			<u>\$ 9,247,066</u>	<u>\$ 43,392</u>

1 Includes cash and investments with the County Treasurer of total governmental funds (\$1,191,551) and internal service funds (\$147,760).

2 Includes deposits and investments with the County Treasurer of pension and other employee benefits trust funds (\$2,198), investment trust fund (\$1,540,964), private purpose trust (\$42,936) and agency funds (\$174,896).

### 3. Receivables

Receivables as of June 30, 2012, for the County's individual major funds, non-major funds in the aggregate, and the internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds						Nonmajor Governmental Funds	Subtotal	Internal Service Funds	Governmental Activities Total
	General	Property Development	Flood Control	Grant Revenue	Capital Projects	Debt Service				
Interest	\$ 1,266	\$ 254	\$ 156	\$ (21)	\$ (24)	\$ 26	\$ 188	\$ 1,845	\$ 138	\$ 1,983
Taxes	51,289	-	1,466	-	-	-	4,284	57,039	-	57,039
Departmental accounts	165,622	-	-	-	-	-	-	165,622	-	165,622
Federal and state grants and subventions	129,816	-	-	20,624	1,309	-	4,335	156,084	-	156,084
Charges for services	61,949	-	238	-	-	-	11,840	74,027	1,441	75,468
Other	8,910	384	-	73	-	-	7,242	16,609	-	16,609
Gross receivables	418,852	638	1,860	20,676	1,285	26	27,889	471,226	1,579	472,805
Less: allowance for uncollectibles	(134,816)	-	-	-	-	-	-	(134,816)	-	(134,816)
Net total receivable - governmental activities	<u>\$ 284,036</u>	<u>\$ 638</u>	<u>\$ 1,860</u>	<u>\$ 20,676</u>	<u>\$ 1,285</u>	<u>\$ 26</u>	<u>\$ 27,889</u>	<u>\$ 336,410</u>	<u>\$ 1,579</u>	<u>\$ 337,989</u>

Other receivables for pension and other employee benefit trust funds at December 31, 2011, are as follows:

Contributions	\$ 14,217
Derivative Investments	2,990
Investments Sold	6,510
Investment Receivables	5,792
Other	302
Total other receivables at December 31, 2011	<u>\$ 29,811</u>

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**4. Capital Assets**

Capital asset activities of the primary government for the year ended June 30, 2012, are as follows:

**GOVERNMENTAL ACTIVITIES**

	<u>Balance July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2012</u>
Capital assets, not being depreciated:				
Land and easements	\$ 46,235	\$ 10,947	\$ -	\$ 57,182
Construction in progress	177,541	139,635	24,479	292,697
Collections	50	-	-	50
Total capital assets, not being depreciated	<u>223,826</u>	<u>150,582</u>	<u>24,479</u>	<u>349,929</u>
Capital assets, being depreciated:				
Structures and improvements	909,986	14,928	-	924,914
Machinery and equipment	151,101	5,373	1,566	154,908
Software	34,514	-	-	34,514
Infrastructure	765,227	24,479	3,111	786,595
Total capital assets, being depreciated	<u>1,860,828</u>	<u>44,780</u>	<u>4,677</u>	<u>1,900,931</u>
Less accumulated depreciation for:				
Structures and improvements	440,569	22,627	-	463,196
Machinery and equipment	118,081	9,323	1,420	125,984
Software	32,153	1,574	-	33,727
Infrastructure	374,231	20,679	290	394,620
Total accumulated depreciation	<u>965,034</u>	<u>54,203</u>	<u>1,710</u>	<u>1,017,527</u>
Total capital assets, being depreciated, net	<u>895,794</u>	<u>(9,423)</u>	<u>2,967</u>	<u>883,404</u>
Governmental activities capital assets, net	<u>\$ 1,119,620</u>	<u>\$ 141,159</u>	<u>\$ 27,446</u>	<u>\$ 1,233,333</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities	
General government	\$ 3,429
Public protection	20,843
Public assistance	1,345
Health and sanitation	6,039
Public ways and facilities	17,972
Recreation and cultural services	385
Education	703
Capital assets held by the County's internal service funds charged to the various functions on a prorated basis based on their usage of the assets	3,487
Total depreciation expense – governmental activities	<u>\$ 54,203</u>



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The County has active construction projects as of June 30, 2012. The projects include construction of new facilities and improvements to roadways and flood control channels. The County's outstanding commitments with contractors as of June 30, 2012 are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Construction of health care facilities	\$ 212,702	\$ 319,085
Construction of youth center	7,970	7,055
Construction of criminal justice facility	10,105	2,009
Road improvements	48,229	16,467
Flood control channel improvements	13,691	4,275
Total governmental funds	<u>\$ 292,697</u>	<u>\$ 348,891</u>

Fines and penalties imposed on criminal offenses provide the source of funding for the commitment for construction of a criminal justice facility. Tobacco funds received from the master settlement agreement, issuance of debt, and state aid revenue finance the commitment for construction of health care facilities while tax increment revenues of the Alameda County Redevelopment Successor Agency fund the commitment for construction of a youth center. Gas tax and state and federal aid provide funding for the commitment for road improvements. The commitment for flood control channel improvements is being funded from general flood zone benefit assessments and property taxes.

Capital Leases

The County has entered into leases for a building, fire equipment, and water efficiency improvements. The lease agreements for fire equipment qualify as capital leases for accounting purposes because title transfers at the end of the lease term and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The lease for the building qualifies as capital lease for accounting purposes because the present value of the minimum lease payments at the inception of the lease equals at least 90% of the fair value of the leased property. The leased building was recorded at fair market value at the date of the lease agreement. The lease agreement for the water efficiency improvements contains a bargain purchase option; hence, the water efficiency improvements were capitalized as structures and improvements at an amount equal to the present value of the minimum lease payments as of the beginning of the lease term.

The assets acquired through capital leases for governmental activities are as follows:

Structures and Improvements	\$ 4,896
Machinery and equipment	991
Total	<u>5,887</u>
Less accumulated amortization	<u>(2,057)</u>
Net book value	<u>\$ 3,830</u>

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**FIDUCIARY FUNDS – Pension and Other Employee Benefit Trust**

Capital asset activities of the Pension and other employee benefit trust for the year ended December 31, 2011, are as follows:

	<u>Balance</u> <u>January 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2011</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 2,024	\$ 2,497	\$ 4,341	\$ 180
Capital assets, being depreciated:				
Equipment and Furniture	2,777	341	-	3,118
Electronic Document Management System	-	3,922	-	3,922
Information Systems	10,457	-	-	10,457
Leasehold Improvements	2,465	93	-	2,558
Total capital assets, being depreciated	<u>15,699</u>	<u>4,356</u>	<u>-</u>	<u>20,055</u>
Less accumulated depreciation and amortization for:				
Equipment and Furniture	2,502	135	-	2,637
Electronic Document Management System	-	395	-	395
Information Systems	10,457	-	-	10,457
Leasehold Improvements	381	91	-	472
Total accumulated depreciation	<u>13,340</u>	<u>621</u>	<u>-</u>	<u>13,961</u>
Total capital assets, being depreciated, net	<u>2,359</u>	<u>3,735</u>	<u>-</u>	<u>6,094</u>
Fiduciary fund capital assets, net	<u>\$ 4,383</u>	<u>\$ 6,232</u>	<u>\$ 4,341</u>	<u>\$ 6,274</u>

**COMPONENT UNIT – Alameda County Medical Center**

Capital asset activities of the Alameda County Medical Center for the year ended June 30, 2012, are as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 2,920	\$ 16,037	\$ -	\$ 18,957
Land	751	-	-	751
Total capital assets, not being depreciated	<u>3,671</u>	<u>16,037</u>	<u>-</u>	<u>19,708</u>
Capital assets, being depreciated:				
Structures and improvements	42,415	668	-	43,083
Machinery and equipment	77,872	3,675	-	81,547
Total capital assets, being depreciated	<u>120,287</u>	<u>4,343</u>	<u>-</u>	<u>124,630</u>
Less accumulated depreciation for:				
Structures and improvements	26,664	1,546	-	28,210
Machinery and equipment	60,116	6,855	-	66,971
Total accumulated depreciation	<u>86,780</u>	<u>8,401</u>	<u>-</u>	<u>95,181</u>
Total capital assets, being depreciated, net	<u>33,507</u>	<u>(4,058)</u>	<u>-</u>	<u>29,449</u>
Component unit capital assets, net	<u>\$ 37,178</u>	<u>\$ 11,979</u>	<u>\$ -</u>	<u>\$ 49,157</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
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**5. Accounts Payable and Accrued Expenditures/Expenses**

Accounts payable and accrued expenditures/expenses as of June 30, 2012, for the County's individual major funds, non-major funds in the aggregate, and internal service funds are as follows:

	Governmental Funds					Nonmajor Governmental Funds	Subtotal	Internal Service Funds	Governmental Activities Total
	General	Property Development	Flood Control	Grant Revenue	Capital Projects				
Accounts payable	\$ 67,441	\$ 7	\$ 2,645	\$ 9,360	\$ 13,466	\$ 6,647	\$ 99,566	\$ 6,357	\$ 105,923
Outstanding warrants	29,285	-	-	-	-	-	29,285	-	29,285
Accrued payroll	43,510	13	1,672	1,358	-	4,181	50,734	3,026	53,760
Total accounts payable and accrued expenditures	<u>\$ 140,236</u>	<u>\$ 20</u>	<u>\$ 4,317</u>	<u>\$ 10,718</u>	<u>\$ 13,466</u>	<u>\$ 10,828</u>	<u>\$ 179,585</u>	<u>\$ 9,383</u>	<u>\$ 188,968</u>

Payables for Pension and Other Employee Benefit Trust Funds are as follows:

Purchase of securities	\$ 12,361
Investment-related payables	12,222
Member benefits	2,293
Accrued administrative expenses	2,064
Other	18
Total accounts payable and accrued expenses	<u>\$ 28,958</u>

Payables for the Investment Trust Fund consist of outstanding warrants and payables for the Agency Funds consist of estate funds held by the Public Administrator.

**COUNTY OF ALAMEDA, CALIFORNIA**

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**6. Long-Term Obligations**

The following is a summary of long-term obligations of the County as of June 30, 2012:

**GOVERNMENTAL ACTIVITIES**

<u>Type of Obligation and Purpose</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding</u>
<b>Certificates of participation:</b>				
Public Facilities Corporation:				
1989 Capital Projects capital appreciation bonds-principal (b)	6/15/2019	6.70 - 6.80%	\$ 26,664	\$ 3,082
2007A Refunding (a)	12/1/2021	4 - 5.625	37,010	25,090
				28,172
Certificates of participation-principal				11,077
1989 Capital Projects capital appreciation bonds-accretion (b)				
<b>Tobacco Settlement Asset-Backed bonds</b>				
Tobacco Securitization bonds 2002 (e)	6/1/2042	2.25 - 6.00	220,525	174,785
Tobacco Securitization capital appreciation bonds 2006 - A & B (e)	6/1/2050	6.2 - 6.7	51,475	51,475
Tobacco Securitization capital appreciation bonds 2006 - C (e)	6/1/2055	7.55	16,384	16,384
				242,644
Tobacco Securitization bonds-principal				35,130
Tobacco Securitization capital appreciation bonds 2006 - accretion (e)				
<b>Pension obligation bonds</b>				
1996 bonds series B capital appreciation bonds-principal (a)	12/1/2018	7.03 - 7.58	306,863	131,541
1996 bonds series B capital appreciation bonds-accretion (a)				278,575
<b>Lease revenue bonds</b>				
Alameda County Joint Powers Authority:				
Juvenile Justice Facility Bonds Series D (a)	12/1/2034	3.3 - 5.125	28,275	13,920
Juvenile Justice Refunding 2008A (a)	12/1/2034	4.0 - 5.0	120,145	120,145
Multiple Capital Projects 2010A (a)	12/1/2044	7.046	320,000	320,000
North County Center 2004 (a)	12/1/2035	3.07 - 4.38	45,675	45,675
Lease Revenue Refunding 2012 (a)	12/1/2021	1.5 - 5	75,915	75,915
Lease revenue bonds				575,655
<b>Capital leases</b>				
Fire equipment (f)	11/30/2012	0	697	35
Water efficiency measures (d)	10/30/2023	4.08	3,000	2,426
Structures & Improvement - 7200 Bancroft Ave. (a)	2/28/2021	52.07	1,896	1,896
Capital leases payable				4,357
<b>Other Long-term obligations</b>				
Loans Payable (d)	6/22/2016 to 6/22/2026	1.0 - 4.1	17,405	12,240
Note Payable (a)	9/7/2012	.15 - .23	25,000	25,000
Net pension obligation (see Note 11) (c)				41,251
Net OPEB obligation (see Notes 12 and 13) (c)				153,056
Compensated employee absences payable (c)				65,210
Estimated liability for claims and contingencies (d)				97,971
Obligation to fund Authority deficit (see Note 14) (a)				61,408
Other long-term obligations				456,136
Governmental activities total long-term obligations				<u>\$ 1,763,287</u>

Debt service payments are generally made from the following sources:

- (a) Discretionary revenues of the general fund.
- (b) Discretionary revenues of the fund that received the benefit of the asset, purchased or constructed.
- (c) Discretionary revenues of the fund in which the employee's salary is charged; approximately seventy five percent of the employees' salaries are charged to the general fund.
- (d) User-charge reimbursements from the general fund and the non-major governmental funds.
- (e) Revenues from tobacco master settlement agreement.
- (f) Discretionary revenues of the Fire special revenue fund in non-major governmental funds.

The Alameda County Tobacco Asset Securitization Authority has pledged all revenues received from the tobacco master settlement agreement with four US tobacco manufacturers to repay the outstanding amount as of June 30, 2012 of \$174.78 million in tobacco securitization bonds issued in October 2002 and \$67.86 million of tobacco securitization capital appreciation bonds issued in February 2006. The bonds were issued to finance the acquisition of the County Tobacco Assets from the County of Alameda. Total principal, interest, and interest accretion remaining on the bonds is \$1.87 billion, payable through June 2055. The tobacco revenue is determined by applying a rate to the number of cigarettes sold; hence, the amount to be received over the term of the bonds is not estimable. During the year, principal and interest payments were \$14.06 million while tobacco settlement revenue was \$13.4 million.

**COUNTY OF ALAMEDA, CALIFORNIA**  
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**COMPONENT UNIT**

<b>Type of Obligation</b>	<b>Outstanding</b>
<b>Alameda County Medical Center:</b>	
Compensated employee absences payable	\$ 16,978
Estimated liability for claims and contingencies	23,162
Component unit total long-term obligations	<u>\$ 40,140</u>

Debt Compliance

There are a number of limitations and restrictions contained in the various bond indentures.

Legal Debt Limit and Legal Debt Margin

As of June 30, 2012, the County's debt limit (1.25% of total assessed value) was \$2.45 billion. The County does not have any general obligation debt and therefore, has not used any of its debt limit.

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debts issued after August 31, 1986, are subject to arbitrage rebate requirements. The requirements stipulate, in general, that the excess of earnings from the investment of tax-exempt bond proceeds over related interest expenditures on the bonds must be remitted to the Federal government on every fifth anniversary of each bond issue. The County has evaluated each outstanding debt obligation that is subject to the arbitrage rebate requirements and has recognized an arbitrage rebate liability of \$163 thousand as of June 30, 2012.

Conduit Debt

In addition to the long-term obligations discussed above, the following types of long-term obligations have been issued in the name of the County or agencies of the County. Neither the County, nor its agencies, is obligated in any manner for the repayment of these obligations. Accordingly, they are not included in the accompanying financial statements, except as noted below.

*Mortgage revenue bonds* - In order to facilitate affordable housing to first time home buyers, the County issued mortgage revenue bonds with an outstanding aggregate balance of \$50.7 million as of June 30, 2012. These obligations are secured by the related mortgage indebtedness.

*Industrial development bonds* – In order to encourage industrial development within the County, the County has issued industrial development bonds with an outstanding aggregate balance of \$100.5 million as of June 30, 2012. These obligations are the liability of the businesses that receive the proceeds of the bonds.

*Assessment District bonds* – Assessment district bonds were issued to improve the water and sewer system in the Castlewood district of Alameda County. At June 30, 2012, \$0.73 million was the remaining outstanding obligation. Unpaid assessments constitute fixed liens on the lots and parcels assessed within the assessment district and do not constitute a personal indebtedness of the respective owners of such lots and parcels.

The County administers the general obligation debt of school districts and special districts under local boards that are located within the County. The County has no direct or contingent liability for their debts and, accordingly, such amounts are not included in the accompanying basic financial statements.

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**Changes in Long-Term Obligations**

The changes in long-term obligations for governmental activities for the year ended June 30, 2012, are as follows:

	Balance July 1, 2011	Additional Obligations, Interest Accretion, and Net Increases	Current Maturities, Retirements, and Net Decreases	Balance June 30, 2012	Amounts Due Within One Year
Governmental activities:					
Bonds and certificates payable					
Certificates of participation	\$ 128,871	\$ -	\$ (100,699)	\$ 28,172	\$ 2,887
Tobacco Securitization bonds	246,259	-	(3,615)	242,644	-
Pension obligation bonds	154,585	-	(23,044)	131,541	22,263
Lease revenue bonds	458,190	121,590	(4,125)	575,655	22,040
Tax allocation bonds	31,890	-	(31,890)	-	-
Special assessment bonds with government commitment	220	-	(220)	-	-
Total bonds and certificates payable before accretion	<u>1,020,015</u>	<u>121,590</u>	<u>(163,593)</u>	<u>978,012</u>	<u>47,190</u>
Accretion on capital appreciation bonds					
Certificates of participation	12,043	1,075	(2,041)	11,077	2,077
Tobacco Securitization bonds	28,621	6,509	-	35,130	-
Pension obligation bonds	292,008	31,518	(44,951)	278,575	48,793
Total bonds and certificates payable at accreted value	<u>1,352,687</u>	<u>160,692</u>	<u>(210,585)</u>	<u>1,302,794</u>	<u>98,060</u>
Other debt-related items					
Deferred amount for issuance premiums	7,631	10,300	(4,799)	13,132	1,197
Deferred amount for issuance discount	(4,254)	-	136	(4,118)	(136)
Deferred amount for refunding loss	(10,095)	(2,208)	5,119	(7,184)	(847)
Total bonds and certificates payable	<u>1,345,969</u>	<u>168,784</u>	<u>(210,129)</u>	<u>1,304,624</u>	<u>98,274</u>
Loans and notes payable	39,065	785	(2,610)	37,240	26,410
Net pension obligation	42,085	-	(834)	41,251	-
Net OPEB obligation	116,467	36,589	-	153,056	-
Compensated employee absences payable	66,722	30,519	(32,031)	65,210	39,213
Estimated liability for claims and contingencies	92,805	26,167	(21,001)	97,971	24,178
Capital leases	29,516	-	(25,159)	4,357	207
Due to other governmental units	6,812	-	(6,812)	-	-
Obligation to fund Coliseum Authority deficit (see Note 14)	72,450	-	(11,042)	61,408	4,513
Governmental activity long-term obligations	<u>\$ 1,811,891</u>	<u>\$ 262,844</u>	<u>\$ (309,618)</u>	<u>\$ 1,765,117</u>	<u>\$ 192,795</u>

Internal service funds predominantly serve the governmental funds, the long-term liabilities of which are included as part of the above totals for governmental activities. At the year ended June 30, 2012, \$3.14 million of accrued compensated employee absences are included in the above amounts.

The changes in long-term obligations for the component unit for the year ended June 30, 2012, are as follows:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012	Amounts Due Within One Year
<b>Component Unit:</b>					
Compensated employee absences payable	\$ 15,611	\$ 21,515	\$ (20,148)	\$ 16,978	\$ 9,214
Estimated liability for claims and contingencies	21,690	4,662	(3,190)	23,162	5,411
Total component unit long-term obligations	<u>\$ 37,301</u>	<u>\$ 26,177</u>	<u>\$ (23,338)</u>	<u>\$ 40,140</u>	<u>\$ 14,625</u>

**COUNTY OF ALAMEDA, CALIFORNIA**

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Annual debt service requirements for long-term obligations outstanding as of June 30, 2012, are as follows:

**GOVERNMENTAL ACTIVITIES**

For the Year Ending June 30	Lease Revenue		Tobacco Securitization			Pension Obligation		Total Bonds		
	Bonds		Bonds			Bonds		Accreted		
	Principal	Interest	Principal	Accreted Interest	Interest	Principal	Interest	Principal	Interest	Interest
2013	\$ 22,040	\$ 33,751	\$ -	\$ -	\$ 10,278	\$ 22,263	\$ 48,792	\$ 44,303	\$ 48,792	\$ 44,029
2014	22,890	33,116	-	-	10,278	21,490	52,760	44,380	52,760	43,394
2015	16,085	32,359	-	-	10,278	20,623	56,972	36,708	56,972	42,637
2016	9,065	31,845	-	-	10,278	20,053	61,032	29,118	61,032	42,123
2017	8,870	31,442	-	-	10,278	19,392	65,343	28,262	65,343	41,720
2018-2022	51,165	150,533	1,880	-	51,124	27,720	106,580	80,765	106,580	201,657
2023-2027	38,780	139,461	-	-	50,946	-	-	38,780	-	190,407
2028-2032	49,465	128,489	51,485	-	42,064	-	-	100,950	-	170,553
2033-2037	87,305	112,486	45,170	-	30,836	-	-	132,475	-	143,322
2038-2042	157,715	68,353	76,250	-	22,875	-	-	233,965	-	91,228
2043-2047	112,275	12,071	-	-	-	-	-	112,275	-	12,071
2048-2052	-	-	51,475	764,585	-	-	-	51,475	764,585	-
2053-2057	-	-	16,384	616,926	-	-	-	16,384	616,926	-
<b>Total</b>	<b>\$ 575,655</b>	<b>\$ 773,906</b>	<b>\$ 242,644</b>	<b>\$ 1,381,511</b>	<b>\$ 249,235</b>	<b>\$ 131,541</b>	<b>\$ 391,479</b>	<b>\$ 949,840</b>	<b>\$ 1,772,990</b>	<b>\$ 1,023,141</b>

For the Year Ending June 30	Total Bonds		Certificates of Participation			Other Long-Term Obligations		Total Debt			
	Accreted		Accreted					Accreted			
	Principal	Interest	Interest	Principal	Interest	Interest	Principal	Interest	Principal	Interest	Interest
2013	\$ 44,303	\$ 48,792	\$ 44,029	\$ 2,887	\$ 2,078	\$ 1,200	\$ 26,617	\$ 1,722	\$ 73,807	\$ 50,870	\$ 46,951
2014	44,380	52,760	43,394	2,528	2,112	1,102	1,575	1,500	48,483	54,872	45,996
2015	36,708	56,972	42,637	2,600	2,150	991	1,636	1,440	40,944	59,122	45,068
2016	29,118	61,032	42,123	2,695	2,180	868	1,696	1,413	33,509	63,212	44,404
2017	28,262	65,343	41,720	2,791	2,208	737	1,449	1,383	32,502	67,551	43,840
2018-2022	80,765	106,580	201,657	14,671	4,494	1,689	6,918	3,025	102,354	111,074	206,371
2023-2027	38,780	-	190,407	-	-	-	1,706	78	40,486	-	190,485
2028-2032	100,950	-	170,553	-	-	-	-	-	100,950	-	170,553
2033-2037	132,475	-	143,322	-	-	-	-	-	132,475	-	143,322
2038-2042	233,965	-	91,228	-	-	-	-	-	233,965	-	91,228
2043-2047	112,275	-	12,071	-	-	-	-	-	112,275	-	12,071
2048-2052	51,475	764,585	-	-	-	-	-	-	51,475	764,585	-
2053-2057	16,384	616,926	-	-	-	-	-	-	16,384	616,926	-
<b>Total</b>	<b>\$ 949,840</b>	<b>\$ 1,772,990</b>	<b>\$ 1,023,141</b>	<b>\$ 28,172</b>	<b>\$ 15,222</b>	<b>\$ 6,587</b>	<b>\$ 41,597</b>	<b>\$ 10,561</b>	<b>\$ 1,019,609</b>	<b>\$ 1,788,212</b>	<b>\$ 1,040,289</b>

It is not practical to determine the specific year of payment for the net pension obligation, the net OPEB obligation, the accrued compensated employee absences payable, the estimated liability for claims and contingencies, and the obligation to fund Coliseum Authority deficit. Amounts due within one year for the accrued compensated employee absences and the estimated liability for claims and contingencies are estimates based on prior year experience.

In March 2004, the California Infrastructure & Economic Development Bank issued \$51.7 million in bonds to fund the acquisition and construction of an office building and adjacent parking facilities at 2000 San Pablo Avenue in Oakland on behalf of the North County Self Sufficiency Corporation as borrower, with the bonds secured by a lease to the County for use of the facilities by the County's Social Services Agency. On January 27, 2012, the County purchased the facilities as contemplated by provisions in the lease (which delineated a purchase date of no later than 2035) and the Alameda County Joint Powers Authority assumed the role as borrower pursuant to an assignment and assumption agreement with the obligation to make debt service payments from the County lease obligation which remains in effect. The outstanding bonds with remaining principal of \$45.675 million pay interest semi-annually at interest rates ranging from 3.07% to 4.38% with serial and term bond maturities paid annually from 2012 through 2035.

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On June 5, 2012, the Alameda County Joint Powers Authority issued Lease Revenue Refunding Bonds, Series 2012, in the amount of \$75.915 million. The purpose of the bond issuance was to (1) current refund and defease all of the outstanding County of Alameda Refunding Certificates of Participation, Series 2001A, in order to reduce the County's overall debt, as well as its debt service obligation, and (2) pay the costs of issuance for the Lease Revenue Refunding Bonds, Series 2012. The bonds mature serially between 12/01/2012 and 12/01/2021 and were issued with fixed interest rates ranging from 1.50% to 5%.

The aggregate difference in debt service between the Refunding Certificates of Participation, Series 2001A and the Lease Revenue Refunding Bonds, Series 2012 was a decrease of \$11.47 million. The economic gain on the refunding was \$10.72 million.

**7. Operating Lease Obligations**

The County has numerous operating leases for office space. Rental expense for operating leases for fiscal year 2011/12 was \$23.4 million. Future minimum lease payments for operating leases at June 30, 2012, are as follows:

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018-22</u>	<u>2023-24</u>	<u>Total</u>
\$ 22,126	\$ 18,965	\$ 15,918	\$ 13,589	\$ 13,620	\$ 34,914	\$ 2,492	\$ 121,624



**COUNTY OF ALAMEDA, CALIFORNIA**

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**8. Fund Balances**

Details of the fund balance classifications of the major and non-major governmental funds as of June 30, 2012 are as follows:

	<u>General</u>	<u>Property Development</u>	<u>Flood Control</u>	<u>Grant Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
<b>Nonspendable in form:</b>								
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180	\$ 180
Long-term receivables	4,153	-	-	-	-	-	-	4,153
Properties for resale	255	-	-	-	-	-	-	255
Prepaid items	-	-	-	-	-	-	155	155
Total Nonspendable	<u>4,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335</u>	<u>4,743</u>
<b>Restricted for:</b>								
Public protection	124,130	-	163,058	-	-	-	43,854	331,042
Public assistance	1,834	-	-	-	-	-	28,959	30,793
Health and sanitation	156,933	-	-	-	-	-	23,134	180,067
Public ways and facilities	-	-	-	-	-	-	75,010	75,010
Education	-	-	-	-	-	-	13,507	13,507
Capital projects	-	-	-	-	149,268	-	-	149,268
Debt service	-	-	-	-	-	90,167	21,404	111,571
Other purposes	5,171	-	-	-	-	-	-	5,171
Total Restricted	<u>288,068</u>	<u>-</u>	<u>163,058</u>	<u>-</u>	<u>149,268</u>	<u>90,167</u>	<u>205,868</u>	<u>896,429</u>
<b>Committed to:</b>								
Fiscal management rewards	121,583	-	-	-	-	-	-	121,583
Settlement claims	155,067	-	-	-	-	-	-	155,067
General contingencies	172,000	-	-	-	-	-	-	172,000
Capital projects	87,706	-	-	-	4,466	-	-	92,172
Pension obligation bonds	63,700	-	-	-	-	-	-	63,700
Capital projects and related debt	-	317,460	-	-	-	-	-	317,460
Grant revenue negative fund balances	18,703	-	-	-	-	-	-	18,703
Public assistance	3,127	-	-	-	-	-	-	3,127
Public protection	1,911	-	-	-	-	-	-	1,911
Other commitments	43,640	-	-	-	-	-	-	43,640
Total Committed	<u>667,437</u>	<u>317,460</u>	<u>-</u>	<u>-</u>	<u>4,466</u>	<u>-</u>	<u>-</u>	<u>989,363</u>
<b>Assigned to:</b>								
Appropriations in subsequent year	53,721	-	-	-	-	-	-	53,721
General government	8,674	-	-	-	-	-	-	8,674
Public protection	12,102	-	-	-	-	-	4,567	16,669
Public assistance	7,595	-	-	-	-	-	-	7,595
Health and sanitation	17,465	-	-	-	-	-	-	17,465
Public ways and facilities	41	-	-	-	-	-	-	41
Education	8	-	-	-	-	-	-	8
Recreation and cultural services	7	-	-	-	-	-	-	7
Other purposes	33	-	-	-	-	-	-	33
Total Assigned	<u>99,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,567</u>	<u>104,213</u>
<b>Unassigned</b>	23,305	-	-	(9,268)	-	-	-	14,037
Total Fund Balances	<u>\$ 1,082,864</u>	<u>\$ 317,460</u>	<u>\$ 163,058</u>	<u>\$ (9,268)</u>	<u>\$ 153,734</u>	<u>\$ 90,167</u>	<u>\$ 210,770</u>	<u>\$ 2,008,785</u>

Encumbrance balances by major funds and non-major funds as of June 30, 2012 are:

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Total</u>
General Fund	\$ 2,655	\$ -	\$ 42,280	\$ 44,935
Property Development	-	73	-	73
Flood Control	21,852	-	-	21,852
Grant Revenue	7,000	-	-	7,000
Capital projects	-	330,018	-	330,018
Non-major governmental funds	34,636	-	450	35,086
Total encumbrances	<u>\$ 66,143</u>	<u>\$ 330,091</u>	<u>\$ 42,730</u>	<u>\$ 438,964</u>

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**9. Restricted Net Assets**

Restricted net assets are net assets that are subject to constraints either externally imposed by creditors, grantors, contributors, or by enabling legislation. Restricted net assets as of June 30, 2012 for governmental activities are as follows:

Restricted for Public Protection		
Flood	\$163,250	
Criminal Justice and Courthouse Construction	50,735	
Fire	28,454	
Sheriff	19,465	
Public Safety	19,335	
Vital Records	16,490	
Consumer Protection	8,865	
Community Development	7,048	
Vehicle Theft Prevention	871	
Domestic Violence	808	
Survey Monument Preservation	690	
Criminal Justice Programs	525	
Probation	190	
Child Support Enforcement	12	
Other	295	
		\$317,033
Restricted for Public Assistance		
Housing and Commercial Development	27,988	
Social Services Programs	2,460	
		30,448
Restricted for Health and Sanitation		
Behavioral Health Services	91,519	
Public Health	44,420	
Emergency Medical Services	31,843	
Environmental Health	8,659	
		176,441
Restricted for Public Ways and Facilities		
Roads and Bridges Maintenance	70,385	
Streets and Highway Lighting	2,805	
		73,190
Restricted for Education		
Library Services		13,628
Restricted for Other Purposes		
Property Taxes	11,272	
Assessor	5,167	
		16,439
Total Restricted Net Assets-Governmental Activities		\$627,179

Included in governmental activities restricted net assets as of June 30, 2012 are net assets restricted by enabling legislation of \$121,451.

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**10. Interfund Receivables, Payables and Transfers**

“Due to” and “due from” balances have been recorded for cash overdraft, inter-fund loans, and reimbursement of expenditures. The composition of inter-fund balances as of June 30, 2012, is as follows:

Due from other funds	Due to other funds			Total Due from
	Grant Revenue Fund	Capital Projects Fund	Non-major Governmental Funds	
	General fund	\$ 18,908	\$ 100,578	

During the course of operations, transactions occur between the County and ACMC for goods received or services rendered and for loans. These receivables and payables are classified as “due from component unit” and “due to component unit” on the basic financial statements.

The County has advanced funds to the ACMC to finance capital improvements at ACMC’s medical facilities. These advances are shown as “advance to component unit” and “advance from primary government” on the basic financial statements.

**Due to/from primary government and component unit:**

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
	Alameda County Medical Center	\$ 129,866
Primary government-governmental		\$ 129,867
Less: allowance for uncollectibles		(31,000)
Net		\$ 98,867
Alameda County Medical Center		\$ 11,419
Less: amount not recognized due to difference in estimates		(7,165)
	Primary government-governmental	\$ 4,254

**Advances to/from primary government and component unit:**

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government-governmental	Alameda County Medical Center	\$ 4,819

Transfers between funds for the year ending June 30, 2012, are as follows:

Transfers out:	Transfers In:						Total Transfers Out
	General Fund	Grant Revenue Fund	Capital Projects Fund	Debt Service Fund	Non-major Governmental Funds	Internal Service Funds	
General fund	\$ -	\$ 92	\$ 2,629	\$ 58,138	\$ -	\$ 73	60,932
Property development fund	626	-	-	9,940	-	-	10,566
Grant revenue fund	208	-	646	26	-	-	880
Non-major governmental funds	111	-	7,136	948	29,833	57	38,085
Internal service funds	1,970	-	-	7,063	-	-	9,033
Total transfers in	\$ 2,915	\$ 92	\$ 10,411	\$ 76,115	\$ 29,833	\$ 130	\$ 119,496

The \$60.932 million General Fund transfer-out includes \$36.888 million for pension obligations, \$21.25 million to provide for the payment of debt service, and \$1.738 million to provide funding for acquisition of real estate properties.

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The \$10.566 million Property Development Fund transfer out includes \$9.94 million reimbursement to the Debt Service Fund for the Juvenile Justice bond payment.

The \$38.085 million Non-major Governmental Funds transfer out includes \$28.833 million of the housing assets of the former Alameda County Redevelopment Agency to the Housing Successor Assets Fund; \$1 million to cover operating costs of the bridges; \$7.136 million to provide funding for construction projects; and \$.866 million for payment of debt service.

The \$9.033 million Internal Service Funds transfer out includes \$7.063 million for the payment of debt service and \$1.97 million for payment of energy loans and leases.

**11. Defined Benefit Pension Plan**

**A. Plan Description**

The County is the major participant in the Alameda County Employees' Retirement Association (ACERA). The total payroll covered by ACERA was \$892.5 million as of December 31, 2011. ACERA began operations on January 1, 1948 and is governed by the California Constitution, the County Employees Retirement Law of 1937 and the bylaws, policies and procedures adopted by the Board of Retirement. ACERA operates as a cost-sharing multiple-employer defined benefit plan for the County, the Superior Court of California for the County of Alameda, the Zone 7 Water Agency, and five participating special districts located in the County, but not under the control of the County Board of Supervisors.

ACERA provides service and disability retirement benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State Law and are subject to amendment only by an act of the State of California legislature. Alternative benefit and contribution schedules are permissible with the Board of Supervisors' approval. All risks and costs, including benefit costs, are shared by the participating entities. An actuarial valuation is performed annually for the system as a whole. ACERA's financial statements and required supplementary information are audited annually by independent auditors. The audit report and December 31, 2011 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14th Street, Suite 1000, Oakland, CA 94612.

Plan Membership: All full-time employees of participating entities appointed to permanent positions are required by statute to become members of ACERA. Safety membership includes employees who are in active law enforcement, probation officers and juvenile hall counselors. General membership includes all other eligible classifications.

Membership of ACERA as of December 31, 2011 is as follows (amounts not in thousands):

<b>Members Now Receiving Benefits</b>	
Service Retirement	6,000
Disability Retirement	814
Beneficiaries and Survivors	1,089
Subtotal	7,903
 <b>Active Members</b>	
Active Vested Members	7,914
Active Non-vested Members	2,832
Subtotal	10,746
 <b>Deferred Members</b>	
	1,826
Total Membership	20,475

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**B. Funding Policy**

The Pension Plan under the 1937 Act has no legal or contractual maximum contribution rates. The employers and members contribute to ACERA based on rates recommended by an independent actuary and adopted by the Board of Retirement. Covered employees are required by statute to contribute toward their pensions. Member contribution rates are formulated on the basis of their age at the date of entry and the actuarially calculated benefits, and are between 6.37 and 20.92 percent of their annual covered salary effective September 2011. Member contributions are refundable upon termination from the retirement system.

The 1937 Act provides the authority for the establishment of ACERA benefit provisions. In most cases where the law provides options concerning the allowance of credit for service, the offering of benefits, or the modification of benefit levels, the law generally requires approval of the employers' governing board for the option to take effect. Separately, in 1984 the Alameda County Board of Supervisors and the Board of Retirement approved the adoption of Article 5.5 of the 1937 Act. This adoption permitted the establishment of a Supplemental Retirees Benefit Reserve (SRBR) for ACERA.

Article 5.5 provides for the systematic funding of the SRBR and stipulates that its assets be used only for the benefit of retired members and their beneficiaries. The 1937 Act grants exclusive authority over the use of the SRBR funds to the Board of Retirement. Supplemental benefits currently provided through the SRBR include supplemental COLA, retiree death benefit, active death equity benefit and the retiree monthly medical allowance, dental and vision care, and Medicare Part B coverage. The payment of supplemental benefits from the SRBR is subject to available funding and annual review and authorization by the Board of Retirement. SRBR benefits are not vested.

In 2006 the Board of Retirement approved the allocation of SRBR funds to Postemployment Medical Benefits and Other Pension Benefits. These two programs provide the supplemental benefits described above.

The County is required by statute to contribute the amounts necessary to finance the estimated benefits accruing to the employees. The contributions to the plan are as follows:

Fiscal year ended June 30	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2010	\$ 102,658	100.7 %	\$ 42,857
2011	117,675	100.7	42,085
2012	129,692	100.6	41,251

For the fiscal year ended June 30, 2012, the employees' contributions to the plan for the same period were \$55.8 million.

The following table shows the County's annual pension cost for the year, the amount actually contributed to the plan, and changes in the County's net pension obligation:

Annual required contributions	\$ 130,526
Interest on net pension obligation	3,367
Adjustment to annual required contributions	(4,201)
Annual pension cost	129,692
Pension contributions	(130,526)
Change in net pension obligation	(834)
Net pension obligation, beginning of fiscal year	42,085
Net pension obligation, end of fiscal year	\$ 41,251

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The actuarial funding status is determined from a long-term, ongoing plan perspective. The valuation determines the progress made in accumulating sufficient assets to pay benefits when due. The Pension Plan's actuarial accrued liability at December 31, 2011 was \$6.36 billion; the actuarial value of assets was \$4.87 billion; the unfunded actuarial accrued liability was \$1.49 billion; and the funded ratio was 76.6%. Covered payroll was \$892.5 million and the ratio of unfunded actuarial accrued liability to covered payroll was 167.0%. For the three-year trend actuarial information, please see the Schedules of Funding Progress on page 87.

**C. Actuarial Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The projections for pension plan are based on the following actuarial methods and assumptions:

Valuation date	12/31/2010	12/31/2011
Actuarial cost method	Entry Age Normal	
Amortization of UAAL	Closed period 30 years (decreasing)	
Remaining amortization period	22 years	21 years
Amortization method	Level percentage of pay	
Assets valuation method	Difference between actual and expected market return smoothed over ten 6-months periods	
Interest rate	7.90%	7.80%
Inflation rate	3.50%	3.50%
Across-the-Board salary increases	0.50%	0.50%
Salary increases:		
General	4.70 - 8.00%	4.60 - 7.20%
Safety	5.30 - 9.10%	4.70 - 10.20%
Demographics:		
(A) Healthy	PR-2000 Combined Health Mortality Table	
General members and all beneficiaries	set back one year	set back two years males and one year females
Safety members	set back two years	
(B) Disability	PR-2000 Combined Health Mortality Table	
General members	set forward four years	
Safety members	set forward three years	set forward two years
(C) For Employee Contribution Rate Purposes	PR-2000 Combined Health Mortality Table	
General members	set back one year, weighted 30% male and 70% female	set back two years male and one year female, weighted 30% male and 70% female
Safety members	set back two years, weighted 75% male and 25% female	set back two years male and one year female, weighted 75% male and 25% female
Postemployment benefit increases:		
Tier 1 and 3 members	3%	3%
Tier 2 members	2%	2%

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**12. Postemployment Medical Benefits**

**A. Plan Description**

ACERA administers a medical benefits program for retired members and their eligible dependents. This is not a benefit entitlement program and benefits are subject to modification and/or deletion by the ACERA Board of Retirement. Annually, based on the recommendation of the Board of Retirement, the Board of Supervisors designates a portion of the County's contribution to retirement towards medical premiums of retirees. The postemployment medical benefits program operates as a cost-sharing multiple-employer benefit plan for the County, the Superior Court of California for the County of Alameda, the Zone 7 Water Agency, and five participating special districts located in the County, but not under the control of the County Board of Supervisors.

The County arranges health insurance coverage for employees, negotiating coverage levels and premium rates annually with several carriers. Employees who meet certain eligibility conditions and make the required contributions may continue coverage in those same health plans after retirement until they become Medicare eligible. Currently, the County uses a single blended rate for budgeting and setting premium and contribution rates for both active employees and non-Medicare eligible retirees. The County funds the premiums for employees while ACERA funds the premiums for retirees. ACERA establishes the amount of the Monthly Medical Allowance (MMA). For employees who retire with a minimum 20 years of service, the MMA has been set at \$522.16 per month in 2012.

As the underlying cost for non-Medicare eligible retirees is higher than the blended average of active members and non-Medicare eligible retirees, there is an implicit subsidy inherent in the cost allocation process. GASB Statement No. 45 requires employers using a blended rate for active and non-Medicare eligible retirees to recognize the implicit subsidy liability.

ACERA's financial statements and required supplementary information are audited annually by independent auditors. The audit report and December 31, 2011 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14<sup>th</sup> Street, Suite 1000, Oakland, CA 94612.

**B. Funding Policy**

Retired employees from the County receive a monthly medical allowance toward the cost of their retiree health insurance from the Supplemental Retiree Benefit Reserve (SRBR). The SRBR is a funded trust that receives fifty percent of the investment earnings that are in excess of the target investment return of the ACERA pension fund. The County does not make postemployment medical benefit payments directly to retirees and has no ability to fund these benefits. However, the pension contribution would be lower if not for the excess interest transfer to the SRBR. Therefore, it is the County's view that a portion of the excess interest transfer by ACERA into the SRBR should be counted as a contribution toward the GASB Statement No. 45 annual required contribution (ARC).

The County's OPEB cost is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County's annual postemployment medical benefit cost, the percentage of annual postemployment medical benefit cost contributed to the plan, and the net OPEB (asset) obligation for fiscal years 2010 through 2012 are as follows:

Fiscal year ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 25,961	0.0 %	\$ 32,399
2011	31,439	0.0	63,838
2012	23,862	0.0	87,700

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The following table shows the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation to the retiree health plan:

Annual required contributions	\$	24,818
Interest on net OPEB obligation		5,107
Adjustment to annual required contributions		<u>(6,063)</u>
Annual OPEB cost		23,862
OPEB contributions		<u>-</u>
Change in net OPEB obligation		23,862
Net OPEB obligation, beginning of fiscal year		<u>63,838</u>
Net OPEB obligation, end of fiscal year	\$	<u><u>87,700</u></u>

The actuarial funding status is determined from a long-term, ongoing plan perspective. The valuation determines the progress made in accumulating sufficient assets to pay benefits when due. The Postemployment Benefit Plan's actuarial accrued liability at December 31, 2011 was \$754.2 million; the actuarial value of assets was \$542.9 million; the unfunded actuarial accrued liability was \$211.3 million; and the funded ratio was 72.0%. Covered payroll was \$892.5 million and the ratio of unfunded actuarial accrued liability to covered payroll was 23.7%. For the three-year trend actuarial information, please see the Schedules of Funding Progress on page 87.

**C. Actuarial Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarially determined amounts for the OPEB plan are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The projections for postemployment medical benefits plan are based on the following actuarial methods and assumptions:



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Valuation date	12/31/2010	12/31/2011
Actuarial cost method	Entry Age Normal	
Amortization of UAAL	Closed period 30 years (decreasing)	
Remaining amortization period	25 years	24 years
Amortization method	Level percentage of pay	
Assets valuation method	Difference between actual and expected market return smoothed over ten 6-months periods	
Interest rate	7.90%	7.80%
Inflation rate	3.50%	3.50%
Across-the-Board salary increases	0.50%	0.50%
Salary increases:		
General	4.70 - 8.00%	4.60 - 7.20%
Safety	5.30 - 9.10%	4.70 - 10.20%
Demographics:		
(A) Healthy	RP-2000 Combined Healthy Mortality Table	
General members and all beneficiaries	set back one year	set back two years for males and one year for females
Safety members	set back two years	
(B) Disability	RP-2000 Combined Healthy Mortality Table	
General members	set forward four years	
Safety members	set forward three years	set forward two years
(C) For Employee Contribution Rate Purposes	RP-2000 Combined Healthy Mortality Table	
General members	set back one year, weighted 30% male and 70% female	set back two years for males and one year for females, weighted 30% male and 70% female
Safety members	set back two years, weighted 75% male and 25% female	set back two years for males and one year for females, weighted 75% male and 25% female
Healthcare Cost Trend Rates:		
Monthly Medical Allowance (MMA)	Graded down from the range [8%- 10%] by 0.5% per annum until ultimate rate of 5%	Graded down from 9% by 0.5% per annum until ultimate rate of 5%
Dental and Vision	5%	5%
Medicare Part B	5%	5%
Postemployment benefit increases	Dental, vision and Medicare Part B subsidies are assumed to increase at 100% of the healthcare cost trend rates for these benefits. With the exception that the 2012 MMA is expected to be maintained at the same level as 2011, MMA subsidies are assumed to increase at 50% of the healthcare cost trend rates for the MMA benefit.	Dental and vision and Medicare Part B subsidies are assumed to increase at 100% of the healthcare cost trend rates for these benefits. MMA subsidies are assumed to increase at 50% of the healthcare cost trend rates for the MMA benefit, with the exception that the 2013 MMA will remain at 2012 levels for non-Medicare insurer; for Medicare insurer will be \$400.

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the County and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the County and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**13. Other Postemployment Benefits**

**A. Plan Description**

ACERA also provides other postemployment benefits for retired members and their beneficiaries. The payment of these benefits is subject to available funding and must be periodically reauthorized by the Board of Retirement. These benefits include supplemental cost of living adjustment (COLA), retired member death benefit, and active death equity benefit. The other postemployment benefits program operates as a cost-sharing multiple-employer benefit plan for the County, the Superior Court of California for the County of Alameda, the Zone 7 Water Agency and five participating special districts located in the County, but not under the control of the County Board of Supervisors.

The supplemental COLA is to maintain each retiree's purchasing power at no less than 85% of the purchasing power of the original benefit. The retired member death benefit is a one-time \$4,250 lump sum payment to the beneficiary of a retiree. The active death equity benefit is available to active members with five or more years of service credit. ACERA will fund the difference between the member's vested surviving spouse annuity benefit and a 100% surviving spouse annuity benefit.

ACERA's financial statements and required supplementary information are audited annually by independent auditors. The audit report and December 31, 2011 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14<sup>th</sup> Street, Suite 1000, Oakland, CA 94612.

**B. Funding Policy**

Retired employees from the County receive other postemployment benefits from the SRBR. The SRBR is a funded trust that receives fifty percent of the investment earnings that are in excess of the target investment return of the ACERA pension fund. The County does not make other postemployment benefit payments directly to retirees and has no ability to fund these benefits. However, the pension contribution would be lower if not for the excess interest transfer to the SRBR. Therefore, it is the County's view that a portion of the excess interest transfer by ACERA into the SRBR should be counted as a contribution toward the GASB Statement No. 45 ARC.

The County's other postemployment benefit cost is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County's annual postemployment benefit cost, the percentage of annual postemployment benefit cost contributed to the plan, and the net OPEB obligation for fiscal years 2010 through 2012 are as follows:

<u>Fiscal year ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 15,591	0.0 %	\$ 40,001
2011	12,628	0.0	52,629
2012	12,727	0.0	65,356

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The following table shows the County's annual other postemployment benefit cost for the year, the amount actually contributed to the plan, and changes in the County's net other postemployment benefit obligation:

Annual required contributions	\$	13,515
Interest on net OPEB obligation		4,210
Adjustment to annual required contributions		(4,998)
Annual OPEB cost		<u>12,727</u>
OPEB contributions		<u>-</u>
Change in net OPEB obligation		12,727
Net OPEB obligation, beginning of fiscal year		<u>52,629</u>
Net OPEB obligation, end of fiscal year	\$	<u><u>65,356</u></u>

The actuarial funding status is determined from a long-term, ongoing plan perspective. The valuation determines the progress made in accumulating sufficient assets to pay benefits when due. The Other Postemployment Benefit Plan's actuarial accrued liability at December 31, 2011 was \$185.8 million; the actuarial value of assets was \$67.0 million; the unfunded actuarial accrued liability was \$118.8 million; and the funded ratio was 36.1%. Covered payroll was \$892.5 million and the ratio of unfunded actuarial accrued liability to covered payroll was 13.3%. For the three-year trend actuarial information, please see the Schedules of Funding Progress on page 87.

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**C. Actuarial Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarially determined amounts for the other postemployment benefits plan are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The projections for other postemployment benefits plan are based on the following actuarial methods and assumptions:

Valuation date	12/31/2010	12/31/2011
Actuarial cost method	Entry Age Normal	
Amortization of UAAL	Closed period 30 years (decreasing)	
Remaining amortization period	25 years	24 years
Amortization method	Level percentage of pay	
Assets valuation method	Difference between actual and expected market return smoothed over ten 6-months periods	
Interest rate	7.90%	7.80%
Inflation rate	3.50%	3.50%
Across-the-Board salary increases	0.50%	0.50%
Salary increases:		
General	4.70 - 8.00%	4.60 - 7.20%
Safety	5.30 - 9.10%	4.70 - 10.20%
Demographics:		
(A) Healthy	RP-2000 Combined Healthy Mortality Table	
General members and all beneficiaries	set back one year	set back two years for males and one year for females
Safety members	set back two years	
(B) Disability	RP-2000 Combined Healthy Mortality Table	
General members	set forward four years	
Safety members	set forward three years	set forward two years
(C) For Employee Contribution Rate Purposes	RP-2000 Combined Healthy Mortality Table	
General members	set back one year, weighted 30% male and 70% female	set back two years for males and one year for females, weighted 30% male and 70% female
Safety members	set back two years, weighted 75% male and 25% female	set back two years for males and one year for females, weighted 75% male and 25% female
Postemployment benefit increases	Supplemental COLA benefits are assumed to increase by the difference between inflation and the cost-of-living benefit guaranteed in the Pension Plan (3.00% for Tier 1 and Tier 3; and 2.00% for Tier 2, Tier 2C and Tier 2D), subject to other limitations.	

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the County and plan members) and include the types of benefits provided at the time of each valuation and the

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historical pattern of sharing the benefit costs between the County and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

#### **14. Joint Venture**

The County is a participant with the City of Oakland (City) in a joint exercise of powers agreement forming the Oakland-Alameda County Coliseum Authority (Coliseum Authority), which was formed on July 1, 1995 to assist the City and County in the financing of public capital improvements in the Oakland-Alameda County Coliseum Complex (Coliseum Complex) pursuant to the Marks-Roos Local Bond Pooling Act of 1985. The Oakland-Alameda County Coliseum Financing Corporation (Financing Corporation) is reported as a blended component unit of the Coliseum Authority. The eight-member Board of Commissioners of the Coliseum Authority consists of two council members from the City, two members of the Board of Supervisors from the County, two appointees of the City Council and two appointees of the Board of Supervisors. The Board of Directors of the Financing Corporation consists of the City Manager and the County Administrator.

In August 1995, the Coliseum Authority issued \$9.2 million in Fixed Rate Refunding Lease Revenue Bonds and \$188.5 million in Variable Rate Lease Revenue Bonds (collectively known as the Stadium Bonds) to satisfy certain obligations of the Coliseum Authority, the City, the County, the Financing Corporation and Oakland-Alameda County Coliseum Inc. (Coliseum Inc.), which then managed the operations of the Coliseum Complex, to finance the costs of remodeling the stadium portion of the Coliseum complex as well as relocating the Raiders to the City.

On May 25, 2000, the Coliseum Authority issued \$201.3 million in series 2000 C and D Refunding Bonds to retire the 1995 Series B-1 and B-2 Variable Rate Lease Revenue Stadium Bonds. The balance was reduced to \$137.4 million as of May 31, 2012 through annual principal payments and optional calls.

On May 31, 2012, the Authority issued \$122.8 million in Refunding Bonds Series 2012 A with coupons of 2 to 5 percent to refund and defease all outstanding variable rate 2000 Series C Refunding Bonds. The bonds were priced at a premium, bringing total proceeds to \$138.1 million.

These funds coupled with \$13 million in the 2000 Series C reserve fund generated a total available fund of \$151.1 million which was used to refund the 2000 C Refunding Bonds of \$137.4 million, fund a reserve fund of \$12.8 million and to pay underwriter's discount and issuance cost of \$.9 million. The all-in-interest cost of the 2012A refunding bonds was 3.04 percent.

There was an economic loss of \$23 million (difference between the present value of the old and the new debt service payments) due to the low variable interest rates on the old bonds and the higher fixed rates on the new bonds. The Authority was unable to maintain the bonds at a variable rate because it was not able to renew the letters of credit as required due to the tightening of the credit markets since 2008. However, the Authority was able to take advantage of the fixed rate market with historically low interest rates and issued fixed rate bonds that generated a premium of \$15.3 million. There was a deferred loss of \$.8 million, equal to the amount of unamortized issuance costs of the 2000 C and D Refunding Bonds.

The Stadium Bonds are limited obligations of the Coliseum Authority payable solely from revenues of the Coliseum Authority, consisting primarily of base rental payments to be received by the Coliseum Authority from the City and the County. The source of the Coliseum Authority's revenues relating to football games consists primarily of a portion of club dues, concession and parking payments. In the event that such football revenues and other revenues received in connection with the Stadium are insufficient to make base rental payments, the City and the County are obligated to make up the shortfall in the base rental payments from their respective general funds. The City and the County each have covenanted to appropriate \$11 million annually to cover such shortfalls in revenue; however, the City and the County are jointly and severally liable to cover such shortfall, which means that the County could have to pay up to \$22 million annually in the event of default by the City.

On August 2, 1996, the Coliseum Authority issued \$70 million Series A-1 and \$70 million Series A-2 Variable Rate Lease Revenue Bonds (Arena Bonds) to finance the costs of remodeling the Coliseum Arena (Arena) and to satisfy

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certain obligations of the Coliseum Authority, the City, the County and Coliseum Inc. in connection with the retention of the Golden State Warriors (the Warriors) to play professional basketball at the Arena for at least 20 basketball seasons, beginning with the 1997-98 season. These obligations are evidenced in a series of agreements (the Warriors Agreements) among the Warriors and the City, the County, Coliseum Inc. and the Coliseum Authority.

Under the Warriors Agreements, the Arena Bonds were limited obligations of the Coliseum Authority, payable solely from revenues received by the Coliseum Authority on behalf of the City and County. Revenues consist of base rental payments from the City and County and certain payments from the Warriors of up to \$7.428 million annually from premium seating revenues, and other payments from Arena operations. If the revenues received from the Warriors and from Arena operations are not sufficient to cover the debt service requirements in any fiscal year, the City and County are obligated to make up the shortfall in the base rental payment from their respective general funds. The County and the City each have covenanted to appropriate up to \$9.5 million annually to cover such shortfalls in revenue; however, the City and the County are jointly and severally liable to cover such shortfall, which means that the County could have to pay up to \$19 million annually in the event of default by the City.

The Coliseum Authority entered into an agreement with the Oakland Coliseum Joint Venture (OCJV) to manage the entire Coliseum complex beginning July 1, 1998. On January 1, 2001, the Coliseum Authority terminated its agreement with OCJV and reinstated its Operating Agreement with Coliseum Inc. Coliseum Inc. subcontracted all of the operations of the Coliseum Complex to OCJV. The Operating Agreement between the Coliseum Authority and Coliseum Inc. expired, by its terms, on July 31, 2006. The Coliseum Authority entered into a Termination Agreement whereby, in return for certain consideration, the Coliseum Authority agreed to perform the duties of Coliseum, Inc. on and after August 1, 2006. The Authority's management agreement with OCJV expired in June 2012. In July 2012, AEG Management Oakland, LLC took over management of the Coliseum Complex after signing a five year agreement.

Debt service requirements for the Coliseum Authority debt:

For the Period Ending June 30	Stadium Debt		Arena Debt	
	Principal	Interest	Principal	Interest
2013	\$ 9,025	\$ 5,572	\$ 4,400	\$ 219
2014	7,340	5,375	4,700	208
2015	7,560	5,121	5,100	198
2016	7,865	4,781	5,400	186
2017	8,255	4,379	5,800	174
2018-2022	47,895	15,138	35,600	650
2023-2026	34,875	2,817	34,435	189
Total	<u>\$ 122,815</u>	<u>\$ 43,183</u>	<u>\$ 95,435</u>	<u>\$ 1,824</u>

Complete financial statements for the Coliseum Authority can be obtained from the County Auditor-Controller's Office at 1221 Oak Street, Room 249, Oakland, CA 94612.

Under the joint exercise of power agreement, which formed the Coliseum Authority, the County is responsible for funding up to 50% of the Coliseum Authority's operating costs and debt service requirements; to the extent such funding is necessary. During the year ended June 30, 2012, the County made contributions of \$9.98 million to fund its share of operating deficits and debt service payments of the Coliseum Authority.

The Coliseum Authority has anticipated a deficit for operating costs and repayment of its Stadium Bonds, such that the City and County will have to contribute to base rental payments. Of the \$20.5 million appropriated in the general fund as part of the above agreements, it is estimated that the County will have to contribute \$10 million for the year ended June 30, 2013. There are many uncertainties in the estimation of revenues for the Coliseum Authority beyond one year into the future; therefore the County has established a contingent liability to fund the Coliseum Authority deficit in the Statement of Net Assets in an amount equal to its contingent share (50%) of the outstanding Stadium Bonds, in the amount of \$61.4 million. The County has not established a contingent liability for the Arena Bonds

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because management is of the opinion that revenues from the Arena, including payments from the Warriors and revenues from Arena operations, will be sufficient to cover the debt payments.

**15. Alameda County Medical Center Discretely Presented Component Unit**

ACMC operates medical and health facilities within Alameda County. In accordance with the Master Contract (Contract) between the County and ACMC dated June 23, 1998, effective July 1, 1998, ACMC became a public hospital authority pursuant to California Health and Safety Code Section 101850. Accordingly the governance, administration and operation of Fairmont Hospital, Highland Hospital and John George Hospital (Facilities) were transferred from the County to ACMC.

In accordance with the Medical Facilities Lease between ACMC and the County dated June 12, 1998, ACMC is leasing certain land, facilities and equipment, collectively, the facilities, from the County for the annual sum of \$1. In accordance with a transfer agreement, Fairmont Hospital and Highland Hospital remain the property of the County. Accordingly, such assets, along with the John George Hospital, are accounted for within the governmental activities of the County. Under the terms of the contract, the County has agreed to provide ACMC unrestricted use of the facilities.

Effective July 1, 2003, the County adopted the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*. This resulted in the Alameda County Health Care Foundation (Foundation) being included as a discretely presented component unit of ACMC. During fiscal year 2004, the Foundation's Articles of Incorporation and bylaws were amended to require ACMC to approve Foundation board members and to allow that upon dissolution, the Foundation's remaining assets would be distributed to ACMC. The Foundation distributed \$300 thousand to ACMC during fiscal year 2012.

Included in the County's outstanding long-term liabilities at June 30, 2012, are \$4.82 million in lease revenue bonds which refunded the 2001A Refunding certificates of participation that were issued to provide for improvements to the Facilities. The County is liable for the repayment of the debt.

As of July 1, 2001, ACMC no longer participates in the County's self-insurance program. In September 2006, the County and ACMC agreed to wholly and fully resolve any and all prior disputes and disagreements and any and all past, present and future insurance claims and insurance expenses of any kind. The County made a one-time payment of \$5.76 million to ACMC for the full satisfaction and settlement of any and all past, present and future issues and matters related to insurance expenses, the satisfaction and exhaustion of outstanding claims and the apportionment of insurance coverage premiums and all other matters related to general liability, medical malpractice liability, workers' compensation liability, premises liability and other liabilities, regardless of when reported or claimed. Effective July 1, 2001, ACMC became self-insured for workers' compensation. ACMC maintains stop-loss insurance to limit its liability for claims under its self-insurance program.

Changes in the balance of the net self-insurance liabilities during the past two fiscal years are as follows:

	<b>2011/12</b>	<b>2010/11</b>
Estimated liability for claims and contingencies at the beginning of the fiscal year	\$ 21,690	\$ 20,616
Additional obligations	4,662	3,486
Payments	(3,190)	(2,412)
Estimated liability for claims and contingencies at the end of the fiscal year	\$ 23,162	\$ 21,690

ACMC has experienced significant operating losses and negative cash flows from operations in recent years. ACMC has financed its working capital needs through loans from the County. ACMC expects to require ongoing working capital support from the County in fiscal year 2013.

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In 2004, the voters of Alameda County approved Measure A, which provides funding, beginning in fiscal year 2005, for emergency medical, hospital inpatient, outpatient, public health, mental health and substance abuse services to indigent, low-income and uninsured adults, children, families, seniors and other residents of Alameda County through an increase in Alameda County's sales tax revenue of .5%. Seventy-five percent of the funds are to be used by ACMC.

In August 2004, the County placed a \$200 million limitation on net loans to ACMC. As defined, this limitation is calculated as gross loans to ACMC, reduced by board-designated funds held by the County on behalf of ACMC. As of June 30, 2012, the balance of net loans to ACMC was \$127.72 million.

The terms of loan repayment, amended in April 2011, called for a reduction of the \$200 million loan limit to \$135 million by June 30, 2012. The outstanding net payable to the County is less than the \$135 million loan limit, and accordingly, the net loans of \$127.72 million at June 30, 2012 is classified as long-term in the accompanying statement of net assets.

Should ACMC, as a hospital authority, be terminated, the County may be required to assume the liabilities of ACMC related to the operation of Hospitals and Clinics.

**A. Net Patient Service Revenue**

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, including the State of California, and others for services rendered at ACMC, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

**B. Medi-Cal and Medicare Programs**

A substantial portion of ACMC's revenues is derived from services provided to patients eligible for benefits under the Medi-Cal and Medicare programs. Revenues from Medi-Cal and Medicare programs represent approximately 46 percent and 14 percent, respectively, of gross patient service revenues, excluding certain federal aid revenues, for the fiscal year ended June 30, 2012. Reimbursement rates are tentative and final reimbursement for services is determined after submission of annual cost reports and audits by third-party intermediaries.

**C. Other Program Revenues**

ACMC also receives significant revenues from the Medical Waiver Program, California Senate Bill 1100 (SB1100). Beginning in fiscal year 2006, SB1100 provides additional funding to hospitals that provide a significant portion of their services to Medi-Cal and medically indigent recipients. SB1100 provides additional funds through a reimbursement rate increase for each Medi-Cal patient day provided, up to a maximum number of days. ACMC accrued \$109.75 million in SB1100 funds for the fiscal year ended June 30, 2012, and remitted \$28.05 million to the State, providing net SB1100 revenue of \$81.7 million.

**D. Charity Care**

Counties are required by federal statute, Section 17000 of the Health and Welfare Act, to provide charity care to patients who are unable to pay. ACMC provides services to patients who are financially screened and qualifies to receive charity care under the guidelines of AB 774. ACMC captures the amount of unreimbursed costs for services and supplies for patients who qualify for the charity care program and county programs. The following table summarizes the estimated cost of charity care for the year ended June 30, 2012:

Charity care at cost	\$ 3,893
Percent of operating expenses	.7 %



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In addition to the direct cost of charity care, ACMC recognizes the unreimbursed costs of care provided to medically indigent patients covered by the Health Plan of Alameda County (HPAC) as contractual allowances. The following table summarizes the estimated HPAC unreimbursed costs for the year ended June 30, 2012:

HPAC unreimbursed cost	\$ 41,111
Percent of operating expenses	7.7 %

**E. Accounts Receivable**

Accounts receivable at June 30, 2012, comprised the following:

Patient accounts receivable	\$ 79,269
Due from State of California	93,133
Other accounts receivable	1,650
Total	\$ 174,052

Patient accounts receivable include amounts due from third party payors, patients, and other agencies for patient services rendered and is net of \$ 183.5 million in estimated contractual adjustments and uncollectible accounts. Other receivables include professional and other fees earned on patient services and services provided to various outside agencies. Also included in other accounts receivables are reimbursement claims for grants expenditures and amounts owed to ACMC from the state for payments under the SB 1100 program.

**F. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses at June 30, 2012, comprised the following:

Accounts payable	\$ 49,487
Accrued payroll	17,044
Due to third-party payors	22,218
Other accrued liabilities	159
Total	\$ 88,908

**G. Defined Benefit Pension Plan**

ACMC is a participant in ACERA. ACERA is governed by the California Constitution, the County Employees Retirement Law of 1937, and the bylaws, procedures, and policies adopted by the Board of Retirement. ACERA operates a cost-sharing multiple employer defined benefit plan. ACERA provides service and disability retirement benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State law and are subject to amendment only by an act of the State of California legislature. An actuarial valuation is performed annually for the system as a whole.

The 1937 Act provides the authority for the establishment of ACERA benefit provisions. In most cases where the law provides options concerning the allowance of credit for service, the offering of benefits, or the modification of benefit levels, the law generally requires approval of the employers' governing board for the option to take effect. Separately, in 1984 the Alameda County Board of Supervisors and the Board of Retirement approved the adoption of Article 5.5 of the 1937 Act. This adoption permitted the establishment of a Supplemental Retirees Benefit Reserve (SRBR) for ACERA.

Article 5.5 of the 1937 Act provides for the systematic funding of the SRBR and stipulates that it be used only for the benefit of retired members and beneficiaries. The law grants discretionary authority over the use of the SRBR funds to the Board of Retirement. Supplemental benefits currently provided through the SRBR include supplemental cost-of-living allowance, supplemental retired member death benefits, active death equity benefit

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and the retiree monthly medical allowance, vision, dental, and Medicare Part B coverage. The payment of supplemental benefits from the SRBR is subject to available funding and must be periodically re-authorized by the Board of Retirement. SRBR benefits are not vested.

In 2006, the Board of Retirement approved the allocation of SRBR funds to Postemployment Medical Benefits and Other Pension Benefits. These two programs provide the supplemental benefits described above.

ACMC is required by statute to contribute the amounts necessary to finance the estimated benefits accruing to their employees. ACMC's annual pension cost, the transfer of the excess investment earnings from the pension to the SRBR trust and its contributions for fiscal years 2010 to 2012 are as follows:

Plan Fiscal Year Ended June 30	Annual Required Contribution (ARC)	Contribution Before Transfer of Excess Investment Earnings to SRBR	Excess Investment Earnings Transferred to SRBR	Contribution After Transfer of Excess Investment Earnings to SRBR	Contribution as a Percentage of ARC
2010	\$ 21,593	\$ 21,593	\$ -	\$ 21,593	100.00 %
2011	23,375	23,375	-	23,375	100.00
2012	26,806	26,806	-	26,806	100.00

ACMC has historically made 100% of the Annual Required Contribution (ARC) to ACERA. However, as part of the plan agreement, 50% of excess investment earnings are transferred from the Defined Benefit Pension Plan to the Supplemental Retiree Benefit Reserve (SRBR). In fiscal year 2008 (not included in table above), there were excess earnings that were transferred to the SRBR. This transfer of excess investment earnings in fiscal year 2008 resulted in a net pension obligation carry forward in subsequent years including fiscal year ended June 30, 2012. Refer to table below for carry forward obligation balance. Since fiscal year 2008, ACERA has not made any excess investment earnings transfers. For fiscal year ended June 30, 2012, the employees' contributions to the plan were \$13.8 million.

The following table shows ACMC's annual pension cost and the changes in the net pension obligation for fiscal year ended June 30, 2012:

Annual required contributions	\$ 26,806
Interest on net pension obligation	681
Adjustment to annual required contributions	(854)
Annual pension cost	<u>26,633</u>
Pension contributions	<u>(26,806)</u>
Decrease in net pension obligation	(173)
Net pension obligation, beginning of year	8,625
Net pension obligation, end of year	<u>\$ 8,452</u>

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**H. Postemployment Medical Benefits**

ACMC's annual postemployment medical benefits cost for fiscal years 2010 to 2012 are shown below. There are no transfers of the excess investment earnings from the pension to the SRBR trust for the same periods.

Plan Fiscal Year Ended June 30	Annual Required Contribution (ARC)	Contribution as a Percentage of ARC
2010	\$ 6,453	0.00 %
2011	7,941	0.00
2012	6,612	0.00

The following table shows ACMC's annual postemployment medical benefits cost and the changes in the net OPEB obligation for fiscal year ended June 30, 2012:

Annual required contributions	\$ 6,612
Interest on net OPEB obligation	1,029
Adjustment to annual required contributions	<u>(4,186)</u>
Annual postemployment medical benefits cost	3,455
Postemployment medical benefits contributions	<u>-</u>
Increase in net OPEB obligation	3,455
Net OPEB obligation, beginning of year	<u>15,981</u>
Net OPEB obligation, end of year	<u><u>\$ 19,436</u></u>

**I. Other Postemployment Benefits**

ACMC's annual other postemployment benefit cost fiscal years 2010 to 2012 are shown below. There are no transfers of the excess investment earnings from the pension to the SRBR trust for the same periods.

Plan Fiscal Year Ended June 30	Annual Required Contribution (ARC)	Contribution as a Percentage of ARC
2010	\$ 2,436	0.00 %
2011	2,354	0.00
2012	2,602	0.00

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The following table shows APMC's annual other postemployment benefits cost and the changes in the net OPEB obligation for fiscal year ended June 30, 2012:

Annual required contributions	\$ 2,602
Interest on net OPEB obligation	757
Adjustment to annual required contributions	(615)
Annual other postemployment benefits cost	2,744
Other postemployment benefits contributions	-
Increase in net OPEB obligation	2,744
Net OPEB obligation, beginning of year	9,295
Net OPEB obligation, end of year	\$ 12,039

**16. Contingencies**

**A. Self-insurance and Purchased Insurance**

The County is exposed to various risks of loss related to torts (theft, damage, and/or destruction of assets, errors and omissions, injuries to employees, natural disasters or medical malpractice); unemployment claims; and dental benefits provided to employees. The County maintains risk-financing internal service funds in which assets are set aside for claim settlements associated with general, automobile, and medical malpractice liability; workers' compensation; unemployment; and dental benefits to employees.

The County uses a combination of self-insurance, participation in insurance pools, and purchased insurance coverage for protection against adverse losses. Excess general liability, workers' compensation, and medical malpractice coverage are provided by CSAC-Excess Insurance Authority (CSAC-EIA), a joint powers authority whose purpose is to develop and fund programs of excess and primary insurance for its member counties and other California public entities. A Board of Directors consisting of one representative from each member county and seven members selected by the public entity membership governs the Authority. Purchased insurance includes primary all-risk property insurance for the entire County's real and personal property, equipment and vehicles; earthquake insurance for selected real property; Public Officials Dishonesty Bond coverage for losses related to theft of funds; and other coverage as listed below (amounts not in thousands).

**PRIMARY GOVERNMENT**

The County utilizes a combination of self insurance, pooled retentions, and excess insurance for the following property insurance programs. Amounts in excess of these limits are self-insured. None of the insurance settlements over the past three years have exceeded insurance limits.

Property insurance is purchased on a March 31 policy year. Therefore, information is provided separately in the tables below for property insurance policies covering the disclosure periods 7/1/2011-3/31/2012 and 3/31/2012-6/30/2012.

Property Insurance – Declared values as of March 4, 2011 for Policy Period 3/31/2011-3/31/2012			
Funding Sources and Coverage Limits			
Coverage type and declared value, if applicable	Deductible	Pooled Retention Limit (CSAC-EIA)	Excess Insurance Limit (Various carriers)
<b>All Risk</b>		\$3,000,000	\$610,000,000
Real and personal property and rents: \$2,110,598,196	\$50,000		
Vehicles and mobile equipment (excluding buses): \$112,680,695	\$15,000, except \$50,000 for vehicles with replacement value greater than \$250,000		
Buses: \$2,310,000	\$100,000		

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Fine Arts (scheduled): \$1,634,494	\$50,000		
<b>Terrorism</b>	\$500,000	\$3,000,000	\$200,000,000
<b>Flood:</b> \$2,110,598,196	2% of total values per unit up to \$25,000	\$0	\$602,500,000
<b>Earthquake:</b> \$1,837,713,254	5% of replacement value per unit per occurrence, with a \$100,000 minimum deductible	Pooled retention is \$0. Alameda County is a member of the CSAC - EIA property insurance program. Member properties are separated into eight different groups (towers) to achieve geographical diversity within each group and spread the risk of loss from a single earthquake. Alameda County property is spread between three groups (Towers I, II, and IV) with \$82.5 million in purchased coverage for each tower and an additional \$225 million in annual aggregate purchased coverage shared among all members in Towers I –V only, for total purchased earthquake coverage of \$472.5 million, subject to limits of \$307.5 million per tower.	
<b>Cyber Liability</b>	\$100,000	\$0	\$1,000,000 per member; \$10,000,000 pooled limit; Cyber liability became a separate purchased policy effective 1/1/2012

<b>Property Insurance – Declared values as of March 4, 2012 for Policy Period 3/31/2012-3/31/2013</b>			
<b>Funding Sources and Coverage Limits</b>			
<b>Coverage type and declared value, if applicable</b>	<b>Deductible</b>	<b>Pooled Retention Limit (CSAC-EIA)</b>	<b>Excess Insurance (Various carriers)</b>
<b>All Risk</b>		\$3,000,000 per occurrence, \$10,000,000 Aggregate	\$600,000,000
Real and personal property and rents: \$2,312,230,066	\$50,000		
Vehicles and mobile equipment (excluding buses): \$107,705,462	\$20,000, except \$100,000 for vehicles with replacement value greater than \$250,000		
Buses: \$2,310,000	\$100,000		
Fine Arts (scheduled): \$1,634,493	\$50,000		
<b>Terrorism</b>	\$500,000	\$3,000,000	\$200,000,000
<b>Flood:</b> \$2,312,230,066	2% of total values per unit up to \$25,000	\$0	\$400,000,000
<b>Earthquake:</b> \$2,015,472,506	5% of replacement value per unit per occurrence, with a \$100,000 minimum deductible	Pooled retention is \$0. Alameda County is a member of the CSAC - EIA property insurance program. Member properties are separated into eight different groups (towers) to achieve geographical diversity within each group and spread the risk of loss from a single earthquake. Alameda County property is spread between three groups (Towers I, II, and IV) with \$80 million in purchased coverage for each tower and an additional \$200 million in annual aggregate purchased coverage shared among all members in Towers I –V only, for total purchased earthquake coverage of \$440 million, subject to limits of \$280 million per tower.	

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The County utilizes a combination of self insurance, pooled retentions, and excess insurance for the following programs:

<b>Funding Sources and Coverage Limits</b>			
<b>Program Description</b>	<b>Self Insured Retention</b>	<b>Pooled Retention Limit (CSAC-EIA)</b>	<b>Excess Insurance Limit (Various carriers)</b>
General and Auto liability	\$1,000,000	\$0	\$35,000,000
Medical Malpractice	\$100,000	\$1,600,000	\$21,500,000
Workers' Compensation and Employer's Liability	\$3,000,000	\$5,000,000	Statutory for Workers' Compensation only
Pollution Liability	\$500,000	\$0	\$10,000,000 per occurrence / \$10 million aggregate / \$50 million aggregate all pool members

The County purchases insurance for the following exposures:

<b>Description</b>	<b>Deductible</b>	<b>Limit</b>
Aircraft Coverage:		
Aircraft Liability	Some coverage is sub-limited	\$15,000,000
Aircraft Hull (1980 Cessna)	\$0	\$680,000
Watercraft Coverage:		
Watercraft Protection and Indemnity	\$1,000	\$1,000,000
Watercraft Collision and Towers	\$1,000	\$1,000,000
Watercraft Hull and Machinery	\$1,000	Varies by vessel (\$12,500 to \$4.8 million)
Foster Parents Liability	\$250	\$300,000
Crime Bond / Employee Dishonesty	\$2,500	\$10,000,000
Cyber Liability	\$100,000	\$1,000,000 aggregate per member : \$10,000,000 aggregate per pool.
Public Guardian Bonds	\$2,500	\$10,000,000
Notary Bonds	\$0	\$15,000
Notary Public Errors and Omissions	\$0	\$10,000

The County is totally self-insured for dental benefits to employees and their families. Coverage for each family member is limited to \$1,450 per year for covered services.

The estimated liability for claims and contingencies included in the risk management internal service fund is based on the results of actuarial studies and includes amounts for claims incurred but not reported. The estimated liability for claims and contingencies is calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs, and other economic and social factors. It is the County's practice to obtain full actuarial studies annually for the workers' compensation, general liability, and medical malpractice programs. Annual charges to departments are calculated for insurance and self-insurance costs using a cost allocation method which uses multiple cost pools and allocation bases utilizing both paid claim experience and appropriate measures of loss exposures, such as payroll for employee-related costs or square footage occupied for costs associated with property.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2012**

Changes in the balances of the estimated liability for claims and contingencies during the past two fiscal years for all self-insurance funds are as follows:

	General Liability		Workers' Compensation		Total	
	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
Estimated liability for claims and contingencies at the beginning of the fiscal year	\$ 20,379	18,086	\$ 72,426	\$ 80,462	\$ 92,805	\$ 98,548
Incurred claims and claim adjustment expenses	5,330	10,352	20,837	5,340	26,167	15,692
Payments	(6,307)	(8,059)	(14,694)	(13,376)	(21,001)	(21,435)
Total estimated liability for claims and contingencies at the end of the fiscal year	\$ 19,402	\$ 20,379	\$ 78,569	\$ 72,426	\$ 97,971	\$ 92,805

**B. Litigation**

Various lawsuits have been instituted and claims have been made against the County, with provisions for potential losses included in the basic financial statements. In the opinion of County Counsel, it is not possible to accurately predict the County's liability under these actions, but final disposition should not materially affect the financial position of the County.

**C. Federal and State Grants**

The County participates in a number of federal and state grants programs subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs for or including the year ended June 30, 2012, have not yet been conducted or settled. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, management does not believe that any audit disallowances would have a significant effect on the financial position of the County.

**D. Medicare and Medi-Cal Reimbursements**

Alameda County Medical Center's Medicare and Medi-Cal cost reports for certain prior years are in various stages of review by third-party intermediaries and have not yet been settled. APMC believes that it has adequately provided for any potential liabilities which may arise from the intermediaries' reviews.

**E. Redevelopment Agency Dissolution Law**

Under ABx1 26 adopted on June 28, 2011, as amended by AB 1484 adopted on June 27, 2012, all new redevelopment activities were suspended, with limited exceptions, and redevelopment agencies were dissolved on February 1, 2012. Under this legislation, the California Department of Finance and the California State Controller's Office have varying degrees of responsibility and oversight. The ultimate outcome of issues raised by State authorities, such as the rejection of using Alameda County Redevelopment Successor Agency assets to pay obligations or the return of asset transfers to the Alameda County Redevelopment Successor Agency cannot presently be determined and, accordingly, no provision for any liability that may result has been recorded in the financial statements.

**17. Alameda County Redevelopment Successor Agency Private Purpose Trust Fund**

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 (ABx1 26) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the County that previously had reported the Alameda County Redevelopment Agency as a blended component unit. ABx1 26 provides that upon dissolution of a redevelopment agency, either the County or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, via board resolution R#2012-6, File #27856, Item #12A, the County Board of Supervisors designated the County as the successor agency, in accordance with ABx1 26.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2012**

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

In accordance with the timeline set forth in ABx1 26 (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of the activities of the Alameda County Redevelopment Agency continued to be reported within non-major governmental funds of the County. After the date of dissolution, as allowed in ABx1 26, the County elected to retain the housing assets and functions previously performed by the former redevelopment agency. The assets and activities for the newly created Alameda County Redevelopment Successor Housing Agency are reported within non-major governmental funds of the County. The remaining assets, liabilities, and activities of the dissolved Alameda County Redevelopment Agency are reported in the Alameda County Redevelopment Successor Agency Private Purpose Trust fund.

Other receivable of the private purpose trust fund of \$1,798 represents a loan to the County for the construction of a library.

Capital asset activities of the private purpose trust fund for the year ended June 30, 2012, are as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>
Capital assets, being depreciated:				
Infrastructure	\$ -	\$ 3,111	\$ -	\$ 3,111
Less accumulated depreciation for:				
Infrastructure	-	317	-	317
Total capital assets, being depreciated, net	<u>\$ -</u>	<u>\$ 2,794</u>	<u>\$ -</u>	<u>\$ 2,794</u>

The changes in liabilities, other than long-term debt, of the private purpose trust fund for the year ended June 30, 2012 are as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
Due to other governmental units	\$ -	\$ 6,812	\$ -	\$ 6,812	\$ -
Notes payable	-	1,322	-	1,322	-
Total private purpose trust other long-term liabilities	<u>\$ -</u>	<u>\$ 8,134</u>	<u>\$ -</u>	<u>\$ 8,134</u>	<u>\$ -</u>

## 18. Alameda County Redevelopment Successor Agency Tax Allocation Bonds

On February 2, 2006, the Alameda County Redevelopment Agency issued \$34.7 million in tax allocation bonds Series 2006A to finance redevelopment eligible activities in Castro Valley, Cherryland, and San Lorenzo project areas. Interest on the bonds varies from 4.0 to 5.0 percent and is payable twice a year, August 1 and February 1, while principal on the bonds is payable on August 1 every year. Total principal and interest remaining on the bonds is \$52.46 million, with the final payment due on August 1, 2036. The tax allocation bonds are secured and to be



**COUNTY OF ALAMEDA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2012**

serviced from tax increment revenues of the project areas. All project tax increment revenues except dedicated housing tax increment allocation are the security for the bonds. These revenues have been pledged until the year 2036. Pledged tax increment revenue recognized during the fiscal year ended June 30, 2012 was \$2.1 million as against the total debt service payment of \$2.1 million. Pursuant to California Assembly Bill ABx1 26, the responsibility for the payment of this debt was transferred to the Alameda County Redevelopment Successor Agency Private Purpose Trust Fund.

The outstanding tax allocation bonds of the Alameda County Redevelopment Successor Agency as of June 30, 2012:

<u>Type of Obligation and Purpose</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding</u>
<b>Tax allocation bonds</b>				
Alameda County Successor Agency Eden Area Redevelopment Bonds	8/1/2036	4.0 - 5.0 %	\$ 34,735	<u>\$ 31,185</u>

The changes in the tax allocation bonds of the Alameda County Redevelopment Successor Agency for the year ended June 30, 2012, are as follows:

	<u>Balance July 1, 2011</u>	<u>Additional Obligations and Net Increases</u>	<u>Current Maturities, Retirements, and Net Decreases</u>	<u>Balance June 30, 2012</u>	<u>Amounts Due Within One Year</u>
Tax allocation bonds	\$ -	\$ 31,185	\$ -	\$ 31,185	\$ 730
Deferred amount for issuance premium	-	299	(5)	294	12
Total private purpose trust bonds payable	<u>\$ -</u>	<u>\$ 31,484</u>	<u>\$ (5)</u>	<u>\$ 31,479</u>	<u>\$ 742</u>

Annual debt service requirements for Alameda County Redevelopment Successor Agency tax allocation bonds outstanding as of June 30, 2012 are as follows:

For the Year Ending June 30	Tax Allocation Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 730	\$ 1,381	\$ 2,111
2014	760	1,351	2,111
2015	790	1,320	2,110
2016	825	1,288	2,113
2017	855	1,254	2,109
2018-2022	4,815	5,715	10,530
2023-2027	5,910	4,596	10,506
2028-2032	7,295	3,171	10,466
2033-2037	9,205	1,196	10,401
	<u>\$ 31,185</u>	<u>\$ 21,272</u>	<u>\$ 52,457</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
(amounts in tables expressed in thousands)  
**JUNE 30, 2012**

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**19. Extraordinary Items**

Extraordinary items are both unusual in nature and infrequent in occurrence. Events are considered unusual in nature if they possess a high degree of abnormality and are clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the entity. An event is infrequent in occurrence if it would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the entity operates.

The dissolution of all redevelopment agencies in the State of California qualifies as an extraordinary item since this state-wide dissolution was both unusual in nature and infrequent in occurrence. Accordingly, the transfers of the assets and liabilities and the net assets as of February 1, 2012 of the Alameda County Redevelopment Agency from the County's governmental funds and the County's governmental activities, respectively, to the Alameda County Redevelopment Successor Agency Private Purpose Trust Fund were recorded as extraordinary items.

The extraordinary loss reported in the governmental funds is different than extraordinary loss reported for governmental activities in the statement of activities because the measurement focus and basis of accounting is different between governmental funds and government-wide financial statements. These differences are reconciled as follows:

Extraordinary loss reported in governmental funds	<u>\$ (71,362)</u>
Assets and liabilities reported in government-wide financial statements:	
Certificates of participation	31,484
Due to other governmental units	6,812
Notes payable	1,322
Capital assets	(2,820)
Other assets	<u>(771)</u>
Total reconciling items	<u>36,027</u>
Extraordinary loss reported by governmental activities	<u><u>\$ (35,335)</u></u>



**REQUIRED SUPPLEMENTARY  
INFORMATION**

**COUNTY OF ALAMEDA, CALIFORNIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS  
(Dollars expressed in thousands)**

**ACERA – Analysis of Funding Progress**

Historical trend information is presented.

**Pension**

Actuarial Valuation Date December 31	Actuarial Value of Plan Assets (a)	Accrued Actuarial Liability (AAL) (b)	Funded Ratio (%) (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage (%) of Covered Payroll [(b-a)/c]
2009	\$ 4,789,000	\$ 5,899,331	81.2	% \$ 1,110,331	\$ 882,606	125.8 %
2010	4,776,128	6,162,740	77.5	1,386,612	898,342	154.4
2011	4,868,689	6,359,483	76.6	1,490,794	892,489	167.0

**Postemployment Medical Benefits**

Actuarial Valuation Date December 31	Actuarial Value of Plan Assets (a)	Accrued Actuarial Liability (AAL) (b)	Funded Ratio (%) (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage (%) of Covered Payroll [(b-a)/c]
2009	\$ 591,289	\$ 763,501	77.4	% \$ 172,212	\$ 882,606	19.5 %
2010	561,356	732,905	76.6	171,549	898,342	19.1
2011	542,936	754,216	72.0	211,280	892,489	23.7

**Other Postemployment Benefits**

Actuarial Valuation Date December 31	Actuarial Value of Plan Assets (a)	Accrued Actuarial Liability (AAL) (b)	Funded Ratio (%) (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage (%) of Covered Payroll [(b-a)/c]
2009	\$ 73,481	\$ 171,178	42.9	% \$ 97,697	\$ 882,606	11.1 %
2010	69,256	176,501	39.2	107,245	898,342	11.9
2011	67,020	185,846	36.1	118,826	892,489	13.3

COUNTY OF ALAMEDA, CALIFORNIA

GENERAL FUND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 479,210	\$ 496,941	\$ 497,802	\$ 861
Licenses and permits	7,031	7,900	7,493	(407)
Fines, forfeitures, and penalties	16,260	16,434	30,082	13,648
Use of money and property	6,773	6,773	9,131	2,358
State aid	670,929	692,487	707,385	14,898
Federal aid	326,355	366,079	369,434	3,355
Other aid	22,389	22,389	48,488	26,099
Charges for services	305,223	308,864	232,584	(76,280)
Other revenue	37,126	52,722	38,657	(14,065)
<b>Total revenues</b>	<b>1,871,296</b>	<b>1,970,589</b>	<b>1,941,056</b>	<b>(29,533)</b>
<b>Expenditures:</b>				
Current				
General government				
Salaries and benefits	84,820	87,222	82,885	4,337
Services and supplies	45,321	49,502	41,700	7,802
Other charges	25,504	22,847	12,456	10,391
Capital assets	89	110	366	(256)
Public protection				
Salaries and benefits	395,933	414,426	408,330	6,096
Services and supplies	162,618	164,870	151,324	13,546
Other charges	6,795	6,775	6,248	527
Capital assets	2,745	2,500	2,337	163
Public assistance				
Salaries and benefits	210,629	214,143	209,449	4,694
Services and supplies	122,810	138,562	125,596	12,966
Other charges	277,204	279,752	278,543	1,209
Capital assets	11	50,970	50,954	16
Health and sanitation				
Salaries and benefits	130,030	133,291	122,455	10,836
Services and supplies	389,343	428,320	368,519	59,801
Other charges	106,395	131,262	122,306	8,956
Capital assets	87	237	95	142
Public ways and facilities				
Salaries and benefits	385	390	373	17
Services and supplies	1,745	1,645	1,415	230
Capital assets	15	115	111	4
Recreation and cultural services				
Salaries and benefits	9	7	7	-
Services and supplies	654	672	671	1
Education				
Salaries and benefits	128	105	32	73
Services and supplies	125	150	139	11
Capital outlay	8,285	8,285	4,921	3,364
Pension bond debt service transfer	(36,888)	(36,888)	(36,888)	-
<b>Total expenditures</b>	<b>1,934,792</b>	<b>2,099,270</b>	<b>1,954,344</b>	<b>144,926</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(63,496)</b>	<b>(128,681)</b>	<b>(13,288)</b>	<b>115,393</b>
<b>Other financing sources (uses):</b>				
Refunding bonds issued	-	45,675	46,316	641
Transfers-in	-	29,152	2,915	(26,237)
Transfers-out	(36,888)	(69,221)	(60,932)	8,289
Budgetary reserves and designations	-	(40,548)	-	40,548
<b>Total other financing sources (uses)</b>	<b>(36,888)</b>	<b>(34,942)</b>	<b>(11,701)</b>	<b>23,241</b>
<b>Net change in fund balance</b>	<b>(100,384)</b>	<b>(163,623)</b>	<b>(24,989)</b>	<b>138,634</b>
Add outstanding encumbrance for current budget year	-	-	44,935	44,935
<b>Fund balance - beginning of period</b>	<b>1,062,918</b>	<b>1,062,918</b>	<b>1,062,918</b>	<b>-</b>
<b>Fund balance - end of period</b>	<b>\$ 962,534</b>	<b>\$ 899,295</b>	<b>\$ 1,082,864</b>	<b>\$ 183,569</b>

See the notes to required supplementary information.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**PROPERTY DEVELOPMENT SPECIAL REVENUE FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual Budgetary Basis</b>	<b>Variance Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Use of money and property	\$ 238	\$ 238	\$ 4,458	\$ 4,220
Other revenue	2,300	2,300	400	(1,900)
<b>Total revenues</b>	<u>2,538</u>	<u>2,538</u>	<u>4,858</u>	<u>2,320</u>
<b>Expenditures:</b>				
Current				
General government				
Salaries and benefits	447	447	242	205
Services and supplies	2,160	14,160	651	13,509
Capital assets	225	225	100	125
<b>Total expenditures</b>	<u>2,832</u>	<u>14,832</u>	<u>993</u>	<u>13,839</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(294)</u>	<u>(12,294)</u>	<u>3,865</u>	<u>16,159</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of land	45,200	45,200	15,130	(30,070)
Transfers-out	(45,294)	(45,294)	(10,566)	34,728
<b>Total other financing sources (uses)</b>	<u>(94)</u>	<u>(94)</u>	<u>4,564</u>	<u>4,658</u>
<b>Net change in fund balance</b>	<u>(388)</u>	<u>(12,388)</u>	<u>8,429</u>	<u>20,817</u>
Add outstanding encumbrance for current budget year	-	-	73	73
<b>Fund balance - beginning of period</b>	<u>308,958</u>	<u>308,958</u>	<u>308,958</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 308,570</u>	<u>\$ 296,570</u>	<u>\$ 317,460</u>	<u>\$ 20,890</u>

See the notes to required supplementary information.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**FLOOD CONTROL SPECIAL REVENUE FUND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(amounts expressed in thousands)**

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 28,898	\$ 30,696	\$ 29,754	\$ (942)
Licenses and permits	26	26	4,708	4,682
Use of money and property	1,491	1,491	1,434	(57)
State aid	313	313	304	(9)
Federal aid	600	600	123	(477)
Other aid	3,221	3,221	5,050	1,829
Charges for services	12,771	12,771	12,534	(237)
Other revenue	42	42	382	340
<b>Total revenues</b>	<u>47,362</u>	<u>49,160</u>	<u>54,289</u>	<u>5,129</u>
<b>Expenditures:</b>				
Current				
Public protection				
Salaries and benefits	32,791	32,955	16,147	16,808
Services and supplies	82,778	108,826	62,982	45,844
Other charges	2,175	2,400	1,013	1,387
Capital assets	1,756	5,699	6,079	(380)
<b>Total expenditures</b>	<u>119,500</u>	<u>149,880</u>	<u>86,221</u>	<u>63,659</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(72,138)</u>	<u>(100,720)</u>	<u>(31,932)</u>	<u>68,788</u>
<b>Other financing sources (uses):</b>				
Transfers-out	-	(33)	-	33
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(33)</u>	<u>-</u>	<u>33</u>
<b>Net change in fund balance</b>	<u>(72,138)</u>	<u>(100,753)</u>	<u>(31,932)</u>	<u>68,821</u>
Add outstanding encumbrance for current budget year	-	-	21,852	21,852
<b>Fund balance - beginning of period</b>	<u>173,138</u>	<u>173,138</u>	<u>173,138</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 101,000</u>	<u>\$ 72,385</u>	<u>\$ 163,058</u>	<u>\$ 90,673</u>

See the notes to required supplementary information.

COUNTY OF ALAMEDA, CALIFORNIA

GRANT REVENUE SPECIAL REVENUE FUND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 1,095	\$ 227	\$ 238	\$ 11
Use of money and property	-	3	(127)	(130)
State aid	21,765	22,917	17,143	(5,774)
Federal aid	71,495	96,089	77,809	(18,280)
Charges for services	313	313	111	(202)
Other revenue	1,868	2,107	2,169	62
<b>Total revenues</b>	<u>96,536</u>	<u>121,656</u>	<u>97,343</u>	<u>(24,313)</u>
<b>Expenditures:</b>				
Current				
Public protection				
Salaries and benefits	14,277	19,541	16,414	3,127
Services and supplies	8,024	25,207	18,988	6,219
Other charges	400	573	398	175
Capital assets	1,985	2,685	676	2,009
Public assistance				
Salaries and benefits	3,332	3,207	1,956	1,251
Services and supplies	39,690	44,901	37,709	7,192
Other charges	488	487	314	173
Capital assets	3	218	157	61
Health and sanitation				
Salaries and benefits	14,547	15,131	15,120	11
Services and supplies	26,141	24,553	18,759	5,794
Other charges	19	19	7	12
Capital assets	-	416	395	21
<b>Total expenditures</b>	<u>108,906</u>	<u>136,938</u>	<u>110,893</u>	<u>26,045</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(12,370)</u>	<u>(15,282)</u>	<u>(13,550)</u>	<u>1,732</u>
<b>Other financing sources (uses):</b>				
Transfers-in	-	-	92	92
Transfers-out	(241)	(886)	(880)	6
<b>Total other financing sources (uses)</b>	<u>(241)</u>	<u>(886)</u>	<u>(788)</u>	<u>98</u>
<b>Net change in fund balance</b>	<u>(12,611)</u>	<u>(16,168)</u>	<u>(14,338)</u>	<u>1,830</u>
Add outstanding encumbrance for current budget year	-	-	7,000	7,000
<b>Fund balance (deficit) - beginning of period</b>	<u>(1,930)</u>	<u>(1,930)</u>	<u>(1,930)</u>	<u>-</u>
<b>Fund balance (deficit) - end of period</b>	<u>\$ (14,541)</u>	<u>\$ (18,098)</u>	<u>\$ (9,268)</u>	<u>\$ 8,830</u>

See the notes to required supplementary information.



**COUNTY OF ALAMEDA, CALIFORNIA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2012**

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**1. Budget and Budgetary Accounting**

General Budget Policies

In accordance with the provisions of Sections 29000 through 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget on or before August 30, for each fiscal year. The expenditure side of the budget is enacted into law through the passage of an appropriation ordinance. This ordinance constitutes the maximum authorizations for spending during the fiscal year, and cannot be exceeded except by subsequent amendment of the budget by the Board of Supervisors. A balanced operating budget is adopted each fiscal year for the general fund, the special revenue funds, with the exception of the inmate welfare special revenue fund and the capital projects fund. Public hearings are conducted on the proposed budget prior to adoption to review all appropriations and sources of financing. The prior year fund balance is used as part of the balancing formula. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in appropriations.

Any amendments or transfers of appropriations between object levels within the same department or between departments must be approved by the County Board of Supervisors. Supplemental appropriations normally financed by unanticipated revenues during the year must also be approved by the Board. Additionally, the Auditor-Controller is authorized to make certain transfers of surplus appropriations within a department. Such adjustments are reflected in the final budgetary data.

Expenditures are controlled at the object level for all budgets within the County except for capital assets, which are controlled at the sub-object level. The object level is the level at which expenditures may not legally exceed appropriations. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended or encumbered.

General fund budgetary comparisons are not presented at the detail object level in this financial report due to their excessive length. A separate publication presenting this information is available from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

Budget Basis of Accounting

The County prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds on the budgetary basis to provide a meaningful comparison of actual results with the budget. Budgeted amounts represent the original budget and the original budget as modified by adjustments authorized during the year. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis. The amounts reported as expenditures also include amounts charged each department for payment of the debt service on the pension obligation bonds because the budget includes these amounts as expenditures. The pension bond debt service transfer is a reporting adjustment on the Budgetary Comparison Schedule to agree with the financial statements where such expenditures are reported as transfers in accordance with generally accepted accounting principles.

**2. Reconciliation of Budget vs. GAAP Basis Expenditures**

The differences between budgetary expenditures and GAAP expenditures are presented in the following table:

**Reconciliation of Budget vs. GAAP Basis Expenditures**

	General Fund	Property Development Fund	Flood Control Fund	Grant Revenue Fund
Budget basis expenditures	\$ 1,954,344	\$ 993	\$ 86,221	\$ 110,893
Encumbrances for current budget year	(44,935)	(73)	(21,852)	(7,000)
GAAP basis expenditures	<u>\$ 1,909,409</u>	<u>\$ 920</u>	<u>\$ 64,369</u>	<u>\$ 103,893</u>



**COMBINING FINANCIAL  
STATEMENTS AND OTHER  
SUPPLEMENTARY INFORMATION**

COUNTY OF ALAMEDA, CALIFORNIA  
OTHER SUPPLEMENTARY INFORMATION

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**Capital Projects Fund**

The capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

COUNTY OF ALAMEDA, CALIFORNIA

CAPITAL PROJECTS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive Negative
	Original	Final		
<b>Revenues:</b>				
Fines, forfeitures, and penalties	\$ 111,237	\$ 111,237	\$ 4,941	\$ (106,296)
Use of money and property	-	-	1,006	1,006
State aid	10	10	65	55
Other aid	-	-	3,464	3,464
Other revenue	5	5	196	191
<b>Total revenues</b>	<u>111,252</u>	<u>111,252</u>	<u>9,672</u>	<u>(101,580)</u>
<b>Expenditures:</b>				
Capital outlay	290,303	298,566	437,211	(138,645)
<b>Total expenditures</b>	<u>290,303</u>	<u>298,566</u>	<u>437,211</u>	<u>(138,645)</u>
<b>Deficiency of revenues over expenditures</b>	<u>(179,051)</u>	<u>(187,314)</u>	<u>(427,539)</u>	<u>(240,225)</u>
<b>Other financing sources (uses):</b>				
Issuance of debt	58,892	58,892	-	(58,892)
Transfers - in	20,997	27,334	10,411	(16,923)
Transfers - out	-	(18,150)	-	18,150
<b>Total other financing sources (uses)</b>	<u>79,889</u>	<u>68,076</u>	<u>10,411</u>	<u>(57,665)</u>
Extraordinary loss	-	-	(18,119)	(18,119)
<b>Net change in fund balance</b>	<u>(99,162)</u>	<u>(119,238)</u>	<u>(435,247)</u>	<u>(316,009)</u>
Add outstanding encumbrance for current budget year	-	-	330,018	330,018
<b>Fund balance - beginning</b>	<u>258,963</u>	<u>258,963</u>	<u>258,963</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 159,801</u>	<u>\$ 139,725</u>	<u>\$ 153,734</u>	<u>\$ 14,009</u>

## COUNTY OF ALAMEDA, CALIFORNIA

### OTHER SUPPLEMENTARY INFORMATION

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#### Non-major Governmental Funds

##### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

*Fish and Game Fund* - This fund is used to account for fines and forfeitures received under Section 13003 of the Fish and Game Code and their expenditure for the propagation and conservation of fish and wildlife.

*Road Fund* - This fund is used to account for state and local tax apportionments and other authorized revenues, the expenditure of which is restricted to street, road, highway and bridge purposes.

*County Library Fund* - This fund is used to account for taxes and other revenues collected in specific areas of the County which are restricted to fund the operation of county libraries within those areas.

*Library Special Taxing Zone Fund* - This fund is used to account for taxes and other revenues collected in the cities of Dublin, Newark, and Union City, and in specific unincorporated areas for the maintenance and operation of certain library buildings.

*Health Services Fund* - This fund is used to account for assessments and other revenues collected in specific areas of the County which are restricted for the provision of emergency medical services, vector control services and lead abatement

*Fire Fund* - This fund is used to account for revenues and expenditures of funds earmarked for fire protection services in the unincorporated areas of the County.

*Recovery Grants Fund* - This fund is used to account for federal grants received under the American Recovery & Reinvestment Act of 2009.

*Lighting Fund* - This fund is used to account for revenues and expenditures to provide street lighting in the unincorporated areas of Castro Valley, Ashland, Cherryland, San Lorenzo, and the unincorporated areas of Hayward and San Leandro.

*Public Ways and Facilities Fund* - This fund is used to account for revenues and expenditures for the provision of road maintenance, bridge maintenance and drainage facilities in the unincorporated areas of Castlewood, Morva Drive, Morva Court, Jensen Ranch, West Happyland and Tennyson-Alquire.

*Dublin Library Fund* - This fund is used to account for revenues and expenditures for the maintenance of the Dublin library in the city of Dublin.

*Police Protection Fund* - This fund is used to account for revenues and expenditures for the provision of police protection in the unincorporated areas of the County.

*County Redevelopment Fund* – This fund is used to account for the financial activities of the County's redevelopment agency which manages redevelopment projects in the unincorporated portion of the County known as the Eden area.

*Housing Successor Assets Fund* – This fund is used to account for the low and moderate income housing assets of the former Alameda County Redevelopment Agency.

*Inmate Welfare Fund* – This fund is used to account for all revenues and expenditures of maintaining and operating a store in connection with the County adult and juvenile detention facilities. The funds shall be expended for the benefit, education and welfare of the inmates. A formal budget is not adopted for this fund.

##### DEBT SERVICE FUND

*Tobacco Securitization Authority Fund* – This fund is used to account for all revenues and expenditures relating to the activities of the tobacco master settlement agreement with the US tobacco companies.

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012  
 (amounts expressed in thousands)

	Special Revenue					
	Fish and Game	Road	County Library	Library Special Taxing Zone	Health Services	Fire
<b>Assets:</b>						
Cash and investments with County Treasurer	\$ 16	\$ 67,654	\$ 12,023	\$ 1,282	\$ 23,957	\$ 31,369
Restricted assets - cash and investments with fiscal agents	-	-	-	-	-	-
Deposits with others	-	-	-	-	-	3,120
Other receivables	-	4,458	1,349	17	24	13,419
Inventory of supplies	-	180	-	-	-	-
Prepaid items	-	-	-	-	-	155
<b>Total assets</b>	<u>\$ 16</u>	<u>\$ 72,292</u>	<u>\$ 13,372</u>	<u>\$ 1,299</u>	<u>\$ 23,981</u>	<u>\$ 48,063</u>
<b>Liabilities:</b>						
Accounts payable and accrued expenditures	\$ -	\$ 1,907	\$ 1,016	\$ 34	\$ 1,350	\$ 4,623
Due to other funds	-	-	-	-	-	-
Due to component unit	-	-	-	-	40	-
Deferred revenue	-	-	120	-	-	218
Unearned revenue	-	-	-	-	-	1,385
<b>Total liabilities</b>	<u>-</u>	<u>1,907</u>	<u>1,136</u>	<u>34</u>	<u>1,390</u>	<u>6,226</u>
<b>Fund balances:</b>						
Nonspendable	-	180	-	-	-	155
Restricted	16	70,205	12,236	1,265	22,591	37,170
Assigned	-	-	-	-	-	4,512
<b>Total fund balances</b>	<u>16</u>	<u>70,385</u>	<u>12,236</u>	<u>1,265</u>	<u>22,591</u>	<u>41,837</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 16</u>	<u>\$ 72,292</u>	<u>\$ 13,372</u>	<u>\$ 1,299</u>	<u>\$ 23,981</u>	<u>\$ 48,063</u>

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012  
 (amounts expressed in thousands)

	Special Revenue					
	Recovery Grants	Lighting	Public Ways and Facilities	Dublin Library	Police Protection	County Redevelopment
<b>Assets:</b>						
Cash and investments with County Treasurer	\$ 665	\$ 1,435	\$ 3,382	\$ 5	\$ -	\$ -
Restricted assets - cash and investments with fiscal agents	-	-	-	-	-	-
Deposits with others	-	-	-	-	-	-
Other receivables	574	1	155	-	740	-
Inventory of supplies	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 1,239</u>	<u>\$ 1,436</u>	<u>\$ 3,537</u>	<u>\$ 5</u>	<u>\$ 740</u>	<u>\$ -</u>
<b>Liabilities:</b>						
Accounts payable and accrued expenditures	\$ 360	\$ -	\$ 168	\$ -	\$ 42	\$ -
Due to other funds	-	-	-	-	687	-
Due to component unit	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<u>360</u>	<u>-</u>	<u>168</u>	<u>-</u>	<u>729</u>	<u>-</u>
<b>Fund balances:</b>						
Nonspendable	-	-	-	-	-	-
Restricted	879	1,436	3,369	5	11	-
Assigned	-	-	-	-	-	-
<b>Total fund balances</b>	<u>879</u>	<u>1,436</u>	<u>3,369</u>	<u>5</u>	<u>11</u>	<u>-</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 1,239</u>	<u>\$ 1,436</u>	<u>\$ 3,537</u>	<u>\$ 5</u>	<u>\$ 740</u>	<u>\$ -</u>

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012  
 (amounts expressed in thousands)

	Special Revenue			Debt	Total
	Housing Successor Assets	Inmate Welfare	Total	Service Tobacco Securitization Authority	
<b>Assets:</b>					
Cash and investments with County Treasurer	\$ 28,924	\$ 7,288	\$ 178,000	\$ -	\$ 178,000
Restricted assets - cash and investments with fiscal agents	-	-	-	21,404	21,404
Deposits with others	-	-	3,120	-	3,120
Other receivables	28	424	21,189	6,700	27,889
Inventory of supplies	-	-	180	-	180
Prepaid items	-	-	155	-	155
<b>Total assets</b>	<u>\$ 28,952</u>	<u>\$ 7,712</u>	<u>\$ 202,644</u>	<u>\$ 28,104</u>	<u>\$ 230,748</u>
<b>Liabilities:</b>					
Accounts payable and accrued expenditures	\$ 243	\$ 1,085	\$ 10,828	\$ -	\$ 10,828
Due to other funds	-	-	687	-	687
Due to component unit	-	-	40	-	40
Deferred revenue	-	-	338	6,700	7,038
Unearned revenue	-	-	1,385	-	1,385
<b>Total liabilities</b>	<u>243</u>	<u>1,085</u>	<u>13,278</u>	<u>6,700</u>	<u>19,978</u>
<b>Fund balances:</b>					
Nonspendable	-	-	335	-	335
Restricted	28,709	6,572	184,464	21,404	205,868
Assigned	-	55	4,567	-	4,567
<b>Total fund balances</b>	<u>28,709</u>	<u>6,627</u>	<u>189,366</u>	<u>21,404</u>	<u>210,770</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 28,952</u>	<u>\$ 7,712</u>	<u>\$ 202,644</u>	<u>\$ 28,104</u>	<u>\$ 230,748</u>



COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Special Revenue					
	Fish and Game	Road	County Library	Library Special Taxing Zone	Health Services	Fire
<b>Revenues:</b>						
Taxes	\$ -	\$ 7,259	\$ 18,950	\$ 295	\$ -	\$ 29,538
Licenses and permits	-	1,102	-	-	56	-
Fines, forfeitures, and penalties	3	21	-	-	1,029	-
Use of money and property	-	2,444	57	7	114	165
State aid	-	31,545	175	3	-	670
Federal aid	-	2,474	83	-	29	-
Other aid	-	1,024	1,652	9	-	1,744
Charges for services	-	798	2,200	-	23,643	67,087
Other revenue	-	499	1,151	-	5,125	69
<b>Total revenues</b>	<b>3</b>	<b>47,166</b>	<b>24,268</b>	<b>314</b>	<b>29,996</b>	<b>99,273</b>
<b>Expenditures:</b>						
General government	-	-	-	-	-	-
Public protection	6	-	-	-	-	96,819
Public assistance	-	-	-	-	-	-
Health and sanitation	-	-	-	-	24,417	-
Public ways and facilities	-	40,142	-	-	-	-
Education	-	-	23,016	271	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>6</b>	<b>40,142</b>	<b>23,016</b>	<b>271</b>	<b>24,417</b>	<b>96,819</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(3)</b>	<b>7,024</b>	<b>1,252</b>	<b>43</b>	<b>5,579</b>	<b>2,454</b>
<b>Other financing sources (uses):</b>						
Issuance of loans	-	-	-	-	-	-
Transfers-in	-	-	-	-	-	-
Transfers-out	-	(1,867)	-	-	(139)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,867)</b>	<b>-</b>	<b>-</b>	<b>(139)</b>	<b>-</b>
Extraordinary loss	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>(3)</b>	<b>5,157</b>	<b>1,252</b>	<b>43</b>	<b>5,440</b>	<b>2,454</b>
Fund balance - beginning of period	19	65,228	10,984	1,222	17,151	39,383
Fund balance - end of period	\$ 16	\$ 70,385	\$ 12,236	\$ 1,265	\$ 22,591	\$ 41,837

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Special Revenue					
	Recovery Grants	Lighting	Public Ways and Facilities	Dublin Library	Police Protection	County Redevelopment
<b>Revenues:</b>						
Taxes	\$ -	\$ 6	\$ 698	\$ -	\$ 13,683	\$ 8,277
Licenses and permits	-	-	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-	-
Use of money and property	12	9	20	-	17	168
State aid	300	-	52	-	127	-
Federal aid	6,227	-	413	-	-	-
Other aid	-	321	-	-	-	-
Charges for services	180	878	1,863	-	-	3
Other revenue	2,528	1	4	-	-	355
<b>Total revenues</b>	<b>9,247</b>	<b>1,215</b>	<b>3,050</b>	<b>-</b>	<b>13,827</b>	<b>8,803</b>
<b>Expenditures:</b>						
General government	300	-	-	-	-	-
Public protection	851	-	-	-	13,829	-
Public assistance	7,880	-	-	-	-	6,472
Health and sanitation	4	-	-	-	-	-
Public ways and facilities	426	2,607	4,804	-	-	-
Education	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>9,461</b>	<b>2,607</b>	<b>4,804</b>	<b>-</b>	<b>13,829</b>	<b>6,472</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(214)</b>	<b>(1,392)</b>	<b>(1,754)</b>	<b>-</b>	<b>(2)</b>	<b>2,331</b>
<b>Other financing sources (uses):</b>						
Issuance of loans	785	-	-	-	-	-
Transfers-in	-	-	1,000	-	-	-
Transfers-out	-	-	-	-	-	(35,969)
<b>Total other financing sources (uses)</b>	<b>785</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>(35,969)</b>
Extraordinary loss	-	-	-	-	-	(48,716)
<b>Net change in fund balances</b>	<b>571</b>	<b>(1,392)</b>	<b>(754)</b>	<b>-</b>	<b>(2)</b>	<b>(82,354)</b>
Fund balance - beginning of period	308	2,828	4,123	5	13	82,354
Fund balance - end of period	\$ 879	\$ 1,436	\$ 3,369	\$ 5	\$ 11	\$ -

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Special Revenue			Debt Service Tobacco Securitization Authority	Total Nonmajor Governmental Funds
	Housing Successor Assets	Inmate Welfare	Total		
<b>Revenues:</b>					
Taxes	\$ 650	\$ -	\$ 79,356	\$ -	\$ 79,356
Licenses and permits	-	-	1,158	-	1,158
Fines, forfeitures, and penalties	-	-	1,053	-	1,053
Use of money and property	86	41	3,140	645	3,785
State aid	-	-	32,872	-	32,872
Federal aid	-	-	9,226	-	9,226
Other aid	-	-	4,750	-	4,750
Charges for services	-	-	96,652	-	96,652
Other revenue	16	7,496	17,244	13,422	30,666
<b>Total revenues</b>	<b>752</b>	<b>7,537</b>	<b>245,451</b>	<b>14,067</b>	<b>259,518</b>
<b>Expenditures:</b>					
General government	-	-	300	115	415
Public protection	-	7,725	119,230	-	119,230
Public assistance	766	-	15,118	-	15,118
Health and sanitation	-	-	24,421	-	24,421
Public ways and facilities	-	-	47,979	-	47,979
Education	-	-	23,287	-	23,287
Debt service					
Principal	-	-	-	3,615	3,615
Interest	-	-	-	10,450	10,450
<b>Total expenditures</b>	<b>766</b>	<b>7,725</b>	<b>230,335</b>	<b>14,180</b>	<b>244,515</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(14)</b>	<b>(188)</b>	<b>15,116</b>	<b>(113)</b>	<b>15,003</b>
<b>Other financing sources (uses):</b>					
Issuance of loans	-	-	785	-	785
Transfers-in	28,833	-	29,833	-	29,833
Transfers-out	(110)	-	(38,085)	-	(38,085)
<b>Total other financing sources (uses)</b>	<b>28,723</b>	<b>-</b>	<b>(7,467)</b>	<b>-</b>	<b>(7,467)</b>
Extraordinary loss	-	-	(48,716)	-	(48,716)
<b>Net change in fund balances</b>	<b>28,709</b>	<b>(188)</b>	<b>(41,067)</b>	<b>(113)</b>	<b>(41,180)</b>
Fund balance - beginning of period	-	6,815	230,433	21,517	251,950
Fund balance - end of period	\$ 28,709	\$ 6,627	\$ 189,366	\$ 21,404	\$ 210,770

COUNTY OF ALAMEDA, CALIFORNIA

FISH AND GAME - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines, forfeitures, and penalties	\$ 12	\$ 12	\$ 3	\$ (9)
<b>Total revenues</b>	<u>12</u>	<u>12</u>	<u>3</u>	<u>(9)</u>
<b>Expenditures:</b>				
Current				
General government				
Public protection				
Services and supplies	12	31	6	25
<b>Total expenditures</b>	<u>12</u>	<u>31</u>	<u>6</u>	<u>25</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>(19)</u>	<u>(3)</u>	<u>16</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>(19)</u>	<u>(3)</u>	<u>16</u>
<b>Fund balance - beginning of period</b>	<u>19</u>	<u>19</u>	<u>19</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 16</u>

COUNTY OF ALAMEDA, CALIFORNIA

ROAD - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 3,339	\$ 3,339	\$ 7,259	\$ 3,920
Licenses and permits	402	402	1,102	700
Fines, forfeitures, and penalties	25	25	21	(4)
Use of money and property	2,795	2,795	2,444	(351)
State aid	30,384	30,384	31,545	1,161
Federal aid	7,051	7,051	2,474	(4,577)
Other aid	4,890	4,890	1,024	(3,866)
Charges for services	1,317	1,317	798	(519)
Other revenue	1,539	1,539	499	(1,040)
<b>Total revenues</b>	<u>51,742</u>	<u>51,742</u>	<u>47,166</u>	<u>(4,576)</u>
<b>Expenditures:</b>				
Current				
Public ways and facilities				
Salaries and benefits	12,300	12,300	13,636	(1,336)
Services and supplies	84,184	91,461	42,630	48,831
Other charges	2,460	3,760	684	3,076
Capital assets	791	791	63	728
<b>Total expenditures</b>	<u>99,735</u>	<u>108,312</u>	<u>57,013</u>	<u>51,299</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(47,993)</u>	<u>(56,570)</u>	<u>(9,847)</u>	<u>46,723</u>
<b>Other financing uses:</b>				
Transfers-out	(4,365)	(4,365)	(1,867)	2,498
<b>Total other financing uses</b>	<u>(4,365)</u>	<u>(4,365)</u>	<u>(1,867)</u>	<u>2,498</u>
<b>Net change in fund balance</b>	<u>(52,358)</u>	<u>(60,935)</u>	<u>(11,714)</u>	<u>49,221</u>
Add outstanding encumbrance for current budget year	-	-	16,871	16,871
<b>Fund balance - beginning of period</b>	<u>65,228</u>	<u>65,228</u>	<u>65,228</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 12,870</u>	<u>\$ 4,293</u>	<u>\$ 70,385</u>	<u>\$ 66,092</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**COUNTY LIBRARY - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 16,793	\$ 19,000	\$ 18,950	\$ (50)
Use of money and property	10	10	57	47
State aid	150	150	175	25
Federal aid	-	84	83	(1)
Other aid	974	974	1,652	678
Charges for services	2,177	2,177	2,200	23
Other revenue	211	211	1,151	940
<b>Total revenues</b>	<u>20,315</u>	<u>22,606</u>	<u>24,268</u>	<u>1,662</u>
<b>Expenditures:</b>				
Current				
Education				
Salaries and benefits	17,072	17,072	14,868	2,204
Services and supplies	11,961	14,721	7,793	6,928
Other charges	1,173	1,173	1,103	70
Capital assets	360	360	-	360
<b>Total expenditures</b>	<u>30,566</u>	<u>33,326</u>	<u>23,764</u>	<u>9,562</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(10,251)</u>	<u>(10,720)</u>	<u>504</u>	<u>11,224</u>
<b>Net change in fund balance</b>	(10,251)	(10,720)	504	11,224
Add outstanding encumbrance for current budget year	-	-	748	748
<b>Fund balance - beginning of period</b>	10,984	10,984	10,984	-
<b>Fund balance - end of period</b>	<u>\$ 733</u>	<u>\$ 264</u>	<u>\$ 12,236</u>	<u>\$ 11,972</u>

COUNTY OF ALAMEDA, CALIFORNIA

LIBRARY SPECIAL TAXING ZONE - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 291	\$ 300	\$ 295	\$ (5)
Use of money and property	10	10	7	(3)
State aid	2	2	3	1
Other aid	-	-	9	9
Charges for services	96	96	-	(96)
<b>Total revenues</b>	<u>399</u>	<u>408</u>	<u>314</u>	<u>(94)</u>
<b>Expenditures:</b>				
Current				
Education				
Services and supplies	1,443	1,577	293	1,284
Other charges	4	4	4	-
Capital assets	49	49	-	49
<b>Total expenditures</b>	<u>1,496</u>	<u>1,630</u>	<u>297</u>	<u>1,333</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,097)</u>	<u>(1,222)</u>	<u>17</u>	<u>1,239</u>
<b>Net change in fund balance</b>	(1,097)	(1,222)	17	1,239
Add outstanding encumbrance for current budget year	-	-	26	26
<b>Fund balance - beginning of period</b>	<u>1,222</u>	<u>1,222</u>	<u>1,222</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ 1,265</u>	<u>\$ 1,265</u>

COUNTY OF ALAMEDA, CALIFORNIA

HEALTH SERVICES - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 69	\$ 69	\$ 56	\$ (13)
Fines, forfeitures, and penalties	-	-	1,029	1,029
Use of money and property	71	71	114	43
State aid	-	130	-	(130)
Federal aid	-	-	29	29
Charges for services	22,896	22,896	23,643	747
Other revenue	4,392	4,392	5,125	733
<b>Total revenues</b>	<u>27,428</u>	<u>27,558</u>	<u>29,996</u>	<u>2,438</u>
<b>Expenditures:</b>				
Current				
Health and sanitation				
Salaries and benefits	7,766	7,962	7,161	801
Services and supplies	29,528	34,488	29,590	4,898
Other charges	251	417	417	-
<b>Total expenditures</b>	<u>37,545</u>	<u>42,867</u>	<u>37,168</u>	<u>5,699</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(10,117)</u>	<u>(15,309)</u>	<u>(7,172)</u>	<u>8,137</u>
<b>Other financing uses:</b>				
Transfers-out	(82)	(139)	(139)	-
Budgetary reserves and designations	(133)	(3,122)	-	3,122
<b>Total other financing uses</b>	<u>(215)</u>	<u>(3,261)</u>	<u>(139)</u>	<u>3,122</u>
<b>Net change in fund balance</b>	<u>(10,332)</u>	<u>(18,570)</u>	<u>(7,311)</u>	<u>11,259</u>
Add outstanding encumbrance for current budget year	-	-	12,751	12,751
<b>Fund balance - beginning of period</b>	<u>17,151</u>	<u>17,151</u>	<u>17,151</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 6,819</u>	<u>\$ (1,419)</u>	<u>\$ 22,591</u>	<u>\$ 24,010</u>



COUNTY OF ALAMEDA, CALIFORNIA

FIRE - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 26,710	\$ 29,581	\$ 29,538	\$ (43)
Use of money and property	127	127	165	38
State aid	1,355	1,355	670	(685)
Federal aid	945	945	-	(945)
Other aid	1,834	1,834	1,744	(90)
Charges for services	67,223	67,223	67,087	(136)
Other revenue	10	10	69	59
<b>Total revenues</b>	<u>98,204</u>	<u>101,075</u>	<u>99,273</u>	<u>(1,802)</u>
<b>Expenditures:</b>				
Current				
Public protection				
Salaries and benefits	90,737	90,737	83,772	6,965
Services and supplies	17,804	37,143	15,404	21,739
Other charges	704	704	704	-
Capital assets	4,071	6,040	950	5,090
<b>Total expenditures</b>	<u>113,316</u>	<u>134,624</u>	<u>100,830</u>	<u>33,794</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(15,112)</u>	<u>(33,549)</u>	<u>(1,557)</u>	<u>31,992</u>
<b>Other financing sources (uses):</b>				
Transfers-in	1,360	1,360	-	(1,360)
Transfers-out	(1,360)	(1,360)	-	1,360
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	(15,112)	(33,549)	(1,557)	31,992
Add outstanding encumbrance for current budget year	-	-	4,011	4,011
<b>Fund balance - beginning of period</b>	<u>39,383</u>	<u>39,383</u>	<u>39,383</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 24,271</u>	<u>\$ 5,834</u>	<u>\$ 41,837</u>	<u>\$ 36,003</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**RECOVERY GRANTS - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 12	\$ 12
State aid	-	-	300	300
Federal aid	6,507	13,729	6,227	(7,502)
Charges for services	-	-	180	180
Other revenue	433	433	2,528	2,095
<b>Total revenues</b>	<u>6,940</u>	<u>14,162</u>	<u>9,247</u>	<u>(4,915)</u>
<b>Expenditures:</b>				
Current				
General government				
Capital assets	300	300	300	-
Public protection				
Salaries and benefits	545	666	666	-
Services and supplies	211	757	30	727
Capital assets	-	155	155	-
Public assistance				
Salaries and benefits	-	125	45	80
Services and supplies	4,730	11,690	8,054	3,636
Other charges	241	241	-	241
Health and sanitation				
Services and supplies	105	509	69	440
Capital assets	5	5	3	2
Public ways and facilities				
Services and supplies	1,650	1,650	426	1,224
<b>Total expenditures</b>	<u>7,787</u>	<u>16,098</u>	<u>9,748</u>	<u>6,350</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(847)</u>	<u>(1,936)</u>	<u>(501)</u>	<u>1,435</u>
<b>Other financing sources:</b>				
Issuance of loans	-	-	785	785
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>785</u>	<u>785</u>
<b>Net change in fund balance</b>	(847)	(1,936)	284	2,220
Add outstanding encumbrance for current budget year	-	-	287	287
<b>Fund balance (deficit) - beginning of period</b>	<u>308</u>	<u>308</u>	<u>308</u>	<u>-</u>
<b>Fund balance (deficit) - end of period</b>	<u>\$ (539)</u>	<u>\$ (1,628)</u>	<u>\$ 879</u>	<u>\$ 2,507</u>

COUNTY OF ALAMEDA, CALIFORNIA

LIGHTING - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 4	\$ 6	\$ 6	\$ -
Use of money and property	20	20	9	(11)
Other aid	497	497	321	(176)
Charges for services	879	879	878	(1)
Other revenue	-	-	1	1
<b>Total revenues</b>	<u>1,400</u>	<u>1,402</u>	<u>1,215</u>	<u>(187)</u>
<b>Expenditures:</b>				
Current				
Public ways and facilities				
Salaries and benefits	-	-	22	(22)
Services and supplies	3,262	3,739	2,585	1,154
<b>Total expenditures</b>	<u>3,262</u>	<u>3,739</u>	<u>2,607</u>	<u>1,132</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,862)</u>	<u>(2,337)</u>	<u>(1,392)</u>	<u>945</u>
<b>Net change in fund balance</b>	(1,862)	(2,337)	(1,392)	945
<b>Fund balance - beginning of period</b>	<u>2,828</u>	<u>2,828</u>	<u>2,828</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 966</u>	<u>\$ 491</u>	<u>\$ 1,436</u>	<u>\$ 945</u>

COUNTY OF ALAMEDA, CALIFORNIA

PUBLIC WAYS AND FACILITIES - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 658	\$ 659	\$ 698	\$ 39
Licenses and permits	1	1	-	(1)
Use of money and property	25	25	20	(5)
State aid	-	-	52	52
Federal aid	-	-	413	413
Charges for services	2,087	2,087	1,863	(224)
Other revenue	-	-	4	4
<b>Total revenues</b>	<u>2,771</u>	<u>2,772</u>	<u>3,050</u>	<u>278</u>
<b>Expenditures:</b>				
Current				
Public ways and facilities				
Salaries and benefits	2,325	2,358	2,665	(307)
Services and supplies	4,141	5,278	2,445	2,833
Other charges	69	69	51	18
<b>Total expenditures</b>	<u>6,535</u>	<u>7,705</u>	<u>5,161</u>	<u>2,544</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,764)</u>	<u>(4,933)</u>	<u>(2,111)</u>	<u>2,822</u>
<b>Other financing sources:</b>				
Transfers-in	2,700	2,700	1,000	(1,700)
<b>Total other financing sources</b>	<u>2,700</u>	<u>2,700</u>	<u>1,000</u>	<u>(1,700)</u>
<b>Net change in fund balance</b>	(1,064)	(2,233)	(1,111)	1,122
Add outstanding encumbrance for current budget year	-	-	357	357
<b>Fund balance - beginning of period</b>	<u>4,123</u>	<u>4,123</u>	<u>4,123</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 3,059</u>	<u>\$ 1,890</u>	<u>\$ 3,369</u>	<u>\$ 1,479</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**DUBLIN LIBRARY - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
 (amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current				
Education				
Services and supplies	\$ -	\$ 5	\$ -	\$ 5
<b>Total expenditures</b>	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
<b>Deficiency of revenues over expenditures</b>	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>5</u>
<b>Net change in fund balance</b>	-	(5)	-	5
<b>Fund balance - beginning of period</b>	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**POLICE PROTECTION - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(amounts expressed in thousands)**

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 13,590	\$ 13,768	\$ 13,683	\$ (85)
Use of money and property	3	3	17	14
State aid	125	125	127	2
<b>Total revenues</b>	<u>13,718</u>	<u>13,896</u>	<u>13,827</u>	<u>(69)</u>
<b>Expenditures:</b>				
Current				
Public protection				
Salaries and benefits	13,478	13,656	13,656	-
Services and supplies	110	125	125	-
Other charges	130	115	48	67
<b>Total expenditures</b>	<u>13,718</u>	<u>13,896</u>	<u>13,829</u>	<u>67</u>
<b>Deficiency of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
<b>Net change in fund balance</b>	-	-	(2)	(2)
<b>Fund balance - beginning of period</b>	<u>13</u>	<u>13</u>	<u>13</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 11</u>	<u>\$ (2)</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**COUNTY REDEVELOPMENT - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 18,330	\$ 18,330	\$ 8,277	\$ (10,053)
Use of money and property	700	700	168	(532)
Charges for services	-	-	3	3
Other revenue	1,800	1,800	355	(1,445)
<b>Total revenues</b>	<u>20,830</u>	<u>20,830</u>	<u>8,803</u>	<u>(12,027)</u>
<b>Expenditures:</b>				
Current				
Public assistance				
Salaries and benefits	988	337	491	(154)
Services and supplies	19,463	16,101	5,264	10,837
Other charges	3,477	3,430	259	3,171
Capital assets	21,364	12,111	458	11,653
<b>Total expenditures</b>	<u>45,292</u>	<u>31,979</u>	<u>6,472</u>	<u>25,507</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(24,462)</u>	<u>(11,149)</u>	<u>2,331</u>	<u>13,480</u>
<b>Other financing sources (uses):</b>				
Issuance of debt	16,054	19,620	-	(19,620)
Transfers-out	(16,054)	(63,333)	(35,969)	27,364
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(43,713)</u>	<u>(35,969)</u>	<u>7,744</u>
Extraordinary loss	-	-	(48,716)	(48,716)
<b>Net change in fund balance</b>	(24,462)	(54,862)	(82,354)	(27,492)
<b>Fund balance - beginning of period</b>	<u>82,354</u>	<u>82,354</u>	<u>82,354</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 57,892</u>	<u>\$ 27,492</u>	<u>\$ -</u>	<u>\$ (27,492)</u>

COUNTY OF ALAMEDA, CALIFORNIA

HOUSING SUCCESSOR ASSETS FUND- SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 650	\$ 650
Use of money and property	-	-	86	86
Other revenue	-	-	16	16
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>752</u>	<u>752</u>
<b>Expenditures:</b>				
Current				
Public assistance				
Services and supplies	-	1,778	797	981
Other charges	-	36	4	32
<b>Total expenditures</b>	<u>-</u>	<u>1,814</u>	<u>801</u>	<u>1,013</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>(1,814)</u>	<u>(49)</u>	<u>1,765</u>
<b>Other financing sources (uses):</b>				
Transfers-in	-	-	28,833	28,833
Transfers-out	-	-	(110)	(110)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>28,723</u>	<u>28,723</u>
<b>Net change in fund balance</b>	-	(1,814)	28,674	30,488
Add outstanding encumbrance for current budget year	-	-	35	35
<b>Fund balance - beginning of period</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ -</u>	<u>\$ (1,814)</u>	<u>\$ 28,709</u>	<u>\$ 30,523</u>



COUNTY OF ALAMEDA, CALIFORNIA

OTHER SUPPLEMENTARY INFORMATION

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**Internal Service Funds**

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies on a cost reimbursement basis.

*Communications* - This fund was established to account for the costs of providing communication services such as telephone service, radio and microwave maintenance and electronic maintenance and repair services to County departments, cities and special districts. Revenues are generated based on fees charged for services provided.

*Motor Pool* - This fund was established to account for the cost of maintaining all County-owned automobiles, trucks and heavy equipment for County departments and other funds. Revenues are derived from fees charged for services provided.

*Building Maintenance* - This fund was established to account for the cost of providing custodial, groundskeeping, maintenance and operating services for County occupied buildings. Revenues are generated by charges to users based on square footage of space occupied.

*Information Technology* - This fund was established to account for the costs of providing information services, system design, computer programming and computer processing for all County departments. Revenues are based on fees charged for services provided.

*Risk Management* - This fund was established to account for costs to administer the County's risk management program, which includes: general risk management administration, employee wellness, alcohol and drug programs, pre-employment physicals, public and professional liability, dental insurance, property insurance programs and workers' compensation. Costs of claims against the County under the self-insurance programs for general and medical malpractice liabilities and deductibles for damage to County property are also recorded in this fund. The primary source of revenue for the fund is premiums paid by other funds and interest on investments.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2012**  
(amounts expressed in thousands)

	<u>Communications</u>	<u>Motor Pool</u>	<u>Building Maintenance</u>	<u>Information Technology</u>	<u>Risk Management</u>	<u>Total</u>
<b>Assets:</b>						
Current assets:						
Cash and investments with County Treasurer	\$ 4,213	\$ 6,774	\$ 15,239	\$ 9,020	\$ 112,514	\$ 147,760
Other receivables	302	159	425	390	303	1,579
Due from component unit	1	40	545	-	-	586
Inventory of supplies	95	-	-	-	-	95
Prepaid items	4,222	-	-	-	157	4,379
<b>Total current assets</b>	<u>8,833</u>	<u>6,973</u>	<u>16,209</u>	<u>9,410</u>	<u>112,974</u>	<u>154,399</u>
Noncurrent assets:						
Capital assets:						
Structures and improvement, machinery and equipment, infrastructure, net of depreciation	1,355	8,161	198	1,234	4	10,952
<b>Total capital assets</b>	<u>1,355</u>	<u>8,161</u>	<u>198</u>	<u>1,234</u>	<u>4</u>	<u>10,952</u>
<b>Total noncurrent assets</b>	<u>1,355</u>	<u>8,161</u>	<u>198</u>	<u>1,234</u>	<u>4</u>	<u>10,952</u>
<b>Total assets</b>	<u>10,188</u>	<u>15,134</u>	<u>16,407</u>	<u>10,644</u>	<u>112,978</u>	<u>165,351</u>
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable and accrued expenses	774	324	3,212	2,495	2,578	9,383
Compensated employee absences payable	90	54	770	862	49	1,825
Estimated liability for claims and contingencies	-	-	-	-	24,178	24,178
Due to component unit	-	-	72	-	-	72
<b>Total current liabilities</b>	<u>864</u>	<u>378</u>	<u>4,054</u>	<u>3,357</u>	<u>26,805</u>	<u>35,458</u>
Noncurrent liabilities:						
Compensated employee absences payable	65	39	553	618	35	1,310
Estimated liability for claims and contingencies	-	-	-	-	73,793	73,793
<b>Total noncurrent liabilities</b>	<u>65</u>	<u>39</u>	<u>553</u>	<u>618</u>	<u>73,828</u>	<u>75,103</u>
<b>Total liabilities</b>	<u>929</u>	<u>417</u>	<u>4,607</u>	<u>3,975</u>	<u>100,633</u>	<u>110,561</u>
<b>Net assets</b>						
Invested in capital assets	1,355	8,161	198	1,234	4	10,952
Unrestricted	7,904	6,556	11,602	5,435	12,341	43,838
<b>Total net assets</b>	<u>\$ 9,259</u>	<u>\$ 14,717</u>	<u>\$ 11,800</u>	<u>\$ 6,669</u>	<u>\$ 12,345</u>	<u>\$ 54,790</u>

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012  
(amounts expressed in thousands)

	Communications	Motor Pool	Building Maintenance	Information Technology	Risk Management	Total
<b>Operating revenues:</b>						
Charges for services	\$ 9,896	\$ 9,084	\$ 93,280	\$ 34,524	\$ 54,134	\$ 200,918
<b>Operating expenses:</b>						
Salaries and benefits	3,618	1,684	28,383	24,397	1,861	59,943
Contractual services	49	91	1,356	1,492	3,807	6,795
Utilities	-	7	11,316	29	-	11,352
Repairs and maintenance	231	375	5,061	60	-	5,727
Other supplies and expenses	1,533	5,068	35,800	6,897	6,723	56,021
Insurance claims and expenses	-	-	-	-	26,167	26,167
Depreciation	603	1,511	76	1,297	-	3,487
Telephone	3,569	-	-	-	-	3,569
County indirect costs	980	883	3,877	644	-	6,384
Dental claims	-	-	-	-	7,812	7,812
Other	-	-	-	-	451	451
<b>Total operating expenses</b>	<b>10,583</b>	<b>9,619</b>	<b>85,869</b>	<b>34,816</b>	<b>46,821</b>	<b>187,708</b>
<b>Operating income (loss)</b>	<b>(687)</b>	<b>(535)</b>	<b>7,411</b>	<b>(292)</b>	<b>7,313</b>	<b>13,210</b>
<b>Non-operating revenues:</b>						
Interest and investment income	19	41	65	40	595	760
Gain on sale of capital assets	-	7	-	-	-	7
<b>Total non-operating revenues</b>	<b>19</b>	<b>48</b>	<b>65</b>	<b>40</b>	<b>595</b>	<b>767</b>
<b>Income (loss) before transfers</b>	<b>(668)</b>	<b>(487)</b>	<b>7,476</b>	<b>(252)</b>	<b>7,908</b>	<b>13,977</b>
Transfers-in	-	130	-	-	-	130
Transfers-out	-	-	(4,585)	-	(4,448)	(9,033)
Change in net assets	(668)	(357)	2,891	(252)	3,460	5,074
Total net assets (deficit) - beginning of period	9,927	15,074	8,909	6,921	8,885	49,716
<b>Total net assets - end of period</b>	<b>\$ 9,259</b>	<b>\$ 14,717</b>	<b>\$ 11,800</b>	<b>\$ 6,669</b>	<b>\$ 12,345</b>	<b>\$ 54,790</b>

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012  
(amounts expressed in thousands)

	Communications	Motor Pool	Building Maintenance	Information Technology	Risk Management	Total
<b>Cash flows from operating activities</b>						
Internal activity - receipts from other funds	\$ 9,993	\$ 9,081	\$ 93,813	\$ 34,682	\$ 54,117	\$ 201,686
Payments to suppliers	(5,178)	(5,499)	(53,455)	(8,380)	(12,272)	(84,784)
Payments to employees	(3,626)	(1,683)	(28,355)	(24,454)	(1,855)	(59,973)
Internal activity - payments to other funds	(980)	(883)	(3,877)	(644)	-	(6,384)
Claims paid	-	-	-	-	(28,813)	(28,813)
Other receipts (payments)	-	-	-	-	(451)	(451)
<b>Net cash provided by (used in) operating activities</b>	<u>209</u>	<u>1,016</u>	<u>8,126</u>	<u>1,204</u>	<u>10,726</u>	<u>21,281</u>
<b>Cash flows from noncapital financing activities</b>						
Transfers-in	-	130	-	-	-	130
Transfers-out	-	-	(4,585)	-	(4,448)	(9,033)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>-</u>	<u>130</u>	<u>(4,585)</u>	<u>-</u>	<u>(4,448)</u>	<u>(8,903)</u>
<b>Cash flows from capital and related financing activities</b>						
Acquisition of capital assets	-	(1,891)	(15)	(657)	-	(2,563)
Proceeds from sale of capital assets	-	93	-	-	-	93
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>-</u>	<u>(1,798)</u>	<u>(15)</u>	<u>(657)</u>	<u>-</u>	<u>(2,470)</u>
<b>Cash flows from investing activities:</b>						
Interest on investments	19	41	65	40	595	760
<b>Net cash provided by investing activities</b>	<u>19</u>	<u>41</u>	<u>65</u>	<u>40</u>	<u>595</u>	<u>760</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>228</u>	<u>(611)</u>	<u>3,591</u>	<u>587</u>	<u>6,873</u>	<u>10,668</u>
Cash and cash equivalents - beginning of period	3,985	7,385	11,648	8,433	105,641	137,092
<b>Cash and cash equivalents - end of period</b>	<u>\$ 4,213</u>	<u>\$ 6,774</u>	<u>\$ 15,239</u>	<u>\$ 9,020</u>	<u>\$ 112,514</u>	<u>\$ 147,760</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ (687)	\$ (535)	\$ 7,411	\$ (292)	\$ 7,313	\$ 13,210
Adjustments for non cash activities						
Depreciation	603	1,511	76	1,297	-	3,487
Changes in assets and liabilities						
Receivables	97	(3)	533	158	(17)	768
Inventories	(40)	-	-	-	-	(40)
Prepaid items	-	-	-	-	(42)	(42)
Accounts payable	244	42	77	98	(1,700)	(1,239)
Compensated employee absences payable	(8)	1	28	(57)	6	(30)
Estimated liability for claims and contingencies	-	-	-	-	5,166	5,166
Total adjustments	896	1,551	715	1,496	3,413	8,071
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 209</u>	<u>\$ 1,016</u>	<u>\$ 8,126</u>	<u>\$ 1,204</u>	<u>\$ 10,726</u>	<u>\$ 21,281</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**OTHER SUPPLEMENTARY INFORMATION**

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**Fiduciary Funds**

Fiduciary funds include all trust and agency funds which account for assets held by the County as a trustee or as an agent for individuals or other governmental units.

**TRUST FUNDS**

*Pension and Postemployment Benefits Trust Fund* - This fund is under the control of the Board of Retirement and is governed by the rules and regulations of the Retirement Act of 1937. The fund accumulates contributions from the County, contributions from employees, and earnings from the fund's investments. Disbursements are made from the fund for retirements, postemployment benefits, disability and death benefits, refund and administrative costs. This fund includes all assets of the retirement system.

*Other Employee Benefit Trust Fund* – This fund accounts for pre-tax deductions from county employees' gross pay. The funds are for reimbursement of allowable health care and dependent care costs.

**AGENCY FUNDS**

Agency funds are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time.

*Unapportioned Taxes Fund* – This fund accounts for property taxes receivable (secured and unsecured), amounts which are impounded because of disputes or litigation, as well as amounts held pending authority for apportionment.

*Other Agency Funds* - These funds account for assets held by the County as an agent for individuals, private organizations, or other governmental units. These funds include payroll deduction clearing funds, collection clearing funds, and flow through funds for federal and state programs.

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS  
 JUNE 30, 2012  
 (amounts expressed in thousands)

	Pension and Other Postemployment Benefits Trust Fund				Other Employee Benefits Trust Funds	Total
	Pension	Postemployment Medical Benefits (OPEB)	Other Postemployment Benefits	Total		
<b>Assets:</b>						
Cash and investments with County Treasurer	\$ 530	\$ -	\$ -	\$ 530	\$ 1,668	\$ 2,198
Investments, at fair value:						
Short-term investments	144,922	-	-	144,922	-	144,922
Domestic equities	1,194,408	-	-	1,194,408	-	1,194,408
Domestic equity commingled funds	848,614	-	-	848,614	-	848,614
International equities	987,022	-	-	987,022	-	987,022
International equity commingled funds	196,391	-	-	196,391	-	196,391
Domestic fixed income	774,484	-	-	774,484	-	774,484
International fixed income	290,971	-	-	290,971	-	290,971
Real estate - separate properties	96,828	-	-	96,828	-	96,828
Real estate - commingled funds	223,929	-	-	223,929	-	223,929
Real Return Pool	108,926	-	-	108,926	-	108,926
Private equity and alternatives	186,716	-	-	186,716	-	186,716
Total investments	5,053,211	-	-	5,053,211	-	5,053,211
Investment of securities lending collateral	439,350	-	-	439,350	-	439,350
Deposits with others	543	-	-	543	-	543
Other receivable	29,811	-	-	29,811	-	29,811
Interest receivable	12,981	-	-	12,981	-	12,981
Due from (to) pension plan	(614,367)	547,347	67,020	-	-	-
Capital assets, net of accumulated depreciation	6,274	-	-	6,274	-	6,274
<b>Total assets</b>	<b>4,928,333</b>	<b>547,347</b>	<b>67,020</b>	<b>5,542,700</b>	<b>1,668</b>	<b>5,544,368</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	28,952	-	-	28,952	6	28,958
Securities lending obligation	439,350	-	-	439,350	-	439,350
<b>Total liabilities</b>	<b>468,302</b>	<b>-</b>	<b>-</b>	<b>468,302</b>	<b>6</b>	<b>468,308</b>
<b>Net Assets</b>						
Held in trust	4,460,031	547,347	67,020	5,074,398	1,662	5,076,060
	<u>\$ 4,460,031</u>	<u>\$ 547,347</u>	<u>\$ 67,020</u>	<u>\$ 5,074,398</u>	<u>\$ 1,662</u>	<u>\$ 5,076,060</u>

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012  
(amounts expressed in thousands)

	Pension and Other Postemployment Benefits Trust Fund			Other	Total
	Pension	Postemployment Medical Benefits (OPEB)	Other Postemployment Benefits	Employee Benefits Trust Funds	
<b>Additions:</b>					
Contributions:					
Employees	\$ 77,991	\$ -	\$ -	\$ 4,346	\$ 82,337
Employer	130,559	32,320	-	-	162,879
<b>Total contributions</b>	<u>208,550</u>	<u>32,320</u>	<u>-</u>	<u>4,346</u>	<u>245,216</u>
Investment income:					
Interest	64,201	-	-	9	64,210
Dividends	59,574	-	-	-	59,574
Net increase (decrease) in fair value of investments	(155,274)	-	-	3	(155,271)
Real estate	24,396	-	-	-	24,396
Securities lending income	3,329	-	-	-	3,329
Earnings allocated to OPEB reserves	(19,583)	17,449	2,134	-	-
<b>Total investment income</b>	<u>(23,357)</u>	<u>17,449</u>	<u>2,134</u>	<u>12</u>	<u>(3,762)</u>
Less investment expenses:					
Investment expenses	29,166	-	-	-	29,166
Securities lending borrower rebates and management fees	937	-	-	-	937
Real estate	6,829	-	-	-	6,829
<b>Total investment expenses</b>	<u>36,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,932</u>
<b>Net investment income</b>	<u>(60,289)</u>	<u>17,449</u>	<u>2,134</u>	<u>12</u>	<u>(40,694)</u>
Miscellaneous income	664	-	-	-	664
<b>Total additions, net</b>	<u>148,925</u>	<u>49,769</u>	<u>2,134</u>	<u>4,358</u>	<u>205,186</u>
<b>Deductions:</b>					
Benefit payments	295,826	31,555	4,370	4,330	336,081
Refunds of contributions	5,406	-	-	-	5,406
Administration expenses	13,306	462	-	-	13,768
<b>Total deductions</b>	<u>314,538</u>	<u>32,017</u>	<u>4,370</u>	<u>4,330</u>	<u>355,255</u>
<b>Change in net assets</b>	<u>(165,613)</u>	<u>17,752</u>	<u>(2,236)</u>	<u>28</u>	<u>(150,069)</u>
Net assets - beginning of year	4,589,383	565,856	69,256	1,634	5,226,129
Transfer to Pension from SRBR for Employer					
Contribution to 401(h)	32,320	(32,320)	-	-	-
Transfer to Pension from SRBR for Implicit Subsidy	4,403	(4,403)	-	-	-
Administrative Expense	(462)	462	-	-	-
Net assets - end of year	<u>\$ 4,460,031</u>	<u>\$ 547,347</u>	<u>\$ 67,020</u>	<u>\$ 1,662</u>	<u>\$ 5,076,060</u>

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012  
 (amounts expressed in thousands)

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<b><u>Unapportioned Taxes</u></b>				
<b>Assets:</b>				
Cash and investments with County Treasurer	\$ 72,007	\$ 4,084,597	\$ 4,075,197	\$ 81,407
Taxes receivable	251,957	3,153,464	3,164,127	241,294
Interest receivable	-	348	348	-
<b>Total assets</b>	<b>\$ 323,964</b>	<b>\$ 7,238,409</b>	<b>\$ 7,239,672</b>	<b>\$ 322,701</b>
<b>Liabilities:</b>				
Due to other governmental units	\$ 323,964	\$ 7,238,549	\$ 7,239,812	\$ 322,701
<b>Total liabilities</b>	<b>\$ 323,964</b>	<b>\$ 7,238,549</b>	<b>\$ 7,239,812</b>	<b>\$ 322,701</b>
<b><u>Other Agency</u></b>				
<b>Assets:</b>				
Cash and investments with County Treasurer	\$ 89,112	\$ 4,655,876	\$ 4,651,499	\$ 93,489
Interest receivable	67	379	315	131
<b>Total assets</b>	<b>\$ 89,179</b>	<b>\$ 4,656,255</b>	<b>\$ 4,651,814</b>	<b>\$ 93,620</b>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 8,098	\$ 39,563	\$ 40,148	\$ 7,513
Due to other governmental units	81,081	7,239,159	7,234,133	86,107
<b>Total liabilities</b>	<b>\$ 89,179</b>	<b>\$ 7,278,722</b>	<b>\$ 7,274,281</b>	<b>\$ 93,620</b>
<b><u>Totals - Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments with County Treasurer	\$ 161,119	\$ 8,740,473	\$ 8,726,696	\$ 174,896
Taxes receivable	251,957	3,153,464	3,164,127	241,294
Interest receivable	67	727	663	131
<b>Total assets</b>	<b>\$ 413,143</b>	<b>\$ 11,894,664</b>	<b>\$ 11,891,486</b>	<b>\$ 416,321</b>
<b>Liabilities:</b>				
Warrants payable	\$ 8,098	\$ 39,563	\$ 40,148	\$ 7,513
Due to other governmental units	405,045	14,477,708	14,473,945	408,808
<b>Total liabilities</b>	<b>\$ 413,143</b>	<b>\$ 14,517,271</b>	<b>\$ 14,514,093</b>	<b>\$ 416,321</b>





**CAPITAL ASSETS USED  
IN THE OPERATION OF  
GOVERNMENTAL FUNDS**

**COUNTY OF ALAMEDA, CALIFORNIA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Source <sup>1</sup>**  
**June 30, 2012**  
**(amounts in tables expressed in thousands)**

Governmental funds capital assets:

Land and Easements	\$ 57,182
Structures and improvements	924,915
Infrastructure	786,595
Equipment	103,523
Software	34,514
Construction in progress	<u>292,699</u>

Total governmental funds capital assets	<u>\$ 2,199,428 <sup>2</sup></u>
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Investments in governmental funds capital assets acquired prior to July 1, 2001	\$ 1,250,655
Investments in governmental funds capital assets acquired from July 1, 2001 by source:	
General fund	269,704
Capital projects fund	350,538
Other governmental funds	314,282
Donations	<u>14,249</u>

Total governmental funds capital assets	<u>\$ 2,199,428</u>
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<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of \$51,387,000 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

<sup>2</sup> This amount does not include a collection item of \$50,000 which is considered a historical artifact and is not used in the operation of governmental funds.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Type<sup>1</sup>**  
**June 30, 2012**  
**(amounts in tables expressed in thousands)**

	<u>Land and Easements</u>	<u>Structures and Improvements</u>	<u>Infrastructure</u>	<u>Equipment</u>	<u>Software</u>	<u>Construction in Progress</u>	<u>Total</u>
General	\$ 22,595	\$ 83,651	\$ -	\$ 15,080	\$ 32,654	\$ 123	\$ 154,103
Public protection	26,110	518,720	215,113	56,947	1,860	11,874	830,624
Public assistance	2,652	56,205	(3,111)	8,074	-	-	63,820
Health and sanitation	3,494	221,703	-	4,766	-	220,605	450,568
Public ways and facilities	378	13,420	572,155	9,511	-	60,097	655,561
Recreation & cultural services	-	9,998	2,438	6,717	-	-	19,153
Education	1,953	21,218	-	2,428	-	-	25,599
Total governmental funds capital assets	<u>\$ 57,182</u>	<u>\$ 924,915</u>	<u>\$ 786,595</u>	<u>\$ 103,523</u>	<u>\$ 34,514</u>	<u>\$ 292,699</u>	<u>\$ 2,199,428</u> <sup>2</sup>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of \$51,387,000 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

<sup>2</sup> This amount does not include a collection item of \$50,000 which is considered a historical artifact and is not used in the operation of governmental funds.

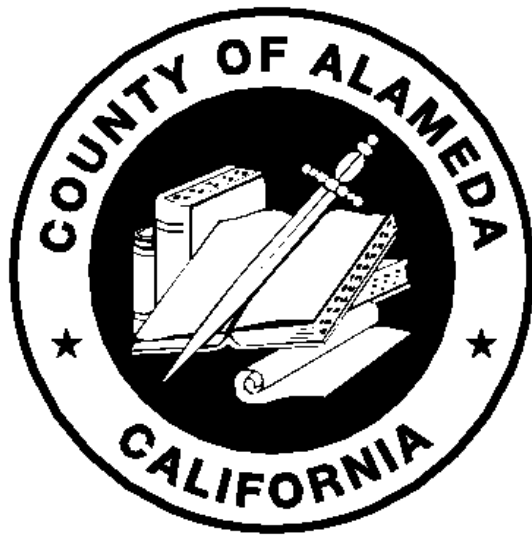
**COUNTY OF ALAMEDA, CALIFORNIA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function<sup>1</sup>**  
**Year ended June 30, 2012**  
**(amounts in tables expressed in thousands)**

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
General	\$ 143,143	\$ 11,003	\$ 43	\$ 154,103
Public protection	810,686	42,808	22,870	830,624
Public assistance	51,923	15,008	3,111	63,820
Health and sanitation	350,827	99,779	38	450,568
Public ways and facilities	633,792	35,928	14,159	655,561
Recreation & cultural services	19,153	-	-	19,153
Education	25,457	142	-	25,599
Total governmental funds capital assets	<u>\$ 2,034,981</u>	<u>\$ 204,668</u>	<u>\$ 40,221</u>	<u>\$ 2,199,428</u> <sup>2</sup>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of \$51,387,000 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

<sup>2</sup> This amount does not include a collection item of \$50,000 which is considered a historical artifact and is not used in the operation of governmental funds.

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# **STATISTICAL SECTION**

## Statistical Section

The information in this section is not covered by the Independent Auditors' Report, but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NET ASSETS BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 527,375	\$ 561,240	\$ 603,668	\$ 582,506	\$ 551,198	\$ 508,533	\$ 511,354	\$ 560,449	\$ 404,686	\$ 585,788
Restricted	398,618	398,621	336,562	387,798	473,468	531,744	579,459	641,476	697,984	627,179
Unrestricted (deficit)	(287,654)	(303,544)	(73,273)	125,578	353,164	452,524	465,456	328,726	574,257	512,095
<b>Total governmental activities net assets</b>	<b><u>\$ 638,339</u></b>	<b><u>\$ 656,317</u></b>	<b><u>\$ 866,957</u></b>	<b><u>\$ 1,095,882</u></b>	<b><u>\$ 1,377,830</u></b>	<b><u>\$ 1,492,801</u></b>	<b><u>\$ 1,556,269</u></b>	<b><u>\$ 1,530,651</u></b>	<b><u>\$ 1,676,927</u></b>	<b><u>\$ 1,725,062</u></b>



**COUNTY OF ALAMEDA, CALIFORNIA**  
**CHANGES IN NET ASSETS**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year</b>									
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 112,016	\$ 127,986	\$ 126,933	\$ 119,662	\$ 124,448	\$ 137,490	\$ 161,834	\$ 143,497	\$ 141,862	\$ 129,436
Public protection	577,807	584,983	582,384	616,938	647,036	720,939	719,458	766,225	752,191	766,855
Public assistance	586,500	559,728	543,263	575,334	582,568	620,978	653,920	680,142	674,181	682,936
Health and sanitation	457,313	404,492	431,310	455,835	470,668	524,225	558,632	597,448	584,815	649,431
Public ways and facilities	52,205	41,151	43,902	46,123	50,650	48,620	39,427	36,598	43,312	45,437
Recreation and cultural services	387	571	441	514	502	523	677	557	608	608
Education	21,584	19,534	19,022	19,448	19,350	21,358	23,064	22,813	22,863	24,356
Interest on long-term debt	67,776	67,170	70,053	71,913	78,236	77,708	78,352	75,420	87,490	90,003
Total governmental activities expenses	<u>1,875,588</u>	<u>1,805,615</u>	<u>1,817,308</u>	<u>1,905,767</u>	<u>1,973,458</u>	<u>2,151,841</u>	<u>2,235,364</u>	<u>2,322,700</u>	<u>2,307,322</u>	<u>2,389,062</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	160,785	128,966	170,321	150,182	158,550	125,532	124,488	111,200	125,619	126,244
Public protection	164,398	170,380	164,731	184,356	196,775	210,362	218,244	222,606	238,915	200,720
Health and sanitation	98,941	116,576	116,244	110,437	113,134	119,509	139,217	153,243	202,110	171,185
Other activities	18,953	16,250	22,769	19,525	19,588	15,212	22,114	27,819	32,085	26,578
Operating grants and contributions	919,771	884,510	994,427	1,051,339	1,078,909	1,087,171	1,130,306	1,170,990	1,232,027	1,269,542
Capital grants and contributions	-	11,606	15,202	14,979	202	7,070	4,260	5,782	5,550	9,618
Total governmental activities program revenues	<u>1,362,848</u>	<u>1,328,288</u>	<u>1,483,694</u>	<u>1,530,818</u>	<u>1,567,158</u>	<u>1,564,856</u>	<u>1,638,629</u>	<u>1,691,640</u>	<u>1,836,306</u>	<u>1,803,887</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 281,756	\$ 298,634	\$ 303,570	\$ 339,470	\$ 398,922	\$ 412,767	\$ 425,713	\$ 403,847	\$ 399,701	\$ 411,821
Sales taxes - shared revenues	124,808	124,759	158,886	172,544	171,876	174,984	150,551	140,643	150,328	169,375
Other taxes	25,985	28,455	32,848	34,040	30,957	26,173	26,309	28,144	27,503	27,948
Interest and investment income	9,575	18,104	13,019	20,616	52,556	46,746	25,979	9,369	5,751	8,924
Other	40,946	25,353	35,973	37,248	42,701	41,289	36,948	23,439	34,009	50,577
Transfers	-	-	(42)	(44)	(7)	(3)	(5,297)	-	-	-
Extraordinary item	-	-	-	-	(8,757)	-	-	-	-	(35,335)
Total governmental activities	<u>483,070</u>	<u>495,305</u>	<u>544,254</u>	<u>603,874</u>	<u>688,248</u>	<u>701,956</u>	<u>660,203</u>	<u>605,442</u>	<u>617,292</u>	<u>633,310</u>
<b>Change in Net Assets</b>										
Governmental activities	<u>\$ (29,670)</u>	<u>\$ 17,978</u>	<u>\$ 210,640</u>	<u>\$ 228,925</u>	<u>\$ 281,948</u>	<u>\$ 114,971</u>	<u>\$ 63,468</u>	<u>\$ (25,618)</u>	<u>\$ 146,276</u>	<u>\$ 48,135</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 <sup>1</sup>	2012 <sup>1</sup>
General fund										
Reserved	\$ 153,628	\$ 153,447	\$ 168,671	\$ 213,531	\$ 226,371	\$ 246,546	\$ 246,383	\$ 299,432	\$ -	\$ -
Unreserved	206,233	173,860	243,799	437,866	575,231	573,336	618,174	627,898	-	-
Nonspendable	-	-	-	-	-	-	-	-	1,725	4,408
Restricted	-	-	-	-	-	-	-	-	303,635	288,068
Committed	-	-	-	-	-	-	-	-	638,601	667,437
Assigned	-	-	-	-	-	-	-	-	101,961	99,646
Unassigned	-	-	-	-	-	-	-	-	16,996	23,305
Total general fund	<u>\$ 359,861</u>	<u>\$ 327,307</u>	<u>\$ 412,470</u>	<u>\$ 651,397</u>	<u>\$ 801,602</u>	<u>\$ 819,882</u>	<u>\$ 864,557</u>	<u>\$ 927,330</u>	<u>\$ 1,062,918</u>	<u>\$ 1,082,864</u>
All other governmental funds										
Reserved	\$ 150,191	\$ 151,108	\$ 239,215	\$ 220,946	\$ 170,814	\$ 190,267	\$ 171,988	\$ 592,468	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	395,831	384,155	428,354	469,475	541,182	584,941	606,763	598,330	-	-
Capital projects fund	21,931	15,009	4,578	59,746	85,289	72,672	79,236	(375,645)	-	-
Nonspendable	-	-	-	-	-	-	-	-	5,421	335
Restricted	-	-	-	-	-	-	-	-	527,282	608,361
Committed	-	-	-	-	-	-	-	-	567,921	321,926
Assigned	-	-	-	-	-	-	-	-	3,003	4,567
Unassigned	-	-	-	-	-	-	-	-	(1,930)	(9,268)
Total all other governmental funds	<u>\$ 567,953</u>	<u>\$ 550,272</u>	<u>\$ 672,147</u>	<u>\$ 750,167</u>	<u>\$ 797,285</u>	<u>\$ 847,880</u>	<u>\$ 857,987</u>	<u>\$ 815,153</u>	<u>\$ 1,101,697</u>	<u>\$ 925,921</u>

<sup>1</sup> The County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(amounts expressed in thousands)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 432,249	\$ 451,590	\$ 495,215	\$ 546,619	\$ 600,847	\$ 614,397	\$ 602,473	\$ 572,507	\$ 577,186	\$ 608,987
Licenses and permits	6,902	7,708	7,559	8,291	8,465	9,138	7,904	8,490	9,635	13,597
Fines, forfeitures, and penalties	28,310	30,468	30,427	27,388	32,117	34,621	41,228	41,444	38,887	36,076
Use of money and property	39,783	21,737	28,861	37,759	79,857	77,653	48,250	27,769	19,635	20,502
State aid	624,607	594,174	701,939	747,292	731,715	699,172	761,782	694,252	725,140	757,769
Federal aid	278,297	270,734	261,923	313,689	309,888	364,958	349,759	459,652	481,010	465,275
Other aid	15,086	19,739	22,362	32,653	20,415	20,345	23,259	40,057	29,914	61,752
Charges for services	277,126	277,277	273,103	331,232	391,034	335,617	389,506	428,166	455,215	365,541
Other revenue	141,138	127,670	127,900	128,640	69,997	70,493	71,436	50,709	136,133	73,549
<b>Total revenues</b>	<b>1,843,498</b>	<b>1,801,097</b>	<b>1,949,289</b>	<b>2,173,563</b>	<b>2,244,335</b>	<b>2,226,394</b>	<b>2,295,597</b>	<b>2,323,046</b>	<b>2,472,755</b>	<b>2,403,048</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	118,384	124,033	109,600	108,931	129,219	118,713	130,358	120,465	129,978	126,190
Public protection	557,609	583,012	592,172	620,390	665,433	708,363	703,959	710,039	739,809	757,380
Public assistance	585,587	561,964	545,898	603,267	594,117	619,109	647,504	666,247	667,601	702,114
Health and sanitation	456,810	421,442	431,656	457,096	472,768	522,120	556,575	590,590	580,833	644,493
Public ways and facilities	41,804	35,144	34,388	33,226	35,148	51,204	46,199	42,400	49,705	49,819
Recreation and cultural services	407	627	493	526	562	562	719	594	675	671
Education	21,058	19,020	19,139	19,522	19,409	21,037	22,883	21,947	22,079	23,450
<b>Debt service</b>										
Principal	58,575	65,260	67,175	62,460	69,290	74,235	78,730	90,896	93,865	98,241
Interest	31,847	28,671	28,629	26,668	26,616	26,779	28,889	27,130	38,788	47,495
Payment to refunded bond escrow agent	-	-	-	-	4,756	-	-	-	-	82,031
Bond issuance costs	3,669	-	2,312	2,632	592	12,248	-	-	2,465	817
Capital outlay	21,094	19,044	81,343	86,383	45,650	24,389	31,878	46,875	95,067	111,523
<b>Total expenditures</b>	<b>1,896,844</b>	<b>1,858,217</b>	<b>1,912,805</b>	<b>2,021,101</b>	<b>2,063,560</b>	<b>2,178,759</b>	<b>2,247,694</b>	<b>2,317,183</b>	<b>2,420,865</b>	<b>2,644,224</b>
Excess of revenues over (under) expenditures	(53,346)	(57,120)	36,484	152,462	180,775	47,635	47,903	5,863	51,890	(241,176)
<b>Other financing sources (uses)</b>										
Issuance of loans	-	-	-	5,423	3,000	-	675	4,732	28,040	785
Proceeds from sale of land	1,481	-	24,139	21,475	-	-	-	-	13,452	15,130
Capital leases issued	-	-	801	26,896	5,640	697	3,000	-	-	-
Issuance of debt	-	-	136,975	102,594	-	-	-	-	320,000	45,675
Refunding bonds issued	220,525	-	6,095	-	37,010	120,145	-	-	-	75,915
Premium on refunding bonds	-	-	1,566	373	2,260	1,265	-	-	-	10,300
Discount on refunding bonds	(5,431)	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(193,102)	-	(6,059)	-	(38,673)	(108,815)	-	-	-	-
Transfers-in	237,965	28,735	41,482	76,777	84,106	84,736	85,552	83,705	93,073	119,366
Transfers-out	(229,728)	(21,850)	(34,445)	(69,053)	(76,795)	(76,788)	(82,348)	(74,361)	(84,319)	(110,463)
<b>Total other financing sources (uses)</b>	<b>31,710</b>	<b>6,885</b>	<b>170,554</b>	<b>164,485</b>	<b>16,548</b>	<b>21,240</b>	<b>6,879</b>	<b>14,076</b>	<b>370,246</b>	<b>156,708</b>
Extraordinary item	-	-	-	-	-	-	-	-	-	(71,362)
<b>Net change in fund balances</b>	<b>\$ (21,636)</b>	<b>\$ (50,235)</b>	<b>\$ 207,038</b>	<b>\$ 316,947</b>	<b>\$ 197,323</b>	<b>\$ 68,875</b>	<b>\$ 54,782</b>	<b>\$ 19,939</b>	<b>\$ 422,136</b>	<b>\$ (155,830)</b>
Debt service as a percentage of noncapital expenditures	5.38%	5.25%	5.83%	4.89%	5.23%	5.73%	4.90%	5.27%	5.93%	9.04%

**COUNTY OF ALAMEDA, CALIFORNIA**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Agricultural Property</b>	<b>Institutional Property</b>	<b>Utility, Unsecured and Escaped Assessment Property<sup>1</sup></b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2003	\$ 86,986,683	\$ 18,081,908	\$ 15,418,841	\$ 1,002,579	\$ 1,516,427	\$ 13,756,814	\$ 3,321,800	\$ 133,441,452	1.00 %
2004	94,976,679	19,186,774	15,977,934	1,081,747	1,603,399	12,701,210	3,243,636	142,284,107	1.00
2005	103,803,391	20,091,593	15,998,280	1,093,305	1,773,362	12,468,944	3,834,506	151,394,369	1.00
2006	115,620,542	20,968,026	16,482,414	1,181,328	1,884,812	13,061,858	4,206,190	164,992,790	1.00
2007	129,127,345	22,467,714	17,022,667	1,225,484	2,023,259	13,001,842	4,312,765	180,555,546	1.00
2008	140,379,422	24,458,944	17,854,260	1,360,579	2,203,804	13,629,455	4,880,956	195,005,508	1.00
2009	146,399,031	25,895,769	19,172,805	1,466,409	2,263,501	14,086,040	5,115,665	204,167,890	1.00
2010	139,524,668	27,086,816	19,319,349	1,499,707	2,437,587	14,398,367	5,476,280	198,790,214	1.00
2011	137,082,662	26,746,547	19,385,756	1,435,643	2,450,098	14,454,882	5,793,021	195,762,567	1.00
2012	138,442,842	27,114,991	18,540,107	1,412,736	2,506,623	14,447,692	6,560,413	195,904,578	1.00

<sup>1</sup> The utility, unsecured and escaped assessment rolls are not available by property type.

Source: Auditor-Controller, County of Alameda

**COUNTY OF ALAMEDA, CALIFORNIA  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>County General</b>	<b>County Special Districts</b>	<b>Local Special Districts</b>	<b>Agency Districts</b>	<b>Schools</b>	<b>Cities</b>	<b>Total<sup>1</sup></b>
2003	1.0000 %	0.0031 %	0.0014 %	0.0093 %	0.0751 %	0.0449 %	1.1338 %
2004	1.0000	0.0029	0.0012	0.0084	0.0777	0.0555	1.1457
2005	1.0000	0.0023	0.0009	0.0083	0.0873	0.0507	1.1495
2006	1.0000	0.0027	0.0012	0.0127	0.0871	0.0517	1.1554
2007	1.0000	0.0031	0.0013	0.0166	0.0834	0.0546	1.1590
2008	1.0000	0.0031	0.0015	0.0216	0.0862	0.0524	1.1648
2009	1.0000	0.0035	0.0018	0.0249	0.0987	0.0520	1.1809
2010	1.0000	0.0042	0.0015	0.0195	0.1164	0.0582	1.1998
2011	1.0000	0.0052	0.0017	0.0179	0.1163	0.0582	1.1993
2012	1.0000	0.0063	0.0018	0.0176	0.1273	0.0584	1.2114

<sup>1</sup> Rates reflect voter approved Proposition 13 provisions limiting property tax levy to 1 percent of full cash value plus levies to pay for indebtedness approved by voters. The rates shown under special districts, schools and cities represent the levies for indebtedness.

Source: Auditor-Controller, County of Alameda

**COUNTY OF ALAMEDA, CALIFORNIA  
PRINCIPAL PROPERTY TAXPAYERS  
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>JUNE 30, 2012</u>			<u>JUNE 30, 2003</u>		
	<u>Secured Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Secured Assessed Value</u>	<u>Secured Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Secured Assessed Value</u>
Pacific Gas & Electric Co.	\$ 1,505,810	1	0.82 %	\$ 899,352	2	0.73 %
AT&T California	478,460	2	0.26	874,210	3	0.71
Kaiser Foundation Hospitals	409,387	3	0.22			
Kaiser Foundation Health Plan, Inc.	352,000	4	0.19			
Bayer Healthcare LLC	269,118	5	0.15			
SCI Limited Partnership	261,128	6	0.14	232,145	8	0.19
Northern California Industrial Portfolio, Inc.	260,891	7	0.14			
Pacific Commons Retail LLC	237,973	8	0.13			
Stoneridge Properties	232,441	9	0.13			
OCC Venture LLC	230,646	10	0.12			
New United Motor Manufacturing, Inc.				1,005,339	1	0.82
Sun Microsystems Inc.				369,857	4	0.30
Cutter Laboratories				313,942	5	0.25
Calwest Industrial Properties, LLC				282,926	6	0.23
Oakland City Center LLC				254,074	7	0.21
Cingular Wireless				217,277	9	0.18
WB Bernal, LLC				209,248	10	0.17
	<u>\$ 4,237,854</u>		<u>2.30 %</u>	<u>\$ 4,658,370</u>		<u>3.79 %</u>

Source: Auditor-Controller, County of Alameda

**COUNTY OF ALAMEDA, CALIFORNIA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST SEVEN FISCAL YEARS<sup>1</sup>  
(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years<sup>2</sup></u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount<sup>2</sup></u>	<u>Percentage of Levy<sup>2</sup></u>
2006	\$ 1,891,314	\$ 1,847,316	97.67 %	-	\$ -	-
2007	2,082,187	2,005,869	96.33	-	-	-
2008	2,259,012	2,155,685	95.43	-	-	-
2009	2,393,333	2,284,204	95.44	-	-	-
2010	2,360,181	2,283,101	96.73	-	-	-
2011	2,327,545	2,264,442	97.29	-	-	-
2012	2,358,081	2,300,192	97.55	-	-	-

<sup>1</sup> Data not available for fiscal years prior to 2006.

<sup>2</sup> Unable to determine subsequent collections for fiscal years 2006 to 2012.

Source: Auditor-Controller, County of Alameda

**COUNTY OF ALAMEDA, CALIFORNIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands, except per capita in dollars)

Fiscal Year	Governmental Activities								Total Primary Government	Percentage of Total Personal Income <sup>2</sup>	Per Capita <sup>2</sup>
	Certificates of Participation	Tobacco Settlement Asset-Backed Bonds	Pension Obligations Bonds	Lease Revenue Bonds	Tax Allocation Bonds <sup>1</sup>	Special Assessment Bonds	Capital Leases	Loans and Notes Payable			
2003	\$ 241,237	\$ 216,200	\$ 586,691	\$ -	\$ -	\$ 1,395	\$ 18,129	\$ 1,697	\$ 1,065,349	1.89 %	\$ 712
2004	230,785	211,460	574,786	-	-	1,270	4,526	1,534	1,024,361	1.72	684
2005	214,692	206,925	564,185	142,315	-	1,065	2,866	1,364	1,133,412	1.82	752
2006	204,184	273,016	558,737	141,610	34,735	935	28,004	6,474	1,247,695	1.88	826
2007	191,548	273,383	544,156	140,885	34,440	815	27,324	8,986	1,221,537	1.73	800
2008	185,202	273,244	526,070	148,765	33,840	680	27,730	8,284	1,203,815	1.65	780
2009	178,347	271,655	504,074	145,520	33,215	545	30,300	8,194	1,171,850	1.64	753
2010	160,221	272,799	477,740	141,705	32,565	335	29,849	12,129	1,127,343	1.55	716
2011	140,915	274,880	446,593	458,190	31,890	220	29,516	39,066	1,421,270	-	934
2012	39,249	277,774	410,116	575,655	-	-	4,357	37,241	1,344,392	-	877

**Note:** Details regarding the County's outstanding debt can be found in the notes to the financial statements. There are no outstanding general obligation debt.

<sup>1</sup> Pursuant to ABx1 26, the responsibility for the payment of this debt was transferred to the Alameda County Successor Agency Private Purpose Trust F

<sup>2</sup> See Schedule of Demographic and Economic Statistics for total personal income and population data.



**COUNTY OF ALAMEDA, CALIFORNIA**

**ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT**

**JUNE 30, 2012**

**(amounts in tables expressed in thousands)**

2011-12 <b>Assessed Valuation:</b>	\$195,904,578	(includes unitary utility valuation)
Redevelopment Incremental Valuation:	<u>24,365,834</u>	
Adjusted Assessed Valuation:	\$171,538,744	

**Population:** 1,532,137

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/30/12</u>
Bay Area Rapid Transit District	38.717%	\$ 159,723
East Bay Municipal Utility District, Special Service District No. 1	93.626	20,270
Chabot-Las Positas Community College District	99.276	442,690
Ohlone Community College District	100.000	207,980
Peralta Community College District	100.000	427,080
San Joaquin Delta Community College District	0.133	178
Alameda Unified School District	100.000	71,975
Berkeley Unified School District	100.000	224,469
Castro Valley Unified School District	100.000	96,715
Dublin Unified School District	100.000	191,968
Fremont Unified School District	100.000	176,002
Hayward Unified School District	100.000	196,045
Livermore Valley Joint Unified School District	99.578	97,577
New Haven Unified School District	100.000	195,737
Oakland Unified School District	100.000	755,520
Pleasanton Unified School District	100.000	76,885
San Leandro Unified School District	100.000	165,326
Other Unified School Districts	100.000	305,309
City of Alameda	100.000	9,155
City of Albany	100.000	17,420
City of Berkeley	100.000	79,075
City of Fremont	100.000	47,240
City of Oakland	100.000	247,338
Washington Township Healthcare District	100.000	65,270
East Bay Regional Park District	55.456	71,829
Community Facilities Districts	100.000	130,160
1915 Act Bonds (Estimated)	100.000	<u>69,608</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$4,548,544</b>

COUNTY OF ALAMEDA, CALIFORNIA

ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (Continued)

JUNE 30, 2012

(amounts in tables expressed in thousands)

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/30/12</u>
Alameda County General Fund Obligations	100.000%	\$ 669,511
Alameda County Pension Obligations	100.000	131,540 <sup>1</sup>
Alameda-Contra Costa Transit District Certificates of Participation	89.784	30,962
Chabot-Las Positas Community College District General Fund Obligations	99.276	4,289
Peralta Community College District Pension Obligations	100.000	160,149
Hayward Unified School District Certificates of Participation	100.000	16,385
Oakland Unified School District Certificates of Participation	100.000	50,145
Pleasanton Unified School District General Fund Obligations	100.000	17,510
San Lorenzo Unified School District Certificates of Participation	100.000	20,665
Other School District Certificates of Participation	100.000	7,600
City of Berkeley General Fund and Pension Fund Obligations	100.000	39,290
City of Fremont General Fund Obligations	100.000	141,745
City of Hayward General Fund Obligations	100.000	28,905
City of Livermore General Fund Obligations	100.000	81,410
City of Oakland General Fund Obligations	100.000	321,887
City of Oakland Pension Obligations	100.000	174,777
Other City General Fund Obligations	100.000	123,443
Byron Bethany Irrigation District General Fund Obligations	.397	21
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<u>2,020,234</u>
Less: City of Hayward supported obligations		<u>1,242</u>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<u>\$2,018,992</u>
<b>TOTAL DIRECT DEBT</b>		\$801,051
<b>TOTAL GROSS OVERLAPPING DEBT</b>		\$5,767,727
<b>TOTAL NET OVERLAPPING DEBT</b>		\$5,766,485
<b>GROSS COMBINED TOTAL DEBT</b>		\$6,568,778 <sup>2</sup>
<b>NET COMBINED TOTAL DEBT</b>		\$6,567,536

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

Ratios to Adjusted Assessed Valuation:		Per Capita (not in Thousands)
Total Overlapping Tax and Assessment Debt	2.32%	\$2,968
Ratios to Adjusted Assessed Valuation:		
Total Direct Debt (\$801,051)	.47%	523
Gross Combined Total Debt	3.83%	4,287
Net Combined Total Debt	3.83%	4,286

<sup>1</sup> Excludes accreted value.

<sup>2</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: California Municipal Statistics, Inc. All bonded debt obligations that are supported in whole or in part by a property tax or assessment or are supported by a pledge of the general fund or general taxing power of a governmental entity are included. Assessment bonds and other obligations secured by an underlying portion of the jurisdiction are excluded from direct debt but are included as overlapping debt.

**COUNTY OF ALAMEDA, CALIFORNIA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(amounts expressed in thousands)**

Legal debt margin calculation for fiscal year 2012	
Net assessed value	\$194,151,273
Plus homeowners' exemption	1,753,305
Total assessed value	\$195,904,578
Debt limit (1.25% of total assessed value)	\$2,448,807
Amount of debt applicable to debt limit	-
Legal debt margin	\$2,448,807

Fiscal year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin / Debt Limit
2003	\$1,668,018	\$ -	\$1,668,018	100 %
2004	1,778,551	-	1,778,551	100
2005	1,892,430	-	1,892,430	100
2006	2,062,410	-	2,062,410	100
2007	2,256,944	-	2,256,944	100
2008	2,437,569	-	2,437,569	100
2009	2,552,099	-	2,552,099	100
2010	2,484,877	-	2,484,877	100
2011	2,447,032	-	2,447,032	100
2012	2,448,807	-	2,448,807	100

Source: Auditor-Controller, County of Alameda

**COUNTY OF ALAMEDA, CALIFORNIA  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS  
 (amounts expressed in thousands)**

Fiscal Year	Special Assessment Bonds				Tax Allocation Bonds <sup>1</sup>					Tobacco Securitization Bonds <sup>2</sup>			
	Special Assessment Collections	Debt Service		Coverage	Tax Increment	Debt Service		Coverage	Tobacco Settlement Revenue	Debt Service		Coverage	
		Principal	Interest			Principal	Interest			Principal	Interest		
2003	\$ 219	\$ 145	\$ 79	98 %	\$ -	\$ -	\$ -	- %	\$ 18,186	\$ 4,325	\$ 7,164	158 %	
2004	240	125	72	122	-	-	-	-	15,373	4,740	12,053	92	
2005	247	205	67	91	-	-	-	-	15,605	4,535	11,871	95	
2006	189	130	55	102	1,050	-	637	165	15,051	3,545	12,645	93	
2007	187	120	46	113	2,126	295	1,527	117	22,370	4,320	11,525	141	
2008	188	135	40	107	2,023	600	1,502	96	16,566	5,145	11,341	100	
2009	180	135	32	108	1,985	625	1,489	94	18,019	6,935	11,103	100	
2010	190	210	23	82	2,075	650	1,453	99	14,624	4,565	10,834	95	
2011	135	115	14	105	2,078	675	1,426	99	13,162	4,015	10,618	90	
2012	86	220	5	38	2,114	705	1,409	100	13,422	3,615	10,432	96	

<sup>1</sup> Tax Allocation bonds were issued on February 2, 2006. Pursuant to ABx1 26, the responsibility for the payment of this debt was transferred to the Alameda County Redevelopment Successor Agency Private Purpose Trust Fund.

<sup>2</sup> Tobacco Securitization bonds were issued on October 30, 2002.

Source: Auditor-Controller, County of Alameda

**COUNTY OF ALAMEDA, CALIFORNIA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population</b>	<b>Total Personal Income (amounts expressed in thousands)<sup>2</sup></b>	<b>Per Capita Personal Income (dollars)<sup>2</sup></b>	<b>Unemployment Rate (%)</b>
2003	1,496,200	\$ 56,257,943	\$ 38,583	6.9
2004	1,498,125	59,419,621	40,920	5.9
2005	1,507,500	62,331,734	42,956	5.1
2006	1,510,303	66,325,334	45,689	4.4
2007	1,526,148	70,761,435	48,679	4.7
2008	1,543,000	73,159,586	49,757	7.2
2009	1,556,657	71,596,468	48,004	11.1
2010	1,574,857	72,757,457	48,087	11.5
2011	1,521,157	- 1	- 1	10.9
2012	1,532,137	- 1	- 1	9.5

<sup>1</sup> Data not yet published

<sup>2</sup> Dollar estimates are in current dollars (not adjusted for inflation); Per Capital Personal Income was divided by Census Bureau's midyear population estimates, which differs from the population estimates shown on the Population column of this page (data from April 2012 released by Bureau of Economic Analysis).

Source: State of California Department of Finance  
U.S. Department of Commerce, Bureau of Economic Analysis  
Employment Development Department Labor Market Information

**COUNTY OF ALAMEDA, CALIFORNIA  
PRINCIPAL EMPLOYERS**

<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees</b>		<b>Rank</b>	<b>Percentage of Total County Employment<sup>2</sup></b>		<b>Number of Employees</b>		<b>Rank</b>	<b>Percentage of Total County Employment<sup>2</sup></b>	
		<b>JUNE 30, 2011<sup>1</sup></b>			<b>JUNE 30, 2003<sup>1</sup></b>		<b>JUNE 30, 2003<sup>1</sup></b>			<b>JUNE 30, 2003<sup>1</sup></b>	
University of California Berkeley	Education	21,341	1		3.14 %		21,035	1		3.00 %	
Kaiser Permanente Medical Group Inc	Health and Medical	9,944	2		1.47		19,862	2		2.83	
State of California	State Government	9,265	3		1.37		7,600	4		1.08	
Safeway Inc.	Food	9,121	4		1.34		7,196	5		1.02	
County of Alameda	Local Government	8,843	5		1.30		8,939	3		1.27	
Lawrence Livermore National Laboratory	Energy Develop and Conservation	6,700	6		0.99		5,725	8		0.82	
United States Postal Service	Postal Service	5,917	7		0.87		6,000	7		0.85	
Wells Fargo Bank	Financial Services	5,632	8		0.83		4,659	12		0.66	
City of Oakland	Local Government	5,082	9		0.75		4,248	13		0.60	
Alta Bates Summit Medical Center	Hospitals	4,878	10		0.72		5,000	10		0.71	
<b>Total</b>		<b>86,723</b>			<b>12.78 %</b>		<b>90,264</b>			<b>12.84 %</b>	

Source: San Francisco Business Times Book of Lists 2013 for 2011 employment data and San Francisco Business Times Book of Lists 2005 for 2003 employment data; San Francisco Business Times Book of Lists publishes information two years after; hence, the most recent information available is as of June 30, 2011. The County of Alameda number of employees as of June 30, 2003 is obtained from the County of Alameda Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2003.

<sup>1</sup> The number of employees, except for County of Alameda and City of Oakland, include Alameda County and Contra Costa County employees  
Total employment within County of Alameda is unavailable.

<sup>2</sup> Percentage calculated based on total employment with the County of Alameda of 678,700 for 2011 and 702,300 for 2003. (Source: Employment Development Department)

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

<b>Function</b>	<b>Full-time Equivalent Employees as of June 30</b>									
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Government	1,271	1,279	1,233	1,220	1,206	1,221	1,197	1,256	1,247	1,242
Public Protection <sup>1</sup>	4,137	4,016	3,145	3,185	3,263	3,375	3,422	3,458	3,399	3,319
Public Assistance <sup>2</sup>	2,413	2,197	2,093	2,074	2,122	2,252	2,278	2,159	2,057	1,980
Health and Sanitation	1,000	982	932	974	1,002	1,034	1,042	1,056	1,094	1,130
Public Ways and Facilities	3	4	4	3	4	4	4	4	4	5
Recreation and Cultural Services	2	2	2	2	2	2	4	4	4	4
Education	<u>106</u>	<u>101</u>	<u>100</u>	<u>92</u>	<u>99</u>	<u>101</u>	<u>97</u>	<u>91</u>	<u>93</u>	<u>90</u>
<b>Totals</b>	<b><u>8,932</u></b>	<b><u>8,581</u></b>	<b><u>7,509</u></b>	<b><u>7,550</u></b>	<b><u>7,698</u></b>	<b><u>7,989</u></b>	<b><u>8,044</u></b>	<b><u>8,028</u></b>	<b><u>7,898</u></b>	<b><u>7,770</u></b>

<sup>1</sup> The Superior Court was no longer a part of the County effective July 1, 2004. There were 855 and 829 full-time equivalent employees for the Superior Court at the end of fiscal years 2003 and 2004, respectively.

<sup>2</sup> There was a substantial reduction in the work force of Public Assistance from fiscal year 2003 to fiscal year 2004.

Source: Auditor-Controller, County of Alameda

**COUNTY OF ALAMEDA  
OPERATING INDICATORS BY FUNCTION  
LAST SEVEN FISCAL YEARS <sup>1</sup>**

Function	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Government</b>							
Property tax bills processed	586,598	584,705	583,795	573,519	561,531	562,212	556,359
Phone-assisted property tax calls	77,279	79,835	78,643	90,602	92,518	74,700	63,784
Recycled materials recovered (pounds) from county departments							
Metal	505,790	517,055	428,327	277,046	442,250	424,776	347,449
Paper	1,879,326	1,683,357	1,977,240	2,672,980	1,070,263	1,034,233	680,461
Toner cartridges	1,840	2,200	2,400	5,703	8,716	5,276	9,633
<b>Public Protection</b>							
Juvenile detention risks and needs assessment completed	3,200	3,413	2,940	3,114	2,806	2,180	4,092
Youth serviced through community probation	570	883	1,500	1,528	908	634	640
Documents recorded/indexed	537,019	469,793	396,880	368,584	377,208	396,916	405,824
Child support active caseload	41,346	39,928	37,803	39,611	37,277	35,786	34,612
Emergency calls to fire district	21,454	22,642	22,591	23,855	23,621	31,887	33,071
Calls for police service	50,594	50,993	51,272	52,367	51,742	51,199	50,122
Total patrol arrests	4,172	6,246	5,668	6,518	6,244	5,607	5,856
Total investigation arrests	827	1,157	1,531	1,710	1,910	2,039	1,978
Crime investigation cases assigned	9,949	4,158	6,372	5,768	5,115	5,008	2,671
Crime investigation cases closed	9,635	7,950	6,193	7,898	7,438	7,022	8,644
Average daily inmate population	3,982	4,126	4,371	4,441	4,305	3,898	3,487
<b>Public Assistance</b>							
Seniors receiving services (annual amount)	26,852	25,378	25,360	32,000	34,198	41,365	49,685
Congregate nutrition meals served (annual amount)	250,573	229,775	235,207	233,751	222,688	216,540	199,427
Home-delivered nutrition meals served (annual amount)	527,589	531,022	538,471	531,563	514,599	537,310	518,453
CALWORKS job placements (annual amount)	2,550	3,338	3,475	2,964	2,644	2,954	2,788
CALWORKS eligible households aided (monthly average)	18,964	17,506	18,461	19,154	19,963	20,480	19,997
Medi-Cal eligible households aided (monthly average)	71,235	63,915	66,068	69,722	75,813	80,387	84,254
Food stamps eligible households aided (monthly average)	29,877	31,320	33,995	38,613	45,511	52,827	59,802
General Assistance eligible cases aided (monthly average)	5,694	6,862	7,976	9,001	8,907	6,378	7,455
<b>Health and Sanitation</b>							
Food inspections	17,191	16,570	15,903	13,148	13,823	12,151	13,894
Recreational inspections	1,760	2,322	1,888	2,458	2,847	1,986	2,398
Medical waste facility inspections	109	124	130	145	120	160	150
Landfill site inspections	175	156	154	252	252	252	252
Hazardous waste accepted from households (pounds)	2,358,232	2,236,570	2,433,661	2,052,451	2,091,555	2,609,290	2,851,155
Hazardous waste recycled (pounds)	1,948,562	1,856,353	2,284,808	1,784,343	1,801,109	2,017,973	2,200,192
<b>Public Ways and Facilities</b>							
Percent of roadway miles rehabilitated	1.40	3.80	1.40	2.30	1.82	2.95	9.84
Percent of potholes filled within 48 hours of request	90.00	94.50	96.00	87.00	75.00	75.00	75.00
<b>Education</b>							
Number of library visits	4,200,000	4,180,464	4,266,895	4,827,535	4,998,814	4,547,999	4,922,076
Number of registered library card holders	297,665	332,959	315,406	340,737	323,798	336,360	346,431

<sup>1</sup> Data not available for fiscal years 2002 to 2005. Operating indicators are not available for the recreation and cultural services function.

Source: Various County of Alameda departments



**COUNTY OF ALAMEDA  
CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST SEVEN FISCAL YEARS<sup>1</sup>**

<b>Function</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Government</b>							
Administration buildings	3	3	3	3	3	3	3
<b>Public Protection</b>							
Administration buildings	11	11	11	11	11	11	11
Jail and detention facilities	5	6	6	6	6	6	5
Pump stations	12	13	13	13	13	13	13
Fuel cell center	-	-	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4
Fire trucks	31	31	31	30	29	28	30
Aircraft	1	1	2	2	2	2	2
Patrol boats	3	5	5	5	5	5	5
Patrol cars	109	122	144	149	142	141	141
Rescue equipment	10	10	10	10	10	10	10
Heavy equipment	69	72	72	71	65	69	69
<b>Public Assistance</b>							
Administration buildings	4	4	4	4	4	4	4
<b>Health and Sanitation</b>							
Administration buildings	2	2	2	2	2	2	2
Hospitals	3	3	3	3	3	3	3
Health centers	4	4	4	4	5	5	5
Hazardous waste facilities	2	2	2	2	2	2	2
<b>Public Ways and Facilities</b>							
Administration building	1	1	1	1	1	1	1
Maintenance buildings	5	5	5	5	5	5	5
Bridges	7	7	7	7	7	7	7
Road (miles)	476	473	473	473	473	473	472
Street lights	7,943	7,466	7,483	7,496	7,507	7,507	7,531
Traffic signals	80	78	81	81	78	78	78
Heavy equipment	76	76	70	72	64	65	65
<b>Recreation and Cultural Services</b>							
Administration building	1	1	1	1	1	1	1
Exhibit halls	6	6	6	6	6	6	6
Amphitheater	1	1	1	1	1	1	1
<b>Education</b>							
Libraries	3	3	3	3	4	4	4

<sup>1</sup> Data not available for fiscal years 2002 to 2005.

Source: Auditor-Controller, County of Alameda

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## **Mission**

*To enrich the lives of Alameda County residents through visionary policies and accessible, responsive, and effective services.*

## **Vision**

*Alameda County is recognized as one of the best counties in which to live, work and do business.*

## **Values**

*Integrity, honesty and respect fostering mutual trust.*

*Transparency and accountability achieved through open communications and involvement of diverse community voices.*

*Fiscal stewardship reflecting the responsible management of resources.*

*Customer service built on commitment, accessibility and responsiveness.*

*Excellence in performance based on strong leadership, teamwork and a willingness to take risks.*

*Diversity recognizing the unique qualities of every individual and his or her perspective.*

*Environmental stewardship to preserve, protect and restore our natural resources.*

*Social responsibility promoting self-sufficiency, economic independence and an interdependent system of care and support.*

*Compassion ensuring all people are treated with respect, dignity and fairness.*



Illustration of the future Highland Hospital Acute Care Tower and Courtyard