

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
June 30, 2010



Patrick O'Connell, Auditor-Controller



## New Beginnings

a public/private partnership to benefit the youth of Alameda County

Cover Artwork: The cover image is a compilation of individual artworks created by teenage girls participating in the *Minerva Quilts* project, a component of the Arts Education Program at the Alameda County Juvenile Justice Center, San Leandro, California. The quilts represent the girls' interpretations of Minerva, the Roman goddess whose image adorns the California state seal. The artwork focuses on Minerva's qualities of courage, strength and wisdom, and the project encouraged the teens to think about these traits in themselves. The *Minerva Quilts* are also featured on note cards produced by New Beginnings, an innovative Alameda County program that prepares youth for the future through education and job skills development. The Arts Education Program was established by the Alameda County Board of Supervisors through the Alameda County Arts Commission in partnership with the Probation Department.

Artwork and Printed Image © Alameda County Arts Commission 2008. Photography © Sibila Savage Photography 2008.

# **COUNTY OF ALAMEDA STATE OF CALIFORNIA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

**Patrick O'Connell  
Auditor-Controller**

# COUNTY OF ALAMEDA, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2010

### TABLE OF CONTENTS

---

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	viii
Elected and Appointed Public Officials	ix
Organization Chart	x
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	19
Statement of Activities	20
Fund Financial Statements	
Balance Sheet – Governmental Funds	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Assets – Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27
Statement of Fiduciary Net Assets – Fiduciary Funds	28
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	29
Notes to Basic Financial Statements	
(1) Summary of Significant Accounting Policies	30
(2) Cash and Investments	39
(3) Receivables	48
(4) Capital Assets	49
(5) Accounts Payable and Accrued Expenditures/Expenses	52
(6) Long-Term Obligations	53
(7) Operating Lease Obligations	58
(8) Fund Deficits	58
(9) Fund Balances	58

# COUNTY OF ALAMEDA, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2010

### TABLE OF CONTENTS

---

	Page
(10) Restricted Net Assets	59
(11) Interfund Receivables, Payables and Transfers	60
(12) Defined Benefit Pension Plan	61
(13) Postemployment Medical Benefits	64
(14) Other Postemployment Benefits	68
(15) Joint Venture	71
(16) Alameda County Medical Center Discretely Presented Component Unit	72
(17) Contingencies	77
(18) Subsequent Events	80
Required Supplementary Information	
Schedules of Funding Progress	81
Budgetary Comparison Schedules	
General Fund	82
Property Development Special Revenue Fund	83
Flood Control Special Revenue Fund	84
Notes to Required Supplementary Information	85
Combining Financial Statements and Other Supplementary Information	
Budgetary Comparison Schedule - Capital Projects Fund	88
Combining Balance Sheet – Non-major Governmental Funds	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-major Governmental Funds	93
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Fish and Game - Special Revenue Fund	96
Road - Special Revenue Fund	97
County Library - Special Revenue Fund	98
Library Special Taxing Zone - Special Revenue Fund	99
Health Services - Special Revenue Fund	100
Fire - Special Revenue Fund	101
Grant Revenue - Special Revenue Fund	102
Recovery Grants - Special Revenue Fund	103
Lighting - Special Revenue Fund	104
Public Ways and Facilities - Special Revenue Fund	105
Dublin Library - Special Revenue Fund	106
Police Protection - Special Revenue Fund	107

# COUNTY OF ALAMEDA, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2010

### TABLE OF CONTENTS

---

	Page
County Redevelopment - Special Revenue Fund	108
Combining Statement of Net Assets – Internal Service Funds	110
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds	111
Combining Statement of Cash Flows – Internal Service Funds	112
Combining Statement of Fiduciary Net Assets – Fiduciary Funds Pension and Other Employee Benefit Trust Funds	114
Combining Statement of Changes in Fiduciary Net Assets – Pension and Other Employee Benefit Trust Funds	115
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	116
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source	117
Schedule by Function and Type	118
Schedule of Changes by Function	119
 <b>STATISTICAL SECTION</b>	
Financial Trends	
Net Assets by Component – Last Nine Fiscal Years	122
Changes in Net Assets – Last Nine Fiscal Years	123
Fund Balances of Governmental Funds – Last Ten Fiscal Years	124
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	125
Revenue Capacity	
Assessed Value of Taxable Property – Last Nine Fiscal Years	126
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	127
Principal Property Taxpayers	128
Property Tax Levies and Collections – Last Five Fiscal Years	129
Debt Capacity	
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	130
Estimated Direct and Overlapping Bonded Debt	131
Legal Debt Margin Information – Last Ten Fiscal Years	133
Pledged-Revenue Coverage – Last Ten Fiscal Years	134
Economic and Demographic Information	
Demographic and Economic Statistics – Last Ten Fiscal Years	135
Principal Employers	136

**COUNTY OF ALAMEDA, CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2010**

**TABLE OF CONTENTS**

---

	Page
Operating Information	
Full-time Equivalent Employees by Function – Last Eight Fiscal Years	137
Operating Indicators by Function – Last Five Fiscal Years	138
Capital Assets Statistics by Function – Last Five Fiscal Years	139



# **INTRODUCTORY SECTION**



# ALAMEDA COUNTY AUDITOR-CONTROLLER AGENCY PATRICK O'CONNELL

AUDITOR-CONTROLLER/CLERK-RECORDER

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December 29, 2010

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, 2010 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, 2010, 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, 2010.

Management's discussion and analysis (MD&A) immediately follows 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 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.

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

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**Chief Deputy Auditor**  
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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 exceeds 1.5 million making it the seventh most populous county in California.

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 \$36.2 billion in farm products for calendar year 2008. 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, offers nearly 150 passenger flights and 57 air cargo flights each day. Because of the difficult economic times the airport's passenger traffic decreased significantly during calendar year 2009. In calendar year 2008 OAK handled 11,474,456 passengers. Calendar year 2009 saw the total number of passengers handled at OAK drop to 9,505,281 or a decrease of 17.2 percent. Air cargo traffic was down to 1.1 billion pounds in calendar year 2009, down from nearly 1.4 billion pounds in calendar year 2008. Landed weights decreased by 20.6 percent to 9.1 billion pounds in calendar year 2009. 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 375 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 5,000 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 recent 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 9.5 percent in June 2010, the same as June 2009. However, unemployment in California stood at 12.3 percent in June 2010, up from the June 2009 rate of 11.6 percent. In Alameda County, the unemployment rate rose to 11.5 percent in June 2010.

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 25, 2010, the Board of Supervisors adopted a budget for the 2010 – 2011 Fiscal Year by closing a \$152.4 million funding gap through a combination of permanent ongoing reductions, revenue increases and one-time strategies.

The prospects for an economic recovery in California remain grim. The UCLA Anderson School of Business Senior Economist Jerry Nickelsburg writes that "all the evidence suggests that California is ever so slowly coming out of the recession but, slow growth means that while the groundwork for faster growth is being put down, there is not a lot of perceptible change."

The UCLA Anderson School of Business has projected the following:

- Nationally, unemployment will be at 9.7 percent by the end of 2010 and 9.5 percent in 2011
- California will continue to see weak growth in consumer or business behavior throughout 2010

- The recovery from the recession will be driven by education, healthcare, exports and technology

While the signs point to a slow economic recovery for Alameda County some positive signs are occurring that indicate a recovery may be starting. Alameda County continues to be a location where innovation and new ideas in industry are welcomed and encouraged. Recently, 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.

Despite the dire 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 two fiscal years Alameda County has closed budget gaps totaling \$329.9 million while still providing essential services to the citizens of Alameda County.

## **MAJOR INITIATIVES**

The County closed a \$152.4 million funding gap by using a combination of permanent ongoing reductions, revenue increases and one-time strategies.

The County competed for and was successfully awarded \$16.9 million stimulus funds provided under the American Recovery and Reinvestment Act of 2009 (ARRA) in the areas of public protection and community development. These competitive grants coupled with other ARRA grants in the areas of social welfare, infrastructure projects, healthcare and sustainable energy initiatives totaled \$108.5 million as of June 30, 2010, and of this total amount \$48.8 million was received in fiscal year 2010.

The Auditor-Controller's Office of Contract Compliance certified 230 small and 39 emerging local businesses, increasing the number of certified Small Local and Emerging Business (SLEB) from 999 to 1,268 providing small Alameda County businesses the opportunity to compete for County business and contracts.

The Assessor's Office enhanced the capability of the property valuation program to provide an accurate, efficient and proactive annual review of properties for declines in market value. This practice reduces the need for taxpayers to file assessment appeals and saves the County the cost of adjudicating thousands of formal appeal applications.

The Housing and Community Development Agency received one of only 59 nationally awarded grants under the Neighborhood Stabilization Program II in the amount of \$11 million to provide assistance with blighted neighborhoods and foreclosed and abandoned homes.

The County Administrator's Office worked with 17 companies seeking to secure Industrial Development Bonds (IDB) for expansion and worked with three Alameda County cities and the County to enable businesses to obtain Stimulus Recovery Zone Facility Bonds to stimulate job growth.

The Information technology Department placed 5<sup>th</sup> in the 2009 Digital Counties Survey. The Center for Digital Government and the National Association of Counties (NACo) performed the nationwide survey to determine the top-10 most technologically-advanced County governments.

The General Services Agency completed construction, purchased furnishings and opened the new Castro Valley Library.

## **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 2009-10. 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, 2010, 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, 2009, 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, 2010, 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. Encumbrances outstanding at June 30 are reported as reservations of fund balance. 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: Fifteen 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. Total contributions of \$209.5 million, net investment income of \$963.6 million, and miscellaneous income of \$2.3 million combined for an increase of \$1,175.4 million. Of the total contributions of \$209.5 million, the employers' share was \$132.2 million while the employees' share was \$77.3 million. Total contributions increased by \$4.2 million compared with \$2.9 million the previous year. For 2009, overall changes to plan net assets were \$1,175.4 million, compared to decreases of (\$1,479.5) million in 2008.

The net assets held in trust for pension and other postemployment benefits were \$4.7 billion at December 31, 2009. 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 increased by \$870.9 million or 23 percent, primarily as a result of market gains in 2009. The actuarial value of the assets as a percentage of the actuarial accrued liability (funded ratio) for ACERA was 81.2 percent at December 31, 2009, a decline of 2.7% from December 31, 2008. According to the Supplemental Retirees Benefits reserve (SRBR) actuarial valuation completed as of December 31, 2009, the Postemployment Medical benefits and the Other Postemployment benefits were 77.4% and 42.9% funded, respectively.

Total benefit payments for the year were \$284.5 million which represented a 5.5 percent increase over the prior year.

The postemployment medical benefits expense for 2008 was \$27.8 million, up \$1.1 million or 4% 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, 2009. This was the twenty-sixth 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, 2009

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



President

Executive Director

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

**As of June 30, 2010**

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**ELECTED OFFICIALS**

**Board of Supervisors**

Scott Haggerty	District 1
Gail Steele	District 2
Alice Lai-Bitker	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

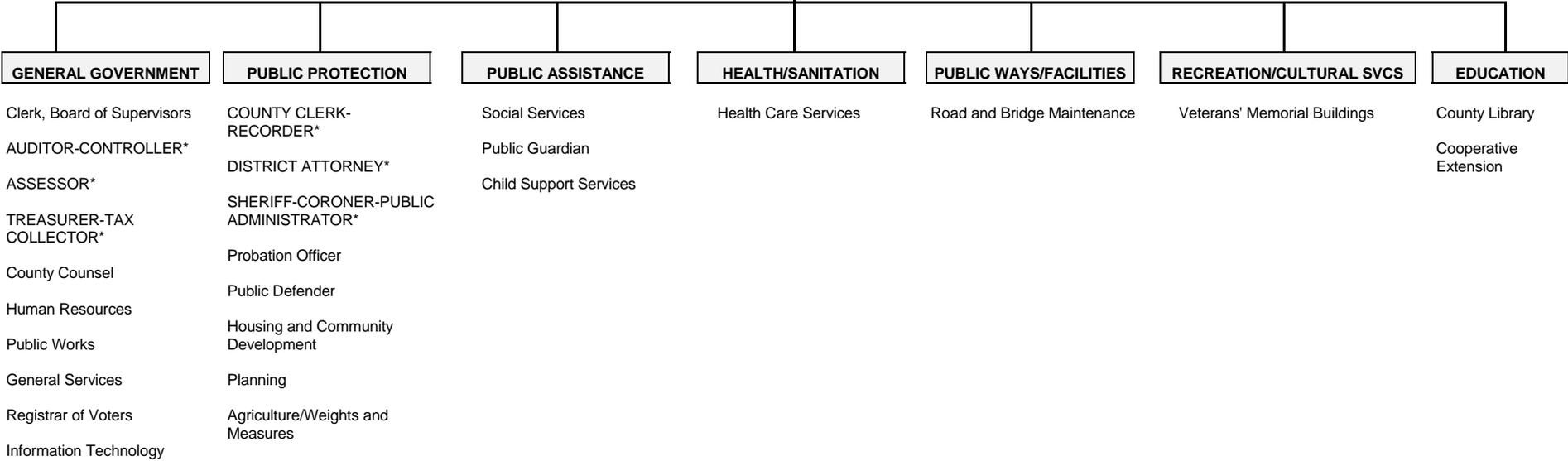
**APPOINTED DEPARTMENT HEADS**

Susan Muranishi	County Administrator
Crystal Hishida	Clerk, Board of Supervisors
Christopher Bazar	Director, Community Development
Lucrecia Farfan-Ramirez	Director, Cooperative Extension
Richard Winnie	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
Dennis Handis	Interim Chief Probation Officer
Diane Bellas	Public Defender
Daniel Woldesenbet	Director, Public Works
David G. Macdonald	Registrar of Voters
Yolanda Baldovinos	Director, Social Services Agency

**COUNTY OF ALAMEDA ELECTORS**

**BOARD OF SUPERVISORS**

**COUNTY ADMINISTRATOR**



\* Elected Officials



## **FINANCIAL SECTION**

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, 2010, 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 67.0%, 71.7%, and 12.9%, 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, 2010. 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. The financial statements for Alameda County Medical Center (ACMC) were not audited in accordance with *Government Auditing Standards*. 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 the 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 provides 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1A to the financial statements, due to the legislation AB1125 and in accordance with GASB Statement 14, *Financial Reporting Entity*, and GASB Statement 39, *Determining whether Certain Organizations Are Component Units*, the County had a change in reporting entity and determined that Zone 7 Water Agency is not a component unit.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2010, 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.

The management's discussion and analysis, the schedules of funding progress, and the budgetary comparison schedules for the general fund, property development fund and flood control fund listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. 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 have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Certified Public Accountants

*Macias Gini & Connell LLP*  
Oakland, California  
December 29, 2010

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2010**

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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, 2010. 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 most recent fiscal year by \$1,530,651 (net assets). Of this amount, \$641,476 is restricted for specified purposes and is not available to meet the government's ongoing obligations to citizens and creditors, \$560,449 is invested in capital assets (net of related debt), and \$328,726 is available to meet the County's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$25,618 during the fiscal year. The change in the County's net assets was primarily due to the recognition of other postemployment benefits and adjustments to pension obligation and postemployment medical benefits with a net impact of \$51 million decrease in net assets. The decrease was partially offset by increase in additional federal awards of \$26 million from the American Recovery Reinvestment Act (ARRA) of 2009.
- As of June 30, 2010, the County's governmental funds reported a combined ending fund balance of \$1,742,483, an increase of \$19,939 in comparison with the prior year. Approximately half of this total amount, \$850,583, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$627,898 or 36 percent of total general fund expenditures of \$1,764,990.
- The County's gross long-term debt (excluding unamortized premiums, discounts and refunding losses) decreased by \$7,051 during the fiscal year ended June 30, 2010.

**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.

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

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2010**

---

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.

Both of 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 governmental 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 itself (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, uses 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** funds, **proprietary** funds and **fiduciary** funds.

#### Governmental funds

Governmental funds are used to account for essentially the same functions that are reported as governmental 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. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental 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 in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, property development special revenue fund, flood control special revenue fund, capital projects fund, and debt service fund, all of which are considered major funds. 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.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2010**

---

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 funds 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, printing services, communications services and information technology services. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental 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 basic 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 and 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 30-80 of this report.

**Required supplementary information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information other than this discussion and analysis concerning the County's progress in its obligation to provide pension benefits, postemployment medical benefits, and other postemployment benefits to its employees and budget-to-actual information for the County's general and major special revenue funds. Required supplementary information can be found on pages 81-86 of this report.

**Other supplementary information**

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2010**

pensions. Combining and individual fund statements and schedules can be found on pages 87-116 of this report. Budgetary comparisons for the County's capital projects fund 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. In the case of Alameda County, assets exceeded liabilities by \$1,530,651 at June 30, 2010.

A large portion of the County's net assets, \$560,449 or 37 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, 2010**

	<b>Governmental Activities</b>	
	2010	2009
<b>Assets:</b>		
Current and other assets	\$ 2,193,267	\$ 2,214,351
Capital assets	1,046,386	1,024,254
Total assets	3,239,653	3,238,605
<b>Liabilities:</b>		
Current liabilities	382,481	340,494
Long-term liabilities	1,326,521	1,341,842
Total liabilities	1,709,002	1,682,336
<b>Net assets:</b>		
Invested in capital assets		
net of related debt	560,449	511,354
Restricted	641,476	579,459
Unrestricted (deficit)	328,726	465,456
Total net assets	\$ 1,530,651	\$ 1,556,269

An additional portion of the County's net assets, \$641,476, represents resources that are subject to external restrictions as to how they may be used. The remaining balance of unrestricted net assets, \$328,726, may be used to meet the government's ongoing obligations to citizens and creditors.

There was an increase of \$62,017 in restricted net assets reported in connection with the County's governmental activities.

The County's net assets decreased by \$25,618 during the fiscal year ended June 30, 2010 versus an increase of \$68,765 before transfers for last fiscal year. As compared to last fiscal year, expenses increased by \$87,336. This was mostly due to a \$51,231 charge to recognize other postemployment benefits and adjustments to pension obligation and postemployment medical benefits. Also, general revenues decreased by a total of \$60,058. This was mostly offset by increases in charges for services of \$10,805 and operating and capital grants and contributions of \$42,206 over the previous year.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2010**

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**County of Alameda**  
**Changes in Net Assets**  
**June 30, 2010**

	<b>Governmental Activities</b>	
	<b>2010</b>	<b>2009</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 514,868	\$ 504,063
Operating grants and contributions	1,170,990	1,130,306
Capital grants and contributions	5,782	4,260
General revenues:		
Property taxes	403,847	425,713
Sales taxes - shared revenues	140,643	150,551
Other taxes	28,144	26,309
Interest and investment income	9,369	25,979
Other	23,439	36,948
Total Revenues	<u>2,297,082</u>	<u>2,304,129</u>
<b>Expenses:</b>		
General government	143,497	161,834
Public protection	766,225	719,458
Public assistance	680,142	653,920
Health and sanitation	597,448	558,632
Public ways and facilities	36,598	39,427
Recreation and cultural services	557	677
Education	22,813	23,064
Interest and long-term debt	75,420	78,352
Total expenses	<u>2,322,700</u>	<u>2,235,364</u>
Increase/(decrease) in net assets before transfers	(25,618)	68,765
Transfers	-	(5,297)
Change in net assets	(25,618)	63,468
Net assets - beginning	1,556,269	1,492,801
Net assets - end of period	<u>\$ 1,530,651</u>	<u>\$1,556,269</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2010**

---

**Governmental activities**

Governmental activities decreased the County's net assets by \$25,618, and accounted for the total reduction in net assets of the County.

- Operating grants and contributions increased \$40,684 or almost 4 percent during the year. The largest increase was an additional stimulus funding of \$17.8 million provided under the American Recovery and Reinvestment Act of 2009 (ARRA). In addition, health and sanitation's state aid increased \$9.4 million while federal aid increased \$5 million. Fremont and Union City Redevelopment Agencies provided the County with one-time catch-up payments of \$10 million. Motor Vehicle ERAF receipts reduced by \$3.6 million due to a 2.6 percent decrease in the assessed value of county secured and unsecured property.
- Charges for services increased \$10,805 or 2 percent from the previous year. This was caused by several factors, the biggest of which is the influx of federal recovery money in several departments. Public assistance received \$7,700, mostly for In Home Support Services (IHSS). Health and sanitation received \$3,127 for behavioral healthcare services (BHCS).

Other increases in fiscal year 2010 came from public protection, where the department received an additional \$2,827 from the U.S. Marshall for state inmates housed in the Glenn Dyer Detention Facility. This was partially offset by a decrease of \$1,213 in general government revenue relating to Registrar of Voters.

- Capital grants and contributions increased \$1,522 as a result of an increase in payments from the state for the Castro Valley Library project.
- General revenues decreased by \$60,058 or 9 percent overall in the year ended June 30, 2010.
  - Property tax revenues decreased by \$21,866 or 5 percent during the year primarily due to a 2.6% drop in the value of County assessed property between January 2008 and January 2009, exacerbated by a decrease in supplemental tax revenues of \$4,981 caused by a continued depressed housing market.
  - Sales and use tax revenue decreased by \$9,908 or 6 percent during the year. Public protection alone received \$6,066 or 6 percent less sales tax revenue in fiscal year 2010. Consumer spending continued to be curtailed as the economy faced prolonged recession with a high unemployment rate. Measure A sales tax decreased by \$1,781 and Educational Revenue Augmentation Fund (ERAF) sales tax decreased another \$1,502.
  - Other taxes increased \$1,835 or 7 percent, mostly due to higher utility users tax of \$896, aircraft tax of \$328, and property transfer tax of \$688 from higher home sales.
  - Interest and investment income decreased by \$16,610 or 64 percent. The average daily balance of funds invested through the Treasurer increased 3 percent during fiscal year 2010; however, the gross annual yield on the Treasurer's pooled investments decreased from 2.21 percent in 2009 to 0.72 percent in fiscal year 2010. The net interest rate for the last quarter of fiscal year 2010 was only 0.65 percent.
  - Other revenue decreased \$13,509 or over 37 percent largely due to decreases in the tobacco tax settlement of \$7,987, and interest transferred from other funds of \$2,895.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2010**

---

Expenses related to governmental activity increased \$87,336 or 4 percent during the fiscal year ended June 30, 2010; governmental revenues decreased \$7,047 or 0.3 percent. The net impact of these two factors created a decrease of \$94,383 in the change in net assets before transfers when compared to the change in net assets for the fiscal year 2009.

Public assistance expenses increased \$26,222. Health and sanitation increased by \$38,816 and general government expenses decreased by \$18,337 from the previous year. Public protection expenses, however, increased by \$46,767.

The increase in public assistance expenses was due to an increase in welfare administration expenses of \$4.8 million and an additional investment of \$3.2 million under IV-E Waiver. Also, there was additional spending from recovery grants of \$5.2 million for TANF Emergency Contingency Fund, and \$2.1 million for In-Home Supportive Services (IHSS), Adoptions Assistance Program (AAP) and Foster Care Assistance Program. The adjustment for other postemployment benefits of \$7.4 million contributed to the increase in public assistance expenses.

Behavioral Health Care Services accounted for \$14,346 of the \$38,816 increase in health and sanitation, largely due to payments of contracts with service providers to meet requirements of the Mental Health Services Act as well as Early Periodic Screening, Diagnosis, and Treatment (EPSDT). Other postemployment benefits adjustment of \$4.8 million also caused an increase in health and sanitation expenses. The remaining increase was mostly due to payments to Alameda County Medical Center (ACMC) for the County Medically Indigent Services Plan.

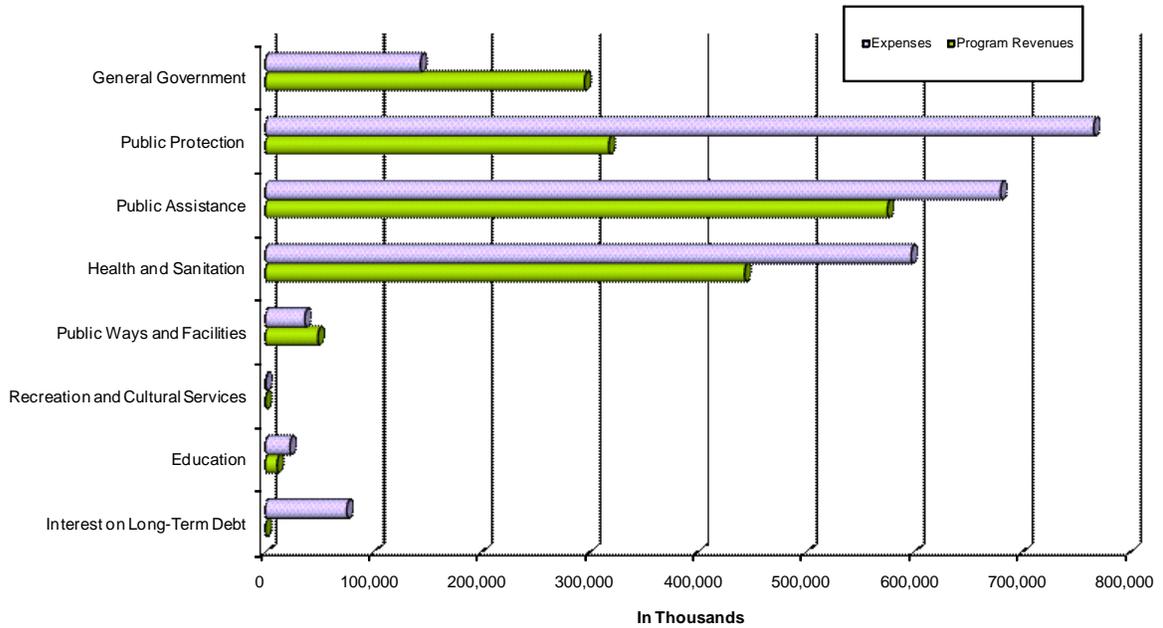
The \$18,337 decrease in general government expenses was primarily caused by a capitalization of capital related expenditures in the General Fund. These expenditures included the purchase and the installation of solar panels in the County's fairground for \$4.7 million and the continued construction of \$18.8 million, mostly for the Acute Care Tower and the Castro Valley Library. The other postemployment benefit adjustment of \$5 million offset the decrease in general government expenses.

The \$46,767 increase in public protection expenses was mainly due to a \$10.8 million increase in spending of grant funds received by the Sheriff's Office, other postemployment benefits adjustment of \$22.3 million, and the recognition of the Fire Department's compensated absences of \$7.3 million.

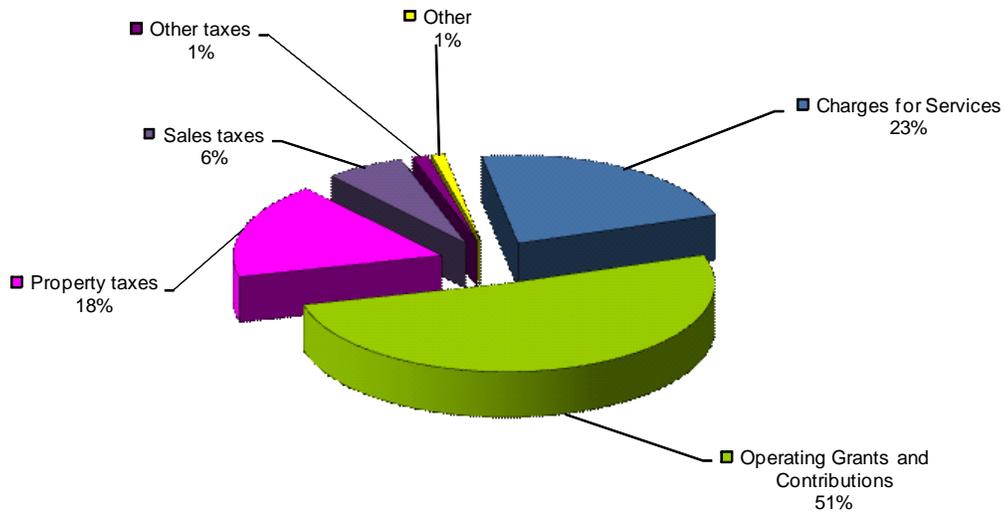
COUNTY OF ALAMEDA, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
 (Amounts expressed in thousands)  
 JUNE 30, 2010

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, 2010**

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

As noted earlier, 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.

Types of governmental funds reported by the County include the general fund, special revenue funds, debt service funds, and a capital projects fund.

As of the end of the fiscal year ended June 30, 2010, the County's governmental funds reported combined ending fund balances of \$1,742,483, an increase of \$19,939 or 1 percent as compared to the prior year. Approximately 49 percent of this total amount (\$850,583) constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed, (1) to liquidate existing contracts and purchase orders (\$522,144); (2) to pay debt service (\$90,435); (3) to provide for legal restrictions (\$255,670); and (4) for a variety of other restricted purposes (\$23,651).

Revenues for governmental funds overall totaled approximately \$2.323 billion for the fiscal year ended June 30, 2010, which represents an increase of \$27,449 or 1 percent from the fiscal year ended June 30, 2009. Expenditures for governmental funds, totaling \$2.317 billion, increased by \$69,489 or almost 3 percent from the fiscal year ended June 30, 2009. In the fiscal year ended June 30, 2010, revenues for governmental funds exceeded expenditures marginally by \$5,863.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$627,898, while total fund balance was \$927,330. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 36 percent of total general fund expenditures of \$1,764,990, while total fund balance represents 53 percent of that same amount. The prior year comparisons for unreserved and total fund balance to total general fund expenditures are 35 percent and 49 percent, respectively.

General fund revenues increased 1 percent and expenditures remained relatively unchanged for the year. The fund balance in the County's general fund increased \$62,773 during the fiscal year because revenues exceeded expenditures. This is due to the following factors:

- Property taxes decreased \$12,593, or 4%. This decrease was primarily caused by a reduction in assessed property values. Supplemental taxes also decreased \$4,277, or 50%, due to the continued depressed real estate market.
- Charges for services increased \$28,313 or 10 percent. The major contributor came from \$12,104 revenues from the state and federal marshals to house inmates at Santa Rita and the Glenn Dyer Detention Facilities. Also included in the increase was revenue from law enforcement services which added an additional \$10,506 and Medi-Cal revenues, which contributed \$6,285. Other charges for current services reduced by \$3,125.

**COUNTY OF ALAMEDA, CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Amounts expressed in thousands)  
JUNE 30, 2010**

---

- Sales tax revenue decreased \$10,272 due to the reduction in consumer spending as a result of the recession.
- Interest and investment revenue decreased \$11,679. The average daily balance of funds invested through the Treasurer increased 3 percent during fiscal year 2009; however, as previously stated, the gross annual yield on the Treasurer's pooled investments decreased from 2.21 percent in 2009 to 0.72 percent in fiscal year 2010. The net interest rate for the last quarter of fiscal year 2010 was only 0.65 percent.
- State public assistance revenues decreased by \$68.3 million, while federal public assistance increased by \$56.6 million. This was mostly due to a \$57 million shift in federal and state sharing ratio for CalWORKs. The remaining difference of \$11.3 million was mostly due to reduced revenues in Children & Family Services, and In-home Support Services, or IHSS.
- State health programs increased by \$22.0 million mostly because of a \$25.5 million service increase for the Mental Health Services Act (MHSA) and Early Periodic Screening, Diagnosis and Treatment (EPSDT) programs, with reduced state revenues of \$4.2 million for the substance abuse and crime prevention assistance programs due to state budget cut. Federal health programs increased by \$11.2 million mostly due to a timing change in submitting claims, from before to after a fiscal year, causing two years of claims being reimbursed this fiscal year.
- Other federal funding increased by \$8.5 million because of additional revenues in food stamps and children and family services programs due to increased expenditures under the Title IV-E Waiver.

General fund expenditures decreased marginally by \$3,699 from last fiscal year due to cut back on program expenditures as a result of the recession, offset by increases in public assistance and health care spending.

Overall, the general fund's performance resulted in revenues exceeding expenditures in the fiscal year ended June 30, 2010, by \$97,168. In the prior year, general fund revenues exceeded expenditures by \$78,196.

The property development fund has a total fund balance of \$304,262. This fund accounts for activities related to the development and sale of County surplus land. The net decrease in the fund balance during the current year was \$764, primarily due to lower interest revenue with a slight offset from a reduced amount of transfer to reimburse debt service fund for the cost of Juvenile Justice Bonds payment.

The fund balance in the flood control fund increased 2 percent in 2010 or a total of \$3.7 million, from \$173,419 to \$177,105. The fund received \$29.3 million in property taxes revenue and \$13.2 million in charges for services. Overall expenditures for the flood control fund were \$46 million, an increase of 9% from last fiscal year, primarily due to increase in labor costs, consultant, transportation, and construction costs related to various programs.

The capital projects fund has a total fund balance of \$44,798, a decrease of \$44,806 from last year. The decrease was attributable to increased capital outlays associated with the ACMC Acute Tower of \$35.6 million, East County Courthouse of \$6.5 million and Eden Area Redevelopment Project of \$2.8 million.

The fund balance in the debt service fund decreased \$17,155 from \$85,231 to \$68,076. This was mostly due to an additional pay-down of loan principal by \$14,535 as compared to last fiscal year.

**Proprietary funds**

The County's proprietary fund statements of internal service funds are reported with governmental activities in the government-wide financial statements.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2010**

---

The net assets for the internal service funds decreased by \$1.1 million mostly due to operating income of \$7.6 million and a transfer of \$9.4 million to debt service fund. The County does not report an enterprise fund since the Zone 7 Water Agency is no longer a component unit.

**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, 2009, the end of ACERA's fiscal year, the net assets of ACERA and the other employee benefits trust totaled approximately \$4.7 billion, representing an increase of \$870,858 in net assets from the prior year's net assets. The increase was primarily due to an increase in the fair value of investments and interest and dividend revenues.

As of June 30, 2010, the investment trust fund's net assets totaled \$1,572,392, a \$234,121 increase in net assets during the fiscal year. The increase in net assets of the investment trust fund was due to contributions exceeding withdrawals to the fund by \$224,463, plus a net investment income of \$9,658.

**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 \$38,422 between the original budget and the final amended budget represents increased appropriations, the most significant of which are briefly summarized as follows:

- General government increased appropriations by \$4,160. The increase was primarily due to an additional appropriation of \$2.6 million as a result of final fund balance calculations for the previous fiscal year, and a \$0.9 million mid-year Board approved salary and benefits adjustments.
- The public protection departments increased appropriations by \$17,541. This included \$11.1 million mid-year salary and benefit increases approved by the Board of Supervisors and a \$5 million final budget adjustment for services and positions in the Sheriff's Office.
- Appropriations for health and sanitation increased by \$13,021. This increase was primarily due to an \$8.5 million final budget adjustment to the Measure A Fund, and \$6.4 million Board-approved Mental Health Services Act (MHSA) payments to Community Based Organizations (CBO).

Overall, the County's actual general fund revenues under-realized its budgeted fiscal year 2010 revenues by \$29,860 or 2 percent. Revenues that had significant variances include the following:

- The County under-realized approximately \$24,683 in taxes budgeted for fiscal year 2010. Current secured property taxes realized was less than the amount budgeted by \$5.5 million and supplemental property tax was lower by \$1.7 million due to the decline in property values and the slow real estate market. Sales taxes for public protection and Measure A were under budget by \$12.7 million and \$3.3 million, respectively, due to the recession.
- Fines, forfeitures and penalties revenue exceeded the budget by \$29,425 or 258 percent. The major variance from budget of \$21.9 million was due to increase in property tax delinquencies. The delinquency rate for the regular secured roll was 4.59% for fiscal year 07-08, 4.44% for fiscal year 08-09, and 3.10% for fiscal year 09-10. With the increased delinquencies, the penalties on delinquent taxes went up as the delinquencies were paid. In addition, collection of court fines and forfeits was \$6.6 million more than budget.

**COUNTY OF ALAMEDA, CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Amounts expressed in thousands)  
JUNE 30, 2010**

---

- Use of money and property under-realized budget by \$4,105 or 29 percent. Interest rates were lower than anticipated.
- State aid revenue was under-realized the budgeted amount by \$51,414 or 8 percent, while Federal aid revenue was over-realized by \$33,577 or 10 percent. \$24.2 million of this swing was caused by a shift in federal and state sharing ratio for CalWORKs as discussed previously, and by receiving Title XIX Medicaid revenues from federal instead of state as initially budgeted. State sales tax realignment revenues and state assistance in Mental Health Services Act (MHSA) were below budget by \$7.6 million and \$2.4 million, respectively, due to the current adverse economic condition and the state's fiscal crisis. Federal revenues in mental health services increased by \$9.6 million as a result of a change in the timing of claim submissions.
- Charges for current services exceeded budget by \$2,241 or over 1 percent. Under-utilization of early periodic screening, diagnosis and treatment (EPSDT) and MHSA contracts resulted in a decrease of \$21.6 million in Medi-Cal revenue. This was partially offset by the recognition of \$18.5 million deferred revenues from providing law enforcement services and housing state inmates at the Santa Rita Jail. In addition, the average daily jail population of state inmates housed at the Glenn Dyer Jail was higher than the budgeted amount, causing a \$2.4 million favorable budget variance.
- Other revenue was less than budget by \$23,950 or 57 percent. This was due to \$8.7 million under-realization of the Tobacco Tax Settlement funds. Interest transfer was \$4.8 million less than anticipated. The Social Services Agency posted \$2.9 million of revenues to accounts other than where they were budgeted initially. State revenue to upgrade the IHSS provider case management and payroll system was \$1.2 million under budget because the roll-out was slower than anticipated; however, almost the entire amount will be rolled over into the next fiscal year.

Variations between budget and actual expenditures in the general fund reflect overall expenditures less than the adjusted budget by \$147,206 or 7 percent. In general, this represents savings from the major governmental functions, primarily due to vacancies, delays in start-up of new programs or projects, cost-containment measures and contingency appropriations that did not have to be spent. Significant savings came from the following County functions:

- Health and sanitation spent \$79,827 or 13 percent less than budget. The slow start up of Mental Health Services Act (MHSA) programs resulted in \$17.8 million lower expenditures. Vacant positions caused an under expenditure in salaries and benefits of \$12.7 million. Measure A expenditures were under budget by \$11.2 million. Approximately \$18.5 million under expenditure was due to the liquidation of prior year encumbrances for CBO contracts.
- Public assistance spent \$19,864 or 3 percent less than budget. Vacant positions caused an under expenditure in salaries and benefits of \$4.6 million. Delays in housing projects resulted in savings of \$11.4 million. The Workforce Investment Board also under-spent \$2.6 million on various programs.
- General government spent \$29,111 or 18 percent less than budget. Salaries and employee benefits were under budget by \$4.2 million due to vacant positions. Services and supplies charges were below budget by \$12 million due to delayed projects and spending cuts. Savings in non program expenses amounted to \$12.9 million and was primarily attributed to a smaller subsidy required for the Oakland-Alameda County Coliseum Authority.
- Public protection spent \$15,111 or 3 percent less than budget. Departments in public protection under spent services and supplies budget by a combined \$7.9 million primarily due to the deferred projects and spending cuts. Vacant positions and salary savings accounted for \$6.1 million of the

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2010**

variance. For example, the Public Work Agency's vacant position rate was over 30% due to attrition and program management factors.

**Capital assets and debt administration**

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$1,046,386 (net of accumulated depreciation), as shown in the table below. This investment in capital assets 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 the current fiscal year was 2 percent.

**Capital Assets Net of Accumulated Depreciation**  
**June 30, 2010**

	<b>Governmental Activities</b>	
	2010	2009
Land and other assets not being depreciated	\$ 129,051	\$ 110,607
Structures and improvements, machinery and equipment, and infrastructure, net of depreciation	917,335	913,647
<b>Total</b>	<b>\$ 1,046,386</b>	<b>\$1,024,254</b>

Major capital asset events during the current fiscal year included the following:

- Additional construction on the Alameda County Medical Center's critical care building and acute tower resulted in an increase in construction costs of \$34,763. The Castro Valley library project also added \$4,400 to construction in progress. The Castro Valley library project was completed and was put into service during 2010. As a result, \$19,958 was moved from construction in progress to structures and improvements.
- Several infrastructure projects in the road and flood control funds added \$29,410 to construction in progress during the year. \$33,401 was moved from construction in progress to infrastructure.

For government-wide statement of net assets presentation, all 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 49) to the financial statements.

Debt Administration

At the end of the current fiscal year, the County had long-term obligations outstanding of \$1.5 billion, excluding unamortized premiums and refunding losses of \$7,397. Of this amount, \$160,221 is certificates of participation bonds, \$272,799 is tobacco securitization bonds, \$477,740 is pension obligation bonds, \$141,705 is lease revenue bonds, \$32,565 is tax allocation bonds, \$42,857 is net pension obligation,

**COUNTY OF ALAMEDA, CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Amounts expressed in thousands)  
JUNE 30, 2010**

\$72,400 is net OPEB obligation, and \$29,849 is capital leases. The remainder, \$259,414, includes special assessment debt with government commitment and other long-term obligations of the County.

**Outstanding Long-term Obligations  
June 30, 2010**

	<b>Governmental Activities</b>	
	2010	2009
Certificates of participation	\$ 160,221	\$ 178,347
Tobacco securitization bonds	272,799	271,655
Special assessment debt with governmental commitment	335	545
Pension obligation bonds	477,740	504,074
Lease revenue bonds	141,705	145,520
Tax allocation bonds	32,565	33,215
Capital leases	29,849	30,300
Net pension obligation	42,857	79,399
Net OPEB obligation	72,400	-
Other long-term obligations	259,079	253,546
<b>Total</b>	<b>\$ 1,489,550</b>	<b>\$ 1,496,601</b>

The County's total debt decreased by \$7,051 primarily due to reduction in net pension obligation and pay down of existing debts, which offset net OPEB obligation of \$72,400 and minimal increases in tobacco securitization bonds. Other long-term obligations increased \$5,533 mostly due to \$7,307 inclusion of Fire Department's compensated employee absences and \$3,934 of new loans, offset by a \$3,350 reduction of County's obligation to fund Coliseum Authority deficits and a \$2,838 reduction in estimated liabilities for claims and contingencies.

Alameda County's legal debt limit is 1.25 percent of total assessed value. As of June 30, 2010, the legal limit was \$2.48 billion; however, the County did not have any general obligation bonds and therefore, has not used any of its debt limitation. Although Alameda County has no general obligation debt it has general obligation equivalent ratings of Aa3 from Moody's, AA from Standard & Poor's and AA- from Fitch. In addition, the County's lease-based financings are rated A1/AA-/A+ by Moody's Standard & Poor's and Fitch. Moody's and Fitch's ratings on general obligation debt and Fitch's rating on lease-based financing went up a notch as compared to last fiscal year because of the recalibrations of their rating scales.

Additional information on the County of Alameda's long-term obligations can be found in note 6 (page 53) 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 11.5 percent in June 2010, compared to the revised rate of 11.2 percent in June 2009. The State's seasonally adjusted unemployment rate was 12.3 percent in June 2010.
- Although the assessed value of the County's property increased 8.0 percent in 2008 and 4.7% in 2009, a negative growth of 2.6 percent was recorded in 2010.
- The county government continued to experience a decrease in sales tax revenue during fiscal year 2010. This was due to a prolonged adverse economy and depressed housing market. Spending for

**COUNTY OF ALAMEDA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Amounts expressed in thousands)**  
**JUNE 30, 2010**

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goods and services throughout the state and the country continued to be curtailed as unemployment rate as indicated above remained at a high level of above 11 percent.

All of the above factors were considered in preparing the County's budget for fiscal year 2011.

The County adopted its fiscal year 2011 budget before the State of California adopted its own budget on October 8, 2010 with an anticipated budget shortfall of \$6 billion, plus an estimated \$25 billion budget deficit for next fiscal year. A special budget session was scheduled in December 2010 to address state's budget shortfall. It is not known what impact the state's budget will have on the County of Alameda's budget.

**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, 2010  
 (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	\$ 1,239,042	\$ -
Cash and investments with fiscal agents	309,789	-
Restricted cash	-	1,210
Deposits with others	6,432	3,070
Receivables, net of allowance for uncollectible accounts	377,510	124,039
Due from component unit	5,582	-
Due from primary government	-	9,470
Advance to component unit	814	-
Inventory of supplies	202	4,202
Prepaid items	558	1,610
Total current assets	<u>1,939,929</u>	<u>143,601</u>
Noncurrent assets:		
Restricted assets - cash and investments with fiscal agents	182,227	-
Unamortized bond issuance cost	18,601	-
Properties held for resale	1,084	-
Properties held for redevelopment	9,021	-
Due from component unit, net of allowance	30,542	-
Advance to component unit	5,667	-
Loans receivable	6,196	-
Capital assets:		
Land and other assets not being depreciated	129,051	1,825
Structures and improvements, machinery and equipment, infrastructure, net of depreciation	917,335	35,235
Total capital assets, net	<u>1,046,386</u>	<u>37,060</u>
Total noncurrent assets	<u>1,299,724</u>	<u>37,060</u>
<b>Total assets</b>	<u>3,239,653</u>	<u>180,661</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses	188,775	76,544
Due to component unit	9,470	-
Due to primary government	-	5,582
Compensated employee absences payable	34,981	5,565
Estimated liability for claims and contingencies	22,400	5,382
Certificates of participation and bonds payable	92,980	-
Lease obligations	333	-
Loans payable	1,102	-
Accrued interest payable	3,175	-
Unearned revenue	25,429	-
Advance from primary government	-	814
Due to other governmental units	286	-
Obligation to fund Coliseum Authority deficit	3,550	-
Total current liabilities	<u>382,481</u>	<u>93,887</u>
Noncurrent liabilities:		
Net pension obligation	42,857	19,019
Net OPEB obligation	72,400	16,404
Compensated employee absences payable	30,714	9,378
Estimated liability for claims and contingencies	76,148	15,234
Certificates of participation and bonds payable	984,988	-
Lease obligations	29,516	-
Loans and notes payable	11,027	-
Due to primary government	-	118,542
Advance from primary government	-	5,667
Due to other governmental units	6,421	-
Obligation to fund Coliseum Authority deficit	72,450	-
Total noncurrent liabilities	<u>1,326,521</u>	<u>184,244</u>
<b>Total liabilities</b>	<u>1,709,002</u>	<u>278,131</u>
Net Assets		
Invested in capital assets, net of related debt	560,449	30,576
Restricted:		
Public protection	348,943	-
Public assistance	69,125	-
Health and sanitation	134,417	-
Public ways and facilities	60,063	-
Education	11,384	-
Other purposes	17,544	31,483
<b>Unrestricted (deficit)</b>	<u>328,726</u>	<u>(159,529)</u>
<b>Total net assets (deficit)</b>	<u>\$ 1,530,651</u>	<u>\$ (97,470)</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, 2010  
(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	\$ 143,497	\$ 111,200	\$ 184,072	\$ -	\$ 151,775	\$ -
Public protection	766,225	222,606	95,122	-	(448,497)	-
Public assistance	680,142	14,911	560,543	-	(104,688)	-
Health and sanitation	597,448	153,243	290,073	-	(154,132)	-
Public ways and facilities	36,598	10,080	38,673	-	12,155	-
Recreation and cultural services	557	131	-	-	(426)	-
Education	22,813	2,697	2,507	5,782	(11,827)	-
Interest on long-term debt	75,420	-	-	-	(75,420)	-
<b>Total governmental activities</b>	<u>2,322,700</u>	<u>514,868</u>	<u>1,170,990</u>	<u>5,782</u>	<u>(631,060)</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 2,322,700</u>	<u>\$ 514,868</u>	<u>\$ 1,170,990</u>	<u>\$ 5,782</u>	<u>(631,060)</u>	<u>-</u>
Alameda County Medical Center	\$ 486,068	\$ 404,615	\$ 16	\$ -	-	(81,437)
General revenues:						
Property taxes					403,847	-
Sales taxes - shared revenues					140,643	70,406
Other taxes					28,144	-
Interest and investment income					9,369	475
Other					23,439	7,549
Total general revenues					<u>605,442</u>	<u>78,430</u>
Change in net assets					<u>(25,618)</u>	<u>(3,007)</u>
Net assets (deficit) - beginning of period, as reported					1,556,269	(86,845)
Prior period adjustment					-	(7,618)
Net assets (deficit) - beginning of period, as restated					<u>1,556,269</u>	<u>(94,463)</u>
Net assets (deficit) - end of period					<u>\$ 1,530,651</u>	<u>\$ (97,470)</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, 2010

(amounts expressed in thousands)

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
<b>Assets:</b>							
Cash and investments with County Treasurer	\$ 693,135	\$ 67	\$ 178,268	\$ 20,053	\$ 41,299	\$ 176,529	\$ 1,109,351
Cash and investments with fiscal agents	-	309,789	-	-	-	-	309,789
Restricted assets - cash and investments with fiscal agents	1,768	-	-	134,326	23,774	22,359	182,227
Deposits with others	6	2,250	-	-	-	4,176	6,432
Receivables, net of allowance for uncollectible accounts	294,657	229	2,027	2,242	65	76,529	375,749
Due from other funds	157,515	-	-	-	9,936	1,798	169,249
Due from component unit	32,285	-	-	-	2,954	7	35,246
Advance to component unit	-	-	-	-	6,481	-	6,481
Inventory of supplies	-	-	-	-	-	154	154
Properties held for resale	255	829	-	-	-	-	1,084
Properties held for redevelopment	-	-	-	-	-	9,021	9,021
Prepaid items	-	-	-	-	-	404	404
Loans receivable	1,454	3,856	-	-	-	886	6,196
<b>Total assets</b>	<b>\$ 1,181,075</b>	<b>\$ 317,020</b>	<b>\$ 180,295</b>	<b>\$ 156,621</b>	<b>\$ 84,509</b>	<b>\$ 291,863</b>	<b>\$ 2,211,383</b>
<b>Liabilities:</b>							
Accounts payable and accrued expenditures	\$ 151,169	\$ 53	\$ 3,029	\$ 5,836	-	\$ 19,752	\$ 179,839
Due to other funds	-	12,705	-	105,905	9,952	40,687	169,249
Due to component unit	9,004	-	-	82	-	342	9,428
Deferred revenue	70,446	-	161	-	6,481	7,581	84,669
Unearned revenue	23,126	-	-	-	-	2,303	25,429
Due to other governmental units	-	-	-	-	-	286	286
<b>Total liabilities</b>	<b>253,745</b>	<b>12,758</b>	<b>3,190</b>	<b>111,823</b>	<b>16,433</b>	<b>70,951</b>	<b>468,900</b>
<b>Fund balances:</b>							
Reserved for:							
Encumbrances	41,379	383	25,946	420,443	-	33,993	522,144
Inventories	-	-	-	-	-	154	154
Debt service	-	-	-	-	68,076	22,359	90,435
Legal restrictions	255,670	-	-	-	-	-	255,670
Assets not available for appropriation	2,383	6,935	5	-	-	14,174	23,497
Unreserved, reported in:							
General fund	627,898	-	-	-	-	-	627,898
Special revenue funds	-	296,944	151,154	-	-	150,232	598,330
Capital projects fund	-	-	-	(375,645)	-	-	(375,645)
<b>Total fund balances</b>	<b>927,330</b>	<b>304,262</b>	<b>177,105</b>	<b>44,798</b>	<b>68,076</b>	<b>220,912</b>	<b>1,742,483</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,181,075</b>	<b>\$ 317,020</b>	<b>\$ 180,295</b>	<b>\$ 156,621</b>	<b>\$ 84,509</b>	<b>\$ 291,863</b>	<b>\$ 2,211,383</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, 2010  
(amounts expressed in thousands)

<b>Fund balances – total governmental funds</b>	\$ 1,742,483
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.	1,034,597
Bond issuance costs are not financial resources and, therefore, are not reported in the funds.	18,601
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	(1,077,968)
Compensated employee absences payable	(62,556)
Lease obligations	(29,849)
Loans and note payable	(12,129)
Due to other governmental units	(6,421)
Other liabilities	(76,000)
Total long-term liabilities	<u>(1,264,923)</u>
The net OPEB obligation pertaining to governmental fund types is not recorded in governmental fund statements.	(72,400)
The net pension obligation pertaining to governmental fund types is not recorded in governmental fund statements.	(42,857)
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.	84,669
Interest on long-term debt is not accrued in the funds, but is recognized as an expenditure when due.	(3,175)
Internal service funds are used by management to charge the costs of fleet management, building maintenance, communications, information technology, printing services 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>33,656</u>
<b>Net assets of governmental activities</b>	<u>\$ 1,530,651</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, 2010  
 (amounts expressed in thousands)

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$ 461,221	\$ -	\$ 29,272	\$ -	\$ 2,075	\$ 79,939	\$ 572,507
Licenses and permits	5,871	-	1,187	-	-	1,432	8,490
Fines, forfeitures, and penalties	40,836	-	-	341	-	267	41,444
Use of money and property	10,295	10,692	1,559	-	1,033	4,190	27,769
State aid	629,807	-	556	6,320	-	57,569	694,252
Federal aid	363,062	-	5	-	-	96,585	459,652
Other aid	28,183	-	3,215	-	-	8,659	40,057
Charges for services	304,506	-	13,159	-	12,965	97,536	428,166
Other revenue	18,377	425	265	25	1,080	30,537	50,709
<b>Total revenues</b>	<b>1,862,158</b>	<b>11,117</b>	<b>49,218</b>	<b>6,686</b>	<b>17,153</b>	<b>376,714</b>	<b>2,323,046</b>
<b>Expenditures:</b>							
Current							
General government	119,159	1,261	-	-	-	45	120,465
Public protection	525,927	-	46,021	-	-	138,091	710,039
Public assistance	602,080	-	-	-	-	64,167	666,247
Health and sanitation	513,379	-	-	-	-	77,211	590,590
Public ways and facilities	2,004	-	-	-	-	40,396	42,400
Recreation and cultural services	594	-	-	-	-	-	594
Education	198	-	-	-	-	21,749	21,947
Debt service							
Principal	-	-	-	-	86,331	4,565	90,896
Interest	-	-	-	-	16,296	10,834	27,130
Capital outlay	1,649	-	-	45,226	-	-	46,875
<b>Total expenditures</b>	<b>1,764,990</b>	<b>1,261</b>	<b>46,021</b>	<b>45,226</b>	<b>102,627</b>	<b>357,058</b>	<b>2,317,183</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>97,168</b>	<b>9,856</b>	<b>3,197</b>	<b>(38,540)</b>	<b>(85,474)</b>	<b>19,656</b>	<b>5,863</b>
<b>Other financing sources (uses):</b>							
Issuance of loans	4,732	-	-	-	-	-	4,732
Transfers-in	11,933	-	489	1,512	68,319	1,452	83,705
Transfers-out	(51,060)	(10,620)	-	(7,778)	-	(4,903)	(74,361)
<b>Total other financing sources (uses)</b>	<b>(34,395)</b>	<b>(10,620)</b>	<b>489</b>	<b>(6,266)</b>	<b>68,319</b>	<b>(3,451)</b>	<b>14,076</b>
<b>Net change in fund balances</b>	<b>62,773</b>	<b>(764)</b>	<b>3,686</b>	<b>(44,806)</b>	<b>(17,155)</b>	<b>16,205</b>	<b>19,939</b>
Fund balance - beginning of period	864,557	305,026	173,419	89,604	85,231	204,707	1,722,544
Fund balance - end of period	<u>\$ 927,330</u>	<u>\$ 304,262</u>	<u>\$ 177,105</u>	<u>\$ 44,798</u>	<u>\$ 68,076</u>	<u>\$ 220,912</u>	<u>\$ 1,742,483</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, 2010  
(amounts expressed in thousands)**

<b>Net change in fund balances – total governmental funds</b>	<b>\$ 19,939</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 decrease in the deferred revenue that occurred during the year.	<u>(29,420)</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	36,542
Increase in postemployment medical benefits obligation	(72,166)
Increase in other postemployment benefits obligation	(40,001)
Increase in compensated absences	(7,454)
Decrease in obligation to fund Coliseum Authority deficit	3,350
Claim for reimbursements, to the extent of tax increment revenue, due and payable to other governmental unit	(498)
Total	<u>(80,227)</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	78,649
Depreciation expense	(56,276)
Net loss on disposal of capital assets	(149)
Capital asset transfers to proprietary fund	(104)
Total	<u>22,120</u>
The net loss of certain activities of internal service funds is reported with governmental activities.	<u>(1,102)</u>
Proceeds from loans are reported as financing sources in governmental funds, but increase liabilities in the statement of net assets.	<u>(4,732)</u>
Net decrease in accrued interest reduces the liability in the statement of net assets and results in less expenses in the statement of activities.	<u>119</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 of the amortization expense in the current period.	<u>(833)</u>
The repayment of the principal of long-term debt, capital leases, and loans consume the current financial resources of governmental funds. These transactions, however, have no effect on net assets.	
Principal payment on long-term debt	90,896
Principal payment on leases and loans	1,208
Total	<u>92,104</u>
Interest accreted on bonds and certificates payable.	<u>(42,904)</u>
Amortization of bond premiums, bond discounts and refunding loss.	<u>(682)</u>
<b>Changes in net assets of governmental activities</b>	<b><u>\$ (25,618)</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, 2010  
 (amounts expressed in thousands)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets:</b>	
Current assets:	
Cash and investments with County Treasurer	\$ 129,691
Other receivables	1,761
Due from component unit	878
Inventory of supplies	48
Prepaid items	154
Total current assets	<u>132,532</u>
Noncurrent assets:	
Capital assets:	
Structures and improvements, machinery and equipment, infrastructure, net of depreciation	11,789
Total capital assets	<u>11,789</u>
Total noncurrent assets	<u>11,789</u>
<b>Total assets</b>	<u>144,321</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	8,936
Compensated employee absences payable	1,632
Estimated liability for claims and contingencies	22,400
Due to component unit	42
Total current liabilities	<u>33,010</u>
Noncurrent liabilities:	
Compensated employee absences payable	1,507
Estimated liability for claims and contingencies	76,148
Total noncurrent liabilities	<u>77,655</u>
<b>Total liabilities</b>	<u>110,665</u>
<b>Net assets</b>	
Invested in capital assets, net of related debt	11,789
Unrestricted	21,867
<b>Total net assets</b>	<u>\$ 33,656</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, 2010  
 (amounts expressed in thousands)**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>	
Charges for services	\$ 187,908
<b>Total operating revenues</b>	187,908
<b>Operating expenses:</b>	
Salaries and benefits	56,189
Contractual services	6,086
Utilities	11,161
Repairs and maintenance	5,313
Other supplies and expenses	60,217
Insurance claims and expenses	17,239
Depreciation	3,755
Telephone	3,473
County indirect costs	7,464
Dental claims	8,979
Other	424
<b>Total operating expenses</b>	180,300
<b>Operating income</b>	7,608
<b>Non-operating revenues (expenses):</b>	
Interest and investment income	696
Gain (loss) on sale of capital assets	(176)
<b>Total non-operating revenues (expenses)</b>	520
<b>Income before capital contributions and transfers</b>	8,128
Capital contributions	114
Transfers-in	43
Transfers-out	(9,387)
Change in net assets	(1,102)
Total net assets - beginning of period	34,758
<b>Total net assets - end of period</b>	\$ 33,656

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, 2010  
 (amounts expressed in thousands)

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities</b>	
Internal activity - receipts from other funds	\$ 187,269
Payments to suppliers	(87,513)
Payments to employees	(56,337)
Internal activity - payments to other funds	(7,464)
Claims paid	(29,056)
Other receipts (payments)	(424)
<b>Net cash provided by operating activities</b>	<u>6,475</u>
<b>Cash flows from noncapital financing activities</b>	
Transfers-in	43
Transfers-out	(9,387)
<b>Net cash used in noncapital financing activities</b>	<u>(9,344)</u>
<b>Cash flows from capital and related financing activities</b>	
Acquisition of capital assets	(4,017)
Proceeds from sale of capital assets	186
<b>Net cash used in capital and related financing activities</b>	<u>(3,831)</u>
<b>Cash flows from investing activities:</b>	
Interest on investments	696
<b>Net cash provided by investing activities</b>	<u>696</u>
<b>Net decrease in cash and cash equivalents</b>	(6,004)
Cash and cash equivalents - beginning of period	135,695
Cash and cash equivalents - end of period	<u>\$ 129,691</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 7,608
Adjustments for non-cash activities:	
Depreciation	3,755
Changes in assets and liabilities:	
Other receivables	(639)
Inventory of supplies	(33)
Prepaid items	(51)
Accounts payable and accrued expenses	(1,221)
Compensated employee absences payable	(148)
Estimated liability for claims and contingencies	(2,838)
Due to component unit	42
Total adjustments	<u>(1,133)</u>
Net cash provided by operating activities	<u>\$ 6,475</u>
Non-cash capital activities:	
Contribution of capital assets	<u>\$ 72</u>

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, 2010**  
(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	\$ 2,541	\$ 1,617,803	\$ 15,701	\$ 246,786
Cash and investments with fiscal agents	4,657,079	-	-	-
Investment of securities lending collateral	587,991	-	-	-
Deposits with others	557	-	-	-
Taxes receivable	-	-	-	277,499
Other receivables	19,502	-	-	-
Interest receivable	13,855	2,304	23	161
Prepaid items	-	3,661	-	-
Capital assets, net of accumulated depreciation	3,222	-	-	-
<b>Total assets</b>	<b>5,284,747</b>	<b>1,623,768</b>	<b>15,724</b>	<b>524,446</b>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	18,451	51,376	11	689
Securities lending obligation	587,991	-	-	-
Due to other governmental units	-	-	-	523,757
<b>Total liabilities</b>	<b>606,442</b>	<b>51,376</b>	<b>11</b>	<b>\$ 524,446</b>
<b>Net Assets</b>				
Held in trust for pension	4,006,823	-	-	
Held in trust for postemployment medical benefits	596,576	-	-	
Held in trust for other postemployment benefits	73,481	-	-	
Held in trust for other employee benefits	1,425	-	-	
Held in trust for other purposes	-	1,572,392	15,713	
<b>Total net assets held in trust</b>	<b>\$ 4,678,305</b>	<b>\$ 1,572,392</b>	<b>\$ 15,713</b>	

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, 2010  
 (amounts expressed in thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Fund	Private Purpose Trust Fund
<b>Additions:</b>			
Contributions:			
Employees	\$ 81,472	\$ -	\$ -
Employer	132,198	-	-
Contributions on pooled investments	-	7,610,471	3,465
<b>Total contributions</b>	<u>213,670</u>	<u>7,610,471</u>	<u>3,465</u>
Investment income			
Interest	68,265	10,019	104
Dividends	43,616	-	-
Net increase (decrease) in fair value of investments	852,129	(361)	(6)
Real estate	26,254	-	-
Securities lending income	7,359	-	-
<b>Total investment income</b>	<u>997,623</u>	<u>9,658</u>	<u>98</u>
Less investment expenses:			
Investment expenses	22,501	-	-
Securities lending borrower rebates and management fees	2,481	-	-
Real estate	8,979	-	-
<b>Total investment expenses</b>	<u>33,961</u>	<u>-</u>	<u>-</u>
<b>Net investment income</b>	<u>963,662</u>	<u>9,658</u>	<u>98</u>
Miscellaneous income	2,272	-	-
<b>Total additions, net</b>	<u>1,179,604</u>	<u>7,620,129</u>	<u>3,563</u>
<b>Deductions:</b>			
Benefit payments	288,773	-	-
Refunds of contributions	7,718	-	-
Administration expenses	12,255	-	-
Distribution from pooled investments	-	7,386,008	3,679
<b>Total deductions</b>	<u>308,746</u>	<u>7,386,008</u>	<u>3,679</u>
<b>Change in net assets</b>	<u>870,858</u>	<u>234,121</u>	<u>(116)</u>
Net assets - beginning of period	3,807,447	1,338,271	15,829
Net assets - end of period	<u>\$ 4,678,305</u>	<u>\$ 1,572,392</u>	<u>\$ 15,713</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, 2010**

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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, 2009, 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 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 76.29 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 if it were part of the primary government 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 210, Oakland, CA 94612.

COUNTY OF ALAMEDA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS  
(amounts in tables expressed in thousands)  
JUNE 30, 2010

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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 is composed of the members of the Board of Supervisors and is therefore considered to be a part of the primary government. The books and records of the Redevelopment Agency are maintained by the County and its activities are reported within non-major governmental funds. Additional financial data for the Redevelopment Agency may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

- *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.

**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.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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• *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, 2010, 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.

**Zone 7 Water Agency** was established in 1957 to furnish water for municipal and industrial uses in eastern Alameda County. The Zone 7 Water Agency is governed by a seven-member board whose members are elected by the community to provide strategic guidance and planning for Zone 7 Water Agency policies, programs and finances. The board members serve four-year terms and represent each and every customer in the Livermore-Amador Valley. Prior to fiscal year 2010, the activities of the Zone 7 Water Agency were accounted for in an enterprise fund and reported as business-type activities. On January 1, 2004, the legislation AB1125 took effect which provided that the elected board of the Zone 7 Water Agency shall govern and control all matters that relate only to the Zone 7 Water Agency. Due to the legislation AB1125 and in accordance with GASB Statements 14 and 39, it was determined that the Zone 7 Water Agency is not a component unit of the County of Alameda. Accordingly, the Zone 7 Water Agency activities with ending net assets of \$288.4 million as of June 30, 2009 have been removed from business-type activities.

**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, 2010

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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 **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, printing, 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 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.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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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 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 Units with Differing Fiscal Year-Ends**

ACERA has a fiscal year ending on December 31. The amounts reflected in the June 30, 2010 financial statements are the balances as of ACERA's fiscal year ended December 31, 2009. 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 2009-2010 was approximately .72 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 40.14 percent of the net assets in the Treasurer's pool. The deposits held for these entities are included in the investment trust fund.

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.

COUNTY OF ALAMEDA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS  
(amounts in tables expressed in thousands)  
JUNE 30, 2010

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, the investments of Surplus Property Development and ACERA and the commercial paper program.

**Investment Valuation**

Certain US 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

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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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.

The County has advanced funds to the APMC to finance capital improvements at APMC's medical facilities. These advances are shown as "advance to component unit" and "advance from primary government" on the basic 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 outlay is recorded as an expenditure in the general and capital projects funds and as an asset 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

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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payments of absences are recognized as expenditures of the governmental funds in the year of payment. Employees are not reimbursed for accumulated sick leave.

Estimated unpaid vacation leave, compensatory time, and unexpired in-lieu compensatory time at June 30, 2010, 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, 2010, 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**

**Reservations of Fund Balances**

Reservations of fund balances of the governmental funds represent that portion of fund balances that is not available for appropriation or is legally segregated for a specific future use. Following is a brief description of the nature of certain reserves.

*Reserve for encumbrances* – Encumbrances are amounts that do not constitute available, spendable resources.

*Reserve for inventories* – A portion of fund balance is reserved to offset the supplies inventories that are not available for appropriation.

*Reserve for debt service* – The fund balance of the debt service funds is reserved for the payment of debt service requirements in subsequent years.

*Reserve for legal restrictions* – Certain revenues that are received by the County have restrictions as to their use, such as certain fees and fines collected for specific purposes. These unspent revenues are shown as legally restricted in the general fund.

*Reserve for assets not available for appropriation* – Certain assets, such as deposits with others and long-term receivables, do not represent expendable available financial resources. Therefore, a portion of fund balance is reserved to offset the balance of these assets.

**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.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

---

**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.
- (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**

Statements of cash flows are 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 15 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 Pronouncement**

In February 2009, GASB released a new statement, *GASB Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The initial distinction in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This statement provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. Application of this Statement is effective for the County's fiscal year ending June 30, 2011.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

**2. Cash and Investments**

**A. Deposits**

As of June 30, 2010, the County's cash and deposits were as follows:

	<u>Bank Balance</u>	<u>Carrying Value</u>
Deposits with financial institutions	\$ 71,002	\$ 70,759
Cash on hand		1,192
Deposits in transit		3,262
Adjustment to restate pension trust fund cash balance to December 31, 2009		737
Total cash and deposits		\$ 75,950

**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 does not have a deposit policy for custodial credit risk. Of the \$71,002,000 deposits with financial institutions, \$2,401,000 was covered by federal depository insurance, \$53,000,000 was collateralized with securities held by pledging financial institutions, and \$15,601,000 was collateralized with securities held by pledging financial institutions' trust departments. 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, 2009, ACERA reported a cash balance of \$1,034,000, of which \$400,000 was in operational cash accounts held with a financial institution. \$300,000 of the operational cash deposit was uninsured and uncollateralized and exposed 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 US Treasury securities, banker's acceptances, federal, state and local government securities, commercial paper, medium-term corporate notes, 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 repurchase agreements and reverse repurchase agreements, or to engage in securities lending, such investment activities were not made during the year ended June 30, 2010.

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, 2010.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

As of June 30, 2010 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	AAA / Aaa	\$ 140,682	\$ 668,305	\$ 808,987
Federal agency discounted notes	AAA / Aaa	1,498,930	-	1,498,930
Medium term notes	A/A2	-	506	506
Local agency investment fund	Not rated	50,000	-	50,000
Mutual funds	AAA / Aaa	687,500	-	687,500
Total investments		<u>\$ 2,377,112</u>	<u>\$ 668,811</u>	<u>\$ 3,045,923</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 rated A if maturity is less than three years from purchase date; and at least rated AA if maturity is longer than three years from purchase date.

Negotiable Certificates of Deposit: at least rated A if issued by a domestic bank; and at least rated AA 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 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, 2010, more than 5 percent of the Treasurer's investments were in the Federal Farm Credit Bank (7.2%), Federal Home Loan Mortgage Corporation (12.82%), Federal Home Loan Bank (18.60%), and Federal National Mortgage Association (37.14%).

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, 2010. Cash and deposits do not include \$ 1,246,000 in department revolving funds.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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Statement of Net Assets

Assets:	
Cash and deposits	\$ 75,208
Investments (at fair value)	3,045,923
Accrued interest	4,662
Total assets	\$3,125,793
Total Liabilities:	-
Net Assets	\$3,125,793
Equity of internal pool participants	\$1,553,401
Equity of external pool participants	1,572,392
Total Net Assets	\$3,125,793

Statement of Changes in Net Assets

Net change in investments by pool participants	\$ 188,073
Net assets at July 1, 2009	2,937,720
Net assets at June 30, 2010	\$3,125,793

The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2010, to support the value of shares in the pool.

As of June 30, 2010, 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.

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, 2010, 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, 2010, 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, counties, special districts, nonprofit corporations, or qualified quasigovernmental agencies in LAIF is \$23.3 billion in 2010. Of that amount, 94.58% was invested in non-derivative financial products and 5.42% in structured notes and asset backed securities as of June 30, 2010. The value of the pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the County's position in the pool.

b. Investments with Fiscal Agents

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

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

As of June 30, 2010, 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	N/A	\$ 100	\$ -	\$ -	\$ 100
Money market funds	AAA / Aaa	158,680	-	-	158,680
U.S. Treasury securities	N/A	-	15,240	-	15,240
Federal agency notes and bonds	AAA / Aaa	66,267	161,474	-	227,741
Corporate bonds	AAA / Aaa	38,424	49,703	2,128	90,255
Total cash and investments with fiscal agent		<u>\$ 263,471</u>	<u>\$ 226,417</u>	<u>\$ 2,128</u>	<u>\$492,016</u>

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, 2010, more than 5 percent of total investments with fiscal agents were in the Federal Home Loan Bank (15.73%), the Federal National Mortgage Association (11.78%), and the Federal Home Loan Mortgage Corporation (18.78%).

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, 2010, more than 5 percent of the property development fund's investments were in the Federal Home Loan Bank (22.33%), the Federal National Mortgage Association (15.23%), and the Federal Home Loan Mortgage Corporation (29.82%).

As of June 30, 2010, more than five percent of the debt service fund's investments were in the Federal Home Loan Bank (38.06%), and the Federal National Mortgage Association (49.82%). In addition, more than 5 percent of the non-major governmental funds' investments were in FCAR Owner Trust (63.73%) and Bank of America (8.68%).

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 US equity, international equity, US 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, 2009.

ACERA has chosen to manage the investment risks described by GASB Statement No. 40 by contractually requiring each portfolio investment manager to abide by restrictive investment guidelines specifically tailored to that individual manager rather than adopting broad 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

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

of credit risk, the guidelines for one fixed income portfolio 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.

As of December 31, 2009, ACERA's investments with fiscal agents consisted of the following:

<u>Investment Type</u>	<u>Fair Value</u>
Short-term investments	\$ 143,861
Domestic equities	1,110,539
Domestic equity commingled funds	729,297
International equities	1,174,711
International equity commingled funds	57,129
Domestic fixed income	882,713
International fixed income	224,036
Real estate - separate properties	90,802
Real estate - commingled funds	162,288
Future contracts - equity index	884
Equity index swaps	37
Foreign exchange contracts	1,424
Private equity and alternatives	79,358
Total investments	<u>\$ 4,657,079</u>

Concentration of Credit Risk

The individual investment guidelines for each fixed-income manager forbid concentrations greater than 5 percent in the securities of any one issuer (except investments issued or explicitly guaranteed by the U.S. government). As of December 31, 2009, 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.

The Credit Risk Analysis table discloses the fair value of debt investments by type and credit rating as of December 31, 2009.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

**Credit Risk Analysis**

<u>Debt Investments by Type</u>	Adjusted Moody's Credit Rating								Ca and below	
	Total	Aaa	Aa	A	Baa	Ba	B	Caa	Not Rated	
Collateralized mortgage obligations	\$ 165,181	\$ 65,817	\$ 8,825	\$ 22,969	\$ 11,763	\$ 1,866	\$ 28,718	\$ 25,223	\$ -	\$ -
Convertible bonds	15,346	-	-	3,157	85	441	3,889	5,587	-	2,187
Corporate bonds	486,148	9,160	29,626	86,683	198,853	65,299	68,079	18,849	5,139	4,460
Federal Home Loan Mortgage Corp.	23,755	23,755	-	-	-	-	-	-	-	-
Federal National Mortgage Assn.	128,688	128,688	-	-	-	-	-	-	-	-
Government issues	237,709	163,453	8,618	30,976	26,552	8,110	-	-	-	-
Government National Mortgage Assn. I, II	6,280	6,280	-	-	-	-	-	-	-	-
Other asset-backed securities	43,641	9,589	2,523	5,215	1,005	4,790	3,313	9,368	4,082	3,756
Subtotal debt investments	<u>1,106,748</u>	<u>406,742</u>	<u>49,592</u>	<u>149,000</u>	<u>238,258</u>	<u>80,506</u>	<u>103,999</u>	<u>59,027</u>	<u>9,221</u>	<u>10,403</u>
<b>External Investment Pools of Debt Securities</b>										
Securities Lending Cash Collateral Fund	587,991	-	-	-	-	-	-	-	-	587,991
Master Custodian Short-Term Investment Fund	100,764	-	-	-	-	-	-	-	-	100,764
Subtotal external investment pools	<u>688,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>688,755</u>
Total	<u>\$ 1,795,503</u>	<u>\$ 406,742</u>	<u>\$ 49,592</u>	<u>\$ 149,000</u>	<u>\$ 238,258</u>	<u>\$ 80,506</u>	<u>\$ 103,999</u>	<u>\$ 59,027</u>	<u>\$ 9,221</u>	<u>\$ 699,158</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, 2009, ACERA had no investments that were exposed to custodial credit risk.

ACERA's investments include collateral associated with derivatives activity. As of December 31, 2009, collateral for derivatives were \$12.8 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, 2009. 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.

**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	\$ 587,991	39 days
Master Custodian Short-Term Investment Fund	100,764	41 days
Total	<u>\$ 688,755</u>	

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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	\$ 165,181	7.0
Convertible bonds	15,346	6.9
Corporate bonds	486,148	6.8
Federal Home Loan Mortgage Corp.	23,755	2.6
Federal National Mortgage Assn.	128,688	3.3
Government issues	237,709	7.6
Government National Mortgage Assn. I, II	6,280	1.6
Other asset-backed securities	42,949	4.5
Subtotal of investments with duration	1,106,056	
Other Asset Backed Securities	692	No Duration
Subtotal of investments without duration	692	
Total debt investments	\$ 1,106,748	

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, 2009. ACERA has no general investment policy with respect to investments with fair values that are highly sensitive to changes in interest rates.

**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>
Zero coupon bond	Privately placed securities	Zero-coupon	\$ 4,959
Collateralized mortgage obligation	Mortgage-related securities	Various	33,604
Total			\$ 38,563

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.

**COUNTY OF ALAMEDA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(amounts in tables expressed in thousands)  
JUNE 30, 2010**

The Foreign Currency Risk Analysis table shows the fair value of investments by currency denomination and investment type, as of December 31, 2009. It provides an indication of the magnitude of ACERA's foreign currency risk for each foreign currency.

**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>Equity Index Swaps</b>	<b>Total Exposure Net of Currency Swaps</b>
Australia Dollar	\$ 72,733	\$ -	\$ 8,591	\$ 294	\$ 25,101	\$ (457)	\$ (816)	105,446
Brazil Real	7,548	-	-	-	-	81	(197)	7,432
Canada Dollar	44,033	-	3,411	313	25,440	53	(263)	72,987
Chile Peso	-	-	-	-	-	(3)	-	(3)
Colombia Peso	-	-	-	-	1,060	-	-	1,060
Denmark Krone	8,662	-	-	70	-	46	-	8,778
Egypt Pound	629	-	-	-	-	-	-	629
Euro Currency	381,193	-	-	26,498	1,345	2,195	1,257	412,488
Hong Kong Dollar	51,681	-	-	109	-	(10)	203	51,983
Hungary Forint	-	-	-	-	-	(75)	-	(75)
Iceland Krona	-	-	1,406	-	-	-	-	1,406
India Rupee	15,525	-	-	-	-	(5)	-	15,520
Indonesia Rupiah	2,352	-	-	-	7,050	12	-	9,414
Israel Shekel	4,216	-	-	-	-	(2)	31	4,245
Japan Yen	176,291	-	4,965	231	-	554	(210)	181,831
Malaysia Ringgit	1,833	-	-	-	11,839	-	(3)	13,669
Mexico Peso	5,505	-	1,037	566	13,990	(49)	17	21,066
New Russia Ruble	-	-	-	-	-	52	-	52
New Taiwan Dollar	10,979	-	-	1,368	-	90	-	12,437
New Zealand Dollar	3,513	-	9,638	240	8,428	(20)	-	21,799
Norway Krone	3,135	-	-	7	-	(919)	-	2,223
Poland Zloty	754	-	-	-	11,329	(45)	46	12,084
Singapore Dollar	25,263	-	5,150	61	-	(1)	16	30,489
South Africa Rand	8,937	-	-	(47)	3,175	42	27	12,134
South Korea Won	11,894	-	-	1,293	3,799	529	410	17,925
Sweden Krona	14,652	-	-	43	4,809	(190)	(3)	19,311
Switzerland Franc	77,922	-	-	114	-	(46)	(357)	77,633
Thailand Baht	2,900	-	-	95	-	(5)	14	3,004
Turkey Lira	-	-	-	-	-	(4)	-	(4)
UK Pound Sterling	172,484	-	-	126	10,602	(399)	146	182,959
Various Currencies	-	62,121	-	-	-	-	-	62,121
<b>TOTAL</b>	<b>\$ 1,104,634</b>	<b>\$ 62,121</b>	<b>\$ 34,198</b>	<b>\$ 31,381</b>	<b>\$ 127,967</b>	<b>\$ 1,424</b>	<b>\$ 318</b>	<b>\$ 1,362,043</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 master custodian to lend ACERA securities to broker-dealers and banks pursuant to a loan agreement.

For the year ended December 31, 2009, on behalf of ACERA, the master custodian lent ACERA securities (government bonds, corporate stocks, corporate bonds, and international equities) 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

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

pledge or sell collateral securities delivered absent a borrower default. Borrowers were 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, 2009, 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, 2009, resulting from a default of the borrowers or the securities lending agent.

For the year ended December 31, 2009, 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 a collective investment pool. As of December 31, 2009, this investment pool had an average duration of 39 days and an average weighted maturity of 212 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. As of December 31, 2009, ACERA had no credit risk exposure to borrowers because the amounts ACERA owes them exceeded the amounts they owe ACERA.

As of December 31, 2009, ACERA had securities on loan with a fair value of \$579.8 million for cash collateral of \$588.0 million.

**Summary of County Deposits and Investments**

The following table is a summary of the deposits and investments as of June 30, 2010:

	Cash On Hand and Deposits In Transit	Cash in Bank	Treasurer's Investments	Investments with Fiscal Agent and Securities Lending Collateral	Adjust ACERA Cash to 12/31/09	Total
<u>Cash and investments</u>						
With County Treasurer	\$ 4,454	\$ 70,759	\$3,045,923	\$ -	\$ 737	\$ 3,121,873
With ACERA	-	-	-	4,657,079	-	4,657,079
With fiscal agents	-	-	-	492,016	-	492,016
Total cash and investments	<u>4,454</u>	<u>70,759</u>	<u>3,045,923</u>	<u>5,149,095</u>	<u>737</u>	<u>8,270,968</u>
Investment of securities lending collateral	-	-	-	587,991	-	587,991
Total – Primary Government	<u>\$ 4,454</u>	<u>\$ 70,759</u>	<u>\$3,045,923</u>	<u>\$ 5,737,086</u>	<u>\$ 737</u>	<u>\$ 8,858,959</u>
Restricted Cash – Component Unit		<u>\$ 1,210</u>				<u>\$ 1,210</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
(amounts in tables expressed in thousands)  
**JUNE 30, 2010**

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

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>	
Cash and investments with County Treasurer	\$ 1,239,042 <sup>1</sup>	\$ 1,882,831 <sup>2</sup>	\$ 3,121,873	\$ -
Cash and investments with fiscal agents	309,789	4,657,079	4,966,868	-
Restricted Assets:				
Cash and investments with fiscal agents	182,227	-	182,227	1,210
Invested securities lending collateral	-	587,991	587,991	-
Total cash and investments	<u>\$ 1,731,058</u>	<u>\$ 7,127,901</u>	<u>\$ 8,858,959</u>	<u>\$ 1,210</u>
Deposits and cash on hand			\$ 75,950	\$ 1,210
Investments			8,783,009	-
Total deposits and investments			<u>\$ 8,858,959</u>	<u>\$ 1,210</u>

1 Includes cash and investments with the County Treasurer of total governmental funds (\$1,109,351) and internal service funds (\$129,691).

2 Includes deposits and investments with the County Treasurer of pension and postemployment benefits and employee benefit trust funds (\$2,541), investment trust fund (\$1,617,803), private purpose trust (\$15,701) and agency funds (\$246,786).

### 3. Receivables

Receivables as of June 30, 2010, 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:

	<u>Governmental Funds</u>						<u>Internal Service Funds</u>	<u>Governmental Activities Total</u>	
	<u>General</u>	<u>Property Development</u>	<u>Flood Control</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non-major Governmental Funds</u>			<u>Subtotal</u>
Interest	\$ 1,665	\$ -	\$ 250	\$ 2	\$ 65	\$ 230	\$ 2,212	\$ 165	\$ 2,377
Taxes	43,871	-	1,405	-	-	3,883	49,159	-	49,159
Departmental accounts	138,634	-	-	-	-	-	138,634	-	138,634
Federal and state grants and subventions	144,594	-	9	2,240	-	46,501	193,344	-	193,344
Charges for services	73,687	-	158	-	-	18,011	91,856	1,596	93,452
Other	4,801	229	205	-	-	7,904	13,139	-	13,139
Gross receivables	<u>407,252</u>	<u>229</u>	<u>2,027</u>	<u>2,242</u>	<u>65</u>	<u>76,529</u>	<u>488,344</u>	<u>1,761</u>	<u>490,105</u>
Less: allowance for uncollectibles	(112,595)	-	-	-	-	-	(112,595)	-	(112,595)
Net total receivable - governmental activities	<u>\$ 294,657</u>	<u>\$ 229</u>	<u>\$ 2,027</u>	<u>\$ 2,242</u>	<u>\$ 65</u>	<u>\$ 76,529</u>	<u>\$ 375,749</u>	<u>\$ 1,761</u>	<u>\$ 377,510</u>

Other receivables for pension and other employee benefit trust funds at December 31, 2009, are as follows:

Contributions	\$ 11,236
Investment Receivables	4,248
Investments Sold	3,731
Other	287
Total other receivables at December 31, 2009	<u>\$ 19,502</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
(amounts in tables expressed in thousands)  
**JUNE 30, 2010**

**4. Capital Assets**

Capital asset activities of the primary government for the year ended June 30, 2010, are as follows:

**GOVERNMENTAL ACTIVITIES**

	<b>Balance July 1, 2009</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2010</b>
Capital assets, not being depreciated:				
Land and easements	\$ 43,974	\$ -	\$ -	\$ 43,974
Construction in progress	66,583	69,095	50,651	85,027
Collections	50	-	-	50
Total capital assets, not being depreciated	<u>110,607</u>	<u>69,095</u>	<u>50,651</u>	<u>129,051</u>
Capital assets, being depreciated:				
Structures and improvements	875,518	17,744	260	893,002
Machinery and equipment	144,160	13,840	13,881	144,119
Software	34,514	-	-	34,514
Infrastructure	724,059	32,907	-	756,966
Total capital assets, being depreciated	<u>1,778,251</u>	<u>64,491</u>	<u>14,141</u>	<u>1,828,601</u>
Less accumulated depreciation for:				
Structures and improvements	395,896	22,607	-	418,503
Machinery and equipment	108,196	13,888	13,369	108,715
Software	27,314	3,265	-	30,579
Infrastructure	333,198	20,271	-	353,469
Total accumulated depreciation	<u>864,604</u>	<u>60,031</u>	<u>13,369</u>	<u>911,266</u>
Total capital assets, being depreciated, net	<u>913,647</u>	<u>4,460</u>	<u>772</u>	<u>917,335</u>
Governmental activities capital assets, net	<u>\$ 1,024,254</u>	<u>\$ 73,555</u>	<u>\$ 51,423</u>	<u>\$ 1,046,386</u>

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

Governmental Activities	
General government	\$ 6,327
Public protection	22,365
Public assistance	1,392
Health and sanitation	6,003
Public ways and facilities	17,618
Recreation and cultural services	1,976
Education	595
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	<u>3,755</u>
Total depreciation expense – governmental activities	<u>\$ 60,031</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

The County has active construction projects as of June 30, 2010. 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, 2010 are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Construction of new health care facilities	\$ 55,526	\$ 420,023
Construction of new criminal justice facility	6,371	-
Road improvements	20,481	14,510
Flood control channel improvements	2,649	8,036
Total governmental funds	<u>\$ 85,027</u>	<u>\$ 442,569</u>

Fines and penalties imposed on criminal offenses provide the source of funding for the commitment for construction of a new criminal justice facility. Tobacco funds received from the master settlement agreement and issuance of debt finance the commitment for construction of a new health care facility. 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 buildings, 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 leases for the buildings qualify as capital leases for accounting purposes because one lease agreement contains a bargain purchase option while the present value of the minimum lease payments at the inception of the lease for the other lease agreement equals at least 90% of the fair value of the leased property. The leased buildings were 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	\$ 29,896
Machinery and equipment	991
Total	<u>30,887</u>
Less accumulated amortization	<u>(4,699)</u>
Net book value	<u>\$ 26,188</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
(amounts in tables expressed in thousands)  
**JUNE 30, 2010**

**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, 2009, are as follows:

	<u>Balance</u> <u>January 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>December 31, 2009</u>
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 738	\$ 52	\$ 686
Capital assets, being depreciated:				
Equipment and Furniture	2,684	62	16	2,730
Information Systems	10,457	-	-	10,457
Leasehold Improvements	2,460	5	-	2,465
Total capital assets, being depreciated	<u>15,601</u>	<u>67</u>	<u>16</u>	<u>15,652</u>
Less accumulated depreciation for:				
Equipment and Furniture	2,195	187	14	2,368
Information Systems	10,254	203	-	10,457
Leasehold Improvements	201	90	-	291
Total accumulated depreciation	<u>12,650</u>	<u>480</u>	<u>14</u>	<u>13,116</u>
Total capital assets, being depreciated, net	<u>2,951</u>	<u>(413)</u>	<u>2</u>	<u>2,536</u>
Fiduciary fund capital assets, net	<u>\$ 2,951</u>	<u>\$ 325</u>	<u>\$ 54</u>	<u>\$ 3,222</u>

**COMPONENT UNIT – Alameda County Medical Center**

Capital asset activities of the Alameda County Medical Center for the year ended June 30, 2010, are as follows:

	<u>Balance</u> <u>July 1, 2009</u> <u>(as restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 4,733	\$ -	\$ 2,908	\$ 1,825
Total capital assets, not being depreciated	<u>4,733</u>	<u>-</u>	<u>2,908</u>	<u>1,825</u>
Capital assets, being depreciated:				
Structures and improvements	36,865	3,318	-	40,183
Machinery and equipment	64,866	7,638	-	72,504
Total capital assets, being depreciated	<u>101,731</u>	<u>10,956</u>	<u>-</u>	<u>112,687</u>
Less accumulated depreciation for:				
Structures and improvements	23,602	1,582	-	25,184
Machinery and equipment	43,928	8,340	-	52,268
Total accumulated depreciation	<u>67,530</u>	<u>9,922</u>	<u>-</u>	<u>77,452</u>
Total capital assets, being depreciated, net	<u>34,201</u>	<u>1,034</u>	<u>-</u>	<u>35,235</u>
Component unit capital assets, net	<u>\$ 38,934</u>	<u>\$ 1,034</u>	<u>\$ 2,908</u>	<u>\$ 37,060</u>

The restatement of the beginning balance for the net amount of \$156 is due to completed construction projects and depreciation expense not recorded in prior years.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
(amounts in tables expressed in thousands)  
**JUNE 30, 2010**

**5. Accounts Payable and Accrued Expenditures/Expenses**

Accounts payable and accrued expenditures/expenses as of June 30, 2010, for the County's individual major funds, nonmajor funds in the aggregate, and internal service funds are as follows:

	Governmental Funds						Internal Service Funds	Governmental Activities Total
	General	Property Development	Flood Control	Capital Projects	Other Governmental Funds	Subtotal		
	Accounts payable	\$ 63,014	\$ 33	\$ 1,512	\$ 5,836	\$ 14,990		
Outstanding warrants	51,418	-	-	-	-	51,418	-	51,418
Accrued payroll	36,737	20	1,517	-	4,762	43,036	2,447	45,483
Total accounts payable and accrued expenditures	<u>\$ 151,169</u>	<u>\$ 53</u>	<u>\$ 3,029</u>	<u>\$ 5,836</u>	<u>\$ 19,752</u>	<u>\$ 179,839</u>	<u>\$ 8,936</u>	<u>\$ 188,775</u>

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

Purchase of securities	\$ 9,553
Investment-related payables	3,541
Accrued administrative expenses	1,843
Member benefits	3,424
Other	90
Total accounts payable and accrued expenses	<u>\$ 18,451</u>

Payables for the Investment Trust Fund, Private Purpose Trust Fund, and Agency Funds consist of outstanding warrants.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

**6. Long-Term Obligations**

The following is a summary of long-term obligations of the County as of June 30, 2010:

<b>GOVERNMENTAL ACTIVITIES</b>				
<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	\$ 4,270
2001A Refunding (a)	12/1/2021	3.80-5.375	148,455	112,785
2007A Refunding (a)	12/1/2021	4-5.625	37,010	<u>30,295</u>
Certificates of participation-principal				147,350
1989 Capital Projects capital appreciation bonds-accretion (b)				12,871
<b>Tobacco Settlement Asset-Backed bonds</b>				
Tobacco Securitization bonds 2002 (g)	6/1/2042	2.25-6.00	220,525	182,415
Tobacco Securitization capital appreciation bonds 2006 - A & B (g)	6/1/2050	6.2-6.7	51,475	51,475
Tobacco Securitization capital appreciation bonds 2006 - C (g)	6/1/2055	7.55	16,384	<u>16,384</u>
Tobacco Securitization bonds-principal				250,274
Tobacco Securitization capital appreciation bonds 2006 - accretion (g)				22,525
<b>Pension obligation bonds</b>				
1996 bonds series B capital appreciation bonds-principal (a)	12/1/2018	7.03-7.58	306,863	178,387
1996 bonds series B capital appreciation bonds-accretion (a)				299,353
<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	19,925
Juvenile Justice Refunding 2008A (a)	12/1/2034	4.0-5.0	120,145	120,145
Association of Bay Area Governments:				
2004 ABAG 40 Refunding (c)	6/1/2012	2-3.75	6,095	<u>1,635</u>
Lease revenue bonds				<u>141,705</u>
<b>Tax allocation bonds</b>				
Alameda County Redevelopment Agency:				
Eden Area Redevelopment Bonds (i)	8/1/2036	4.0-5.0	34,735	<u>32,565</u>
<b>Capital leases</b>				
Fire equipment (h)	11/30/2012	0	697	314
Water efficiency measures (f)	10/30/2023	4.08	3,000	2,750
Structures & Improvement - 7200 Bancroft Ave. (a)	2/28/2021	52.07	1,896	1,896
Structures & Improvement - 2000 San Pablo Ave. (a)	11/21/2035	13.2	25,000	<u>24,889</u>
Capital leases payable				<u>29,849</u>
<b>Other Long-term obligations</b>				
<b>Special assessment bonds with government commitment</b>				
West Happyland assessment district 1999 refunding (d)	9/2/2011	4.2-5.65	395	45
Tennyson-Alquire assessment district 1999 refunding (d)	9/2/2012	4.2-5.70	1,435	<u>290</u>
Special assessment bonds				335
Loans Payable (f)	12/22/2010 to 12/22/2023	3.0-6.0	15,007	11,454
Note Payable (i)	5/19/2014	9.77	675	675
Net pension obligation (e)				42,857
Net OPEB obligation (e)				72,400
Compensated employee absences payable (e)				65,695
Estimated liability for claims and contingencies (f)				98,548
Due to other governmental units (i)				6,707
Obligation to fund Authority deficit (see Note 15) (a)				<u>76,000</u>
Other long-term obligations				<u>374,671</u>
Governmental activities total long-term obligations				<u>\$ 1,489,550</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 Road special revenue fund in non-major governmental funds.
- (d) Tax assessments on benefited properties within the assessment districts.
- (e) Discretionary revenues of the fund in which the employee's salary is charged.
- (f) User-charge reimbursements from general fund and non-major governmental funds.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

- (g) Revenues from tobacco master settlement agreement.
- (h) Discretionary revenues of the Fire special revenue fund in non-major governmental funds.
- (i) Tax increment revenues with respect to the redevelopment project area.

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, 2010 of \$182.4 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 \$1.9 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 \$15.4 million while tobacco settlement revenue was \$14.6 million.

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 \$56.7 million, with the final payment due on August 1, 2036. The tax allocation bonds are secured and to be serviced from tax increment revenues of the project area. 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. The total debt service estimated is \$56.7 million which is 12.08 percent of the total projected net tax increment revenues of \$469 million during the bond period. Pledged tax increment revenue recognized during the fiscal year ended June 30, 2010 was \$2.1 million as against the total debt service payment of \$2.1 million.

**COMPONENT UNIT**

<u>Type of Obligation</u>	<u>Outstanding</u>
<b>Alameda County Medical Center:</b>	
Compensated employee absences payable	\$ 14,943
Estimated liability for claims and contingencies	20,616
Component unit total long-term obligations	\$ 35,559

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, 2010, the County's debt limit (1.25% of total assessed value) was \$2.48 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 no deferred interest income as of June 30, 2010.

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.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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*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 \$52.4 million as of June 30, 2010. 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 \$86.7 million as of June 30, 2010. 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, 2010, \$1.01 million was the remaining outstanding obligation. Similarly, assessment district bonds were issued to construct storm drains, roads, sidewalks, water, and sewer system in Tennyson-Alquire and West Happyland townships in the City of Hayward. At June 30, 2010, \$0.34 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. Even though the County is not obligated to advance any resources to cure any deficiencies in the redemption funds of the Tennyson-Alquire and West Happyland townships issues, the County has the right to do so; therefore the debt has been included in the County's long-term obligations.

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.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
(amounts in tables expressed in thousands)  
**JUNE 30, 2010**

**Changes in Long-Term Obligations**

The changes in long-term obligations for governmental activities for the year ended June 30, 2010, are as follows:

	<u>Balance July 1, 2009</u>	<u>Additional Obligations, Interest Accretion, and Net Increases</u>	<u>Current Maturities, Retirements, and Net Decreases</u>	<u>Balance June 30, 2010</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Bonds and certificates payable					
Certificates of participation	\$ 164,782	\$ -	\$ (17,432)	\$ 147,350	\$ 18,479
Tobacco Securitization bonds	254,839	-	(4,565)	250,274	3,130
Pension obligation bonds	203,021	-	(24,634)	178,387	23,802
Lease revenue bonds	145,520	-	(3,815)	141,705	3,515
Tax allocation bonds	33,215	-	(650)	32,565	675
Special assessment bonds with government commitment	545	-	(210)	335	115
Total bonds and certificates payable before accretion	<u>801,922</u>	<u>-</u>	<u>(51,306)</u>	<u>750,616</u>	<u>49,716</u>
Accretion on capital appreciation bonds					
Certificates of participation	13,566	1,264	(1,959)	12,871	2,001
Tobacco Securitization bonds	16,816	5,709	-	22,525	-
Pension obligation bonds	301,053	35,931	(37,631)	299,353	41,263
Total bonds and certificates payable at accreted value	<u>1,133,357</u>	<u>42,904</u>	<u>(90,896)</u>	<u>1,085,365</u>	<u>92,980</u>
Other debt-related items					
Deferred amount for issuance premiums	9,121	-	(744)	8,377	-
Deferred amount for issuance discount	(4,525)	-	136	(4,389)	-
Deferred amount for refunding loss	(12,675)	-	1,290	(11,385)	-
Total bonds and certificates payable	<u>1,125,278</u>	<u>42,904</u>	<u>(90,214)</u>	<u>1,077,968</u>	<u>92,980</u>
Loans and note payable	8,195	4,732	(798)	12,129	1,102
Net pension obligation	79,399	-	(36,542)	42,857	-
Net OPEB obligation	-	72,400	-	72,400	-
Compensated employee absences payable	58,388	39,304	(31,997)	65,695	34,981
Estimated liability for claims and contingencies	101,386	19,659	(22,497)	98,548	22,400
Capital leases	30,300	-	(451)	29,849	333
Due to other governmental units	6,227	783	(303)	6,707	286
Obligation to fund Coliseum Authority deficit (see Note 15)	79,350	-	(3,350)	76,000	3,550
Governmental activity long-term obligations	<u>\$ 1,488,523</u>	<u>\$ 179,782</u>	<u>\$ (186,152)</u>	<u>\$ 1,482,153</u>	<u>\$ 155,632</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, 2010, \$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, 2010, are as follows:

<b>Component Unit:</b>	<u>Balance July 1, 2009 (as restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>	<u>Amounts Due Within One Year</u>
Compensated employee absences payable	\$ 15,339	\$ 14,445	\$ (14,841)	\$ 14,943	\$ 5,565
Estimated liability for claims and contingencies	20,608	3,104	(3,096)	20,616	5,382
Total component unit long-term obligations	<u>\$ 35,947</u>	<u>\$ 17,549</u>	<u>\$ (17,937)</u>	<u>\$ 35,559</u>	<u>\$ 10,947</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

Annual debt service requirements for long-term obligations outstanding as of June 30, 2010, are as follows:

**GOVERNMENTAL ACTIVITIES**

For the Year Ending June 30	Lease Revenue Bonds		Tobacco Securitization Bonds			Pension Obligation Bonds		Tax Allocation Bonds		Total Bonds		
	Principal	Interest	Principal	Accreted		Principal	Accreted		Principal	Interest	Accreted	
				Interest	Interest		Interest	Interest				
2011	\$ 3,515	\$ 6,848	\$ 3,130	\$ -	\$ 10,629	\$ 23,802	\$ 41,263	\$ 675	\$ 1,437	\$ 31,122	\$ 41,263	\$ 18,914
2012	4,125	6,681	2,905	-	10,492	23,044	44,951	705	1,409	30,779	44,951	18,582
2013	3,235	6,485	-	-	10,354	22,263	48,792	730	1,381	26,228	48,792	18,220
2014	3,400	6,317	-	-	10,354	21,490	52,760	760	1,351	25,650	52,760	18,022
2015	3,785	6,151	-	-	10,354	20,623	56,972	790	1,320	25,198	56,972	17,825
2016-2020	20,690	28,176	3,475	-	51,606	67,165	232,955	4,455	6,089	95,785	232,955	85,871
2021-2025	26,670	22,538	-	-	50,946	-	-	5,435	5,077	32,105	-	78,561
2026-2030	34,255	14,960	51,485	-	47,985	-	-	6,705	3,785	92,445	-	66,730
2031-2035	42,030	5,310	45,170	-	36,144	-	-	8,355	2,068	95,555	-	43,522
2036-2040	-	-	-	-	22,875	-	-	3,955	200	3,955	-	23,075
2041-2045	-	-	76,250	-	9,150	-	-	-	-	76,250	-	9,150
2046-2050	-	-	51,475	-	-	-	-	-	-	51,475	-	-
2051-2055	-	-	16,384	764,585	-	-	-	-	-	16,384	764,585	-
2056-2060	-	-	-	616,926	-	-	-	-	-	-	616,926	-
<b>Total</b>	<b>\$ 141,705</b>	<b>\$ 103,466</b>	<b>\$ 250,274</b>	<b>\$ 1,381,511</b>	<b>\$ 270,889</b>	<b>\$ 178,387</b>	<b>\$ 477,693</b>	<b>\$ 32,565</b>	<b>\$ 24,117</b>	<b>\$ 602,931</b>	<b>\$ 1,859,204</b>	<b>\$ 398,472</b>

For the Year Ending June 30	Total Bonds			Certificates of Participation			Other Long-Term Obligations		Total Debt		
	Principal	Accreted Interest	Interest	Principal	Accreted		Principal	Interest	Principal	Accreted	
					Interest	Interest				Interest	
2011	\$ 31,122	\$ 41,263	\$ 18,914	\$ 18,479	\$ 2,000	\$ 6,894	\$ 1,550	\$ 5,020	\$ 51,151	\$ 43,263	\$ 30,828
2012	30,779	44,951	18,582	19,539	2,041	5,983	1,672	4,898	51,990	46,992	29,463
2013	26,228	48,792	18,220	20,212	2,077	5,035	1,610	4,831	48,050	50,869	28,086
2014	25,650	52,760	18,022	21,033	2,112	3,974	2,098	4,754	48,781	54,872	26,750
2015	25,198	56,972	17,825	14,135	2,150	3,056	1,485	4,637	40,818	59,122	25,518
2016-2020	95,785	232,955	85,871	37,277	8,882	8,767	7,267	21,429	140,329	241,837	116,067
2021-2025	32,105	-	78,561	16,675	-	817	3,251	16,006	52,031	-	95,384
2026-2030	92,445	-	66,730	-	-	-	1,256	15,057	93,701	-	81,787
2031-2035	95,555	-	43,522	-	-	-	2,382	13,911	97,937	-	57,433
2036-2040	3,955	-	23,075	-	-	-	19,742	1,294	23,697	-	24,369
2041-2045	76,250	-	9,150	-	-	-	-	-	76,250	-	9,150
2046-2050	51,475	-	-	-	-	-	-	-	51,475	-	-
2051-2055	16,384	764,585	-	-	-	-	-	-	16,384	764,585	-
2056-2060	-	616,926	-	-	-	-	-	-	-	616,926	-
<b>Total</b>	<b>\$ 602,931</b>	<b>\$ 1,859,204</b>	<b>\$ 398,472</b>	<b>\$ 147,350</b>	<b>\$ 19,262</b>	<b>\$ 34,526</b>	<b>\$ 42,313</b>	<b>\$ 91,837</b>	<b>\$ 792,594</b>	<b>\$ 1,878,466</b>	<b>\$ 524,835</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, the obligation to fund Coliseum Authority deficit, and the amount due to other governmental units. 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.

On November 3, 2009, the Board of Supervisors approved an updated plan of finance for the Acute Tower Seismic Replacement project. The revised plan provides for the funding of the initial costs of the project with tax-exempt commercial paper notes that will ultimately be retired with long-term fixed rate debt. Commercial paper, a form of short-term debt, provides flexible financing as funds may be drawn only as needed, similar to a line of credit. The commercial paper program will be active for approximately seven years. Fixed rate bonds will be issued in the future to redeem outstanding commercial paper and free up short-term borrowing capacity for remaining project costs. To

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

reduce the costs of the commercial paper program, \$110.3 million was deposited with the fiscal agent as collateral for the letter of credit. As of June 30, 2010, there are no outstanding commercial paper notes.

**7. Operating Lease Obligations**

The County has numerous operating leases for office space. Rental expense for operating leases for fiscal year 2009/10 was \$29.1 million. Future minimum lease payments for operating leases at June 30, 2010, are as follows:

<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2016-20</u>	<u>2021-25</u>	<u>2026-27</u>	<u>Total</u>
\$ 27,987	\$ 25,500	\$ 23,904	\$ 21,275	\$ 19,139	\$ 78,614	\$ 34,847	\$ 9,351	\$ 240,617

**8. Fund Deficits**

Individual fund deficit at June 30, 2010, are as follows:

Internal Service Fund - Risk Management	\$ 5,842
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The fund deficit of the internal service fund is expected to be funded by increased user charges.

**9. Fund Balances**

Reserve for Legal Restrictions – This reserve represents revenues the County has received but their use has been restricted to specific purposes as required by legislation, county resolution, or other binding agreement.

General government programs	\$ 5,040
Health and sanitation programs	113,464
Public assistance programs	3,353
Public protection programs	133,799
Recreation programs	14
Total general fund	<u>\$255,670</u>

Designations of fund balances indicate that portion of fund balances that is not available for appropriation based on management's plan for future use of the funds. Following is a brief description of the nature of designations as of June 30, 2010:

Designated for Capital Expenditures – This designation represents funds set aside for the construction or acquisition of capital assets.

Designated for General Contingencies – This designation represents funds set aside for unexpected events that may occur during the subsequent year. It also represents funds set aside as an incentive program for departments that have demonstrated their ability to reduce the cost of service delivery during the previous fiscal year.

	<u>Designated for</u>		<u>Undesignated</u>	<u>Total</u>
	<u>Capital Expenditures</u>	<u>General Contingencies</u>		
General fund	\$ 64,702	\$ 563,196	\$ -	\$ 627,898
Property development fund	296,944	-	-	296,944
Flood control fund	58,895	1,070	91,189	151,154
Capital projects fund	-	-	(375,645)	(375,645)
Non-major governmental funds	12,699	1,253	136,280	150,232
Total governmental funds	<u>\$ 433,240</u>	<u>\$ 565,519</u>	<u>\$ (148,176)</u>	<u>\$ 850,583</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
(amounts in tables expressed in thousands)  
**JUNE 30, 2010**

**10. 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, 2010 for governmental activities are as follows:

Restricted for Public Protection			
Flood	\$177,395		
Criminal Justice and Courthouse Construction	49,115		
Fire	30,898		
Public Safety	22,845		
Sheriff	22,419		
Vital Records	19,242		
Consumer Protection	14,794		
Community Development	6,969		
Domestic Violence	1,481		
Vehicle Theft Prevention	1,075		
Survey Monument Preservation	789		
Child Support Enforcement	301		
Probation	284		
Criminal Justice Programs	277		
Other	<u>1,059</u>		
			\$348,943
Restricted for Public Assistance			
Housing and Commercial Development	64,610		
Child Protective Services	2,292		
Social Services Programs	<u>2,223</u>		
			69,125
Restricted for Health and Sanitation			
Public Health	56,988		
Behavioral Health Services	49,490		
Emergency Medical Services	19,198		
Environmental Health	<u>8,741</u>		
			134,417
Restricted for Public Ways and Facilities			
Roads and Bridges Maintenance	56,833		
Streets and Highway Lighting	<u>3,230</u>		
			60,063
Restricted for Education			
Library Services			11,384
Restricted for Other Purposes			
Property Taxes	12,490		
Assessor	5,040		
Art Projects	<u>14</u>		
			<u>17,544</u>
Total Restricted Net Assets-Governmental Activities			<u><u>\$641,476</u></u>

Included in governmental activities restricted net assets as of June 30, 2010 are net assets restricted by enabling legislation of \$109,927.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
(amounts in tables expressed in thousands)  
**JUNE 30, 2010**

**11. 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, 2010, is as follows:

	<b>Due to other funds</b>				<b>Total Due from</b>
	<b>Property Development Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Non-major Governmental Funds</b>	
<b>Due from other funds</b>					
General fund	\$ 2,769	\$ 104,107	\$ 9,952	\$ 40,687	\$ 157,515
Debt service fund	9,936	-	-	-	9,936
Non-major governmental funds	-	1,798	-	-	1,798
Total Due to	<u>\$ 12,705</u>	<u>\$ 105,905</u>	<u>\$ 9,952</u>	<u>\$ 40,687</u>	<u>\$ 169,249</u>

The general fund provided a loan to the capital projects fund for \$101.6 million that was used as collateral for the letter of credit under the commercial paper program.

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

<b><u>Receivable Entity</u></b>	<b><u>Payable Entity</u></b>	<b><u>Amount</u></b>
	Alameda County Medical Center	<u>\$ 124,124</u>
Primary government-governmental		\$ 124,124
Less: allowance for uncollectibles		(88,000)
Net		<u>\$ 36,124</u>
Alameda County Medical Center	Primary government-governmental	<u>\$ 9,470</u>

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

<b><u>Receivable Entity</u></b>	<b><u>Payable Entity</u></b>	<b><u>Amount</u></b>
Primary government-governmental	Alameda County Medical Center	<u>\$ 6,481</u>

Transfers between funds for the year ending June 30, 2010, are as follows:

	<b>Transfers In:</b>						<b>Total Transfers Out</b>
	<b>General Fund</b>	<b>Flood Control Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Non-major Governmental Funds</b>	<b>Internal Service Funds</b>	
<b>Transfers out:</b>							
General fund	\$ -	\$ -	\$ 1,261	\$49,379	\$ 377	\$ 43	\$51,060
Property development fund	684	-	-	9,936	-	-	10,620
Capital projects fund	7,778	-	-	-	-	-	7,778
Non-major governmental funds	2,111	489	251	977	1,075	-	4,903
Internal service funds	1,360	-	-	8,027	-	-	9,387
Total transfers in	<u>\$ 11,933</u>	<u>\$ 489</u>	<u>\$ 1,512</u>	<u>\$68,319</u>	<u>\$ 1,452</u>	<u>\$ 43</u>	<u>\$83,748</u>

The \$51.06 million General Fund transfer-out includes \$37.167 million for pension obligations, \$12.162 million to provide for the payment of debt service, and \$1.092 million to provide funding for construction projects.

The \$10.62 million Property Development Fund transfer out includes \$9.936 million reimbursement to the Debt Service Fund for the Juvenile Justice bond payment.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

The \$7.778 million Capital Projects Fund transfer out includes \$6.612 million for return of excess reimbursements of prior years and \$1.117 million to establish a designation in the general fund.

The \$4.903 million Non-major Governmental Funds transfer out includes \$1.075 million to cover operating costs of the bridges, \$1.938 to reimburse the general fund for recovery grant expenditures, and \$.977 for payment of debt service.

The \$9.387 million Internal Service Funds transfer out includes \$8.027 million for the payment of debt service and \$1.360 million for payment of energy loans and leases.

**12. 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 \$882.6 million as of December 31, 2009. 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, 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, 2009 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 at December 31, 2009 are as follows (amounts not in thousands):

<b>Members Now Receiving Benefits</b>	
Service Retirement	5,472
Disability Retirement	793
Beneficiaries and Survivors	<u>1,054</u>
Subtotal	<u>7,319</u>
<b>Active Members</b>	
Active Vested Members	7,809
Active Non-vested Members	<u>3,143</u>
Subtotal	<u>10,952</u>
<b>Deferred Members</b>	<u>1,850</u>
Total Membership	<u><u>20,121</u></u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

**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 6.16 and 20.74 percent of their annual covered salary effective September 2009. 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 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 COLA, supplemental retired member death benefits, active death equity benefit 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.

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
2008	\$ 98,386	55.0 %	\$ 44,235
2009	98,540	100.7	43,572
2010	102,658	100.7	42,857

\* The annual pension costs for fiscal years 2008 through 2010 on the table above have been recalculated from calendar year basis to fiscal year basis. The amounts also reflect the effects of re-allocation of excess earnings transfers from the pension plan to the postemployment benefit plans. The effects of these changes are reported within the "Adjustment to annual required contributions" on the following table and, therefore, the Annual Pension Cost for fiscal year 2010 is different than the amount shown above.

For the fiscal year ended June 30, 2008, the County made 100% of the annual required contributions of \$98,386 to ACERA. However, the reported contributions are allocated between the pension and the other postemployment benefit plans. Therefore, the County's contributions were reduced to 55% due to the transfer of excess investment earnings to the Supplemental Retiree Benefit Reserve (see Notes 13 and 14). This transfer of excess investment earnings resulted in a net pension obligation of \$44,235 as reported in the table above.

For the fiscal year ended June 30, 2010, the employees' contributions to the plan for the same period were \$50 million.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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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	\$ 103,373
Interest on net pension obligation	3,486
Adjustment to annual required contributions	<u>(40,028)</u>
Annual Pension cost	66,831
Pension contributions	<u>(103,373)</u>
Change in net pension obligation	(36,542)
Net pension obligation, beginning of fiscal year	<u>79,399</u>
Net pension obligation, end of fiscal year	<u><u>\$ 42,857</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 Pension Plan's actuarial accrued liability at December 31, 2009 was \$5.9 billion; the actuarial value of assets was \$4.79 billion; the unfunded actuarial accrued liability was \$1.11 billion; and the funded ratio was 81.2%. Covered payroll was \$882.6 million and the ratio of unfunded actuarial accrued liability to covered payroll was 125.8%. For the three-year trend actuarial information, please see the Schedules of Funding Progress on page 81.

**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:

**COUNTY OF ALAMEDA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(amounts in tables expressed in thousands)  
JUNE 30, 2010**

Valuation date	12/31/2008	12/31/2009
Actuarial cost method	Entry Age Normal	
Amortization of UAAL	Closed period 30 years (decreasing)	
Remaining amortization period	24	23
Assets valuation method	Difference between actual and expected market return smoothed over ten 6-months periods	
Interest rate	8%	7.9%
Inflation rate	3.75%	3.50%
Across-the-Board salary increases	0.25%	0.50%
Salary increases:		
General	4.70 - 8.00%	4.70 - 8.00%
Safety	5.30 - 9.10%	5.30 - 9.10%
Demographics:		
(A) Healthy		
General members and all beneficiaries	RP-2000 Combined Healthy Mortality table set back one year	
Safety members	RP-2000 Combined Healthy Mortality table set back two years	
(B) Disability		
General members	RP-2000 Combined Healthy Mortality table set forward four years	
Safety members	RP-2000 Combined Healthy Mortality table set forward three years	
(C) For Employee Contribution Rate Purposes		
General members	RP-2000 Combined Healthy Mortality table set back one year, weighted 30% male and 70% female	
Safety members	RP-2000 Combined Healthy Mortality table set back two years, weighted 75% male and 25% female	
Postemployment benefit increases:		
Tier 1 and 3 members	3%	3%
Tier 2 members	2%	2%

**13. 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, 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

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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 2010.

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.

***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. For fiscal year 2010, the County's annual postemployment medical benefit cost was equal to the ARC. 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 2008 through 2010 are as follows:

Fiscal year ended June 30	Annual OPEB Cost *	Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset) Obligation
2008	\$ 21,036	187.5 %	\$ (18,405)
2009	24,843	0.0	6,438
2010	25,961	0.0	32,399

\* The annual OPEB costs for fiscal years 2008 through 2010 on the table above have been recalculated from calendar year basis to fiscal year basis. The amounts also reflect the effects of re-allocation of excess earnings transfers from the pension plan to the postemployment benefit plans. The effects of these changes are reported within the "Adjustment to annual required contributions" on the following table and, therefore, the Annual OPEB Cost for fiscal year 2010 is different than the amount shown above.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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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 (asset) to the retiree health plan:

Annual required contributions	\$	26,042
Interest on net OPEB obligation		515
Adjustment to annual required contributions		45,609
Annual OPEB cost		72,166
OPEB contributions		-
Change in net OPEB obligation		72,166
Net OPEB obligation (asset), beginning of fiscal year		(39,767)
Net OPEB obligation, end of fiscal year	\$	32,399

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, 2009 was \$763.5 million; the actuarial value of assets was \$591.3 million; the unfunded actuarial accrued liability was \$172.2 million; and the funded ratio was 77.4%. Covered payroll was \$882.6 million and the ratio of unfunded actuarial accrued liability to covered payroll was 19.5%. The RSI provides information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. For the three-year trend actuarial information, please see the Schedules of Funding Progress on page 81.

**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:

**COUNTY OF ALAMEDA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(amounts in tables expressed in thousands)  
JUNE 30, 2010**

Valuation date	12/31/2008	12/31/2009
Actuarial cost method	Entry Age Normal	
Amortization of UAAL	Closed period 30 years (decreasing)	
Remaining amortization period	27	26
Assets valuation method	Difference between actual and expected market return smoothed over ten 6-months periods	
Interest rate	8%	7.9%
Inflation rate	3.75%	3.50%
Across-the-Board salary increases	0.25%	0.50%
Salary increases:		
General	4.70 - 8.00%	4.70 - 8.00%
Safety	5.30 - 9.10%	5.30 - 9.10%
Demographics:		
(A) Healthy		
General members and all beneficiaries	RP-2000 Combined Healthy Mortality table set back one year	
Safety members	RP-2000 Combined Healthy Mortality table set back two years	
(B) Disability		
General members	RP-2000 Combined Healthy Mortality table set forward four years	
Safety members	RP-2000 Combined Healthy Mortality table set forward three years	
(C) For Employee Contribution Rate Purposes		
General members	RP-2000 Combined Healthy Mortality table set back one year, weighted 30% male and 70% female	
Safety members	RP-2000 Combined Healthy Mortality table set back two years, weighted 75% male and 25% female	
Healthcare Cost Trend Rates:		
Monthly Medical Allowance (MMA)	Graded down from 9% by 0.5% per annum until ultimate rate of 5%	Graded down from 10% by 0.5% per annum until ultimate rate of 5%
Dental and Vision	5%	5%
Medicare Part B	5%	5%
Postemployment benefit increases	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.	Dental and 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 2011 MMA is expected to be maintained at the same level as 2010, MMA subsidies are assumed to increase at 50% of the healthcare cost trend rates for the MMA benefit.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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.

**14. 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, 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.

**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. For fiscal year 2010, the County's annual other postemployment benefit cost was equal to the ARC. 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 2008 through 2010 are as follows:

Fiscal year ended June	Annual OPEB Cost *	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$ 14,279	33.6 %	\$ 9,485
2009	14,925	0.0	24,410
2010	15,591	0.0	40,001

\* The annual OPEB costs for fiscal years 2008 through 2010 on the table above have been recalculated from calendar year basis to fiscal year basis. The amounts also reflect the effects of re-allocation of excess earnings transfers from the pension plan to the postemployment benefit plans. The effects of these changes are reported within the "Adjustment to annual required contributions" on the following table and, therefore, the Annual OPEB Cost for fiscal year 2010 is different than the amount shown above.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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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	\$	15,896
Interest on net OPEB obligation		1,953
Adjustment to annual required contributions		22,152
Annual OPEB cost		40,001
OPEB contributions		-
Change in net OPEB obligation		40,001
Net OPEB obligation, beginning of fiscal year		-
Net OPEB obligation, end of fiscal year	\$	40,001

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, 2009 was \$171.2 million; the actuarial value of assets was \$73.5 million; the unfunded actuarial accrued liability was \$97.7 million; and the funded ratio was 42.9%. Covered payroll was \$882.6 million and the ratio of unfunded actuarial accrued liability to covered payroll was 11.1%. For the three-year trend actuarial information, please see the Schedules of Funding Progress on page 81.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

**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	12/31/2008	12/31/2009
Actuarial cost method	Entry Age Normal	
Amortization of UAAL	Closed period 30 years (decreasing)	
Remaining amortization period	27	26
Assets valuation method	Difference between actual and expected market return smoothed over ten 6-months periods	
Interest rate	8%	7.9%
Inflation rate	3.75%	3.50%
Across-the-Board salary increases	0.25%	0.50%
Salary increases:		
General	4.70 - 8.00%	4.70 - 8.00%
Safety	5.30 - 9.10%	5.30 - 9.10%
Demographics:		
(A) Healthy		
General members and all beneficiaries	RP-2000 Combined Healthy Mortality table set back one year	
Safety members	RP-2000 Combined Healthy Mortality table set back two years	
(B) Disability		
General members	RP-2000 Combined Healthy Mortality table set forward four years	
Safety members	RP-2000 Combined Healthy Mortality table set forward three years	
(C) For Employee Contribution Rate Purposes		
General members	RP-2000 Combined Healthy Mortality table set back one year, weighted 30% male and 70% female	
Safety members	RP-2000 Combined Healthy Mortality table set back two years, 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), 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 historical pattern of sharing the benefit costs between the County and plan members to that point. The actuarial

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

---

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.

## **15. 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 (tax-exempt) to retire \$181.9 million of the 1995 Variable Rate Lease Revenue Stadium Bonds (\$188.5 million less \$6.6 million principal payment). In February 2004, the 1995 Fixed Rate Refunding Lease Revenue Bonds were fully repaid from the escrow established in 1995 at the time the Coliseum Authority issued the Stadium 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 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

**COUNTY OF ALAMEDA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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 expires in June, 2012.

Debt service requirements for the Coliseum Authority debt:

For the Period Ending June 30	Stadium Debt		Arena Debt	
	Principal	Interest	Principal	Interest
2011	\$ 7,100	\$ 5,212	\$ 3,950	\$ 6,720
2012	7,500	4,951	4,050	6,474
2013	7,900	4,669	4,400	6,221
2014	8,300	4,399	4,750	5,948
2015	8,700	4,106	5,150	5,652
2016-2020	49,600	15,674	31,000	23,050
2021-2025	62,900	6,031	43,850	11,916
2026	-	-	8,605	520
Total	<u>\$ 152,000</u>	<u>\$ 45,042</u>	<u>\$ 105,755</u>	<u>\$ 66,501</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, 2010, the County made contributions of \$10.063 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 \$10.034 million for the year ended June 30, 2011. 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 \$76 million. The County has not established a contingent liability for the Arena Bonds 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.

**16. 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.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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Effective July 1, 2003, the County adopted the provisions of Governmental Accounting Standards Board (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 APMC. During fiscal year 2004, the Foundation's Articles of Incorporation and bylaws were amended to require APMC to approve Foundation board members and to allow that upon dissolution, the Foundation's remaining assets would be distributed to APMC. The Foundation distributed \$ 500 thousand to APMC during fiscal year 2010 but had raised cumulative funds totaling \$5.1 million in 2010 and prior on behalf of APMC.

Included in the County's outstanding long-term liabilities at June 30, 2010, are \$6.48 million in certificates of participation which were issued to provide for improvements to the Facilities. The County is liable for the repayment of the debt.

As of July 1, 2001, APMC no longer participates in the County's self-insurance program. The County shall ensure that professional liability insurance and/or self insurance reserves will cover claims and liabilities relating to any medical staff actions which had been incurred before July 1, 2001, including incurred but not reported matters. Effective July 1, 2001, APMC became self-insured for workers' compensation. APMC maintains stop-loss insurance to limit its liability for claims under its self-insurance program. The net self-insurance liabilities for APMC as of June 30, 2010, were \$20.6 million, which included \$3.1 million of estimated reserves for current year self-insurance claims, offset by current year claim payments of \$3.1 million.

APMC has experienced significant operating losses and negative cash flows from operations in recent years. APMC has financed its working capital needs through loans from the County. APMC expects to require ongoing working capital support from the County in fiscal year 2011. In fiscal year 2010, APMC has made significant progress towards stabilization of financial performance.

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 APMC.

In August 2004, the County placed a \$200 million limitation on net loans to APMC. As defined, this limitation is calculated as gross loans to APMC, reduced by board-designated funds held by the County on behalf of APMC. As of June 30, 2010, the balance of net loans to APMC was \$118.5 million.

The terms of repayment on the loans called for a reduction of the \$200 million loan limit to \$130 million by June 30, 2010. The outstanding net payable to the County is less than the loan limit, and accordingly, the net loans of \$118.5 million at June 30, 2010 is classified as long-term in the accompanying statement of net assets.

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

**A. Net Patient Service Revenue**

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors (including the State of California), and others for services rendered at APMC, 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 APMC'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 49 percent and 15 percent, respectively, of gross patient service revenues, excluding certain federal aid

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

revenues, for the fiscal year ended June 30, 2010. 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 \$141.47 million in SB1100 funds for the fiscal year ended June 30, 2010, and remitted \$41.26 million to the State, providing net SB1100 revenue of \$100.21 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. Generally, charity care adjustment accounts are those accounts for which an indigency standard has been established and for which the patient qualifies. Inability to pay may be determined through an interview process by ACMC or by an outside collection agency. Determinations of charity care may be made prior to or at the time of service, or any time thereafter. The following table summarizes the level of charity and the estimated cost of those services for the year ended June 30, 2010:

Charity care at cost	\$ 27,388
Percent of operating expenses	5.6 %

**E. Accounts Receivable**

Accounts receivable at June 30, 2010, comprised the following:

Patient accounts receivable	\$ 63,912
Due from State of California	57,033
Other accounts receivable	<u>3,094</u>
Total	<u>\$ 124,039</u>

Patient accounts receivable include amounts due from third party payors, patients, and other agencies for patient services rendered and certain federal aid programs and is net of \$ 68 million in estimated 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 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, 2010, comprised the following:

Accounts payable	\$ 42,475
Accrued payroll	14,445
Due to third-party payors	18,466
Other accrued liabilities	<u>1,158</u>
	<u>\$ 76,544</u>

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

**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 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's is required by statute to contribute the amounts necessary to finance the estimated benefits accruing to their employees. The annual pension cost, the transfer of excess earnings from the pension to the SRBR trust for the plan years 2007 through 2009 are as follows:

Plan year ended December 31	Annual Required Contribution	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 percent of Total Contribution
2007	\$ 20,200	\$ 20,348	\$ 18,877	\$ 1,471	7.28 %
2008	20,100	19,318	625	18,693	93.00
2009	20,000	20,834	325	20,509	102.55

ACMC has historically made 100% of the Annual Required Contribution (ARC) to ACERA. However, for the plan year ended December 31, 2007 through 2009, the reported contributions are allocated between the pension and other post-employment benefits. Therefore, ACMC's contributions were 7.28% for the plan year ended December 31, 2007 after the contribution was allocated to other postemployment benefits for the transfer of excess investment earnings to the Supplemental Retiree Benefit Reserve. This transfer of excess investment earnings has resulted in a net pension obligation for the fiscal year ended June 30, 2010. For the plan year ended December 31, 2009, the employees' contributions to the plan for the same period were \$12,456.

**COUNTY OF ALAMEDA, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(amounts in tables expressed in thousands)  
JUNE 30, 2010**

The following table shows ACMC's annual pension cost for the year and the changes in the net plan obligation:

Annual required contributions	\$ 20,000
Interest on net pension obligation	1,588
Adjustment to annual required contributions	<u>(1,914)</u>
Pension cost	19,674
Pension contribution	<u>(20,509)</u>
Decrease in net pension obligation	(835)
Net pension obligation, beginning of year	<u>19,854</u>
Net pension obligation, end of year	<u><u>\$ 19,019</u></u>

**H. Postemployment Medical Benefits**

ACMC's annual postemployment medical benefit cost and the transfer of the excess earnings from the pension to the SRBR trust for the plan years 2007 through 2009 are as follows:

Plan Year ended December 31	Annual Required Contribution	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 Total Contribution
2007	\$ 7,270	\$ -	\$ 15,241	\$ 15,241	209.64 %
2008	7,937	-	-	-	0.00
2009	10,171	-	-	-	0.00

The following table shows ACMC's annual postemployment medical benefit cost for the year and changes in the net plan obligation (asset):

Annual required contribution	\$ 10,171
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
OPEB cost	10,171
OPEB contribution	<u>-</u>
Increase in net OPEB obligation	10,171
Net OPEB obligation (asset), beginning of year	<u>(34)</u>
Net OPEB obligation, end of year	<u><u>\$ 10,137</u></u>

**I. Other Postemployment Benefits**

ACMC's annual other postemployment benefit cost and the transfer of the excess earnings from the pension to the SRBR trust for the plan years 2007 through 2009 are as follows:

Plan Year ended December 31	Annual Required Contribution	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 Total Contribution
2007	\$ 3,421	\$ -	\$ 3,636	\$ 3,636	106.28 %
2008	3,650	-	625	625	17.12
2009	3,828	-	325	325	8.49

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

The following table shows ACMC's annual other postemployment benefit cost for the year and changes in the net plan obligation:

Annual required contribution	\$ 3,828
Interest on net obligation	225
Adjustment to annual required contribution	(271)
Annual postemployment benefit cost	3,782
Other postemployment benefit contribution	(325)
Increase in net OPEB obligation	3,457
Net OPEB obligation, beginning of year	2,810
Net OPEB obligation, end of year	\$ 6,267

**J. Prior Period Adjustments – Restatement of Net Assets**

During the fiscal year ended June 30, 2010, ACMC management determined that certain amounts in the prior year's financial statements were misstated and the implementation of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was not implemented correctly.

The following is a summary of the restatement to ACMC's unrestricted net assets at July 1, 2009:

Net assets, beginning of year as previously stated	\$ (86,845)
Overstated self-insurance liability	7,406
Overpaid pension obligation bond payments to County	22,836
Refund of County pension obligation bond overpaid incorrectly recorded as revenue	(13,002)
Incorrect implementation of accounting principle related to pension and other post-employment benefits obligations	(19,854)
Depreciation expense not recorded	(150)
Accounts payable overstated	873
Accrued payroll tax liability not recorded	(93)
Overstated sales tax (Measure A) receivable	(5,577)
ACMC revenue recorded as Foundation revenue	(57)
Net assets, beginning of year as restated	\$ (94,463)

**17. 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 the California State Association of Counties-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. A Board of Directors consisting of representatives of the member counties 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

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
(amounts in tables expressed in thousands)  
**JUNE 30, 2010**

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 programs:

Program Description	Funding Sources and Coverage Limits		
	Deductible / Self Insured Retention	Pooled Retention (CSAC-EIA)	Excess Insurance (Various carriers)
General and Auto liability	\$1,000,000	-	\$1,000,000 - \$36,000,000
Medical Malpractice	\$100,000	\$100,000 - \$1,600,000	\$1,600,000 - \$21,600,000
Workers' Compensation and Employer's Liability	\$3,000,000	\$3,000,000 - \$5,000,000	\$5,000,000 - statutory
<b>Property Coverage*</b>			
All Risk Declared value as of March 2, 2010 is \$2,129,637,466	\$50,000	\$50,000 - \$3,000,000	\$3,000,000 - \$602,500,000
Terrorism	\$500,000	\$50,000 - \$3,000,000	\$3,000,000 - \$200,000,000
Flood: Declared value as of March 5, 2010 is \$2,129,637,466	2% of total values per unit up to \$25,000	\$0	\$602,500,000
Earthquake: Declared value as of March 5, 2010 is \$1,869,972,769	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.	

Amounts in excess of these limits are self-insured. None of the insurance settlements over the past three years have exceeded insurance limits.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

The County purchases insurance for the following exposures:

Description	Deductible	Limit
Pollution Liability	\$500,000	\$10 million per occurrence / \$10 million aggregate / \$50 million aggregate all pool members
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
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. Depending on employee's labor representation, coverage for each family member is limited to \$1,200 or \$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 premiums are charged 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.

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:

	<u>General Liability</u>		<u>Workers' Compensation</u>		<u>Total</u>	
	<u>2009/10</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2008/09</u>
Estimated liability for claims and contingencies at the beginning of the fiscal year	\$ 21,381	\$ 16,139	\$ 80,005	\$ 76,539	\$ 101,386	\$ 92,678
Incurring claims and claim adjustment expenses	4,437	12,098	15,222	18,791	19,659	30,889
Payments	(7,732)	(6,856)	(14,765)	(15,325)	(22,497)	(22,181)
Total estimated liability for claims and contingencies at the end of the fiscal year	<u>\$ 18,086</u>	<u>\$ 21,381</u>	<u>\$ 80,462</u>	<u>\$ 80,005</u>	<u>\$ 98,548</u>	<u>\$ 101,386</u>

**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.

**COUNTY OF ALAMEDA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**(amounts in tables expressed in thousands)**  
**JUNE 30, 2010**

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**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, 2010, 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.

**18. Subsequent Events**

On May 4, 2010, the Board of Supervisors approved the creation of a \$100 million lease-based, tax-exempt commercial paper program to provide interim construction financing for the Acute Care Tower Seismic Replacement Project. The County issued \$25 million in commercial paper notes on July 29, 2010 and has completed several subsequent refundings of these short-term notes. As of December 29, 2010, the notes remained outstanding in the amount of initial issuance.

On September 21, 2010, the Board of Supervisors approved the issuance of fixed rate lease revenue bonds to provide long-term financing for the Acute Care Tower Seismic Replacement Project. The bonds were sold on October 20, 2010 in a par amount of \$320 million and with a final maturity of December 1, 2044. The bonds were issued as taxable Build America Bonds and Recovery Zone Economic Development Bonds.



**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]
2007	\$ 4,560,000	\$ 5,112,000	89.2 %	\$ 552,000	\$ 793,000	69.6 %
2008	4,644,000	5,538,000	83.9	894,000	864,200	103.4
2009	4,789,000	5,899,300	81.2	1,110,300	882,600	125.8

**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]
2007	\$ 614,800	\$ 639,800	96.1 %	\$ 25,000	\$ 793,000	3.2 %
2008	608,300	703,300	86.5	95,000	864,200	11.0
2009	591,300	763,500	77.4	172,200	882,600	19.5

**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]
2007	\$ 78,400	\$ 203,800	38.5 %	\$ 125,400	\$ 793,000	15.8 %
2008	76,000	202,500	37.5	126,500	864,200	14.6
2009	73,500	171,200	42.9	97,700	882,600	11.1

COUNTY OF ALAMEDA, CALIFORNIA

GENERAL FUND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 484,189	\$ 485,904	\$ 461,221	\$ (24,683)
Licenses and permits	6,875	6,875	5,871	(1,004)
Fines, forfeitures, and penalties	10,396	11,411	40,836	29,425
Use of money and property	14,400	14,400	10,295	(4,105)
State aid	676,543	681,221	629,807	(51,414)
Federal aid	326,786	329,485	363,062	33,577
Other aid	17,841	18,130	28,183	10,053
Charges for services	314,968	302,265	304,506	2,241
Other revenue	38,150	42,327	18,377	(23,950)
<b>Total revenues</b>	<u>1,890,148</u>	<u>1,892,018</u>	<u>1,862,158</u>	<u>(29,860)</u>
<b>Expenditures:</b>				
Current				
General government				
Salaries and benefits	79,341	80,268	76,056	4,212
Services and supplies	49,053	52,108	40,106	12,002
Other charges	25,162	25,321	12,337	12,984
Capital assets	221	240	327	(87)
Public protection				
Salaries and benefits	379,281	398,649	392,533	6,116
Services and supplies	163,388	160,638	152,769	7,869
Other charges	7,562	7,602	6,578	1,024
Capital assets	2,267	3,150	3,048	102
Public assistance				
Salaries and benefits	206,384	205,531	200,934	4,597
Services and supplies	129,367	130,918	123,863	7,055
Other charges	299,455	298,493	290,284	8,209
Capital assets	-	15	12	3
Health and sanitation				
Salaries and benefits	120,608	125,033	112,366	12,667
Services and supplies	356,525	363,074	307,874	55,200
Other charges	127,223	129,032	117,083	11,949
Capital assets	12	250	239	11
Public ways and facilities				
Salaries and benefits	433	441	294	147
Services and supplies	1,978	2,049	1,853	196
Capital assets	-	99	99	-
Recreation and cultural services				
Salaries and benefits	9	9	7	2
Services and supplies	635	635	594	41
Education				
Salaries and benefits	126	127	91	36
Services and supplies	146	146	108	38
Capital outlay	3,144	6,914	4,081	2,833
Pension bond debt service transfer	(37,167)	(37,167)	(37,167)	-
<b>Total expenditures</b>	<u>1,915,153</u>	<u>1,953,575</u>	<u>1,806,369</u>	<u>147,206</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(25,005)</u>	<u>(61,557)</u>	<u>55,789</u>	<u>117,346</u>
<b>Other financing sources (uses):</b>				
Proceeds from loans	-	485	4,732	4,247
Transfers-in	-	35,651	11,933	(23,718)
Transfers-out	(37,167)	(69,073)	(51,060)	18,013
Budgetary reserves and designations	-	(77,255)	-	77,255
<b>Total other financing sources (uses)</b>	<u>(37,167)</u>	<u>(110,192)</u>	<u>(34,395)</u>	<u>75,797</u>
<b>Net change in fund balances</b>	(62,172)	(171,749)	21,394	193,143
Add reserve for encumbrance for current budget year	-	-	41,379	41,379
<b>Fund balance - beginning of period</b>	<u>864,557</u>	<u>864,557</u>	<u>864,557</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 802,385</u>	<u>\$ 692,808</u>	<u>\$ 927,330</u>	<u>\$ 234,522</u>

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, 2010**  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ 243	\$ 243	\$ 10,692	\$ 10,449
Other revenue	8,500	8,500	425	(8,075)
<b>Total revenues</b>	<u>8,743</u>	<u>8,743</u>	<u>11,117</u>	<u>2,374</u>
<b>Expenditures:</b>				
Current				
General government				
Salaries and benefits	436	436	434	2
Services and supplies	4,784	4,784	1,182	3,602
Capital assets	14,225	14,225	28	14,197
<b>Total expenditures</b>	<u>19,445</u>	<u>19,445</u>	<u>1,644</u>	<u>17,801</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(10,702)</u>	<u>(10,702)</u>	<u>9,473</u>	<u>20,175</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of land	87,000	87,000	-	(87,000)
Transfers-out	(76,404)	(75,113)	(10,620)	64,493
<b>Total other financing sources (uses)</b>	<u>10,596</u>	<u>11,887</u>	<u>(10,620)</u>	<u>(22,507)</u>
<b>Net change in fund balances</b>	(106)	1,185	(1,147)	(2,332)
Add reserve for encumbrance for current budget year	-	-	383	383
<b>Fund balance - beginning of period</b>	<u>305,026</u>	<u>305,026</u>	<u>305,026</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 304,920</u>	<u>\$ 306,211</u>	<u>\$ 304,262</u>	<u>\$ (1,949)</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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 30,863	\$ 31,031	\$ 29,272	\$ (1,759)
Licenses and permits	36	36	1,187	1,151
Use of money and property	3,965	3,965	1,559	(2,406)
State aid	1,273	1,273	556	(717)
Federal aid	-	-	5	5
Other aid	3,358	3,358	3,215	(143)
Charges for services	12,470	12,513	13,159	646
Other revenue	100	100	265	165
<b>Total revenues</b>	<u>52,065</u>	<u>52,276</u>	<u>49,218</u>	<u>(3,058)</u>
<b>Expenditures:</b>				
Current				
Public protection				
Salaries and benefits	29,471	32,633	19,671	12,962
Services and supplies	80,242	98,415	50,651	47,764
Other charges	1,790	2,630	1,046	1,584
Capital assets	1,442	1,642	599	1,043
<b>Total expenditures</b>	<u>112,945</u>	<u>135,320</u>	<u>71,967</u>	<u>63,353</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(60,880)</u>	<u>(83,044)</u>	<u>(22,749)</u>	<u>60,295</u>
<b>Other financing sources (uses):</b>				
Transfers-in	600	600	489	(111)
Transfers-out	(100)	(103)	-	103
<b>Total other financing sources (uses)</b>	<u>500</u>	<u>497</u>	<u>489</u>	<u>(8)</u>
<b>Net change in fund balances</b>	<u>(60,380)</u>	<u>(82,547)</u>	<u>(22,260)</u>	<u>60,287</u>
Add reserve for encumbrance for current budget year	-	-	25,946	25,946
<b>Fund balance - beginning of period</b>	<u>173,419</u>	<u>173,419</u>	<u>173,419</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 113,039</u>	<u>\$ 90,872</u>	<u>\$ 177,105</u>	<u>\$ 86,233</u>

See the notes to required supplementary information.

COUNTY OF ALAMEDA, CALIFORNIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2010

**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.

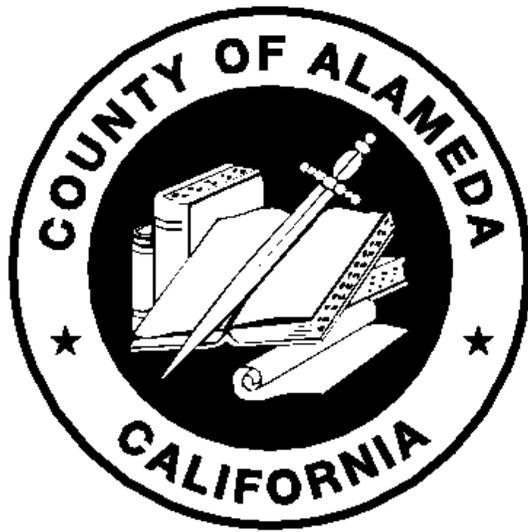
**2. Reconciliation of Budget vs. GAAP Basis Expenditures**

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
Budget basis expenditures	\$ 1,806,369	\$ 1,644	\$ 71,967
Encumbrances for current budget year	(41,379)	(383)	(25,946)
GAAP basis expenditures	<u>\$ 1,764,990</u>	<u>\$ 1,261</u>	<u>\$ 46,021</u>

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**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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 341	\$ 341
State aid	3,908	3,908	6,320	2,412
Other revenue	-	-	25	25
<b>Total revenues</b>	<u>3,908</u>	<u>3,908</u>	<u>6,686</u>	<u>2,778</u>
<b>Expenditures:</b>				
Capital outlay	103,458	129,092	465,669	(336,577)
<b>Total expenditures</b>	<u>103,458</u>	<u>129,092</u>	<u>465,669</u>	<u>(336,577)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(99,550)</u>	<u>(125,184)</u>	<u>(458,983)</u>	<u>(333,799)</u>
<b>Other financing sources (uses):</b>				
Bonds issued	46,924	46,924	-	(46,924)
Transfers - in	629	2,353	1,512	(841)
Transfers - out	-	(7,778)	(7,778)	-
<b>Total other financing sources (uses)</b>	<u>47,553</u>	<u>41,499</u>	<u>(6,266)</u>	<u>(47,765)</u>
<b>Net change in fund balances</b>	<u>(51,997)</u>	<u>(83,685)</u>	<u>(465,249)</u>	<u>(381,564)</u>
Add reserve for encumbrance for current budget year	-	-	420,443	420,443
<b>Fund balance - beginning</b>	<u>89,604</u>	<u>89,604</u>	<u>89,604</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 37,607</u>	<u>\$ 5,919</u>	<u>\$ 44,798</u>	<u>\$ 38,879</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 services.

*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.

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

*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.

*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, 2010  
 (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	\$ 26	\$ 46,697	\$ 10,040	\$ 1,069	\$ 11,703	\$ 26,389
Cash and investments with fiscal agents	-	-	-	-	-	-
Restricted assets - cash and investments with fiscal agents	-	-	-	-	-	-
Deposits with others	-	-	-	-	-	3,426
Other receivables	-	7,233	1,133	15	22	13,837
Due from other funds	-	-	-	-	-	-
Due from component unit	-	7	-	-	-	-
Inventory of supplies	-	154	-	-	-	-
Properties held for redevelopment	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	404
Loans receivable	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 26</u>	<u>\$ 54,091</u>	<u>\$ 11,173</u>	<u>\$ 1,084</u>	<u>\$ 11,725</u>	<u>\$ 44,056</u>
<b>Liabilities:</b>						
Accounts payable and accrued expenditures	\$ -	\$ 1,586	\$ 846	\$ 34	\$ 1,230	\$ 3,678
Due to other funds	-	-	-	-	154	-
Due to component unit	-	-	-	-	7	-
Deferred revenue	-	-	99	-	-	182
Unearned revenue	-	-	-	-	-	1,393
Due to other governmental units	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>1,586</u>	<u>945</u>	<u>34</u>	<u>1,391</u>	<u>5,253</u>
<b>Fund balances:</b>						
Reserved for:						
Encumbrances	-	16,272	191	3	980	1,638
Inventories	-	154	-	-	-	-
Debt service	-	-	-	-	-	-
Assets not available for appropriation	-	-	1	-	1	3,428
Unreserved (deficit)	26	36,079	10,036	1,047	9,353	33,737
<b>Total fund balances</b>	<u>26</u>	<u>52,505</u>	<u>10,228</u>	<u>1,050</u>	<u>10,334</u>	<u>38,803</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 26</u>	<u>\$ 54,091</u>	<u>\$ 11,173</u>	<u>\$ 1,084</u>	<u>\$ 11,725</u>	<u>\$ 44,056</u>

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2010  
 (amounts expressed in thousands)

	Special Revenue					
	Grant Revenue	Recovery Grants	Lighting	Public Ways and Facilities	Dublin Library	Police Protection
<b>Assets:</b>						
Cash and investments with County Treasurer	\$ 3,075	\$ 1,189	\$ 2,623	\$ 3,021	\$ 5	\$ -
Cash and investments with fiscal agents	-	-	-	-	-	-
Restricted assets - cash and investments with fiscal agents	-	-	-	-	-	-
Deposits with others	-	-	-	-	-	-
Other receivables	28,064	16,662	4	1,176	-	588
Due from other funds	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Inventory of supplies	-	-	-	-	-	-
Properties held for redevelopment	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Loans receivable	886	-	-	-	-	-
<b>Total assets</b>	<u>\$ 32,025</u>	<u>\$ 17,851</u>	<u>\$ 2,627</u>	<u>\$ 4,197</u>	<u>\$ 5</u>	<u>\$ 588</u>
<b>Liabilities:</b>						
Accounts payable and accrued expenditures	\$ 6,945	\$ 1,027	\$ 43	\$ 85	\$ -	\$ 37
Due to other funds	23,452	16,187	-	359	-	535
Due to component unit	269	66	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Unearned revenue	910	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
<b>Total liabilities</b>	<u>31,576</u>	<u>17,280</u>	<u>43</u>	<u>444</u>	<u>-</u>	<u>572</u>
<b>Fund balances:</b>						
Reserved for:						
Encumbrances	7,277	5,756	-	311	-	-
Inventories	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Assets not available for appropriation	973	-	-	-	-	-
Unreserved (deficit)	(7,801)	(5,185)	2,584	3,442	5	16
<b>Total fund balances</b>	<u>449</u>	<u>571</u>	<u>2,584</u>	<u>3,753</u>	<u>5</u>	<u>16</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 32,025</u>	<u>\$ 17,851</u>	<u>\$ 2,627</u>	<u>\$ 4,197</u>	<u>\$ 5</u>	<u>\$ 588</u>

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2010  
 (amounts expressed in thousands)

	Special Revenue			Debt Service Tobacco Securitization Authority	Total Nonmajor Governmental Funds
	County Redevelopment	Inmate Welfare	Total		
<b>Assets:</b>					
Cash and investments with County Treasurer	\$ 62,835	\$ 7,857	\$ 176,529	\$ -	\$ 176,529
Cash and investments with fiscal agents	-	-	-	-	-
Restricted assets - cash and investments with fiscal agents	-	-	-	22,359	22,359
Deposits with others	750	-	4,176	-	4,176
Other receivables	90	405	69,229	7,300	76,529
Due from other funds	1,798	-	1,798	-	1,798
Due from component unit	-	-	7	-	7
Inventory of supplies	-	-	154	-	154
Properties held for redevelopment	9,021	-	9,021	-	9,021
Prepaid items	-	-	404	-	404
Loans receivable	-	-	886	-	886
<b>Total assets</b>	<b>\$ 74,494</b>	<b>\$ 8,262</b>	<b>\$ 262,204</b>	<b>\$ 29,659</b>	<b>\$ 291,863</b>
<b>Liabilities:</b>					
Accounts payable and accrued expenditures	\$ 3,100	\$ 1,141	\$ 19,752	\$ -	\$ 19,752
Due to other funds	-	-	40,687	-	40,687
Due to component unit	-	-	342	-	342
Deferred revenue	-	-	281	7,300	7,581
Unearned revenue	-	-	2,303	-	2,303
Due to other governmental units	286	-	286	-	286
<b>Total liabilities</b>	<b>3,386</b>	<b>1,141</b>	<b>63,651</b>	<b>7,300</b>	<b>70,951</b>
<b>Fund balances:</b>					
Reserved for:					
Encumbrances	1,565	-	33,993	-	33,993
Inventories	-	-	154	-	154
Debt service	-	-	-	22,359	22,359
Assets not available for appropriation	9,771	-	14,174	-	14,174
Unreserved (deficit)	59,772	7,121	150,232	-	150,232
<b>Total fund balances</b>	<b>71,108</b>	<b>7,121</b>	<b>198,553</b>	<b>22,359</b>	<b>220,912</b>
<b>Total liabilities &amp; fund balances</b>	<b>\$ 74,494</b>	<b>\$ 8,262</b>	<b>\$ 262,204</b>	<b>\$ 29,659</b>	<b>\$ 291,863</b>

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010  
 (amounts expressed in thousands)

	Special Revenue					
	Fish and Game	Road	County Library	Library Special Taxing Zone	Health Services	Fire
<b>Revenues:</b>						
Taxes	\$ -	\$ 2,428	\$ 18,079	\$ 298	\$ -	\$ 27,834
Licenses and permits	-	364	-	-	46	-
Fines, forfeitures, and penalties	3	17	-	-	247	-
Use of money and property	-	2,969	41	6	66	145
State aid	-	30,085	467	3	26	1,771
Federal aid	-	3,852	74	-	-	489
Other aid	-	3,477	1,963	-	-	3,065
Charges for services	-	1,264	2,446	130	21,625	46,793
Other revenue	-	655	314	-	3,292	41
<b>Total revenues</b>	<b>3</b>	<b>45,111</b>	<b>23,384</b>	<b>437</b>	<b>25,302</b>	<b>80,138</b>
<b>Expenditures:</b>						
General government	-	-	-	-	-	-
Public protection	12	-	-	-	-	77,919
Public assistance	-	-	-	-	-	-
Health and sanitation	-	-	-	-	28,087	-
Public ways and facilities	-	34,416	-	-	-	-
Education	-	-	21,274	475	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>12</b>	<b>34,416</b>	<b>21,274</b>	<b>475</b>	<b>28,087</b>	<b>77,919</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(9)</b>	<b>10,695</b>	<b>2,110</b>	<b>(38)</b>	<b>(2,785)</b>	<b>2,219</b>
<b>Other financing sources (uses):</b>						
Transfers-in	-	-	-	-	-	-
Transfers-out	-	(2,434)	-	-	(82)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(2,434)</b>	<b>-</b>	<b>-</b>	<b>(82)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(9)</b>	<b>8,261</b>	<b>2,110</b>	<b>(38)</b>	<b>(2,867)</b>	<b>2,219</b>
Fund balance - beginning of period	35	44,244	8,118	1,088	13,201	36,584
Fund balance - end of period	\$ 26	\$ 52,505	\$ 10,228	\$ 1,050	\$ 10,334	\$ 38,803

(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, 2010  
 (amounts expressed in thousands)

	Special Revenue					Police Protection
	Grant Revenue	Recovery Grants	Lighting	Public Ways and Facilities	Dublin Library	
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ 4	\$ 593	\$ -	\$ 13,773
Licenses and permits	1,022	-	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-	-
Use of money and property	(117)	(51)	15	16	-	15
State aid	24,859	11	-	220	-	127
Federal aid	64,281	26,662	-	1,227	-	-
Other aid	154	-	-	-	-	-
Charges for services	14	22,161	878	2,015	-	-
Other revenue	2,178	-	-	4	-	-
<b>Total revenues</b>	<b>92,391</b>	<b>48,783</b>	<b>897</b>	<b>4,075</b>	<b>-</b>	<b>13,915</b>
<b>Expenditures:</b>						
General government	-	-	-	-	-	-
Public protection	30,200	8,298	-	-	-	13,932
Public assistance	25,877	21,815	-	-	-	-
Health and sanitation	33,235	15,889	-	-	-	-
Public ways and facilities	-	240	904	4,836	-	-
Education	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>89,312</b>	<b>46,242</b>	<b>904</b>	<b>4,836</b>	<b>-</b>	<b>13,932</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>3,079</b>	<b>2,541</b>	<b>(7)</b>	<b>(761)</b>	<b>-</b>	<b>(17)</b>
<b>Other financing sources (uses):</b>						
Transfers-in	377	-	-	1,075	-	-
Transfers-out	(26)	(1,938)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>351</b>	<b>(1,938)</b>	<b>-</b>	<b>1,075</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>3,430</b>	<b>603</b>	<b>(7)</b>	<b>314</b>	<b>-</b>	<b>(17)</b>
Fund balance - beginning of period	(2,981)	(32)	2,591	3,439	5	33
Fund balance - end of period	\$ 449	\$ 571	\$ 2,584	\$ 3,753	\$ 5	\$ 16

(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, 2010  
 (amounts expressed in thousands)

	Special Revenue			Debt Service	Total
	County Redevelopment	Inmate Welfare	Total	Tobacco Securitization Authority	Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 16,930	\$ -	\$ 79,939	\$ -	\$ 79,939
Licenses and permits	-	-	1,432	-	1,432
Fines, forfeitures, and penalties	-	-	267	-	267
Use of money and property	380	49	3,534	656	4,190
State aid	-	-	57,569	-	57,569
Federal aid	-	-	96,585	-	96,585
Other aid	-	-	8,659	-	8,659
Charges for services	210	-	97,536	-	97,536
Other revenue	1,048	8,381	15,913	14,624	30,537
<b>Total revenues</b>	<b>18,568</b>	<b>8,430</b>	<b>361,434</b>	<b>15,280</b>	<b>376,714</b>
<b>Expenditures:</b>					
General government	-	-	-	45	45
Public protection	-	7,730	138,091	-	138,091
Public assistance	16,475	-	64,167	-	64,167
Health and sanitation	-	-	77,211	-	77,211
Public ways and facilities	-	-	40,396	-	40,396
Education	-	-	21,749	-	21,749
Debt service					
Principal	-	-	-	4,565	4,565
Interest	-	-	-	10,834	10,834
<b>Total expenditures</b>	<b>16,475</b>	<b>7,730</b>	<b>341,614</b>	<b>15,444</b>	<b>357,058</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>2,093</b>	<b>700</b>	<b>19,820</b>	<b>(164)</b>	<b>19,656</b>
<b>Other financing sources (uses):</b>					
Transfers-in	-	-	1,452	-	1,452
Transfers-out	(423)	-	(4,903)	-	(4,903)
<b>Total other financing sources (uses)</b>	<b>(423)</b>	<b>-</b>	<b>(3,451)</b>	<b>-</b>	<b>(3,451)</b>
<b>Net change in fund balances</b>	<b>1,670</b>	<b>700</b>	<b>16,369</b>	<b>(164)</b>	<b>16,205</b>
Fund balance - beginning of period	69,438	6,421	182,184	22,523	204,707
Fund balance - end of period	\$ 71,108	\$ 7,121	\$ 198,553	\$ 22,359	\$ 220,912

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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fines, forfeitures, and penalties	\$ 7	\$ 7	\$ 3	\$ (4)
Use of money and property	1	1	-	(1)
<b>Total revenues</b>	<u>8</u>	<u>8</u>	<u>3</u>	<u>(5)</u>
<b>Expenditures:</b>				
Current				
Public protection				
Services and supplies	8	42	12	30
<b>Total expenditures</b>	<u>8</u>	<u>42</u>	<u>12</u>	<u>30</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>(34)</u>	<u>(9)</u>	<u>25</u>
<b>Net change in fund balances</b>	-	(34)	(9)	25
<b>Fund balance - beginning of period</b>	<u>35</u>	<u>35</u>	<u>35</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 35</u>	<u>\$ 1</u>	<u>\$ 26</u>	<u>\$ 25</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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 7,907	\$ 7,907	\$ 2,428	\$ (5,479)
Licenses and permits	552	552	364	(188)
Fines, forfeitures, and penalties	25	25	17	(8)
Use of money and property	2,455	2,455	2,969	514
State aid	34,833	34,833	30,085	(4,748)
Federal aid	11,379	11,379	3,852	(7,527)
Other aid	14,559	14,559	3,477	(11,082)
Charges for services	1,479	1,479	1,264	(215)
Other revenue	2,696	2,696	655	(2,041)
<b>Total revenues</b>	<u>75,885</u>	<u>75,885</u>	<u>45,111</u>	<u>(30,774)</u>
<b>Expenditures:</b>				
Current				
Public ways and facilities				
Salaries and benefits	14,643	12,063	12,016	47
Services and supplies	83,881	98,703	37,137	61,566
Other charges	1,453	2,483	1,409	1,074
Capital assets	743	743	126	617
<b>Total expenditures</b>	<u>100,720</u>	<u>113,992</u>	<u>50,688</u>	<u>63,304</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(24,835)</u>	<u>(38,107)</u>	<u>(5,577)</u>	<u>32,530</u>
<b>Other financing uses:</b>				
Transfers-out	(2,930)	(3,220)	(2,434)	786
<b>Total other financing uses</b>	<u>(2,930)</u>	<u>(3,220)</u>	<u>(2,434)</u>	<u>786</u>
<b>Net change in fund balances</b>	<u>(27,765)</u>	<u>(41,327)</u>	<u>(8,011)</u>	<u>33,316</u>
Add reserve for encumbrance for current budget year	-	-	16,272	16,272
<b>Fund balance - beginning of period</b>	<u>44,244</u>	<u>44,244</u>	<u>44,244</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 16,479</u>	<u>\$ 2,917</u>	<u>\$ 52,505</u>	<u>\$ 49,588</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, 2010**  
 (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>				
Taxes	\$ 16,965	\$ 18,111	\$ 18,079	\$ (32)
Use of money and property	10	10	41	31
State aid	403	403	467	64
Federal aid	-	-	74	74
Other aid	840	840	1,963	1,123
Charges for services	1,975	1,975	2,446	471
Other revenue	82	82	314	232
<b>Total revenues</b>	<u>20,275</u>	<u>21,421</u>	<u>23,384</u>	<u>1,963</u>
<b>Expenditures:</b>				
Current				
Education				
Salaries and benefits	16,784	16,784	14,939	1,845
Services and supplies	9,332	11,336	5,527	5,809
Other charges	1,071	1,071	999	72
Capital assets	188	188	-	188
<b>Total expenditures</b>	<u>27,375</u>	<u>29,379</u>	<u>21,465</u>	<u>7,914</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(7,100)</u>	<u>(7,958)</u>	<u>1,919</u>	<u>9,877</u>
<b>Net change in fund balances</b>	(7,100)	(7,958)	1,919	9,877
Add reserve for encumbrance for current budget year	-	-	191	191
<b>Fund balance - beginning of period</b>	8,118	8,118	8,118	-
<b>Fund balance - end of period</b>	<u>\$ 1,018</u>	<u>\$ 160</u>	<u>\$ 10,228</u>	<u>\$ 10,068</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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 292	\$ 298	\$ 298	\$ -
Use of money and property	5	5	6	1
State aid	2	2	3	1
Charges for services	88	88	130	42
<b>Total revenues</b>	<u>387</u>	<u>393</u>	<u>437</u>	<u>44</u>
<b>Expenditures:</b>				
Current				
Education				
Services and supplies	1,211	987	475	512
Other charges	3	3	3	-
Capital assets	499	499	-	499
<b>Total expenditures</b>	<u>1,713</u>	<u>1,489</u>	<u>478</u>	<u>1,011</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,326)</u>	<u>(1,096)</u>	<u>(41)</u>	<u>1,055</u>
<b>Net change in fund balances</b>	(1,326)	(1,096)	(41)	1,055
Add reserve for encumbrance for current budget year	-	-	3	3
<b>Fund balance - beginning of period</b>	<u>1,088</u>	<u>1,088</u>	<u>1,088</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ (238)</u>	<u>\$ (8)</u>	<u>\$ 1,050</u>	<u>\$ 1,058</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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 45	\$ 45	\$ 46	\$ 1
Fines, forfeitures, and penalties	-	-	247	247
Use of money and property	690	690	66	(624)
State aid	-	26	26	-
Charges for services	20,886	21,469	21,625	156
Other revenue	3,914	3,914	3,292	(622)
<b>Total revenues</b>	<u>25,535</u>	<u>26,144</u>	<u>25,302</u>	<u>(842)</u>
<b>Expenditures:</b>				
Current				
Health and sanitation				
Salaries and benefits	7,353	7,515	6,349	1,166
Services and supplies	23,975	31,095	22,590	8,505
Other charges	241	241	128	113
Capital assets	190	190	-	190
<b>Total expenditures</b>	<u>31,759</u>	<u>39,041</u>	<u>29,067</u>	<u>9,974</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,224)</u>	<u>(12,897)</u>	<u>(3,765)</u>	<u>9,132</u>
<b>Other financing uses:</b>				
Transfers-out	(82)	(82)	(82)	-
Budgetary reserves and designations	(133)	(1,748)	-	1,748
<b>Total other financing uses</b>	<u>(215)</u>	<u>(1,830)</u>	<u>(82)</u>	<u>1,748</u>
<b>Net change in fund balances</b>	<u>(6,439)</u>	<u>(14,727)</u>	<u>(3,847)</u>	<u>10,880</u>
Add reserve for encumbrance for current budget year	-	-	980	980
<b>Fund balance - beginning of period</b>	<u>13,201</u>	<u>13,201</u>	<u>13,201</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 6,762</u>	<u>\$ (1,526)</u>	<u>\$ 10,334</u>	<u>\$ 11,860</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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 27,008	\$ 27,835	\$ 27,834	\$ (1)
Use of money and property	334	334	145	(189)
State aid	2,255	2,255	1,771	(484)
Federal aid	264	264	489	225
Other aid	1,311	1,311	3,065	1,754
Charges for services	46,778	48,329	46,793	(1,536)
Other revenue	8	8	41	33
<b>Total revenues</b>	<u>77,958</u>	<u>80,336</u>	<u>80,138</u>	<u>(198)</u>
<b>Expenditures:</b>				
Current				
Public protection				
Salaries and benefits	70,963	72,273	65,596	6,677
Services and supplies	14,223	33,935	11,348	22,587
Other charges	480	492	492	-
Capital assets	3,214	4,535	2,121	2,414
<b>Total expenditures</b>	<u>88,880</u>	<u>111,235</u>	<u>79,557</u>	<u>31,678</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(10,922)</u>	<u>(30,899)</u>	<u>581</u>	<u>31,480</u>
<b>Net change in fund balances</b>	(10,922)	(30,899)	581	31,480
Add reserve for encumbrance for current budget year	-	-	1,638	1,638
<b>Fund balance - beginning of period</b>	<u>36,584</u>	<u>36,584</u>	<u>36,584</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 25,662</u>	<u>\$ 5,685</u>	<u>\$ 38,803</u>	<u>\$ 33,118</u>

COUNTY OF ALAMEDA, CALIFORNIA

GRANT REVENUE - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 968	\$ 968	\$ 1,022	\$ 54
Use of money and property	-	-	(117)	(117)
State aid	24,099	23,436	24,859	1,423
Federal aid	75,997	92,644	64,281	(28,363)
Other aid	150	126	154	28
Charges for services	-	-	14	14
Other revenue	1,045	1,126	2,178	1,052
<b>Total revenues</b>	<b>102,259</b>	<b>118,300</b>	<b>92,391</b>	<b>(25,909)</b>
<b>Expenditures:</b>				
Current				
Public protection				
Salaries and benefits	16,478	19,940	18,418	1,522
Services and supplies	7,494	14,572	10,515	4,057
Other charges	270	270	274	(4)
Capital assets	4,620	8,117	1,461	6,656
Public assistance				
Salaries and benefits	3,283	2,391	1,910	481
Services and supplies	42,306	41,312	25,416	15,896
Other charges	694	694	453	241
Capital assets	-	-	152	(152)
Health and sanitation				
Salaries and benefits	14,084	16,457	14,584	1,873
Services and supplies	22,115	26,640	23,312	3,328
Other charges	19	19	12	7
Capital assets	-	177	82	95
<b>Total expenditures</b>	<b>111,363</b>	<b>130,589</b>	<b>96,589</b>	<b>34,000</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(9,104)</b>	<b>(12,289)</b>	<b>(4,198)</b>	<b>8,091</b>
<b>Other financing sources (uses):</b>				
Transfers-in	-	-	377	377
Transfers-out	(234)	(234)	(26)	208
<b>Total other financing sources (uses)</b>	<b>(234)</b>	<b>(234)</b>	<b>351</b>	<b>585</b>
<b>Net change in fund balances</b>	<b>(9,338)</b>	<b>(12,523)</b>	<b>(3,847)</b>	<b>8,676</b>
Add reserve for encumbrance for current budget year	-	-	7,277	7,277
<b>Fund balance (deficit) - beginning of period</b>	<b>(2,981)</b>	<b>(2,981)</b>	<b>(2,981)</b>	<b>-</b>
<b>Fund balance (deficit) - end of period</b>	<b>\$ (12,319)</b>	<b>\$ (15,504)</b>	<b>\$ 449</b>	<b>\$ 15,953</b>

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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ (51)	\$ (51)
State aid	-	-	11	11
Federal aid	-	49,741	26,662	(23,079)
Charges for services	-	14,461	22,161	7,700
<b>Total revenues</b>	<u>-</u>	<u>64,202</u>	<u>48,783</u>	<u>(15,419)</u>
<b>Expenditures:</b>				
Current				
General government				
Capital assets	-	1,178	1,178	-
Public protection				
Salaries and benefits	-	3,621	3,112	509
Services and supplies	-	5,494	5,186	308
Capital assets	-	562	533	29
Public assistance				
Salaries and benefits	-	3,931	3,021	910
Services and supplies	-	14,772	8,532	6,240
Other charges	-	13,227	10,676	2,551
Health and sanitation				
Salaries and benefits	-	131	68	63
Services and supplies	-	16,410	16,294	116
Capital assets	-	300	289	11
Public ways and facilities				
Services and supplies	-	3,820	3,109	711
<b>Total expenditures</b>	<u>-</u>	<u>63,446</u>	<u>51,998</u>	<u>11,448</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>756</u>	<u>(3,215)</u>	<u>(3,971)</u>
<b>Other financing uses:</b>				
Transfers-out	-	(1,938)	(1,938)	-
<b>Total other financing uses</b>	<u>-</u>	<u>(1,938)</u>	<u>(1,938)</u>	<u>-</u>
<b>Net change in fund balances</b>	-	(1,182)	(5,153)	(3,971)
Add reserve for encumbrance for current budget year	-	-	5,756	5,756
<b>Fund balance (deficit) - beginning of period</b>	<u>-</u>	<u>(32)</u>	<u>(32)</u>	<u>-</u>
<b>Fund balance (deficit) - end of period</b>	<u>\$ -</u>	<u>\$ (1,214)</u>	<u>\$ 571</u>	<u>\$ 1,785</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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 4	\$ 4	\$ 4	\$ -
Use of money and property	70	70	15	(55)
Charges for services	873	873	878	5
<b>Total revenues</b>	<u>947</u>	<u>947</u>	<u>897</u>	<u>(50)</u>
<b>Expenditures:</b>				
Current				
Public ways and facilities				
Salaries and benefits	-	-	38	(38)
Services and supplies	1,213	1,354	866	488
<b>Total expenditures</b>	<u>1,213</u>	<u>1,354</u>	<u>904</u>	<u>450</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(266)</u>	<u>(407)</u>	<u>(7)</u>	<u>400</u>
<b>Net change in fund balances</b>	(266)	(407)	(7)	400
<b>Fund balance - beginning of period</b>	<u>2,591</u>	<u>2,591</u>	<u>2,591</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 2,325</u>	<u>\$ 2,184</u>	<u>\$ 2,584</u>	<u>\$ 400</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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 688	\$ 688	\$ 593	\$ (95)
Licenses and permits	1	1	-	(1)
Use of money and property	70	70	16	(54)
State aid	-	-	220	220
Federal aid	1,510	1,510	1,227	(283)
Charges for services	2,069	2,069	2,015	(54)
Other revenue	-	-	4	4
<b>Total revenues</b>	<u>4,338</u>	<u>4,338</u>	<u>4,075</u>	<u>(263)</u>
<b>Expenditures:</b>				
Current				
Public ways and facilities				
Salaries and benefits	2,690	2,690	2,509	181
Services and supplies	4,797	5,125	2,574	2,551
Other charges	64	64	64	-
<b>Total expenditures</b>	<u>7,551</u>	<u>7,879</u>	<u>5,147</u>	<u>2,732</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,213)</u>	<u>(3,541)</u>	<u>(1,072)</u>	<u>2,469</u>
<b>Other financing sources:</b>				
Transfers-in	1,460	1,460	1,075	(385)
<b>Total other financing sources</b>	<u>1,460</u>	<u>1,460</u>	<u>1,075</u>	<u>(385)</u>
<b>Net change in fund balances</b>	(1,753)	(2,081)	3	2,084
Add reserve for encumbrance for current budget year	-	-	311	311
<b>Fund balance - beginning of period</b>	<u>3,439</u>	<u>3,439</u>	<u>3,439</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 1,686</u>	<u>\$ 1,358</u>	<u>\$ 3,753</u>	<u>\$ 2,395</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, 2010  
 (amounts expressed in thousands)

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

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, 2010  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 14,282	\$ 14,282	\$ 13,773	\$ (509)
Use of money and property	10	10	15	5
State aid	131	131	127	(4)
<b>Total revenues</b>	<u>14,423</u>	<u>14,423</u>	<u>13,915</u>	<u>(508)</u>
<b>Expenditures:</b>				
Current				
Public protection				
Salaries and benefits	14,200	14,210	13,718	492
Services and supplies	93	119	119	-
Other charges	130	130	95	35
<b>Total expenditures</b>	<u>14,423</u>	<u>14,459</u>	<u>13,932</u>	<u>527</u>
<b>Deficiency of revenues over expenditures</b>	<u>-</u>	<u>(36)</u>	<u>(17)</u>	<u>19</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(36)</u>	<u>(17)</u>	<u>19</u>
<b>Fund balance - beginning of period</b>	<u>33</u>	<u>33</u>	<u>33</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 33</u>	<u>\$ (3)</u>	<u>\$ 16</u>	<u>\$ 19</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, 2010**  
**(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>				
Taxes	\$ 23,367	\$ 19,409	\$ 16,930	\$ (2,479)
Use of money and property	700	700	380	(320)
Charges for services	-	-	210	210
Other revenue	-	-	1,048	1,048
<b>Total revenues</b>	<u>24,067</u>	<u>20,109</u>	<u>18,568</u>	<u>(1,541)</u>
<b>Expenditures:</b>				
Current				
Public assistance				
Salaries and benefits	947	947	890	57
Services and supplies	9,976	50,832	15,183	35,649
Other charges	3,477	3,261	695	2,566
Capital assets	27,902	27,902	1,272	26,630
<b>Total expenditures</b>	<u>42,302</u>	<u>82,942</u>	<u>18,040</u>	<u>64,902</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(18,235)</u>	<u>(62,833)</u>	<u>528</u>	<u>63,361</u>
<b>Other financing uses:</b>				
Transfers-out	-	(636)	(423)	213
<b>Total other financing uses</b>	<u>-</u>	<u>(636)</u>	<u>(423)</u>	<u>213</u>
<b>Net change in fund balances</b>	<u>(18,235)</u>	<u>(63,469)</u>	<u>105</u>	<u>63,574</u>
Add reserve for encumbrance for current budget year	-	-	1,565	1,565
<b>Fund balance - beginning of period</b>	<u>69,438</u>	<u>69,438</u>	<u>69,438</u>	<u>-</u>
<b>Fund balance - end of period</b>	<u>\$ 51,203</u>	<u>\$ 5,969</u>	<u>\$ 71,108</u>	<u>\$ 65,139</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.

*Printing Services* - This fund was established to account for costs of providing printing, duplication, bindery, and microfilming services to all County departments. Revenues are generated 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, 2010**  
(amounts expressed in thousands)

	Communications	Motor Pool	Building Maintenance	Information Technology	Printing Services	Risk Management	Total
<b>Assets:</b>							
Current assets:							
Cash and investments with County Treasurer	\$ 8,603	\$ 7,224	\$ 11,622	\$ 7,062	\$ -	\$ 95,180	\$ 129,691
Other receivables	209	138	523	608	-	283	1,761
Due from component unit	42	29	807	-	-	-	878
Inventory of supplies	48	-	-	-	-	-	48
Prepaid items	-	-	-	-	-	154	154
<b>Total current assets</b>	<b>8,902</b>	<b>7,391</b>	<b>12,952</b>	<b>7,670</b>	<b>-</b>	<b>95,617</b>	<b>132,532</b>
Noncurrent assets:							
Capital assets:							
Structures and improvement, machinery and equipment, infrastructure, net of depreciation	1,604	7,815	105	2,261	-	4	11,789
Total capital assets	1,604	7,815	105	2,261	-	4	11,789
<b>Total noncurrent assets</b>	<b>1,604</b>	<b>7,815</b>	<b>105</b>	<b>2,261</b>	<b>-</b>	<b>4</b>	<b>11,789</b>
<b>Total assets</b>	<b>10,506</b>	<b>15,206</b>	<b>13,057</b>	<b>9,931</b>	<b>-</b>	<b>95,621</b>	<b>144,321</b>
<b>Liabilities:</b>							
Current liabilities:							
Accounts payable and accrued expenses	558	365	2,700	2,456	-	2,857	8,936
Compensated employee absences payable	82	50	639	831	-	30	1,632
Estimated liability for claims and contingencies	-	-	-	-	-	22,400	22,400
Due to component unit	-	-	42	-	-	-	42
<b>Total current liabilities</b>	<b>640</b>	<b>415</b>	<b>3,381</b>	<b>3,287</b>	<b>-</b>	<b>25,287</b>	<b>33,010</b>
Noncurrent liabilities:							
Compensated employee absences payable	75	46	590	768	-	28	1,507
Estimated liability for claims and contingencies	-	-	-	-	-	76,148	76,148
<b>Total noncurrent liabilities</b>	<b>75</b>	<b>46</b>	<b>590</b>	<b>768</b>	<b>-</b>	<b>76,176</b>	<b>77,655</b>
<b>Total liabilities</b>	<b>715</b>	<b>461</b>	<b>3,971</b>	<b>4,055</b>	<b>-</b>	<b>101,463</b>	<b>110,665</b>
<b>Net assets (deficit)</b>							
Invested in capital assets	1,604	7,815	105	2,261	-	4	11,789
Unrestricted (deficit)	8,187	6,930	8,981	3,615	-	(5,846)	21,867
<b>Total net assets (deficit)</b>	<b>\$ 9,791</b>	<b>\$ 14,745</b>	<b>\$ 9,086</b>	<b>\$ 5,876</b>	<b>\$ -</b>	<b>\$ (5,842)</b>	<b>\$ 33,656</b>

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010  
(amounts expressed in thousands)

	Communications	Motor Pool	Building Maintenance	Information Technology	Printing Services	Risk Management	Total
<b>Operating revenues:</b>							
Charges for services	\$ 9,946	\$ 8,919	\$ 89,912	\$ 36,999	\$ -	\$ 42,132	\$ 187,908
<b>Operating expenses:</b>							
Salaries and benefits	3,509	1,656	25,576	23,930	-	1,518	56,189
Contractual services	97	179	1,194	1,121	-	3,495	6,086
Utilities	-	8	11,147	6	-	-	11,161
Repairs and maintenance	326	471	4,453	63	-	-	5,313
Other supplies and expenses	1,735	4,143	38,067	8,554	-	7,718	60,217
Insurance claims and expenses	-	-	-	-	-	17,239	17,239
Depreciation	391	2,010	43	1,311	-	-	3,755
Telephone	3,473	-	-	-	-	-	3,473
County indirect costs	689	755	4,003	998	-	1,019	7,464
Dental claims	-	-	-	-	-	8,979	8,979
Other	-	-	6	-	-	418	424
<b>Total operating expenses</b>	<b>10,220</b>	<b>9,222</b>	<b>84,489</b>	<b>35,983</b>	<b>-</b>	<b>40,386</b>	<b>180,300</b>
<b>Operating income (loss)</b>	<b>(274)</b>	<b>(303)</b>	<b>5,423</b>	<b>1,016</b>	<b>-</b>	<b>1,746</b>	<b>7,608</b>
<b>Non-operating revenues (expenses):</b>							
Interest and investment income	50	39	56	20	6	525	696
Gain (loss) on sale of capital assets	6	(181)	(1)	-	-	-	(176)
<b>Net non-operating revenues (expenses)</b>	<b>56</b>	<b>(142)</b>	<b>55</b>	<b>20</b>	<b>6</b>	<b>525</b>	<b>520</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>(218)</b>	<b>(445)</b>	<b>5,478</b>	<b>1,036</b>	<b>6</b>	<b>2,271</b>	<b>8,128</b>
Capital contributions	-	114	-	-	-	-	114
Transfers-in	-	43	-	-	-	-	43
Transfers-out	-	-	(3,976)	-	-	(5,411)	(9,387)
Change in net assets	(218)	(288)	1,502	1,036	6	(3,140)	(1,102)
Total net assets (deficit) - beginning of period	10,009	15,033	7,584	4,840	(6)	(2,702)	34,758
<b>Total net assets (deficit) - end of period</b>	<b>\$ 9,791</b>	<b>\$ 14,745</b>	<b>\$ 9,086</b>	<b>\$ 5,876</b>	<b>\$ -</b>	<b>\$ (5,842)</b>	<b>\$ 33,656</b>

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010  
(amounts expressed in thousands)

	Communications	Motor Pool	Building Maintenance	Information Technology	Printing Services	Risk Management	Total
<b>Cash flows from operating activities</b>							
Internal activity - receipts from other funds	\$ 9,954	\$ 8,841	\$ 89,149	\$ 37,103	\$ -	\$ 42,222	\$ 187,269
Payments to suppliers	(5,630)	(4,687)	(54,705)	(9,835)	(17)	(12,639)	(87,513)
Payments to employees	(3,522)	(1,648)	(25,563)	(24,083)	-	(1,521)	(56,337)
Internal activity - payments to other funds	(689)	(755)	(4,003)	(998)	-	(1,019)	(7,464)
Claims paid	-	-	-	-	-	(29,056)	(29,056)
Other receipts (payments)	-	-	(6)	-	-	(418)	(424)
<b>Net cash provided by (used in) operating activities</b>	<u>113</u>	<u>1,751</u>	<u>4,872</u>	<u>2,187</u>	<u>(17)</u>	<u>(2,431)</u>	<u>6,475</u>
<b>Cash flows from noncapital financing activities</b>							
Transfers-in	-	43	-	-	-	-	43
Transfers-out	-	-	(3,976)	-	-	(5,411)	(9,387)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>-</u>	<u>43</u>	<u>(3,976)</u>	<u>-</u>	<u>-</u>	<u>(5,411)</u>	<u>(9,344)</u>
<b>Cash flows from capital and related financing activities</b>							
Acquisition of capital assets	(399)	(1,990)	-	(1,628)	-	-	(4,017)
Proceeds from sale of capital assets	6	166	2	12	-	-	186
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(393)</u>	<u>(1,824)</u>	<u>2</u>	<u>(1,616)</u>	<u>-</u>	<u>-</u>	<u>(3,831)</u>
<b>Cash flows from investing activities:</b>							
Interest on investments	50	39	56	20	6	525	696
<b>Net cash provided by investing activities</b>	<u>50</u>	<u>39</u>	<u>56</u>	<u>20</u>	<u>6</u>	<u>525</u>	<u>696</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(230)	9	954	591	(11)	(7,317)	(6,004)
Cash and cash equivalents - beginning of period	8,833	7,215	10,668	6,471	11	102,497	135,695
Cash and cash equivalents - end of period	<u>\$ 8,603</u>	<u>\$ 7,224</u>	<u>\$ 11,622</u>	<u>\$ 7,062</u>	<u>\$ -</u>	<u>\$ 95,180</u>	<u>\$ 129,691</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (274)	\$ (303)	\$ 5,423	\$ 1,016	\$ -	\$ 1,746	\$ 7,608
Adjustments for non cash activities							
Depreciation	391	2,010	43	1,311	-	-	3,755
Changes in assets and liabilities							
Receivables	8	(78)	(763)	104	-	90	(639)
Inventories	(33)	-	-	-	-	-	(33)
Prepaid items	-	-	-	-	-	(51)	(51)
Accounts payable	34	114	114	(91)	(17)	(1,375)	(1,221)
Compensated employee absences payable	(13)	8	13	(153)	-	(3)	(148)
Estimated liability for claims and contingencies	-	-	-	-	-	(2,838)	(2,838)
Due to component unit	-	-	42	-	-	-	42
Total adjustments	<u>387</u>	<u>2,054</u>	<u>(551)</u>	<u>1,171</u>	<u>(17)</u>	<u>(4,177)</u>	<u>(1,133)</u>
Net cash provided by (used in) operating activities	<u>\$ 113</u>	<u>\$ 1,751</u>	<u>\$ 4,872</u>	<u>\$ 2,187</u>	<u>\$ (17)</u>	<u>\$ (2,431)</u>	<u>\$ 6,475</u>
Non-cash capital activities:							
Contribution of capital assets	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72</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, 2010**  
 (amounts expressed in thousands)

	<b>Pension and Other Postemployment Benefits Trust Fund</b>				<b>Other Employee Benefits Trust Funds</b>	<b>Total</b>
	<b>Pension</b>	<b>Postemployment Medical Benefits (OPEB)</b>	<b>Other Postemployment Benefits</b>	<b>Total</b>		
<b>Assets:</b>						
Cash and investments with County Treasurer	\$ 1,034	\$ -	\$ -	\$ 1,034	\$ 1,507	\$ 2,541
Cash and investments with fiscal agents	4,657,079	-	-	4,657,079	-	4,657,079
Investment of securities lending collateral	587,991	-	-	587,991	-	587,991
Deposits with others	557	-	-	557	-	557
Other receivable	19,502	-	-	19,502	-	19,502
Interest receivable	13,855	-	-	13,855	-	13,855
Due from (to) pension plan	(670,057)	596,576	73,481	-	-	-
Capital assets, net of accumulated depreciation	3,222	-	-	3,222	-	3,222
<b>Total assets</b>	<b>4,613,183</b>	<b>596,576</b>	<b>73,481</b>	<b>5,283,240</b>	<b>1,507</b>	<b>5,284,747</b>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	18,369	-	-	18,369	82	18,451
Securities lending obligation	587,991	-	-	587,991	-	587,991
<b>Total liabilities</b>	<b>606,360</b>	<b>-</b>	<b>-</b>	<b>606,360</b>	<b>82</b>	<b>606,442</b>
<b>Net Assets</b>						
Held in trust	4,006,823	596,576	73,481	4,676,880	1,425	4,678,305
	<u>\$ 4,006,823</u>	<u>\$ 596,576</u>	<u>\$ 73,481</u>	<u>\$ 4,676,880</u>	<u>\$ 1,425</u>	<u>\$ 4,678,305</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, 2010  
(amounts expressed in thousands)

	Pension and Other Postemployment Benefits Trust Fund			Total	Other	Total
	Pension	Postemployment	Other		Employee	
		Medical Benefits (OPEB)	Postemployment Benefits		Benefits Trust Funds	
<b>Additions:</b>						
Contributions:						
Employees	\$ 77,271	\$ -	\$ -	\$ 77,271	\$ 4,201	\$ 81,472
Employer	104,263	27,935	-	132,198	-	132,198
<b>Total contributions</b>	<u>181,534</u>	<u>27,935</u>	<u>-</u>	<u>209,469</u>	<u>4,201</u>	<u>213,670</u>
Investment income:						
Interest	68,252	-	-	68,252	13	68,265
Dividends	43,616	-	-	43,616	-	43,616
Net increase in fair value of investments	852,129	-	-	852,129	-	852,129
Real estate	26,254	-	-	26,254	-	26,254
Securities lending income	7,359	-	-	7,359	-	7,359
Earnings allocated to OPEB reserves	(18,098)	16,101	1,997	-	-	-
<b>Total investment income</b>	<u>979,512</u>	<u>16,101</u>	<u>1,997</u>	<u>997,610</u>	<u>13</u>	<u>997,623</u>
Less investment expenses:						
Investment expenses	22,501	-	-	22,501	-	22,501
Securities lending borrower rebates and management fees	2,481	-	-	2,481	-	2,481
Real estate	8,979	-	-	8,979	-	8,979
Borrowers' rebates and other agent fees and securities lending transactions	-	-	-	-	-	-
<b>Total investment expenses</b>	<u>33,961</u>	<u>-</u>	<u>-</u>	<u>33,961</u>	<u>-</u>	<u>33,961</u>
<b>Net investment income</b>	<u>945,551</u>	<u>16,101</u>	<u>1,997</u>	<u>963,649</u>	<u>13</u>	<u>963,662</u>
Miscellaneous income	2,272	-	-	2,272	-	2,272
<b>Total additions, net</b>	<u>1,129,357</u>	<u>44,036</u>	<u>1,997</u>	<u>1,175,390</u>	<u>4,214</u>	<u>1,179,604</u>
<b>Deductions:</b>						
Benefit payments	252,126	27,840	4,521	284,487	4,286	288,773
Refunds of contributions	7,718	-	-	7,718	-	7,718
Administration expenses	12,255	-	-	12,255	-	12,255
<b>Total deductions</b>	<u>272,099</u>	<u>27,840</u>	<u>4,521</u>	<u>304,460</u>	<u>4,286</u>	<u>308,746</u>
<b>Change in net assets</b>	<u>857,258</u>	<u>16,196</u>	<u>(2,524)</u>	<u>870,930</u>	<u>(72)</u>	<u>870,858</u>
Net assets - beginning of year	3,117,481	612,464	76,005	3,805,950	1,497	3,807,447
Transfer to Pension from SRBR for Employer						
Contribution to 401(h)	27,935	(27,935)	-	-	-	-
Transfer to Pension from SRBR fro Implicit Subsidy	4,149	(4,149)	-	-	-	-
Net assets - end of year	<u>\$ 4,006,823</u>	<u>\$ 596,576</u>	<u>\$ 73,481</u>	<u>\$ 4,676,880</u>	<u>\$ 1,425</u>	<u>\$ 4,678,305</u>

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010  
 (amounts expressed in thousands)

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
<b><u>Unapportioned Taxes</u></b>				
<b>Assets:</b>				
Cash and investments with County Treasurer	\$ 31,029	\$ 5,235,665	\$ 5,205,501	\$ 61,193
Taxes receivable	317,572	4,794,948	4,835,021	277,499
Interest receivable	9	584	592	1
<b>Total assets</b>	<b>\$ 348,610</b>	<b>\$ 10,031,197</b>	<b>\$ 10,041,114</b>	<b>\$ 338,693</b>
<b>Liabilities:</b>				
Due to other governmental units	\$ 348,610	\$ 10,031,349	\$ 10,041,266	\$ 338,693
<b>Total liabilities</b>	<b>\$ 348,610</b>	<b>\$ 10,031,349</b>	<b>\$ 10,041,266</b>	<b>\$ 338,693</b>
<b><u>Other Agency</u></b>				
<b>Assets:</b>				
Cash and investments with County Treasurer	\$ 94,431	\$ 5,195,717	\$ 5,104,555	\$ 185,593
Interest receivable	123	878	841	160
<b>Total assets</b>	<b>\$ 94,554</b>	<b>\$ 5,196,595</b>	<b>\$ 5,105,396</b>	<b>\$ 185,753</b>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 803	\$ 43,240	\$ 43,354	\$ 689
Due to other governmental units	93,751	7,586,627	7,495,314	185,064
<b>Total liabilities</b>	<b>\$ 94,554</b>	<b>\$ 7,629,867</b>	<b>\$ 7,538,668</b>	<b>\$ 185,753</b>
<b><u>Totals - Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments with County Treasurer	\$ 125,460	\$ 10,431,382	\$ 10,310,056	\$ 246,786
Taxes receivable	317,572	4,794,948	4,835,021	277,499
Interest receivable	132	1,462	1,433	161
<b>Total assets</b>	<b>\$ 443,164</b>	<b>\$ 15,227,792</b>	<b>\$ 15,146,510</b>	<b>\$ 524,446</b>
<b>Liabilities:</b>				
Warrants payable	\$ 803	\$ 43,240	\$ 43,354	\$ 689
Due to other governmental units	442,361	17,617,976	17,536,580	523,757
<b>Total liabilities</b>	<b>\$ 443,164</b>	<b>\$ 17,661,216</b>	<b>\$ 17,579,934</b>	<b>\$ 524,446</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, 2010**  
**(amounts in tables expressed in thousands)**

Governmental funds capital assets:

Land and Easements	\$ 43,974
Structures and improvements	893,002
Infrastructure	756,966
Equipment	95,799
Software	34,514
Construction in progress	<u>85,027</u>
 Total governmental funds capital assets	 <u><u>\$ 1,909,282</u></u> <sup>2</sup>

Investments in governmental funds capital assets acquired prior to July 1, 2001	\$ 1,252,281
Investments in governmental funds capital assets acquired from July 1, 2001 by source:	
General fund	222,323
Capital projects fund	181,505
Other governmental funds	238,924
Donations	<u>14,249</u>
 Total governmental funds capital assets	 <u><u>\$ 1,909,282</u></u>

<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 \$48,320,000 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, 2010**  
**(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	\$ 9,387	\$ 66,181	\$ -	\$ 15,098	\$ 32,654	\$ 123	\$ 123,443
Public protection	26,110	519,351	187,861	50,882	1,860	8,964	795,028
Public assistance	2,652	41,284	-	7,977	-	-	51,913
Health and sanitation	3,494	221,703	-	3,554	-	55,460	284,211
Public ways and facilities	378	13,420	566,667	9,491	-	20,481	610,437
Recreation & cultural services	-	9,998	2,438	6,593	-	-	19,029
Education	1,953	21,065	-	2,204	-	(1)	25,221
Total governmental funds capital assets	<u>\$ 43,974</u>	<u>\$ 893,002</u>	<u>\$ 756,966</u>	<u>\$ 95,799</u>	<u>\$ 34,514</u>	<u>\$ 85,027</u>	<u>\$ 1,909,282</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 \$48,320,000 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.

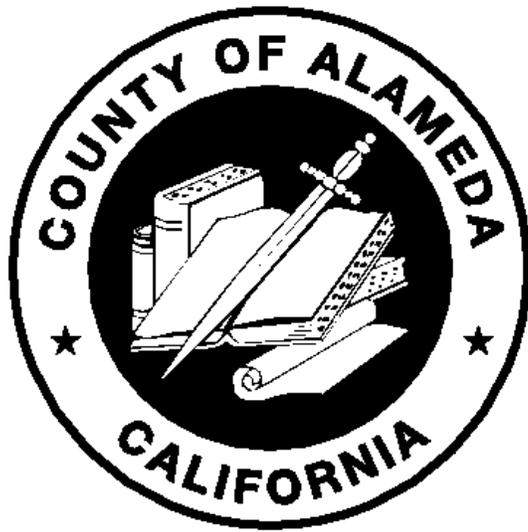
**COUNTY OF ALAMEDA, CALIFORNIA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function<sup>1</sup>**  
**Year ended June 30, 2010**  
**(amounts in tables expressed in thousands)**

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
General	\$ 123,533	\$ 56	\$ 146	\$ 123,443
Public protection	786,514	16,584	\$ 8,070	795,028
Public assistance	51,901	12	\$ -	51,913
Health and sanitation	249,359	35,051	\$ 199	284,211
Public ways and facilities	588,419	51,405	\$ 29,387	610,437
Recreation & cultural services	13,846	5,242	\$ 59	19,029
Education	20,483	21,805	\$ 17,067	25,221
Total governmental funds capital assets	<u>\$ 1,834,055</u>	<u>\$ 130,155</u>	<u>\$ 54,928</u>	<u>\$ 1,909,282</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 \$48,320,000 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.

<b>CONTENTS</b>	<b>PAGE</b>
<b>FINANCIAL TRENDS</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	<b>122</b>
<b>REVENUE CAPACITY</b> These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	<b>126</b>
<b>DEBT CAPACITY</b> These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	<b>130</b>
<b>ECONOMIC AND DEMOGRAPHIC INFORMATION</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	<b>135</b>
<b>OPERATING INFORMATION</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	<b>137</b>

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 NINE FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(amounts expressed in thousands)**

	Fiscal Year <sup>1</sup>								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	\$580,283	\$527,375	\$561,240	\$ 603,668	\$ 582,506	\$ 551,198	\$ 508,533	\$ 511,354	\$ 560,449
Restricted	394,632	398,618	398,621	336,562	387,798	473,468	531,744	579,459	641,476
Unrestricted (deficit)	(306,906)	(287,654)	(303,544)	(73,273)	125,578	353,164	452,524	465,456	328,726
Total governmental activities net assets	<u>\$668,009</u>	<u>\$638,339</u>	<u>\$656,317</u>	<u>\$ 866,957</u>	<u>\$1,095,882</u>	<u>\$1,377,830</u>	<u>\$1,492,801</u>	<u>\$1,556,269</u>	<u>\$1,530,651</u>

<sup>1</sup> Trend data are only available from fiscal year 2002 due to the implementation of GASB Statement No. 34.

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

	Fiscal Year <sup>1</sup>								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>									
Governmental activities:									
General government	\$ 113,158	\$ 112,016	\$ 127,986	\$ 126,933	\$ 119,662	\$ 124,448	\$ 137,490	\$ 161,834	\$ 143,497
Public protection	520,128	577,807	584,983	582,384	616,938	647,036	720,939	719,458	766,225
Public assistance	542,411	586,500	559,728	543,263	575,334	582,568	620,978	653,920	680,142
Health and sanitation	340,984	457,313	404,492	431,310	455,835	470,668	524,225	558,632	597,448
Public ways and facilities	49,563	52,205	41,151	43,902	46,123	50,650	48,620	39,427	36,598
Recreation and cultural services	25	387	571	441	514	502	523	677	557
Education	18,194	21,584	19,534	19,022	19,448	19,350	21,358	23,064	22,813
Interest on long-term debt	67,958	67,776	67,170	70,053	71,913	78,236	77,708	78,352	75,420
<b>Total governmental activities expenses</b>	<b>1,652,421</b>	<b>1,875,588</b>	<b>1,805,615</b>	<b>1,817,308</b>	<b>1,905,767</b>	<b>1,973,458</b>	<b>2,151,841</b>	<b>2,235,364</b>	<b>2,322,700</b>
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
General government	151,984	160,785	128,966	170,321	150,182	158,550	125,532	124,488	111,200
Public protection	155,088	164,398	170,380	164,731	184,356	196,775	210,362	218,244	222,606
Health and sanitation	99,885	98,941	116,576	116,244	110,437	113,134	119,509	139,217	153,243
Other activities	24,743	18,953	16,250	22,769	19,525	19,588	15,212	22,114	27,819
Operating grants and contributions	923,130	919,771	884,510	994,427	1,051,339	1,078,909	1,087,171	1,130,306	1,170,990
Capital grants and contributions	1,953	-	11,606	15,202	14,979	202	7,070	4,260	5,782
<b>Total governmental activities program revenues</b>	<b>1,356,783</b>	<b>1,362,848</b>	<b>1,328,288</b>	<b>1,483,694</b>	<b>1,530,818</b>	<b>1,567,158</b>	<b>1,564,856</b>	<b>1,638,629</b>	<b>1,691,640</b>
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Taxes									
Property taxes	\$ 266,835	\$ 281,756	\$ 298,634	\$ 303,570	\$ 339,470	\$ 398,922	\$ 412,767	\$ 425,713	\$ 403,847
Sales taxes - shared revenues	131,412	124,808	124,759	158,886	172,544	171,876	174,984	150,551	140,643
Other taxes	25,575	25,985	28,455	32,848	34,040	30,957	26,173	26,309	28,144
Interest and investment income	17,172	9,575	18,104	13,019	20,616	52,556	46,746	25,979	9,369
Other	33,022	40,946	25,353	35,973	37,248	42,701	41,289	36,948	23,439
Transfers	267	-	-	(42)	(44)	(7)	(3)	(5,297)	-
Extraordinary item	-	-	-	-	-	(8,757)	-	-	-
<b>Total governmental activities</b>	<b>474,283</b>	<b>483,070</b>	<b>495,305</b>	<b>544,254</b>	<b>603,874</b>	<b>688,248</b>	<b>701,956</b>	<b>660,203</b>	<b>605,442</b>
<b>Change in Net Assets</b>									
Governmental activities	\$ 178,645	\$ (29,670)	\$ 17,978	\$ 210,640	\$ 228,925	\$ 281,948	\$ 114,971	\$ 63,468	\$ (25,618)

<sup>1</sup> Trend data are only available from fiscal year 2002 due to the implementation of GASB Statement No. 34.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	\$ 48,228	\$ 184,301	\$ 153,628	\$ 153,447	\$ 168,671	\$ 213,531	\$ 226,371	\$ 246,546	\$ 246,383	\$ 299,432
Unreserved	183,125	238,802	206,233	173,860	243,799	437,866	575,231	573,336	618,174	627,898
Total general fund	<u>\$ 231,353</u>	<u>\$ 423,103</u>	<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>
All other governmental funds										
Reserved	\$ 123,095	\$ 130,369	\$ 150,191	\$ 151,108	\$ 239,215	\$ 220,946	\$ 170,814	\$ 190,267	\$ 171,988	\$ 592,468
Unreserved, reported in:										
Special revenue funds	372,618	365,433	395,831	384,155	428,354	469,475	541,182	584,941	606,763	598,330
Capital projects fund	33,393	30,545	21,931	15,009	4,578	59,746	85,289	72,672	79,236	(375,645)
Total all other governmental funds	<u>\$ 529,106</u>	<u>\$ 526,347</u>	<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>

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

	<b>2001</b>	<b>2002</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>Revenues</b>										
Taxes	\$ 403,007	\$ 423,522	\$ 432,249	\$ 451,590	\$ 495,215	\$ 546,619	\$ 600,847	\$ 614,397	\$ 602,473	\$ 572,507
Licenses and permits	28,536	6,543	6,902	7,708	7,559	8,291	8,465	9,138	7,904	8,490
Fines, forfeitures, and penalties	26,518	27,605	28,310	30,468	30,427	27,388	32,117	34,621	41,228	41,444
Use of money and property	54,046	45,324	39,783	21,737	28,861	37,759	79,857	77,653	48,250	27,769
State aid	558,948	596,301	624,607	594,174	701,939	747,292	731,715	699,172	761,782	694,252
Federal aid	282,780	308,789	278,297	270,734	261,923	313,689	309,888	364,958	349,759	459,652
Other aid	9,941	13,014	15,086	19,739	22,362	32,653	20,415	20,345	23,259	40,057
Charges for services	217,702	258,872	277,126	277,277	273,103	331,232	391,034	335,617	389,506	428,166
Other revenue	144,410	139,728	141,138	127,670	127,900	128,640	69,997	70,493	71,436	50,709
<b>Total revenues</b>	<b>1,725,888</b>	<b>1,819,698</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>Expenditures</b>										
<b>Current</b>										
General government	108,217	121,195	118,384	124,033	109,600	108,931	129,219	118,713	130,358	120,465
Public protection	500,821	515,062	557,609	583,012	592,172	620,390	665,433	708,363	703,959	710,039
Public assistance	521,205	546,894	585,587	561,964	545,898	603,267	594,117	619,109	647,504	666,247
Health and sanitation	413,831	343,480	456,810	421,442	431,656	457,096	472,768	522,120	556,575	590,590
Public ways and facilities	36,831	38,996	41,804	35,144	34,388	33,226	35,148	51,204	46,199	42,400
Recreation and cultural services	349	265	407	627	493	526	562	562	719	594
Education	16,444	17,868	21,058	19,020	19,139	19,522	19,409	21,037	22,883	21,947
<b>Debt service</b>										
Principal	48,812	55,285	58,575	65,260	67,175	62,460	69,290	74,235	78,730	90,896
Interest	38,557	32,695	31,847	28,671	28,629	26,668	26,616	26,779	28,889	27,130
Deposit with escrow agent	-	-	-	-	-	-	4,756	-	-	-
Bond issuance costs	-	2,449	3,669	-	2,312	2,632	592	12,248	-	-
Capital outlay	49,181	40,287	21,094	19,044	81,343	86,383	45,650	24,389	31,878	46,875
<b>Total expenditures</b>	<b>1,734,248</b>	<b>1,714,476</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>
Excess of revenues over (under) expenditures	(8,360)	105,222	(53,346)	(57,120)	36,484	152,462	180,775	47,635	47,903	5,863
<b>Other financing sources (uses)</b>										
Issuance of loans	-	1,851	-	-	-	5,423	3,000	-	675	4,732
Proceeds from sale of land	46,111	3,345	1,481	-	24,139	21,475	-	-	-	-
Capital leases issued	-	15,772	-	-	801	26,896	5,640	697	3,000	-
Bonds issued	-	-	-	-	136,975	102,594	-	-	-	-
Refunding bonds issued	-	148,455	220,525	-	6,095	-	37,010	120,145	-	-
Premium on refunding bonds	-	7,867	-	-	1,566	373	2,260	1,265	-	-
Discount on refunding bonds	-	-	(5,431)	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(154,203)	(193,102)	-	(6,059)	-	(38,673)	(108,815)	-	-
Transfers-in	119,556	73,030	237,965	28,735	41,482	76,777	84,106	84,736	85,552	83,705
Transfers-out	(61,743)	(64,269)	(229,728)	(21,850)	(34,445)	(69,053)	(76,795)	(76,788)	(82,348)	(74,361)
<b>Total other financing sources (uses)</b>	<b>103,924</b>	<b>31,848</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>Net change in fund balances</b>	<b>\$ 95,564</b>	<b>\$ 137,070</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>
Debt service as a percentage of noncapital expenditures	- <sup>1</sup>	5.53%	5.38%	5.25%	5.83%	4.89%	5.23%	5.73%	4.90%	5.27%

<sup>1</sup>Data not available

**COUNTY OF ALAMEDA, CALIFORNIA  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 LAST NINE FISCAL YEARS <sup>1</sup>  
 (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>2</sup></b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2002	\$ 80,008,388	\$ 16,371,339	\$ 14,325,866	\$ 1,183,410	\$ 1,314,653	\$ 13,636,250	\$ 2,920,971	\$ 123,918,935	1.00 %
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

<sup>1</sup> Data not available for fiscal year 2001.

<sup>2</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>
2001	1.0000 %	0.0027 %	0.0016 %	0.0095 %	0.0664 %	0.0469	1.1271 %
2002	1.0000	0.0031	0.0016	0.0099	0.0624	0.0494	1.1264
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

<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)**

<b>Taxpayer</b>	<b>JUNE 30, 2010</b>			<b>JUNE 30, 2001</b>		
	<b>Secured Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Secured Assessed Value</b>	<b>Secured Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Secured Assessed Value</b>
Pacific Gas & Electric Co.	\$ 1,346,299	1	0.72 %	\$ 909,766	3	0.88 %
New United Motor Manufacturing, Inc.	1,073,296	2	0.57	971,634	1	0.94
AT&T California	436,906	3	0.23	969,686	2	0.94
Kaiser Foundation Hospitals	387,117	4	0.21			
Kaiser Foundation Health Plan, Inc.	355,441	5	0.19			
Catellus Development Corporation	334,364	6	0.18	195,513	7	0.19
Bayer Healthcare LLC	278,224	7	0.15			
SCI Limited Partnership	269,201	8	0.14	221,728	6	0.22
Northern California Industrial Portfolio, Inc.	268,824	9	0.14			
NOP Watergate LLC	253,404	10	0.14			
Spieker Properties, Inc.				296,300	4	0.29
Cutter Laboratories				272,964	5	0.27
Sun Microsystems, Inc.				193,169	8	0.19
Oakland City Center LLC				185,105	9	0.18
Alameda Real Estate Investments				183,948	10	0.18
	<u>\$ 5,003,076</u>		<u>2.67 %</u>	<u>\$ 4,399,813</u>		<u>4.28 %</u>

Source: Auditor-Controller, County of Alameda

**COUNTY OF ALAMEDA, CALIFORNIA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST FIVE 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	-	-	-

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

<sup>2</sup> Unable to determine subsequent collections by fiscal year.

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)

Governmental Activities											
Fiscal Year	Certificates of Participation	Tobacco Settlement Asset-Backed Bonds	Pension Obligations Bonds	Lease Revenue Bonds	Tax Allocation Bonds	Special Assessment Bonds	Capital Leases	Loans and Notes Payable	Total Primary Government	Percentage of Total Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
2001	\$ 449,218	\$ -	\$601,348	\$ -	\$ -	\$ 1,650	\$ 8,484	\$ -	\$ 1,060,700	1.89 %	\$ 717
2002	437,642	-	595,185	-	-	1,540	22,170	1,851	1,058,388	1.91	712
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	-	753
2010	160,221	272,799	477,740	141,705	32,565	335	29,849	12,129	1,127,343	-	716

**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> 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, 2010**

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

2009-10 <b>Assessed Valuation:</b>	\$198,790,184	(includes unitary utility valuation)
Redevelopment Incremental Valuation:	<u>25,754,826</u>	
Adjusted Assessed Valuation:	\$173,035,358	

**Population:** 1,574,857

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/30/10</u>
Bay Area Rapid Transit District	39.056%	\$ 164,035
East Bay Municipal Utility District, Special Service District No. 1	93.681	25,533
Chabot-Las Positas Community College District	99.386	460,060
Ohlone Community College District	100.000	132,005
Peralta Community College District	100.000	445,645
San Joaquin Delta Community College District	0.159	244
Alameda Unified School District	100.000	79,415
Berkeley Unified School District	100.000	213,759
Castro Valley Unified School District	100.000	86,035
Dublin Unified School District	100.000	172,584
Fremont Unified School District	100.000	192,262
Hayward Unified School District	100.000	95,940
Livermore Valley Joint Unified School District	99.578	140,415
New Haven Unified School District	100.000	196,797
Oakland Unified School District	100.000	726,160
Pleasanton Unified School District	100.000	98,249
San Leandro Unified School District	100.000	121,519
Other Unified School Districts	100.000	246,802
City of Alameda	100.000	9,580
City of Albany	100.000	18,190
City of Berkeley	100.000	68,700
City of Fremont	100.000	49,260
City of Oakland	100.000	272,093
Washington Township Healthcare District	100.000	71,690
East Bay Regional Park District	54.795	107,823
Community Facilities Districts	100.000	137,405
1915 Act Bonds (Estimated)	100.000	<u>122,449</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$4,454,649</b>

**COUNTY OF ALAMEDA, CALIFORNIA**

**ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (Continued)**

**JUNE 30, 2010**

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

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/30/10</u>
Alameda County General Fund Obligations	100.000%	\$ 419,006
Alameda County Pension Obligations	100.000	178,387 <sup>1</sup>
Alameda-Contra Costa Transit District Certificates of Participation	89.299	36,019
Chabot-Las Positas Community College District General Fund Obligations	99.386	4,636
Peralta Community College District Pension Obligations	100.000	155,369
Hayward Unified School District Certificates of Participation	100.000	19,395
Oakland Unified School District Certificates of Participation	100.000	64,430
Pleasanton Unified School District General Fund Obligations	100.000	16,680
San Lorenzo Unified School District Certificates of Participation	100.000	22,350
Other School District Certificates of Participation	100.000	7,895
City of Berkeley General Fund and Pension Fund Obligations	100.000	42,045
City of Fremont General Fund Obligations	100.000	137,105
City of Hayward General Fund Obligations	100.000	33,840
City of Livermore General Fund Obligations	100.000	70,630
City of Oakland General Fund Obligations	100.000	407,830
City of Oakland Pension Obligations	100.000	210,595
Other City General Fund Obligations	100.000	114,648
Byron Bethany Irrigation District General Fund Obligations	.389	<u>22</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>1,940,882</b>
Less: City of Hayward self-supporting obligations		<u>2,383</u>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b><u>\$1,938,499</u></b>
<b>GROSS COMBINED TOTAL DEBT</b>		<b>\$6,395,531 <sup>2</sup></b>
<b>NET COMBINED TOTAL DEBT</b>		<b>\$6,393,148</b>
STATE SCHOOL BUILDING AID REPAYABLE AS OF June 30, 2010 (not in thousands): \$3,035		
Ratios to 2009-10 Assessed Valuation:		<u>Per Capita (not in Thousands)</u>
Total Overlapping Tax and Assessment Debt	2.23%	\$2,829
Ratios to Adjusted Assessed Valuation:		
Combined Direct Debt (\$597,393)	.35%	379
Gross Combined Total Debt	3.70%	4,061
Net Combined Total Debt	3.69%	4,060

<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 2010	
Net assessed value	\$197,019,947
Plus homeowners' exemption	<u>1,770,237</u>
Total assessed value	<u><u>\$198,790,184</u></u>
Debt limit (1.25% of total assessed value)	\$2,484,877
Amount of debt applicable to debt limit	-
Legal debt margin	<u><u>\$2,484,877</u></u>

<u>Fiscal year</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin / Debt Limit</u>
2001	\$1,396,889	-	\$1,396,889	100 %
2002	1,548,987	-	1,548,987	100
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

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 Bond <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		
2001	\$ 237	\$ 181	\$ 93	86 %	\$ -	\$ -	\$ -	- %	\$ -	\$ -	\$ -	- %	
2002	202	110	84	104	-	-	-	-	-	-	-	-	
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	

<sup>1</sup> Tax Allocation bonds were issued on February 2, 2006.

<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)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2001	1,479,100	\$ 56,121,664	\$ 38,172	4.8%
2002	1,486,550	55,316,775	37,788	6.7
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	- 1	- 1	11.1
2010	1,574,857	- 1	- 1	11.5

Source: State of California Employment Development Department Labor Market Information and California Department of Finance

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

COUNTY OF ALAMEDA, CALIFORNIA  
PRINCIPAL EMPLOYERS

Employer	Type of Business	Number of Employees		Percentage of	Number of Employees		Percentage of
		JUNE 30, 2010 <sup>1</sup>	Rank	Total County Employment <sup>2</sup>	JUNE 30, 2001 <sup>1</sup>	Rank	Total County Employment <sup>2</sup>
University of California Berkeley	Education	14,041	1	2.10 %	13,457	1	1.82 %
County of Alameda	Local Government	9,094	2	1.36	9,169	2	1.24
Lawrence Livermore National Laboratory	Energy Develop and Conservation	7,000	3	1.05	7,537	3	1.02
Wells Fargo & Company	Business Services	5,862	4	0.88	-	-	-
Oakland Unified School District	Education	5,704	5	0.85	7,206	4	0.97
Lawrence Berkeley Laboratory	Research and Development	5,000	6	0.75	-	-	-
City of Oakland	Local Government	4,478	7	0.67	3,734	10	0.50
Cost Plus Incorporated	Trade	4,125	8	0.62	-	-	-
Kaiser Foundation Hospitals	Education and Health Services	3,105	9	0.46	4,693	7	0.63
Peralta Community College District	Education	2,759	10	0.41	-	-	-
Minneapolis Postal Data Center	Postal Data Center	-	-	-	6,506	5	0.88
Kaiser Permanente Medical Group Inc	Health and Medical	-	-	-	5,276	6	0.71
New United Motor Manufacturing, Inc.	Industrial	-	-	-	4,551	8	0.61
Pacific Bell	Communications	-	-	-	4,043	9	0.55
<b>Total</b>		<b>61,168</b>		<b>9.15 %</b>	<b>66,172</b>		<b>8.93 %</b>

Source: Harris Infosource July 1,2010; East Bay EDA for 2001 data

<sup>1</sup> The number of employees, except for County of Alameda and City of Oakland include all employees in the East Bay area. Total employment within County of Alameda is unavailable.

<sup>2</sup> Percentage calculated based on Alameda County's Employment of 669,200 for 2010 and 740,100 for 2001 (Source: Employee Development Department)

**COUNTY OF ALAMEDA  
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
LAST EIGHT FISCAL YEARS<sup>1</sup>**

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

<sup>1</sup> Data not available for fiscal years 2001 and 2002.

<sup>2</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>3</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 FIVE FISCAL YEARS<sup>1</sup>**

Function	2006	2007	2008	2009	2010
<b>General Government</b>					
Property tax bills processed	586,598	584,705	583,795	573,519	561,531
Phone-assisted property tax calls	77,279	79,835	78,643	90,602	92,518
Recycled materials recovered (pounds) from county departments					
Metal	505,790	517,055	428,327	277,046	442,250
Paper	1,879,326	1,683,357	1,977,240	2,672,980	1,070,263
Toner cartridges	1,840	2,200	2,400	5,703	8,716
<b>Public Protection</b>					
Juvenile detention risks and needs assessment completed	3,200	3,413	2,940	3,114	2,806
Youth serviced through community probation	570	883	1,500	1,528	908
Documents recorded/indexed	537,019	469,793	396,880	368,584	377,208
Child support active caseload	41,346	39,928	37,803	39,611	37,277
Emergency calls to fire district	21,454	22,642	22,591	23,855	23,621
Calls for police service	50,594	50,993	51,272	52,367	51,742
Total patrol arrests	4,172	6,246	5,668	6,518	6,244
Total investigation arrests	827	1,157	1,531	1,710	1,910
Crime investigation cases assigned	9,949	4,158	6,372	5,768	5,115
Crime investigation cases closed	9,635	7,950	6,193	7,898	7,438
Average daily inmate population	3,982	4,126	4,371	4,441	4,305
<b>Public Assistance</b>					
Seniors receiving services (annual amount)	26,852	25,378	25,360	32,000	34,198
Congregate nutrition meals served (annual amount)	250,573	229,775	235,207	233,751	222,688
Home-delivered nutrition meals served (annual amount)	527,589	531,022	538,471	531,563	514,599
CALWORKS job placements (annual amount)	2,550	3,338	3,475	2,964	2,644
CALWORKS eligible households aided (monthly average)	18,964	17,506	18,461	19,154	19,963
Medi-Cal eligible households aided (monthly average)	71,235	63,915	66,068	69,722	75,813
Food stamps eligible households aided (monthly average)	29,877	31,320	33,995	38,613	45,511
General Assistance eligible cases aided (monthly average)	5,694	6,862	7,976	9,001	8,907
<b>Health and Sanitation</b>					
Food inspections	17,191	16,570	15,903	13,148	13,823
Recreational inspections	1,760	2,322	1,888	2,458	2,847
Medical waste facility inspections	109	124	130	145	120
Landfill site inspections	175	156	154	252	252
Hazardous waste accepted from households (pounds)	2,358,232	2,236,570	2,433,661	2,052,451	2,091,555
Hazardous waste recycled (pounds)	1,948,562	1,856,353	2,284,808	1,784,343	1,801,109
<b>Public Ways and Facilities</b>					
Percent of roadway miles rehabilitated	1.40	3.80	1.40	2.30	1.82
Percent of potholes filled within 48 hours of request	90.00	94.50	96.00	87.00	75.00
<b>Education</b>					
Number of library visits	4,200,000	4,180,464	4,266,895	4,827,535	4,998,814
Number of registered library card holders	297,665	332,959	315,406	340,737	323,798

<sup>1</sup> Data not available for fiscal years 2001 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 FIVE FISCAL YEARS<sup>1</sup>**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>General Government</b>					
Administration buildings	3	3	3	3	3
<b>Public Protection</b>					
Administration buildings	11	11	11	11	11
Jail and detention facilities	5	6	6	6	6
Pump stations	12	13	13	13	13
Fuel cell center	-	-	1	1	1
Fire stations	4	4	4	4	4
Fire trucks	31	31	31	30	29
Aircraft	1	1	2	2	2
Patrol boats	3	5	5	5	5
Patrol cars	109	122	144	149	142
Rescue equipment	10	10	10	10	10
Heavy equipment	69	72	72	71	65
<b>Public Assistance</b>					
Administration buildings	4	4	4	4	4
<b>Health and Sanitation</b>					
Administration buildings	2	2	2	2	2
Hospitals	3	3	3	3	3
Health centers	4	4	4	4	5
Hazardous waste facilities	2	2	2	2	2
<b>Public Ways and Facilities</b>					
Administration building	1	1	1	1	1
Maintenance buildings	5	5	5	5	5
Bridges	7	7	7	7	7
Road (miles)	476	473	473	473	473
Street lights	7,943	7,466	7,483	7,496	7,507
Traffic signals	80	78	81	81	78
Heavy equipment	76	76	70	72	64
<b>Recreation and Cultural Services</b>					
Administration building	1	1	1	1	1
Exhibit halls	6	6	6	6	6
Amphitheater	1	1	1	1	1
<b>Education</b>					
Libraries	3	3	3	3	4

<sup>1</sup> Data not available for fiscal years 2001 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.*

