

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019



Melissa Wilk, Auditor-Controller

COUNTY OF ALAMEDA STATE OF CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Year Ended
June 30, 2019**

**Melissa Wilk
Auditor-Controller**

COUNTY OF ALAMEDA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2019

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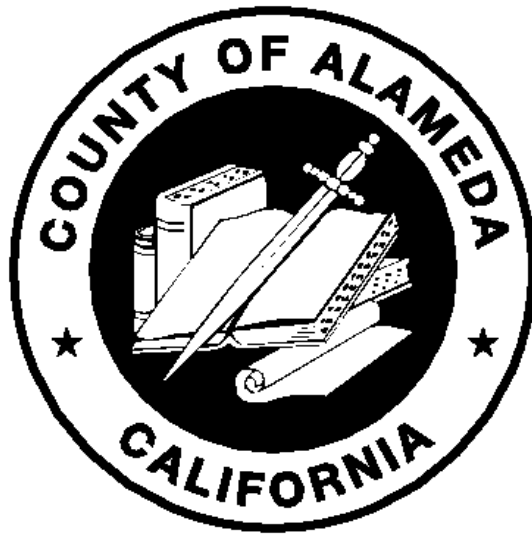
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COUNTY OF ALAMEDA, CALIFORNIA

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INTRODUCTORY SECTION



ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
MELISSA WILK
AUDITOR-CONTROLLER/CLERK-RECORDER

December 24, 2019

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 year ended June 30, 2019, 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 costs of internal control should not surpass its 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, 2019, are free of material misstatements. The independent certified public accounting firm has issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2019.

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 the MD&A and should be read in conjunction with it.

In addition to the annual audit of the 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 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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; and cultural events. In addition to general government activities, this CAFR includes activities of the Alameda Health System (as a discretely presented component unit), the Alameda County Employees' Retirement Association, the Alameda County Redevelopment Successor Agency, and certain special districts, financing authorities, and county service areas. The Oakland-Alameda County 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% 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).

Office of the Auditor-Controller
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Oakland, CA 94612
Tel: (510) 272-6565
Fax: (510) 272-6502

Central Collections Division
1221 Oak St., Suite 220
Oakland, CA 94612
Tel: (510) 208-9900
Fax: (510) 208-9932

Clerk-Recorder's Office, Main
1106 Madison St., 1st Floor
Oakland, CA 94607
Tel: (510) 272-6362
Fax: (510) 208-9858

Clerk-Recorder's Office, Tri-Valley
7600 Dublin Blvd.
Dublin, CA 94568
Tel: (510) 272-6362
Fax: (510) 208-9858

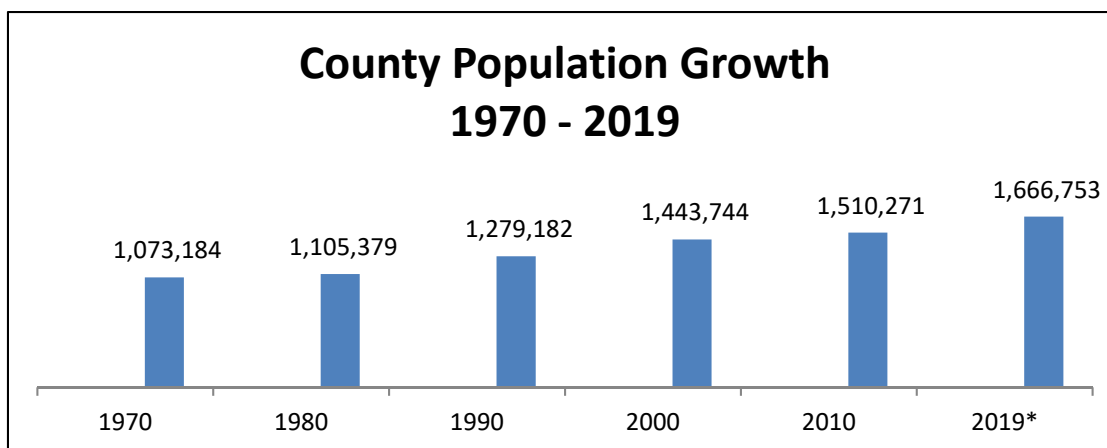
ALAMEDA COUNTY

Profile of Government:

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

Local Economy:

Located on the east side of the San Francisco Bay, Alameda County encompasses 813 square miles and extends from Albany in the North to Fremont in the South and Livermore in the East. The population of Alameda County exceeds 1.6 million making it the seventh most populous county in California according to U.S. Census Bureau data. Population growth in Alameda County has been fairly consistent during the last forty years making it a desirable place to live and work.



Source U.S. Census

* Estimate based on U.S. Census 2010 Benchmark

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 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 loads and discharges more than 99% of the containerized goods moving through Northern California. It was ranked eighth on the annual ranking of the 2019 Top 20 U.S Ports by import volume, measured in twenty-foot equivalent units (TEUs) of containerized cargo for 2018. It reached 2.6 million total TEUs, an increase of 5.8% from fiscal year 2018. Approximately 76% of the cargo handled at the Port is the result of trade with Asia, particularly China. Tariffs enacted, scheduled to be enacted, or scheduled to increase due to on-going trade disputes between China and the U.S. could negatively impact import and export cargo volume at the Port of Oakland.

Oakland International Airport (OAK), owned and operated by the Port of Oakland, is a passenger, cargo and general aviation airport located on approximately 2,600 acres of land. It is one of the three major commercial airports serving the San Francisco Bay Area as well as the largest cargo hub in Northern California. In fiscal year 2019, it served approximately 13.6 million passengers and 1.3 billion pounds of air cargo. In 2019, it averaged 160 daily passenger departures to 64 domestic and international destinations, as well as an average of 35 daily all-cargo flight departures to destinations around the globe.

In addition, the Port oversees approximately 837 acres of land along the Oakland Estuary that is not used for maritime or aviation purposes. The commercial real estate properties on this land serve a number of uses including warehouses, parking lots, hotels, offices, shops, restaurants, public parks and open space.

The Livermore Valley is home to one of California's oldest wine regions with a rich winemaking tradition dating back to 1840. Capturing America's first international gold medal for wine in 1889 at the Paris Exposition thus putting California on the world wine map, Livermore Valley currently has 50 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.

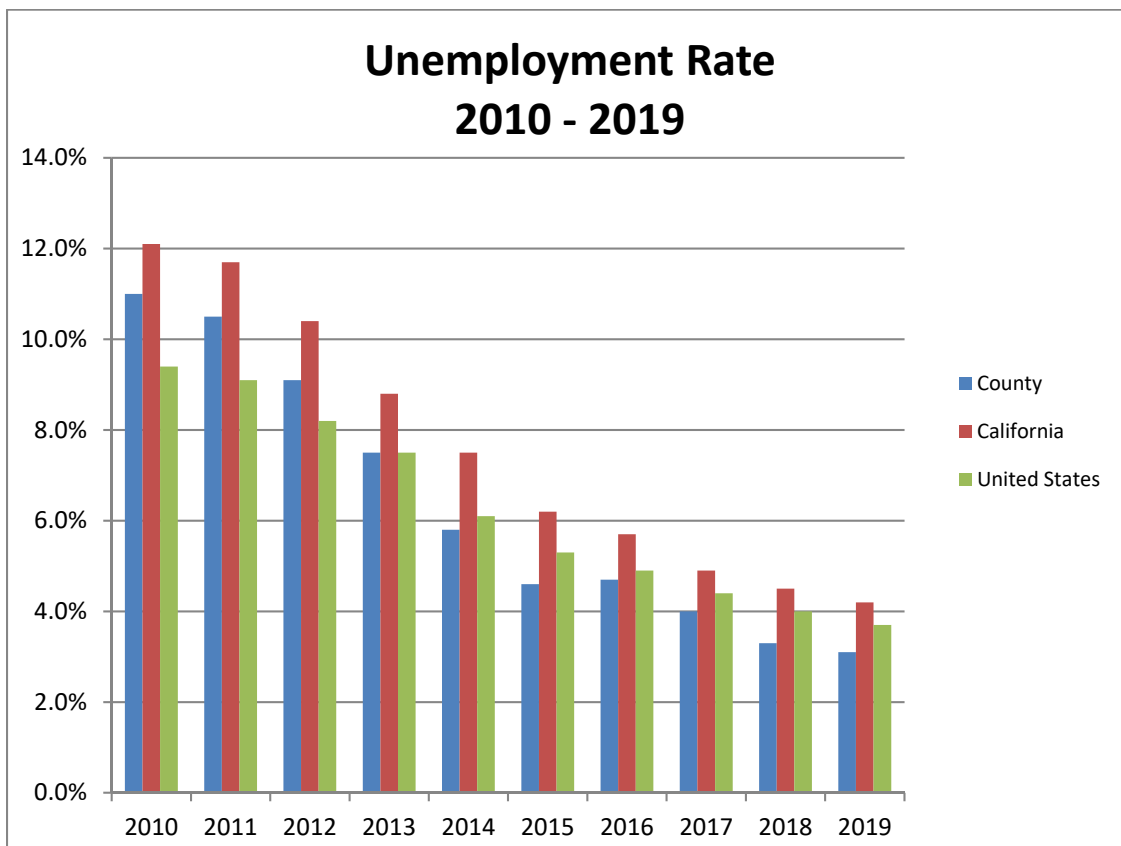
Alameda County is also the home of Ernest Orlando Lawrence Berkeley National Laboratory and Lawrence Livermore National Laboratory. Both sites are world-renowned scientific centers, where cutting-edge science and engineering are used to break new ground to enhance national security. Other areas of research 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 District (AC Transit), and the San Francisco Bay Area Rapid Transit District (BART) provide the County with a modern and efficient transportation system. For fiscal year 2019, annual ridership for AC Transit was 53 million while BART was estimated at 118 million.

ECONOMIC OUTLOOK

The California economy continues to expand after recovering from the depths of the Great Recession. However, unemployment in California continues to be higher than the nationwide average. The United States Bureau of Labor Statistics show that nationally, the unemployment rate was at 3.7% in June 2019, down from 4.0% in June 2018. However, unemployment in California stood at 4.2% in June 2019, down from the June 2018 rate of 4.5%. In Alameda County, the unemployment rate decreased from 3.3% in June 2018 to 3.1% in June 2019. These numbers reflect a positive trend and place Alameda County below the national average, demonstrating the impact of an improving economy.



Source: Bureau of Labor Statistics

The UCLA Anderson School of Business anticipates California’s average unemployment rates of 4.3% and 4.4% for the entire year for 2020 and 2021 respectively as a consequence of weakness in housing growth and the slowing U.S. economy as reflected in a very modest growth rate.

The State of California has passed its budget which addresses cost crisis while maintaining fiscal discipline. Out of the \$215 billion budget for FY 2020, counties were provided new funding of \$1 billion for homelessness services, an investment of \$1.75 billion to increase housing production and expansion of full-scope Medi-Cal to cover undocumented young adults. In addition, counties were given additional funding of \$87.3 million to upgrade voting system infrastructure.

On June 28, 2019, the Board of Supervisors adopted a budget for the 2019 – 2020 Fiscal Year by closing a \$60.4 million funding gap compared to last year’s \$65.9 million through a combination of spending reductions, revenue increases and the use of Fiscal Management Reward (FMR) program savings. The final budget was balanced with \$25.2 million in ongoing strategies and \$35.2 million in one-time strategies, with most of the one-time saving coming from FMR.

California continues to be among the least affordable states in the nation for housing. In a report published by ATTOM Data Solutions, Alameda County is ranked 17th as the least affordable housing markets in the U.S. Economists for the California Association of Realtors forecast that the low mortgage interest rates will support the housing market in 2020 but economic uncertainty and affordability issues will mute sales growth. CoreLogic reports a 13.7% decrease in homes sold in Alameda County from June 2018 to June 2019 while the median sales price of \$865,000 remained unchanged.

The leadership of Alameda County continues to employ sound fiscal judgment to address the severe economic issues it is facing. In the last three fiscal years, Alameda County has closed budget gaps totaling \$234.8 million while still providing essential services to the citizens of Alameda County.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Partnerships and collaboration have played a key role in helping the County to close a \$60.4 million funding gap.

The Assessor's Office timely submitted the 2018 – 2019 local assessment roll of \$300.1 billion reflecting assessments of more than 515,000 taxable properties. The 7.11% roll increase from 2017 – 2018 is primarily attributed to the recovery in the economy and the increase in real estate values.

In the first year of the County Homelessness Council, the Board approved a Three-Year Homelessness Action Plan in support of Alameda County's 10X Goal Pathway of Eliminating Homelessness. The Action Plan invests \$340 million in both ongoing and one-time funding to address the homelessness crisis, and supports homelessness prevention, outreach to homeless residents, health care, temporary shelter, and other assistance. The County convened a regional meeting of all mayors and city managers in Alameda County last July to provide an update on the Action Plan.

Measure A1, the County-sponsored \$580 million General Obligation Bond for affordable housing that was approved by voters in 2016, is driving the creation and preservation of numerous housing options for the County's most vulnerable residents. To date the County has committed \$245 million in Measure A1 funds to specific affordable housing projects, leveraging more than \$1.5 billion to support the development of over 2,400 new, affordable units throughout Alameda County, including over 700 units for individuals experiencing homelessness. These funds provide opportunities to continue working with cities and other partners to improve coordination and collaboration to address homelessness and the regional housing crisis.

A partnership led by the County's Health Care Services Agency (HCSA), supported by the Probation Department and the Sheriff's Office to address the opioid epidemic is achieving promising outcomes in support of the Health Care for All 10X Goal. Last year, HCSA reported a 49% decrease in opioid overdose deaths since 2015 - strong evidence that the County's extensive partnership with local health providers has been effective in reducing the misuse of opioid medications and curbing overdoses.

In support of the Shared Visions of Safe and Livable Communities and a Prosperous and Vibrant Economy, the County's Sheriff's Office Youth and Family Services Bureau in partnership with the Deputy Sheriff's Activities League (DSAL) has developed a Community Capitals Policing model to support targeted investments towards economic development, arts, cultural and political capital, and social cohesion. Initiatives that have emerged from this model include the Dig Deep Farms urban social enterprise and Food Hub, a boxing gym, a soccer park, and a sports facility.

The County continues providing opportunities and access to employment for all; attracting and retaining a diverse multi-generational workforce and developing innovative programs to train and employ individuals including veterans, foster youth, CalWORKs clients, developmentally disabled, and justice-involved individuals through creative partnerships and initiatives like Step Up and Pathway to Success.

The County continues to develop innovative solutions while building resiliency and self-sufficiency among vulnerable populations. ALL IN programs aim to address food insecurity and health, as well as the implementation of neighborhood-based strategies to increase family well-being and school readiness. It provides the organizational backbone of Food as Medicine, a multi-sector initiative that partners with local hospitals and community clinics to deliver high-quality nutritious food to families to improve their health and well-being.

The County's Capital Improvement Plan for FY 2019-2024 estimates a total five-year capital project cost of \$1.61 billion. Identified financing for the projects totals \$1.46 billion, leaving an unfunded balance of \$153 million. On top of the \$2.9 million annual allocation for major maintenance, the Final Budget includes a one-time allocation of \$2.1 million to help address deferred maintenance and growing needs for capital investments.

RELEVANT FINANCIAL POLICIES

Internal Control: The management of the County is responsible for establishing and maintaining adequate internal control to assure that County operations are effective and efficient, applicable laws and regulations are followed, and financial reports are reliable. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefit likely to be derived, and that cost-benefit analyses require estimates and judgment 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 to make improvements to enhance their fiscal accountability. The County's internal audit staff monitors the countywide assessment program.

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

Pension and Other Postemployment Benefits (OPEB) Trust Fund Operations: County employees' pension and OPEB are managed under trust by ACERA, except Fire Department employees, who are managed under two pension plans and one OPEB plan by CalPERS. ACERA and CalPERS Miscellaneous Risk Pool are cost-sharing multiple-employer defined benefit pension plans and as such all risks and costs are shared by the participating employers within the plans. In addition, CalPERS OPEB and Safety pension plans are agent multiple-employer defined benefit plans and as such plan assets are maintained separately for each individual employer to pay the benefits of its employees. All plans operate independently outside the control of the County Board of Supervisors. Pension benefits are the only vested benefits and all other postemployment benefits (healthcare, COLA and death benefits) are not vested.

The County's funding objective for its pension plans is to fund long-term pension liabilities through contributions and investment income. For calendar year 2018, total contributions of \$364.4 million, net investment loss of \$357.9 million, and miscellaneous income of \$1.4 million, combined for a net increase of \$7.9 million. Of the total contributions of \$336.4 million, the employers' share was \$269.7 million while the employees' share was \$94.7 million. Total contributions increased by \$28 million compared with a \$9 million increase the previous year. For calendar year 2018, the overall change to plan net position was a decrease of \$519.5 million, compared to a \$1.1 billion increase in calendar year 2017.

In fiscal year 2015, the Board of Supervisors authorized the establishment of a Pension Liability Reduction Account (PLRA), a commitment of fund balance in the general fund, and the initial transfer of \$200 million from County reserves to reduce the ACERA net pension liability. Since then, \$400 million has been transferred which increased the PLRA balance to \$600 million. This significantly improved the funded ratio from 71.01% to 79.30%.

Alameda County is one of the few counties within the State of California that has adopted Article 5.5 of the County Employees Retirement Law of 1937, which requires 50% of investment earnings in excess of the actuarially assumed rate of return from pension to be transferred to the Supplemental Retirees Benefits Reserve (SRBR). The SRBR funds other postemployment healthcare benefits and other benefits for ACERA members. CalPERS members are funded on a pay-as-you-go basis in a separate plan. The postemployment healthcare benefits payments for calendar year 2018 was \$40.8 million, an increase of \$2.9 million or 7.6% 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 year ended June 30, 2018. The County has received this prestigious award for 35 consecutive years. 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. The County believes that its current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and the County is 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 also like to express my appreciation to all members of the County 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 who have made the preparation of this report possible.



Melissa Wilk
Auditor-Controller
of Alameda County



Government Finance Officers Association

**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, 2018

Christopher P. Morill

Executive Director/CEO

COUNTY OF ALAMEDA, CALIFORNIA
ELECTED AND APPOINTED PUBLIC OFFICIALS

As of June 30, 2019

ELECTED OFFICIALS

Board of Supervisors

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

Department Heads

Phong La	Assessor
Melissa Wilk	Auditor-Controller/County Clerk-Recorder
Nancy E. O'Malley	District Attorney
Gregory J. Ahern	Sheriff-Coroner
Henry C. Levy	Treasurer-Tax Collector

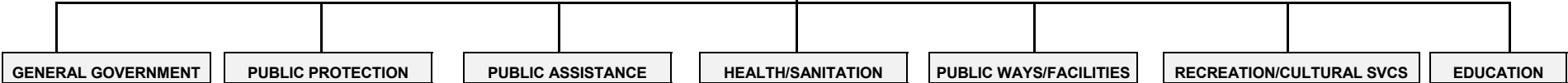
APPOINTED DEPARTMENT HEADS

Susan S. Muranishi	County Administrator
Anika Campbell-Belton	Clerk, Board of Supervisors
Christopher Bazar	Director, Community Development
Rob Bennaton	Director, Cooperative Extension
Donna R. Ziegler	County Counsel
David A. Rocha	Fire Chief
Willie A. Hopkins, Jr.	Director, General Services
Colleen Chawla	Director, Health Care Services
Joseph M. Angelo	Director, Human Resource Services
Timothy Dupuis	Chief Information Officer
Cynthia L. Chadwick	County Librarian
Wendy Still	Chief Probation Officer
Brendon D. Woods	Public Defender
Daniel Woldesenbet	Director, Public Works
Timothy Dupuis	Registrar of Voters
Lori A. Cox	Director, Social Services
Phyllis Nance	Director, Child Support Services

COUNTY OF ALAMEDA ELECTORS

BOARD OF SUPERVISORS

COUNTY ADMINISTRATOR



GENERAL GOVERNMENT

Clerk, Board of Supervisors
 AUDITOR-CONTROLLER*
 ASSESSOR*
 TREASURER-TAX COLLECTOR*
 County Counsel
 Human Resources
 Public Works
 General Services
 Registrar of Voters
 Information Technology

PUBLIC PROTECTION

COUNTY CLERK-RECORDER*
 DISTRICT ATTORNEY*
 SHERIFF-CORONER-PUBLIC ADMINISTRATOR*
 Probation Officer
 Public Defender
 Housing and Community Development
 Planning
 Agriculture/Weights and Measures
 Child Support Services
 Fire Department

PUBLIC ASSISTANCE

Social Services
 Public Guardian

HEALTH/SANITATION

Health Care Services

PUBLIC WAYS/FACILITIES

Road and Bridge Maintenance

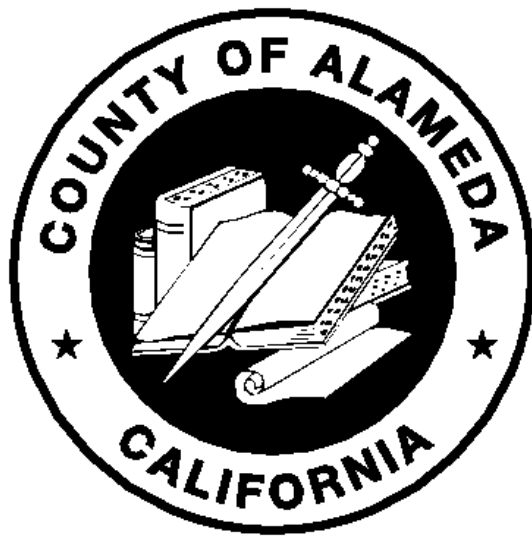
RECREATION/CULTURAL SVCS

Veterans' Memorial Buildings

EDUCATION

County Library
 Cooperative Extension

* Elected Officials



FINANCIAL SECTION



Independent Auditor’s Report

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

Report on the Financial Statements

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, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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) and the Alameda Health System (AHS), which represent the following percentages of the assets and deferred outflows, net positions/fund balances, and revenues/additions of the following opinion units as of and for the year ended June 30, 2019:

Opinion Unit	Assets and Deferred Outflows	Net Position/ Fund Balance	Revenues/ Additions
Aggregate remaining fund information	64%	68%	0%
Discretely presented component unit	100%	100%	100%

Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for ACERA and AHS, are based solely on the reports 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal

control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures

in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
December 23, 2019

COUNTY OF ALAMEDA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019

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 year ended June 30, 2019. 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 and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,960,755 (net position). Of this amount, \$908,570 is restricted for specified purposes and is not available to meet the government's ongoing obligations to citizens and creditors, \$772,123 is net investment in capital assets, and the remaining unrestricted net position totals \$280,062.
- The government's total net position increased for fiscal year 2019 by \$244,680, an increase of 15.3 percent over the prior fiscal year. Total revenue increased \$304,074 which includes increases in most of the revenue sources. Total expenses increased \$173,514 or 6 percent over the prior fiscal year.
- As of June 30, 2019, the County's governmental funds reported a combined ending fund balance of \$3,223,517, an increase of \$326,790 in comparison with the prior year. Unassigned fund balance of \$95,662 is available for spending at the government's discretion.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$95,662 or 3.8 percent of total general fund expenditures of \$2,490,729.
- The County's gross long-term obligations, excluding unamortized premiums and discounts, increased by \$655,027 during the fiscal year 2019 primarily due to the change in value of the net pension liability.

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 basic 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 position presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and

COUNTY OF ALAMEDA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019

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 but earned and unused vacation and compensating time off.

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

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

The government-wide financial statements can be found on pages 17-18 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**, **proprietary**, 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. This information may be useful in evaluating the County's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements; it is useful to compare the information presented for governmental funds with similar information presented for 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 statement of revenues, expenditures, and changes in fund balances for the major funds, including general, property development, flood control, capital projects, and debt service. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

COUNTY OF ALAMEDA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019

Proprietary funds

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

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

The County does maintain internal service funds, which are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles, maintenance of buildings, risk management services, communications services and information technology services. Since the County does not have business-type activities, these services 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 proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary funds

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

The fiduciary fund financial statements can be found on pages 26-27 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 28-98 of this report.

Required supplementary information

This report contains required supplementary information concerning the County's progress in its obligation to provide pension, postemployment medical, and other postemployment benefits to its employees, along with budget-to-actual information for the County's general and major special revenue funds. Required supplementary information can be found on pages 99-109 of this report.

Other supplementary information

The combining statements referred to in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 112-141 of this report. Budgetary comparisons for the County's capital projects and non-major special revenue funds are also presented.

COUNTY OF ALAMEDA, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Alameda County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,960,755 at June 30, 2019.

A portion of the County's net position, \$772,123 or 39 percent, reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure), less related outstanding debt used to acquire those assets and debt-related deferred outflows of resources. 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 Position
June 30, 2019 and 2018

	Governmental Activities	
	2019	2018
Assets:		
Current and other assets	\$ 4,105,707	\$ 3,624,963
Capital assets	1,845,971	1,817,609
Total assets	<u>5,951,678</u>	<u>5,442,572</u>
Deferred outflows of resources	<u>763,364</u>	<u>606,618</u>
Liabilities:		
Current liabilities	613,417	533,312
Long-term liabilities	4,011,473	3,358,671
Total liabilities	<u>4,624,890</u>	<u>3,891,983</u>
Deferred inflows of resources	<u>129,397</u>	<u>441,132</u>
Net position:		
Net investment in capital assets	772,123	737,186
Restricted	908,570	814,964
Unrestricted	280,062	163,925
Total net position	<u>\$ 1,960,755</u>	<u>\$ 1,716,075</u>

Current and other assets increased \$480,744 from prior year primarily due to net increases of cash and investment balances of \$446,406 from improved property taxes and grant revenues, an increase of \$20,113 for loans receivable and an increase of \$10,808 for amounts due from the Alameda Health System.

Deferred outflows of resources increased \$156,746 due to the change in value for the pension and OPEB deferred outflows of resources.

Current liabilities increased \$80,105 primarily due to an increase of \$28,365 in unearned revenues and \$51,727 due to accounts payable and accrued expenses and a decrease of \$25,145 in bonds payable due to the repayment of the pension obligation bonds.

COUNTY OF ALAMEDA, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019**

Long-term liabilities and deferred inflows of resources increased \$652,802 and decreased \$311,735, respectively, primarily due to the change in value for the net pension/OPEB liability and related deferred inflows and outflows of resources. The increase in the net pension liability in long-term liabilities was offset by the net decrease in long-term debt due to the retirement of the pension obligation bonds.

A portion of the County's net position, \$908,570, represents resources that are subject to external restrictions as to how they may be used. As of June 30, 2019, the County has a balance of \$280,062 in unrestricted net position.

The County's net position increased by \$244,680 during the fiscal year 2019 versus \$114,120 for fiscal year 2018. As compared to last fiscal year, expenses increased by \$173,514. Operating and capital grants and contributions increased \$112,017 over fiscal year 2018 and charges for services increased \$74,919. General revenues increased by a total of \$117,138.

**County of Alameda
Changes in Net Position
For the Years Ended June 30, 2019 and 2018**

	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 661,000	\$ 586,081
Operating grants and contributions	1,837,741	1,716,652
Capital grants and contributions	8,293	17,365
General revenues:		
Property taxes	647,889	580,500
Sales taxes - shared revenues	75,305	69,692
Other taxes	39,987	41,970
Interest and investment income	59,726	22,880
Other	47,218	37,945
Total Revenues	<u>3,377,159</u>	<u>3,073,085</u>
Expenses:		
General government	228,912	188,361
Public protection	1,119,430	1,025,266
Public assistance	798,356	746,760
Health and sanitation	825,153	831,984
Public ways and facilities	52,716	61,309
Recreation and cultural services	840	719
Education	34,449	30,695
Interest on long-term debt	72,623	73,871
Total expenses	<u>3,132,479</u>	<u>2,958,965</u>
Change in net position	<u>244,680</u>	<u>114,120</u>
Net position - beginning of period	<u>1,716,075</u>	<u>1,601,955</u>
Net position - end of period	<u>\$ 1,960,755</u>	<u>\$ 1,716,075</u>

COUNTY OF ALAMEDA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019

Governmental activities

Governmental activities increased the County's net position by \$244,680.

Operating grants and contributions increased \$121,089 during the year. The increase is primarily due to an increase of \$55,605 in state and local general government programs, an increase of \$32,730 in federal and state public assistance programs, and \$51,747 in federal and state public protection programs offset by a decrease of \$31,779 in federal and state health programs.

Capital grants and contributions decreased \$9,072. Significant projects include state funding of \$149 for the East County Hall of Justice construction, a decrease of \$8,869 from the prior year, and federal funding of \$8,144 for the Acute Tower Replacement project, an increase of \$34 from the prior year.

Charges for services increased \$74,919 or 13 percent from fiscal year 2018. The County earned higher charges for services because there was an increase of \$39,565 in behavioral health care services due to additional Medicaid revenues earned. Medicaid revenues are based on utilization and eligibility of the population that is provided with corresponding services. Charges for services also increased \$23,730 because there were sales of land and increased rental revenues in 2019. Election services increased \$14,009 due to local elections being held during the fiscal year. These increases were offset by a decrease of \$13,713 due to primarily to lower recovery of costs associated with the low income health program.

General revenues increased by \$117,138 or 16 percent overall in the fiscal year 2019.

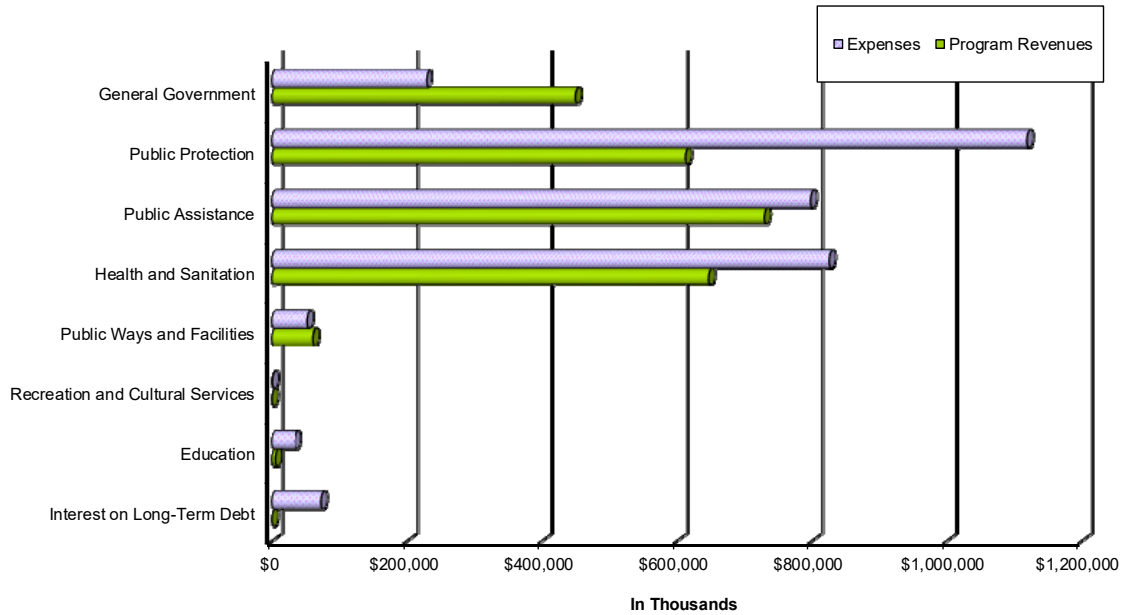
- Property tax revenues increased by \$67,389 or 12 percent due to strong assessment roll growth.
- Interest and investment income increased by \$36,846 or 161 percent. The increase was primarily due to increased rates of return on investments.
- Other revenue increased \$9,273 or 24 percent. The increase was primarily due to an increase of \$10,911 of interest earned from agency funds, offset by a decrease of \$3,676 in tobacco tax settlement receipts.

Expenses related to governmental activities increased \$173,514 or 6 percent during fiscal year 2019. OPEB expenses increased \$14,615 based on the GASB 75 actuarial valuation.

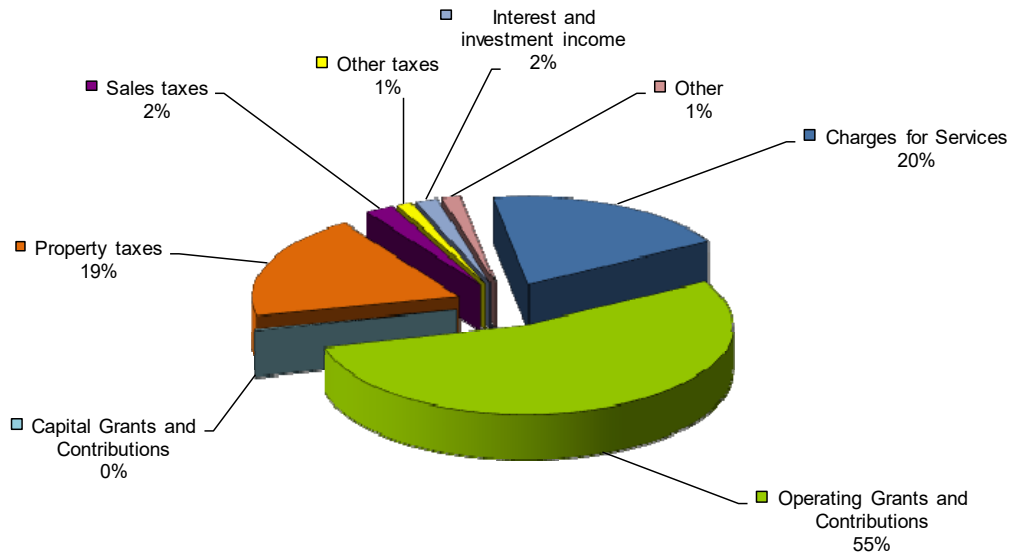
- General government had an increase of \$33,271 for increased pension and OPEB expenditures based on the current actuarial valuations. General services also increased \$7,173 for various construction costs that did not meet the capitalization threshold for capital assets.
- Public protection had an increase of \$45,631 for increased pension and OPEB expenditures based on the current actuarial valuations. The District Attorney had an increase of \$15,273 for additional salaries and benefit costs.
- Public assistance had an increase of \$30,680 for increased pension and OPEB expenditures based on current actuarial valuations. In addition, Community Development had an increase of \$24,895 for use of the Measure A1 bond proceeds for the rental housing development program offset by a decrease of \$9,559 in housing and community grants.

COUNTY OF ALAMEDA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019

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, 2019

Financial Analysis of the County's Funds

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

Governmental funds

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

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

As of June 30, 2019, the County's governmental funds reported combined ending fund balances of \$3,223,517, an increase of \$326,790 or 11 percent as compared to fiscal year 2018. Approximately 3 percent of this total amount (\$95,662) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance consists of nonspendable (\$4,828), restricted (\$1,072,543), committed (\$1,795,370), or assigned (\$255,114).

Revenue for governmental funds overall totaled \$3,333,073 for the fiscal year 2019, which represents an increase of \$246,934 or 8 percent from the fiscal year 2018. Expenditures for governmental funds, totaling \$3,052,463, increased by \$101,820 from the fiscal year 2018. The governmental funds' revenues exceeded expenditures by \$280,610 or 9 percent.

The general fund is the primary operating fund of the County. At the end of fiscal year 2019, the unassigned fund balance of the general fund was \$95,662, while total fund balance was \$1,897,454. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 3.8 percent of total general fund expenditures of \$2,490,729, while total fund balance represents 76 percent of that same amount.

General fund revenues increased by \$188,923 or 7 percent to due to the following factors:

- Taxes revenue increased by \$32,218 or 6 percent. Property tax revenue increased \$28,462 due to a strong assessment roll growth. Sales tax revenue increased \$5,463 due to a growing economy. These increases were offset by decreases of \$1,706 in other taxes such as property transfer taxes and utility users' taxes.
- State aid increased by \$150,697 or 14 percent. Improved economic conditions resulted in an increase of \$56,172 in sales tax realignment revenue. Revenue for state-funded health programs increased \$47,713 and for state-funded public protection programs increased \$26,955.
- Other Aid decreased by \$54,398 or 46 percent. The decrease was primarily due to \$68,686 in intergovernmental transfers for hospital services net of capital contributions of \$11,419 provided by the Alameda Health System.

COUNTY OF ALAMEDA, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019**

- Charges for services increased by \$55,504 or 18 percent. Increase was due to \$37,678 in medical charges due to increase in utilization and eligibility of the population served. In addition, election services revenue increased \$14,009 as local elections were held during the fiscal year. Also, public protection services increased by \$6,500 for providing services to other communities affected by the wildfires.

General fund expenditures increased by \$84,511 or 4 percent from fiscal year 2018, totaling \$2,490,729. Overall, the general fund's performance resulted in revenues exceeding expenditures in the fiscal year 2019, by \$360,819. In fiscal year 2018, the general fund revenues exceeded expenditures by \$256,407.

The property development fund total fund balance was \$608,296. This fund accounts for activities related to the development and sale of County surplus land. The net decrease in the fund balance during the fiscal year 2019 was \$4,902, primarily due to the use of Measure A1 debt proceeds to fund housing programs.

The fund balance in the flood control fund increased in 2019 from \$214,012 to \$234,672. Revenue increased by \$4,532 mainly due to increased tax revenues and decreased services and supplies for Districts 5, 6 and 7.

The capital projects fund has a total fund balance of \$53,936, a decrease of \$11,660 from fiscal year 2018. The decrease was primarily attributable to the use of bond proceeds for construction costs for the Acute Care Tower and the Santa Rita Jail access and disability upgrades and security system projects.

The fund balance in the debt service fund increased \$59,252 from \$33,374 to \$92,626 due to the initial receipt of Measure A1 property tax receipts and the maturity of the pension obligation bonds.

Proprietary funds

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

The net position of the internal service funds decreased \$14,011 in 2019 with an operating loss of \$14,697. This was primarily due to services and supplies increasing at higher rates than charges for services.

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, 2018, ACERA's fiscal year-end, the net position of ACERA and the other employee benefits trust totaled \$7,595,018 representing a decrease of \$519,600 in net position from the prior year's net position. The decrease was largely attributable to a decrease in fair value of investments as of December 31, 2018.

As of June 30, 2019, the investment trust fund's net position totaled \$3,183,773, a \$6,750 increase in net position. The increase in net position of the investment trust fund was due to net investment income of \$86,846, net of withdrawals exceeding contributions to the fund by \$80,096.

The private-purpose trust fund includes the redevelopment non-housing successor agency, public guardian, and Court Wards & Dependents. As of June 30, 2019, the private-purpose trust fund's net position totaled \$3,183, a decrease of \$2,941.

COUNTY OF ALAMEDA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019

General fund budgetary highlights

The County's final expenditure budget of the general fund differs from the original budget in that it contains supplemental appropriations approved during the fiscal year. The difference of \$196,569 between the original budget and the final amended budget represents increased appropriations; the significant appropriations are briefly summarized:

- General government increased appropriations by \$12,197. This included \$6,437 of salary and benefit increases and \$4,634 of other charges increases.
- The public protection departments increased appropriations by \$75,701. This included \$56,073 of salary and benefit increases and \$16,890 of service and supplies increases.
- The public assistance departments increased appropriations by \$16,661. This included \$1,508 of salary and benefit increases and \$15,163 of service and supplies increases.
- Appropriations for health and sanitation increased by \$89,810. This included \$3,894 of salary and benefit increases, \$57,004 of services and supplies increases and \$28,780 in other charges increases.

Overall, the County's actual general fund revenues under-realized its budgeted fiscal year 2019 revenues by \$99,458 or 3 percent. Revenues that had significant variances include:

- Use of money revenue exceeded the budget by \$39,175. This was due to higher returns on investment pool than anticipated.
- State aid revenue was over-realized by \$36,252 or 3 percent. Vehicle license fee and social services realignment revenues were higher than expected by \$19,143 and \$15,715, respectively, due to improved economic conditions leading to improved state revenues.
- Federal aid revenue was under-realized by \$87,130 or 17 percent. Federal public assistance and social services programs were lower than expected by \$48,274 and \$5,560, respectively, due to lower than expected reimbursable costs associated with assistance payments and welfare administration. Federal health administration revenues were lower than expected by \$11,424 due to lower than anticipated expenditures from the Whole Person Care Pilot Program and the Health Care for the Homeless Program. Federal grant reimbursements for workforce development programs were lower than expected by \$4,102 due to community based organization costs.
- Other aid revenue was over-realized by \$34,408 or 118 percent. This was due to \$17,672 in matching contributions for federal grant awards and \$11,419 in hospital contributions for capital projects.
- Other revenue was less than budgeted by \$122,722 or 67 percent. Medical care financing was under-realized by \$83,579. Health care services administration was under budget by \$18,826 and welfare administration was under budget by \$11,625.

Variations between budget and actual expenditures in the general fund reflect overall expenditures under the adjusted budget by \$458,905 or 14 percent. In general, this represents savings from the major government functions, primarily due to vacancies, cost-containment measures, and unspent contingency appropriations. Significant savings came from the following County functions:

- General government's total actual expenditures was \$34,094 or 16 percent less than budget. Vacant positions resulted in savings of \$10,714. Discretionary expenditures were lower by \$9,660

COUNTY OF ALAMEDA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019

due to reduction of expenditures. Other charges such as debt payments and claims were lower by \$16,940 due to lower claim costs.

- Public protection spent \$58,589 or 6 percent less than budget. Vacant positions resulted in savings of \$25,101 in salaries and benefits. Discretionary services and supplies expenditures were lower by \$32,702 due to reduction of expenditures and delayed services contract assignment and implementation.
- Public assistance spent \$135,223 or 14 percent less than budget. Vacant positions resulted in savings of \$13,058 in salaries and benefits. Discretionary services and supplies expenditures were lowered by \$11,845 due to delayed professional service program assignments for community development programs using grant revenues. Due to an improving economy, CalWorks caseload was lowered resulting in expenditures being \$48,893 lower than budgeted and the Workforce Investment Board expenditures were \$2,506 lower than expected. Other charges were lower by \$44,837 due to lower caseloads in CalWorks, extended foster care, and adoptions.
- Health and sanitation expenditures were \$228,464 or 20 percent less than budget. Salaries and employee benefits were under-spent by \$22,020 due to vacant positions. Medical care financing and health care services funding were \$42,471 and \$18,446 lower, respectively, than budgeted because contributions were lower than expected. Health care administration was lower by \$18,151 due to fewer contracted expenditures from contractors than expected. Behavioral health care saved \$45,255 due to delays with start-up and implementation of programs, and underutilized mental health programs. Public health and behavioral health services paid by grants were under-spent by \$1,448 and \$8,505, respectively. Environmental health expenditures were under-spent by \$4,682 due to not using services that support unfilled positions as well as budget balancing strategies.

Capital assets and debt administration

Capital Assets

The County's investment in capital assets for its governmental activities amounts to \$1,845,971 (net of accumulated depreciation), as shown in the table below. This investment includes land, buildings and improvements, machinery and equipment, roads, bridges, flood control canals and other infrastructure. The total increase in the County's investment in capital assets for fiscal year 2019 was \$28,362 or 2 percent.

Capital Assets Net of Accumulated Depreciation
June 30, 2019

	Governmental	
	Activities	
	<u>2019</u>	<u>2018</u>
Land and other assets not being depreciated	\$ 254,283	\$ 190,185
Structures and improvements, machinery and equipment, and infrastructure, net of depreciation	<u>1,591,688</u>	<u>1,627,424</u>
Total	<u><u>\$ 1,845,971</u></u>	<u><u>\$ 1,817,609</u></u>

Major capital asset events that occurred during fiscal year 2019 include:

COUNTY OF ALAMEDA, CALIFORNIA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019**

- Machinery and equipment increased \$22,632 due primarily to the acquisition of registrar of voters, information technology and other equipment totaling \$15,716 and vehicles for \$8,046.
- Construction in progress increased \$63,874 primarily due to the following: Alameda Health System's Acute Care Tower, Santa Rita Jail accessibility upgrades and Cherryland Community Center in the amounts of \$37,191, \$9,782 and \$4,127, respectively. Road projects increased construction in progress by \$11,874 and flood control projects increased construction in progress by \$2,179. These constructions costs were partially offset by transfers for the following: Harbor Bay HVAC and Santa Rita Jail Smart Grid in the amount of \$2,859 and \$2,415, respectively.

At the end of the fiscal year, healthcare facilities, road improvements, and flood control channel improvements projects had outstanding contract commitments of \$12,841, \$18,912 and \$18,600, respectively.

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

Governmental fund financial statements record capital asset purchases as expenditures.

Additional information about the County's capital assets can be found in Note 5 (page 55) of the financial statements.

Debt Administration

As of June 30, 2019, the County had long-term obligations outstanding of \$4,149,576, excluding unamortized premiums and discounts of \$28,959, as summarized below:

**Outstanding Long-term Obligations
June 30, 2019 and 2018**

	Governmental Activities	
	2019	2018
Certificates of participation	\$ 8,770	\$ 14,030
Tobacco securitization bonds	292,171	290,177
Pension obligation bonds	-	45,755
Lease revenue bonds	799,135	825,145
General obligation bonds	240,000	240,000
Capital leases	2,320	2,915
Net pension liability	2,212,293	1,677,312
Net OPEB obligation	282,259	128,542
Other long-term obligations	312,628	270,673
Total	<u>\$ 4,149,576</u>	<u>\$ 3,494,549</u>

The County's total long-term obligations increased \$655,027 during the fiscal year primarily due to the change in value of the net pension liability in the GASB 68 actuarial valuation, which resulted in an increase of \$534,981 in net pension liability. The value of the OPEB also changed due to the GASB 75 actuarial valuation, which resulted in an increase of \$153,717. These increases were offset by \$46,279 for pay down on existing long-term debts. Outstanding pension obligation bonds decreased \$45,755 due to principal payments of \$8,938 and net reduction in accreted value by \$36,817.

The County's legal debt limit is 1.25 percent of total assessed value. As of June 30, 2019, the legal limit was \$3.67 billion. The County's outstanding general obligation debt is \$240 million and therefore \$3.43 billion is still available of the debt limit.

COUNTY OF ALAMEDA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Amounts expressed in thousands)
JUNE 30, 2019

The County's general obligation debt financings are rated as follows:

	<u>2019 Rating</u>	<u>2018 Rating</u>
Moody's	Aaa	Aaa
Standard & Poor's	AAA	AAA
Fitch	AAA	AAA

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

	<u>2019 Rating</u>	<u>2018 Rating</u>
Moody's	Aa1	Aa1
Standard & Poor's	AA+	AA
Fitch	AA+	AA+

The County's long-term obligations can be found in Note 7 (page 59) 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 the County was 3.1 percent in June 2019, compared to the rate of 3.3 percent in June 2018. The State's unemployment rate was 4.2 percent in June 2019.
- The assessed value of the County's property increased by 6.9 percent in 2019 compared to an increase of 6.7 percent in 2018.
- The County experienced an increase in property tax revenue in fiscal year 2019 due to an improved economy and housing market. Spending for goods and services throughout the state and the country increased as unemployment rates, as indicated above, declined.

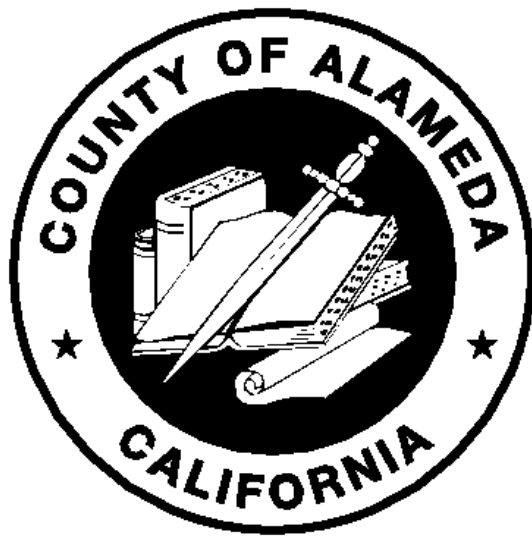
All of the above factors were considered in preparing the County's budget for fiscal year 2020.

The County adopted its fiscal year 2020 budget on June 28, 2019, one day after the State of California adopted its own budget on June 27, 2019.

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



BASIC FINANCIAL STATEMENTS

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF NET POSITION

JUNE 30, 2019

(amounts expressed in thousands)

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Unit</u> <u>Alameda Health</u> <u>System</u>
ASSETS		
Current assets:		
Cash and investments with County Treasurer	\$ 2,735,892	\$ -
Cash and investments with fiscal agents	554,794	21,056
Deposits with others	6,606	-
Receivables, net of allowance for uncollectible accounts	424,248	326,279
Due from component unit	14,484	-
Due from primary government	-	29,888
Inventories of supplies	100	9,529
Prepaid items	3,357	6,655
Total current assets	<u>3,739,481</u>	<u>393,407</u>
Noncurrent assets:		
Restricted assets - cash and investments with fiscal agents	156,976	1,433
Properties held for resale	2,020	-
Due from component unit, net of allowance	60,723	-
Endowment	-	3,341
Loans receivable	146,507	-
Capital assets:		
Land and other assets not being depreciated	254,283	93,089
Structures and improvements, machinery and equipment, infrastructure, net of depreciation	1,591,688	60,834
Total capital assets, net	<u>1,845,971</u>	<u>153,923</u>
Total noncurrent assets	<u>2,212,197</u>	<u>158,697</u>
Total assets	<u>5,951,678</u>	<u>552,104</u>
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding debt	4,687	-
Related to pensions	677,032	169,908
Related to OPEB	81,645	19,329
Total deferred outflows of resources	<u>763,364</u>	<u>189,237</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	303,591	277,186
Due to component unit	29,888	-
Due to primary government	-	14,484
Compensated employee absences payable	50,821	18,725
Estimated liability for claims and contingencies	35,081	6,920
Certificates of participation and bonds payable	54,431	-
Lease obligations	854	-
Loans payable	21,097	-
Accrued interest payable	8,142	-
Unearned revenue	104,734	-
Obligation to fund Coliseum Authority deficit	4,778	-
Total current liabilities	<u>613,417</u>	<u>317,315</u>
Noncurrent liabilities:		
Net pension liabilities	2,212,293	502,133
Net OPEB liabilities	282,259	43,743
Compensated employee absences payable	27,250	12,194
Estimated liability for claims and contingencies	121,677	24,626
Certificates of participation and bonds payable	1,314,604	-
Lease obligations	1,466	-
Loans payable	24,202	-
Due to primary government	-	91,723
Due to other governmental units	-	9,977
Obligation to fund Coliseum Authority deficit	27,722	-
Total noncurrent liabilities	<u>4,011,473</u>	<u>684,396</u>
Total liabilities	<u>4,624,890</u>	<u>1,001,711</u>
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	81,201	21,144
Related to OPEB	48,196	9,096
Total deferred inflows of resources	<u>129,397</u>	<u>30,240</u>
NET POSITION		
Net investment in capital assets	772,123	153,923
Restricted:		
Public protection	417,360	-
Public assistance	129,963	-
Health and sanitation	206,242	18,807
Public ways and facilities	122,805	-
Education	21,144	-
Other purposes	29,472	15,654
Unrestricted (deficit)	261,646	(478,994)
Total net position	<u>\$ 1,960,755</u>	<u>\$ (290,610)</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, 2019
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Alameda Health System
Primary government:						
Governmental activities:						
General government	\$ 228,912	\$ 147,807	\$ 302,532	\$ -	\$ 221,427	\$ -
Public protection	1,119,430	241,648	370,774	149	(506,859)	-
Public assistance	798,356	18,190	711,685	-	(68,481)	-
Health and sanitation	825,153	235,786	403,895	8,144	(177,328)	-
Public ways and facilities	52,716	13,825	47,224	-	8,333	-
Recreation and cultural services	840	146	-	-	(694)	-
Education	34,449	3,598	1,631	-	(29,220)	-
Interest on long-term debt	72,623	-	-	-	(72,623)	-
Total governmental activities	3,132,479	661,000	1,837,741	8,293	(625,445)	-
Total primary government	\$ 3,132,479	\$ 661,000	\$ 1,837,741	\$ 8,293	(625,445)	-
Component unit						
Alameda Health System	\$ 1,078,330	\$ 921,460	\$ 16	\$ -	-	(156,854)
General revenues:						
Property taxes					647,889	-
Sales taxes - shared revenues					75,305	125,493
Property transfer taxes					20,518	-
Utility users' tax					11,989	-
Other taxes					7,480	-
Interest and investment income					59,726	(140)
Other					47,218	717
Total general revenues					870,125	126,070
Change in net position					244,680	(30,784)
Net position - beginning of period					1,716,075	(259,826)
Net position - end of period					\$ 1,960,755	\$ (290,610)

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

COUNTY OF ALAMEDA, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

(amounts expressed in thousands)

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
Assets:							
Cash and investments with County Treasurer	\$ 1,913,780	\$ 56,545	\$ 235,345	\$ 51,915	\$ 36,616	\$ 240,764	\$ 2,534,965
Cash and investments with fiscal agents	1,417	553,123	-	-	-	4	554,544
Restricted assets - cash and investments with fiscal agents	2,617	-	-	12,500	56,418	85,441	156,976
Deposits with others	6	-	-	-	-	6,596	6,602
Receivables, net of allowance for uncollectible accounts	381,025	348	5,611	3,160	149	28,693	418,986
Due from other funds	8,584	-	-	-	-	-	8,584
Due from component unit, net of allowance	75,138	-	-	-	-	8	75,146
Inventory of supplies	-	-	4	-	-	92	96
Properties held for resale	255	1,765	-	-	-	-	2,020
Prepaid items	-	-	-	-	-	833	833
Loans receivable	90,159	21,985	-	-	-	34,363	146,507
Total assets	\$ 2,472,981	\$ 633,766	\$ 240,960	\$ 67,575	\$ 93,183	\$ 396,794	\$ 3,905,259
Liabilities, deferred inflows of resources, and fund balances							
Liabilities:							
Accounts payable and accrued expenditures	\$ 249,707	\$ 7,054	\$ 6,143	\$ 11,073	\$ 557	\$ 15,527	\$ 290,061
Due to other funds	-	-	-	-	-	851	851
Due to component unit	29,682	-	-	-	-	197	29,879
Unearned revenue	103,407	-	-	-	-	1,327	104,734
Total liabilities	382,796	7,054	6,143	11,073	557	17,902	425,525
Deferred inflows of resources							
Unavailable revenue	192,731	18,416	145	2,566	-	42,359	256,217
Fund balances:							
Nonspendable	3,899	-	4	-	-	925	4,828
Restricted	421,152	-	234,668	-	92,626	324,097	1,072,543
Committed	1,133,138	608,296	-	53,936	-	-	1,795,370
Assigned	243,603	-	-	-	-	11,511	255,114
Unassigned	95,662	-	-	-	-	-	95,662
Total fund balances	1,897,454	608,296	234,672	53,936	92,626	336,533	3,223,517
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,472,981	\$ 633,766	\$ 240,960	\$ 67,575	\$ 93,183	\$ 396,794	\$ 3,905,259

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 POSITION
JUNE 30, 2019
(amounts expressed in thousands)

Fund balances – total governmental funds	\$ 3,223,517
Amounts reported for governmental activities in the statement of net position 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.	1,817,813
The unamortized balance of deferred outflows of resources resulting from deferred refunding losses.	4,687
The unamortized balance of deferred outflows of resources related to net pension liability	626,074
The unamortized balance of deferred outflows of resources related to net OPEB	73,486
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	(1,369,035)
Compensated employee absences payable	(74,383)
Lease obligations	(2,320)
Loans and note payable	(45,299)
Other liabilities	(32,500)
Total long-term liabilities	<u>(1,523,537)</u>
The net OPEB liability pertaining to governmental fund types is not recorded in the governmental fund statements.	(273,162)
The net pension liability pertaining to governmental fund types is not recorded in the governmental fund statements.	(2,107,978)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	256,217
Deferred inflows of resources related to net pension liability	(56,669)
Deferred inflows of resources related to net OPEB liability	(41,696)
Interest on long-term debt is not accrued in the funds, but is recognized as an expenditure when due.	(8,142)
Internal service funds are used by management to charge the costs of fleet management, building maintenance, information technology, and risk management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	<u>(29,855)</u>
Net position of governmental activities	<u><u>\$ 1,960,755</u></u>

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

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019
 (amounts expressed in thousands)

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 587,620	\$ -	\$ 47,032	\$ -	\$ 31,797	\$ 96,767	\$ 763,216
Licenses and permits	10,234	-	54	-	-	1,417	11,705
Fines, forfeitures, and penalties	27,826	-	1	2,884	-	645	31,356
Use of money and property	47,754	17,870	6,995	2,980	2,407	13,851	91,857
State aid	1,247,634	-	915	-	193	48,120	1,296,862
Federal aid	433,354	-	6	-	8,144	1,025	442,529
Other aid	63,680	-	4,208	-	-	6,890	74,778
Charges for services	372,347	-	12,418	-	14,041	132,292	531,098
Other revenue	61,099	1,703	1,090	39	-	25,741	89,672
Total revenues	2,851,548	19,573	72,719	5,903	56,582	326,748	3,333,073
Expenditures:							
Current							
General government	162,372	486	-	-	-	13	162,871
Public protection	779,380	-	45,115	-	-	161,543	986,038
Public assistance	747,651	27,012	-	-	-	624	775,287
Health and sanitation	796,381	-	-	-	-	28,827	825,208
Public ways and facilities	3,006	-	-	-	-	29,939	32,945
Recreation and cultural services	801	-	-	-	-	-	801
Education	339	-	-	-	-	30,071	30,410
Debt service							
Principal	-	-	-	-	37,949	8,330	46,279
Interest	-	-	-	-	92,608	8,165	100,773
Capital outlay	799	-	6,798	61,698	-	22,556	91,851
Total expenditures	2,490,729	27,498	51,913	61,698	130,557	290,068	3,052,463
Excess (deficiency) of revenues over expenditures	360,819	(7,925)	20,806	(55,795)	(73,975)	36,680	280,610
Other financing sources (uses):							
Issuance of commercial paper	-	-	-	30,000	-	-	30,000
Proceeds from sale of land	-	11,793	-	-	-	-	11,793
Transfers in	2,637	-	-	14,705	133,269	22,255	172,866
Transfers out	(148,423)	(8,770)	(146)	(570)	(42)	(10,528)	(168,479)
Total other financing sources (uses)	(145,786)	3,023	(146)	44,135	133,227	11,727	46,180
Net change in fund balances	215,033	(4,902)	20,660	(11,660)	59,252	48,407	326,790
Fund balances - beginning of period	1,682,421	613,198	214,012	65,596	33,374	288,126	2,896,727
Fund balances - end of period	<u>\$ 1,897,454</u>	<u>\$ 608,296</u>	<u>\$ 234,672</u>	<u>\$ 53,936</u>	<u>\$ 92,626</u>	<u>\$ 336,533</u>	<u>\$ 3,223,517</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, 2019
(amounts expressed in thousands)**

Net change in fund balances – total governmental funds	\$ 326,790
Amounts reported for governmental activities in the statement of activities are different because:	
Some revenues will not be collected within the availability period established for governmental funds. As a result, they are not considered as available revenues in the governmental funds and are reported as deferred inflows of resources in the governmental funds.	84,233
Receivable from Alameda Health System's share of pension obligation bonds, reported as deferred inflows of resources in the governmental funds, but already reported as revenue in prior year in the government-wide financial statements	(18,767)
Pension contributions made subsequent to the measurement date in the governmental funds, but reported as deferred outflow of resources in the government-wide financial statements	128,522
OPEB contributions made subsequent to the measurement date in the governmental funds, but reported as deferred outflow of resources in the government-wide financial statements	6,929
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.	
Changes to net pension liability and pension related deferred outflows and inflows of resources	(307,099)
Changes to net OPEB liability and OPEB related deferred outflows and inflows of resources	(36,254)
Increase in compensated absences	(2,616)
Decrease in obligation to fund Coliseum Authority deficit	4,550
Total	<u>(341,419)</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 the proprietary fund are not recorded in the governmental fund.	
Capital outlay and expenditures for general capital assets and infrastructure	103,499
Expenditures not subject to capitalization	(3,467)
Depreciation expense	(75,258)
Proceeds from sale of capital assets	(71)
Net gain on disposal of capital assets	9
Total	<u>24,712</u>
The change in net position of internal service funds is reported with governmental activities.	(14,011)
Debt proceeds are reported as financing sources in governmental funds, but increase liabilities in the statement of net position.	(30,000)
Net increase in accrued interest decreases the liability in the statement of net position but is reported as an expenditure in the governmental funds when paid.	(1,319)
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 position.	
Principal payment on long-term debt	46,279
Accumulated accretion paid on capital appreciation bonds	39,076
Principal payment on capital leases and loans	1,942
Total	<u>87,297</u>
Interest accreted on bonds and certificates of participation	(10,324)
Amortization of bond premiums and bond discounts	2,551
Amortization of deferred outflows of resources resulting from the deferred refunding loss	<u>(514)</u>
Change in net position of governmental activities	<u>\$ 244,680</u>

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

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019

(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Assets:	
Current assets:	
Cash and investments with County Treasurer	\$ 200,927
Cash and investments with fiscal agents	250
Deposits with others	4
Other receivables	5,262
Due from component unit	61
Inventory of supplies	4
Prepaid items	2,524
Total current assets	<u>209,032</u>
Noncurrent assets:	
Capital assets:	
Machinery and equipment, net of depreciation	28,158
Total assets	<u>237,190</u>
Deferred outflows of resources	
Related to pensions	34,188
Related to OPEB	3,846
Total deferred outflows of resources	<u>38,034</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	13,530
Compensated employee absences payable	2,271
Estimated liability for claims and contingencies	35,081
Due to other funds	7,733
Due to component unit	9
Total current liabilities	<u>58,624</u>
Noncurrent liabilities:	
Net pension liability	104,315
Net OPEB liability	9,097
Compensated employee absences payable	1,417
Estimated liability for claims and contingencies	121,677
Total noncurrent liabilities	<u>236,506</u>
Total liabilities	<u>295,130</u>
Deferred inflows of resources	
Related to pensions	7,762
Related to OPEB	2,187
Total deferred inflows of resources	<u>9,949</u>
Net Position	
Investment in capital assets	28,158
Unrestricted	(58,013)
Total net position	<u>\$ (29,855)</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 POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019
 (amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
	<hr/>
Operating revenues:	
Charges for services	\$ 271,786
	<hr/>
Operating expenses:	
Salaries and benefits	91,535
Contractual services	20,318
Utilities	15,844
Repairs and maintenance	11,504
Other supplies and expenses	75,669
Insurance claims and expenses	44,082
Depreciation	6,654
Telephone	2,373
County indirect costs	8,384
Dental claims	9,029
Other	1,091
	<hr/>
Total operating expenses	286,483
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Operating loss	(14,697)
	<hr/>
Non-operating revenues (expenses):	
Investment income	5,121
Loss on sale of capital assets	(48)
	<hr/>
Total non-operating revenues (expenses)	5,073
	<hr/>
Loss before transfers	(9,624)
	<hr/>
Transfers in	3,704
Transfers out	(8,091)
	<hr/>
Change in net position	(14,011)
	<hr/>
Total net position - beginning of period	(15,844)
	<hr/>
Total net position - end of period	\$ (29,855)
	<hr/> <hr/>

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, 2019
 (amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Internal activity - receipts from other funds	\$ 269,393
Payments to suppliers	(112,826)
Payments to employees	(79,687)
Internal activity - payments to other funds	(8,384)
Claims paid	(37,924)
Other payments	(1,091)
Net cash provided by operating activities	<u>29,481</u>
Cash flows from non-capital financing activities:	
Transfers in	3,704
Transfers out	(8,091)
Net cash used in non-capital financing activities	<u>(4,387)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(10,425)
Proceeds from sale of capital assets	75
Net cash used in capital and related financing activities	<u>(10,350)</u>
Cash flows from investing activities:	
Interest received on pooled cash	5,121
Net cash provided by investing activities	<u>5,121</u>
Net increase in cash and cash equivalents	19,865
Cash and cash equivalents - beginning of period	181,312
Cash and cash equivalents - end of period	<u>\$ 201,177</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (14,697)
Adjustments for non-cash activities:	
Depreciation	6,654
Amortization - pension	10,297
Amortization - OPEB	1,502
Changes in assets and liabilities:	
Deposit with others	1
Other receivables	(2,393)
Prepaid items	301
Accounts payable and accrued expenses	4,838
Compensated employee absences payable	49
Estimated liability for claims and contingencies	15,187
Due to other funds	7,733
Due to component unit	9
Total adjustments	<u>44,178</u>
Net cash provided by operating activities	<u>\$ 29,481</u>

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

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2019
 (amounts expressed in thousands)

	Pension, OPEB, ¹ and Other Employee Benefits Trust Funds	Investment Trust Fund	Private- Purpose Trust Fund	Agency Funds
Assets:				
Cash and investments with County Treasurer	\$ 2,439	\$ 3,229,751	\$ 26,410	\$ 298,938
Cash and investments with fiscal agents	1,573		2,188	-
Investments, at fair value:				
Short-term investments	159,673	-	-	-
Domestic equities	499,759	-	-	-
Domestic equity commingled funds	1,717,777	-	-	-
International equities	1,502,436	-	-	-
International equity commingled funds	427,396	-	-	-
Domestic fixed income	930,750	-	-	-
International fixed income	137,245	-	-	-
International fixed income commingled funds	135,450	-	-	-
Real estate - separate properties	69,121	-	-	-
Real estate - commingled funds	492,121	-	-	-
Real return pool	293,198	-	-	-
Private equity and alternatives	1,219,268	-	-	-
Total investments	7,584,194	-	-	-
Investment of securities lending collateral	183,003	-	-	-
Deposits with others	1,293	-	-	-
Taxes receivable	-	-	-	126,208
Other receivables	26,079	-	-	-
Interest receivable	8,741	19,982	147	1,400
Properties held for redevelopment	-	-	6,091	-
Capital assets, net of accumulated depreciation	1,486	-	2,359	-
Total assets	7,808,808	3,249,733	37,195	426,546
Liabilities:				
Accounts payable and accrued expenses	30,787	65,960	-	20,627
Accrued interest payable	-	-	485	-
Securities lending obligation	183,003	-	-	-
Due to other governmental units	-	-	7,908	405,919
Bonds payable	-	-	25,619	-
Total liabilities	213,790	65,960	34,012	426,546
Net Position				
Investment in capital assets	1,486	-	2,359	-
Restricted for pension benefits	6,701,148	-	-	-
Restricted for postemployment medical benefits	889,953	-	-	-
Restricted for other employee benefits	2,431	-	-	-
Restricted for other purposes	-	3,183,773	824	-
Total net position	\$ 7,595,018	\$ 3,183,773	\$ 3,183	\$ -

¹ Pension and OPEB balances reported as of December 31, 2018.

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019
 (amounts expressed in thousands)

	Pension, OPEB, ¹ and Other Employee Benefits Trust Funds	Investment Trust Fund	Private- Purpose Trust Fund
Additions:			
Contributions:			
Employees	\$ 99,393	\$ -	\$ -
Employer	269,684	-	-
Contributions on pooled investments	-	8,869,899	-
Total contributions	369,077	8,869,899	-
Investment income:			
Interest	48,489	60,410	602
Dividends	67,385	-	-
Net increase (decrease) in fair value of investments	(417,736)	26,436	239
Real estate	22,526	-	-
Securities lending income	7,056	-	-
Private equity and alternatives	(21,075)	-	-
Brokers Commissions	80	-	-
Total investment income	(293,275)	86,846	841
Less investment expenses:			
Investment expenses	51,788	-	-
Securities lending borrower rebates and management fees	5,203	-	-
Real estate	5,725	-	-
Total investment expenses	62,716	-	-
Net investment income	(355,991)	86,846	841
Other Income:			
Redevelopment property tax revenue	-	-	5,154
Miscellaneous income	1,426	-	7,746
Total other income	1,426	-	12,900
Total additions, net	14,512	8,956,745	13,741
Deductions:			
Benefit payments	508,933	-	-
Refunds of contributions	8,709	-	-
Administration expenses	16,470	-	-
Distribution from pooled investments	-	8,949,995	10,903
General and administrative expenses	-	-	1,490
Depreciation	-	-	62
Transfers to taxing entities	-	-	273
Contribution to other agencies	-	-	2,799
Interest on debt	-	-	1,155
Total deductions	534,112	8,949,995	16,682
Change in net position	(519,600)	6,750	(2,941)
Net position - beginning of period	8,114,618	3,177,023	6,124
Net position - end of period	\$ 7,595,018	\$ 3,183,773	\$ 3,183

¹ Pension and OPEB balances reported for the year ended December 31, 2018.

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, 2019

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 and Fiduciary 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, 2018, are included herein.

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

The Flood Control Districts were established to provide flood control services within specific areas of the County. Although the Flood Control Districts are legally separate from the County, they are reported as if they were part of the primary government because the Flood Control Districts governing board is composed solely of the members of the County Board of Supervisors and the Board has operational responsibility for the Flood Control Districts. 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 and the Board has operational responsibility for the Fire Department. 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 and its component unit, Alameda Health System (previously the Alameda County Medical Center), are the major participants and contribute 75.37 and 18.78 percent, respectively, of total employer contributions. ACERA is governed by a nine-member board that includes the County treasurer, four County citizens appointed by the Board of Supervisors and four members elected by the ACERA membership. Although ACERA is legally separate from the County, it is reported as part of the County's reporting entity because it

COUNTY OF ALAMEDA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
(amounts in tables expressed in thousands)
JUNE 30, 2019

benefits the County by providing substantial services to the County's and its component units' 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 14th Street, Suite 1000, Oakland, CA 94612.

Postemployment healthcare benefits currently provided by ACERA include medical, dental, and vision benefits. These benefits are reported in the pension and other employee benefits trust funds in the financial statements consistent with GASB Statement No 74. Other forms of postemployment benefits provided by ACERA include supplemental cost of living allowance and death benefits. These benefits are reported in the pension and other employee benefits trust funds in the financial statements consistent with GASB Statement No. 67, 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 certificates 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 because the Corporation provides services directly to the County. 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 and the Board has operational responsibility for the CSAs. 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 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 U.S. tobacco manufacturers. The Authority is governed by a board consisting of five directors. It is a separate legal entity; however, it is presented as a blended entity because all members of the board are appointed by the Board of Supervisors and it provides services exclusively to the County. The activities of the Authority 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 initially formed by and between the County and the Redevelopment Agency to assist the County in the financing of public capital improvements. Effective February 1, 2012, the Redevelopment Agency was dissolved, and pursuant to the California Health and Safety Code, the Successor Agency to the Redevelopment Agency was established for the purpose of winding down the affairs of the former redevelopment agency. On March 18, 2014, the joint exercise of powers agreement was amended to add the Surplus Property Authority as a member of the Joint Powers Authority and for the Successor Agency to withdraw as a member. 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 and it provides services exclusively to the County. 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

COUNTY OF ALAMEDA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
(amounts in tables expressed in thousands)
JUNE 30, 2019

for the Joint Powers Authority may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

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

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

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

• *Alameda Health System (AHS)*

Alameda Health System (AHS) is a public hospital authority created originally under the name of Alameda County Medical Center. AHS 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 AHS, the AHS manages and operates the county hospitals and clinics. The County pays the AHS 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 position. All equipment is the property of the AHS. The AHS has a June 30 fiscal year-end. The financial activities of the AHS for the year ended June 30, 2019, are shown herein. Complete financial statements for the AHS may be obtained from the Alameda Health System, 1411 E. 31st Street, Oakland, CA 94602.

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements, i.e., the statement of net position and the statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. 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

COUNTY OF ALAMEDA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
(amounts in tables expressed in thousands)
JUNE 30, 2019

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.

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, to the extent they are considered available. 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 fund's revenue sources include proceeds from sale of surplus land, proceeds from the issuance of the Measure A1 general obligation bonds, and developer fees.

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.

COUNTY OF ALAMEDA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
(amounts in tables expressed in thousands)
JUNE 30, 2019

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 information technology, building maintenance, motor pool, and the County's risk management programs.

The **Pension, OPEB, and Other Employee Benefits 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 retirement benefits, withdrawals, postemployment benefits, disability and death benefits, as well as administrative expenses. The other employee benefits trust fund holds pre-tax dollars deducted from County employees' gross pay for subsequent reimbursement of allowable health care and dependent care costs.

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

The **Private-Purpose Trust Fund** reflects the activities of the Alameda County Redevelopment Successor Agency for assets, except the housing assets, of the former Alameda County Redevelopment Agency and the activities of the Public Guardian and Court Wards 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, telecommunication and information technology system support, and charges for risk management activities. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Effect of Component Unit with Differing Fiscal Year-End

ACERA has a fiscal year ending on December 31. The amounts reflected in the June 30, 2019 financial statements are the balances as of ACERA's fiscal year ended December 31, 2018. The difference in the cash balance and interfund transactions are reconciled in the Cash and Investments footnote (Note 2).

COUNTY OF ALAMEDA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
(amounts in tables expressed in thousands)
JUNE 30, 2019

D. Cash and Investments

The County follows the practice of pooling cash and investments of all funds with the County Treasurer. Certain funds, which are held by outside custodians are 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 2018-2019 was approximately 1.73 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 44.27 percent of the net position 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.

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

Investment Valuation

Certain U.S. government securities that have a remaining maturity at time of purchase of one year or less are carried at amortized cost, which approximates fair value. Investments with maturity of more than one year, whether pooled or specific, are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of investments is determined using the fair value hierarchy defined by GASB Statement 72.

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.

COUNTY OF ALAMEDA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
(amounts in tables expressed in thousands)
JUNE 30, 2019

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 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

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

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

G. Inventory of Supplies

Supplies inventory is recorded at cost and charged on a weighted-average basis. In both the governmental and proprietary funds, supplies inventory is accounted for using the consumption method of inventory accounting. This method records an expenditure when supplies are 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 a historical artifact, are reported in the government-wide financial statements. The County capitalizes equipment and computer software with minimum cost of \$5 thousand and \$250 thousand, respectively, and an estimated useful life in excess of one year. Structures and improvements and infrastructure with a value of at least \$250 thousand are capitalized. Land, entitlements, and items in collections costing at least \$5 thousand are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are

COUNTY OF ALAMEDA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
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recorded at acquisition value at the date of donation. Capital additions are recorded as expenditures throughout the governmental funds and as assets in the government-wide financial statements to the extent that the County's capitalization threshold is met.

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

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

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

I. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and the balance sheet report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The County reports the following deferred items:

Loss on Refunding Debt - A loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt and reported in the government-wide statement of net position.

Unavailable Revenue – Resources collected after 180 days, except for property taxes that are collected after 60 days, are recognized and measured in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting.

Deferred Outflows and Inflows of Resources Related to Pensions and OPEB - These deferred items are recognized and measured in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting. The deferral is for changes in the net pension/OPEB liability that are not included in pension/OPEB expense and must be amortized in a systematic and rational manner over a closed period depending on cause beginning with the current period. These causes may include changes of future economic and demographic assumptions or other inputs, differences between expected and actual experience with regard to economic or demographic factors, differences between projected and actual earnings on pension/OPEB plan investments and changes in proportion and differences between actual and proportionate share of contributions.

Employer contributions subsequent to the measurement date of the net pension/OPEB liability are required to be reported as deferred outflows of resources.

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J. Compensated Employee Absences

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

Estimated unpaid vacation leave, compensatory time, and unexpired in-lieu compensatory time at June 30, 2019, 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, 2019, have been compensated for any accumulated vacation, compensatory time, and unexpired in-lieu compensatory time. The funds used to liquidate the liability is based on the funds the employee's salaries are budgeted.

K. Bond Issuance Costs and Premiums/Discounts

In the government-wide and fiduciary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and fiduciary fund financial statements of net position. Bond premiums and discounts are amortized over the life of the bonds using a straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred in the statement of activities.

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.

L. Fund Balances/Net Position

Fund Balances

As prescribed by Statement No. 54 of the Governmental Accounting Standards Board (GASB), fund balance should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following are the fund balance classifications:

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

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

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

Assigned Fund Balance – amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. The Board of Supervisors has adopted an accounting policy whereby the authority to assign fund balance to specific purposes is delegated to the County Administrator in consultation with the County Auditor-Controller.

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

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

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

Minimum Fund Balance

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

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

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

Net Position

Net Investment in Capital Assets - This category of net position groups all capital assets into one component. Accumulated depreciation and the outstanding balances of debt and loss on refunding debt related to the acquisition, construction, or improvement of the capital assets reduce the balance in this category.

Restricted Net Position - Restricted net position 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 unexpended bond proceeds, unspent grant revenues, certain fees and charges and restricted tax revenues.

Unrestricted Net Position - Unrestricted net position is the residual amount of the net position not included in the net investment in capital assets or the restricted net position.

M. 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

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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.

N. 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. Unreimbursed 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.

O. Refunding of Debt

On the government-wide financial statements, gains or losses from refunding of debt are reported as deferred inflows or outflows of resources and amortized into interest expense over the shorter of the life of the refunded debt or refunding debt.

P. Cash Flows

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

Q. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the Alameda County Employees' Retirement Association (ACERA) and additions to/deductions from ACERA's fiduciary net position have been determined on the same basis as they are reported by ACERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The County does not make contributions to the ACERA OPEB Plan. The ACERA OPEB Plan receives transfers from the ACERA Pension Plan when there are investment earnings in excess of actuarial assumptions.

GASB Statement No. 68 and 75 require that the reported results must pertain to liability and asset information within certain defined timeframes. For ACERA's pension/OPEB plans, the following timeframes are used:

Valuation Date	December 31, 2017
Measurement Date	December 31, 2018
Measurement Period	January 1, 2018 to December 31, 2018

For the Fire Department, information about the fiduciary net position of the California Public Employees' Retirement System (CalPERS) Miscellaneous Plan, Safety Plan and OPEB Plan and additions to/deductions from CalPERS' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website (www.calpers.ca.gov) under Forms and Publications.

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For CalPERS' pension/OPEB plans, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

Below is a summary of the aggregate amount of net pension and OPEB liabilities, and deferred outflows/inflows of resources related to all pension and OPEB plans as presented in the financial statements.

	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense/ Expenditures
ACERA	\$ 2,099,536	\$ 642,325	\$ 76,801	\$ 408,089
Fire Department	112,757	34,707	4,400	16,757
Total	<u>\$ 2,212,293</u>	<u>\$ 677,032</u>	<u>\$ 81,201</u>	<u>\$ 424,846</u>

	Net OPEB Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/ Expenditures
ACERA	\$ 175,522	\$ 74,716	\$ 37,205	\$ 30,039
Fire Department	106,737	6,929	10,991	7,720
Total	<u>\$ 282,259</u>	<u>\$ 81,645</u>	<u>\$ 48,196</u>	<u>\$ 37,759</u>

R. 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 17 for further information on the Coliseum Authority joint venture.

S. 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.

T. New Accounting Standards Implemented

GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The statement addresses accounting and financial reporting for certain asset retirement obligations. The requirements of this statement are effective for the County's fiscal year ending June 30, 2019. This statement did not have a significant impact to the County's financial statements.

GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The County implemented GASB Statement No. 88 for fiscal year ending June 30, 2019. See Note 7 for the new disclosures.

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U. New Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement are effective for the County's fiscal year ending June 30, 2020.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for the County's fiscal year ending June 30, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The Statement is effective for the County's fiscal year ending June 30, 2021.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interest — an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separated organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. The Statement is effective for the County's fiscal year ending June 30, 2020.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the County's fiscal year ending June 30, 2022.

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2. Cash and Investments

A. Deposits

As of June 30, 2019, the County's cash and deposits were as follows:

	<u>Bank Balance</u>	<u>Carrying Value</u>
Deposits with financial institutions	\$ 616,755	\$ 610,185
Cash on hand		31
Deposits in transit		137
Cash with County Treasurer for other employee benefits trust fund		2,439
Total cash and deposits		\$ 612,792

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside entity. The County's investment policy requires that deposits in banks must meet the requirements of California Government Code. Of the \$617.7 million in deposits with financial institutions, \$4 million was covered by federal depository insurance and \$613.7 million was collateralized by pledging financial institutions as required by California Government Code Section 53652.

Under the California Government Code, a financial institution is required to secure deposits in excess of \$250 thousand made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a market value of 150 percent of the secured public deposits. The collateral must be held at the pledging bank's trust department or at another bank, acting as the pledging bank's agent, in the public agency's name. The County may waive collateral requirements for cash deposits, which are fully insured up to \$250 thousand by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.

As of December 31, 2018, ACERA reported a deposit of \$1.6 million. As of December 31, 2018, ACERA had no investments that were 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 U.S. 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, California asset management program, and money market mutual funds. Although the investment policy permits the Treasurer to invest in reverse repurchase agreements, or to engage in securities lending, such investment activities were not made during the year ended June 30, 2019.

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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.

The County has adopted a written investment policy, which is more restrictive than state law as to terms of maturity, credit quality and types of investment. The table below identifies the investment types that are authorized by the investment policy. The table also identifies certain provisions of the investment policy that address interest rate risk and concentration of credit risk. The investment policy places maturity limits based on the type of security.

Types of Investments Authorized by the County's Investment Policy

Authorized Investments	Maximum Maturity	Maximum Percentage of Portfolio
Banker's Acceptance	180 days	30%
Commercial Paper	270 days	25%
Medium Term Notes or Corporate Notes	5 years	30%
Negotiable Certificates of Deposit	1 year	30%
Money-Market Mutual Funds	Daily Liquidity	20%
US Treasury Bills, US Government Notes and Bonds, Federal Agency Notes, Debt issues by ST. of CA and local agencies within the state	5 years	100%
Washington Supranational Obligations	5 years	30%
Repurchase Agreements (REPO)	180 days	20%
Reverse Repurchase Agreements (Reverse REPO)	As per code	20%
State of California Local Agency Investment Fund (LAIF)	Daily Liquidity	\$65 million
California Asset Management Program (CAMP)	Daily Liquidity	2X LAIF Limit
CalTRUST	Daily Liquidity	2X LAIF Limit
Fully Collateralized/FDIC - Insured Time Deposits	5 years	no limit
Fully Collateralized/Money Market Bank Account	Daily Liquidity	no limit

There were no derivative investments in the investment pool for the year ended June 30, 2019.

As of June 30, 2019 Treasurer's investments consisted of the following:

Treasurer's Investments Footnote:

Investment Type	Credit Rating S&P's/Moody's	Investment Maturities (in Years)		Fair Value
		Less than 1	1 to 5	
Commercial paper	A-1/P-1	\$ 99,414	\$ -	\$ 99,414
Federal agency notes and bonds	A1 to AA+/P-1 to Aaa	1,440,004	1,599,836	3,039,840
Local agency investment funds	Not Rated	60,000	-	60,000
Medium term notes	A to AAA/A1 to Aaa	131,404	173,493	304,897
Negotiable certificates of deposit	A-1/P-1	1,100,644	-	1,100,644
Municipal securities	AA+/Aa1	5,002	-	5,002
U.S. Treasury notes	A-1+/P-1	596,974	149,813	746,787
Non-U.S. Treasury notes *	AAA/Aaa	89,779	104,275	194,054
California asset management program	AAA/Aaa-mf	130,000	-	130,000
Total Investments		\$ 3,653,221	\$ 2,027,417	\$ 5,680,638

* Non-U.S. Treasury notes fall under the Washington Supranatural Obligations category in the County's investment policy. These are U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by certain international banks that are eligible for purchase or sale in the United States.

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Interest Rate Risk

Interest rate risk is the risk that changes in interest rates 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. The weighted average maturity of the Treasurer's Pool at June 30, 2019 was 1.15 years.

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, dated December 4, 2018, 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: at least P-1 rated by at least one rating agency; may not exceed 270 days from purchase date to final maturity.

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

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

Money Market Mutual 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 thousand.

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, 2019, more than 5 percent of the Treasurer's investments were under the following issuers:

<u>Issuer:</u>	<u>Percentage of Treasurer's Pool Portfolio as of June 30, 2019</u>
Federal Home Loan Bank	14.7%
Federal Home Loan Mortgage Corporation	14.6%
Federal National Mortgage Association	10.3%
Federal Farm Credit Bank	8.8%
Federal Agricultural Mortgage Corporation	5.2%

The following represents a condensed statement of net position and changes in net position for the Treasurer's pool for the year ended June 30, 2019. Cash and deposits do not include cash associated with department revolving funds or the Alameda Health System, which are held outside of the County Treasury.

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Statement of Net Position:

Assets:		
	Deposits and cash on hand	\$ 612,655
	Deposits in Transit	137
	Investments (at fair value)	5,680,638
	Accrued Interest	39,002
	Total assets	6,332,432
Liabilities:		65,960
Net Position		\$ 6,266,472
	Equity of internal pool participants	\$ 3,082,699
	Equity of external pool participants	3,183,773
	Total Net Position	\$ 6,266,472

Statement of Changes in Net Position

Net change in investments by pool participants	\$ 451,111
Net position at July 1, 2018	5,815,361
Net position at June 30, 2019	\$ 6,266,472

The County has not provided nor obtained any legally binding guarantees during the year ended June 30, 2019, to support the value of shares in the pool.

As of June 30, 2019, the Treasurer's cash and investment pool was carried at fair value, based on the current market price of the investment holdings. During the fiscal year, the fair value of the cash and investment pool was determined quarterly and reported to the Board of Supervisors at the end of each calendar quarter.

To request a copy of an Investment Report, contact the Investment Officer at the Office of the Alameda County Treasurer – Tax Collector at 1221 Oak Street, Room 131, Oakland or call (510) 272-6800 for the fair value, the principal amount, ranges of interest rates, and maturities dates of each investment classification for the Treasurer's Pool.

Each County 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, 2019, 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, 2019, the County's investment in Local Agency Investment Fund (LAIF) is \$60 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 quasi-governmental agencies in LAIF is \$24.6 billion as of June 30, 2019. Of that amount, 98.23% was invested in non-derivative financial products and 1.77% in structured notes and asset backed securities as of June 30, 2019.

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b. Investments with Fiscal Agents

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

As of June 30, 2019, cash and investments with fiscal agents consisted of the following:

	Ratings (S&P/ Moody's)	Investment Maturities (in Years)			Fair Value
		Less than 1	1 to 5	More than 5	
Cash & Cash Equivalents	N/A	\$ 328,792	\$ 29,763	\$ 27,542	\$ 386,097
EBRCSA revenue bonds (*)	Not Rated	-	-	2,617	2,617
U.S. Treasury Securities	NR/AAA	5,227	57,554	-	62,781
Federal Agency Debt Securities	AA+ / AAA	39,680	122,976	-	162,656
Corporate Bonds	A to AA+ / A3-AA1	21,040	78,152	-	99,192
Private Debt Obligations	Not Rated	-	-	2,188	2,188
Totals		\$ 394,739	\$ 288,445	\$ 32,347	\$ 715,531

* East Bay Regional Community System Authority

Interest Rate Risk

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

Credit Risk

The investment policy for the property development fund and various bond indentures for other funds limit the funds' investments to U.S. Treasury Bills, U.S. Government Notes, Federal Agency Notes, debt issues of the State of California, debt issues of local agencies within the State of California, commercial paper, guaranteed investment contracts, and money market funds to the highest two ratings issued by nationally recognized statistical rating organizations.

Concentration of Credit Risk

As of June 30, 2019, more than five percent of total investments with fiscal agents were in the Federal National Mortgage Association (27.74%), Federal Home Loan Bank (12.71%) and Federal Home Loan Mortgage Corporation (8.92%).

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.

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The investments in an external investment pool are not subject to reporting within the level hierarchy. The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

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- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The County's cash equivalents and investments by fair value as of June 30, 2019, include the following:

Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments subject to fair value hierarchy:			
Investments with County Treasury			
Commercial paper	\$ 99,414	\$ -	\$ 99,414
Federal agency notes and bonds	3,039,840	-	3,039,840
Medium term notes	304,897	-	304,897
Negotiable certificates of deposit	1,100,644	-	1,100,644
Municipal securities	5,002	-	5,002
U.S. Treasury notes	746,787	746,787	-
Non-U.S. Treasury Notes	194,054	-	194,054
Total investments with County Treasury subject to fair value hierarchy	<u>5,490,638</u>	<u>746,787</u>	<u>4,743,851</u>
Investments with Fiscal Agents			
East Bay Regional Community System Authority revenue bonds	2,617	-	2,617
U.S. Treasury Securities	62,781	62,781	-
Federal agency debt securities	162,656	-	162,656
Corporate bonds	99,192	-	99,192
Private debt obligations	2,188	-	2,188
Total investments with fiscal agents subject to fair value hierarchy	<u>329,434</u>	<u>62,781</u>	<u>266,653</u>
Total investments subject to fair value hierarchy	<u>\$ 5,820,072</u>	<u>\$ 809,568</u>	<u>\$ 5,010,504</u>
Investments not subject to fair value hierarchy:			
Local agency investment funds held by County Treasury	\$ 60,000		
California asset management program	130,000		
Total investments not subject to fair value hierarchy	<u>\$ 190,000</u>		

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

Government Code Section 31595 allows the Board of Retirement to invest funds at its discretion. Instruments authorized by the Board of Retirement are U.S. equity, international equity, U.S. and international fixed income, real estate and Treasurer's pooled investments. ACERA is prohibited from investing in securities issued by the County of Alameda or any agency thereof. Additionally, ACERA may not invest in futures, written options, swaps or structured notes, unless specific authorization is obtained from the Board of Retirement in advance of the investment. The ACERA investments shown in the statement of fiduciary net position are as of ACERA's fiscal year end December 31, 2018.

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

Concentration of Credit Risk

The individual investment guidelines for each fixed-income manager restrict concentrations greater than 5 percent in the securities of any one issuer (excluding all federal government and agency securities). As of December 31, 2018, ACERA had no investments in a single issuer that equaled or exceeded 5 percent of ACERA's net position.

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 Investors Service (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, 2018.

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Debt Investments by Type	Total	Adjusted Moody's Credit Rating							Ca and Below	Not Rated
		Aaa	Aa	A	Baa	Ba	B	Caa		
Collateralized Mortgage Obligations	\$ 70,308	\$ 37,293	\$ 75	\$ 1,301	\$ 2,408	\$ 921	\$ 2,251	\$ 1,502	\$ -	\$ 24,557
Convertible Bonds	16,555	-	-	-	1,168	2,210	3,628	2,213	-	7,336
Corporate Bonds	458,637	12,168	7,488	82,397	277,815	67,300	8,326	1,559	-	1,584
Federal Home Loan Mortgage Corp.	56,459	-	-	-	-	-	-	-	-	56,459
Federal National Mortgage Assn.	73,992	-	-	-	-	-	-	-	-	73,992
Government National Mortgage Assn. I, II	15,464	-	-	-	-	-	-	-	-	15,464
Government Issues	309,766	235,410	7,310	41,077	-	5,584	1,651	-	-	18,734
Municipals	1,510	-	1,510	-	-	-	-	-	-	-
Other Asset Backed Securities	65,304	43,076	1,321	3,436	5,192	296	-	2,728	4,511	4,744
Subtotal Debt Investments	<u>1,067,995</u>	<u>327,947</u>	<u>17,704</u>	<u>128,211</u>	<u>286,583</u>	<u>76,311</u>	<u>15,856</u>	<u>8,002</u>	<u>4,511</u>	<u>202,870</u>
External Investment Pools of Debt Securities										
Securities Lending Cash Collateral Fund										
Liquidity Pool	181,961	-	-	-	-	-	-	-	-	181,961
Duration Pool	1,042	-	-	-	-	-	-	-	-	1,042
Master Custodian Short-Term Investment Fund	99,226	-	-	-	-	-	-	-	-	99,226
Subtotal External Investment Pools	<u>282,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,229</u>
Total	<u>\$ 1,350,224</u>	<u>\$ 327,947</u>	<u>\$ 17,704</u>	<u>\$ 128,211</u>	<u>\$ 286,583</u>	<u>\$ 76,311</u>	<u>\$ 15,856</u>	<u>\$ 8,002</u>	<u>\$ 4,511</u>	<u>\$ 485,099</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, 2018, ACERA had no investments that were exposed to custodial credit risk.

ACERA's investments include collateral associated with derivatives activity. As of December 31, 2018, collateral for derivatives was \$6.9 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, 2018. 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**

External Investment Pools of Debt Securities	Fair Value	Duration
Securities Lending Cash Collateral Fund		
Liquidity Pool	\$ 181,961	27 days
Duration Pool	1,042	18 days
Master Custodian Short-Term Investment Fund	99,226	-
Total	<u>\$ 282,229</u>	

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ACERA has investments in three fixed income portfolios containing individual debt securities as well as investments in external investment pools containing debt securities. All of these investments are subject to interest rate risk. ACERA has no general policy on interest rate risk for the fixed income portfolios or for the investments in external pools. ACERA manages interest rate risk for the three fixed-income portfolios by setting limits on portfolio duration for each portfolio. The duration restrictions by investment portfolio (with portfolio style) are as follows:

The following Interest Rate Risk Analysis—Duration schedule discloses the duration of ACERA’s debt investments by type and the duration of each of the external investment pools of debt securities. 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. The Master Custodian Short-Term Investment Fund had an average weighted maturity of 24 days as of December 31, 2018.

Interest Rate Risk Analysis – Duration of Fixed Income Portfolios

Debt Investments by Type	Fair Value	Duration In Years
Collateralized mortgage obligations	\$ 70,308	3.7
Convertible bonds	16,555	3.2
Corporate bonds	458,637	5.3
Federal Home Loan Mortgage Corp.	56,459	4.5
Federal National Mortgage Assn.	73,992	4.1
Government National Mortgage Assn. I, II	15,464	2.8
Government Issues	309,766	7.6
Municipals	1,510	8.6
Other Asset Backed Securities	65,304	2.7
	<u>\$ 1,067,995</u>	

Fair Value Highly Sensitive to Changes in Interest Rate

The Interest Rate Risk Analysis table below discloses 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 schedule below. 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

Investment Type	Investment Description	Interest Rates	Fair Values
Collateralized Mortgage Obligations	Various debt related securities	2.80% to 5.81%	\$ 1,112
Corporate Bonds	Various debt related securities	1.00% to 52.56%	25,350
Government Issues	Various debt related securities	3.00% to 53.67%	41,087
Other Asset Backed	Various debt related securities	4.46% to 6.24%	419

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ACERA's cash equivalents and investments by fair value as of December 31, 2018, include the following:

Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Cash Equivalents				
Government Issues	\$ 46,076	\$ 46,076	\$ -	\$ -
STIF-Type Instrument	99,226	-	99,226	-
Total Cash Equivalents	<u>145,302</u>	<u>46,076</u>	<u>99,226</u>	<u>-</u>
Fixed Income Securities				
Asset-Backed Securities	65,304	-	65,304	-
Commercial Mortgage-Backed Securities	70,308	-	70,308	-
Convertible Bonds	16,555	-	16,555	-
Corporate bonds	458,637	-	458,321	316
Municipal/Revenue Bonds	1,510	-	1,510	-
FHLMC	56,459	-	56,459	-
FNMA	73,992	-	73,992	-
GNMA I	1,879	-	1,879	-
GNMA II	13,585	-	13,585	-
Government Issues	309,766	225,748	84,018	-
Mutual Funds	135,450	-	135,450	-
Total Fixed Income Securities	<u>1,203,445</u>	<u>225,748</u>	<u>977,381</u>	<u>316</u>
Equity Securities				
Non-U.S. Equity	1,502,436	1,502,546	(110)	-
Pooled Investments	2,145,173	195,920	248,550	1,700,703
U.S. Equity	499,759	499,743	16	-
Total Equity Securities	<u>4,147,368</u>	<u>2,198,209</u>	<u>248,456</u>	<u>1,700,703</u>
Real Estate				
Properties	69,121	-	-	69,121
Total Real Estate	<u>69,121</u>	<u>-</u>	<u>-</u>	<u>69,121</u>
Collateral from Securities Lending	183,003	-	183,003	-
Total investments subject to fair value hierarchy	<u>5,748,239</u>	<u>\$ 2,470,033</u>	<u>\$ 1,508,066</u>	<u>\$ 1,770,140</u>
Investments Measured at Net Asset Value (NAV)				
Real Assets	293,198			
Private Equity	522,443			
Absolute Return	696,825			
Real Estate	492,121			
Total Investments Measured at NAV	<u>2,004,587</u>			
Total investments subject to fair value hierarchy	<u>\$ 7,752,826</u>			
Derivatives				
Equity Index Swaps	\$ (239)	\$ 8	\$ (247)	\$ -
Future Contracts-Equity Index	(1,153)	(1,153)	-	-
Foreign Exchange Contracts	(3,550)	(3,550)	-	-
Total Derivatives	<u>\$ (4,942)</u>	<u>\$ (4,695)</u>	<u>\$ (247)</u>	<u>\$ -</u>

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Foreign Currency Risk

The Interest Rate Risk Analysis table below discloses 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 schedule below. ACERA has no general investment policy with respect to investments with fair values that are highly sensitive to changes in interest rates.

Foreign Currency Risk Analysis

Currency	Common Stock	Corporate Bonds	Foreign Currency	Government Issues	Total Return Swaps	Currency Swaps	Liminted Partnership	Net Exposure
Argentine Peso	\$ -	\$ 1,181	\$ -	\$ 1,456	\$ -	\$ -	\$ -	\$ 2,637
Australian Dollar	24,688	-	79	16,972	(2)	(996)	-	40,741
Brazilian Real	9,722	-	-	-	-	-	-	9,722
Canadian Dollar	32,687	-	116	-	-	(1,810)	-	30,993
Danish Krone	37,591	-	51	-	-	(4)	-	37,638
Euro Currency	417,195	2,284	150	-	(131)	(179)	7,929	427,248
Hong Kong Dollar	119,276	-	567	-	(54)	(1)	-	119,788
Indian Rupee	37,606	-	-	-	-	-	-	37,606
Indonesian Rupiah	21,151	-	11	-	-	-	-	21,162
Japanese Yen	235,067	-	2,777	-	(686)	798	-	237,956
Malaysian Ringgit	-	-	-	12,052	-	-	-	12,052
Mexican Peso	-	66	-	16,802	-	-	-	16,868
New Israeli Sheqel	8,728	-	4	-	-	(12)	-	8,720
New Taiwan Dollar	17,960	-	-	-	-	-	-	17,960
New Zealand Dollar	1,068	-	45	-	-	(680)	-	433
Norwegian Krone	1,367	-	28	-	-	(504)	-	891
Philippine Piso	1,602	-	-	-	-	-	-	1,602
Polish Zloty	-	-	-	7,290	-	(6)	-	7,284
Pound Sterling	259,805	-	891	18,157	-	132	-	278,985
Singapore Dollar	34,922	-	124	-	-	14	-	35,060
South African Rand	13,076	-	-	5,584	-	(108)	-	18,552
South Korean Won	12,722	-	-	-	-	-	-	12,722
Swedish Krona	29,588	-	-	-	233	(58)	-	29,763
Swiss Franc	72,550	-	849	-	390	(136)	-	73,653
Turkish Lira	3,301	-	-	-	-	-	-	3,301
TOTAL	\$ 1,391,672	\$ 3,531	\$ 5,692	\$ 78,313	\$ (250)	\$ (3,550)	\$ 7,929	\$ 1,483,337

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Securities Lending

The Board of Retirement policies authorize ACERA to participate in a securities lending program. Securities lending transactions are short-term collateralized loans of ACERA's securities for the purpose of generating additional investment income. ACERA has a securities lending agreement in place that authorizes the securities lending agent to lend ACERA's securities to broker-dealers and banks pursuant to a loan agreement. For securities on loan, ACERA receives either cash or non-cash collateral. ACERA invests the cash collateral in a pooled short-term investment fund maintained by the securities lending agent and receives earnings on it in exchange for paying a loan rebate fee to the borrower. In the case of non-cash collateral, the borrower pays ACERA a loan premium.

For the year ended December 31, 2018, on behalf of ACERA, the securities lending agent lent ACERA's securities (government bonds, corporate stocks, corporate bonds, international equities, and international fixed income) to borrowers under the securities lending agreement and ACERA received cash (U.S. and foreign currency), securities issued or guaranteed by the United States government, and sovereign debt or irrevocable bank letters-of-credit as collateral.

ACERA did not have the ability to pledge or sell collateral securities delivered absent a borrower default (therefore, such non-cash collateral is not reported on the Statement of Fiduciary Net Position). Borrowers were required to deliver collateral for each loan equal to:

- Loaned securities denominated in U.S. dollars or sovereign debt issued by foreign governments, with a margin of at least 102% of the fair value of the loaned securities; or
- Loaned securities not denominated in U.S. dollars, or whose primary trading market was not located in the United States, with a margin of at least 105% of the fair value of the loaned securities.

Moreover, borrowers were required to maintain the designated margin percentage of collateral on a daily basis.

ACERA did not impose any restrictions for the year ended December 31, 2018, on the amount of the loans that the securities lending agent made on its behalf. In the event the borrower failed to return the loaned securities, the securities lending agent indemnified ACERA by agreeing to purchase replacement securities. If the collateral was inadequate to replace the securities lent, the securities lending agent supplemented the amount of cash collateral.

If the borrower failed to pay ACERA for any income distributions on loaned securities, the securities lending agent will also supplement the income amount due to ACERA. There were no losses during the year ended December 31, 2018, resulting from a default of the borrowers or the securities lending agent.

For the year ended December 31, 2018, ACERA and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders in a short-term investment pool managed by the securities lending agent. For the fiscal year 2018, the short-term investment fund is separated into two investment pools: (a) a liquidity pool and (b) a duration pool. As of December 31, 2018, the Quality D Short –Term investment fund liquidity pool had an average duration of 27 days and an average weighted final maturity of 119 days for U.S. dollars collateral. The Quality D Short-Term investment fund duration pool had an average duration of 18 days and an average weighted final maturity of 1,701 days for U.S. dollars collateral. For the year ended December 31, 2018, ACERA had no credit risk exposure to borrowers because, for each borrower, the value of borrower collateral held exceeded the value of the securities on loan to the borrower.

As of December 31, 2018, ACERA had securities on loan with a total fair value of \$299.43 million; however, the cash collateral held against the loaned securities was \$307.00 million and exceeded the total fair value of loaned securities by \$7.57 million.

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Summary of County Deposits and Investments

The following table is a summary of the deposits and investments as of June 30, 2019:

Cash			
Cash in bank and on hand - with County Treasurer	\$	610,216	
Deposits in transit		137	
Cash with fiscal agents		384,524	
Cash - With Component Unit (AHS)		21,056	
Restricted Cash - With Component Unit (AHS)		1,433	
Retiree Trust Cash Balance		2,439	
ACERA cash balance at 12/31/18		1,573	
Total Cash		1,021,378	
Investments			
In Treasurer's Pool		5,680,638	
with ACERA		7,584,194	
with fiscal agents		329,434	
Securities Lending - ACERA		183,003	
Total Investments		13,777,269	
Total Cash and Investments	\$	14,798,647	
Primary Government	\$	14,776,158	
Component Unit (AHS)		22,489	
Total Cash and Investments	\$	14,798,647	

¹ Cash held with AHS is not included in cash and investments with the County Treasurer.

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

	Primary Government			Component Unit
	Governmental Activities	Fiduciary Funds	Total	
Cash and investments with County Treasurer	\$ 2,735,892 ¹	\$ 3,557,538 ²	\$ 6,293,430	\$ -
Cash and investments with fiscal agents	554,794	3,761	558,555	21,056
Investments with ACERA	-	7,584,194	7,584,194	-
Restricted Assets:				
Cash with fiscal agents	156,976	-	156,976	1,433
Invested securities lending collateral	-	183,003	183,003	-
Total cash and investment	\$ 3,447,662	\$ 11,328,496	\$ 14,776,158	\$ 22,489
Deposits and cash on hand			\$ 998,889	\$ 22,489
Investments			13,777,269	-
Total deposits and investments			\$ 14,776,158	\$ 22,489

¹ Includes cash and investments with the County Treasurer of total governmental funds (\$2,534,965) and internal service funds (\$200,927).

² Includes deposits and investments with the County Treasurer of pension and other employee benefits trust funds (\$2,439), investment trust fund (\$3,229,751), private-purpose trust fund (\$26,410) and agency funds (\$298,938).

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3. Receivables

Receivables as of June 30, 2019, for the County's individual major funds, non-major funds in the aggregate, and the internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds							Internal Service Funds	Governmental Activities Total
	General	Property	Flood	Capital	Debt	Nonmajor	Subtotal		
		Development	Control	Projects	Service	Funds			
Interest	\$ 13,050	\$ 348	\$ 1,380	\$ 473	\$ 149	\$ 1,567	\$ 16,967	\$ 1,152	\$ 18,119
Taxes	43,852	-	2,166	-	-	4,655	50,673	-	50,673
Departmental accounts	172,991	-	-	-	-	-	172,991	-	172,991
Federal and state grants and subventions	207,130	-	1,892	2,687	-	2,444	214,153	-	214,153
Charges for services	66,568	-	173	-	-	11,656	78,397	4,110	82,507
Other	14,109	-	-	-	-	8,371	22,480	-	22,480
Gross receivables	517,700	348	5,611	3,160	149	28,693	555,661	5,262	560,923
Less: allowance for uncollectibles	(136,675)	-	-	-	-	-	(136,675)	-	(136,675)
Net total receivable - governmental activities	<u>\$ 381,025</u>	<u>\$ 348</u>	<u>\$ 5,611</u>	<u>\$ 3,160</u>	<u>\$ 149</u>	<u>\$ 28,693</u>	<u>\$ 418,986</u>	<u>\$ 5,262</u>	<u>\$ 424,248</u>

The departmental accounts receivable, net of allowance for uncollectibles, in the amount of \$36.3 million is reported as unavailable revenue and classified as deferred inflows of resources. It is not practical to determine the amount that will be collected in the subsequent year.

Other receivables for pension and other employee benefits trust funds at December 31, 2018 are as follows:

Contributions	\$ 17,422
Investments sold	1,203
Investment receivables	7,245
Other	209
Total other receivables at December 31, 2018	<u>\$ 26,079</u>

4. Loans Receivable

Loans receivable consist of operating loan to a public entity and loans to individuals and multi-family affordable housing projects. Loans to individuals include loans for acquisition and rehabilitation of owner-occupied housing, and silent deeds for financing to first time homebuyers, and bear interest at annual rates ranging from zero to seven percent. Loans to multi-family affordable housing projects, including shelters, shared housing, and apartment complexes, may be deferred or amortized and bear interest at annual rates from zero to seven percent. Deferred and amortized housing loans receivable are secured by recorded liens on properties for which the loans are made. Loans receivable as of June 30, 2019, for the County's individual major funds and non-major funds in the aggregate are as follows:

	General	Property Development	Non-major Governmental Funds	Total
Affordable housing	<u>\$ 90,159</u>	<u>\$ 21,985</u>	<u>\$ 34,363</u>	<u>\$ 146,507</u>

COUNTY OF ALAMEDA, CALIFORNIA
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5. Capital Assets

Capital asset activities of the primary government for the year ended June 30, 2019, are as follows:

GOVERNMENTAL ACTIVITIES					
	Balance				Balance
	July 1, 2018	Increases	Decreases	Transfers	June 30, 2019
Capital assets, not being depreciated:					
Land and easements	\$ 79,110	\$ 225	\$ -	\$ -	\$ 79,335
Construction in progress	111,024	86,341	-	(22,467)	174,898
Collections	50	-	-	-	50
Total capital assets, not being depreciated	<u>190,184</u>	<u>86,566</u>	<u>-</u>	<u>(22,467)</u>	<u>254,283</u>
Capital assets, being depreciated:					
Structures and improvements	1,780,443	43	-	6,026	1,786,512
Machinery and equipment	202,147	24,242	2,790	1,180	224,779
Software	32,654	-	-	-	32,654
Infrastructure	992,055	-	236	15,261	1,007,080
Total capital assets, being depreciated	<u>3,007,299</u>	<u>24,285</u>	<u>3,026</u>	<u>22,467</u>	<u>3,051,025</u>
Less accumulated depreciation for:					
Structures and improvements	663,041	45,631	-	-	708,672
Machinery and equipment	154,245	12,477	2,449	-	164,273
Software	32,654	-	-	-	32,654
Infrastructure	529,934	23,804	-	-	553,738
Total accumulated depreciation	<u>1,379,874</u>	<u>81,912</u>	<u>2,449</u>	<u>-</u>	<u>1,459,337</u>
Total capital assets, being depreciated, net	<u>1,627,425</u>	<u>(57,627)</u>	<u>577</u>	<u>22,467</u>	<u>1,591,688</u>
Governmental activities capital assets, net	<u>\$ 1,817,609</u>	<u>\$ 28,939</u>	<u>\$ 577</u>	<u>\$ -</u>	<u>\$ 1,845,971</u>

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

Governmental Activities	
General government	\$ 4,338
Public protection	23,749
Public assistance	2,269
Health and sanitation	23,246
Public ways and facilities	19,833
Recreation and cultural services	384
Education	1,439
Capital assets held by the County's internal service funds	6,654
Total depreciation expense – governmental activities	<u>\$ 81,912</u>

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The County has active construction projects as of June 30, 2019. The projects include construction of new facilities, expansion of existing library facility, and improvements to roadways and flood control channels. The County's outstanding commitments with contractors as of June 30, 2019 are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Construction of health care facilities	\$ 84,466	\$ 12,841
Construction of youthful offender facility	4,179	199
Road improvements	23,895	18,912
Flood control channel improvements	20,121	18,600
Other projects	42,237	15,999
Total governmental funds	<u>\$ 174,898</u>	<u>\$ 66,551</u>

Debt proceeds finance the commitment for construction of health care facilities. The youth offender facility is funded by state funding, fines and penalties imposed on criminal offenses, and reserve. Gas tax and state and federal aid provide funding for the commitment for road improvements. The commitment for flood control channel improvements is being funded from general flood zone benefit assessments and property taxes.

Capital Leases

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

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

Structures and Improvements	\$ 4,896
Less accumulated amortization	<u>(2,548)</u>
Net book value	<u>\$ 2,348</u>

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FIDUCIARY FUNDS – Pension, OPEB, and Other Employee Benefits Trust Funds

Capital asset activities of the pension, OPEB, and other employee benefits trust funds for the year ended December 31, 2018, are as follows:

	Balance			Balance
	January 1, 2018	Increases	Decreases	December 31, 2018
Capital assets, being depreciated:				
Equipment and furniture	\$ 3,034	\$ -	\$ 2	\$ 3,032
Electronic document management system	4,163	-	-	4,163
Information systems	10,457	-	-	10,457
Leasehold improvements	2,585	-	-	2,585
Total capital assets, being depreciated	<u>20,239</u>	<u>-</u>	<u>2</u>	<u>20,237</u>
Less accumulated depreciation and amortization for:				
Equipment and furniture	2,972	24	-	2,996
Electronic document management system	4,165	-	2	4,163
Information systems	10,457	-	-	10,457
Leasehold improvements	1,040	95	-	1,135
Total accumulated depreciation	<u>18,634</u>	<u>119</u>	<u>2</u>	<u>18,751</u>
Total capital assets, being depreciated, net	<u>1,605</u>	<u>(119)</u>	<u>-</u>	<u>1,486</u>
Fiduciary fund capital assets, net	<u>\$ 1,605</u>	<u>\$ (119)</u>	<u>\$ -</u>	<u>\$ 1,486</u>

COMPONENT UNIT – Alameda Health System

Capital asset activities of the Alameda Health System for the year ended June 30, 2019, are as follows:

	Balance			Balance
	July 1, 2018	Increases	Transfers	June 30, 2019
Capital assets, not being depreciated:				
Construction in progress	\$ 31,621	\$ 54,173	\$ (1,726)	\$ 84,068
Land	9,021	-	-	9,021
Total capital assets, not being depreciated	<u>40,642</u>	<u>54,173</u>	<u>(1,726)</u>	<u>93,089</u>
Capital assets, being depreciated:				
Structures and improvements	61,401	472	(16,920)	44,953
Machinery and equipment	170,009	3,341	(3,959)	169,391
Total capital assets, being depreciated	<u>231,410</u>	<u>3,813</u>	<u>(20,879)</u>	<u>214,344</u>
Less accumulated depreciation for:				
Structures and improvements	38,183	2,401	17,520	23,064
Machinery and equipment	122,814	12,717	5,085	130,446
Total accumulated depreciation	<u>160,997</u>	<u>15,118</u>	<u>22,605</u>	<u>153,510</u>
Total capital assets, being depreciated, net	<u>70,413</u>	<u>(11,305)</u>	<u>(43,484)</u>	<u>60,834</u>
Component unit capital assets, net	<u>\$ 111,055</u>	<u>\$ 42,868</u>	<u>\$ (45,210)</u>	<u>\$ 153,923</u>

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6. Accounts Payable and Accrued Expenditures/Expenses

Accounts payable and accrued expenditures/expenses as of June 30, 2019, for the County's individual major funds, non-major funds in the aggregate, and internal service funds are as follows:

	Governmental Funds						Subtotal	Internal Service Funds	Governmental Activities Total
	General	Property Development	Flood Control	Capital Projects	Debt Service	Nonmajor Governmental Funds			
Accounts payable	\$ 152,753	\$ 7,043	\$ 4,921	\$ 11,073	\$ 557	\$ 10,429	\$ 186,776	\$ 10,839	\$ 197,615
Outstanding warrants	56,233	-	-	-	-	-	56,233	-	56,233
Accrued payroll	40,721	11	1,222	-	-	5,098	47,052	2,691	49,743
Total accounts payable and accrued expenditures	<u>\$ 249,707</u>	<u>\$ 7,054</u>	<u>\$ 6,143</u>	<u>\$ 11,073</u>	<u>\$ 557</u>	<u>\$ 15,527</u>	<u>\$ 290,061</u>	<u>\$ 13,530</u>	<u>\$ 303,591</u>

Payables for pension, OPEB, and other employee benefits trust funds at December 31, 2018 are as follows:

Purchase of securities	\$ 6,583
Investment-related payables	17,406
Member benefits	4,151
Accrued administrative expenses	2,276
Other	371
Total accounts payable and accrued expenses	<u>\$ 30,787</u>

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

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**NOTES TO BASIC FINANCIAL STATEMENTS
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7. Long-Term Obligations

The following is a summary of long-term obligations of the County as of June 30, 2019:

GOVERNMENTAL ACTIVITIES

<u>Type of Obligation and Purpose</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding</u>
Certificates of participation:				
Public Facilities Corporation:				
2007A Refunding (a)	12/1/2021	4 - 5.625	\$ 37,010	\$ 8,770
Certificates of participation-principal				8,770
Tobacco settlement asset-backed bonds				
Tobacco Securitization bonds 2002 (e)	6/1/2042	2.25 - 6.00	220,525	129,365
Tobacco Securitization capital appreciation bonds 2006 - A & B (e)	6/1/2050	6.2 - 6.7	51,475	51,475
Tobacco Securitization capital appreciation bonds 2006 - C (e)	6/1/2055	7.55	16,384	16,384
Tobacco Securitization bonds-principal				197,224
Tobacco Securitization capital appreciation bonds 2006 - accretion (e)				94,947
Lease revenue bonds				
Alameda County Joint Powers Authority:				
Juvenile Justice Refunding Bonds 2016 (a)	6/1/2035	2.0 - 5.0	98,470	91,160
Multiple Capital Projects Bonds 2010A (a)	12/1/2044	7.046	320,000	320,000
North County Center Bonds 2004 (a)	12/1/2035	3.07 - 4.38	45,675	37,075
Lease Revenue Refunding Bonds 2012 (a)	12/1/2021	1.5 - 5	75,915	13,070
Multiple Capital Projects Bonds 2013A (a)	12/1/2035	3 - 5.25	287,380	276,335
Taxable Lease Revenue Bonds 2018 (f)	6/1/2028	2.27 - 3.60	73,495	61,495
Lease revenue bonds				799,135
General obligation bonds				
Measure A1 bonds 2018 - A (g)	8/1/2038	2.56 - 4.00	240,000	240,000
Capital leases				
Water efficiency measures (a)	10/30/2023	4.08	3,000	1,062
Structures & Improvement - 7200 Bancroft Ave. (a)	2/28/2021	4.34	1,896	1,258
Capital leases payable				2,320
Other long-term obligations				
Loans payable (d)	6/22/2026	1.0 - 4.1	59,613	45,299
Compensated employee absences payable (c)				78,071
Estimated liability for claims and contingencies (d)				156,758
Obligation to fund Authority deficit (see Note 17) (a)				32,500
Other long-term obligations				312,628
Governmental activities total long-term obligations				\$ 1,655,024

Debt service payments are generally made from the following sources:

- (a) Discretionary revenues of the general fund.
- (b) Discretionary revenues of the fund that received the benefit of the asset, purchased or constructed.
- (c) Discretionary revenues of the fund in which the employee's salary is charged; approximately eighty percent of the employees' salaries are charged to the general fund.
- (d) User-charge reimbursements from the general fund and the non-major governmental funds.
- (e) Revenues from tobacco master settlement agreement.
- (f) 1998 Escrow Securities from the issuance of the 2002 Tobacco Securitization bonds
- (g) Ad valorem taxes levied on taxable property located within the County

The Alameda County Tobacco Asset Securitization Authority has pledged all revenues received from the tobacco master settlement agreement with four U.S. tobacco manufacturers to repay the outstanding amount as of June 30, 2019 of \$129.40 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 \$1.73 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 \$16.5 million while tobacco settlement revenue was \$15.5 million.

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COMPONENT UNIT

Type of Obligation	Outstanding
Alameda Health System	
Compensated employee absences payable	\$ 30,919
Estimated liability for claims and contingencies	31,546
Component unit total long-term obligations	\$ 62,465

Debt Compliance

The County is in compliance with all significant limitations and restrictions contained in the various bond indentures.

Legal Debt Limit and Legal Debt Margin

As of June 30, 2019, the County's debt limit (1.25% of total assessed value) was \$3.67 billion. The County's outstanding general obligation debt is \$240 million and therefore \$3.43 billion is still available of the 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 there is no arbitrage rebate liability as of June 30, 2019.

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, as noted below.

Mortgage revenue bonds – In order to facilitate affordable housing to first time home buyers, the County issued mortgage revenue bonds with an outstanding aggregate balance of \$43.4 million as of June 30, 2019. 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 \$37.3 million as of June 30, 2019. These obligations are the liability of the businesses that receive the proceeds of the bonds.

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
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Changes in Long-Term Obligations

The changes in long-term obligations for governmental activities for the year ended June 30, 2019, are as follows:

	<u>Balance</u>	<u>Additional</u>	<u>Current</u>	<u>Balance</u>	<u>Amounts</u>
	<u>July 1, 2018</u>	<u>Obligations,</u>	<u>Maturities,</u>	<u>June 30, 2019</u>	<u>Due</u>
		<u>Interest</u>	<u>Retirements,</u>		<u>Within</u>
		<u>Accretion,</u>	<u>and Net</u>		<u>One Year</u>
		<u>Increases</u>	<u>Decreases</u>		
Governmental activities:					
Certificates of participation and bonds payable					
Certificates of participation	\$ 11,771	\$ -	\$ (3,001)	\$ 8,770	\$ 2,785
Tobacco securitization bonds	205,554	-	(8,330)	197,224	-
Pension obligation bonds	8,938	-	(8,938)	-	-
Lease revenue bonds	825,145	-	(26,010)	799,135	27,080
General obligation bonds	240,000	-	-	240,000	22,000
Total certificates of participation and bonds payable before accretion	<u>1,291,408</u>	<u>-</u>	<u>(46,279)</u>	<u>1,245,129</u>	<u>51,865</u>
Accretion on capital appreciation certificates and bonds					
Certificates of participation	2,259	-	(2,259)	-	-
Tobacco Securitization bonds	84,623	10,324	-	94,947	-
Pension obligation bonds	36,817	-	(36,817)	-	-
Total certificates of participation and bonds payable at accreted value	<u>1,415,107</u>	<u>10,324</u>	<u>(85,355)</u>	<u>1,340,076</u>	<u>51,865</u>
Other debt-related items					
Issuance premiums	34,812	-	(2,687)	32,125	2,702
Issuance discount	(3,302)	-	136	(3,166)	(136)
Total bonds and certificates payable	<u>1,446,617</u>	<u>10,324</u>	<u>(87,906)</u>	<u>1,369,035</u>	<u>54,431</u>
Loans	16,646	30,000	(1,347)	45,299	21,097
Compensated employee absences payable	75,406	43,713	(41,048)	78,071	50,821
Estimated liability for claims and contingencies	141,571	45,208	(30,021)	156,758	35,081
Capital leases	2,915	-	(595)	2,320	854
Obligation to fund Coliseum Authority deficit	37,050	-	(4,550)	32,500	4,778
Governmental activity long-term obligations	<u>\$ 1,720,205</u>	<u>\$ 129,245</u>	<u>\$ (165,467)</u>	<u>\$ 1,683,983</u>	<u>\$ 167,062</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, 2019, \$3.69 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, 2019, are as follows:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Amounts</u>
	<u>July 1, 2018</u>			<u>June 30, 2019</u>	<u>Due</u>
					<u>Within</u>
Component Unit:					<u>One Year</u>
Compensated employee absences payable	\$ 30,622	\$ 2,113	\$ (1,816)	\$ 30,919	\$ 18,725
Estimated liability for claims and contingencies	29,999	1,585	(38)	31,546	6,920
Total component unit long-term obligations	<u>\$ 60,621</u>	<u>\$ 3,698</u>	<u>\$ (1,854)</u>	<u>\$ 62,465</u>	<u>\$ 25,645</u>

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Annual debt service requirements for long-term obligations outstanding as of June 30, 2019, are as follows:

GOVERNMENTAL ACTIVITIES

For the Year Ending June 30	Lease Revenue Bonds		General Obligation Bonds		Tobacco Securitization Bonds			Total Bonds		
	Principal	Interest	Principal	Interest	Accreted			Principal	Accreted	
					Principal	Interest	Interest		Interest	Interest
2020	\$ 27,080	\$ 44,644	\$ 22,000	\$ 8,369	\$ -	\$ -	\$ 7,686	\$ 49,080	\$ -	\$ 60,699
2021	28,260	43,489	26,700	7,642	-	-	7,686	54,960	-	58,817
2022	29,525	42,232	7,555	7,149	-	-	7,686	37,080	-	57,067
2023	26,045	41,009	7,855	6,840	-	-	7,686	33,900	-	55,535
2024	27,230	39,824	8,170	6,520	-	-	7,686	35,400	-	54,030
2025-2029	148,420	178,628	46,020	27,355	7,945	-	38,428	202,385	-	244,411
2030-2034	152,550	141,609	55,240	18,008	-	-	36,144	207,790	-	195,761
2035-2039	148,825	99,509	66,460	6,537	45,170	-	25,529	260,455	-	131,575
2040-2044	211,200	46,472	-	-	76,250	-	13,725	287,450	-	60,197
2045-2049	-	-	-	-	51,475	-	-	51,475	-	-
2050-2054	-	-	-	-	16,384	764,585	-	16,384	764,585	-
2055-2059	-	-	-	-	-	616,926	-	-	616,926	-
Total	\$ 799,135	\$ 677,416	\$ 240,000	\$ 88,420	\$ 197,224	\$ 1,381,511	\$ 152,256	\$ 1,236,359	\$ 1,381,511	\$ 918,092

For the Year Ending June 30	Total Bonds		Certificates of Participation		Other Long-Term Obligations			Total Debt		
	Accreted		Interest	Principal	Interest	Principal	Interest	Principal	Accreted	
	Principal	Interest							Interest	Interest
2020	\$ 49,080	\$ -	\$ 60,699	\$ 2,785	\$ 342	\$ 21,951	\$ 670	\$ 73,816	\$ -	\$ 61,711
2021	54,960	-	58,817	2,930	199	1,766	245	59,656	-	59,261
2022	37,080	-	57,067	3,055	63	1,163	85	41,298	-	57,215
2023	33,900	-	55,535	-	-	1,193	54	35,093	-	55,589
2024	35,400	-	54,030	-	-	899	25	36,299	-	54,055
2025-2029	202,385	-	244,411	-	-	20,647	15	223,032	-	244,426
2030-2034	207,790	-	195,761	-	-	-	-	207,790	-	195,761
2035-2039	260,455	-	131,575	-	-	-	-	260,455	-	131,575
2040-2044	287,450	-	60,197	-	-	-	-	287,450	-	60,197
2045-2049	51,475	-	-	-	-	-	-	51,475	-	-
2050-2054	16,384	764,585	-	-	-	-	-	16,384	764,585	-
2055-2059	-	616,926	-	-	-	-	-	-	616,926	-
Total	\$ 1,236,359	\$ 1,381,511	\$ 918,092	\$ 8,770	\$ 604	\$ 47,619	\$ 1,094	\$ 1,292,748	\$ 1,381,511	\$ 919,790

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

Events of Default, Termination Events and Acceleration Clauses

Refunding Certificates of Participation, Series 2007A (Santa Rita Jail)

The County is required to pay the base and additional rental for the Property which is should be sufficient to pay the principal and interest and all administrative costs, including any taxes, assessments and governmental charges and trustee fees. The County would be considered to be in default if one or more of the following events occurs: (i) failure to pay the base and additional rent when due; (ii) failure to comply with the terms, covenants or conditions of the agreement and failed to remedy any breach within a period of 30 days after written notice or, if such breach cannot be

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remedied within such 30-day period, failure to institute corrective action within such 30-day period and diligently pursue the same to completion.

Following an event of default, the Corporation or its assignee shall have the right (i) to reenter the Property and eject all parties in possession therefrom or (ii) to enforce all of its rights and remedies under the Facility Lease, including the right to recover Base Rental payments as they become due under the Facility Lease so long as the Facility Lease is not terminated or the County's possession of the Property.

Notwithstanding any other provision of the Facility Lease or the Agreement, there shall be no right under any circumstances to accelerate the payment of any Base Rental under the Facility Lease.

Tobacco Settlement Asset-Backed Bonds (Series 2002 and 2006)

The California Statewide Financing Authority issued the bonds to finance the acquisition of the County Tobacco Assets from the County of Alameda. The County uses revenues received from the tobacco master settlement agreement to repay the principal and interest. No payments will be made with respect to the Series 2006 bonds prior to the payment in full of all the indebtedness under the Series 2002 bonds. The Authority would be considered to be in default if one or more of the following events occurs: (i) failure to pay the debt service when due; (ii) failure to comply with covenants and conditions of the Indenture, if not remedied within 60 days after the written notice is given to the Authority by the Trustee or the bondholders of at least 25% of the bond outstanding; (iii) bankruptcy, reorganization, arrangement or similar debtor relief proceedings.

Following an event of default, the Trustee may pursue its rights and remedies at law or in equity. If an event of default occurs in Series 2002 bonds, it will be redeemed after payment of all current and past due principal and interest on the outstanding debt from all available funds in the reserve and prepayment account established under the Indenture. If the Series 2002 bonds are not paid in accordance with the terms, the bondholders may suffer a complete loss of their investment in Series 2006 bonds and would have no remedy for the loss. If the accreted value of Series 2006 bonds is not paid when due at maturity or upon prior redemption, it will be converted to a Current Interest Bond with a principal amount equal to its accreted value and bear interest at the default rate.

All Outstanding Lease Revenue Bonds

The County has covenanted in the lease agreement to pay for the base rental payment for all the leased property plus additional payments of all costs and expenses incurred in connection with the leased property. Generally, the County would be considered to be in default if one or more of the following events occurs (i) the failure to pay any rental payable when due, (ii) the failure to keep, observe or perform any term, covenant or condition of the lease agreement or the indenture to be kept or performed by the County after notice and the elapse of a 30-day grace period and (iii) the filing of bankruptcy or insolvency.

Following an event of default under the lease agreement, the Trustee may exercise any and all remedies available pursuant to law or under the agreement to enforce payment of base rental payments when due, or to exercise all remedies. The Trustee, in addition to all other rights and remedies it may have at law, has the option to do any of the following: (i) terminate the lease agreement and retake possession of the leased property; (ii) without terminating the lease agreement, collect each installment of rent as it becomes due and enforce any other term or provision of the lease agreement to be kept or performed by the County, and/or exercise any and all rights to retake possession of the leased property.

Remedies, upon an event of default, do not include accelerating the obligations of the County to pay base rental payments under the lease agreement.

General Obligation Bonds (Measure A1) 2018 Series A

The County covenanted that the money for the payment of principal and interest on the Series 2018A bonds will be raised by ad valorem taxation without limitation as to rate or amount upon all property located within the County subject to taxation. The County would be considered to be in default if one or more of the following events occurs: (i)

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failure to pay any installment of interest on any bond when due; (ii) failure to pay the principal or redemption price of any bond when due.

Following an event of default under the lease agreement, the County shall immediately transfer to the Trustee all tax revenues held by it, if any, and the Trustee shall apply all the revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the trust agreement to the payment of the whole amount of obligation then due on the bonds, with interest at the rate or rates of interest borne by the respective bonds, to the payment to the persons entitled thereto of all installments of interest then due and the unpaid principal or redemption price of any bonds which shall have become due, whether at maturity, by call for redemption or otherwise, in the order of their due dates, with interest on the overdue obligation at the rate borne by the respective bonds, and, if the amount available shall not be sufficient to pay in full all the bonds due on any date, together with such interest, then to the payment thereof on a proportionate basis, according to the amounts of principal plus accrued interest due on such date to the persons entitled thereto, without any discrimination or preference.

The Trust Agreement does not contain a provision allowing for the acceleration of the Series 2018A bonds if an event of default occurs and is continuing.

Lease Revenue Tax-Exempt Commercial Paper Notes

The County may issue up to \$100 million in aggregate principal amount of commercial paper notes to provide financing and refinancing the costs of various capital improvement projects. As of June 30, 2019, The County has \$60 million of unused line of credit. The occurrence of any of the following shall be an “Event of Termination” (i) failure to pay any liquidity advance including interest or term loan when due; (ii) failure to comply with the terms and covenants of the agreement or (iii) bankruptcy or similar debtor relief proceedings. During the period that an Event of Termination has occurred, the Bank may pursue its rights and remedies at law or in equity. With respect to payment defaults, the Bank may demand payment of amounts past due with interest, to the extent permitted by law.

8. Operating Lease Obligations

The County has numerous operating leases for office space. Rental expense for operating leases for fiscal year 2018-19 was \$27.0 million. Future minimum lease payments for operating leases at June 30, 2019, are as follows:

2020	2021	2022	2023	2024	2025-29	Total
\$ 25,324	\$ 22,239	\$ 15,580	\$ 15,700	\$ 12,748	\$ 35,465	\$ 127,056

9. Fund Deficits

Individual fund deficit at June 30, 2019 are as follows:

Alameda Health System	\$ 290,610
Internal Service Fund - Building Maintenance	\$ 27,550
Internal Service Fund - Information Technology	\$ 33,424

The fund deficits of the internal service funds are expected to be funded by increased user charges. The fund deficit of AHS is expected to remain in the succeeding years as the County is to provide ongoing liquidity support until 2034.

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10. Fund Balances

Details of the fund balance classifications of the major and non-major governmental funds as of June 30, 2019 are as follows:

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major	Total
Inventory	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ 92	\$ 96
Long-term receivables	3,644	-	-	-	-	-	3,644
Properties held for resale	255	-	-	-	-	-	255
Prepaid items	-	-	-	-	-	833	833
Total Nonspendable	3,899	-	4	-	-	925	4,828
Restricted for:							
Public protection	188,497	-	234,668	-	-	82,898	506,063
Public assistance	19,018	-	-	-	-	412	19,430
Health and sanitation	200,947	-	-	-	-	10,456	211,403
Public ways and facilities	-	-	-	-	-	123,845	123,845
Education	-	-	-	-	-	21,052	21,052
Debt service	-	-	-	-	92,626	85,434	178,060
Other purposes	12,690	-	-	-	-	-	12,690
Total Restricted	421,152	-	234,668	-	92,626	324,097	1,072,543
Committed to:							
Fiscal management rewards	181,853	-	-	-	-	-	181,853
Settlement claims	9,000	-	-	-	-	-	9,000
General contingencies	46,671	-	-	-	-	-	46,671
Capital projects	100,264	-	-	53,936	-	-	154,200
Pension liability reduction	632,653	-	-	-	-	-	632,653
Capital projects and related debt	-	608,296	-	-	-	-	608,296
Public assistance	12,206	-	-	-	-	-	12,206
Public protection	3,570	-	-	-	-	-	3,570
Other commitments	146,921	-	-	-	-	-	146,921
Total Committed	1,133,138	608,296	-	53,936	-	-	1,795,370
Assigned to:							
Appropriations in subsequent year	47,311	-	-	-	-	-	47,311
General government	8,218	-	-	-	-	-	8,218
Public protection	45,152	-	-	-	-	11,511	56,663
Public assistance	30,620	-	-	-	-	-	30,620
Health and sanitation	111,413	-	-	-	-	-	111,413
Public ways and facilities	650	-	-	-	-	-	650
Recreation and cultural services	5	-	-	-	-	-	5
Other purposes	234	-	-	-	-	-	234
Total Assigned	243,603	-	-	-	-	11,511	255,114
Unassigned	95,662	-	-	-	-	-	95,662
Total fund balances	\$ 1,897,454	\$ 608,296	\$ 234,672	\$ 53,936	\$ 92,626	\$ 336,533	\$ 3,223,517

Encumbrance balances by major funds and non-major funds as of June 30, 2019 are:

	Restricted	Committed	Assigned	Total
General Fund	\$ 27,329	\$ -	\$ 185,403	\$ 212,732
Property Development	-	26,454	-	26,454
Flood Control	48,412	-	-	48,412
Capital Projects	-	29,702	-	29,702
Non-major Governmental Funds	32,699	-	624	33,323
Total encumbrances	\$ 108,440	\$ 56,156	\$ 186,027	\$ 350,623

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11. Restricted Net Position

Restricted net position is net position that is subject to constraints either externally imposed by creditors, grantors, contributors, or by enabling legislation. Restricted net position as of June 30, 2019 for governmental activities is as follows:

Restricted for Public Protection		
Flood	\$234,816	
Consumer Protection	38,678	
Sheriff	30,564	
Public Safety	46,358	
Criminal Justice and Courthouse Construction	20,392	
Vital Records	23,586	
Child Support Enforcement	4,419	
Community Development	6,794	
Criminal Justice Programs	621	
Vehicle Theft Prevention	3,233	
Survey Monument Preservation	533	
Domestic Violence	200	
Probation	209	
Other	<u>6,957</u>	\$417,360
Restricted for Public Assistance		
Housing and Commercial Development	109,688	
Social Services Programs	429	
Child Protective Services	<u>1,430</u>	111,547
Restricted for Health and Sanitation		
Behavioral Health Services	100,836	
Public Health	47,855	
Emergency Medical Services	22,289	
Environmental Health	<u>35,262</u>	206,242
Restricted for Public Ways and Facilities		
Roads and Bridges Maintenance	114,211	
Streets and Highway Lighting	<u>8,594</u>	122,805
Restricted for Education		
Library Services		21,144
Restricted for Other Purposes		
Debt Payments	18,768	
Property Taxes	5,575	
Assessor	<u>5,129</u>	29,472
Total Restricted Net Position-Governmental Activities		<u><u>\$908,570</u></u>

Included in governmental activities restricted net position as of June 30, 2019 is net position restricted by enabling legislation of \$140.4 million.

12. Interfund Receivables, Payables, and Transfers

“Due to” and “due from” balances have been recorded for cash overdraft and inter-fund loans. The composition of inter-fund balances as of June 30, 2019, is as follows:

	<u>Due to other funds</u>		<u>Total Due from</u>
	<u>Non-major Governmental Funds</u>	<u>Internal Service Funds</u>	
Due from other funds			
General fund	<u>\$ 851</u>	<u>\$ 7,733</u>	<u>\$ 8,584</u>

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

Due to/from primary government and component unit:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government-governmental	Alameda Health System	<u>\$ 106,207</u>
Primary government-governmental		\$ 106,207
Less allowance for uncollectibles		<u>(31,000)</u>
Net		<u>\$ 75,207</u>
Alameda Health System	Primary government-governmental	<u>\$ 29,888</u>

Transfers between funds for the year ended June 30, 2019, are as follows:

	<u>Transfers In:</u>					<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Non-major Governmental Funds</u>	<u>Internal Service Funds</u>	
Transfers out:						
General fund	\$ -	\$ 14,517	\$ 110,653	\$ 19,800	\$ 3,453	148,423
Property development fund	567	-	8,158	-	45	8,770
Flood control fund	-	146	-	-	-	146
Capital projects fund	412	-	-	155	3	570
Debt service fund	-	42	-	-	-	42
Non-major governmental funds	-	-	8,025	2,300	203	10,528
Internal service funds	1,658	-	6,433	-	-	8,091
Total transfers in	<u>\$ 2,637</u>	<u>\$ 14,705</u>	<u>\$ 133,269</u>	<u>\$ 22,255</u>	<u>\$ 3,704</u>	<u>\$ 176,570</u>

The \$148.4 million General Fund transfer out includes \$63.7 million for pension obligation debt service, \$47.0 million to provide for the payment of other debt service, \$14.5 million to provide funding for capital projects, \$19.8 million to provide funding for road projects and \$3.5 million for vehicle purchase and maintenance projects.

The \$8.8 million Property Development Fund transfer out includes \$8.2 million for the payment of Juvenile Justice Refunding bond and \$0.6 million to provide funding for Surplus Property administrative expenditures.

The \$10.5 million Non-major Governmental Funds transfer out includes \$8.0 million for debt payments and \$2.3 million to cover operating costs of the bridges.

The \$8.1 million Internal Service Funds transfer out includes \$6.4 million for the payment of debt service and \$1.7 million for payment of energy loans and leases.

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13. Defined Benefit Pension Plan – ACERA

A. Plan Description

The County is the major participant in the Alameda County Employees' Retirement Association (ACERA). The total payroll covered by ACERA for all participants was \$1.09 billion as of December 31, 2018. ACERA began operations on January 1, 1948 and is governed by the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act (PEPRA) of 2012 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 Alameda Health System, the Superior Court of California for the County of Alameda, and four participating special districts located in the County, but not under the control of the County Board of Supervisors. All full-time employees of participating entities, except for Alameda Health System, appointed to permanent positions are required by statute to become members of ACERA. Safety membership includes employees who are in active law enforcement, deferred firefighters, probation officers, and juvenile hall group counselors. General membership includes all other eligible classifications.

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.

There are separate retirement benefits for General and Safety members. Any new member who becomes a member on or after January 1, 2013 is placed into Tier 4 and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197. General members enrolled in Tiers 1, 2, or 3 are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 General member with 30 years of service is eligible to retire regardless of age. General members enrolled in Tier 4 are eligible to retire once they have attained the age of 52 and have acquired five years of retirement service credit, or at age 70 regardless of service. Safety members enrolled in Tiers 1, 2, 2C, or 2D are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 Safety member with 20 years of service is eligible to retire regardless of age. Safety members enrolled in Tier 4 are eligible to retire once they have attained the age of 50 and have acquired five years of retirement service credit, or at age 70 regardless of service. The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier. For members enrolled in Tiers 1, 2, 2C, 2D, or 3, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members enrolled in Tier 4.

ACERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the San Francisco-Oakland-San Jose Area (with 1982-84 as the base period), is capped at 3.0% for General Tiers 1 and 3 and Safety Tier 1, and at 2.0% for General Tiers 2 and 4 and Safety Tiers 2, 2C, 2D, and 4.

ACERA also provides other postemployment benefits for retired members and their beneficiaries. The payment of those benefits is subject to available funding and must be annually reauthorized by the Board of Retirement. These benefits include supplemental cost of living adjustment (COLA) and retired member death benefit. 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 \$1,000 lump sum payment to the beneficiary of a retiree.

An actuarial valuation is performed annually for the pension plan as a whole. ACERA's financial statements and required supplementary information are audited annually by independent auditors. The audit report and

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December 31, 2018 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14th Street, Suite 1000, Oakland, CA 94612.

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 5.42 and 24.34 percent of their annual covered salary effective September 2018. Member contributions are refundable upon termination from the retirement system.

State and Federal laws as well as the California Constitution provide the authority for the establishment of ACERA benefit provisions. In most cases where the 1937 Act 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 Board of Supervisors and the Board of Retirement approved the adoption of Article 5.5 of the 1937 Act. This adoption permitted the establishment of a Supplemental Retirees Benefit Reserve (SRBR) for ACERA.

Article 5.5 provides for the systematic funding of the SRBR and stipulates that its assets be used only for the benefit of retired members and their beneficiaries. The 1937 Act grants exclusive authority over the use of the SRBR funds to the Board of Retirement. Supplemental benefits currently provided through the SRBR include supplemental COLA, retiree death benefit, and retiree health benefits including the Monthly Medical Allowance (MMA), dental and vision care, and Medicare Part B reimbursement. The provision of all supplemental benefits from the SRBR is subject to available funding and annual review and authorization by the Board of Retirement. SRBR benefits are not vested.

In 2006 the Board of Retirement approved the allocation of SRBR funds to Postemployment Medical Benefits and Other Pension Benefits. These two plans 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. For the year ended June 30, 2019, the County made contributions of \$220.07 million to ACERA.

C. Pension Liabilities

As of June 30, 2019, the County reported a liability of \$2.10 billion for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At December 31, 2018, the County's proportion was 75.96 percent, which was a decrease of 1.58 percent from its proportion measured as of December 31, 2017.

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D. Pension Expense and Deferred Flows of Resources Related to Pensions

For the year ended June 30, 2019, the County recognized pension expense of \$408.09 million. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,721	\$ 36,086
Changes of assumptions	269,393	28,533
Net difference between projected and actual earnings on investments	224,217	-
Changes in proportion and differences between County contributions and proportionate share of contributions	11,241	12,182
County contributions subsequent to the measurement date	117,753	-
Total	\$ 642,325	\$ 76,801

County contributions of \$117.8 million are reported as deferred outflows of resources to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ 165,914
2021	79,691
2022	73,827
2023	127,349
2024	990

E. 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 total pension liability at December 31, 2018 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2017
Inflation	3.00%
Salary Increases	General: 3.90% to 8.30% Safety: 4.30% to 11.30% Vary by service, including inflation
Investment Rate of Return	7.25%, net of pension plan investment expense, including inflation
Mortality Tables	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020, adjusted for future mortality improvements based on a review of the mortality experience in the December 1, 2013 - November 30, 2016 Actuarial Experience Study
Date of Experience Study	December 1, 2013 through November 30, 2016

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The long-term expected rate of return on pension plan investments for funding valuation purposes was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. This information is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses and a risk margin, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Large Cap Equity	22.40 %	5.75 %
Domestic Small Cap Equity	5.60	6.37
Developed International Equity	19.50	6.89
Emerging Market Equity	6.50	9.54
U.S. Core Fixed Income	11.25	1.03
High Yield Bonds	1.50	3.99
International Bonds	2.25	0.19
TIPS	2.00	0.98
Real Estate	8.00	4.47
Commodities	3.00	3.78
Absolute Return (Hedge Fund)	9.00	4.30
Private Equity	9.00	7.60
Total	<u>100.00 %</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of December 31, 2018, which is same as last year. Article 5.5 of the 1937 Act, which authorizes the allocation of 50% excess earnings to the SRBR, does not allow the use of a different investment return assumption for funding than is used for interest crediting. In order to reflect the provisions of Article 5.5, future allocations to the SRBR have been treated as an additional outflow against ACERA’s fiduciary net position in the GASB crossover test. It is estimated that the additional outflow would average approximately 0.75% of assets over time, based on the results of the actuarial stochastic modeling of the 50% allocation of future excess earnings to the SRBR.

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current member contribution rates, and that employer contributions will be made at rates equal to the actuarially determined contribution rates plus additional future contributions that would follow from the future allocation of excess earnings to the SRBR. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, ACERA’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

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	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability	\$ 3,008,454	\$ 2,099,536	\$ 1,351,319

F. Pension Plan Fiduciary Net Position

Detailed information about pension plan fiduciary net position is available in the separately issued ACERA financial report.

14. Defined Benefit Pension Plan – Alameda County Fire District (ACFD)

A. Plan Description

The ACFD Miscellaneous Plan (Miscellaneous Plan) is a cost-sharing, multiple-employer, defined benefit plan and the ACFD Safety Plan (Safety Plan) is an agent multiple-employer, defined benefit plan. Both plans are administered by CalPERS. The Miscellaneous Plan and the Safety Plan provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and County ordinance.

All permanent ACFD non-safety employees classified as full-time are required to participate in the Miscellaneous Plan. Members hired before January 1, 2013 become eligible for service retirement upon attainment of age 50 with at least five years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements). PEPRA members become eligible for service retirement upon attainment of age 52 with at least five years of service.

All permanent ACFD safety employees classified as full-time are required to participate in the Safety Plan. Members become eligible for service retirement upon attainment of age 50 with at least five years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements).

The service retirement benefit is equal to the product of the benefit factor, years of service, and final compensation. The benefit factor depends on the benefit formula specified in the contract. The years of service is the amount credited by CalPERS to a member while employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The standard benefit is 36 months. Employers had the option of providing a final compensation equal to the highest 12 consecutive months for classic plans only.

The non-industrial disability retirement benefit is available to both ACFD safety and non-safety employees if the employee becomes disabled and has at least 5 years of credited service. There is no special age requirement and the illness or injury does not have to be job related. The employee must be active employed at the time of disability in order to be eligible for this benefit.

The industrial disability retirement is available only to ACFD safety employees. An employee is eligible for this benefit if the disability is work-related illness or injury, which is expected to be permanent or to last indefinitely.

Upon the death of retiree, a one-time lump sum payment of \$500 will be available to the retiree's designated survivor(s) or to the retiree's estate for both Plans.

A full description of the ACFD Miscellaneous and Safety Plan benefit provisions and membership information is available in the separately issued CalPERS Annual Actuarial Valuation Reports.

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B. Funding Policy

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The Miscellaneous Plan's actuarially determined rate is based on the estimated amount necessary to pay the Miscellaneous Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. ACFD is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2018, the active employee contribution rate is 7.00 percent of annual pay for non-PEPRA members and 6.25 percent of annual pay for PEPRA members. ACFD contribution rate is 9.41 percent of annual payroll for non-PEPRA members and 6.84 percent of annual payroll for PEPRA members.

The Safety Plan's actuarially determined rate is based on the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. ACFD is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2018, the active employee contribution rate is 9.00 percent of annual pay for non-PEPRA members and 11.50 percent of annual pay for PEPRA members. ACFD contribution rate is 19.83 percent of annual payroll.

ACFD's contribution rates may change if plan contracts are amended. The contribution requirements of employees and ACFD are established and may be amended by CalPERS.

C. Net Pension Liability

Miscellaneous Plan

As of June 30, 2019, ACFD reported a liability of \$2.65 million for its proportionate share of the net pension liability for the Miscellaneous Plan. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. ACFD's proportion of the net pension liability was based on a projection of ACFD's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2018, ACFD's proportion was 0.028 percent, which was an increase of 0.001 percent from its proportion measured as of June 30, 2017.

Safety Plan

As of June 30, 2019, ACFD reported a liability of \$110.10 million for its Safety Plan net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017.

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The following table summarizes the changes in the net pension liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2017	\$ 433,439	\$ 320,238	\$ 113,201
Changes for the year:			
Service cost	13,865	-	13,865
Interest	30,560	-	30,560
Changes of assumptions	(1,306)	-	(1,306)
Differences between expected and actual	(1,356)	-	(1,356)
Contributions - employer	-	14,551	(14,551)
Contributions - employee	-	4,764	(4,764)
Net investment income	-	26,991	(26,991)
Benefit payments ¹	(20,592)	(20,592)	-
Administrative expenses	-	(499)	499
Other miscellaneous expense	-	(948)	948
Net changes for the year	<u>21,171</u>	<u>24,267</u>	<u>(3,096)</u>
Balances at June 30, 2018	<u>\$ 454,610</u>	<u>\$ 344,505</u>	<u>\$ 110,105</u>

¹ Including refunds of employee contributions

D. Pension Expense and Deferred Flows of Resources Related to Pensions

Miscellaneous Plan

For the year ended June 30, 2019, ACFD recognized pension expense of \$950 thousand. At June 30, 2019, ACFD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 13	\$ -
Changes of assumptions	302	74
Differences between expected and actual experience	102	35
Changes in proportion and differences between ACFD contributions and proportionate share of contributions	574	27
ACFD contributions subsequent to the measurement date	729	-
Total	<u>\$ 1,720</u>	<u>\$ 136</u>

ACFD contributions of \$729 thousand are reported as deferred outflows of resources to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ 517
2021	373
2022	(11)
2023	(24)

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Safety Plan

For the year ended June 30, 2019, ACFD recognized pension expense of \$15.81 million. At June 30, 2019, ACFD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 764	\$ -
Changes of assumptions	16,124	2,954
Differences between expected and actual experience	921	1,310
ACFD contributions subsequent to the measurement date	15,178	-
Total	\$ 32,987	\$ 4,264

ACFD contributions of \$15.18 million are reported as deferred outflows of resources to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ 6,722
2021	3,960
2022	478
2023	2,865
2024	(436)
Thereafter	(44)

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E. 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 total pension liability at June 30, 2018 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2017
Discount Rate	7.15%
Inflation Rate	2.50%
Salary Increases	Varies by entry age and service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

¹ The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% if scale MP 2016. For more details on this table, please refer to the December 2017 experience study report.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1-10¹</u>	<u>Real Return Years 11+²</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	---	77.00%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	---	-0.92%

¹ An expected inflation rate of 2.00% is used for this period

² An expected inflation rate of 2.92% is used for this period

Discount Rate – The discount rate used to measure the total pension liability of both the Miscellaneous Plan and the Safety Plan was 7.15 percent as of June 30, 2018, which is the same as last year. The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current member contribution rates, and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, both the Miscellaneous Plan and the Safety Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Miscellaneous Plan

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents ACFD’s proportionate share of the net pension liability of the Miscellaneous Plan calculated using the discount rate of 7.15 percent, as well as what ACFD’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	<u>1% Decrease (6.15%)</u>	<u>Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
ACFD’s proportionate share of the net pension liability	\$ 4,745	\$ 2,652	\$ 924

Safety Plan

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents ACFD’s net pension liability for the Safety Plan calculated using the discount rate of 7.15 percent, as well as what the ACFD’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	<u>1% Decrease (6.15%)</u>	<u>Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
ACFD’s net pension liability	\$ 171,846	\$ 110,105	\$ 59,095

F. Pension Plan Fiduciary Net Position

Detailed information about pension plan fiduciary net position is available in the separately issued CalPERS financial report.

15. Other Postemployment Benefits - ACERA

A. Plan Description

ACERA administers a medical benefits plan for retired members and their eligible dependents. The County participates in the plan. The OPEB plan is a cost-sharing, multiple-employer, defined benefit plan. The OPEB plan 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 OPEB plan provides healthcare benefits for eligible retired members through health care subsidy in the form of the monthly medical allowance (MMA), Medicare Part B reimbursement, and dental and vision subsidies. Retirees can also purchase medical benefits for eligible dependents on an out-of-pocket basis.

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

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The maximum MMA in 2018 was \$540 and increases to \$558 in 2019 for retirees who are not purchasing individual insurance through the Medicare exchange. For those purchasing individual insurance through the Medicare exchange, the MMA was \$414 for 2018 and remains at \$414 for 2019. These allowances are subject to the following schedule:

<u>Completed Years of Service</u>	<u>Percentage Subsidized</u>
10-14	50%
15-19	75%
20+	100%

The ACERA Board of Retirement annually reviews the maximum MMA and does not index the MMA to increase automatically. In addition, the MMA can only be used to pay for retiree medical benefits. If the actual cost of coverage is less than the MMA, the benefit is limited to the cost of the medical insurance.

B. Funding Policy

The postemployment medical, dental and vision benefits are currently provided through the Supplemental Retirees Benefit Reserve (SRBR) as described in the ACERA Defined Benefit Pension Plan note. The SRBR is a funded trust that receives fifty percent of the investment earnings that are in excess of the assumed investment rate of return of the ACERA Defined Benefit Pension Plan. The County does not make postemployment medical benefit payments directly to retirees and does not have the ability to fund these benefits. However, the County's pension contribution to ACERA would be lower if not for the excess interest transfer to the SRBR.

C. OPEB Liabilities

As of June 30, 2019, the County reported a liability of \$175.52 million for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as December 31, 2017. The County's proportion of the net OPEB liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At December 31, 2018, the County's proportion was 75.36 percent, which was an increase of 0.16 percent from its proportion measured as of December 31, 2017.

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D. OPEB Expense and Deferred Flows of Resources Related to OPEB

For the year ended June 30, 2019, the County recognized OPEB expense of \$30.03 million. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 29,174
Changes of assumptions	31,138	7,322
Net difference between projected and actual earnings on investments	43,055	-
Changes in proportion and differences between County contributions and proportionate share of contributions	523	709
Total	<u>\$ 74,716</u>	<u>\$ 37,205</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2020	\$ 3,572
2021	3,572
2022	3,572
2023	31,313
2024	(1,578)
Thereafter	(2,940)

E. Actuarial Assumptions

The total OPEB liability at the December 31, 2018 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	December 31, 2017
Inflation	3.00%
Investment Rate of Return	7.25%, net of OPEB plan investment expense, including inflation
Health care premium trend rates	
Non-Medicare medical plan	Graded from 7.00% to ultimate 4.50% over 10 years
Medicare medical plan	Graded from 6.50% to ultimate 4.50% over 8 years
Dental/Vision and Medicare Part B	4.00%
Mortality Tables	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table, projected generationally with two-dimensional MP-2016 projection scale. The generational projection is a provision for future mortality improvement.
Date of Experience Study	December 1, 2013 through November 30, 2016

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses and a risk margin, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Large Cap Equity	22.40 %	5.75 %
Domestic Small Cap Equity	5.60	6.37
Developed International Equity	19.50	6.89
Emerging Market Equity	6.50	9.54
U.S. Core Fixed Income	11.25	1.03
High Yield Bonds	1.50	3.99
International Bonds	2.25	0.19
TIPS	2.00	0.98
Real Estate	8.00	4.47
Commodities	3.00	3.78
Absolute Return (Hedge Fund)	9.00	4.30
Private Equity	9.00	7.60
Total	<u>100.00 %</u>	

Discount Rate – The discount rate used to measure the total OPEB liability was 7.25% as of December 31, 2018. The projection of cash flows used to determine the discount rate assumes benefits are paid from current SRBR assets. Based on this assumption, the SRBR’s Fiduciary Net Position was projected to be available to make all projected future benefits payments for current plan members. Therefore the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate – The following presents the County’s proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the County’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County’s proportionate share of the net OPEB liability	\$ 274,009	\$ 175,522	\$ 93,232

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the County’s proportionate share of the net OPEB liability calculated using the current trend rate, as well as what the County’s proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower (6.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.0 percent decreasing to 5.5 percent) than the current rate:

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	1% Decrease (6.0%) decreasing to 3.5%)	Heathcare Cost Trend Rates (7.0%) decreasing to 4.5%)	1% Increase (8.0%) decreasing to 5.5%)
County's proportionate share of the net OPEB liability	\$ 83,301	\$ 175,522	\$ 288,591

F. OPEB Plan Fiduciary Net Position

Detailed information about OPEB plan's fiduciary net position is available in the separately issued ACERA financial report.

16. Other Postemployment Benefits – ACFD

A. Plan Description

The ACFD administers a defined benefit OPEB plan through CalPERS, an agent-multiple employer retirement system, for all eligible retired employees and their eligible dependents. Retirees are eligible if they retire from the ACFD with a minimum of five years of employment with the ACFD and ten years of service credit with CalPERS. The ACFD currently provides three tiers of medical benefit coverage to retirees, based on the hire date and years of service: tier 1- hire date before April 1, 2009, tier 2 – hire date on or after April 1, 2009 and before January 1, 2015; tier 3 – hire date on or after January 1, 2015. The ACFD pays the Minimum Employer Contribution (MEC) to CalPERS and provides eligible retirees with a stipend to offset medical benefit costs.

Tier 1 employees retiring from the ACFD with a minimum of five (5) years of services are eligible to receive a stipend amount, less the Minimum Employer Contribution (MEC), equal to the costs of the premium for the medical plan selected, up to the amount necessary for actual enrollment in Kaiser Single, Kaiser Two-Party, or Kaiser Family. For eligible retirees who are 65 years of age or older and enrolled in Medicare, the ACFD contribution will be a stipend amount, less the MEC, equal to the costs of the premium for the medical plan selected, not to exceed the premium for Kaiser Single, Kaiser Two-Party, or Kaiser Family Medicare medical coverage as applicable.

Tire 2 employees retiring from the ACFD with a minimum of five (5) years of services with the ACFD and a minimum of 10 years of total service credit with CalPERS, are eligible to receive percentage of post-retirement benefit from ACFD based on the following table:

Credited Years Of Service	Percentage of Employer Contribution
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

The ACFD's contribution will equal to the costs of the premium for the medical plan selected, not to exceed the premium for Kaiser Single, Kaiser Two-Party, or Kaiser Family Medicare medical coverage as applicable, less the

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MEC, with the application of the percentage of employer contribution. In no event will the department contribution be less than the MEC.

Tire 3 employees retiring from the ACFD with a minimum of five (5) years of services with the ACFD and a minimum of 10 years of total service credit with CalPERS, are eligible to receive post-retirement benefit from ACFD. The ACFD's maximum contribution will be based on ninety percent of either the Kaiser single or two-party rate (as applicable) less the MEC with the application of the formula as Tier 2, but in no event will the department contribution be less than the MEC.

At June 30, 2018, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
Inactives currently receiving benefits	294
Inactives entitled to but not yet receiving benefits	-
Active employees	427
Total	721

B. Funding Policy

The ACFD's current funding policy for postemployment medical benefits is pay-as-you-go, with employees making contribution to the CalPERS California Employers' Retiree Benefit Trust (CERBT) as a percentage of salary. For measurement year 2018, the ACFD's contribution is \$8.3 million. This amount includes \$1.6 million of employee contributions and \$6.7 million of employer contributions. The employer contributions are comprised of \$2.0 million in contributions to the trust, \$3.9 million in cash benefit payments, and \$759 thousand in implied subsidy benefit payments. The ACFD is working with an actuary and its contract agencies to develop a funding strategy and accounting methodology for its net OPEB liability.

C. Net OPEB Liability

As of June 30, 2019, ACFD reported a net OPEB liability of \$106.74 million. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2017.

The following table summarizes the changes in the net OPEB liability:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance at June 30, 2017	\$ 125,299	\$ 17,421	\$ 107,879
Changes for the year:			
Service cost	5,379	-	5,379
Interest	7,047	-	7,047
Changes of assumptions	(3,878)	-	(3,879)
Contributions - employer	-	6,668	(6,668)
Contributions - employee	-	1,630	(1,630)
Net investment income	-	1,424	(1,424)
Benefit payments	(4,626)	(4,626)	-
Administrative expenses	-	(33)	33
Net changes for the year	<u>3,922</u>	<u>5,063</u>	<u>(1,142)</u>
Balance at June 30, 2018	<u>\$ 129,221</u>	<u>\$ 22,484</u>	<u>\$ 106,737</u>

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D. OPEB Expense and Deferred Flows of Resources Related to OPEB

For the year ended June 30, 2019, ACFD recognized OPEB expense of \$7.72 million. At June 30, 2019, ACFD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ -	\$ 403
Changes of assumptions	-	10,588
ACFD contributions subsequent to the measurement date	6,929	-
Total	\$ 6,929	\$ 10,991

ACFD contributions of \$6.93 million are reported as deferred outflows of resources to OPEB and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2020	\$ (1,810)
2021	(1,810)
2022	(1,810)
2023	(1,709)
2024	(1,684)
Thereafter	(2,168)

E. 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 total OPEB liability at June 30, 2018 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Actuarial Valuation Date	June 30, 2017										
Contribution Policy	Employer contributions are made on an ad hoc basis Employees contribute based on current MOUs										
Discount Rate	Based on crossover test 5.71% at June 30, 2018 5.49% at June 30, 2017										
Long-Term Expected Rate of Return on Investments	6.75%, net of investment expenses										
Municipal Bond Rate	3.87% at June 30, 2018 3.58% at June 30, 2017 Bond Buyer 20-Bond GO Index										
Crossover Test Assumptions	Projected contributions based on average over prior 5 years, omitting 15/16 atypical contribution Administrative expenses = 0.06% of FNP Crossover occurs in 39 years										
General Inflation	2.75% per annum										
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study										
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2017										
Salary Increases	Aggregate - 3% Merit - CalPERS 1997-2015 Experience Study										
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4% in 2076 and later years Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4% in 2076 and later years										
Healthcare participation for future retirees	Hired before 4/1/09: 100% if currently covered, 90% if not currently covered Hired on or after 4/1/09: <table border="0" style="margin-left: 40px;"> <tr> <td>Service</td> <td>Participation</td> </tr> <tr> <td><10</td> <td>60%</td> </tr> <tr> <td>10-14</td> <td>90%</td> </tr> <tr> <td>15-19</td> <td>95%</td> </tr> <tr> <td>20+</td> <td>100%</td> </tr> </table>	Service	Participation	<10	60%	10-14	90%	15-19	95%	20+	100%
Service	Participation										
<10	60%										
10-14	90%										
15-19	95%										
20+	100%										

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

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<u>Asset Class</u>	<u>Target Allocation CERBT-Strategy 1</u>	<u>Expected Real Rate of Return</u>
Global Equity	57.00 %	4.82 %
Fixed Income	27.00	1.47
TIPS	5.00	1.29
Commodities	3.00	0.84
REITs	8.00	3.76
Total	<u>100.00 %</u>	

Assumed long-term inflation rate of 2.75%

Expected long-term net rate of return of 6.75%, rounded

Discount Rate – The discount rate used to measure the total OPEB liability was 5.71 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current member contribution rates, and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents ACFD’s net OPEB liability calculated using the discount rate of 5.71 percent, as well as what the ACFD’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.71 percent) or 1-percentage-point higher (6.71 percent) than the current rate:

	<u>1% Decrease (4.71%)</u>	<u>Discount Rate (5.71%)</u>	<u>1% Increase (6.71%)</u>
ACFD's net OPEB liability	\$ 125,938	\$ 106,737	\$ 91,159

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents ACFD’s net OPEB liability calculated using the current trend rate, as well as what ACFD’s net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower (6.5 percent decreasing to 3.0 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.0 percent) than the current rate:

	<u>1% Decrease (6.5% decreasing to 3.0%)</u>	<u>Current Trend Rate (7.5% decreasing to 4.0%)</u>	<u>1% Increase (8.5% decreasing to 5.0%)</u>
ACFD's net OPEB liability	\$ 88,094	\$ 106,737	\$ 130,302

F. OPEB Plan Fiduciary Net Position

Detailed information about OPEB plan fiduciary net position is available in the separately issued CalPERS financial report.

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17. 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.

Stadium Background

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

These funds coupled with \$13 million in the 2000 Series C reserve fund generated available funds of \$151.1 million which was used to refund the 2000 C Refunding Bonds of \$137.4 million, fund a reserve fund of \$12.8 million and to pay underwriter's discount and issuance cost of \$0.9 million. The all-in-interest cost of the 2012A refunding bonds was 3.04 percent.

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

The Stadium Bonds are limited obligations of the Coliseum Authority payable solely from certain revenues of the Coliseum Authority, including revenues from the Stadium and Arena Complex and base rental payments from the City and the County. The source of the Coliseum Authority's revenues relating to football games consists primarily of a portion of the club dues, concession, and parking payments. The Coliseum Authority has pledged the base rental payments and most other revenues received under the Master Lease from the lessees, the City and the County, to the trustee to pay debt service on the bonds. In the event that 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 shortfall 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. Base rental payments are projected to cover one hundred percent of the debt service requirements over the life of the bonds. The obligation of the City and the County to make such payments is reduced to the extent the Coliseum Authority receives revenues generated at the complex to pay debt service and for operations and maintenance. The Stadium Bonds are not general obligations of either the City or the County.

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Arena Background

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.

On April 14, 2015, the Authority issued \$79.7 million in Refunding Bonds Series 2015 with coupons of 0.8 to 3.8 percent to refund and defease all outstanding variable rate 1996 Series A-1 and A-2 Bonds. The bonds were sold at par, bringing total proceeds to \$79.7 million.

These funds coupled with \$3.3 million in the 1996 Series A reserve fund generated available funds of \$83 million which was used to refund the 1996 Series A Refunding Bonds of \$79.7 million to fund a reserve fund of \$2.1 million, to pay underwriter's discount and issuance cost of \$660 and \$491 was returned to the Authority's general fund. The all-in true interest cost of the 2015A refunding bonds was 3.3 percent.

There was an economic loss of \$13.4 million (difference between the present value of the old and the new debt service payments) due to the low variable interest rates on the old bonds and the higher fixed rates on the new bonds. The Authority was unable to maintain the bonds at a variable rate because it was not able to renew the letters of credit as required due to the tightening of the credit markets since 2008. However, the Authority was able to take advantage of the fixed rate market with historically low interest rates and issued fixed rate bonds.

Under the Bond Agreements, the Arena Bonds are limited obligations of the Coliseum Authority, payable solely from revenues received by the Coliseum Authority on behalf of the City and the County. Revenues consist of base rental payments from the City and County, certain payments from the Warriors of up to \$7.4 million annually from premium seating revenues, the sale of personal seat licenses by the Coliseum Authority, concessionaire payments and Arena naming rights. If necessary to prevent default, additional premium revenues up to \$10 million may be pledged to service Arena debt. 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 the County are obligated to make up the shortfall in the base rental payments 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 Warriors' obligation to pay up to \$7.4 million annually ends with the termination of the current lease option in June 2019. However, in October 2018, an arbitrator provided an interim ruling favorable to the City and the County regarding the Warriors' ongoing contractual obligation under the License Agreement to annually reimburse the Authority for any principal balance remaining on the Arena Bonds debt obligation if the net operating revenues are not sufficient to pay scheduled debt service through the term of the debt issuance. The Arbitrator's interim award was confirmed by the San Francisco Superior Court. However, the Warriors appealed the Superior Court decision to the First District Court of Appeal. The matter is being briefed and a decision is anticipated in 2020. In the meantime, in August 2019 the Warriors paid the first debt service installment to come due since the Superior Court ruling and it is anticipated that they will continue to do so during the appeal process.

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Debt Obligations

Long-term debt outstanding as of June 30, 2019 is as follows:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Authorized and Issued</u>	<u>Outstanding</u>
Stadium Bonds				
2012 Refunding Series A Lease Revenue Bonds	February 1, 2025	5%	\$ 122,815	\$ 65,000
Arena Bonds				
2015 Refunding Series A Lease Revenue Bonds	February 1, 2026	1% - 4%	<u>79,735</u>	<u>55,735</u>
Total Long-term debt			<u>\$ 202,550</u>	<u>\$ 120,735</u>

Debt payments during the fiscal year ended June 30, 2019 were as follows:

	<u>Stadium</u>	<u>Arena</u>	<u>Total</u>
Principal	\$ 9,100	\$ 6,600	\$ 15,700
Interest	3,718	1,993	5,711
Total	<u>\$ 12,818</u>	<u>\$ 8,593</u>	<u>\$ 21,411</u>

The following is a summary of long-term debt transactions for the year ended June 30, 2019:

Outstanding lease revenue bonds, July 1, 2018	\$ 136,435
Principal repayments	<u>(15,700)</u>
Outstanding lease revenue bonds, June 30, 2019	120,735
Amount due within one year	<u>(16,555)</u>
Amount due beyond one year	<u>\$ 104,180</u>

Annual debt service requirements to maturity for the lease revenue bonds, including interest payments, are as follows:

<u>For the Period Ending June 30</u>	<u>Stadium Bonds</u>		<u>Arena Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 9,555	\$ 3,250	\$ 7,000	\$ 1,837	\$ 16,555	\$ 5,087
2021	10,035	2,772	7,600	1,650	17,635	5,087
2022	10,535	2,271	8,200	1,426	18,735	3,697
2023	11,065	1,744	8,800	1,167	19,865	2,911
2024	11,615	1,190	9,250	873	20,865	2,063
2025-2026	12,195	610	14,885	735	27,080	1,345
Total	<u>\$ 65,000</u>	<u>\$ 11,837</u>	<u>\$ 55,735</u>	<u>\$ 7,688</u>	<u>\$ 120,735</u>	<u>\$ 20,190</u>

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Management of Coliseum Authority

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

Under the joint exercise of power 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. During the year ended June 30, 2019, the County made contributions of \$12.5 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 the County will have to contribute to base rental payments. Of the \$22 million appropriated in the general fund as part of the above agreements, it is estimated that the County will have to contribute \$10.5 million for the year ending June 30, 2020. 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 position in an amount equal to its contingent share (50 percent) of the outstanding Stadium Bonds, in the amount of \$32.5 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.

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.

18. Alameda Health System Discretely Presented Component Unit

Alameda Health System (AHS) operates medical and health facilities within Alameda County. In accordance with the Master Contract (Contract) between the County and AHS dated June 23, 1998, effective July 1, 1998, AHS 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 AHS.

In accordance with the Medical Facilities Lease between AHS and the County dated June 12, 1998, AHS 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 AHS unrestricted use of the facilities.

During the year ended June 30, 2014, AHS completed the acquisitions of the San Leandro Hospital (SLH) and the Alameda Hospital (AH). AHS continued to operate SLH as an acute care hospital with 36 acute staffed beds, and AH with 64 acute staffed beds, 35 sub-acute staffed beds, 146 skilled nursing staffed beds, and clinics. SLH is located at 13855 East 14th Street, San Leandro, California. AH is located at 2070 Clinton Avenue, Alameda, California.

Effective July 1, 2003, the County adopted the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*. This resulted in the Alameda Health System Foundation (Foundation) being included as a discretely presented component unit of AHS. During fiscal year 2004, the Foundation's Articles of Incorporation and bylaws were amended to require AHS to approve Foundation

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board members and to allow that upon dissolution, the Foundation's remaining assets would be distributed to AHS. The Foundation distributed \$6.2 million to AHS during fiscal year 2019.

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

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

	2018/19	2017/18
Estimated liability for claims and contingencies at the beginning of the fiscal year	\$ 29,999	\$ 32,180
Additional obligations	1,585	944
Payments	(38)	(3,125)
Estimated liability for claims and contingencies at the end of the fiscal year	\$ 31,546	\$ 29,999

AHS has experienced significant operating losses and negative cash flows from operations in recent years. AHS has financed its working capital needs through loans from the County. AHS expects to require ongoing working capital support from the County in fiscal year 2020.

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 percent. Seventy-five percent of the funds are to be used by AHS. On June 3, 2014, the voters of Alameda County approved Measure AA, which extends the expiration date of Measure A from June 30, 2019 to June 30, 2034.

In August 2004, the County placed a \$200 million limitation on net loans to AHS. As defined, this limitation is calculated as gross loans to AHS, reduced by board-designated funds held by the County on behalf of AHS. In fiscal year 2016, a permanent agreement was approved that sets a schedule of repayment of AHS net loans and a net loan limit of \$130 million at June 30, 2019. The net loan of \$60.72 million at June 30, 2019 is classified as long-term in the accompanying statement of net position. Should AHS, as a hospital authority, be terminated, the County may be required to assume the liabilities of AHS related to the operation of hospitals and clinics.

A. Net Patient Service Revenue

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, including the State of California, and others for services rendered at AHS, 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 AHS'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 54.5 percent and 29.9 percent, respectively, of gross patient service revenues, excluding certain federal aid

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revenues, for the year ended June 30, 2019. 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

AHS also receives significant revenues from components of the Medi-Cal Waiver Program. Beginning in fiscal year 2006, California Senate Bill 1100 (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. Effective January 1, 2016, California's Section 1115 Waiver Renewal was approved and established the Global Payment Program (GPP) of statewide funding for the uninsured, and the Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program funding for improved quality of care and better care coordination through safety net providers. AHS recognized \$143 million in revenues for Section 1115 waiver programs for the year ended June 30, 2019. This amount includes the net intergovernmental transfers for the year ended June 30, 2019 and adjustment to prior year revenues for changes in state allocations.

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. AHS provides services to patients who are financially screened and qualified to receive charity care under the guidelines of AB 774. AHS captures the amount of unreimbursed costs for services and supplies for patients who qualify for the charity care program and County programs. The following table summarizes the estimated cost of charity care for the year ended June 30, 2019:

Charity care at cost	\$ 10,086
Percent of operating expenses	1.0 %

In addition to the direct cost of charity care, AHS recognizes the unreimbursed costs of care provided to medically indigent patients covered by the Health Plan of Alameda County (HPAC) as contractual allowances. The following table summarizes the estimated HPAC unreimbursed costs for the year ended June 30, 2019:

HPAC unreimbursed cost	\$ 8,953
Percent of operating expenses	0.8 %

E. Accounts Receivable

Accounts receivable at June 30, 2019, comprised the following:

Patient accounts receivable	\$ 301,110
Due from State of California	19,525
Other accounts receivable	5,644
Total	\$ 326,279

Patient accounts receivable include amounts due from third party payors, patients, and other agencies for patient services rendered and is net of \$598.6 million in estimated contractual adjustments and uncollectible accounts. Other accounts receivable include professional and other fees earned on patient services and services provided to various outside agencies. Also included in other accounts receivable are reimbursement claims for grants expenditures, amounts owed to AHS from the State for payments under the SB 1100 program, and uncollected contributions to the Foundation.

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F. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2019, comprised the following:

Accounts payable	\$ 56,049
Accrued payroll	20,257
Due to third-party payors	200,880
	<u>\$ 277,186</u>

G. Pension Obligation Bond Commitments

The County issued pension obligation bonds in 1995 and 1996 and contributed the net bond proceeds to the pension plan. A portion of the obligation is attributable to the participation of AHS employees in ACERA and allows ACERA to provide pension obligation bond credits to AHS, thus reducing contributions otherwise payable to ACERA over time.

H. Defined Benefit Pension Plan

AHS 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 boards 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, 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.

ACERA and AHS separately issue their stand-alone financial statements which can be directly obtained from their respective offices.

I. Other Postemployment Benefits

AHS also participates in an OPEB plan administered by ACERA for retired members and their eligible dependents. The OPEB plan 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 and Health System's contribution to retirement towards medical premiums of retirees.

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Retired employees from AHS receive a monthly medical allowance toward the cost of their health insurance 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. AHS does not make postemployment medical benefit payments directly to retirees and does not have the ability to fund these benefits.

As of June 30, 2019, the proportionate share of net OPEB liability was \$43.7 million.

ACERA and AHS separately issue their stand-alone financial statements which can be directly obtained from their respective offices.

19. Self-Insurance and Contingencies

A. Self-insurance and Purchased Insurance

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

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

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

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PRIMARY GOVERNMENT

Property insurance is purchased on a March 31 policy year. Therefore, the information provided in the table below is for property insurance policies covering the period March 31, 2019 to March 31, 2020.

amounts in tables expressed in dollars

Property Insurance – Declared values as of March 31, 2019 for Policy Period March 31, 2019 to March 31, 2020			
	Funding Sources and Coverage Limits		
Coverage type and declared value, if applicable	Deductible	Pooled Retention Limit (CSAC-EIA)	Excess Insurance Limit (Various carriers)
All Risk		3,000,000 per occurrence, \$10,000,000 Aggregate, reinsured by EIO, a captive of EIA	\$600,000,000
Real and personal property and rents: \$3,279,027,259	\$50,000		
Vehicles and mobile equipment (excluding buses): \$160,821,722	\$10,000, except \$100,000 for vehicles with replacement value greater than \$250,000		
Buses: \$4,135,824	\$100,000		
Fine Arts (scheduled): \$1,952,093	\$50,000		
Terrorism	\$50,000	\$200,000	\$550,000,000
Flood: \$3,279,027,259	\$50,000 (5% per unit subject to minimum per occurrence based on TIV and a maximum of \$5 million per occurrence)	\$75,000	\$300,000,000 flood per tower
Earthquake: \$3,133,777,745	5%* of total values per unit per occurrence subject to a minimum of \$100,000 and \$50,000,000 maximum for Towers I, II, III, IV and V combined less the EIA Buy-Down credit EIA Deductible Buy-Down Credit: For all Earthquake events occurring in a single policy year in Towers I-VIII (except John Wayne Airport), the Authority is responsible for a maximum credit of 3% of total values per unit per occurrence per covered party subject to a maximum of \$30,000,000 per occurrence and annual aggregate for all covered parties. It is further understood and agreed that if the \$30,000,000 annual aggregate EIA Deductible Buy-Down credit is exceeded by an accumulation of loss(es) from one or more events in a single policy year, the payments to individual covered parties will be made on a proportional basis.	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 \$100 million in purchased coverage for each tower and an additional \$365 million in annual aggregate purchased coverage shared among all members in Towers I –VI only, for total purchased earthquake coverage of \$965M, subject to limits of \$465 million per tower. The total limit available to Alameda County across the three towers in which its property is scheduled is \$665 million: \$100 million per tower and \$365	

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

amounts in tables expressed in dollars

Program Description	Funding Sources and Coverage Limits		
	Self-Insured Retention	Pooled Retention Limit (CSAC-EIA)	Excess Insurance Limit (Various carriers)
General and Auto liability	\$1,000,000	\$24,500,000 corridor retention, reinsured by EIO, a captive of EIA.	\$25,000,000 (inclusive of retention)
Medical Malpractice	\$10,000 deductible	\$1,500,000	\$20,000,000
Workers' Compensation	\$3,000,000	A single shared corridor retention of \$47,765,027 reinsured by EIO, a captive of EIA	Statutory
Employer's Liability	\$3,000,000	\$2,000,000	
Pollution Liability	\$250,000	\$0	\$10 million per occurrence / \$50 million policy aggregate

The County purchases insurance for the following exposures:

amounts in tables expressed in dollars

Description	Deductible	Limit
Aircraft Coverage:		
Aircraft Liability	\$0	\$25,000,000
Aircraft Hull (2000 Cessna 206H)	\$0	PD value: \$825,000
Aircraft Hull (1980 Cessna U206)	\$0	PD value: \$125,000
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	\$1,000,000
Foster Parents Liability	\$250	\$300,000
Crime Bond / Employee Dishonesty	\$2,500	\$15,000,000
Cyber Liability	\$100,000	\$2,000,000
Cyber Liability – Enhanced Option	At least 100 Notified Individuals	100,000 Notified Individuals in the aggregate
Public Guardian Bonds	\$2,500	\$15,000,000
Notary Bonds	\$0	\$1,004,000
Notary Public Errors and Omissions	\$0	\$10,000

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

COUNTY OF ALAMEDA, CALIFORNIA

**NOTES TO BASIC FINANCIAL STATEMENTS
(amounts in tables expressed in thousands)
JUNE 30, 2019**

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

	General Liability		Workers' Compensation		Total	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Estimated liability for claims and contingencies at the beginning of the fiscal year	\$ 21,870	21,377	\$ 119,701	\$ 111,613	\$ 141,571	\$ 132,990
Incurred claims and claim adjustment expenses	10,232	10,389	34,976	30,044	45,208	40,433
Payments	(6,466)	(9,896)	(23,555)	(21,956)	(30,021)	(31,852)
Total estimated liability for claims and contingencies at the end of the fiscal year	<u>\$ 25,636</u>	<u>\$ 21,870</u>	<u>\$ 131,122</u>	<u>\$ 119,701</u>	<u>\$ 156,758</u>	<u>\$ 141,571</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.

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, 2019, 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 Health System'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. AHS believes that it has adequately provided for any potential liabilities which may arise from the intermediaries' reviews.

20. Alameda County Redevelopment Successor Agency Private-Purpose Trust Fund

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

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

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

COUNTY OF ALAMEDA, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS
(amounts in tables expressed in thousands)
JUNE 30, 2019

In accordance with the timeline set forth in ABx1 26 (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, as allowed in ABx1 26, the County elected to retain the housing assets and functions previously performed by the former redevelopment agency. The assets and activities of the Housing Successor Assets special revenue fund are reported within non-major governmental funds of the County. The remaining assets, liabilities, and activities of the dissolved Alameda County Redevelopment Agency are reported in the Alameda County Redevelopment Successor Agency private-purpose trust fund.

Capital asset activities of the private-purpose trust fund for the year ended June 30, 2019, are as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2019</u>
Capital assets, being depreciated:				
Infrastructure	\$ 3,111	\$ -	\$ -	\$ 3,111
Less accumulated depreciation for:				
Infrastructure	(690)	(62)	-	(752)
Total capital assets, being depreciated, net	<u>\$ 2,421</u>	<u>\$ (62)</u>	<u>\$ -</u>	<u>\$ 2,359</u>

The changes in liabilities, other than long-term debt, of the private-purpose trust fund for the year ended June 30, 2019 are as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
Due to other governmental units	<u>\$ 10,870</u>	<u>\$ -</u>	<u>\$ (2,962)</u>	<u>\$ 7,908</u>	<u>\$ 3,017</u>

The outstanding tax allocation bonds of the Alameda County Redevelopment Successor Agency as of June 30, 2019:

<u>Type of Obligation and Purpose</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding</u>
Tax allocation bonds				
Alameda County Successor Agency				
Eden Area Redevelopment Bonds	8/1/2036	4.0 - 5.0 %	\$ 34,735	<u>\$ 25,410</u>

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 \$37.6 million, with the final payment due on August 1, 2036. The tax allocation bonds are secured by and to be serviced from tax increment revenues of the project areas. All project tax increment revenues except dedicated housing tax increment allocation are the security for the bonds. These revenues have been pledged until the year 2036. Pledged tax increment revenue recognized during the year ended June 30, 2018 was \$2.0 million as against the total debt service payment of \$2.1 million. Pursuant to California Assembly Bill ABx1 26, the responsibility for the payment of this debt was transferred to the Alameda County Redevelopment Successor Agency private-purpose trust fund.

COUNTY OF ALAMEDA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
(amounts in tables expressed in thousands)
JUNE 30, 2019

The changes in the tax allocation bonds of the Alameda County Redevelopment Successor Agency for the year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Additional Obligations and Net Increases	Current Maturities, Retirements, and Net Decreases	Balance June 30, 2019	Amounts Due Within One Year
Tax allocation bonds	\$ 26,335	\$ -	\$ (925)	\$ 25,410	\$ 960
Deferred amount for issuance premium	221	-	(12)	209	12
Total private-purpose trust bonds payable	<u>\$ 26,556</u>	<u>\$ -</u>	<u>\$ (937)</u>	<u>\$ 25,619</u>	<u>\$ 972</u>

Annual debt service requirements for Alameda County Redevelopment Successor Agency tax allocation bonds outstanding as of June 30, 2019 are as follows:

For the Year Ending June 30	Tax Allocation Bonds		
	Principal	Interest	Total
2020	\$ 960	\$ 1,145	\$ 2,105
2021	1,000	1,105	2,105
2022	1,040	1,063	2,103
2023	1,085	1,017	2,102
2024	1,130	970	2,100
2025-2029	6,430	4,068	10,498
2030-2034	7,975	2,462	10,437
2035-2039	5,790	444	6,234
	<u>\$ 25,410</u>	<u>\$ 12,274</u>	<u>\$ 37,684</u>

21. Subsequent Event

On December 4, 2019, the Alameda County, acting on behalf of the Joint Powers Authority, deposited \$20 million to the trustee's reimbursement account for the purpose of repaying a portion of the principal on the Commercial Paper Notes. The funds will be invested on a 2-month treasury investment until the payoff occurs on February 5, 2020.



**REQUIRED SUPPLEMENTARY
INFORMATION**

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)
JUNE 30, 2019

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios

ACERA

Fiscal Year	Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability (a)	Covered Payroll (b)	NPL Proportion as percentage of Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a percentage of Total Pension Liability
2019	75.96 %	\$ 2,099,536	\$ 719,298	291.89 %	77.93 %
2018	77.54	1,561,392	686,402	227.47	77.93
2017	76.56	1,717,410	660,415	260.05	77.01
2016	76.26	1,615,549	658,750	245.24	73.43
2015	77.01	1,340,553	614,704	218.08	77.26

CalPERS Miscellaneous Plan

Fiscal Year	Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability (a)	Covered Payroll (b)	NPL Proportion as percentage of Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as percentage of Total Pension Liability
2019	0.028 %	\$ 2,652	\$ 6,737	39.37 %	73.31 %
2018	0.027	2,720	6,311	43.10	73.31
2017	0.025	2,181	6,134	35.56	74.06
2016	0.023	1,600	5,951	26.88	78.40
2015	0.026	1,614	5,244	30.77	83.03

These schedules are intended to show information for ten years, information will be added as it becomes available.

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

(amounts expressed in thousands)

JUNE 30, 2019

Schedule of Changes in the Net Pension Liability and Related Ratios

CalPERS Safety Plan

	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Total pension liability					
Service cost	\$ 13,865	\$ 13,986	\$ 13,168	\$ 13,449	\$ 14,144
Interest	30,560	29,083	27,452	25,746	23,869
Changes of assumptions	(1,306)	24,186	-	(6,244)	-
Differences between expected and actual experience	(1,356)	692	(352)	1,544	-
Benefit payments, including refunds of employee contributions	(20,592)	(18,785)	(17,229)	(15,559)	(13,785)
Net change in total pension liability	21,171	49,162	23,039	18,936	24,228
Total pension liability, beginning	433,439	384,277	361,238	342,302	318,074
Total pension liability, ending	<u>\$ 454,610</u>	<u>\$ 433,439</u>	<u>\$ 384,277</u>	<u>\$ 361,238</u>	<u>\$ 342,302</u>
Safety plan fiduciary net position					
Contributions - employer	\$ 14,551	\$ 14,046	\$ 12,596	\$ 12,024	\$ 12,029
Contributions - employee	4,764	4,434	4,164	4,144	4,465
Net investment income	26,991	32,203	1,614	6,379	41,634
Other miscellaneous income/(Expense)	(948)	-	-	-	-
Benefit payments, including refunds of employee contributions	(20,592)	(18,785)	(17,229)	(15,559)	(13,785)
Administrative expense	(499)	(426)	(175)	(324)	-
Net change in safety plan fiduciary net position	24,267	31,472	970	6,664	44,343
Safety plan fiduciary net position, beginning	320,238	288,766	287,796	281,132	236,789
Safety plan fiduciary net position, ending	<u>\$ 344,505</u>	<u>\$ 320,238</u>	<u>\$ 288,766</u>	<u>\$ 287,796</u>	<u>\$ 281,132</u>
County's net pension liability - ending	<u>\$ 110,105</u>	<u>\$ 113,201</u>	<u>\$ 95,511</u>	<u>\$ 73,442</u>	<u>\$ 61,170</u>
Safety plan fiduciary net position as a percentage of the total pension liability	75.78 %	73.88 %	75.15 %	79.67 %	82.13 %
Covered payroll	\$ 47,042	\$ 45,815	\$ 45,596	\$ 45,029	\$ 45,785
County's net pension liability as a percentage of covered payroll	234.06 %	247.08 %	209.47 %	163.10 %	133.60 %

These schedules are intended to show information for ten years, information will be added as it becomes available.

COUNTY OF ALAMEDA, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)
JUNE 30, 2019**

Schedule of County Contributions - Pension Plans

ACERA

Fiscal Year*	Contractually Required Contribution	Contributions in relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Employee Payroll
2019	\$ 220,067	\$ 220,067	\$ -	\$ 737,129	29.85 %
2018	189,776	189,776	-	704,619	26.93
2016	182,764	182,764	-	660,415	27.67
2015	169,323	169,323	-	658,750	25.70
2014	159,661	159,661	-	614,704	25.97

*Starting FY 2018, county contributions are reported by fiscal year instead of calendar year.

CalPERS Miscellaneous Plan

Fiscal Year	Contractually Required Contribution	Contributions in relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Employee Payroll
2019	\$ 729	\$ 729	\$ -	\$ 7,206	10.12 %
2018	632	632	-	6,737	9.38
2017	515	515	-	6,311	8.16
2016	491	491	-	6,134	8.00
2015	652	652	-	5,951	10.96
2014	564	564	-	5,244	10.76

CalPERS Safety Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Employee Payroll
2019	\$ 15,178	\$ 15,178	\$ -	\$ 48,135	31.53 %
2018	14,521	14,251	-	48,646	29.85
2017	14,046	14,046	-	45,815	30.66
2016	12,596	12,596	-	44,064	28.59
2015	12,024	12,024	-	45,029	26.70
2014	12,029	12,029	-	45,785	26.27

These schedules are intended to show information for ten years, information will be added as it becomes available.

COUNTY OF ALAMEDA, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

Notes to the CalPERS Safety Plan Schedule- Pension

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2019 were from the June 30, 2015 public agency valuations:

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50% net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)
JUNE 30, 2019

Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios

ACERA

Fiscal Year	Proportion of Net OPEB Liability	Proportionate Share of Net OPEB Liability (a)	Covered Payroll (b)	NOL Proportion as percentage of Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a percentage of Total OPEB Liability
2019	75.36 %	\$ 175,522	\$ 719,298	24.4 %	77.91 %
2018	75.20	20,664	686,402	3.01	97.33

Schedule of Changes in the Net OPEB Liability and Related Ratios

CalPERS

	Fiscal Year 2019	Fiscal Year 2018
Service cost	\$ 5,379	\$ 5,905
Interest	7,047	6,490
Changes of assumptions	(3,878)	(9,592)
Differences between expected and actual experience		
Benefit payments, including refunds of employee contributions	(4,626)	(4,915)
Net change in total OPEB liability	3,922	(2,112)
Total OPEB liability, beginning	125,299	127,411
Total OPEB liability, ending	<u>\$ 129,221</u>	<u>\$ 125,299</u>
CalPERS fiduciary net position		
Contributions - employer	\$ 6,668	\$ 7,086
Contributions - employee	1,630	1,241
Net investment income	1,424	1,468
Benefit payments, including refunds of employee contributions	(4,626)	(4,915)
Administrative expense	(33)	(8)
Net change in safety plan fiduciary net position	5,063	4,872
Safety plan fiduciary net position, beginning	17,421	12,549
Safety plan fiduciary net position, ending	<u>\$ 22,484</u>	<u>\$ 17,421</u>
County's net OPEB liability - ending	<u>\$ 106,737</u>	<u>\$ 107,878</u>
CalPERS plan fiduciary net position as a percentage of the total OPEB liability	17.40 %	13.90 %
Covered payroll	\$ 70,029	\$ 72,109
County's net OPEB liability as a percentage of covered payroll	152.42 %	149.60 %

These schedules are intended to show information for ten years, information will be added as it becomes available.

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)
JUNE 30, 2019

Schedule of County Contributions - OPEB Plans

ACERA

Fiscal Year*	Contractually Required Contribution	Contributions in relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Employee Payroll
2019	\$ -	\$ -	\$ -	\$ 737,129	- %
2018	-	-	-	704,619	-

CalPERS

Fiscal Year	Contractually Required Contribution	Contributions in relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
2019	\$ 10,021	\$ 6,929	\$ 3,092	\$ 73,445	9.40 %
2018	11,220	6,668	4,552	75,330	8.90

These schedules are intended to show information for ten years, information will be added as it becomes available.

COUNTY OF ALAMEDA, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)
JUNE 30, 2019**

Notes to the CalPERS Plan Schedule- OPEB

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2019 were from the June 30, 2017 public agency valuations:

Actuarial cost method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level Percentage of Pay
Amortization Period	17-year fixed period on average for 2018-2019
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.75% blended rate
Inflation Rate	2.75%
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4% in 2076 and later years
	Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4% in 2076 and later years
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with modified Scale MP-2017

COUNTY OF ALAMEDA, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 554,850	\$ 578,427	\$ 587,620	\$ 9,193
Licenses and permits	9,271	9,271	10,234	963
Fines, forfeitures, and penalties	14,306	17,618	27,826	10,208
Use of money and property	8,579	8,579	47,754	39,175
State aid	1,145,951	1,211,382	1,247,634	36,252
Federal aid	506,225	520,484	433,354	(87,130)
Other aid	29,194	29,272	63,680	34,408
Charges for services	354,428	392,152	372,347	(19,805)
Other revenue	177,824	183,821	61,099	(122,722)
Total revenues	2,800,628	2,951,006	2,851,548	(99,458)
Expenditures:				
Current				
General government				
Salaries and benefits	113,063	119,500	108,786	10,714
Services and supplies	54,926	51,790	42,130	9,660
Other charges	27,689	32,323	15,383	16,940
Capital assets	1,200	5,462	8,682	(3,220)
Public protection				
Salaries and benefits	559,902	615,975	590,874	25,101
Services and supplies	265,990	282,880	250,178	32,702
Other charges	7,499	7,504	6,852	652
Capital assets	1,312	4,045	3,911	134
Public assistance				
Salaries and benefits	294,633	296,141	283,083	13,058
Services and supplies	287,385	302,548	225,279	77,269
Other charges	341,425	341,412	296,575	44,837
Capital assets	734	737	678	59
Health and sanitation				
Salaries and benefits	215,165	219,059	197,039	22,020
Services and supplies	688,142	745,146	603,180	141,966
Other charges	162,535	191,315	126,961	64,354
Capital assets	70	202	78	124
Public ways and facilities				
Salaries and benefits	563	563	542	21
Services and supplies	3,283	3,595	3,142	453
Recreation and cultural services				
Salaries and benefits	10	11	11	-
Services and supplies	750	795	795	-
Education				
Services and supplies	339	339	339	-
Capital outlay	2,862	4,704	2,643	2,061
Pension bond debt service transfer	(63,680)	(63,680)	(63,680)	-
Total expenditures	2,965,797	3,162,366	2,703,461	458,905
Excess (deficiency) of revenues over expenditures	(165,169)	(211,360)	148,087	359,447
Other financing sources (uses):				
Transfers in	-	54,204	2,637	(51,567)
Transfers out	(63,680)	(176,680)	(148,423)	28,257
Budgetary reserves and designations	-	(15,870)	-	15,870
Total other financing sources (uses)	(63,680)	(138,346)	(145,786)	(7,440)
Net change in fund balance	(228,849)	(349,706)	2,301	352,007
Add outstanding encumbrances for current budget year	-	-	212,732	212,732
Fund balance - beginning of period	1,682,421	1,682,421	1,682,421	-
Fund balance - end of period	\$ 1,453,572	\$ 1,332,715	\$ 1,897,454	\$ 564,739

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 PROPERTY DEVELOPMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 237	\$ 237	\$ 17,870	\$ 17,633
Other revenue	3,000	3,000	1,703	(1,297)
Total revenues	<u>3,237</u>	<u>3,237</u>	<u>19,573</u>	<u>16,336</u>
Expenditures:				
Current				
General government				
Salaries and benefits	518	518	308	210
Services and supplies	1,401	1,401	294	1,107
Capital assets	125	125	-	125
Public assistance				
Salaries and benefits	-	239,480	53,350	186,130
Total expenditures	<u>2,044</u>	<u>241,524</u>	<u>53,952</u>	<u>187,572</u>
Excess of revenues over expenditures	<u>1,193</u>	<u>(238,287)</u>	<u>(34,379)</u>	<u>203,908</u>
Other financing sources (uses):				
Proceeds from sale of land	10,000	10,000	11,793	1,793
Refunding bonds issued	1,380	1,380	-	(1,380)
Transfers out	(11,252)	(56,007)	(8,770)	47,237
Total other financing sources (uses)	<u>128</u>	<u>(44,627)</u>	<u>3,023</u>	<u>47,650</u>
Net change in fund balance	1,321	(282,914)	(31,356)	251,558
Add outstanding encumbrances for current budget year	-	-	26,454	26,454
Fund balance - beginning of period	<u>613,198</u>	<u>613,198</u>	<u>613,198</u>	<u>-</u>
Fund balance - end of period	<u>\$ 614,519</u>	<u>\$ 330,284</u>	<u>\$ 608,296</u>	<u>\$ 278,012</u>

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 FLOOD CONTROL SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 41,357	\$ 47,071	\$ 47,032	\$ (39)
Licenses and permits	25	25	54	29
Use of money and property	1,452	1,452	6,995	5,543
State aid	4,195	4,195	915	(3,280)
Federal aid	-	-	6	6
Other aid	2,824	2,824	4,208	1,384
Charges for services	12,553	12,553	12,418	(135)
Other revenue	75	75	1,090	1,015
Total revenues	62,481	68,195	72,719	4,524
Expenditures:				
Current				
Public protection				
Salaries and benefits	41,796	41,836	17,013	24,823
Services and supplies	109,114	137,539	81,149	56,390
Other charges	1,048	2,248	1,084	1,164
Capital assets	6,264	6,504	1,079	5,425
Total expenditures	158,222	188,127	100,325	87,802
Excess (deficiency) of revenues over expenditures	(95,741)	(119,932)	(27,606)	92,326
Other financing uses:				
Transfers out	(25)	(235)	(146)	89
Total other financing uses	(25)	(235)	(146)	89
Net change in fund balance	(95,766)	(120,167)	(27,752)	92,415
Add outstanding encumbrances for current budget year	-	-	48,412	48,412
Fund balance - beginning of period	214,012	214,012	214,012	-
Fund balance - end of period	\$ 118,246	\$ 93,845	\$ 234,672	\$ 140,827

COUNTY OF ALAMEDA, CALIFORNIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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 capital projects fund. No formal budget is adopted for inmate welfare and housing successor asset special revenue funds. 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.

Budgetary 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	\$ 2,703,461	\$ 53,952	\$ 100,325
Encumbrances for current budget year	(212,732)	(26,454)	(48,412)
GAAP basis expenditures	<u>\$ 2,490,729</u>	<u>\$ 27,498</u>	<u>\$ 51,913</u>

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**COMBINING FINANCIAL
STATEMENTS AND OTHER
SUPPLEMENTARY INFORMATION**

**COUNTY OF ALAMEDA, CALIFORNIA
COMBINING FINANCIAL STATEMENTS AND
OTHER SUPPLEMENTARY INFORMATION**

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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive Negative
	Original	Final		
Revenues:				
Fines, forfeitures, and penalties	\$ 2,928	\$ 2,928	\$ 2,884	\$ (44)
Use of money and property	-	-	2,980	2,980
State aid	3,247	3,247	-	(3,247)
Federal aid	400	400	-	(400)
Other revenue	-	-	39	39
Total revenues	<u>6,575</u>	<u>6,575</u>	<u>5,903</u>	<u>(672)</u>
Expenditures:				
Capital outlay	165,992	189,773	91,400	98,373
Deficiency of revenues over expenditures	<u>(159,417)</u>	<u>(183,198)</u>	<u>(85,497)</u>	<u>97,701</u>
Other financing sources (uses):				
Issuance of debt	-	-	30,000	30,000
Transfers in	27,157	56,448	14,705	(41,743)
Transfers out	(545)	(2,423)	(570)	1,853
Total other financing sources (uses)	<u>26,612</u>	<u>54,025</u>	<u>44,135</u>	<u>(9,890)</u>
Net change in fund balance	<u>(132,805)</u>	<u>(129,173)</u>	<u>(41,362)</u>	<u>87,811</u>
Add outstanding encumbrances for current budget year	-	-	29,702	29,702
Fund balance - beginning	<u>65,596</u>	<u>65,596</u>	<u>65,596</u>	<u>-</u>
Fund balance - ending	<u>\$ (67,209)</u>	<u>\$ (63,577)</u>	<u>\$ 53,936</u>	<u>\$ 117,513</u>

**COUNTY OF ALAMEDA, CALIFORNIA
COMBINING FINANCIAL STATEMENTS AND
OTHER SUPPLEMENTARY INFORMATION**

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 restricted for fire protection services in the unincorporated areas of the County.

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

Lighting Fund - This fund is used to account for revenues and expenditures restricted for 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 restricted for the provision of road maintenance, bridge maintenance and sanitary sewer, domestic water, and drainage facilities in the unincorporated service areas of Castlewood, Castle Homes, Morva Drive, Morva Court, Five Canyons and the Estuary Bridges.

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 restricted for the provision of police protection in the unincorporated areas of the County.

Housing Successor Assets Fund - This fund is used to account for the low and moderate income housing assets of the former Alameda County Redevelopment Agency. A formal budget is not adopted for this fund.

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 U.S. tobacco companies.

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019
 (amounts expressed in thousands)

	Special Revenue					
	Fish and Game	Road	County Library	Library Special Taxing Zone	Health Services	Fire
Assets:						
Cash and investments with County Treasurer	\$ 274	\$ 115,036	\$ 19,531	\$ 555	\$ 15,064	\$ 73,503
Cash and investments with fiscal agents	-	-	2	-	-	2
Restricted assets - cash and investments with fiscal agents	-	-	-	-	-	-
Deposits with others	-	-	-	-	-	6,596
Other receivables	2	2,398	2,060	29	204	14,452
Due from component unit	-	8	-	-	-	-
Inventory of supplies	-	92	-	-	-	-
Prepaid items	-	-	-	-	-	833
Loans receivable	-	-	-	-	173	-
Total assets	<u>\$ 276</u>	<u>\$ 117,534</u>	<u>\$ 21,593</u>	<u>\$ 584</u>	<u>\$ 15,441</u>	<u>\$ 95,386</u>
Liabilities, deferred inflows of resources, and fund balances						
Liabilities:						
Accounts payable and accrued expenditures	\$ -	\$ 4,428	\$ 869	\$ 169	\$ 4,520	\$ 4,860
Due to other funds	-	-	-	-	-	-
Due to component unit	-	-	-	-	197	-
Unearned revenue	-	-	-	-	95	1,232
Total liabilities	<u>-</u>	<u>4,428</u>	<u>869</u>	<u>169</u>	<u>4,812</u>	<u>6,092</u>
Deferred inflows of resources						
Unavailable revenue	-	-	92	-	173	154
Fund balances:						
Nonspendable	-	92	-	-	-	833
Restricted	276	113,014	20,632	415	10,456	76,860
Assigned	-	-	-	-	-	11,447
Total fund balances	<u>276</u>	<u>113,106</u>	<u>20,632</u>	<u>415</u>	<u>10,456</u>	<u>89,140</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 276</u>	<u>\$ 117,534</u>	<u>\$ 21,593</u>	<u>\$ 584</u>	<u>\$ 15,441</u>	<u>\$ 95,386</u>

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(amounts expressed in thousands)

	Special Revenue				
	Recovery Grants	Lighting	Public Ways and Facilities	Dublin Library	Police Protection
Assets:					
Cash and investments with County Treasurer	\$ 411	\$ 3,175	\$ 7,562	\$ 6	\$ -
Cash and investments with fiscal agents	-	-	-	-	-
Restricted assets - cash and investments with fiscal agents	-	-	-	-	-
Deposits with others	-	-	-	-	-
Other receivables	1	20	212	-	1,077
Due from component unit	-	-	-	-	-
Inventory of supplies	-	-	-	-	-
Prepaid items	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total assets	<u>\$ 412</u>	<u>\$ 3,195</u>	<u>\$ 7,774</u>	<u>\$ 6</u>	<u>\$ 1,077</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable and accrued expenditures	\$ -	\$ 38	\$ 101	\$ -	\$ -
Due to other funds	-	-	-	-	843
Due to component unit	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>38</u>	<u>101</u>	<u>-</u>	<u>843</u>
Deferred inflows of resources					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	412	3,157	7,673	6	234
Assigned	-	-	-	-	-
Total fund balances	<u>412</u>	<u>3,157</u>	<u>7,673</u>	<u>6</u>	<u>234</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 412</u>	<u>\$ 3,195</u>	<u>\$ 7,774</u>	<u>\$ 6</u>	<u>\$ 1,077</u>

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(amounts expressed in thousands)

	Special Revenue			Debt Service	Total Non-major Governmental Funds
	Housing Successor Assets	Inmate Welfare	Total	Tobacco Securitization Authority	
Assets:					
Cash and investments with County Treasurer	\$ -	\$ 5,647	\$ 240,764	\$ -	\$ 240,764
Cash and investments with fiscal agents	-	-	4	-	4
Restricted assets - cash and investments with fiscal agents	-	-	-	85,441	85,441
Deposits with others	-	-	6,596	-	6,596
Other receivables	-	488	20,943	7,750	28,693
Due from component unit	-	-	8	-	8
Inventory of supplies	-	-	92	-	92
Prepaid items	-	-	833	-	833
Loans receivable	34,190	-	34,363	-	34,363
Total assets	<u>\$ 34,190</u>	<u>\$ 6,135</u>	<u>\$ 303,603</u>	<u>\$ 93,191</u>	<u>\$ 396,794</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable and accrued expenditures	\$ -	\$ 542	\$ 15,527	\$ -	\$ 15,527
Due to other funds	-	-	843	8	851
Due to component unit	-	-	197	-	197
Unearned revenue	-	-	1,327	-	1,327
Total liabilities	<u>-</u>	<u>542</u>	<u>17,894</u>	<u>8</u>	<u>17,902</u>
Deferred inflows of resources					
Unavailable revenue	34,190	-	34,609	7,750	42,359
Fund balances:					
Nonspendable	-	-	925	-	925
Restricted	-	5,529	238,664	85,433	324,097
Assigned	-	64	11,511	-	11,511
Total fund balances	<u>-</u>	<u>5,593</u>	<u>251,100</u>	<u>85,433</u>	<u>336,533</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,190</u>	<u>\$ 6,135</u>	<u>\$ 303,603</u>	<u>\$ 93,191</u>	<u>\$ 396,794</u>

(concluded)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019
 (amounts expressed in thousands)

	Special Revenue					
	Fish and Game	Road	County Library	Library Special Taxing Zone	Health Services	Fire
Revenues:						
Taxes	\$ -	\$ 5,891	\$ 28,213	\$ 500	\$ -	\$ 41,076
Licenses and permits	-	1,207	-	-	210	-
Fines, forfeitures, and penalties	22	18	-	-	605	-
Use of money and property	9	4,993	461	13	409	1,984
State aid	-	43,711	317	3	141	3,829
Federal aid	-	1,017	8	-	-	-
Other aid	-	2,400	1,261	42	-	3,091
Charges for services	-	1,359	3,071	-	28,565	96,231
Other revenue	-	79	297	-	270	44
Total revenues	31	60,675	33,628	558	30,200	146,255
Expenditures:						
General government	-	-	-	-	-	-
Public protection	74	-	-	-	-	132,562
Public assistance	-	-	-	-	-	-
Health and sanitation	-	-	-	-	28,827	-
Public ways and facilities	-	24,681	-	-	-	-
Education	-	-	29,478	593	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay	-	22,556	-	-	-	-
Total expenditures	74	47,237	29,478	593	28,827	132,562
Excess (deficiency) of revenues over expenditures	(43)	13,438	4,150	(35)	1,373	13,693
Other financing sources (uses):						
Transfers in	-	19,800	-	-	-	155
Transfers out	-	(2,300)	-	-	(203)	-
Total other financing sources (uses)	-	17,500	-	-	(203)	155
Net change in fund balances	(43)	30,938	4,150	(35)	1,170	13,848
Fund balances - beginning of period	319	82,168	16,482	450	9,286	75,292
Fund balances - end of period	\$ 276	\$ 113,106	\$ 20,632	\$ 415	\$ 10,456	\$ 89,140

(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, 2019
 (amounts expressed in thousands)

	Special Revenue				
	Recovery Grants	Lighting	Public Ways and Facilities	Dublin Library	Police Protection
Revenues:					
Taxes	\$ -	\$ 9	\$ 997	\$ -	\$ 20,081
Licenses and permits	-	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Use of money and property	4	119	206	-	199
State aid	-	-	-	-	119
Federal aid	-	-	-	-	-
Other aid	-	2	94	-	-
Charges for services	-	869	2,197	-	-
Other revenue	652	-	51	-	-
Total revenues	656	999	3,545	-	20,399
Expenditures:					
General government	-	-	-	-	-
Public protection	-	-	-	-	20,259
Public assistance	624	-	-	-	-
Health and sanitation	-	-	-	-	-
Public ways and facilities	-	619	4,639	-	-
Education	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total expenditures	624	619	4,639	-	20,259
Excess (deficiency) of revenues over expenditures	32	380	(1,094)	-	140
Other financing sources (uses):					
Transfers in	-	-	2,300	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	2,300	-	-
Net change in fund balances	32	380	1,206	-	140
Fund balances - beginning of period	380	2,777	6,467	6	94
Fund balances - end of period	<u>\$ 412</u>	<u>\$ 3,157</u>	<u>\$ 7,673</u>	<u>\$ 6</u>	<u>\$ 234</u>

(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, 2019
 (amounts expressed in thousands)

	Special Revenue			Debt Service	Total
	Housing Successor Assets	Inmate Welfare	Total	Tobacco Securitization Authority	Non-major Governmental Funds
Revenues:					
Taxes	\$ -	\$ -	\$ 96,767	\$ -	\$ 96,767
Licenses and permits	-	-	1,417	-	1,417
Fines, forfeitures, and penalties	-	-	645	-	645
Use of money and property	-	160	8,557	5,294	13,851
State aid	-	-	48,120	-	48,120
Federal aid	-	-	1,025	-	1,025
Other aid	-	-	6,890	-	6,890
Charges for services	-	-	132,292	-	132,292
Other revenue	-	8,854	10,247	15,494	25,741
Total revenues	-	9,014	305,960	20,788	326,748
Expenditures:					
General government	-	-	-	13	13
Public protection	-	8,648	161,543	-	161,543
Public assistance	-	-	624	-	624
Health and sanitation	-	-	28,827	-	28,827
Public ways and facilities	-	-	29,939	-	29,939
Education	-	-	30,071	-	30,071
Debt service					
Principal	-	-	-	8,330	8,330
Interest	-	-	-	8,165	8,165
Capital Outlay	-	-	22,556	-	22,556
Total expenditures	-	8,648	273,560	16,508	290,068
Excess (deficiency) of revenues over expenditures	-	366	32,400	4,280	36,680
Other financing sources (uses):					
Transfers in	-	-	22,255	-	22,255
Transfers out	-	-	(2,503)	(8,025)	(10,528)
Total other financing sources (uses)	-	-	19,752	(8,025)	11,727
Net change in fund balances	-	366	52,152	(3,745)	48,407
Fund balances - beginning of period	-	5,227	198,948	89,178	288,126
Fund balances - end of period	\$ -	\$ 5,593	\$ 251,100	\$ 85,433	\$ 336,533

(concluded)

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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines, forfeitures, and penalties	\$ 60	\$ 60	\$ 22	\$ (38)
Use of money and property	-	-	9	9
Total revenues	<u>60</u>	<u>60</u>	<u>31</u>	<u>(29)</u>
Expenditures:				
Current				
Public protection				
Services and supplies	60	379	74	305
Total expenditures	<u>60</u>	<u>379</u>	<u>74</u>	<u>305</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(319)</u>	<u>(43)</u>	<u>276</u>
Net change in fund balance	-	(319)	(43)	276
Fund balance - beginning of period	<u>319</u>	<u>319</u>	<u>319</u>	<u>-</u>
Fund balance - end of period	<u>\$ 319</u>	<u>\$ -</u>	<u>\$ 276</u>	<u>\$ 276</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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 5,119	\$ 5,119	\$ 5,891	\$ 772
Licenses and permits	1,073	1,073	1,207	134
Fines, forfeitures, and penalties	25	25	18	(7)
Use of money and property	2,920	2,920	4,993	2,073
State aid	48,291	48,291	43,711	(4,580)
Federal aid	3,575	3,575	1,017	(2,558)
Other aid	25,505	25,505	2,400	(23,105)
Charges for services	1,584	1,584	1,359	(225)
Other revenue	314	314	79	(235)
Total revenues	88,406	88,406	60,675	(27,731)
Expenditures:				
Current				
Public ways and facilities				
Salaries and benefits	15,100	16,547	16,547	-
Services and supplies	133,697	152,591	54,078	98,513
Other charges	643	643	96	547
Capital assets	4,224	4,224	1,878	2,346
Total expenditures	153,664	174,005	72,599	101,406
Excess (deficiency) of revenues over expenditures	(65,258)	(85,599)	(11,924)	73,675
Other financing uses:				
Transfers-in	-	19,800	19,800	-
Transfers out	(2,300)	(2,300)	(2,300)	-
Total other financing uses	(2,300)	17,500	17,500	-
Net change in fund balance	(67,558)	(68,099)	5,576	73,675
Add outstanding encumbrances for current budget year	-	-	25,362	25,362
Fund balance - beginning of period	82,168	82,168	82,168	-
Fund balance - end of period	\$ 14,610	\$ 14,069	\$ 113,106	\$ 99,037

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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 19,964	\$ 28,138	\$ 28,213	\$ 75
Use of money and property	10	10	461	451
State aid	240	240	317	77
Federal aid	-	-	8	8
Other aid	975	975	1,261	286
Charges for services	3,335	3,335	3,071	(264)
Other revenue	210	210	297	87
Total revenues	<u>24,734</u>	<u>32,908</u>	<u>33,628</u>	<u>720</u>
Expenditures:				
Current				
Education				
Salaries and benefits	24,002	24,002	19,422	4,580
Services and supplies	12,363	23,506	10,432	13,074
Other charges	1,017	1,017	1,009	8
Capital assets	227	227	2	225
Total expenditures	<u>37,609</u>	<u>48,752</u>	<u>30,865</u>	<u>17,887</u>
Excess (deficiency) of revenues over expenditures	<u>(12,875)</u>	<u>(15,844)</u>	<u>2,763</u>	<u>18,607</u>
Net change in fund balance	(12,875)	(15,844)	2,763	18,607
Add outstanding encumbrances for current budget year	-	-	1,387	1,387
Fund balance - beginning of period	<u>16,482</u>	<u>16,482</u>	<u>16,482</u>	<u>-</u>
Fund balance - end of period	<u>\$ 3,607</u>	<u>\$ 638</u>	<u>\$ 20,632</u>	<u>\$ 19,994</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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 337	\$ 500	\$ 500	\$ -
Use of money and property	10	10	13	3
State aid	2	2	3	1
Other aid	-	-	42	42
Total revenues	<u>349</u>	<u>512</u>	<u>558</u>	<u>46</u>
Expenditures:				
Current				
Education				
Services and supplies	724	952	726	226
Other charges	10	10	10	-
Total expenditures	<u>734</u>	<u>962</u>	<u>736</u>	<u>226</u>
Excess (deficiency) of revenues over expenditures	<u>(385)</u>	<u>(450)</u>	<u>(178)</u>	<u>272</u>
Net change in fund balance	(385)	(450)	(178)	272
Add outstanding encumbrances for current budget year	-	-	143	143
Fund balance - beginning of period	<u>450</u>	<u>450</u>	<u>450</u>	<u>-</u>
Fund balance - end of period	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ 415</u>	<u>\$ 415</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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 150	\$ 150	\$ 210	\$ 60
Fines, forfeitures, and penalties	-	-	605	605
Use of money and property	50	50	409	359
State aid	-	-	141	141
Charges for services	27,211	27,211	28,565	1,354
Other revenue	131	131	270	139
Total revenues	<u>27,542</u>	<u>27,542</u>	<u>30,200</u>	<u>2,658</u>
Expenditures:				
Current				
Health and sanitation				
Salaries and benefits	10,528	10,515	9,527	988
Services and supplies	25,491	30,966	19,504	11,462
Other charges	257	257	257	-
Capital assets	-	-	13	(13)
Total expenditures	<u>36,276</u>	<u>41,738</u>	<u>29,301</u>	<u>12,437</u>
Excess (deficiency) of revenues over expenditures	<u>(8,734)</u>	<u>(14,196)</u>	<u>899</u>	<u>15,095</u>
Other financing uses:				
Transfers out	-	(203)	(203)	-
Budgetary reserves and designations	(133)	(133)	-	133
Total other financing uses	<u>(133)</u>	<u>(336)</u>	<u>(203)</u>	<u>133</u>
Net change in fund balance	<u>(8,867)</u>	<u>(14,532)</u>	<u>696</u>	<u>15,228</u>
Add outstanding encumbrances for current budget year	-	-	474	474
Fund balance - beginning of period	<u>9,286</u>	<u>9,286</u>	<u>9,286</u>	<u>-</u>
Fund balance - end of period	<u>\$ 419</u>	<u>\$ (5,246)</u>	<u>\$ 10,456</u>	<u>\$ 15,702</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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 37,496	\$ 41,076	\$ 41,076	\$ -
Use of money and property	342	342	1,984	1,642
State aid	2,281	2,281	3,829	1,548
Other aid	2,015	2,015	3,091	1,076
Charges for services	95,260	95,260	96,231	971
Other revenue	25	25	44	19
Total revenues	<u>137,419</u>	<u>140,999</u>	<u>146,255</u>	<u>5,256</u>
Expenditures:				
Current				
Public protection				
Salaries and benefits	118,030	118,030	113,933	4,097
Services and supplies	23,129	89,383	21,785	67,598
Other charges	966	966	966	-
Capital assets	1,988	5,277	1,462	3,815
Total expenditures	<u>144,113</u>	<u>213,656</u>	<u>138,146</u>	<u>75,510</u>
Excess (deficiency) of revenues over expenditures	<u>(6,694)</u>	<u>(72,657)</u>	<u>8,109</u>	<u>80,766</u>
Other financing sources (uses):				
Transfers in	1,216	1,216	155	(1,061)
Transfers out	(1,216)	(1,216)	-	1,216
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>155</u>	<u>155</u>
Net change in fund balance	<u>(6,694)</u>	<u>(72,657)</u>	<u>8,264</u>	<u>80,921</u>
Add outstanding encumbrances for current budget year	-	-	5,584	5,584
Fund balance - beginning of period	<u>75,292</u>	<u>75,292</u>	<u>75,292</u>	<u>-</u>
Fund balance - end of period	<u>\$ 68,598</u>	<u>\$ 2,635</u>	<u>\$ 89,140</u>	<u>\$ 86,505</u>

COUNTY OF ALAMEDA, CALIFORNIA

RECOVERY GRANTS - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 4	\$ 4
Federal aid	1,000	1,000	-	(1,000)
Other revenue	-	-	652	652
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>656</u>	<u>(344)</u>
Expenditures:				
Current				
Public assistance				
Services and supplies	1,658	995	624	371
Total expenditures	<u>1,658</u>	<u>995</u>	<u>624</u>	<u>371</u>
Excess (deficiency) of revenues over expenditures	<u>(658)</u>	<u>5</u>	<u>32</u>	<u>27</u>
Net change in fund balance	(658)	5	32	27
Fund balance - beginning of period	<u>380</u>	<u>380</u>	<u>380</u>	<u>-</u>
Fund balance - end of period	<u>\$ (278)</u>	<u>\$ 385</u>	<u>\$ 412</u>	<u>\$ 27</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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 5	\$ 9	\$ 9	\$ -
Use of money and property	15	15	119	104
Other aid	-	-	2	2
Charges for services	875	875	869	(6)
Total revenues	<u>895</u>	<u>899</u>	<u>999</u>	<u>100</u>
Expenditures:				
Current				
Public ways and facilities				
Salaries and benefits	-	10	10	-
Services and supplies	1,068	1,291	429	862
Other charges	180	180	180	-
Total expenditures	<u>1,248</u>	<u>1,481</u>	<u>619</u>	<u>862</u>
Excess (deficiency) of revenues over expenditures	<u>(353)</u>	<u>(582)</u>	<u>380</u>	<u>962</u>
Net change in fund balance	(353)	(582)	380	962
Fund balance - beginning of period	<u>2,777</u>	<u>2,777</u>	<u>2,777</u>	<u>-</u>
Fund balance - end of period	<u>\$ 2,424</u>	<u>\$ 2,195</u>	<u>\$ 3,157</u>	<u>\$ 962</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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 851	\$ 864	\$ 997	\$ 133
Use of money and property	19	19	206	187
Other aid	100	100	94	(6)
Charges for services	2,140	2,140	2,197	57
Other revenue	-	-	51	51
Total revenues	<u>3,110</u>	<u>3,123</u>	<u>3,545</u>	<u>422</u>
Expenditures:				
Current				
Public ways and facilities				
Salaries and benefits	2,705	3,091	3,091	-
Services and supplies	9,063	10,100	1,858	8,242
Other charges	63	63	63	-
Total expenditures	<u>11,831</u>	<u>13,254</u>	<u>5,012</u>	<u>8,242</u>
Excess (deficiency) of revenues over expenditures	<u>(8,721)</u>	<u>(10,131)</u>	<u>(1,467)</u>	<u>8,664</u>
Other financing sources:				
Issuance of loans	2,700	2,700	-	(2,700)
Transfers in	2,300	2,300	2,300	-
Total other financing sources	<u>5,000</u>	<u>5,000</u>	<u>2,300</u>	<u>(2,700)</u>
Net change in fund balance	<u>(3,721)</u>	<u>(5,131)</u>	<u>833</u>	<u>5,964</u>
Add outstanding encumbrances for current budget year	-	-	373	373
Fund balance - beginning of period	<u>6,467</u>	<u>6,467</u>	<u>6,467</u>	<u>-</u>
Fund balance - end of period	<u>\$ 2,746</u>	<u>\$ 1,336</u>	<u>\$ 7,673</u>	<u>\$ 6,337</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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Expenditures:				
Current				
Education				
Services and supplies	\$ -	\$ 6	\$ -	\$ 6
Total expenditures	-	6	-	6
Deficiency of revenues over expenditures	-	(6)	-	6
Net change in fund balance	-	(6)	-	6
Fund balance - beginning of period	6	6	6	-
Fund balance - end of period	\$ 6	\$ -	\$ 6	\$ 6

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, 2019
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 19,889	\$ 20,206	\$ 20,081	\$ (125)
Use of money and property	20	20	199	179
State aid	124	124	119	(5)
Total revenues	<u>20,033</u>	<u>20,350</u>	<u>20,399</u>	<u>49</u>
Expenditures:				
Current				
Public protection				
Salaries and benefits	19,840	20,027	20,027	-
Services and supplies	128	223	132	91
Other charges	65	100	100	-
Total expenditures	<u>20,033</u>	<u>20,350</u>	<u>20,259</u>	<u>91</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>140</u>	<u>140</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>140</u>	<u>140</u>
Fund balance - beginning of period	<u>94</u>	<u>94</u>	<u>94</u>	<u>-</u>
Fund balance - end of period	<u>\$ 94</u>	<u>\$ 94</u>	<u>\$ 234</u>	<u>\$ 140</u>

**COUNTY OF ALAMEDA, CALIFORNIA
COMBINING FINANCIAL STATEMENTS AND
OTHER SUPPLEMENTARY INFORMATION**

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.

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. Effective July 1, 2013, this fund will also provide 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 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 POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019
(amounts expressed in thousands)

	Motor Pool	Building Maintenance	Information Technology	Risk Management	Total
Assets					
Current assets:					
Cash and investments with County Treasurer	\$ 263	\$ 15,290	\$ 12,502	\$ 172,872	\$ 200,927
Cash and investments with fiscal agents	-	-	-	250	250
Deposits with others	-	4	-	-	4
Other receivables	314	413	2,013	2,522	5,262
Due from component unit	19	42	-	-	61
Inventory of supplies	-	-	4	-	4
Prepaid items	-	-	2,388	136	2,524
Total current assets	596	15,749	16,907	175,780	209,032
Noncurrent assets:					
Capital assets:					
Machinery and equipment, net of depreciation	21,830	682	5,642	4	28,158
Total capital assets	21,830	682	5,642	4	28,158
Total noncurrent assets	21,830	682	5,642	4	28,158
Total assets	22,426	16,431	22,549	175,784	237,190
Deferred outflows of resources					
Related to pensions	1,095	14,560	17,950	583	34,188
Related to OPEB	125	1,690	1,965	66	3,846
Total deferred outflows of resources	1,220	16,250	19,915	649	38,034
Liabilities					
Current liabilities:					
Accounts payable and accrued expenses	2,866	4,873	3,379	2,412	13,530
Compensated employee absences payable	79	923	1,224	45	2,271
Estimated liability for claims and contingencies	-	-	-	35,081	35,081
Due to other funds	-	-	7,733	-	7,733
Due to component unit	-	-	-	9	9
Total current liabilities	2,945	5,796	12,336	37,547	58,624
Noncurrent liabilities:					
Net pension liability	3,373	45,844	53,309	1,789	104,315
Net OPEB liability	294	3,998	4,649	156	9,097
Compensated employee absences payable	50	575	763	29	1,417
Estimated liability for claims and contingencies	-	-	-	121,677	121,677
Total noncurrent liabilities	3,717	50,417	58,721	123,651	236,506
Total liabilities	6,662	56,213	71,057	161,198	295,130
Deferred inflows of resources					
Related to pensions	300	3,084	3,735	643	7,762
Related to OPEB	75	934	1,096	82	2,187
Total deferred inflows of resources	375	4,018	4,831	725	9,949
Net position					
Investment in capital assets	21,830	682	5,642	4	28,158
Unrestricted (deficit)	(5,221)	(28,232)	(39,066)	14,506	(58,013)
Total net position	\$ 16,609	\$ (27,550)	\$ (33,424)	\$ 14,510	\$ (29,855)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	Motor Pool	Building Maintenance	Information Technology	Risk Management	Total
Operating revenues:					
Charges for services	\$ 14,967	\$ 109,318	\$ 72,133	\$ 75,368	\$ 271,786
Operating expenses:					
Salaries and benefits	3,107	42,896	43,974	1,558	91,535
Contractual services	400	2,064	13,866	3,988	20,318
Utilities	7	15,464	373	-	15,844
Repairs and maintenance	310	10,625	569	-	11,504
Other supplies and expenses	5,911	39,053	18,024	12,681	75,669
Insurance claims and expenses	-	-	-	44,082	44,082
Depreciation	4,235	72	2,347	-	6,654
Telephone	-	-	2,373	-	2,373
County indirect costs	416	5,300	1,542	1,126	8,384
Dental claims	-	-	-	9,029	9,029
Other	-	-	-	1,091	1,091
Total operating expenses	<u>14,386</u>	<u>115,474</u>	<u>83,068</u>	<u>73,555</u>	<u>286,483</u>
Operating income (loss)	581	(6,156)	(10,935)	1,813	(14,697)
Non-operating revenues (expenses):					
Investment income	3	274	310	4,534	5,121
Loss on sale of capital assets	(48)	-	-	-	(48)
Total non-operating revenues (expenses)	<u>(45)</u>	<u>274</u>	<u>310</u>	<u>4,534</u>	<u>5,073</u>
Income (loss) before transfers	536	(5,882)	(10,625)	6,347	(9,624)
Transfers in	632	3,072	-	-	3,704
Transfers out	-	(4,273)	-	(3,818)	(8,091)
Change in net position	1,168	(7,083)	(10,625)	2,529	(14,011)
Total net position - beginning of period	15,441	(20,467)	(22,799)	11,981	(15,844)
Total net position - end of period	<u>\$ 16,609</u>	<u>\$ (27,550)</u>	<u>\$ (33,424)</u>	<u>\$ 14,510</u>	<u>\$ (29,855)</u>

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

	Motor Pool	Building Maintenance	Information Technology	Risk Management	Total
Cash flows from operating activities					
Internal activity - receipts from other funds	\$ 14,882	\$ 109,358	\$ 71,539	\$ 73,614	\$ 269,393
Payments to suppliers	(4,446)	(65,860)	(26,569)	(15,951)	(112,826)
Payments to employees	(2,698)	(37,713)	(37,789)	(1,487)	(79,687)
Internal activity - payments to other funds	(416)	(5,300)	(1,542)	(1,126)	(8,384)
Claims paid	-	-	-	(37,924)	(37,924)
Other payments	-	-	-	(1,091)	(1,091)
Net cash provided by operating activities	<u>7,322</u>	<u>485</u>	<u>5,639</u>	<u>16,035</u>	<u>29,481</u>
Cash flows from non-capital financing activities					
Transfers in	632	3,072	-	-	3,704
Transfers out	-	(4,273)	-	(3,818)	(8,091)
Net cash provided by (used in) non-capital financing activities	<u>632</u>	<u>(1,201)</u>	<u>-</u>	<u>(3,818)</u>	<u>(4,387)</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(8,064)	(416)	(1,945)	-	(10,425)
Proceeds from sale of capital assets	75	-	-	-	75
Net cash used in capital and related financing activities	<u>(7,989)</u>	<u>(416)</u>	<u>(1,945)</u>	<u>-</u>	<u>(10,350)</u>
Cash flows from investing activities					
Interest received on pooled cash and investments	3	274	310	4,534	5,121
Net cash provided by investing activities	<u>3</u>	<u>274</u>	<u>310</u>	<u>4,534</u>	<u>5,121</u>
Net increase (decrease) in cash and cash equivalents	<u>(32)</u>	<u>(858)</u>	<u>4,004</u>	<u>16,751</u>	<u>19,865</u>
Cash and cash equivalents - beginning of period	295	16,148	8,498	156,371	181,312
Cash and cash equivalents - end of period	<u>\$ 263</u>	<u>\$ 15,290</u>	<u>\$ 12,502</u>	<u>\$ 173,122</u>	<u>\$ 201,177</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 581	\$ (6,156)	\$ (10,935)	\$ 1,813	\$ (14,697)
Adjustments for non-cash activities					
Depreciation	4,235	72	2,347	-	6,654
Amortization - pension	347	4,487	5,439	24	10,297
Amortization - OPEB	48	665	772	17	1,502
Changes in assets and liabilities					
Deposit with others	-	1	-	-	1
Other receivables	(85)	40	(594)	(1,754)	(2,393)
Prepaid items	-	-	301	-	301
Accounts payable and accrued expenses	2,182	1,345	602	709	4,838
Compensated employee absences payable	14	31	(26)	30	49
Estimated liability for claims and contingencies	-	-	-	15,187	15,187
Due to other funds	-	-	7,733	-	7,733
Due to component unit	-	-	-	9	9
Total adjustments	<u>6,741</u>	<u>6,641</u>	<u>16,574</u>	<u>14,222</u>	<u>44,178</u>
Net cash provided by operating activities	<u>\$ 7,322</u>	<u>\$ 485</u>	<u>\$ 5,639</u>	<u>\$ 16,035</u>	<u>\$ 29,481</u>

**COUNTY OF ALAMEDA, CALIFORNIA
COMBINING FINANCIAL STATEMENTS AND
OTHER SUPPLEMENTARY INFORMATION**

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 Funds – These funds are under the control of the ACERA Board of Retirement and are governed by the rules and regulations of the Retirement Act of 1937. The pension fund accumulates contributions from the County, contributions from employees, and earnings from the fund's investments. Disbursements are made from the funds for retirements, postemployment benefits, disability and death benefits, refund, and administrative costs. These funds include all assets of the retirement system.

Other Employee Benefits 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 POSITION
PENSION, OPEB, AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2019
(amounts expressed in thousands)

	Pension and Other Postemployment Benefits Trust Funds ¹			Other Employee Benefits Trust Fund	Total
	Pension	Postemployment Medical Benefits (OPEB)	Total		
Assets:					
Cash and investments with County Treasurer	\$ -	\$ -	\$ -	\$ 2,439	\$ 2,439
Cash and investments with fiscal agents	1,573	-	1,573	-	1,573
Investments, at fair value:					
Short-term investments	159,673	-	159,673	-	159,673
Domestic equities	499,759	-	499,759	-	499,759
Domestic equity commingled funds	1,717,777	-	1,717,777	-	1,717,777
International equities	1,502,436	-	1,502,436	-	1,502,436
International equity commingled funds	427,396	-	427,396	-	427,396
Domestic fixed income	930,750	-	930,750	-	930,750
International fixed income	137,245	-	137,245	-	137,245
International fixed income commingled funds	135,450	-	135,450	-	135,450
Real estate - separate properties	69,121	-	69,121	-	69,121
Real estate - commingled funds	492,121	-	492,121	-	492,121
Real Return Pool	293,198	-	293,198	-	293,198
Private equity and alternatives	1,219,268	-	1,219,268	-	1,219,268
Total investments	<u>7,584,194</u>	<u>-</u>	<u>7,584,194</u>	<u>-</u>	<u>7,584,194</u>
Investment of securities lending collateral	183,003	-	183,003	-	183,003
Deposits with others	1,293	-	1,293	-	1,293
Other receivable	26,079	-	26,079	-	26,079
Interest receivable	8,741	-	8,741	-	8,741
Non-OPEB assets	39,366	-	39,366	-	39,366
Due from (to) pension plan	(929,319)	889,953	(39,366)	-	(39,366)
Capital assets, net of accumulated depreciation	1,486	-	1,486	-	1,486
Total assets	<u>6,916,416</u>	<u>889,953</u>	<u>7,806,369</u>	<u>2,439</u>	<u>7,808,808</u>
Liabilities:					
Accounts payable and accrued expenses	30,779	-	30,779	8	30,787
Securities lending obligation	183,003	-	183,003	-	183,003
Total liabilities	<u>213,782</u>	<u>-</u>	<u>213,782</u>	<u>8</u>	<u>213,790</u>
Net Position					
Investment in capital assets	1,486	-	1,486	-	1,486
Restricted	6,701,148	889,953	7,591,101	2,431	7,593,532
	<u>\$ 6,702,634</u>	<u>\$ 889,953</u>	<u>\$ 7,592,587</u>	<u>\$ 2,431</u>	<u>\$ 7,595,018</u>

¹ Pension and OPEB balances reported as of December 31, 2018.

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION, OPEB, AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(amounts expressed in thousands)

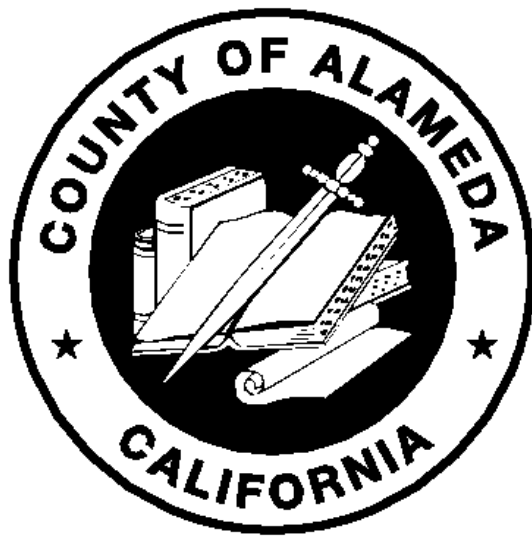
	Pension and Other Postemployment Benefits Trust Funds ¹			Other	Total
	Pension	Postemployment Medical Benefits (OPEB)	Total	Employee Benefits Trust Fund	
Additions:					
Contributions:					
Employees	\$ 94,736	\$ -	\$ 94,736	\$ 4,657	\$ 99,393
Employer	225,907	43,777	269,684	-	269,684
Total contributions	320,643	43,777	364,420	4,657	369,077
Investment income:					
Interest	48,434	-	48,434	55	48,489
Dividends	67,385	-	67,385	-	67,385
Net increase (decrease) in fair value of investments	(417,757)	-	(417,757)	21	(417,736)
Real estate	22,526	-	22,526	-	22,526
Securities lending income	7,056	-	7,056	-	7,056
Private equity and alternatives	(21,075)	-	(21,075)	-	(21,075)
Brokers Commissions	80	-	80	-	80
Earnings allocated to non-OPEB	3,180	-	3,180	-	3,180
Earnings allocated to OPEB reserves	(75,977)	72,797	(3,180)	-	(3,180)
Total investment income (loss)	(366,148)	72,797	(293,351)	76	(293,275)
Less investment expenses:					
Investment expenses	51,788	-	51,788	-	51,788
Securities lending borrower rebates and management fees	5,203	-	5,203	-	5,203
Real estate	5,725	-	5,725	-	5,725
Total investment expenses	62,716	-	62,716	-	62,716
Net investment income (loss)	(428,864)	72,797	(356,067)	76	(355,991)
Miscellaneous income	1,426	-	1,426	-	1,426
Transfer to Pension from SRBR for Employer					
Contribution to 401(h)	43,777	(43,777)	-	-	-
Transfer to Pension from SRBR for Implicit Subsidy	5,801	(5,801)	-	-	-
Administrative expense	(1,224)	1,224	-	-	-
Total additions, net	(58,441)	68,220	9,779	4,733	14,512
Deductions:					
Benefit payments	463,234	40,879	504,113	4,820	508,933
Refunds of contributions	8,709	-	8,709	-	8,709
Administration expenses	15,246	1,224	16,470	-	16,470
Total deductions	487,189	42,103	529,292	4,820	534,112
Change in net position	(545,630)	26,117	(519,513)	(87)	(519,600)
Net position - beginning of year	7,248,264	863,836	8,112,100	2,518	8,114,618
Net position - end of year	\$ 6,702,634	\$ 889,953	\$ 7,592,587	\$ 2,431	\$ 7,595,018

¹ Pension and OPEB balances reported as of December 31, 2018.

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019
 (amounts expressed in thousands)

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>Unapportioned Taxes</u>				
Assets:				
Cash and investments with County Treasurer	\$ 131,178	\$ 6,011,408	\$ 6,004,657	\$ 137,929
Taxes receivable	130,155	4,459,066	4,463,013	126,208
Interest receivable	7	1,859	1,849	17
Total assets	\$ 261,340	\$ 10,472,333	\$ 10,469,519	\$ 264,154
Liabilities:				
Due to other governmental units	\$ 261,340	\$ 10,472,908	\$ 10,470,093	\$ 264,155
Total liabilities	\$ 261,340	\$ 10,472,908	\$ 10,470,093	\$ 264,155
<u>Other Agency</u>				
Assets:				
Cash and investments with County Treasurer	\$ 177,746	\$ 6,699,128	\$ 6,715,865	\$ 161,009
Interest receivable	427	5,359	4,403	1,383
Total assets	\$ 178,173	\$ 6,704,487	\$ 6,720,268	\$ 162,392
Liabilities:				
Accounts payable and accrued expenses	\$ 17,561	\$ 32,039	\$ 28,973	\$ 20,627
Due to other governmental units	160,612	10,327,122	10,345,970	141,764
Total liabilities	\$ 178,173	\$ 10,359,161	\$ 10,374,943	\$ 162,391
<u>Totals - Agency Funds</u>				
Assets:				
Cash and investments with County Treasurer	\$ 308,924	\$ 12,710,536	\$ 12,720,522	\$ 298,938
Taxes receivable	130,155	4,459,066	4,463,013	126,208
Interest receivable	434	7,218	6,252	1,400
Total assets	\$ 439,513	\$ 17,176,820	\$ 17,189,787	\$ 426,546
Liabilities:				
Accounts payable and accrued expenses	\$ 17,561	\$ 32,039	\$ 28,973	\$ 20,627
Due to other governmental units	421,952	20,800,030	20,816,063	405,919
Total liabilities	\$ 439,513	\$ 20,832,069	\$ 20,845,036	\$ 426,546



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

COUNTY OF ALAMEDA, CALIFORNIA

Capital Assets Used in the Operation of Governmental Funds

Schedule by Source¹

June 30, 2019

(amounts in tables expressed in thousands)

Governmental funds capital assets:

Land	\$	79,335
Structures & Improvements		1,786,512
Infrastructure		1,007,080
Equipment		131,519
Software		32,654
Construction in Progress		174,898
Total Governmental funds capital assets	\$	<u>3,211,998</u> ²

Investments in governmental funds capital assets acquired prior to July 1, 2001	\$	1,235,861
Investments in governmental funds capital assets acquired from July 1, 2001 by source:		
General fund		307,776
Capital projects fund		1,104,878
Other governmental funds		549,234
Donations		14,249
Total governmental funds capital assets	\$	<u>3,211,998</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of \$93,260 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

² This amount does not include a collection item of \$50 which is considered an 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 Type¹
June 30, 2019
(amounts in tables expressed in thousands)**

	<u>Land</u>	<u>Structures and Improvements</u>	<u>Infrastructure</u>	<u>Equipment</u>	<u>Software</u>	<u>Construction in Progress</u>	<u>Total</u>
General	\$ 14,631	\$ 151,350	\$ -	\$ 23,616	\$ 32,654	\$ 16,492	\$ 238,743
Public protection	40,430	704,697	261,261	70,277	-	40,037	1,116,702
Public assistance	15,989	67,097	6,110	8,419	-	9,220	106,834
Health and sanitation	6,201	809,148	-	5,589	-	85,255	906,193
Public ways and facilities	378	13,420	737,271	12,670	-	23,894	787,633
Recreation and cultural services	-	9,998	2,438	7,414	-	-	19,850
Education	1,706	30,802	-	3,534	-	-	36,042
Total governmental funds capital assets	<u>\$ 79,335</u>	<u>\$ 1,786,512</u>	<u>\$ 1,007,080</u>	<u>\$ 131,519</u>	<u>\$ 32,654</u>	<u>\$ 174,898</u>	<u>\$ 3,211,998</u> ²

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of \$93,260 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

² This amount does not include a collection item of \$50 which is considered an 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 Function¹

June 30, 2019

(amounts in tables expressed in thousands)

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
General	\$ 226,054	\$ 12,689	\$ -	\$ 238,743
Public protection	1,096,047	21,654	999	1,116,702
Public assistance	101,845	4,989	-	106,834
Health and sanitation	867,935	38,389	130	906,194
Public ways and facilities	765,342	22,529	238	787,633
Recreation and cultural services	19,884	16	50	19,850
Education	36,060	-	18	36,042
Total governmental funds capital assets	<u>\$ 3,113,167</u>	<u>\$ 100,266</u>	<u>\$ 1,435</u>	<u>\$ 3,211,998</u> ²

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of \$98,260 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

² This amount does not include a collection item of \$50 which is considered an 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 Auditor’s 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.

CONTENTS	PAGE
FINANCIAL TRENDS These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	144
REVENUE CAPACITY These schedules contain trend information to help the reader assess the County’s most significant local revenue source, the property tax.	148
DEBT CAPACITY 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.	152
ECONOMIC AND DEMOGRAPHIC INFORMATION These schedules offer economic and demographic indicators to help the reader understand the environment within which the County’s financial activities take place.	158
OPERATING INFORMATION 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.	160

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(amounts expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 560,449	\$ 404,686	\$ 585,788	\$ 620,302	\$ 619,242	\$ 703,738	\$ 706,722	\$ 796,142	\$ 737,186	\$ 772,123
Restricted	641,476	697,984	627,179	655,381	630,253	763,777	779,105	801,958	814,964	926,986
Unrestricted (deficit)	328,726	574,257	512,095	578,463	685,877	(28,960)	56,405	115,106	163,925	261,646
Total governmental activities net position	<u>\$ 1,530,651</u>	<u>\$ 1,676,927</u>	<u>\$ 1,725,062</u>	<u>\$ 1,854,146</u>	<u>\$ 1,935,372</u>	<u>\$ 1,438,555</u>	<u>\$ 1,542,232</u>	<u>\$ 1,713,206</u>	<u>\$ 1,716,075</u>	<u>\$ 1,960,755</u>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 143,497	\$ 141,862	\$ 129,436	\$ 138,512	\$ 162,720	\$ 148,801	\$ 201,130	\$175,232	\$188,361	\$ 228,912
Public protection	766,225	752,191	766,855	780,729	816,218	884,370	995,579	991,438	1,025,266	1,119,430
Public assistance	680,142	674,181	682,936	664,085	672,473	671,151	672,846	732,600	746,760	798,356
Health and sanitation	597,448	584,815	649,431	697,402	700,454	680,779	638,290	812,264	831,984	825,153
Public ways and facilities	36,598	43,312	45,437	44,269	43,970	47,515	49,533	47,969	61,309	52,716
Recreation and cultural services	557	608	608	554	539	615	639	665	719	840
Education	22,813	22,863	24,356	27,125	27,202	27,442	29,617	21,110	30,695	34,449
Interest on long-term debt	75,420	87,490	90,003	82,957	88,808	87,591	82,458	73,694	73,871	72,623
Total governmental activities expenses	<u>2,322,700</u>	<u>2,307,322</u>	<u>2,389,062</u>	<u>2,435,633</u>	<u>2,512,384</u>	<u>2,548,264</u>	<u>2,670,092</u>	<u>2,854,972</u>	<u>2,958,965</u>	<u>3,132,479</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	111,200	125,619	126,244	122,756	127,863	139,918	139,123	131,865	109,342	147,807
Public protection	222,606	238,915	200,720	206,366	209,420	230,247	236,577	240,242	241,418	241,648
Health and sanitation	153,243	202,110	171,185	176,875	211,742	239,465	186,944	208,147	208,283	235,786
Other activities	27,819	32,085	26,578	21,164	23,037	23,397	28,112	24,533	27,038	35,759
Operating grants and contributions	1,170,990	1,232,027	1,269,542	1,482,657	1,459,898	1,463,685	1,481,270	1,644,159	1,716,652	1,837,741
Capital grants and contributions	5,782	5,550	9,618	8,305	8,737	28,092	57,038	51,456	17,365	8,293
Total governmental activities program revenues	<u>1,691,640</u>	<u>1,836,306</u>	<u>1,803,887</u>	<u>2,018,123</u>	<u>2,040,697</u>	<u>2,124,804</u>	<u>2,129,064</u>	<u>2,300,402</u>	<u>2,320,098</u>	<u>2,507,034</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	403,847	399,701	411,821	444,147	431,923	466,093	500,987	530,322	580,500	647,889
Sales taxes - shared revenues	140,643	150,328	169,375	52,749	54,939	57,369	65,175	64,175	69,692	75,305
Other taxes	28,144	27,503	27,948	29,984	31,312	35,417	37,957	37,222	41,970	39,987
Interest and investment income	9,369	5,751	8,924	22	8,506	12,488	10,075	7,443	22,880	59,726
Other	23,439	34,009	50,577	40,318	26,233	48,133	30,511	28,675	37,945	47,218
Extraordinary item	-	-	(35,335)	-	-	-	-	-	-	-
Total governmental activities	<u>605,442</u>	<u>617,292</u>	<u>633,310</u>	<u>567,220</u>	<u>552,913</u>	<u>619,500</u>	<u>644,705</u>	<u>667,837</u>	<u>752,987</u>	<u>870,125</u>
Change in Net Position										
Governmental activities	<u>\$ (25,618)</u>	<u>\$ 146,276</u>	<u>\$ 48,135</u>	<u>\$ 149,710</u>	<u>\$ 81,226</u>	<u>\$ 196,040</u>	<u>\$ 103,677</u>	<u>\$113,267</u>	<u>\$114,120</u>	<u>\$ 244,680</u>

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

	<u>2010</u>	<u>2011¹</u>	<u>2012¹</u>	<u>2013¹</u>	<u>2014¹</u>	<u>2015¹</u>	<u>2016¹</u>	<u>2017¹</u>	<u>2018¹</u>	<u>2019¹</u>
General fund										
Reserved	\$ 299,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	627,898	-	-	-	-	-	-	-	-	-
Nonspendable	-	1,725	4,408	3,785	11,487	10,547	5,760	3,962	3,963	3,899
Restricted	-	303,635	288,068	294,844	292,832	318,351	302,339	321,806	348,316	421,152
Committed	-	638,601	667,437	806,176	838,833	752,064	728,221	902,385	999,548	1,133,138
Assigned	-	101,961	99,646	128,177	144,224	170,789	207,381	191,248	195,744	243,603
Unassigned	-	16,996	23,305	17,719	7,960	114,717	194,490	107,246	134,850	95,662
Total general fund	<u>\$ 927,330</u>	<u>\$ 1,062,918</u>	<u>\$ 1,082,864</u>	<u>\$ 1,250,701</u>	<u>\$ 1,295,336</u>	<u>\$ 1,366,468</u>	<u>\$ 1,438,191</u>	<u>\$1,526,647</u>	<u>\$1,682,421</u>	<u>\$ 1,897,454</u>
All other governmental funds										
Reserved	\$ 592,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	598,330	-	-	-	-	-	-	-	-	-
Capital projects fund	(375,645)	-	-	-	-	-	-	-	-	-
Nonspendable	-	5,421	335	472	566	863	190	1,718	2,582	929
Restricted	-	527,282	608,361	506,147	710,121	597,051	462,776	470,014	525,418	651,391
Committed	-	567,921	321,926	314,766	325,857	349,382	377,205	420,147	676,958	662,232
Assigned	-	3,003	4,567	5,293	5,708	5,390	5,984	7,645	9,348	11,511
Unassigned	-	(1,930)	(9,268)	(2,926)	(60,124)	(68,323)	(4,203)	-	-	-
Total all other governmental funds	<u>\$ 815,153</u>	<u>\$ 1,101,697</u>	<u>\$ 925,921</u>	<u>\$ 823,752</u>	<u>\$ 982,128</u>	<u>\$ 884,363</u>	<u>\$ 841,952</u>	<u>\$899,524</u>	<u>\$1,214,306</u>	<u>\$ 1,326,063</u>

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 572,507	\$ 577,186	\$ 608,987	\$ 527,025	\$ 518,733	\$ 558,922	\$ 604,065	\$ 631,794	\$ 692,112	\$ 763,216
Licenses and permits	8,490	9,635	13,597	15,006	14,465	14,868	18,332	13,957	11,647	11,705
Fines, forfeitures, and penalties	41,444	38,887	36,076	38,745	36,727	44,763	47,101	36,698	38,920	31,356
Use of money and property	27,769	19,635	20,502	8,391	19,469	23,997	23,956	17,040	34,452	91,857
State aid	694,252	725,140	757,769	946,878	983,076	1,010,825	1,075,081	1,173,431	1,144,110	1,296,862
Federal aid	459,652	481,010	465,275	506,611	446,110	429,885	427,283	447,142	459,336	442,529
Other aid	40,057	29,914	61,752	44,730	39,520	51,067	35,945	75,038	130,573	74,778
Charges for services	428,166	455,215	365,541	430,141	411,647	491,488	441,795	492,618	481,301	531,098
Other revenue	50,709	136,133	73,549	104,976	110,089	88,901	81,276	83,682	93,688	89,672
Total revenues	2,323,046	2,472,755	2,403,048	2,622,503	2,579,836	2,714,716	2,754,834	2,971,400	3,086,139	3,333,073
Expenditures										
Current										
General government	120,465	129,978	126,190	129,394	127,304	134,691	142,050	140,147	144,664	162,871
Public protection	710,039	739,809	757,380	762,506	806,129	832,408	875,714	890,256	935,371	986,038
Public assistance	666,247	667,601	702,114	657,269	670,945	701,102	697,016	699,635	729,493	775,287
Health and sanitation	590,590	580,833	644,493	690,296	692,549	683,588	644,825	769,081	822,164	825,208
Public ways and facilities	42,400	49,705	49,819	52,828	44,769	43,950	50,158	30,280	42,330	32,945
Recreation and cultural services	594	675	671	610	580	615	659	654	714	801
Education	21,947	22,079	23,450	26,136	26,318	27,017	29,722	28,750	29,635	30,410
Debt service										
Principal	90,896	93,865	98,241	57,695	51,048	44,008	36,428	35,993	44,642	46,279
Interest	27,130	38,788	47,495	96,098	108,264	116,149	119,332	122,488	125,649	100,773
Payment to refunded bond escrow agent	-	-	82,031	-	-	-	-	10,167	-	-
Bond issuance costs	-	2,465	817	6	1,749	-	-	667	1,838	-
Capital outlay	46,875	95,067	111,523	100,560	188,821	193,226	174,437	124,757	74,143	91,851
Total expenditures	2,317,183	2,420,865	2,644,224	2,573,398	2,718,476	2,776,754	2,770,341	2,852,875	2,950,643	3,052,463
Excess (deficiency) of revenues over expenditures	5,863	51,890	(241,176)	49,105	(138,640)	(62,038)	(15,507)	118,525	135,496	280,610
Other financing sources (uses)										
Issuance of loans	4,732	28,040	785	2,779	18,600	-	-	3,000	10,000	30,000
Proceeds from sale of land	-	13,452	15,130	4,914	15,352	28,862	30,109	11,957	-	11,793
Issuance of debt	-	320,000	45,675	-	287,380	-	-	-	313,495	-
Refunding bonds issued	-	-	75,915	-	-	-	-	98,470	-	-
Premium on issuance of debt	-	-	10,300	-	13,106	-	-	17,080	3,424	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(110,791)	-	-
Transfers in	83,705	93,073	119,366	103,513	141,575	169,984	128,311	197,000	239,159	172,866
Transfers out	(74,361)	(84,319)	(110,463)	(94,643)	(134,362)	(163,441)	(113,601)	(189,213)	(231,018)	(168,479)
Total other financing sources (uses)	14,076	370,246	156,708	16,563	341,651	35,405	44,819	27,503	335,060	46,180
Extraordinary item	-	-	(71,362)	-	-	-	-	-	-	-
Net change in fund balances	\$ 19,939	\$ 422,136	\$ (155,830)	\$ 65,668	\$ 203,011	\$ (26,633)	\$ 29,312	\$ 146,028	\$ 470,556	\$ 326,790
Debt service as a percentage of noncapital expenditures	5.27%	5.83%	5.76%	6.30%	6.34%	6.15%	5.92%	5.82%	5.92%	4.98%

* Extraordinary item is due to the dissolution of all redevelopment agencies in California.

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Institutional Property	Utility, Unsecured and Escaped Assessment Property¹	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	\$ 139,524,668	\$ 27,086,816	\$ 19,319,349	\$ 1,499,707	\$ 2,437,587	\$ 14,398,367	\$ 5,476,280	\$ 198,790,214	1.00 %
2011	137,082,662	26,746,547	19,385,756	1,435,643	2,450,098	14,454,882	5,793,021	195,762,567	1.00
2012	138,442,842	27,114,991	18,540,107	1,412,736	2,506,623	14,447,692	6,560,413	195,904,578	1.00
2013	140,479,280	27,958,514	19,450,625	1,412,563	2,599,792	15,321,278	6,549,698	200,672,354	1.00
2014	149,092,989	29,348,915	20,120,895	1,456,520	2,689,140	15,633,013	7,566,667	210,774,805	1.00
2015	161,954,196	29,475,074	20,596,312	1,501,740	2,871,593	15,748,875	8,858,490	223,289,300	1.00
2016	174,707,996	30,784,933	21,604,658	1,573,372	3,008,754	16,840,363	7,931,121	240,588,955	1.00
2017	186,918,732	32,806,144	23,888,234	1,756,511	3,170,216	17,221,687	8,558,188	257,203,336	1.00
2018	200,674,894	34,676,697	25,376,448	1,894,968	3,298,031	17,548,323	9,106,096	274,363,265	1.00
2019	215,427,058	36,533,521	27,666,681	1,876,129	3,469,343	18,506,333	10,161,638	293,317,427	1.00

¹ 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**

Fiscal Year	County General	County Special Districts	Local Special Districts	Agency Districts	Schools	Cities	Total¹
2010	1.0000 %	0.0042 %	0.0015 %	0.0195 %	0.1164 %	0.0582 %	1.1998 %
2011	1.0000	0.0052	0.0017	0.0179	0.1163	0.0582	1.1993
2012	1.0000	0.0063	0.0018	0.0176	0.1273	0.0584	1.2114
2013	1.0000	0.0048	0.0016	0.0159	0.1289	0.0560	1.2072
2014	1.0000	0.0054	0.0015	0.0240	0.1346	0.0529	1.2184
2015	1.0000	0.0054	0.0022	0.0183	0.1393	0.0546	1.2198
2016	1.0000	0.0074	0.0018	0.0177	0.1310	0.0469	1.2048
2017	1.0000	0.0071	0.0019	0.0198	0.1279	0.0513	1.2080
2018	1.0000	0.0077	0.0020	0.0244	0.1406	0.0526	1.2273
2019	1.0000	0.0071	0.0051	0.0251	0.1407	0.0501	1.2281

¹ 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
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)**

Taxpayer	JUNE 30, 2019			JUNE 30, 2010		
	Secured Assessed Value	Rank	Percentage of Total Secured Assessed Value	Secured Assessed Value	Rank	Percentage of Total Secured Assessed Value
Tesla Motors Inc	\$ 2,424,307	1	0.87 %			
Pacific Gas & Electric Co.	2,388,621	2	0.85	\$ 1,346,299	1	0.72 %
Kaiser Foundation Hospitals	528,383	3	0.19	387,117	4	0.21
Kaiser Foundation Health Plan	398,668	4	0.14	355,441	5	0.19
Russell City Energy Company, LLC	387,800	5	0.14			
BMR Gateway Boulevard LLC	383,876	6	0.14			
AT&T	361,957	7	0.13	436,906	3	0.23
Bayer Healthcare LLC	353,961	8	0.13	278,224	7	0.15
BRE Properties	341,918	9	0.12			
5616 Bay Street Investors LLC	319,450	10	0.11			
New United Motor Manufacturing, Inc.				1,073,296	2	0.57
Catellus Development Corporation				334,364	6	0.18
Northern California Industrial Portfolio Inc				268,824	9	0.14
SCI Limited Partnership I				269,201	8	0.14
NOP Watergate LLC				253,404	10	0.14
	<u>\$ 7,888,941</u>		<u>2.82 %</u>	<u>\$ 5,003,076</u>		<u>2.67 %</u>

Source: Auditor-Controller, County of Alameda

**COUNTY OF ALAMEDA, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year ¹</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years ²</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2010	\$ 2,360,181	\$ 2,283,101	96.73 %	\$ -	\$ -	-
2011	2,327,545	2,264,442	97.29	58,540	2,322,982	99.8 %
2012	2,358,081	2,300,192	97.55	51,842	2,352,035	99.7
2013	2,402,703	2,359,713	98.21	39,369	2,399,083	99.8
2014	2,539,344	2,503,557	98.59	32,880	2,536,437	99.9
2015	2,711,822	2,675,977	98.68	29,372	2,705,349	99.8
2016	2,880,728	2,840,578	98.61	36,329	2,876,906	99.9
2017	3,082,262	3,040,805	98.65	37,419	3,078,223	99.9
2018	3,350,221	3,313,841	98.91	20,508	3,334,350	99.5
2019	3,618,407	3,581,759	98.99			

¹ Taxes levied for the fiscal year are based on the original charge and are not adjusted for any value changes that may reduce or increase taxes levied and impact percentage of levy collections, including collections to be greater than one hundred percent.

² Data only available beginning fiscal year 2011.

Source: Auditor-Controller, County of Alameda

COUNTY OF ALAMEDA, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(dollar 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	General Obligation Bonds	Tax Allocation Bonds¹	Special Assessment Bonds	Capital Leases	Loans and Notes Payable	Total Primary Government	Percentage of Total Personal Income²	Per Capita²
2010	\$ 160,221	\$ 272,799	\$ 477,740	\$ 141,705	\$ -	\$ 32,565	\$ 335	\$ 29,849	\$ 12,129	\$ 1,127,343	1.55 %	\$ 746
2011	140,915	274,880	446,593	458,190	-	31,890	220	29,516	39,066	1,421,270	1.87	936
2012	39,249	277,774	410,116	575,655	-	-	-	4,357	37,241	1,344,392	1.58	879
2013	36,552	270,239	367,753	564,254	-	-	-	4,150	38,520	1,281,468	1.50	827
2014	32,617	273,662	318,892	840,363	-	-	-	3,971	51,606	1,521,111	1.68	967
2015	28,451	277,030	262,846	822,644	-	-	-	3,784	17,987	1,412,742	-	883
2016	24,033	281,022	198,891	812,019	-	-	-	3,590	6,484	1,326,039	-	815
2017	19,351	285,265	126,252	799,658	-	-	-	3,351	8,273	1,242,150	1.23	758
2018	14,557	286,873	45,755	856,008	243,424	-	-	2,915	16,646	1,466,178	1.24	882
2019	9,143	289,005	-	827,622	243,267	-	-	2,320	45,299	1,416,656	0.00	850

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

¹ Pursuant to ABx1 26, the responsibility for the payment of this debt was transferred to the Alameda County Successor Agency Private-Purpose Trust Fund.

² See Schedule of Demographic and Economic Statistics for total personal income and population data.

COUNTY OF ALAMEDA, CALIFORNIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(dollar amounts expressed in thousands, except per capita in dollars)

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Value of Property ²	Per Capita ³
	General Obligation Bonds	Tax Allocation Bonds ¹	Special Assessment Bonds	Total		
2010	\$ -	\$ 32,565	\$ 335	\$ 32,900	0.02 %	\$ 22
2011	-	31,890	220	32,110	0.02	21
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	243,424	-	-	243,424	0.09	146
2018	243,267	-	-	243,267	0.08	146

Note:

- ¹ Pursuant to ABx1 26, the responsibility for the payment of this debt was transferred to the Alameda County Successor Agency Private-Purpose Trust Fund.
- ² See Schedule of Assessed Taxable Value for the taxable value of property.
- ³ See Schedule of Demographic and Economic Statistics for total population data.

COUNTY OF ALAMEDA, CALIFORNIA

**ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2019**

(dollar amounts in tables expressed in thousands)

2018-19 Assessed Valuation: \$279,317,427 (includes unitary utility valuation)

Population: 1,666,763

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/30/19</u>
Alameda County	100.000%	\$ 240,000
Bay Area Rapid Transit District	38.963%	312,221
Chabot-Las Positas Community College District	99.432	657,653
Ohlone Community College District	100.000	416,948
Peralta Community College District	100.000	365,985
San Joaquin Delta Community College District	0.459	911
Alameda Unified School District	100.000	149,932
Berkeley Unified School District	100.000	307,105
Castro Valley Unified School District	100.000	133,055
Dublin Unified School District	100.000	423,285
Fremont Unified School District	100.000	465,755
Hayward Unified School District	100.000	559,502
Livermore Valley Joint Unified School District	99.648	123,280
New Haven Unified School District	100.000	231,024
Oakland Unified School District	100.000	873,735
Pleasanton Unified School District	100.000	82,829
San Leandro Unified School District	100.000	263,460
San Lorenzo Unified School District	100.000	157,710
Other Unified School Districts	2.091-100.000	326,290
City of Alameda	100.000	7,205
City of Albany	100.000	13,480
City of Berkeley	100.000	111,920
City of Fremont	100.000	36,150
City of Oakland	100.000	301,655
Washington Township Healthcare District	100.000	331,290
Hayward Area Recreation and Park District	100.000	116,110
East Bay Regional Park District	56.791	101,491
Community Facilities Districts	100.000	190,708
1915 Act Bonds (Estimated)	100.000	27,586
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>\$7,328,275</u>

COUNTY OF ALAMEDA, CALIFORNIA

ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (Continued)

JUNE 30, 2019

(dollar amounts in tables expressed in thousands)

<u>DIRECT AND OVERLAPPING DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/30/19</u>
Alameda County Certificates of Participation	100.000%	\$ 9,143
Alameda County Tobacco Securitization Bonds	100.000	289,003
Alameda County Lease Revenue Bonds	100.000	827,622
Alameda County Capital Leases	100.000	2,320
Alameda County Loans and Notes Payable	100.000	45,299
Alameda County General Obligation Bonds	100.000	243,267
Alameda-Contra Costa Transit District Certificates of Participation	89.717	10,286
Peralta Community College District Pension Obligation Bonds	100.000	147,578
Fremont Unified School District Certificates of Participation	100.000	63,095
Hayward Unified School District Certificates of Participation	100.000	16,022
Oakland Unified School District Certificates of Participation	100.000	23,930
San Lorenzo Unified School District Certificates of Participation	100.000	9,905
Other School District Certificates of Participation	100.000	11,533
City of Berkeley General Fund Obligations	100.000	25,575
City of Fremont General Fund Obligations	100.000	111,553
City of Hayward General Fund Obligations	100.000	83,306
City of Livermore General Fund Obligations	100.000	62,725
City of Oakland General Fund Obligations	100.000	121,799
City of Oakland Pension Obligation Bonds	100.000	246,872
City of San Leandro General Fund and Pension Obligations Bonds	100.000	52,930
Other City General Fund Obligations	100.000	<u>44,146</u>
TOTAL DIRECT AND OVERLAPPING DEBT		<u>\$3,864,563</u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	100.000	<u>\$ 681,695</u>
TOTAL DIRECT DEBT		\$1,416,654 ¹
TOTAL OVERLAPPING DEBT		<u>\$8,801,225</u>
COMBINED TOTAL DEBT		<u>\$10,217,879 ²</u>
 Ratios to 2018-19 Assessed Valuation:		 <u>Per Capita</u> <u>(not in thousands)</u>
Total Overlapping Tax and Assessment Debt	2.62%	\$4,397
Total Direct Debt	.51%	850
Combined Total Debt	3.66%	6,130
 Ratios to Redevelopment Successor Agencies Incremental Valuation (\$36,364,128):		
Total Overlapping Tax Increment Debt	1.87%	409

¹ Includes accreted value.

² Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue 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
(dollar amounts expressed in thousands)**

Legal debt margin calculation for fiscal year 2019	
Net assessed value	\$291,590,092
Plus homeowners' exemption	<u>1,727,335</u>
Total assessed value	<u><u>\$293,317,427</u></u>
Debt limit (1.25% of total assessed value)	\$3,666,468
Amount of debt applicable to debt limit	<u>240,000</u>
Legal debt margin	<u><u>\$3,426,468</u></u>

Fiscal year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin / Debt Limit
2010	\$2,484,877	\$ -	\$2,484,877	100 %
2011	2,447,032	-	2,447,032	100
2012	2,448,807	-	2,448,807	100
2013	2,508,404	-	2,508,404	100
2014	2,634,685	-	2,634,685	100
2015	2,791,116	-	2,791,116	100
2016	3,007,362	-	3,007,362	100
2017	3,215,042	-	3,215,042	100
2018	3,669,541	240,000	3,429,541	93
2019	3,666,468	240,000	3,426,468	93

Source: Auditor-Controller, County of Alameda

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

Fiscal Year	Special Assessment Bonds ¹				Tax Allocation Bonds ²				Tobacco Securitization Bonds ³			
	Special Assessment Collections	Debt Service		Coverage	Tax Increment	Debt Service		Coverage	Tobacco Settlement Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2010	\$ 190	\$ 210	\$ 23	82 %	\$ 2,075	\$ 650	\$ 1,453	99 %	\$ 14,624	\$ 4,565	\$ 10,834	95 %
2011	135	115	14	105	2,078	675	1,426	99	13,162	4,015	10,618	90
2012	86	220	5	38	2,114	705	1,409	100	13,422	3,615	10,432	96
2013	-	-	-	-	2,111	730	1,381	100	20,229	10,505	10,278	97
2014	-	-	-	-	2,111	760	1,351	100	13,299	4,140	9,693	96
2015	-	-	-	-	2,110	790	1,320	100	13,165	4,700	9,455	93
2016	-	-	-	-	2,113	825	1,288	100	13,017	4,615	9,185	94
2017	-	-	-	-	2,109	855	1,254	100	13,388	4,940	8,920	97
2018	-	-	-	-	2,109	890	1,219	100	15,984	8,190	8,635	95
2019	-	-	-	-	2,108	925	1,183	100	15,494	8,330	8,165	94

¹ Special Assessment bonds were paid off on September 2, 2011.

² Tax Allocation bonds were issued on February 2, 2006. Pursuant to ABx1 26, the responsibility for the payment of this debt was transferred to the Alameda County Redevelopment Successor Agency Private-Purpose Trust Fund effective February 1, 2012.

³ 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**

Fiscal Year	Population	Total Personal Income (amounts expressed in thousands)²	Per Capita Personal Income (dollars)²	Unemployment Rate³
2010	1,510,271	\$ 72,757,457	\$ 48,087	11.3
2011	1,517,756	75,908,145	49,617	10.8
2012	1,530,176	85,017,099	54,683	9.5
2013	1,548,681	85,173,987	53,798	7.4
2014	1,573,254	90,631,392	56,261	5.8
2015	1,599,888	- ¹	- ¹	4.6
2016	1,627,865	- ¹	- ¹	4.7
2017	1,638,215	101,370,460	61,879	4.0
2018	1,663,190	118,554,685	71,282	3.3
2019	1,666,753	127,746,433	76,644	3.1

¹ Personal Income & Per Capita Income for the County is not available from 2014-2016

² Dollar estimates are in current dollars (not adjusted for inflation); Per Capita Personal Income was computed using Census Bureau's midyear population estimates, which differ from the population column of this page.

³ Unemployment rates reflected as of June of each year

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

**COUNTY OF ALAMEDA, CALIFORNIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Type of Business	Number of Employees JUNE 14, 2019 ¹		Rank	Percentage of Total County Employment ²	Number of Employees JUNE 30, 2010 ¹		Rank	Percentage of Total County Employment ²
Kaiser Permanente Medical Group Inc. ³	Health Care	58,269		1	7.12 %	-		20+	- %
Sutter Health ³	Health Care	24,347		2	2.97	-		20+	-
Wells Fargo Bank ³	Financial Services	14,000		3	1.71	5,862		4	0.88
Safeway Inc. ³	Supermarkets & Other Grocery	13,397		4	1.64	-		20+	-
Tesla ³	Electric Vehicle Manufacturer	10,000		5	1.22	-		20+	-
PG&E Corporation ³	Energy	9,600		6	1.17	-		20+	-
Oracle Corp. ³	Software and Technology	7,535		7	0.92	-		20+	-
UPS ³	Trucking/Shipping/Freight	6,700		8	0.82	-		20+	-
John Muir Health ³	Health Care	6,518		9	0.80	-		20+	-
County of Alameda	Local Government	9,428		10	1.15	9,094		2	1.36
Total		<u>159,794</u>			<u>19.51 %</u>	<u>14,956</u>			<u>2.24 %</u>

Source: SFBT research for June 14, 2019 employment data. The County of Alameda number of employees as of June 30, 2010 is obtained from the County of Alameda Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2010.

¹ The number of employees, except for County of Alameda include Alameda County and Contra Costa County employees.
Total employment within County of Alameda is unavailable.

² Percentage calculated based on Alameda County's Employment of 818,500 for June 2019 and 669,200 for 2010 (Source: Employment Development Department)

³ Information from SFBT research as of June 14, 2019. Information as of June 30, 2019 is not available, except for County of Alameda employer.

⁴ Information from County of Alameda's database as of June 30, 2019.

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	1,256	1,247	1,242	1,241	1,259	1,333	1,291	1,294	1,307	1,342
Public Protection	3,458	3,399	3,319	3,330	3,385	3,155	3,249	3,039	2,994	3,092
Public Assistance	2,159	2,057	1,980	1,919	2,057	2,288	1,211	2,137	2,152	2,176
Health and Sanitation	1,056	1,094	1,130	1,158	1,190	1,159	2,276	1,595	1,641	1,676
Public Ways and Facilities	4	4	5	5	5	4	105	4	4	4
Recreation and Cultural Services	4	4	4	3	4	4	5	4	4	4
Education	91	93	90	88	93	102	4	107	118	107
Totals	8,028	7,898	7,770	7,744	7,993	8,045	8,141	8,180	8,220	8,401

Source: Auditor-Controller, County of Alameda

**COUNTY OF ALAMEDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS¹**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Property tax bills processed	561,531	562,212	556,359	570,121	571,625	568,444	565,466	568,056	584,861	572,794
Phone-assisted property tax calls	92,518	74,700	63,784	60,970	53,484	56,467	42,666	46,641	49,158	45,752
Recycled materials recovered (pounds) from county departments										
Metal	442,250	424,776	347,449	424,908	413,351	386,384	561,659	459,812	486,709	442,089
Paper	1,070,263	1,034,233	680,461	1,136,732	1,399,429	1,420,980	1,328,709	1,158,883	963,607	920,961
Toner cartridges	8,716	5,276	9,633	9,709	14,515	14,692	11,644	12,038	7,473	12,386
Public Protection										
Juvenile detention risks and needs assessment completed	2,806	2,180	4,092	3,017	2,740	2,524	1852	1,621	1,596	733
Youth serviced through community probation	908	634	640	641	576	436	397	384	565	650
Documents recorded/indexed	377,208	396,916	405,824	452,091	323,925	346,218	326,558	320,423	273,564	242,294
Child support active caseload	37,277	35,786	34,612	33,472	32,983	31,825	31,081	31,034	31,625	30,813
Emergency calls to fire district	23,621	31,887	33,071	34,483	36,621	38,797	40,814	40,921	41,683	42,173
Calls for police service	51,742	51,199	50,122	51,610	50,444	53,147	54,317	54,542	55,202	53,715
Total patrol arrests	6,244	5,607	5,856	5,220	6,437	6,430	6,672	5,854	5,670	5,485
Total investigation arrests	1,910	2,039	1,978	1,939	1,969	2,008	1,846	1,652	1,713	1,609
Crime investigation cases assigned	5,115	5,008	2,671	4,146	5,844	7,141	7,002	6,569	4,683	3,963
Crime investigation cases closed	7,438	7,022	8,644	6,822	8,308	6,542	7,099	7,380	6,712	6,264
Average daily inmate population	4,305	3,898	3,487	3,383	3,380	2,988	2,653	2,493	2,547	2,565
Public Assistance										
Seniors receiving services (annual amount)	34,198	41,365	49,685	54,599	57,740	64,464	63,011	72,261	75,755	70,395
Congregate nutrition meals served (annual amount)	222,688	216,540	199,427	200,428	196,768	185,477	180,046	194,848	188,288	179,046
Home-delivered nutrition meals served (annual amount)	514,599	537,310	518,453	488,203	496,397	529,690	480,814	540,995	659,416	570,190
CALWORKS job placements (annual amount)	2,644	2,954	2,788	2,620	2,614	2,626	2,372	1,847	1,596	1,511
CALWORKS eligible households aided (monthly average)	19,963	20,480	19,997	19,172	18,406	17,036	14,581	12,631	11,148	9,608
Medi-Cal eligible households aided (monthly average)	75,813	80,387	84,254	105,488	116,322	168,060	204,664	213,808	212,715	206,917
Food stamps eligible households aided (monthly average)	45,511	52,827	59,802	62,968	63,828	67,545	62,067	59,076	56,676	53,901
General Assistance eligible cases aided (monthly average)	8,907	6,378	7,455	8,184	8,089	8,241	8,250	8,794	9,084	9,035
Health and Sanitation										
Food inspections	13,823	12,151	13,894	15,652	16,165	17,911	15,647	15,227	10,822	13,749
Recreational inspections	2,847	1,986	2,398	1,432	2,418	2,054	2,505	2,315	1,645	2,302
Medical waste facility inspections	120	160	150	160	158	136	140	146	189	154
Landfill site inspections	252	252	252	258	221	295	306	241	382	350
Hazardous waste accepted from households (pounds)	2,091,555	2,609,290	2,851,155	2,887,424	3,100,100	3,390,777	4,066,855	4,570,668	4,722,366	4,978,582
Hazardous waste recycled (pounds)	1,801,109	2,017,973	2,200,192	2,343,774	2,450,000	1,982,822	2,889,840	3,426,088	3,430,603	3,657,846
Public Ways and Facilities										
Percent of roadway miles rehabilitated	1.82	2.95	9.84	9.45	9.45	6.75	8.4	1.1	3.74	3.5
Percent of potholes filled within 48 hours of request	75.00	75.00	75.00	80.00	80.00	80.00	80.00	80.00	72.00	34.56
Education										
Number of library visits	4,998,814	4,547,999	4,922,076	4,891,575	4,855,755	5,301,916	5,006,010	4,902,657	4,385,828	4,803,248
Number of registered library card holders	323,798	336,360	346,431	357,036	366,504	375,054	386,768	395,120	425,068	439,401

¹ 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 TEN FISCAL YEARS**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administration buildings	3	3	3	5	5	6	6	6	7	7
Public Protection										
Administration buildings	11	11	11	11	11	11	11	11	12	12
Jail and detention facilities	6	6	5	5	5	5	5	6	6	6
Pump stations	13	13	13	13	13	13	13	13	13	13
Fuel cell center	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	5	5
Fire trucks	29	28	30	31	31	33	31	29	27	29
Aircraft	2	2	2	2	2	3	3	3	3	3
Patrol boats	5	5	5	5	5	5	7	7	9	10
Patrol cars	142	141	141	160	160	165	143	129	148	146
Rescue equipment	10	10	10	10	10	10	6	6	6	6
Heavy equipment	65	69	69	70	72	72	61	63	66	65
Public Assistance										
Administration buildings	4	4	4	4	4	4	4	4	4	4
Health and Sanitation										
Administration buildings	2	2	2	2	4	4	4	4	4	4
Hospitals	3	3	3	3	3	3	3	3	3	3
Health centers	5	5	5	5	5	5	6	6	6	6
Hazardous waste facilities	2	2	2	2	2	2	2	2	2	2
Public Ways and Facilities										
Administration building	1	1	1	1	1	1	1	1	1	1
Maintenance buildings	5	5	5	5	5	5	5	5	5	5
Bridges	7	7	7	7	7	7	7	7	7	7
Road (miles)	473	473	472	472	472	472	472	471	471	473
Street lights	7,507	7,507	7,531	7,592	7,603	7,613	8,076	8,084	8,084	8,090
Traffic signals	78	78	78	79	80	87	87	87	87	98
Heavy equipment	64	65	65	65	73	73	68	64	65	47
Recreation and Cultural Services										
Administration building	1	1	1	1	1	1	1	1	1	1
Exhibit halls	6	6	6	6	6	6	6	6	6	6
Amphitheater	1	1	1	1	1	1	1	1	1	1
Education										
Libraries	4	4	4	4	4	4	4	4	4	4

Source: Auditor-Controller, County of Alameda

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.

