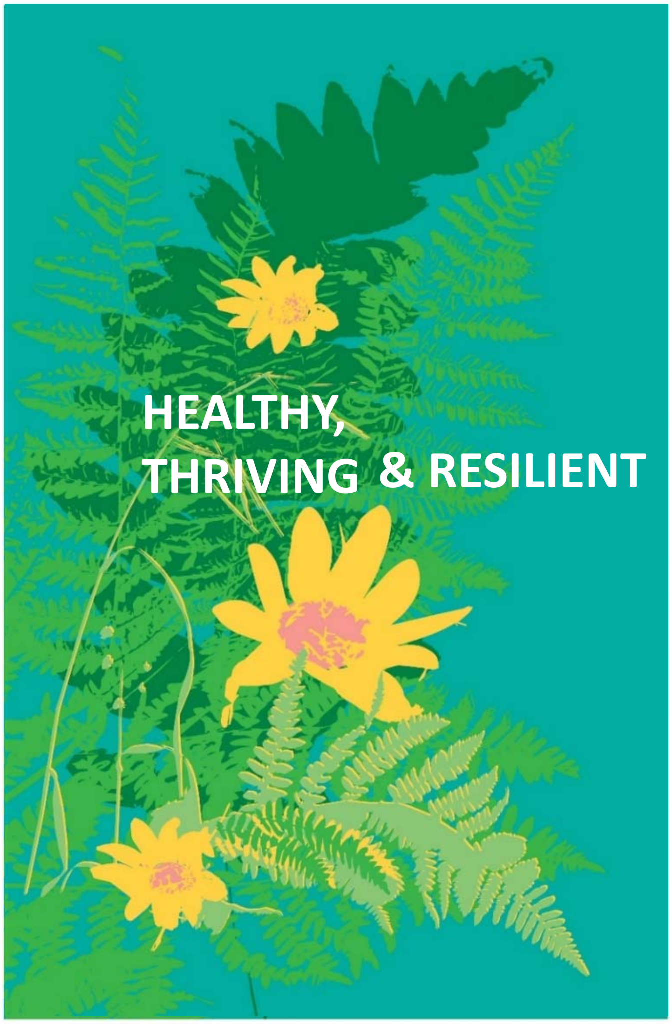
SINGLE AUDIT REPORTS

For the Fiscal Year Ended June 30, 2021

County of Alameda, California



Melissa Wilk, Auditor-Controller

Front Cover - Images: Through the support and shared vision of New Beginnings, Alameda County Arts Commission's 100 Families program partnered with Alameda County Library to conduct family art making workshops at Library locations throughout Alameda County. Images celebrate the diversity of Alameda County and feature local residents. Artwork image designed by Malik Johnson. Photographs by Paul Kuroda.

COUNTY OF ALAMEDA
Single Audit Reports
For the Year Ended June 30, 2021

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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, 2021, 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, 2021:

Opinion Unit	Assets and Deferred Outflows	Net Position/ Fund Balance	Revenues/ Additions
Aggregate remaining fund information	67%	70%	9%
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.

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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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2021, 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.

Emphasis of Matter

Implementation of a New Accounting Pronouncement

As discussed in Note 1(G) to the financial statements, effective July 1, 2020, the County adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 – Disaster Response 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates 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. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021, 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.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 28, 2021, except for our report on the schedule of expenditures
of federal awards, as to which the date is May 9, 2022

This section presents a narrative overview and analysis of the financial activities of the County for the year ended June 30, 2021. 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 $2,638,938 (net position). Of this amount, $918,463 is restricted for specified purposes and is not available to meet the government's ongoing obligations to citizens and creditors, $889,851 is net investment in capital assets, and the remaining unrestricted net position totals $830,624. is available to meet the County's ongoing obligations to citizens and creditors.

- The government's total net position increased for fiscal year 2021 by $457,592, an increase of 21.0 percent over the prior fiscal year. Total revenue increased $471,197 which includes increases in most of the revenue sources. Total expenses increased $231,697 or 7.1 percent over the prior fiscal year.

- As of June 30, 2021, the County's governmental funds reported a combined ending fund balance of $2,870,678, a decrease of $526,191 in comparison with the prior year. Unassigned fund balance of $125,890 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 $154,255 or 4.3 percent of total general fund expenditures of $3,588,290.

- The County's gross long-term obligations, excluding unamortized premiums and discounts, decreased by $49,538 during the fiscal year 2021 primarily due to decreases in long-term debt outstanding balances, as principal payments were made to reduce existing long-term debts.

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 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 19-20 of this report.

Fund financial statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: **governmental**, **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 governmental fund financial statements can be found on pages 21-24 of this report.

Proprietary funds

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

The County does not maintain any enterprise 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 25-27 of this report.

Fiduciary funds

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

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

Notes to the basic financial statements

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-100 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 101-111 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. Schedules of capital assets used in the operation of governmental funds are also presented. Combining and individual fund statements and schedules can be found on pages 113-142 of this report. Budgetary comparisons for the County's capital projects and non-major special revenue funds are also presented.

(Amounts expressed in thousands)

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 $2,638,938 at June 30, 2021.

A portion of the County's net position, $889,851 or 34 percent, reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure), less related outstanding debt used to acquire those assets 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, 2021 and 2020

	Governmental Activities	
	2021	2020
Assets:		
Current and other assets	$ 4,325,169	$4,676,328
Capital assets	1,877,485	1,842,745
Total assets	6,202,654	6,519,073
Deferred outflows of resources	1,449,007	423,259
Liabilities:		
Current liabilities	945,759	921,772
Long-term liabilities	3,416,062	3,405,397
Total liabilities	4,361,821	4,327,169
Deferred inflows of resources	650,902	436,316
Net position:		
Net investment in capital assets	889,851	810,517
Restricted	918,463	883,195
Unrestricted	830,624	485,135
Total net position	$ 2,638,938	$ 2,178,847

Current and other assets decreased $351,159 from prior year primarily due to net decreases of cash and investment balances of $403,178 from increased expenditures, and a decrease of $68,416 for amounts due from the Alameda Health System. This is offset by an increase of $81,381 in loans receivable and $51,260 in properties held for resale due to the acquisition of several hotels and the former Oakland Raiders training facility.

Deferred outflows of resources increased $1,025,748 due to the change in value for the pension and OPEB deferred outflows of resources.

Current liabilities increased $23,987 primarily due to an increase of $90,365 in accounts payable and accrued expenses offset by a decrease of $19,980 in loans payable and $16,044 due to amounts owed to the Alameda Health System.

(Amounts expressed in thousands)

Long-term liabilities and deferred inflows of resources increased $10,665 and $214,587, respectively, primarily due to the change in value for the net pension/OPEB liability and related deferred inflows of resources.

A portion of the County's net position, $918,463, represents resources that are subject to external restrictions as to how they may be used. As of June 30, 2021, the County has a balance of $830,624 in unrestricted net position. Unrestricted net position in the amount of $830,624 may be used to meet the government's ongoing obligations to citizens and creditors. There was an increase of $35,268 in restricted net position reported in connection with the County's governmental activities.

The County's net position increased by $457,592 during the fiscal year 2021 versus an increase of $218,092 for fiscal year 2020. As compared to last fiscal year, expenses increased by $231,697. Operating and capital grants and contributions increased $394,998 over fiscal year 2020 and charges for services increased $17,427. General revenues increased by a total of $58,772.

County of Alameda
Changes in Net Position
For the Years Ended June 30, 2021 and 2020

	Governmental Activities	
	2021	**2020**
Revenues:		
Program revenues:		
Charges for services	$ 672,257	$ 654,830
Operating grants and contributions	2,264,699	1,869,783
Capital grants and contributions	8,252	8,170
General revenues:		
Property taxes	729,572	698,345
Sales taxes - shared revenues	81,480	69,976
Other taxes	44,156	37,012
Interest and investment income	99,475	81,135
Other	41,359	50,802
Total Revenues	3,941,250	3,470,053
Expenses:		
General government	217,486	181,091
Public protection	1,093,840	1,108,558
Public assistance	889,769	816,847
Health and sanitation	1,120,261	986,332
Public ways and facilities	55,787	51,122
Recreation and cultural services	798	780
Education	37,668	36,636
Interest on long-term debt	68,049	70,595
Total expenses	3,483,658	3,251,961
Change in net position	457,592	218,092
Net position - beginning of period, as previously reported	2,178,847	1,960,755
Cumulative effect of restatements	2,499	-
Net position - beginning of period	2,181,346	1,960,755
Net position - end of period	$ 2,638,938	$ 2,178,847

Governmental activities

Governmental activities increased the County's net position by $457,592.

Operating grants and contributions increased $394,916 or about 21 percent during the year. The increase is primarily due to an increase of $286,710 in state and local general government programs, $14,499 in federal and state public protection programs, $6,745 in federal and state public assistance programs, and $91,924 in federal and state health programs.

Capital grants and contributions increased $82. Significant projects include federal funding of $8,188 for the Acute Tower Replacement project, an increase of $44 from the prior year. Other projects include state funding of $64, an increase of $38 from the prior year.

Charges for services increased $17,427 or 3 percent from fiscal year 2020. The County earned higher charges for services because medical care financing increased by $33,397 due to state-approved rate range transfers. These increases were partially offset by a decrease of $7,494 in mental health services and $6,578 in environmental health special programs.

General revenues increased by $58,772 or 6 percent overall in the fiscal year 2021.

- Property tax revenues increased by $31,227 or 4 percent due to strong assessment roll growth.
- Sales and use tax revenue increased by $11,504 or 16 percent due to strengthening demand in the economy.
- Other taxes increased $7,144 or 19 percent due to increases in property transfer taxes and utility user taxes.
- Interest and investment income increased by $18,340 or 23 percent. The increase was primarily due to increased rates of return on investments.
- Other revenue decreased $9,443 or 19 percent. The decrease was primarily due to lower levels of interest credited to the general fund.

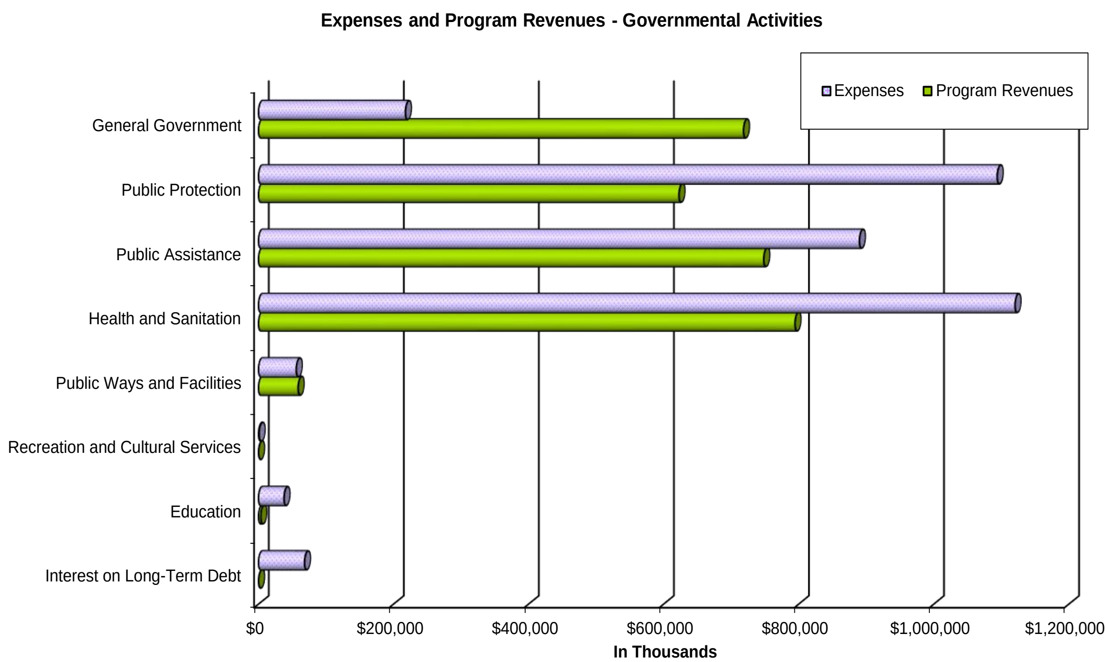
Expenses related to governmental activities increased $231,697 or 7.1 percent during fiscal year 2021. The major changes in expenses related to governmental activities are in the following areas: general government expenses increased by $36,395, public protection expenses decreased by $14,718, public assistance expenses increased $72,922, and health and sanitation expenses increased by $133,929 from fiscal year 2020.

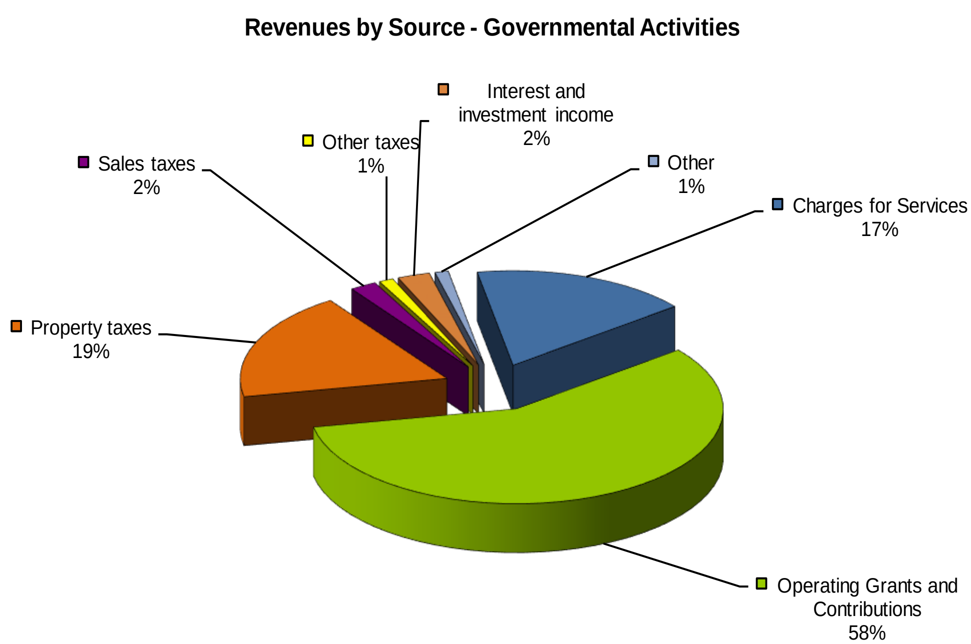
- The $36,395 increase in general government expenses is due to higher project maintenance costs and elections. The County had multiple maintenance projects and contributions to other local governments that contributed to increased costs of $22,619. In addition, elections were held during the fiscal year that increased costs by $5,924.

- The $14,718 decrease in public protection expenses was primary due to lower covid-19 and contract law enforcement expenditures. Law enforcement expenditures eligible for CARES reimbursement decreased by $10,701. Contract law enforcement decreased by $4,025 due to the postponement or cancellation of several events.

- The $72,922 increase in public assistance expenses was due to higher covid-19 expenditures offset by lower welfare services and use of Measure A1 bond proceeds for affordable housing expenditures. Social service expenditures associated with covid-19 and eligible for CARES reimbursement increased by $117,925. This was offset by declines in welfare administration and assistance payments of $37,240. In addition, use of Measure A1 proceeds decreased by $11,852 due to lower affordable housing expenditures.

- The $133,929 increase in health and sanitation expenses was primarily due to higher covid-19 expenditures eligible for CARES reimbursement and, as a result, expenditures are higher by $121,214.





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, 2021, the County's governmental funds reported combined ending fund balances of $2,870,678, a decrease of $526,191 or 15 percent as compared to fiscal year 2020. Approximately 4 percent of this total amount ($125,890) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance consists of nonspendable ($55,375), restricted ($1,258,864), committed ($1,077,202), or assigned ($353,347).

Revenue for governmental funds overall totaled $3,962,047 for the fiscal year 2021, which represents an increase of $499,013 or 14.4 percent from the fiscal year 2020. Expenditures for governmental funds, totaling $4,493,127, increased by $1,210,009 or 37 percent from the fiscal year 2020. The governmental funds' expenditures exceeded revenues by $531,080 or 12 percent.

The general fund is the primary operating fund of the County. At the end of fiscal year 2021, the unassigned fund balance of the general fund was $154,255, while total fund balance was $1,605,987. 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 4.3 percent of total general fund expenditures of $3,588,290, while total fund balance represents 45 percent of that same amount. The prior year comparisons for unassigned and total fund balance to total general fund expenditures are 7.7 percent and 78 percent, respectively.

General fund revenues increased by $266,343 or 9 percent to due to the following factors:

- Tax revenues increased by $54,947 or 9 percent. Property tax revenues increased $31,512 due to a strong assessment roll growth. The general strength of the economy also led to increases of $11,504 in sales taxes and $7,143 in other taxes such as property transfer taxes and utility users' taxes.

- Fines, permits, and forfeitures increased $14,151 or 47 percent primarily due to an increase in District Attorney statutory penalties.

- State aid increased by $80,367 or 6 percent. Mental health expenditures qualifying for state grant reimbursement increased by $38,089. Realignment backfill increased realignment sales tax revenues by $19,725 to cover shortfalls in the prior fiscal year sales tax revenues. State disaster aid increased by $27,098 to support housing affordability and homeless issues exacerbated by the pandemic.

- Federal aid increased by $56,304 or 12 percent. This was due to an increase of $14,841 in federal health administration and $30,331 in federal health programs for lower levels of deferred revenues compared to the prior year.

- Other Aid increased by $20,587 or 33 percent. The increase was primarily due to $10,000 in contributions received from the Oakland-Alameda County Coliseum Authority and $5,858 in increased affordable housing revenues.

- Charges for services increased by $53,974 or 15 percent. The increase was due to $55,736 in medical charges due to decreases in utilization and eligibility of the population served. In addition, election services revenues increased $3,693 as local elections were held during the fiscal year.

- Other revenue increased by $28,093 or 31 percent, primarily due to $33,398 in state intergovernmental transfers for medical care financing.

General fund expenditures increased by $928,960 or 35 percent from fiscal year 2020, totaling $3,588,290. Overall, the general fund's performance resulted in expenditures exceeding revenues in the fiscal year 2021, by $389,249. In fiscal year 2020, the general fund revenues exceeded expenditures by $273,368.

The property development fund total fund balance was $473,857. 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 2021 was $70,561, primarily due to the increased use of Measure A1 debt proceeds to fund housing programs.

The disaster response fund total fund balance was $(20,938). This fund accounts for activities related to the response to disaster events, in particular this year in response to covid-19. The net decrease in the fund balance during the fiscal year 2021 was $17,244, primarily due to the recognition of expenditures where the County intends to claim reimbursement from FEMA. Most other expenditures were funded by federal CARES Act funding received in April 2020.

The fund balance in the flood control fund increased in 2021 from $256,505 to $269,307 or 5 percent. Revenue increased by $671 mainly due to increased tax revenues and decreased services and supplies for state water facilities.

The capital projects fund has a 2021 fund balance of $73,339, an increase of $15,017 from fiscal year 2020. The increase was primarily attributable to the transfers in from other funds in excess of construction costs for projects such as the Arena Center, and the Santa Rita Jail access and disability upgrades and security system projects.

The fund balance in the debt service fund decreased $14,841 from $107,294 to $92,453 due to lower tax revenues for Measure A1 debt.

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 $8,758 in 2021 with an operating loss of $6,306, negative investment earnings, and negative net transfers in. This was primarily due to services and supplies increasing at higher rates, along with negative investment performance and net transfers out of $2,391 for debt service, energy loans and leases, and tenant improvement projects.

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, 2020, ACERA's fiscal year-end, the net position of ACERA and the other employee benefits trust totaled $9,629,775 representing an increase of $837,991 in net position from the prior year's net position. The increase was largely attributable to an increase in fair value of investments as of December 31, 2019.

As of June 30, 2021, the external investment pool's net position totaled $3,492,225, a $127,227 increase in net position. The increase in net position of the external investment pool was due to net investment income of $539, plus net of contributions exceeding withdrawals to the fund by $126,688.

The private-purpose trust fund includes the redevelopment non-housing successor agency, public guardian, and Court Wards & Dependents. As of June 30, 2021, the private-purpose trust fund's net position totaled $2,919, an decrease of $708.

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 $1,104,262 between the original budget and the final amended budget represents increased appropriations. The significant appropriations are briefly summarized:

- General government increased appropriations by $29,992. This included $3,870 of salary and benefit increases, $5,533 of services and supplies increases, and $23,087 of capital asset increases.

- The public protection departments increased appropriations by $858,143. This included $831,142 of salary and benefit increases and $25,432 of service and supplies increases.

- The public assistance departments increased appropriations by $61,850. This included $26,314 of service and supplies increases and $34,489 of capital asset increases.

- Appropriations for health and sanitation increased by $153,613. This included $87,116 of services and supplies increases and $62,884 in other charges increases.

Overall, the County's actual general fund revenues under-realized its budgeted fiscal year 2021 revenues by $108,069 or 3 percent. Revenues that had significant variances include:

- Taxes were under-realized by $5,349 or 1 percent. This is primarily due to $20,486 in property taxes due to assessed values, offset by $4,177 in property transfer tax and $12,522 in sales tax due to housing sales and the improved economy.
- Fines, forfeitures, and penalties revenue exceeded the budget by $30,510 or 226 percent. This was due to the under-budgeting of penalties for delinquent taxes by $15,759 and statutory penalties by $16,878.
- State aid revenue was over-realized by $24,089 or 2 percent. Realignment and state disaster aid revenues were higher than expected by $65,505 and $27,098, respectively, due to realignment backfill and covid-19 revenues. This was partially offset by state health program and state public

assistance program revenues were lower than expected by $32,678 and $39,283, respectively, due to lower than expected reimbursable costs.

- Federal aid revenue was under-realized by $74,585 or 13 percent. Federal public assistance and social services programs were lower than expected by $18,387 and $31,713, respectively, due to lower than expected reimbursable costs associated with assistance payments and welfare administration. Federal grant reimbursements for housing and community development programs were lower than expected by $12,693.
- Other revenue was less than budgeted by $76,701 or 39 percent. Welfare administration was under budget by $48,935 and assistance payments was under budget by $16,210.

Variations between budget and actual expenditures in the general fund reflect overall expenditures under the adjusted budget by $481,201 or 11 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 $62,585 or 25 percent less than budget. Vacant positions resulted in savings of $9,335. Discretionary expenditures were lower by $20,100 due to reduction of expenditures. Capital assets were lower by $33,479 due to lower capital asset acquisition costs.
- Public protection spent $83,144 or 5 percent less than budget. Vacant positions resulted in savings of $39,117 in salaries and benefits. Discretionary services and supplies expenditures were lower by $43,139 due to reduction of expenditures and delayed services contract assignment and implementation.
- Public assistance spent $136,301 or 13 percent less than budget. Vacant positions resulted in savings of $25,881 in salaries and benefits. Discretionary services and supplies expenditures were lowered by $70,670 due to savings on contracts and interdepartmental expenditures. Other charges were lower by $39,553 due to lower caseloads in CalWORKS, in-home support services, and child welfare services.
- Health and sanitation expenditures were $198,782 or 15 percent less than budget. Salaries and employee benefits were under-spent by $37,842 due to vacant positions. Discretionary services and supplies expenditures were lower by $147,949 due to reduction of expenditures and savings on contracts.

(Amounts expressed in thousands)

Capital assets and debt administration

Capital Assets

The County's investment in capital assets for its governmental activities amounts to $1,877,485 (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 2021 was $34,740 or 1.9 percent.

Capital Assets Net of Accumulated Depreciation
June 30, 2021

	Governmental Activities	
	2021	2020
Land and other assets not being depreciated	$ 298,454	$ 246,757
Structures and improvements, machinery and equipment, and infrastructure, net of depreciation	1,579,031	1,595,988
Total	$ 1,877,485	$1,842,745

Major capital asset events that occurred during fiscal year 2021 include:

- Land increased $6,888 and buildings and improvements increased $27,554 due to the acquisition of the Social Services administration building.
- Machinery and equipment increased $15,624 due to the acquisition of equipment totaling $10,189 and vehicles totaling $5,435.
- Construction in progress increased $68,986 primarily due to the following: Fairmont Tiny Homes, Santa Rita Jail security system upgrades and Cherryland Community Center in the amounts of $5,589, $2,332 and $4,720, respectively. Road projects increased construction in progress by $34,040 and flood control projects increased construction in progress by $17,629. These increases in construction in progress were offset by completed projects that were placed into service. Completed projects include road projects totaling $14,796 and flood control projects totaling $8,964.

At the end of the fiscal year, road improvements, and flood control channel improvements projects had outstanding contract commitments of $28,454 and $6,613, 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 58) of the financial statements.

(Amounts expressed in thousands)

Debt Administration

As of June 30, 2021, the County had long-term obligations outstanding of $1,544,328, excluding unamortized premiums and discounts of $23,828, as summarized below:

Outstanding Long-term Obligations
June 30, 2021 and 2020

	Governmental Activities	
	2021	2020
Certificates of participation	$ 3,055	$ 5,985
Tobacco securitization bonds	296,234	294,359
Lease revenue bonds	743,795	772,055
General obligation bonds	191,300	218,000
Capital leases	595	1,466
Other long-term obligations	309,349	302,001
Total	$ 1,544,328	$ 1,593,866

The County's total long-term obligations decreased $49,538 during the fiscal year primarily due to decreases in long-term debt outstanding balances, as principal payments were made to reduce existing long-term debts.

The County's legal debt limit is 1.25 percent of total assessed value. As of June 30, 2021, the legal limit was $4.19 billion The County's outstanding general obligation debt is $191 million and therefore $4.00 billion is still available of the debt limit.

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

	2021 Rating	2020 Rating
Moody's	Aaa	Aaa
Standard & Poor's	AAA	AAA
Fitch	AAA	AAA

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

	2021 Rating	2020 Rating
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 62) 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 6.6 percent in June 2021, compared to the rate of 13.5 percent in June 2020. The State's unemployment rate was 8.0 percent in June 2021. This information is also in transmittal letter.
- The assessed value of the County's property increased by 6.8 percent in 2021 compared to an increase of 7.0 percent in 2020.
- The County experienced an increase in property tax revenues in fiscal year 2021 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 2021.

The County adopted its fiscal year 2021-22 budget on June 25, 2021, three days before the State of California adopted its own budget on June 28, 2021.

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2021
(amounts expressed in thousands)

	Primary Government Governmental Activities	Component Unit Alameda Health System
ASSETS		
Current assets:		
Cash and investments with County Treasurer	$ 2,877,703	$ -
Cash and investments with fiscal agents	451,917	13,669
Deposits with others	14,180	-
Receivables, net of allowance for uncollectible accounts	488,432	295,657
Due from component unit	1,145	-
Due from primary government	-	77,834
Inventory of supplies	158	20,375
Prepaid items	2,133	10,117
Total current assets	3,835,668	417,652
Noncurrent assets:		
Restricted assets - cash and investments with County Treasurer	-	-
Restricted assets - cash and investments with fiscal agents	138,049	302
Properties held for resale	53,276	-
Due from component unit, net of allowance	13,537	-
Endowment	-	4,227
Loans receivable	284,639	-
Capital assets:		
Land and other assets not being depreciated	298,454	40,392
Structures and improvements, machinery and equipment, infrastructure, net of depreciation	1,579,031	143,388
Total capital assets, net	1,877,485	183,780
Total noncurrent assets	2,366,986	188,309
Total assets	6,202,654	605,961
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding debt	3,659	-
Pension-related items	1,367,150	115,696
OPEB-related items	78,198	14,724
Total deferred outflows of resources	1,449,007	130,420
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	383,094	346,650
Due to component unit	42,164	-
Due to primary government	-	1,145
Compensated employee absences payable	35,748	20,508
Estimated liability for claims and contingencies	38,336	7,896
Certificates of participation and bonds payable	42,701	-
Lease obligations	248	-
Loans payable	915	-
Accrued interest payable	7,174	-
Unearned revenue	390,097	-
Due to other governmental units	14	-
Obligation to fund Coliseum Authority deficit	5,268	-
Total current liabilities	945,759	376,199
Noncurrent liabilities:		
Net pension liabilities	1,843,225	356,346
Net OPEB liabilities	92,241	1,172
Compensated employee absences payable	70,177	18,516
Estimated liability for claims and contingencies	139,063	25,874
Certificates of participation and bonds payable	1,215,511	-
Lease obligations	347	-
Loans payable	2,391	-
Due to component unit	35,670	-
Due to primary government	-	44,537
Due to other governmental units	-	19,258
Obligation to fund Coliseum Authority deficit	17,437	-
Total noncurrent liabilities	3,416,062	465,703
Total liabilities	4,361,821	841,902
DEFERRED INFLOWS OF RESOURCES		
Pension-related items	419,895	117,297
OPEB-related items	231,008	47,515
Total deferred Inflows of resources	650,903	164,812
NET POSITION		
Net investment in capital assets	895,441	184,374
Restricted:		
Public protection	472,259	-
Public assistance	93,867	-
Health and sanitation	177,055	9,885
Public ways and facilities	139,086	-
Education	22,832	-
Other purposes	13,363	25,703
Unrestricted (deficit)	825,034	(490,295)
Total net position	$ 2,638,937	$ (270,333)

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, 2021
(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contribution	Capital Grants and Contribution	Governmental Activities	Alameda Health System
Primary government:						
Governmental activities:						
General government	$ 217,486	$ 105,701	$ 612,404	$ 64	$ 500,683	$ -
Public protection	1,093,840	269,944	352,673	-	(471,223)	-
Public assistance	889,769	19,308	728,826	-	(141,635)	-
Health and sanitation	1,120,262	265,240	520,980	8,188	(325,854)	-
Public ways and facilities	55,787	10,614	47,978	-	2,805	-
Recreation and cultural services	798	(3)	-	-	(801)	-
Education	37,668	1,453	1,838	-	(34,377)	-
Interest on long-term debt	68,049	-	-	-	(68,049)	-
Total governmental activities	3,483,659	672,257	2,264,699	8,252	(538,451)	-
Total primary government	$ 3,483,659	$ 672,257	$ 2,264,699	$ 8,252	(538,451)	-
Component unit						
Alameda Health System	$ 1,113,301	$ 939,296	$ 16	$ 9,983	-	(164,006)
General revenues:						
Property taxes					729,572	-
Sales taxes - shared revenues					81,480	127,920
Property transfer taxes					25,288	-
Utility users' tax					11,683	-
Other taxes					7,185	-
Interest and investment income					99,475	2,270
Other					41,359	31,244
Total general revenues					996,042	161,434
Change in net position					457,591	(2,572)
Net position - beginning of period					2,178,847	(267,761)
Cumulative effect of restatements					2,499	-
Net position - beginning of period, as restated					2,181,346	(267,761)
Net position - end of period					$ 2,638,937	$ (270,333)

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021
(amounts expressed in thousands)

	General	Property Development	Disaster Response	Flood Control	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
Assets:								
Cash and investments with County Treasurer	$ 1,725,335	$ 30,695	$ 212,954	$ 271,431	$ 70,184	$ 35,917	$ 289,266	$ 2,635,782
Cash and investments with fiscal agents	1,346	450,317	-	-	-	-	4	451,667
Restricted assets - cash and investments with fiscal agents	2,038	-	-	-	5,413	57,009	73,589	138,049
Deposits with others	296	-	-	-	-	-	13,879	14,175
Receivables, net of allowance for uncollectible accounts	380,003	65,081	272	6,549	249	84	30,058	482,296
Due from other funds	1,924	-	-	-	-	-	-	1,924
Due from component unit, net of allowance	14,638	-	-	-	-	-	3	14,641
Inventory of supplies	-	-	-	3	-	-	151	154
Properties held for resale	51,513	1,763	-	-	-	-	-	53,276
Prepaid items	-	-	-	-	-	-	42	42
Advances to other funds	4,414	-	-	-	-	-	-	4,414
Loans receivable	89,540	160,823	-	-	-	-	34,276	284,639
Total assets	$ 2,271,047	$ 708,679	$ 213,226	$ 277,983	$ 75,846	$ 93,010	$ 441,268	$ 4,081,059
Liabilities, deferred inflows of resources, and fund balances								
Liabilities:								
Accounts payable and accrued expenditures	$ 300,610	$ 12,541	$ 22,171	$ 8,549	$ 2,507	$ 557	$ 19,612	$ 366,547
Due to other funds	-	-	-	-	-	-	821	821
Due to component unit	77,197	-	636	-	-	-	-	77,833
Unearned revenue	177,444	-	211,357	-	-	-	1,296	390,097
Due to other governmental units	14	-	-	-	-	-	-	14
Total liabilities	555,265	12,541	234,164	8,549	2,507	557	21,729	835,312
Deferred inflows of resources								
Unavailable revenue	109,795	222,281	-	127	-	-	42,866	375,069
Fund balances:								
Nonspendable	55,179	-	-	3	-	-	193	55,375
Restricted	469,605	59,389	7,427	269,304	-	92,453	360,686	1,258,864
Committed	589,395	414,468	-	-	73,339	-	-	1,077,202
Assigned	337,553	-	-	-	-	-	15,794	353,347
Unassigned	154,255	-	(28,365)	-	-	-	-	125,890
Total fund balances	1,605,987	473,857	(20,938)	269,307	73,339	92,453	376,673	2,870,678
Total liabilities, deferred inflows of resources, and fund balances	$ 2,271,047	$ 708,679	$ 213,226	$ 277,983	$ 75,846	$ 93,010	$ 441,268	$ 4,081,059

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, 2021
(amounts expressed in thousands)

Fund balances – total governmental funds	$ 2,870,678
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	1,851,486
The unamortized balance of deferred outflows of resources resulting from deferred refunding losses	3,659
The unamortized balance of deferred outflows of resources related to net pension liability	1,346,108
The unamortized balance of deferred outflows of resources related to net OPEB	75,370
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	(1,258,212)
Compensated employee absences payable	(100,910)
Lease obligations	(595)
Loans payable	(3,306)
Other liabilities	(22,705)
Total long-term liabilities	(1,385,728)
The net OPEB liability pertaining to governmental fund types is not recorded in the governmental fund statements	(92,014)
The net pension liability pertaining to governmental fund types is not recorded in the governmental fund statements	(1,773,701)
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.	375,069
Deferred inflows of resources related to net pension liability	(391,110)
Deferred inflows of resources related to net OPEB liability	(221,036)
Interest on long-term debt is not accrued in the funds, but is recognized as an expenditure when due.	(7,174)
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.	(12,669)
Net position of governmental activities	$ 2,638,937

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, 2021
(amounts expressed in thousands)

	General	Property Development	Disaster Response	Flood Control	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	$ 673,319	$ -	$ -	$ 54,728	$ -	13,673	$ 113,769	$ 855,489
Licenses and permits	10,988	-	-	122	-	-	1,248	12,358
Fines, forfeitures, and penalties	43,993	-	-	-	-	-	108	44,101
Use of money and property	18,602	24,697	(1,539)	976	145	(2,408)	2,966	43,439
State aid	1,335,870	-	38,450	300	64	64	51,961	1,426,709
Federal aid	512,195	-	253,467	3,127	-	8,188	2,080	779,057
Other aid	82,806	-	1,887	6,468	-	-	6,151	97,312
Charges for services	403,135	-	-	12,942	-	-	136,727	552,804
Other revenue	118,133	2,454	1,006	106	965	-	28,113	150,777
Total revenues	3,199,041	27,151	293,271	78,769	1,174	19,517	343,123	3,962,046
Expenditures:								
Current								
General government	178,376	600	18,350	-	-	-	8	197,334
Public protection	1,638,855	-	396	48,042	-	-	171,412	1,858,705
Public assistance	816,171	82,340	123,040	-	-	-	-	1,021,551
Health and sanitation	948,649	-	142,111	-	-	-	28,607	1,119,367
Public ways and facilities	3,370	-	-	-	-	-	33,205	36,575
Recreation and cultural services	740	-	-	-	-	-	-	740
Education	368	-	-	-	-	-	36,482	36,850
Debt service								
Principal	-	-	-	-	-	57,890	9,905	67,795
Interest	-	-	-	-	-	51,330	7,176	58,506
Capital outlay	1,761	-	-	17,777	42,043	-	34,123	95,704
Total expenditures	3,588,290	82,940	283,897	65,819	42,043	109,220	320,918	4,493,127
Excess (deficiency) of revenues over expenditures	(389,249)	(55,789)	9,374	12,950	(40,869)	(89,703)	22,205	(531,081)
Other financing sources (uses):								
Transfers in	31,117	-	-	1	56,592	74,902	2,000	164,612
Transfers out	(105,660)	(14,772)	(26,618)	(149)	(706)	(40)	(14,276)	(162,221)
Total other financing sources (uses)	(74,543)	(14,772)	(26,618)	(148)	55,886	74,862	(12,276)	2,391
Net change in fund balances	(463,792)	(70,561)	(17,244)	12,802	15,017	(14,841)	9,929	(528,690)
Fund balances - beginning of period, as reported	2,067,280	544,418	(3,694)	256,505	58,322	107,294	366,744	3,396,869
Cumulative effect of restatements	2,499	-	-	-	-	-	-	2,499
Fund balances - beginning of period, as restated	2,069,779	544,418	(3,694)	256,505	58,322	107,294	366,744	3,399,368
Fund balances - end of period	$ 1,605,987	$ 473,857	$ (20,938)	$ 269,307	$ 73,339	$ 92,453	$ 376,673	$ 2,870,678

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, 2021 (amounts expressed in thousands)

Net change in fund balances – total governmental funds	$ (528,690)
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.	67,090
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	144,208
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	7,145
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	670,515
Changes to net OPEB liability and OPEB related deferred outflows and inflows of resources	7,752
Increase in compensated absences	(20,337)
Decrease in obligation to fund Coliseum Authority deficit	5,017
Total	662,947
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	137,969
Expenditures not subject to capitalization	(26,552)
Depreciation expense	(78,017)
Proceeds from sale of capital assets	(96)
Net gain on disposal of capital assets	58
Total	33,362
The change in net position of internal service funds is reported with governmental activities.	(8,758)
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.	454
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	67,795
Principal payment on capital leases and loans	21,766
Total	89,561
Interest accreted on bonds and certificates of participation	(11,780)
Amortization of bond premiums and bond discounts	2,566
Amortization of deferred outflows of resources resulting from the deferred refunding loss	(514)
Change in net position of governmental activities	$ 457,591

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, 2021
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Assets:	
Current assets:	
Cash and investments with County Treasurer	$ 241,921
Cash and investments with fiscal agents	250
Deposits with others	5
Other receivables	6,136
Due from component unit	41
Inventory of supplies	4
Prepaid items	2,091
Total current assets	250,448
Noncurrent assets:	
Capital assets:	
Machinery and equipment, net of depreciation	25,999
Total assets	276,447
Deferred outflows of resources	
Pension-related items	21,042
OPEB-related items	2,828
Total deferred outflows of resources	23,870
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	16,547
Compensated employee absences payable	1,604
Estimated liability for claims and contingencies	38,336
Due to other funds	1,103
Total current liabilities	57,590
Noncurrent liabilities:	
Net pension liability	69,524
Net OPEB liability	227
Compensated employee absences payable	3,411
Estimated liability for claims and contingencies	139,063
Advances from other funds	4,414
Total noncurrent liabilities	216,639
Total liabilities	274,229
Deferred inflows of resources	
Pension-related items	28,785
OPEB-related items	9,972
Total deferred inflows of resources	38,757
Net Position	
Investment in capital assets	25,999
Unrestricted	(38,668)
Total net position	$ (12,669)

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, 2021
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	$ 289,366
Operating expenses:	
Salaries and benefits	75,886
Contractual services	20,493
Utilities	15,504
Repairs and maintenance	20,824
Other supplies and expenses	88,753
Insurance claims and expenses	44,887
Depreciation	6,657
Amortization	32
Telephone	2,085
County indirect costs	9,371
Dental claims	9,772
Other	1,408
Total operating expenses	295,672
Operating loss	(6,306)
Non-operating revenues (expenses):	
Investment loss	(185)
Gain on sale of capital assets	180
Loss on sale of capital assets	(20)
Total non-operating revenues (expenses)	(25)
Loss before capital contributions and transfers	(6,331)
Capital contributions	(36)
Transfers in	3,005
Transfers out	(5,396)
Change in net position	(8,758)
Total net position - beginning of period	(3,911)
Total net position - end of period	$ (12,669)

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, 2021
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Internal activity - receipts from other funds	$ 287,234
Payments to suppliers	(143,104)
Payments to employees	(80,089)
Internal activity - payments to other funds	(9,371)
Claims paid	(42,947)
Other payments	(1,408)
Net cash provided by operating activities	10,315
Cash flows from non-capital financing activities:	
Transfers in	3,005
Transfers out	(5,396)
Net cash used in non-capital financing activities	(2,391)
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(8,280)
Proceeds from sale of capital assets	342
Net cash used in capital and related financing activities	(7,938)
Cash flows from investing activities:	
Interest paid on pooled cash	(185)
Net decrease in cash and cash equivalents	(199)
Cash and cash equivalents - beginning of period	242,370
Cash and cash equivalents - end of period	$ 242,171
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (6,306)
Adjustments for non-cash activities:	
Depreciation	6,657
Amortization	32
Amortization - pension-related items	(4,663)
Amortization - OPEB-related items	(737)
Changes in assets and liabilities:	
Other receivables	(2,132)
Prepaid items	252
Accounts payable and accrued expenses	5,406
Compensated employee absences payable	1,197
Estimated liability for claims and contingencies	11,712
Due to/advances from other funds	(1,103)
Total adjustments	16,621
Net cash provided by operating activities	$ 10,315

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, 2021
(amounts expressed in thousands)

	Pension, OPEB,[1] and Other Employee Benefits Trust Funds	Private-Purpose Trust Fund	Custodial: External Investment Pool	Custodial: Other Custodial
Assets:				
Cash and investments with County Treasurer	$ 17	$ 21,704	$ 3,567,867	$ 353,335
Cash and investments with fiscal agents	3,236	2,187	-	-
Investments, at fair value:				
Short-term investments	182,037	-	-	-
Domestic equities	562,387	-	-	-
Domestic equity commingled funds	2,159,591	-	-	-
International equities	1,296,336	-	-	-
International equity commingled funds	1,460,569	-	-	-
Domestic fixed income	1,093,183	-	-	-
International fixed income	190,474	-	-	-
International fixed income commingled funds	159,176	-	-	-
Real estate - separate properties	72,474	-	-	-
Real estate - commingled funds	528,671	-	-	-
Real assets	467,886	-	-	-
Absolute return	645,134	-	-	-
Private equity	726,180	-	-	-
Private credit	57,747	-	-	-
Total investments	9,601,845	-	-	-
Securities lending cash collateral	117,171	-	-	-
Deposits with others	755	-	-	-
Receivables:				
Taxes for other governments	-	-	-	118,396
Interest	8,742	43	7,609	573
Other	132,879	-	-	9
Properties held for redevelopment	-	5,008	-	-
Capital assets, net of accumulated depreciation	4,319	2,235	-	-
Total assets	9,868,964	31,177	3,575,476	472,313
Liabilities:				
Accounts payable and accrued expenses	122,018	-	83,251	-
Accrued interest payable	-	452	-	-
Use tax payable	-	-	-	10
Unapportioned tax	-	-	-	156,137
Securities lending obligation	117,171	-	-	-
Due to other governmental units	-	3,405	-	3
Uncollected tax revenue	-	-	-	118,397
Bonds payable	-	23,634	-	-
Total liabilities	239,189	27,491	83,251	274,547
Net Position				
Investment in capital assets	4,319	2,235	-	-
Restricted for :				
Pension benefits	8,726,319	-	-	-
Postemployment medical benefits	899,129	-	-	-
Other employee benefits	8	-	-	-
Pool participants	-	-	3,492,225	-
Individuals and other governments	-	1,451	-	197,766
Total net position	$ 9,629,775	$ 3,686	$ 3,492,225	$ 197,766

[1] Pension and OPEB balances reported as of December 31, 2020.

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

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Pension, OPEB, [1] and Other Employee Benefits Trust Funds	Private-Purpose Trust Fund	Custodial: External Investment Pool	Custodial: Other Custodial
Additions:				
Contributions:				
Members	$ 106,104	$ -	$ -	$ -
Employer	309,753	-	-	-
Contributions on pooled investments	-	-	9,418,782	-
Total contributions	415,857	-	9,418,782	-
Investment income:				
Interest	41,183	274	30,204	2,712
Dividends	32,450	-	-	-
Net increase (decrease) in fair value of investments	989,949	(237)	(29,665)	(1,886)
Real estate	21,871	-	-	-
Securities lending income	1,182	-	-	-
Private equity and alternatives	(18,497)	-	-	-
Brokers' Commissions	28	-	-	-
Total investment income	1,068,166	37	539	826
Less investment expenses:				
Investment expenses	43,888	-	-	-
Securities lending borrower rebates and management fees	584	-	-	-
Real estate	6,358	-	-	-
Total investment expenses	50,830	-	-	-
Net investment income	1,017,336	37	539	826
Other Income:				
Redevelopment property tax revenue	-	3,689	-	-
Taxes collected for other governments	-	-	-	2,649,028
Fees collected for other governments	-	-	-	9,190
Receipt of asset forfeitures	-	-	-	11,171
Grants collected for other governments	-	-	-	503,625
Contributions for non-profits	-	-	-	14
Collections for operations	-	-	-	483,873
Contributions for individuals	-	-	-	12,755
Miscellaneous income	318	9,290	-	89,016
Total other income	318	12,979	-	3,758,672
Total additions, net	1,433,511	13,016	9,419,321	3,759,498
Deductions:				
Benefit payments	567,600	-	-	-
Refunds of contributions	9,184	-	-	-
Administration expenses	16,226	-	-	-
Distribution from pooled investments	-	-	9,292,094	-
Beneficiary payments to individuals	-	11,489	-	-
General and administrative expenses	-	80	-	146,863
Depreciation	-	62	-	-
Transfers to taxing entities	-	250	-	88,047
Interest on debt	-	1,076	-	-
Payment of taxes to other governments	-	-	-	3,167,383
Payment of fees to other governments	-	-	-	270,025
Payment of grants to other governments	-	-	-	5,925
Payment of contributions to individuals	-	-	-	16,989
Payment of contributions to non-profits	-	-	-	14
Distribution of asset forfeitures	-	-	-	944
Distributions for operations	-	-	-	544
Total deductions	593,010	12,957	9,292,094	3,696,734
Change in net position	840,501	59	127,227	62,764
Net position - beginning of period, as reported	8,791,784	3,627	3,364,998	-
Cumulative effect of restatements	(2,510)	-	-	135,002
Net position - beginning of period, as restated	8,789,274	3,627	3,364,998	135,002
Net position - end of period	$ 9,629,775	$ 3,686	$ 3,492,225	$ 197,766

[1] Pension and OPEB balances reported for the year ended December 31, 2020.

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

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 and fiduciary 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, 2020, 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, are the major participants and contribute 78.57 and 16.24 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 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 Governmental Accounting Standards Board (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 postemployment 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 for the Joint Powers Authority may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

Discretely Presented Component Unit - The following component unit is reported in a separate column in the government-wide 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, 2021, 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.

• *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.

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 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.

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 ***Disaster Response Fund*** is used to account for financial resources to be used for general disaster relief programs.

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

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

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

Additionally, the County reports the following fund types:

The ***Internal Service Funds*** are used to account for the financing of goods or services provided by one County department or agency to other departments or agencies of the County or to other governments on a cost-reimbursement basis. Internal Service funds account for the activities of the 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 the benefit amount of the employees who exceed the annual limit as restricted by Section 415(b) of the Internal Revenue Code.

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 ***Custodial Funds*** account for all fiduciary activities not required to be reported in pension, OPEB, and other employee benefit trust funds, investment trust funds, or private-purpose trust fund. The external portion of the Treasurer's investment pool which is not held in trust is reported in a separate column under the custodial funds classification. This includes 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.

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, 2021 financial statements are the balances as of ACERA's fiscal year ended December 31, 2020. The difference in the cash balance and interfund transactions are reconciled in the Cash and Investments footnote (Note 2).

D. ***Cash and Investments***

The County follows the practice of pooling cash and investments of all funds with the County Treasurer. 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 2020-2021 was approximately 1.13 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 46.27 percent of the net position in the Treasurer's pool. The deposits held for these entities are included in the external investment pool.

The funds of the independent special districts and cities that participate in the Treasurer's pool are also accounted for in the external investment pool as a separate column under the custodial funds.

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 No. 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.

(amounts in tables expressed in thousands)

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 XIIIA 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 XIIIA 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:

	Secured	Unsecured
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

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" in 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 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:

Type of Asset	Estimated Useful Life in Years
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 not recognized on the current financial resources measurement focus and modified 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 reported as deferred outflows of resources.

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, 2021, 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, 2021, have been compensated for any accumulated vacation, compensatory time, and unexpired in-lieu compensatory time. The funds used to liquidate the liability are based on the funds in which 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, in the year bonds are issued. 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 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.

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. <u>Self-Insurance</u>

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

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

In 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, 2019
Measurement Date	December 31, 2020
Measurement Period	January 1, 2020 to December 31, 2020

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.

(amounts in tables expressed in thousands)

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

Valuation Date	June 30, 2019 (Pension); June 30, 2020 (OPEB)
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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	$ 1,706,972	$ 1,328,483	$ 418,458	$ 215,456
Fire Department	136,253	38,667	1,437	27,069
Total	$ 1,843,225	$ 1,367,150	$ 419,895	$ 242,525

	Net OPEB Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/ Expenditures
ACERA	$ 5,101	$ 70,414	$ 205,836	$ (11,461)
Fire Department	87,140	7,784	25,172	2,973
Total	$ 92,241	$ 78,198	$ 231,008	$ (8,488)

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***

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. This requires a new statement of changes in changes in fiduciary net position as part of the basic financial statements. The effect to the financial statements was a restatement of the beginning balances of the fund balance and net position. See Note 21 for more information.

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. This statement did not have a significant impact to the County's financial statements.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR to replace instances of comprehensive annual financial report and its acronym. This Statement was developed as a response to concerns raised by stakeholders that the common pronunciation for comprehensive annual financial report sounds like a profoundly objectionable racial slur. The introduction of this Statement is founded on the commitment to promote inclusiveness. This statement did not have a significant impact to the County's financial statements.

U. New Pronouncements

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, 2022.

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, 2022.

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, 2023.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The Statement addresses a variety of topics including leases, pension plans, and fiduciary activities. This Statement is effective for the County's fiscal year ending June 30, 2022.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an interbank offered rate for agreements in which variable payments are made or received and depend on an interbank offered rate, namely the London Interbank Offered Rate (LIBOR). The removal of LIBOR as an appropriate benchmark interest rate is effective for the County's fiscal year ending June 30, 2023. All other requirements of this Statement are effective for the County's fiscal year ending June 30, 2022.

(amounts in tables expressed in thousands)

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement is effective for the County's fiscal year ending June 30, 2023.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement is effective for the County's fiscal year ending June 30, 2023.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund statements; and enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board in determining whether they are financially accountable, and limit the applicability of the financial burden criterion to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for the County's fiscal year ending June 30, 2022.

2. Cash and Investments

A. Deposits

As of June 30, 2021, the County's cash and deposits were as follows:

	Bank Balance	Carrying Value
Deposits with financial institutions	$ 466,891	$ 458,218
Cash on hand		65
Deposits in transit		522
Cash with County Treasurer for other employee benefits trust fund		17
Total cash and deposits		$ 458,822

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 $466.9 million in deposits with financial institutions, $4.2 million was covered by federal depository insurance and $462.7 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 fair 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.

(amounts in tables expressed in thousands)

As of December 31, 2020, ACERA reported a deposit of $3.2 million. As of December 31, 2020, ACERA had no deposits 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.

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.

Authorized Investments	Maximum Percentage of Portfolio	Maximum Maturity
U.S. Treasury Obligations	100%	5 years
Federal Agencies	100%	5 years
Money Market Mutual Funds	20%	Daily Liquidity
Commercial Paper	25%	270 days
Negotiable CDs	30%	1 year
Medium Term Corporate Notes	30%	5 years
Asset-Backed Securities	20%	5 years
State and Local Governmental Bonds	20%	5 years
Repurchase Agreements (REPO)	20%	180 days
Reverse Repurchase Agreements (Reverse REPO)	20%	180 days
Banker's Acceptances	30%	180 days
Supranatural Obligations	30%	5 years
LAIF	State Limit	Daily Liquidity
CalTRUST	2X LAIF	Daily Liquidity
California Asset Management Program (CAMP)	2X LAIF	Daily Liquidity
Collateralized/FDIC - Insured Time Deposits	30%	5 years
Collateralized Money Marker Bank Accounts	30%	Daily Liquidity

(amounts in tables expressed in thousands)

There were no derivative investments in the investment pool for the year ended June 30, 2021.

As of June 30, 2021, Treasurer's investments consisted of the following:

Investment Type	Credit Rating S&P's/Moody's	Investment Maturities (in Years) Less than 1	1 to 5	More than 5	Fair Value
Commercial paper	NR / P-1	$ 249,914	$ -	$ -	$ 249,914
Federal agency notes and bonds	AA+ / AA+ to AAA	387,412	2,021,924	-	2,409,336
Local agency investment funds	Not Rated	72,000	-	-	72,000
Asset-backed securities	AAA / AAA	3,865	155,617	-	159,482
Medium term notes	BBB+ to AAA / BAA2 to AAA	201,080	568,162	-	769,242
Negotiable certificates of deposit	NR / P-1	1,200,006	-	-	1,200,006
Municipal securities	AA- to AA / AA2 to Aa3	28,129	9,611	-	37,740
U.S. Treasury notes	AAA / AAA	450,924	634,951	-	1,085,875
Non-U.S. Treasury Notes*	AAA / AAA	10,016	198,193	-	208,209
California Asset Management Program	AAAm/Aaa-mf	130,000	-	-	130,000
Investment Trust of California	AAAm/Aaa-mf	40,000	-	-	40,000
Total Investments		$ 2,773,346	$ 3,588,458	$ -	$ 6,361,804

* 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.

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, 2021 was 593 days.

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, effective for calendar year 2021 prescribes the following rating requirements:

Money Market Mutual Funds: at least AAA rated when issued by two nationally recognized statistical rating organizations (NRSRO).

Commercial Paper: at least A-1, P-1, F-1 equivalent by one NRSRO.

Negotiable Certificates of Deposit: at least A-1 equivalent by two NRSROs.

Medium-Term Corporate Notes: at least A equivalent by two NRSROs.

Asset-Backed Securities: at least AAA equivalent by one NRSRO.

State and Local Government Bonds: at least A equivalent by one NRSRO.

Banker's Acceptances: at least A-1, P-1, F-1 equivalent by one NRSRO.

Supranational Obligations: at least AA equivalent by one NRSRO.

(amounts in tables expressed in thousands)

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, 2021, more than 5 percent of the Treasurer's investments were under the following issuers:

Issuer:	Percentage of Treasurer's Pool Portfolio as of June 30, 2021
Federal National Mortgage Association	10.4%
Federal Home Loan Bank	9.2%
Federal Home Loan Mortgage Corporation	6.1%
Federal Agricultural Mortgage Corporation	5.0%

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, 2021. 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.

Statement of Net Position:

Assets:		
Deposits and cash on hand	$	458,300
Deposits in Transit		522
Investments (at fair value)		6,361,804
Accrued Interest		16,035
Total assets	$	6,836,661
Liabilities:	$	83,251
Net Position	$	6,753,410
Equity of internal pool participants	$	3,261,185
Equity of external pool participants		3,492,225
Total Net Position	$	6,753,410

Statement of Changes in Net Position:

Net change in investments by pool participants	$	(237,041)
Net position at July 1, 2020		6,990,451
Net position at June 30, 2021	$	6,753,410

The County has not provided nor obtained any legally binding guarantees during the year ended June 30, 2021, to support the value of shares in the pool.

As of June 30, 2021, 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.

(amounts in tables expressed in thousands)

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, 2021, 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, 2021, the County's investment in Local Agency Investment Fund (LAIF) is $72 million. The LAIF is part of the Pooled Money Investment Account (PMIA), and the Local Investment Advisory Board, 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 value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. LAIF is part of the Pooled Money Investment Account (PMIA), which is not SEC-registered. As of June 30, 2021, the PMIA balance was $193.3 billion, of which 2.31% in structured notes and asset backed securities.

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, 2021, cash and investments with fiscal agents consisted of the following:

		Investment Maturities (in Years)			
	Ratings (S&P / Moody's)	Less than 1	1 to 5	More than 5	Fair Value
Cash & Cash Equivalents	N/A	$ 218,531	$ 29,160	$ 13,833	$ 261,524
EBRCSA (*) revenue bonds	Not Rated	-	-	2,038	2,038
U.S. Treasury Securities	NR / AAA	15,600	7,514	5,014	28,128
Federal Agency Debt Securities	AA+ / AAA	88,199	56,187	345	144,731
Corporate Bonds	A- to AAA / A2 to AAA	30,328	62,780	-	93,108
Municipal Bonds	A+ to AA+ / A2 to AAA	2,112	61,569	-	63,681
Private Debt Obligations	Not Rated	-	-	2,179	2,179
Totals		$ 354,770	$ 217,210	$ 23,409	$ 595,389

* 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, 2021, more than five percent of total investments with fiscal agents were in the Federal Home Loan Banks (17.42%), Federal National Mortgage Associations (12.11%), Federal Home Loan Mortgage Corporations (6.98%) and Federal Farm Credit Banks (5.74%).

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.
- 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.

(amounts in tables expressed in thousands)

The County's cash equivalents and investments by fair value as of June 30, 2021, 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	$ 249,914	$ -	$ 249,914
Federal agency notes and bonds	2,409,336	-	2,409,336
Asset-backed securities	159,482	-	159,482
Medium term notes	769,242	-	769,242
Negotiable certificates of deposit	1,200,006	-	1,200,006
Municipal securities	37,740	-	37,740
U.S. Treasury notes	1,085,875	1,085,875	-
Non-U.S. Treasury Notes	208,209	-	208,209
Total investments with County Treasury subject to fair value hierarchy	6,119,804	1,085,875	5,033,929
Investments with Fiscal Agents			
East Bay Regional Community System Authority revenue bonds	2,038	-	2,038
U.S. Treasury Securities	28,128	28,128	-
Federal agency debt securities	144,731	-	144,731
Corporate bonds	93,108	-	93,108
Municipal bonds	63,681	-	63,681
Private debt obligations	2,179	-	2,179
Total investments with fiscal agents subject to fair value hierarchy	333,865	28,128	305,737
Total investments subject to fair value hierarchy	$ 6,453,669	$ 1,114,003	$ 5,339,666
Investments not subject to fair value hierarchy:			
Local agency investment funds held by County Treasury	$ 72,000		
California Asset Management Program	130,000		
Investment Trust of California	40,000		
Total investments not subject to fair value hierarchy	$ 242,000		

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 ended December 31, 2020.

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 separate 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.

(amounts in tables expressed in thousands)

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, 2020, 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 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 below discloses the fair value of debt investments by type and credit rating as of December 31, 2020.

		Adjusted Moody's Credit Rating (1)								
Debt Investments by Type	**Total**	**Aaa**	**Aa**	**A**	**Baa**	**Ba**	**B**	**Caa**	**Ca and Below**	**Not Rated**
Collateralized Mortgage Obligations	$ 86,974	$ 47,507	$ 965	$ 737	$ 799	$ 83	$ 592	$ 1,642	$ 193	$ 34,456
Convertible Bonds	16,551	-	-	-	690	-	-	4,691	-	11,170
Corporate Bonds	699,888	5,878	8,664	87,500	441,473	117,890	24,439	13,306	-	738
Federal Home Loan Mortgage Corp. (2)	42,097	-	-	-	-	-	-	-	-	42,097
Federal National Mortgage Assn. (2)	75,661	-	-	-	-	-	-	-	-	75,661
Government National Mortgage Assn. I, II (2)	13,696	-	-	-	-	-	-	-	-	13,696
Government Issues (3)	315,485	268,324	9,192	7,381	23,281	368	-	-	-	6,939
Municipals	3,326	113	627	2,586	-	-	-	-	-	-
Other Asset Backed Securities	32,719	20,003	695	1,039	1,930	1,172	-	1,607	3,394	2,879
Subtotal Debt Investments	1,286,397	341,825	20,143	99,243	468,173	119,513	25,031	21,246	3,587	187,636
External Investment Pools of Debt Securities										
Securities Lending Cash Collateral Fund										
Liquidation Pool (4)	116,321	-	-	-	-	-	-	-	-	116,321
Duration Pool (4)	808	-	-	-	-	-	-	-	-	808
Master Custodian Short-Term Investment Fund	141,973	-	-	-	-	-	-	-	-	141,973
Subtotal External Investment Pools	259,102	-	-	-	-	-	-	-	-	259,102
Total	$ 1,545,499	$ 341,825	$ 20,143	$ 99,243	$ 468,173	$ 119,513	$ 25,031	$ 21,246	$ 3,587	$ 446,738

1 *Adjusted Moody's Credit Rating: This schedule displays the fair value of investments by credit rating in increasing magnitude of risk. Investments are classified by Moody's credit rating, or by the Moody's rating that corresponds to the Standard & Poor's (S&P) credit rating if the investment has a S&P rating but not a Moody's rating. Also whenever both ratings for an investment exist and the S&P rating for the investment indicates a greater degree of risk than the Moody's rating, then the investment's Moody's credit rating is adjusted, solely for the purpose of this disclosure, to the Moody's rating corresponding to the greater degree of risk.*

2 *The investments in the following debt instruments --i.e., Federal Home Loan Mortgage Corp., Federal National Mortgage Assn., and Government National Mortgage Assn., that are Not Rated are implicitly guaranteed by the U.S. Government.*

3 *In Government issues, the investments that are Not Rated are composed of foreign investments that are guaranteed by the foreign governments issuing the debt.*

4 *The external investment pools are not rated.*

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, 2020, ACERA had no investments that were exposed to custodial credit risk.

ACERA's investments include collateral associated with derivatives activity. As of December 31, 2020, net collateral for derivatives was $1.4 million. Each account is uninsured and uncollateralized, and subject to custodial credit risk.

(amounts in tables expressed in thousands)

Interest Rate Risk

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 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 46 days as of December 31, 2020.

Debt Investments by Type	Fair Value	Duration In Years
Collateralized mortgage obligations	$ 86,974	3.4
Convertible bonds	16,551	1.1
Corporate bonds	699,888	7.6
Federal Home Loan Mortgage Corp.	42,097	-0.7
Federal National Mortgage Assn.	75,661	0.9
Government National Mortgage Assn. I, II	13,696	-1.0
Government Issues	315,485	9.5
Municipals	3,326	7.3
Other Asset Backed Securities	32,719	2.5
	$ 1,286,397	

External Investment Pools of Debt Securities	Fair Value	Duration in Days
Securities Lending Cash Collateral Fund		
Liquidity Pool	$ 116,321	16
Duration Pool	808	17
Master Custodian Short-Term Investment Fund	141,973	-
Total	$ 259,102	

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 Value
Collateralized Mortgage Obligations	Federal Home Loan Mortgage Corporation Structured Agency Credit Risk (STACR) securities	1.00%	$ 689
Corporate Bonds	Various debt related securities	1.00% to 7.69%	76,226
Government Issues	Various debt related securities	1.75% to 8.50%	22,006

(amounts in tables expressed in thousands)

ACERA's cash equivalents and investments by fair value as of December 31, 2020, 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	$ 26,661	$ 26,661	$ -	$ -
STIF-Type Instrument	141,974	-	141,974	-
Total Cash Equivalents	168,635	26,661	141,974	-
Fixed Income Securities				
Asset-Backed Securities	32,719	-	32,719	-
Commercial Mortgage-Backed Securities	86,973	-	86,973	-
Convertible Bonds	16,552	-	16,552	-
Corporate bonds	699,888	-	699,888	-
FHLMC	42,097	-	42,097	-
FNMA	75,661	-	75,661	-
GNMA I	1,268	-	1,268	-
GNMA II	12,429	-	12,429	-
Government Issues	315,485	152,298	163,187	-
Municipal Bonds	3,326	-	3,326	-
Mutual Funds	28,584	-	28,584	-
Non-Security Assets	127,851	-	127,851	-
Total Fixed Income Securities	1,442,833	152,298	1,290,535	-
Equity Securities				
Non-U.S. Equity	1,296,336	1,294,128	2,208	-
Pooled Investments	3,620,160	3,413,352	206,808	-
U.S. Equity	562,387	562,387	-	-
Total Equity Securities	5,478,883	5,269,867	209,016	-
Real Assets				
Mutual Funds	360,931	-	360,931	-
Total Real Assets	360,931	-	360,931	-
Real Estate Properties	72,474	-	-	72,474
Collateral from Securities Lending	117,171	-	117,171	-
Total investments subject to fair value hierarchy	7,640,927	$ 5,448,826	$ 2,119,627	$ 72,474
Investments Measured at Net Asset Value (NAV)				
Real Assets (1)	106,955			
Private Equity (2)	726,180			
Absolute Return (3)	645,134			
Real Estate (4)	528,671			
Private Credit (5)	57,747			
Total Investments Measured at NAV	2,064,687			
Total investments subject to fair value hierarchy	$ 9,705,614			
Derivatives				
Futures	$ 236	$ 236	$ -	$ -
Forwards and Spot Contracts	5,853	5,853	-	-
Total Derivatives	$ 6,089	$ 6,089	$ -	$ -

(amounts in tables expressed in thousands)

1 *The Real Assets portfolio consists of 9 funds which include 8 limited partnerships and 1 separately managed account. The eight limited partnerships are commingled vehicles that invest in private infrastructure and natural resources. Two of the eight limited partnerships were committed to in 2020, but had yet to call capital by 12/31/20. These limited partnerships are valued at net asset value on a quarterly basis and, due to contractual limitations, none of these vehicles are eligible for redemption but rather distribute capital proceeds over the funds' lifespans, which are up to 12 years. The one separately managed account holds shares in three commingled vehicles. These commingled vehicles invest in publicly traded infrastructure and natural resources equities, commodity futures, and total return swaps. This separately managed account is not measured at net asset value and classified as level 2 in fair value hierarchy.*

2 *Private Equity – The Private Equity portfolio consists of 54 funds, which invest primarily in buyout, debt-related, special situations, and venture capital opportunities. The fair value of these funds is determined using net asset value represented in the audited financial statements plus/minus the latest quarterly cash flows. These funds are not eligible for redemption but rather distribute capital proceeds over the funds' lifespans in either cash or "in-kind" shares of the funds' portfolio companies. Distributions to the funds' investors occur over the span of approximately 8 to 15 years.*

3 *Absolute Return – The Absolute Return portfolio consists of 8 funds that include a variety of commingled, liquid and illiquid idiosyncratic strategies and one fund of hedge funds account. There are three illiquid limited partnerships. These vehicles are valued at net asset value on a quarterly basis. Due to contractual limitations, two of these vehicles are not eligible for redemption for up to 6 years, while the third vehicle can be terminated by majority limited partners vote or by the general partner. There are five hedge fund model limited partnerships and limited liability companies, including the fund of hedge funds account. Valuations occur monthly. Redemptions can occur between daily and quarterly with a range of one day to 90 days' notice.*

4 *Real Estate – The Real Estate portfolio consists of 14 funds and a separate building (1), which also serves as ACERA's headquarters. The Real Estate funds in the portfolio invest primarily in U.S. commercial real estate (office, industrial, retail, multi-family, and other). These funds are designed as commingled funds or as limited partnerships (private equity structure). The investments that are structured as private equity or limited partnerships are not eligible for redemption but rather distribute proceeds over the funds' lifespan as distributions or return of capital. The primary objectives of the real estate portfolio are income and appreciation; distribution income is typically made on a quarterly basis throughout the lives of the funds. The fair value of these funds is determined using third-party appraisals every three years or an internal appraisal. Net asset values are typically reported one quarter in arrears, plus/minus the latest quarter's cash flows (capital calls and distributions). The commingled accounts are eligible for redemption, typically, with up to 90 days' notice. These commingled funds are also subject to a withdrawal queue.*

5 *Private Credit – The Private Credit Portfolio is comprised of 3 Funds. The funds are illiquid limited partnerships and are valued at net asset value on a quarterly basis. Due to contractual limitations, the funds are not eligible for redemption but rather distribute capital proceeds over the funds' lifespans, which are up to nine years. Private Credit investments are typically performing senior secured, first or second lien loans secured against the assets of a company. Two funds were committed in 2020 but had yet to call capital by 12/31/2020 which are included in total funds.*

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. ACERA has no general investment policy with respect to foreign currency risk. The Foreign Currency Risk Analysis table below shows the fair value of investments by currency denomination and investment type, as of December 31, 2020. This provides an indication of the magnitude of ACERA's foreign currency risk for each foreign currency.

Foreign Currency Risk Analysis

Currency	Common Stock	Corporate Bonds	Foreign Currency	Government Issues	Collateralized Mortgage Obligations	Depository Receipts	Currency Swap	Limited Partnership	Preferred Stock	Real Estate Investment Trust	Warrants /Rights	Net Exposure
Argentine Peso	$ -	$ -	$ 12	$ 315	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 327
Australian Dollar	7,842	-	120	24,105	-	-	(656)	-	-	-	-	31,411
Brazilian Real	8,132	-	-	-	-	-	302	-	3,985	-	-	12,419
Canadian Dollar	14,087	-	453	-	-	-	51	-	-	5,650	-	20,241
Chilean Peso	-	-	-	-	-	-	1,514	-	-	-	-	1,514
Czech Koruna	-	-	-	-	-	-	482	-	-	-	-	482
Danish Krone	36,814	-	26	-	-	-	-	-	-	-	-	36,840
Euro Currency	344,502	-	366	-	571	290	(14)	33,725	691	376	-	380,507
Hong Kong Dollar	121,780	-	14	-	-	-	-	-	-	801	-	122,595
Hungarian Forint	-	-	-	-	-	-	258	-	-	-	-	258
Iceland Krona	3,377	-	-	-	-	-	-	-	-	-	-	3,377
Indian Rupee	-	-	-	-	-	-	199	-	-	-	-	199
Indonesian Rupiah	7,446	-	-	-	-	-	-	-	-	-	-	7,446
Japanese Yen	240,200	-	1,641	-	-	-	185	-	-	129	-	242,155
Malaysian Ringgit	-	-	-	6,479	-	-	-	-	-	-	-	6,479
Mexican Peso	820	371	-	19,559	-	-	880	-	-	-	-	21,630
New Israeli Shekel	472	-	7	-	-	-	-	-	-	-	-	479
New Taiwan Dollar	14,546	-	-	-	-	-	-	-	-	-	-	14,546
New Zealand Dollar	2,306	-	3	-	-	-	-	-	-	-	-	2,309
Norwegian Krone	8,068	-	4	-	-	-	340	-	-	-	-	8,412
Philippine Peso	171	-	-	-	-	-	-	-	-	-	-	171
Polish Zloty	2,315	-	-	902	-	-	(30)	-	-	-	-	3,187
Pound Sterling	184,923	-	398	-	-	-	1,479	-	-	66	-	186,866
Russian Ruble	-		-	-	-	-	235	-	-	-	-	235
Singapore Dollar	21,956	-	58	-	-	-	-	-	-	-	-	22,014
South African Rand	6,310	-	-	368	-	-	57	-	-	-	-	6,735
South Korean Won	7,465	-	-	-	-	-	571	-	-	-	-	8,036
Swedish Krona	29,012	-	22	-	-	-	-	-	-	-	-	29,034
Swiss Franc	56,381	-	100	-	-	-	-	-	-	-	4	56,485
Thailand Baht	2,408	-	-	-	-	-	-	-	-	-	-	2,408
UAE Dirham	141		-	-	-	-	-	-	-	-	-	141
Yuan Renminbi	8,945	-	-	-	-	-	-	-	-	-	-	8,945
TOTAL	$1,130,419	$ 371	$ 3,224	$ 51,728	$ 571	$ 290	$ 5,853	$ 33,725	$ 4,676	$ 7,022	$ 4	$1,237,883

Securities Lending Activity

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, 2020, 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, 2020, 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, 2020, resulting from a default of the borrowers or the securities lending agent.

For the year ended December 31, 2020, 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 year ended December 31, 2020, the short-term investment fund is separated into two investment pools: (a) a liquidity pool and (b) a duration pool. As of December 31, 2020, the Quality D Short-Term investment fund liquidity pool had an average duration of 16 days and an average weighted final maturity of 76 days for U.S. dollars collateral. The Quality D Short-Term investment fund duration pool had an average duration of 17 days and an average weighted final maturity of 1,539 days for U.S. dollars collateral. For the year ended December 31, 2020, 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, 2020, ACERA had securities on loan with a total fair value of $173.53 million; however, the cash collateral held against the loaned securities was $178.29 million which is less than the total fair value of loaned securities by $4.76 million.

(amounts in tables expressed in thousands)

Summary of County Deposits and Investments

The following table is a summary of the deposits and investments as of June 30, 2021:

Cash	
Cash on Hand and Deposits in Transit	$ 587
Cash in Bank - with County Treasurer	458,218
Cash with fiscal agents	258,288
Restricted Cash - With Component Unit (AHS)	13,971
Retiree Trust Cash Balance	17
ACERA cash balance at 12/31/20	3,236
Total Cash	734,317
Investments	
In Treasurer's Pool	6,361,804
with ACERA	9,601,845
with fiscal agents	333,865
Securities Lending - ACERA	117,171
Total Investments	16,414,685
Total Cash and Investments	$17,149,002
Primary Government	$17,135,031
Component Unit (AHS)	13,971
Total Cash and Investments	$17,149,002

[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			
	Governmental Activities	Fiduciary Funds	Total	Component Unit
Cash and investments with County Treasurer	$ 2,877,703 [1]	$ 3,942,923 [2]	$ 6,820,626	$ -
Cash and investments with fiscal agents	451,917	9,607,268	10,059,185	13,669
Restricted Assets:				
Cash with fiscal agents	138,049	-	138,049	-
Cash with Component Unit (AHS)	-	-	-	302
Invested securities lending collateral	-	117,171	117,171	-
Total cash and investment	$ 3,467,669	$ 13,667,362	$ 17,135,031	$ 13,971
Deposits and cash on hand			$ 720,346	$ 13,971
Investments			16,414,685	-
Total deposits and investments			$ 17,135,031	$ 13,971

[1] Includes cash and investments with the County Treasurer of total governmental funds ($2,635,782) and internal service funds ($241,921).

[2] Includes deposits and investments with the County Treasurer of pension and other employee benefits trust funds ($17), private-purpose trust fund ($21,704), custodial external investment pool fund ($3,567,867) and other custodial funds ($353,335).

(amounts in tables expressed in thousands)

3. Receivables

Receivables as of June 30, 2021, 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 Development	Disaster Response	Flood Control	Capital Projects	Debt Service	Nonmajor Governmental Funds	Subtotal		
Interest	$ 5,631	$ 81	$ 272	$ 552	$ 185	$ 84	$ 653	$ 7,458	$ 478	$ 7,936
Taxes	49,422	-	-	2,415	-	-	8,773	60,610	-	60,610
Departmental accounts	188,761	-	-	-	-	-	-	188,761	-	188,761
Federal and state grants and subventions	218,214	-	-	3,308	64	-	2,420	224,006	-	224,006
Charges for services	75,885	-	-	274	-	-	9,752	85,911	5,658	91,569
Other	5,924	65,000	-	-	-	-	8,460	79,384	-	79,384
Gross receivables	543,837	65,081	272	6,549	249	84	30,058	646,130	6,136	652,266
Less: allowance for uncollectibles	(163,834)	-	-	-	-	-	-	(163,834)	-	(163,834)
Net total receivable - governmental activities	$ 380,003	$ 65,081	$ 272	$ 6,549	$ 249	$ 84	$ 30,058	$ 482,296	$ 6,136	$ 488,432

The departmental accounts receivable, net of allowance for uncollectibles, in the amount of $24.8 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, 2020 are as follows:

Contributions	$ 21,756
Investments sold	96,400
Investment receivables	8,673
Other	6,050
Total other receivables at December 31, 2019	$ 132,879

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, 2021, 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	$ 89,540	$ 160,823	$ 34,276	$ 284,639

In fiscal year 2021, there was an increase of $81.9 million in Property Development loans receivable due to the increased activity of the Measure A1 affordable housing bond programs.

(amounts in tables expressed in thousands)

5. Capital Assets

Capital asset activities of the primary government for the year ended June 30, 2021, are as follows:

GOVERNMENTAL ACTIVITIES

	Balance July 1, 2020	Increases	Decreases	Transfers	Balance June 30, 2021
Capital assets, not being depreciated:					
Land and easements	$ 80,417	$ 6,889	$ -	$ -	$ 87,306
Construction in progress	166,290	68,986	-	(24,178)	211,098
Collections	50	-	-	-	50
Total capital assets, not being depreciated	246,757	75,875	-	(24,178)	298,454
Capital assets, being depreciated:					
Structures and improvements	1,804,656	27,637	-	418	1,832,711
Machinery and equipment	232,479	15,624	13,385	-	234,718
Software	33,815	299	-	-	34,114
Infrastructure	1,061,502	231	-	23,760	1,085,493
Total capital assets, being depreciated	3,132,452	43,791	13,385	24,178	3,187,036
Less accumulated depreciation for:					
Structures and improvements	753,998	44,930	-	-	798,928
Machinery and equipment	171,963	14,364	13,165	-	173,162
Software	32,847	264	-	-	33,111
Infrastructure	577,656	25,148	-	-	602,804
Total accumulated depreciation	1,536,464	84,706	13,165	-	1,608,005
Total capital assets, being depreciated, net	1,595,988	(40,915)	220	24,178	1,579,031
Governmental activities capital assets, net	$ 1,842,745	$ 34,960	$ 220	$ -	$ 1,877,485

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

Governmental Activities	
General government	$ 5,828
Public protection	24,608
Public assistance	2,322
Health and sanitation	22,789
Public ways and facilities	20,765
Recreation and cultural services	420
Education	1,285
Capital assets held by the County's internal service funds	6,689
Total depreciation expense – governmental activities	$ 84,706

In fiscal year 2021, the County completed eleven road projects with a total cost of $14.8 million and a crossing improvement for $8.9 million.

(amounts in tables expressed in thousands)

The County has active construction projects as of June 30, 2021. The projects include construction of new facilities such as community centers, tiny homes, and improvements to roadways and flood control channels. The County's outstanding commitments with contractors as of June 30, 2021 are as follows:

Project	Spent-to-Date	Remaining Commitment
Road improvements	$ 36,818	$ 28,454
Flood control channel improvements	21,290	6,613
Other projects	52,049	16,393
Total governmental funds	$ 110,157	$ 51,460

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	(2,924)
Net book value	$ 1,972

(amounts in tables expressed in thousands)

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, 2020, are as follows:

	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020
Capital assets, being depreciated:				
Equipment and furniture	$ 3,084	$ 10	$ -	$ 3,094
Right-to-Use Leased Office Equipment*	205	8	-	213
Electronic document management system	4,163	9	-	4,172
Information systems	10,457	-	-	10,457
Leasehold improvements	2,585	-	-	2,585
Total capital assets, being depreciated	20,494	27	-	20,521
Capital assets, not being depreciated:				
Construction-in-progress	1,113	1,779	19	2,873
Less accumulated depreciation and amortization for:				
Equipment and furniture	3,020	23	-	3,043
Right-to-Use Leased Office Equipment*	44	42	-	86
Electronic document management system	4,163	1	-	4,164
Information systems	10,457	-	-	10,457
Leasehold improvements	1,230	95	-	1,325
Total accumulated depreciation	18,914	161	-	19,075
Total capital assets, being depreciated, net	1,580	1,645	-	1,446
Fiduciary fund capital assets, net	$ 2,693	$ 1,645	$ 19	$ 4,319

* Restatement to correct beginning balances

COMPONENT UNIT – Alameda Health System

Capital asset activities of the Alameda Health System for the year ended June 30, 2021, are as follows:

	Balance July 1, 2020	Increases	Transfers	Balance June 30, 2021
Capital assets, not being depreciated:				
Construction in progress	$ 21,584	$ 15,785	$ (5,998)	$ 31,371
Land	9,021	-	-	9,021
Total capital assets, not being depreciated	30,605	15,785	(5,998)	40,392
Capital assets, being depreciated:				
Structures and improvements	68,472	180	70	68,722
Machinery and equipment	251,452	3,128	(27,476)	227,104
Total capital assets, being depreciated	319,924	3,308	(27,406)	295,826
Less accumulated depreciation for:				
Structures and improvements	25,320	3,038	652	27,706
Machinery and equipment	128,267	29,217	32,752	124,732
Total accumulated depreciation	153,587	32,255	33,404	152,438
Total capital assets, being depreciated, net	166,337	(28,947)	5,998	143,388
Component unit capital assets, net	$ 196,942	$ (13,162)	$ -	$ 183,780

(amounts in tables expressed in thousands)

6. Accounts Payable and Accrued Expenditures/Expenses

Accounts payable and accrued expenditures/expenses as of June 30, 2021, for the County's individual major funds, non-major funds in the aggregate, and internal service funds are as follows:

	Governmental Funds								Internal Service Funds	Governmental Activities Total
	General	Property Development	Disaster Response	Flood Control	Capital Projects	Debt Service	Nonmajor Governmental Funds	Subtotal		
Accounts payable	$ 200,315	$ 12,527	$ 22,171	$ 6,943	$ 2,507	$ 557	$ 13,335	$ 258,355	$ 12,905	$ 271,260
Outstanding warrants	36,740	-	-	-	-	-	-	36,740	-	36,740
Accrued payroll	63,555	14	-	1,606	-	-	6,277	71,452	3,642	75,094
Total accounts payable and accrued expenditures	$ 300,610	$ 12,541	$ 22,171	$ 8,549	$ 2,507	$ 557	$ 19,612	$ 366,547	$ 16,547	$ 383,094

Payables for pension, OPEB, and other employee benefits trust funds at December 31, 2020 are as follows:

Purchase of securities	$ 100,393
Investment-related payables	12,191
Member benefits	6,155
Accrued administrative expenses	2,858
Lease liability	145
Other	276
Total accounts payable and accrued expenses	$ 122,018

Payables for the custodial funds consist of outstanding warrants and estate funds held by the Public Administrator.

(amounts in tables expressed in thousands)

7. Long-Term Obligations

The following is a summary of long-term obligations of the County as of June 30, 2021:

GOVERNMENTAL ACTIVITIES

Type of Obligation and Purpose	Maturity	Interest Rates	Original Issue	Outstanding
Certificates of participation:				
Public Facilities Corporation:				
2007A Refunding (a)	12/1/2021	4 - 5.625	$ 37,010	$ 3,055
Certificates of participation-principal				3,055
Tobacco settlement asset-backed bonds				
Tobacco Securitization bonds 2002 (e)	6/1/2042	2.25 - 6.00	220,525	110,620
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				178,479
Tobacco Securitization capital appreciation bonds 2006 - accretion (e)				117,755
Lease revenue bonds				
Alameda County Joint Powers Authority:				
Juvenile Justice Refunding Bonds 2016 (a)	6/1/2035	2.0 - 5.0	98,470	83,145
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	34,075
Lease Revenue Refunding Bonds 2012 (a)	12/1/2021	1.5 - 5	75,915	4,580
Multiple Capital Projects Bonds 2013A (a)	12/1/2035	3 - 5.25	287,380	252,760
Taxable Lease Revenue Bonds 2018 (f)	6/1/2028	2.27 - 3.60	73,495	49,235
Lease revenue bonds				743,795
General obligation bonds				
Measure A1 bonds 2018 - A (g)	8/1/2038	2.56 - 4.00	240,000	191,300
Capital leases				
Water efficiency measures (a)	10/30/2023	4.08	3,000	595
Other long-term obligations				
Loans payable (d)	6/22/2026	1.0 - 4.1	59,613	3,306
Compensated employee absences payable (c)				105,925
Estimated liability for claims and contingencies (d)				177,399
Obligation to fund Authority deficit (see Note 17) (a)				22,705
Other long-term obligations				309,349
Governmental activities total long-term obligations				$ 1,544,328

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, 2021 of $110.62 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 $1.68 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 $17.1 million while tobacco settlement revenue was $16.7 million. The shortfall of $0.4 million in revenue was offset by the interest earned in the escrow fund to pay for the debt.

(amounts in tables expressed in thousands)

COMPONENT UNIT

Type of Obligation	Outstanding
Alameda Health System	
Compensated employee absences payable	$ 39,024
Estimated liability for claims and contingencies	33,770
Component unit total long-term obligations	$ 72,794

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, 2021, the County's debt limit (1.25% of total assessed value) was $4.18 billion. The County's outstanding general obligation debt is $191.3 million and therefore $3.9 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, 2021.

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 $31.3 million as of June 30, 2021. 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 $26.2 million as of June 30, 2021. 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.

(amounts in tables expressed in thousands)

Changes in Long-Term Obligations

The changes in long-term obligations for governmental activities for the year ended June 30, 2021, are as follows:

	Balance July 1, 2020	Additional Obligations, Interest Accretion, and Net Increases	Current Maturities, Retirements, and Net Decreases	Balance June 30, 2021	Amounts Due Within One Year
Governmental activities:					
Certificates of participation and bonds payable					
Certificates of participation	$ 5,985	$ -	$ (2,930)	$ 3,055	$ 3,055
Tobacco securitization bonds	188,384	-	(9,905)	178,479	-
Lease revenue bonds	772,055	-	(28,260)	743,795	29,525
General obligation bonds	218,000	-	(26,700)	191,300	7,555
Total certificates of participation and bonds payable before accretion	1,184,424	-	(67,795)	1,116,629	40,135
Accretion on capital appreciation certificates and bonds					
Tobacco Securitization bonds	105,975	11,780	-	117,755	-
Total certificates of participation and bonds payable at accreted value	1,290,399	11,780	(67,795)	1,234,384	40,135
Other debt-related items					
Issuance premiums	29,423	-	(2,701)	26,722	2,702
Issuance discount	(3,030)	-	136	(2,894)	(136)
Total bonds and certificates payable	1,316,792	11,780	(70,360)	1,258,212	42,701
Loans	24,201	-	(20,895)	3,306	915
Compensated employee absences payable	84,391	45,913	(24,379)	105,925	35,748
Estimated liability for claims and contingencies	165,687	45,972	(34,260)	177,399	38,336
Capital leases	1,466	-	(871)	595	248
Obligation to fund Coliseum Authority deficit	27,722	-	(5,017)	22,705	5,268
Governmental activity long-term obligations	$ 1,620,259	$ 103,665	$ (155,782)	$ 1,568,142	$ 123,216

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, 2021, $5.02 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, 2021, are as follows:

Component Unit:	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Amounts Due Within One Year
Compensated employee absences payable	$ 35,818	$ 3,206	$ -	$ 39,024	$ 20,508
Estimated liability for claims and contingencies	31,346	2,424	-	33,770	7,896
Total component unit long-term obligations	$ 67,164	$ 5,630	$ -	$ 72,794	$ 28,404

(amounts in tables expressed in thousands)

Annual debt service requirements for long-term obligations outstanding as of June 30, 2021, 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	Principal	Accreted Interest	Interest	Principal	Accreted Interest	Interest
2022	$ 29,525	$ 42,232	$ 7,555	$ 7,149	$ -	$ -	$ 6,594	$ 37,080	$ -	$ 55,975
2023	26,045	41,009	7,855	6,840	-	-	6,594	33,900	-	54,443
2024	27,230	39,824	8,170	6,520	-	-	6,594	35,400	-	52,938
2025	28,465	38,584	8,495	6,187	-	-	6,594	36,960	-	51,365
2026	29,805	37,253	8,835	5,840	-	-	6,594	38,640	-	49,687
2027-2031	146,910	163,938	49,605	23,745	-	-	32,971	196,515	-	220,654
2032-2036	158,390	126,029	59,425	13,720	34,370	-	30,952	252,185	-	170,701
2037-2041	150,655	79,217	41,360	2,409	-	-	22,875	192,015	-	104,501
2042-2046	146,770	21,197	-	-	76,250	-	4,575	223,020	-	25,772
2047-2051	-	-	-	-	51,475	764,585	-	51,475	764,585	-
2052-2056	-	-	-	-	16,384	616,926	-	16,384	616,926	-
Total	$ 743,795	$ 589,283	$ 191,300	$ 72,410	$ 178,479	$ 1,381,511	$ 124,343	$ 1,113,574	$ 1,381,511	$ 786,036

For the Year Ending June 30	Total Bonds			Certificates of Participation		Other Long-Term Obligations		Total Debt		
	Principal	Accreted Interest	Interest	Principal	Interest	Principal	Interest	Principal	Accreted Interest	Interest
2022	$ 37,080	$ -	$ 55,975	$ 3,055	$ 63	$ 1,163	$ 85	$ 41,298	$ -	$ 56,123
2023	33,900	-	54,443	-	-	1,193	54	35,093	-	54,497
2024	35,400	-	52,938	-	-	899	25	36,299	-	52,963
2025	36,960	-	51,365	-	-	469	10	37,429	-	51,375
2026	38,640	-	49,687	-	-	177	3	38,817	-	49,690
2027-2031	196,515	-	220,654	-	-	-	-	196,515	-	220,654
2032-2036	252,185	-	170,701	-	-	-	-	252,185	-	170,701
2037-2041	192,015	-	104,501	-	-	-	-	192,015	-	104,501
2042-2046	223,020	-	25,772	-	-	-	-	223,020	-	25,772
2047-2051	51,475	764,585	-	-	-	-	-	51,475	764,585	-
2052-2056	16,384	616,926	-	-	-	-	-	16,384	616,926	-
Total	$ 1,113,574	$ 1,381,511	$ 786,036	$ 3,055	$ 63	$ 3,901	$ 177	$ 1,120,530	$ 1,381,511	$ 786,276

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 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 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) 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.

(amounts in tables expressed in thousands)

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, 2021, The County does not have any outstanding commercial paper notes. 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 2020-21 was $34.4 million. Future minimum lease payments for operating leases at June 30, 2021, are as follows:

2022	2023	2024	2025	2026	2027-31	Total
$ 22,694	$ 19,586	$ 17,195	$ 14,473	$ 12,612	$ 42,645	$ 129,205

9. Fund Deficits

Individual fund deficits at June 30, 2021 are as follows:

Alameda Health System	$ 270,333
Disaster Response Fund	$ 20,938
Internal Service Fund - Building Maintenance	$ 27,722
Internal Service Fund - Information Technology	$ 16,749

The fund deficit of the disaster response fund is expected to be funded by grants from the Federal Emergency Management Agency and the State. 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.

(amounts in tables expressed in thousands)

10. Fund Balances

Details of the fund balance classifications of the major and non-major governmental funds as of June 30, 2021 are as follows:

	General	Property Development	Disaster Response	Flood Control	Capital Projects	Debt Service	Non-major	Total
Nonspendable:								
Inventory	$ -	$ -	$ -	$ 3	$ -	$ -	$ 151	$ 154
Long-term receivables	3,666	-	-	-	-	-	-	3,666
Properties held for resale	51,513	-	-	-	-	-	-	51,513
Prepaid items	-	-	-	-	-	-	42	42
Total Nonspendable	55,179	-	-	3	-	-	193	55,375
Restricted for:								
Public protection	279,461	-	-	269,304	-	-	108,052	656,817
Public assistance	4,653	59,389	7,427	-	-	-	423	71,892
Health and sanitation	165,201	-	-	-	-	-	16,120	181,321
Public ways and facilities	-	-	-	-	-	-	139,766	139,766
Education	-	-	-	-	-	-	22,752	22,752
Debt service	-	-	-	-	-	92,453	73,573	166,026
Other purposes	20,290	-	-	-	-	-	-	20,290
Total Restricted	469,605	59,389	7,427	269,304	-	92,453	360,686	1,258,864
Committed to:								
Fiscal management rewards	140,809	-	-	-	-	-	-	140,809
Settlement claims	79,559	-	-	-	-	-	-	79,559
General contingencies	75,268	-	-	-	-	-	-	75,268
Capital projects	88,694	-	-	-	73,339	-	-	162,033
Pension liability reduction	100,000	-	-	-	-	-	-	100,000
Capital projects and related debt	-	414,468	-	-	-	-	-	414,468
Public assistance	5,573	-	-	-	-	-	-	5,573
Public protection	2,194	-	-	-	-	-	-	2,194
Other commitments	97,298	-	-	-	-	-	-	97,298
Total Committed	589,395	414,468	-	-	73,339	-	-	1,077,202
Assigned to:								
Appropriations in subsequent year	20,217	-	-	-	-	-	-	20,217
General government	9,888	-	-	-	-	-	-	9,888
Public protection	53,848	-	-	-	-	-	15,794	69,642
Public assistance	98,239	-	-	-	-	-	-	98,239
Health and sanitation	154,698	-	-	-	-	-	-	154,698
Public ways and facilities	351	-	-	-	-	-	-	351
Recreation and cultural services	30	-	-	-	-	-	-	30
Other purposes	282	-	-	-	-	-	-	282
Total Assigned	337,553	-	-	-	-	-	15,794	353,347
Unassigned	154,255	-	(28,365)	-	-	-	-	125,890
Total fund balances	$ 1,605,987	$ 473,857	$ (20,938)	$ 269,307	$ 73,339	$ 92,453	$ 376,673	$ 2,870,678

Encumbrance balances by major funds and non-major funds as of June 30, 2021 are:

	Restricted	Committed	Assigned	Total
General Fund	$ 15,097	$ -	$ 305,770	$ 320,867
Property Development	53,919	180	-	54,099
Disaster Response	-	-	21,272	21,272
Flood Control	29,456	-	-	29,456
Capital Projects	-	28,684	-	28,684
Non-major Governmental Funds	50,347	-	362	50,709
Total encumbrances	$ 148,819	$ 28,864	$ 327,404	$ 505,087

(amounts in tables expressed in thousands)

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, 2021 for governmental activities is as follows:

Restricted for Public Protection		
Flood	$269,434	
Consumer Protection	63,004	
Sheriff	35,299	
Public Safety	36,425	
Criminal Justice and Courthouse Construction	234	
Vital Records	24,635	
Child Support Enforcement	6,033	
Community Development	7,690	
Criminal Justice Programs	22,109	
Vehicle Theft Prevention	4,973	
Survey Monument Preservation	762	
Domestic Violence	128	
Probation	311	
Other	1,222	$472,259
Restricted for Public Assistance		
Housing and Commercial Development	91,607	
Emergency Rental Assistance Program	603	
Social Services Programs	485	
Child Protective Services	1,172	93,867
Restricted for Health and Sanitation		
Behavioral Health Services	70,059	
Public Health	38,871	
Emergency Medical Services	27,310	
Environmental Health	40,815	177,055
Restricted for Public Ways and Facilities		
Roads and Bridges Maintenance	130,018	
Streets and Highway Lighting	9,068	139,086
Restricted for Education		
Library Services		22,832
Restricted for Other Purposes		
Legal Settlements	2,043	
Property Taxes	6,424	
Assessor	4,587	
Sheriff	309	13,363
Total Restricted Net Position-Governmental Activities		$918,462

Included in governmental activities restricted net position as of June 30, 2021 is net position restricted by enabling legislation of $150.7 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, 2021, is as follows:

	Due to other funds		
Due from other funds	**Non-major Governmental Funds**	**Internal Service Funds**	**Total Due from**
General fund	$ 821	$ 1,103	$ 1,924

As of June 30, 2021 advances to and from other funds between general and internal service funds is $4.4 million.

(amounts in tables expressed in thousands)

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:

Receivable Entity	Payable Entity	Amount
Primary government-governmental	Alameda Health System	$ 45,682
Primary government-governmental		$ 45,682
Less allowance for uncollectibles		(31,000)
Net		$ 14,682
Alameda Health System	Primary government-governmental	$ 77,834

Transfers between funds for the year ended June 30, 2021, are as follows:

	Transfers In:						
Transfers out:	General Fund	Flood Control Fund	Capital Projects Fund	Debt Service Fund	Non-major Governmental Funds	Internal Service Funds	Total Transfers Out
General fund	$ -	$ -	$ 47,779	$ 54,876	$ -	$ 3,005	105,660
Property development fund	6,615	-	-	8,157	-	-	14,772
Disaster response	21,994	-	4,624	-	-	-	26,618
Flood control fund	-	-	149	-	-	-	149
Capital projects fund	706	-	-	-	-	-	706
Debt service fund	-	-	40	-	-	-	40
Non-major governmental funds	250	1	4,000	8,025	2,000	-	14,276
Internal service funds	1,552	-	-	3,844	-	-	5,396
Total transfers in	$ 31,117	$ 1	$ 56,592	$ 74,902	$ 2,000	$ 3,005	$ 167,617

The $105.6 million General Fund transfer out includes $54.9 million to provide for the payment of other debt service, $47.8 million to provide funding for capital projects and $3.0 million for vehicle purchase and maintenance projects.

The $14.8 million Property Development Fund transfer out includes $8.1 million for the payment of Juvenile Justice Refunding bond, $6.3 million for the purchase of hotels related to the Homekey program and $0.3 million to provide funding for Surplus Property administrative expenditures.

The $26.6 million Disaster Respond Funds transfer out includes $22.0 million for reimbursement of eligible expenditures from the general fund and $4.6 million to provide funding for the construction of the new Tiny Homes.

The $14.3 million Non-major Governmental Funds transfer out includes $8.0 million for debt payments, $4 million to provide funding for the construction of the Alameda County Fire Department Training Facility and $2.0 million to cover operating costs of the bridges.

The $5.3 million Internal Service Funds transfer out includes $3.8 million for the payment of debt service and $1.5 million for payment of energy loans and leases.

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 $1.16 billion as of December 31, 2020. 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

December 31, 2020 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 5.41 and 23.73 percent of their annual covered salary effective September 2020. 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, 2021, the County made contributions of $1.04 billion to ACERA, which included a one-time $800 million contribution to reduce the net pension liability.

C. *Pension Liabilities*

As of June 30, 2021, the County reported a liability of $1.71 billion for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. 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, 2020, the County's proportion was 77.7 percent, which was a decrease of 0.12 percent from its proportion measured as of December 31, 2019.

(amounts in tables expressed in thousands)

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

For the year ended June 30, 2021, the County recognized pension expense of $215.46 million. At June 30, 2021, 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	$ 41,827	$ 7,728
Changes of assumptions	289,533	72,286
Net difference between projected and actual earnings on investments	-	282,946
Changes in proportion and differences between County contributions and proportionate share of contributions	67,957	55,498
County contributions subsequent to the measurement date	929,166	-
Total	$ 1,328,483	$ 418,458

County contributions of $929.1 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, 2022. 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:	
2022	$ (7,709)
2023	46,665
2024	(81,276)
2025	12,956
2026	10,223

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, 2020 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2019
Inflation	2.75%
Salary Increases	General: 3.65% to 8.35% Safety: 4.05% to 11.25% Vary by service, including inflation
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation
Mortality Tables	Pub-2010 Amount -Weighted Mortality Tables, projected generationally with the two-dimensional mortality improvement scale MP-2019.
Date of Experience Study	December 1, 2016 through November 30, 2019

(amounts in tables expressed in thousands)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large Cap Equity	22.40 %	5.43 %
US Small Cap Equity	2.50	6.21
International Developed Equity	17.00	6.67
International Small Cap Equity	3.00	7.36
Emerging Markets Equity	5.00	8.58
Core Plus Fixed Income	11.50	1.10
High Yield Bonds	1.60	2.91
Global Fixed Income	3.00	-0.63
Private Equity	10.50	10.00
Core Real Estate	8.00	4.58
Commodities	0.75	3.46
Infrastructure	1.75	7.80
Private Credit	4.00	8.50
Absolute Return	9.00	3.70
Total	100.00 %	

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of December 31, 2020, which was a 0.25% decrease from 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 0.60% 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

(amounts in tables expressed in thousands)

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	$ 2,729,863	$ 1,706,972	$ 865,315

F. *Pension Plan Fiduciary Net Position*

Detailed information about pension plan fiduciary net position is available in the separately issued ACERA financial reports, which can be obtained at ACERA's website (www.acera.org) under Forms and Publications.

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.

(amounts in tables expressed in thousands)

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, 2020, the active employee contribution rate is 7.00 percent of annual pay for non-PEPRA members and 6.75 percent of annual pay for PEPRA members. ACFD contribution rate is 11.03 percent of annual payroll for non-PEPRA members and 7.73 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, 2020, 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 20.52 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, 2021, ACFD reported a liability of $3.56 million for its proportionate share of the net pension liability for the Miscellaneous Plan. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2021, ACFD's proportion was 0.035 percent, which was an increase of 0.005 percent from its proportion measured as of June 30, 2020.

Safety Plan

As of June 30, 2021, ACFD reported a liability of $132.7 million for its Safety Plan net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019.

As of the measurement date June 30, 2020, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
Active employees	348
Retired and receiving pension	389
Total	737

(amounts in tables expressed in thousands)

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, 2020	$ 486,608	$ 365,112	$ 121,496
Changes for the year:			
Service cost	14,304	-	14,304
Interest	34,628	-	34,628
Differences between expected and ac	2,137	-	2,137
Contributions - employer	-	17,174	(17,174)
Contributions - employee	-	4,974	(4,974)
Net investment income	-	18,240	(18,240)
Benefit payments[1]	(23,174)	(23,174)	-
Administrative expenses	-	(515)	515
Net changes for the year	27,895	16,699	11,196
Balances at June 30, 2021	$ 514,503	$ 381,811	$ 132,692

[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, 2021, ACFD recognized pension expense of $1.30 million. At June 30, 2021, 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	$ 106	$ -
Changes of assumptions	-	25
Differences between expected and actual experience	183	-
Changes in proportion and differences between ACFD contributions and proportionate share of contributions	508	-
ACFD contributions subsequent to the measurement date	950	-
Total	$ 1,747	$ 25

ACFD contributions of $950 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, 2022. 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:	
2022	$ 299
2023	267
2024	155
2025	51

(amounts in tables expressed in thousands)

Safety Plan

For the year ended June 30, 2021, ACFD recognized pension expense of $25.77 million. At June 30, 2021, 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	$ 3,368	$ -
Changes of assumptions	8,062	664
Differences between expected and actual experience	6,557	748
ACFD contributions subsequent to the measurement date	18,933	-
Total	$ 36,920	$ 1,412

ACFD contributions of $18.93 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, 2022. 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:	
2022	$ 3,852
2023	6,238
2024	2,937
2025	2,947
2026	566
2027	35

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, 2020 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2019
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% of 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.

(amounts in tables expressed in thousands)

Asset Class	Target Allocation	Real Return Years 1-10[1]	Real Return Years 11+[2]
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	---	0.77%	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, 2020, 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.

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:

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
ACFD's proportionate share of the net pension liability	$ 6,144	$ 3,561	$ 1,427

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:

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
ACFD's net pension liability	$ 202,096	$ 132,692	$ 75,308

F. Pension Plan Fiduciary Net Position

Detailed information about the pension plan fiduciary net position is available in separately issued CalPERS financial reports, which can be obtained at CalPERS' website (www.calpers.ca.gov) under Forms and Publications.

(amounts in tables expressed in thousands)

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 MMA.

The maximum MMA in 2020 was $578.65 and remains unchanged for 2021 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 2019 and increases to $443.28 for 2020 and remains unchanged for 2021. These allowances are subject to the following schedule:

Completed Years of Service	Percentage Subsidized
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, 2021, the County reported a liability of $5.10 million for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as December 31, 2019. 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, 2020, the County's proportion was 76.26 percent, which was an increase of 0.22 percent from its proportion measured as of December 31, 2019.

(amounts in tables expressed in thousands)

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

For the year ended June 30, 2021, the County recognized OPEB expense of negative $11.46 million. At June 30, 2021, the County 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
Differences between expected and actual experience	$ -	$ 49,389
Changes of assumptions	61,969	4,796
Net difference between projected and actual earnings on investments	-	144,359
Changes in proportion and differences between County contributions and proportionate share of contributions	8,445	7,292
Total	$ 70,414	$ 205,836

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:	
2022	$ (44,598)
2023	(16,526)
2024	(49,810)
2025	(30,485)
2026	3,248
Thereafter	2,749

E. Actuarial Assumptions

The total OPEB liability at the December 31, 2020 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	December 31, 2019
Inflation	2.75%
Investment Rate of Return	7.00%, net of OPEB plan investment expense, including inflation
Health care premium trend rates	
Non-Medicare medical plan	Graded from 6.75% to ultimate 4.50% over 9 years
Medicare medical plan	Graded from 6.25% to ultimate 4.50% over 7 years
Dental/Vision	0.00% for the first two and four years respectively to reflect a three-year guarantee and 4.00% thereafter
Medicare Part B	4.50%
Mortality Tables	Pub-2010 Healthy Retiree Headcount-Weighted Above-Meridian Mortality Table, projected generationally with two-dimensional MP-2019 projection scale. The generational projection is a provision for future mortality improvement.
Date of Experience Study	December 1, 2016 through November 30, 2019

(amounts in tables expressed in thousands)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large Cap Equity	22.40 %	5.43 %
US Small Cap Equity	2.50	6.21
International Developed Equity	17.00	6.67
International Small Cap Equity	3.00	7.36
Emerging Markets Equity	5.00	8.58
Core Plus Fixed Income	11.50	1.10
High Yield Bonds	1.60	2.91
Global Fixed Income	3.00	-0.63
Private Equity	10.50	10.00
Core Real Estate	8.00	4.58
Commodities	0.75	3.46
Infrastructure	1.75	7.80
Private Credit	4.00	8.50
Absolute Return	9.00	3.70
Total	100.00 %	

Discount Rate – The discount rate used to measure the total OPEB liability was 7.00% as of December 31, 2020, which was a 0.25% decrease from last year. 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net OPEB liability	$ 123,347	$ 5,101	$ (92,887)

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 (5.75 percent decreasing to 3.5 percent) or 1-percentage-point higher (7.75 percent decreasing to 5.5 percent) than the current rate:

(amounts in tables expressed in thousands)

	1% Decrease (5.75% decreasing to 3.5%)	Healthcare Cost Trend Rates (6.75% decreasing to 4.5%)	1% Increase (7.75% decreasing to 5.5%)
County's proportionate share of the net OPEB liability	$ (111,815)	$ 5,101	$ 149,926

F. ***OPEB Plan Fiduciary Net Position***

Detailed information about OPEB plan's fiduciary net position is available in the separately issued ACERA financial reports, which can be obtained at ACERA's website (www.acera.org) under Forms and Publications.

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

(amounts in tables expressed in thousands)

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, 2020, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
Inactives currently receiving benefits	310
Inactives entitled to but not yet receiving benefits	21
Active employees	400
Total	731

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 2020, the ACFD's contribution is $9.3 million. This amount includes $2.5 million of employee contributions and $6.8 million of employer contributions. The employer contributions are comprised of $1.7 million in contributions to the trust, $4.2 million in cash benefit payments, and $918 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, 2021, ACFD reported a net OPEB liability of $87.14 million. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020.

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2020	$ 115,564	$ 28,025	$ 87,539
Changes for the year:			
Service cost	4,077	-	4,077
Interest	7,902	-	7,902
Changes of assumptions	(2,050)	-	(2,050)
Contributions - employer	-	6,809	(6,809)
Contributions - employee	-	2,484	(2,484)
Net investment income	-	1,062	(1,062)
Benefit payments	(5,103)	(5,103)	-
Administrative expenses	-	(27)	27
Net changes for the year	4,826	5,225	(399)
Balance at June 30, 2021	$ 120,390	$ 33,250	$ 87,140

(amounts in tables expressed in thousands)

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

For the year ended June 30, 2021, ACFD recognized OPEB expense of $2.97 million. At June 30, 2021, 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	$ 639	$ -
Changes of assumptions	-	21,835
Differences between expected and actual experience	-	3,337
ACFD contributions subsequent to the measurement date	7,145	-
Total	$ 7,784	$ 25,172

ACFD contributions of $7.14 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, 2022. 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:	
2022	$ (4,558)
2023	(4,457)
2024	(4,432)
2025	(4,447)
2026	(3,434)
Thereafter	(3,205)

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, 2020 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

(amounts in tables expressed in thousands)

Actuarial Valuation Date	**June 30, 2020**
Contribution Policy	Employer contributions are made on an ad hoc basis Employees contribute based on current MOUs
Discount Rate	Based on crossover test 6.75% at June 30, 2020 6.75% at June 30, 2019
Long-Term Expected Rate of Return on Investments	Expected contributions projected to keep sufficient plan assets to pay all benefits from trust
Municipal Bond Rate	3.50% at June 30, 2019 3.87% at June 30, 2018 Bond Buyer 20-Bond GO Index
Crossover Test Assumptions	Projected contributions based on average over prior 5 years Administrative expenses = 0.05% of Fiduciary Net Position No Crossover
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-2019
Salary Increases	Aggregate - 3% Merit - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4% in 2076 and later years Medicare - 6.3% for 2021, 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: 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.

(amounts in tables expressed in thousands)

Asset Class	Target Allocation CERBT-Strategy 1	Expected Real Rate of Return
Global Equity	59.00 %	4.82 %
Fixed Income	25.00	1.47
TIPS	5.00	1.29
Commodities	3.00	0.84
REITs	8.00	3.76
Total	100.00 %	

Assumed long-term inflation rate of 2.75%
Expected long-term net rate of return of 6.75%

Discount Rate – The discount rate used to measure the total OPEB liability was 6.75 percent as of June 30, 2020. 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 6.75 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 (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
ACFD's net OPEB liability	$ 103,383	$ 87,140	$ 73,823

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:

	1% Decrease (6.25% decreasing to 3.0%)	Current Trend Rate (7.25% decreasing to 4.0%)	1% Increase (8.25% decreasing to 5.0%)
ACFD's net OPEB liability	$ 71,121	$ 87,140	$ 107,133

F. *OPEB Plan Fiduciary Net Position*

Detailed information about OPEB plan fiduciary net position is available in the separately issued CalPERS financial reports, which can be obtained at CalPERS' website (www.calpers.ca.gov) under Forms and Publications.

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.

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, including certain payments from the Warriors of up to $7.4 million annually from premium seating revenues. If necessary to prevent default, additional premium revenues up to $10.0 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 $19.0 million annually in the event of default by the City. The Warriors’ challenge to their obligation to pay the project debt shortfall was not successful. The 2018 Arbitration Interim Award in favor of the Coliseum Authority (and indirectly the City and the County) regarding the Warriors’ ongoing contractual obligation under the license agreement to annually reimburse the Coliseum 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, was confirmed by the San Francisco Superior Court and by the California First District Court of Appeal. The Warriors Petition for Review was denied by the California Supreme Court, ending their appeal. Since August 2019, the Warriors have paid the debt service installments that have come due and it is anticipated that they will continue to do so until the Arena Bond debt obligation is satisfied in 2025.

(amounts in tables expressed in thousands)

Debt Obligations

Long-term debt outstanding as of June 30, 2021 is as follows:

Type of Indebtedness	Maturity	Interest Rate	Authorized and Issued	Outstanding
Stadium Bonds				
2012 Refunding Series A Lease Revenue Bonds	February 1, 2025	5%	$ 122,815	$ 45,410
Arena Bonds				
2015 Refunding Series A Lease Revenue Bonds	February 1, 2026	1% - 4%	79,735	41,135
Total Long-term debt			$ 202,550	$ 86,545

Debt payments during the fiscal year ended June 30, 2021 were as follows:

	Stadium	Arena	Total
Principal	$ 10,035	$ 7,600	$ 17,635
Interest	2,772	1,650	4,422
Total	$ 12,807	$ 9,250	$ 22,057

The following is a summary of long-term debt transactions for the year ended June 30, 2021:

Outstanding lease revenue bonds, July 1, 2020	$ 104,180
Principal repayments	(17,635)
Outstanding lease revenue bonds, June 30, 2021	86,545
Amount due within one year	(18,735)
Amount due beyond one year	$ 67,810

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

For the Period	Stadium Bonds		Arena Bonds		Total	
Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
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	12,195	610	10,000	550	22,195	1,160
2026	-	-	4,885	185	4,885	185
Total	$ 45,410	$ 5,815	$ 41,135	$ 4,201	$ 86,545	$ 10,016

The Authority relies on the City and the County to make base rental payments in order to fulfill its debt service obligations. The Authority would be considered to be in default if one or more of the following events occurs: (1) the City and the County fail to pay any rental payable when it becomes due and payable, (2) the City and the County fail to comply with the terms, covenants and conditions of the Master Lease Agreement and (3) the City or the County declare bankruptcy or insolvency.

If an event of default occurs, the trustee may declare the principal of all bonds then outstanding and the interest accrued thereon to be due and payable immediately. The Authority may (1) terminate the master lease and recover certain damages, (2) re-enter or re-let the facilities, or (3) continue to collect rent from the City and the County on an annual basis by seeking a separate judgment each year for that year's defaulted base rental payments. Upon an event of default, there is no remedy of acceleration of the total base rental payments due over the term of the master lease.

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, 2021, the County made contributions of $375,000 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 $22.0 million appropriated in the general fund as part of the above agreements, it is estimated that the County will have to contribute $12.0 million for the year ending June 30, 2022. 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 $22.7 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.

On December 14, 2021, the Coliseum Authority issued the Lease Revenue Notes, 2021 Refunding Series A (Stadium Notes) as federally taxable obligations to refund the Stadium Bonds. A portion of the proceeds of the Stadium Notes will be used, together with certain amounts to be contributed from the debt service reserve fund and the debt service fund associated with the Stadium Bonds, to provide cash that will be placed into an escrow account to currently refund the Stadium Bonds. The escrow agent will pay the scheduled debt service requirements of the Stadium Bonds on February 1, 2022 and will redeem those Stadium Bonds maturing on February 1, 2023 and thereafter, at a redemption price equal to 100% of par, on February 1, 2022, which is the first optional redemption date for those bonds.

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.

(amounts in tables expressed in thousands)

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.

During fiscal year 2004, the Alameda Health System Foundation's (Foundation) Articles of Incorporation and bylaws were amended to require AHS to approve Foundation board members and to allow that upon dissolution, the Foundation's remaining assets would be distributed to AHS. The Foundation distributed $1.8 million to AHS during fiscal year 2021.

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:

	2020/21	2019/20
Estimated liability for claims and contingencies at the beginning of the fiscal year	$ 31,346	$ 31,546
Additional obligations	2,424	773
Payments	-	(973)
Estimated liability for claims and contingencies at the end of the fiscal year	$ 33,770	$ 31,346

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 2022.

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 0.5 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.

(amounts in tables expressed in thousands)

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 $120 million at June 30, 2021. The net loan of $44.5 million at June 30, 2021 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 57.8 percent and 26.7 percent, respectively, of gross patient service revenues, excluding certain federal aid revenues, for the year ended June 30, 2021. 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 $92.8 million in revenues for Section 1115 waiver programs for the year ended June 30, 2021. This amount includes the net intergovernmental transfers for the year ended June 30, 2021 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, 2021:

Charity care at cost	$ 9,454
Percent of operating expenses	0.9 %

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, 2021:

HPAC unreimbursed cost	$3,011
Percent of operating expenses	0.3 %

(amounts in tables expressed in thousands)

E. Accounts Receivable

Accounts receivable at June 30, 2021, comprised the following:

Patient accounts receivable	$ 236,571
Due from State of California	33,427
Other accounts receivable	25,659
Total	$ 295,657

Patient accounts receivable include amounts due from third party payors, patients, and other agencies for patient services rendered and is net of $79.1 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.

F. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2021, comprised the following:

Accounts payable	$ 36,479
Accrued payroll	36,030
Due to third-party payors	274,141
	$ 346,650

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. AHS has fully paid its share of the debt payments in FY 2021.

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.

As of measurement date June 30, 2020, the proportionate share of net pension liability was $356.3 million.

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.

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 measurement date June 30, 2020, the proportionate share of net OPEB liability was $1.1 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 is provided by Public Risk, Innovations, Solutions, and Management (PRISM) formerly known as 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 County's entire 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). In fiscal year 2021, there was a reduction in certain coverage limits mainly due to the capacity available in the market and pricing.

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

(amounts in tables expressed in thousands)

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, 2021 to March 31, 2022.

amounts in tables expressed in dollars

Property Insurance – Declared values as of March 31, 2021 for Policy Period March 31, 2021 to March 31, 2022			
	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		5,000,000 per occurrence, $20,000,000 Aggregate, reinsured by EIO, a captive of PRISM	$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 vehicles		
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 total insurable value and a maximum of $5 million per occurrence)	$75,000	$225,000,000 flood per tower
Earthquake: $3,133,777,745	2%* of total values per unit $100,000 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 PRISM Buy-Down credit PRISM Deductible Buy-Down Credit: For all Earthquake events occurring in a single policy year in Towers I-VIII, 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 PRISM 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 PRISM (formerly 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 million in annual aggregate coverage	

(amounts in tables expressed in thousands)

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

amounts in tables expressed in dollars

	Funding Sources and Coverage Limits		
Program Description	**Self-Insured Retention**	**Pooled Retention Limit (PRISM)**	**Excess Insurance Limit (Various carriers)**
General and Auto Liability	$1,000,000	$37,750,000 group corridor retention in primary layer, reinsured by PRISM ARC, a captive of PRISM.	$25,000,000 (inclusive of retention)
Medical Malpractice	$25,000 deductible	$1,500,000	$17,975,000
Workers' Compensation	$3,000,000	A single shared corridor retention of $47,765,027 reinsured by EIO, a captive of PRISM	Statutory
Employer's Liability	$3,000,000	N/A	N/A
Pollution Liability	$250,000	$0	$10 million per pollution condition / $10 million member aggregate limit of liability / $50 million policy aggregate for all members combined

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	Property damage (PD) value: $680,000
Aircraft Hull (1980 Cessna U206)	$0	PD value: $125,000
Aircraft Hull (Bell 505)	$0	PD value: $2,693,463
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	not renewed effective 7/14/21	
Crime Bond / Employee Dishonesty	$2,500	$15,000,000
Cyber Liability	$250,000	$12 million each member subject to $70 million program aggregate between all layers combined
Cyber Liability – Enhanced Option	100,000 Notified Individuals	100,000 Notified Individuals
Public Official Bond	$0	$1,000,000
Notary Bonds	N/A	N/A
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.

(amounts in tables expressed in thousands)

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	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Estimated liability for claims and contingencies at the beginning of the fiscal year	$ 27,133	$ 25,636	$ 138,554	$ 131,122	$ 165,687	$ 156,758
Incurred claims and claim adjustment expenses	6,899	10,513	39,073	31,419	45,972	41,932
Payments	(10,118)	(9,016)	(24,142)	(23,987)	(34,260)	(33,003)
Total estimated liability for claims and contingencies at the end of the fiscal year	$ 23,914	$ 27,133	$ 153,485	$ 138,554	$ 177,399	$ 165,687

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, 2021, 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).

(amounts in tables expressed in thousands)

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

In accordance with the timeline set forth in ABx1 26 (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. 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, 2021, are as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, being depreciated:				
Infrastructure	$ 3,111	$ -	$ -	$ 3,111
Less accumulated depreciation for:				
Infrastructure	(814)	(62)	-	(876)
Total capital assets, being depreciated, net	$ 2,297	$ (62)	$ -	$ 2,235

The changes in liabilities, other than long-term debt, of the private-purpose trust fund for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Amounts Due Within One Year
Due to other governmental units	$ 4,890	$ -	$ (1,485)	$ 3,405	$ 1,566

The outstanding tax allocation bonds of the Alameda County Redevelopment Successor Agency as of June 30, 2021:

Type of Obligation and Purpose	Maturity	Interest Rates	Original Issue	Outstanding
Tax allocation bonds				
Alameda County Successor Agency Eden Area Redevelopment Bonds	8/1/2036	4.0 - 5.0 %	$ 34,735	$ 23,450

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 $33.5 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, 2020 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.

(amounts in tables expressed in thousands)

The changes in the tax allocation bonds of the Alameda County Redevelopment Successor Agency for the year ended June 30, 2021, are as follows:

	Balance July 1, 2020	Additional Obligations and Net Increases	Current Maturities, Retirements, and Net Decreases	Balance June 30, 2021	Amounts Due Within One Year
Tax allocation bonds	$ 24,450	$ -	$ (1,000)	$ 23,450	$ 1,040
Unamortized bond premium	197	-	(13)	184	12
Total private-purpose trust bonds payable	$ 24,647	$ -	$ (1,013)	$ 23,634	$ 1,052

Annual debt service requirements for Alameda County Redevelopment Successor Agency tax allocation bonds outstanding as of June 30, 2021 are as follows:

For the Year Ending June 30	Tax Allocation Bonds Principal	Interest	Total
2022	$ 1,040	$ 1,063	$ 2,103
2023	1,085	1,017	2,102
2024	1,130	970	2,100
2025	1,180	921	2,101
2026	1,230	870	2,100
2027-2031	6,995	3,487	10,482
2032-2036	8,765	1,645	10,410
2037-2041	2,025	51	2,076
	$ 23,450	$ 10,024	$ 33,474

21. Restatement of Beginning Net Position and Fund Balance

In fiscal year 2021, the County restated the beginning net position as a result of GASB Statement No. 84 implementation.

The beginning net position was restated in the government activities and fiduciary funds as follows:

	Governmental Activities	Pension, OPEB & Other Employee Benefit Trust Trust Funds	Custodial Funds
Net position- beginning of period, as reported	$ 2,178,847	$ 8,791,784	$ -
Cumulative effect of GASB 84 implementation	2,499	(2,510)	135,002
Net position- beginning of period, as restated	$ 2,181,346	$ 8,789,274	$ 135,002

The beginning fund balance was restated in the general fund as follows:

	General Fund
Fund balance- beginning of period, as reported	$ 3,396,868
Cumulative effect of GASB 84 implementation	2,499
Fund balance- beginning of period, as restated	$ 3,399,367

REQUIRED SUPPLEMENTARY INFORMATION

(amounts expressed in thousands)

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

ACERA

Fiscal Year	Proportion of Net Pension Liability (NPL)	Proportionate Share of NPL (a)	Covered Payroll (b)	NPL Proportion as percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a percentage of Total Pension Liability
2021	77.79 %	$ 1,706,972	$ 776,023	219.96 %	79.37 %
2020	77.58	1,660,819	748,170	221.98	78.51
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 (NPL)	Proportionate Share of NPL (a)	Covered Payroll (b)	NPL Proportion as percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as percentage of Total Pension Liability
2021	0.033 %	$ 3,561	$ 7,294	48.82 %	75.10 %
2020	0.030	3,081	7,206	42.74	75.26
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, 2021

Schedule of Changes in the Net Pension Liability and Related Ratios

CalPERS Safety Plan

Total pension liability	**Fiscal Year 2021**	**Fiscal Year 2020**	**Fiscal Year 2019**	**Fiscal Year 2018**	**Fiscal Year 2017**	**Fiscal Year 2016**	**Fiscal Year 2015**
Service cost	$ 14,304	$ 14,261	$ 13,865	$ 13,986	$ 13,168	$ 13,449	$ 14,144
Interest	34,628	32,718	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	2,137	6,701	(1,356)	692	(352)	1,544	-
Benefit payments, including refunds of employee contributions	(23,174)	(21,682)	(20,592)	(18,785)	(17,229)	(15,559)	(13,785)
Net change in total pension liability	27,895	31,998	21,171	49,162	23,039	18,936	24,228
Total pension liability, beginning	486,608	454,610	433,439	384,277	361,238	342,302	318,074
Total pension liability, ending	$ 514,503	$ 486,608	$ 454,610	$ 433,439	$ 384,277	$ 361,238	$ 342,302
Safety plan fiduciary net position							
Contributions - employer	$ 17,174	$ 15,151	$ 14,551	$ 14,046	$ 12,596	$ 12,024	$ 12,029
Contributions - employee	4,974	4,761	4,764	4,434	4,164	4,144	4,465
Net investment income	18,240	22,622	26,991	32,203	1,614	6,379	41,634
Other miscellaneous income/(Expense)	-	1	(948)	-	-	-	-
Benefit payments, including refunds of employee contributions	(23,174)	(21,682)	(20,592)	(18,785)	(17,229)	(15,559)	(13,785)
Administrative expense	(515)	(246)	(499)	(426)	(175)	(324)	-
Net change in safety plan fiduciary net position	16,699	20,607	24,267	31,472	970	6,664	44,343
Safety plan fiduciary net position, beginning	365,112	344,505	320,238	288,766	287,796	281,132	236,789
Safety plan fiduciary net position, ending	$ 381,811	$ 365,112	$ 344,505	$ 320,238	$ 288,766	$ 287,796	$ 281,132
County's net pension liability - ending	$ 132,692	$ 121,496	$ 110,105	$ 113,201	$ 95,511	$ 73,442	$ 61,170
Safety plan fiduciary net position as a percentage of the total pension liability	74.21 %	75.03 %	75.78 %	73.88 %	75.15 %	79.67 %	82.13 %
Covered payroll	$ 50,508	$ 49,197	$ 47,042	$ 45,815	$ 45,596	$ 45,029	$ 45,785
County's net pension liability as a percentage of covered payroll	262.72 %	246.96 %	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.

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)
JUNE 30, 2021

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 Payroll
2021	$ 242,029	$ 1,042,029	$ (800,000)	$ 790,006	131.90 %
2020	231,127	231,127	-	763,495	30.27
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 Payroll
2021	$ 950	$ 950	$ -	$ 7,908	12.01 %
2020	808	808	-	7,294	11.08
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 Payroll
2021	$ 18,933	$ 18,933	$ -	$ 53,678	35.27 %
2020	17,174	17,174	-	51,677	33.23
2019	15,178	15,178	-	49,197	30.85
2018	10,067	10,067	-	47,042	21.40
2017	14,046	14,046	-	45,815	30.66
2016	12,596	12,596	-	45,596	27.63
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.

(amounts expressed in thousands)

Notes to the CalPERS Safety Plan Schedule - Pension

The actuarial methods and assumptions used to set the actuarially determined contributions for June 30, 2020 measurement date were from the June 30, 2017 public agency valuations:

Actuarial cost method	Entry age normal
Asset valuation method	Fair value of Assets
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.88%
Investment rate of return	7.25% net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)
JUNE 30, 2021

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

ACERA

Fiscal Year	Proportion of Net OPEB Liability (NOL)	Proportionate Share of NOL (a)	Covered Payroll (b)	NOL Proportion as percentage of Covered Payroll (a/b)	Plan Fiduciary Net Position as a percentage of Total OPEB Liability
2021	76.26 %	$ 5,101	$ 776,102	0.66 %	99.44 %
2020	76.04	85,874	751,655	11.43	89.57
2019	75.36	175,522	719,298	24.40	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 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Service cost	$ 4,077	$ 5,269	$ 5,379	$ 5,905
Interest	7,903	7,539	7,047	6,490
Changes of assumptions	-	(17,094)	(3,878)	(9,592)
Differences between expected and actual experience	(2,050)	(4,449)	-	-
Benefit payments, including refunds of employee contributio	(5,103)	(4,922)	(4,626)	(4,915)
Net change in total OPEB liability	4,827	(13,657)	3,922	(2,112)
Total OPEB liability, beginning	115,564	129,221	125,299	127,411
Total OPEB liability, ending	$ 120,391	$ 115,564	$ 129,221	$ 125,299
CalPERS fiduciary net position				
Contributions - employer	$ 6,809	$ 6,929	$ 6,668	$ 7,086
Contributions - employee	2,484	2,030	1,630	1,241
Net investment income	1,062	1,519	1,424	1,468
Benefit payments, including refunds of employee contributio	(5,103)	(4,922)	(4,626)	(4,915)
Administrative expense	(27)	(15)	(33)	(8)
Net change in safety plan fiduciary net position	5,225	5,541	5,063	4,872
Safety plan fiduciary net position, beginning	28,025	22,484	17,421	12,549
Safety plan fiduciary net position, ending	$ 33,250	$ 28,025	$ 22,484	$ 17,421
County's net OPEB liability - ending	$ 87,141	$ 87,539	$ 106,737	$ 107,878
CalPERS plan fiduciary net position as a percentage of the total OPEB liability	27.62 %	24.25 %	17.40 %	13.90 %
Covered payroll	$ 70,253	$ 73,445	$ 70,029	$ 72,109
County's net OPEB liability as a percentage of covered payroll	124.04 %	119.19 %	152.42 %	149.60 %

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

(amounts expressed in thousands)

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 Payroll
2021	$ -	$ -	$ -	$ 790,086	- %
2020	-	-	-	767,051	-
2019	-	-	-	737,129	-
2018	-	-	-	704,619	-

CalPERS

Fiscal Year	Contractually Required Contribution	Contributions in relation to Contractually Required Contribution	Contribution (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
2021	$ 8,270	$ 7,145	$ 1,125	$ 77,331	9.20 %
2020	10,322	6,809	3,513	70,253	9.70
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
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Budgetary	Positive
	Original	Final	Basis	(Negative)
Revenues:				
Taxes	$ 603,397	$ 678,668	$ 673,319	$ (5,349)
Licenses and permits	10,177	10,182	10,988	806
Fines, forfeitures, and penalties	13,322	13,483	43,993	30,510
Use of money and property	18,029	18,797	18,602	(195)
State aid	1,255,986	1,311,781	1,335,870	24,089
Federal aid	515,583	586,781	512,196	(74,585)
Other aid	69,078	79,497	82,806	3,309
Charges for services	397,056	413,088	403,135	(9,953)
Other revenue	152,688	194,834	118,133	(76,701)
Total revenues	3,035,316	3,307,111	3,199,042	(108,069)
Expenditures:				
Current				
General government				
Salaries and benefits	116,956	120,826	111,491	9,335
Services and supplies	63,824	69,357	49,257	20,100
Other charges	27,492	24,994	25,323	(329)
Capital assets	11,465	34,552	1,073	33,479
Public protection				
Salaries and benefits	612,999	1,444,141	1,405,024	39,117
Services and supplies	294,760	320,192	277,053	43,139
Other charges	7,109	7,092	6,337	755
Capital assets	1,246	2,832	2,699	133
Public assistance				
Salaries and benefits	299,614	300,561	274,680	25,881
Services and supplies	326,276	352,590	281,920	70,670
Other charges	361,275	361,375	321,822	39,553
Capital assets	150	34,639	34,442	197
Health and sanitation				
Salaries and benefits	239,372	242,883	205,041	37,842
Services and supplies	792,543	879,659	731,710	147,949
Other charges	123,682	186,566	173,640	12,926
Capital assets	-	102	37	65
Public ways and facilities				
Salaries and benefits	550	550	496	54
Services and supplies	3,343	3,343	3,225	118
Recreation and cultural services				
Salaries and benefits	9	10	10	-
Services and supplies	909	908	760	148
Education				
Services and supplies	367	368	368	-
Capital outlay	2,156	2,819	2,750	69
Total expenditures	3,286,097	4,390,359	3,909,158	481,201
Excess (deficiency) of revenues over expenditures	(250,781)	(1,083,248)	(710,116)	373,132
Other financing sources (uses):				
Transfers in	-	34,212	31,117	(3,095)
Transfers out	-	(126,113)	(105,660)	20,453
Budgetary reserves and designations	-	(77,705)	-	77,705
Total other financing sources (uses)	-	(169,606)	(74,543)	95,063
Net change in fund balance	(250,781)	(1,252,854)	(784,659)	468,195
Add outstanding encumbrances for current budget year	-	-	320,867	320,867
Fund balance - beginning of period, as reported	2,067,280	2,067,280	2,067,280	-
Cumulative effect of restatements	2,499	2,499	2,499	-
Fund balance - beginning of period, as restated	2,069,779	2,069,779	2,069,779	-
Fund balance - end of period	$ 1,818,998	$ 816,925	$ 1,605,987	$ 789,062

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
DISASTER RESPONSE
FOR THE YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	$ -	$ -	$ (1,539)	$ (1,539)
State aid	-	-	38,450	38,450
Federal aid	-	64,772	253,467	188,695
Other aid	-	-	1,887	1,887
Other revenue	-	-	1,006	1,006
Total revenues	-	64,772	293,271	228,499
Expenditures:				
Current				
General government				
Services and supplies	-	-	8,215	(8,215)
Other charges	-	-	9,688	(9,688)
Capital assets	-	-	447	(447)
Public protection				
Services and supplies	-	-	396	(396)
Public assistance				
Services and supplies	-	26,947	136,803	(109,856)
Other charges	-	-	3,450	(3,450)
Health and sanitation				
Services and supplies	-	35,325	144,519	(109,194)
Other charges	-	2,500	1,329	1,171
Capital assets	-	-	322	(322)
Total expenditures	-	64,772	305,169	(240,397)
Deficiency of revenues over expenditures	-	-	(11,898)	(11,898)
Net change in fund balance	-	-	(38,516)	(38,516)
Add outstanding encumbrances for current budget year	-	-	21,272	21,272
Fund balance - beginning of period	(3,694)	(3,694)	(3,694)	-
Fund balance - end of period	$ (3,694)	$ (3,694)	$ (20,938)	$ (17,244)

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PROPERTY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Use of money and property	$ 237	$ 237	$ 24,697	$ 24,460
Other revenue	3,000	3,000	2,454	(546)
Total revenues	3,237	3,237	27,151	23,914
Expenditures:				
Current				
General government				
Salaries and benefits	540	540	291	249
Services and supplies	1,459	1,459	489	970
Capital assets	125	125	-	125
Public assistance				
Salaries and benefits	-	158,985	136,259	22,726
Total expenditures	2,124	161,109	137,039	24,070
Excess of revenues over expenditures	1,113	(157,872)	(109,888)	47,984
Other financing sources (uses):				
Proceeds from sale of land	25,400	25,400	-	(25,400)
Transfers out	(26,620)	(29,273)	(14,772)	14,501
Total other financing sources (uses)	(1,220)	(3,873)	(14,772)	(10,899)
Net change in fund balance	(107)	(161,745)	(124,660)	37,085
Add outstanding encumbrances for current budget year	-	-	54,099	54,099
Fund balance - beginning of period	544,418	544,418	544,418	-
Fund balance - end of period	$ 544,311	$ 382,673	$ 473,857	$ 91,184

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 47,113	$ 54,780	$ 54,728	$ (52)
Licenses and permits	5	5	122	117
Use of money and property	2,836	2,836	976	(1,860)
State aid	5,212	5,212	300	(4,912)
Federal aid	451	451	3,127	2,676
Other aid	2,993	2,993	6,468	3,475
Charges for services	11,689	11,689	12,942	1,253
Other revenue	75	75	106	31
Total revenues	70,374	78,041	78,769	728
Expenditures:				
Current				
Public protection				
Salaries and benefits	71,604	71,718	49,598	22,120
Services and supplies	104,017	149,849	43,198	106,651
Other charges	3,548	3,738	1,011	2,727
Capital assets	5,484	5,883	1,468	4,415
Total expenditures	184,653	231,188	95,275	135,913
Excess (deficiency) of revenues over expenditures	(114,279)	(153,147)	(16,506)	136,641
Other financing uses:				
Transfers-in	-	-	1	1
Transfers out	(100)	(248)	(149)	99
Total other financing uses	(100)	(248)	(148)	100
Net change in fund balance	(114,379)	(153,395)	(16,654)	136,741
Add outstanding encumbrances for current budget year	-	-	29,456	29,456
Fund balance - beginning of period	256,505	256,505	256,505	-
Fund balance - end of period	$ 142,126	$ 103,110	$ 269,307	$ 166,197

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 disaster response, 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	Disaster Response Fund	Property Development Fund	Flood Control Fund
Budget basis expenditures	$ 3,909,157	$ 305,169	$ 137,039	$ 95,275
Encumbrances for current budget year	(320,867)	(21,272)	(54,099)	(29,456)
GAAP basis expenditures	$ 3,588,290	$ 283,897	$ 82,940	$ 65,819

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited, in accordance with the 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, the 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 28, 2021, except for our report on the schedule of expenditures of federal awards, as to which the date is May 9, 2022. Our report includes a reference to other auditors who audited the financial statements of the Alameda County Employees' Retirement Association (ACERA) and the Alameda Health System (Health System), as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 28, 2021

Certified
Public
Accountants

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the County of Alameda's, California (County), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Alameda County Housing and Community Development Department (Department), and the Alameda County Healthy Homes (Program), which expended $40,615,126, and $964,006 in federal awards, respectively, which are not included in the schedule of expenditures of federal awards during the year ended June 30, 2021. Our audit, described below, did not include the operations of the Department and the Program because they engaged other auditors to perform audits in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of the Uniform Guidance. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California
May 9, 2022

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2021

Assistance Listing No.	Federal Program Name	Cluster	COVID-19 Funded	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE									
10.025	Plant and Animal Disease, Pest Control, and Animal Care			Pass-through	20-0506-018-SF	California Department of Food and Agriculture	SOD - Sudden Oak Death	$ 57,353	$ -
				Pass-through	20-0270-030-SF	California Department of Food and Agriculture	Light Brown Apple Moth Exclusion	52,431	-
				Pass-through	19-0727-047-SF	California Department of Food and Agriculture	GWS - Glassy Winged Sharpshooter	250,389	-
				Pass-through	20-0148	California Department of Food and Agriculture	Insect Trapping	1,018,543	-
				Pass-through	19-0994-006-SF	California Department of Food and Agriculture	European Grapevine Moth	8	-
				Pass-through	20-1030-004-SF	California Department of Food and Agriculture	European Grapevine Moth	6,996	-
				Pass-through	20-0474-001-SF	California Department of Food and Agriculture	Dog Team	375,914	-
				Pass-through	20-0709-014-SF	California Department of Food and Agriculture	Asian Citrus Psyllid	100,459	-
							10.025 Total	**1,862,093**	**-**
10.555	National School Lunch Program	**Child Nutrition**		Pass-through	Not Applicable	California Department of Education	CalFresh Nut Ed	136,765	-
							10.555 Total	**136,765**	**-**
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children			Pass-through	19-10127	California Department of Public Health	Women, Infant, Children (WIC) Program	4,307,978	-
							10.557 Total	**4,307,978**	**-**
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	**SNAP**		Pass-through	Not Applicable	California Department of Social Services	Food Stamps - E&T - Admin	30,246,829	811,669
				Pass-through	19-10226	California Department of Public Health	Nutrition Education and Obesity Prevention Program	1,081,081	471,264
				Pass-through	SP 2021-09	California Department of Aging	SNAP-Ed	142,869	129,583
							10.561 Total	**31,470,779**	**1,412,516**
10.923	Emergency Watershed Protection Program			Direct	NR209104XXXXC001	Not Applicable	Not Applicable	422,884	-
							10.923 Total	**422,884**	**-**
U.S. DEPARTMENT OF AGRICULTURE Total								**38,200,499**	**1,412,516**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
14.267	Continuum of Care Program			Direct	CA1171L9T021904	Not Applicable	Not Applicable	170,012	12,284
							14.267 Total	**170,012**	**12,284**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Total								**170,012**	**12,284**
U.S. DEPARTMENT OF JUSTICE									
16.320	Services for Trafficking Victims			Pass-through	Not Applicable	California Office of Emergency Services	Services for Minor Victims of Sex Trafficking	145,246	-
							16.320 Total	**145,246**	**-**
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			Direct	2019-DU-BX-0007	Not Applicable	Not Applicable	71,549	-
							16.560 Total	**71,549**	**-**
16.575	Crime Victim Assistance			Pass-through	VW19380010	California Office of Emergency Services	Victim/Witness Assistance Program	681,014	-
				Pass-through	VW20390010	California Office of Emergency Services	Victim/Witness Assistance Program	1,880,240	-
				Pass-through	HA19020010	California Office of Emergency Services	Human Trafficking Advocacy Program	76,634	-
				Pass-through	HA20030010	California Office of Emergency Services	Human Trafficking Advocacy Program	55,418	-
				Pass-through	XC19020010	California Office of Emergency Services	County Victim Services Program	349,080	-
				Pass-through	XC20030010	California Office of Emergency Services	County Victim Services Program	309,497	-
				Pass-through	XE19020010	California Office of Emergency Services	Elder Abuse	84,862	-
				Pass-through	XE02030010	California Office of Emergency Services	Elder Abuse	105,581	-
				Pass-through	IO17010010	California Office of Emergency Services	Improving Outcomes for Child and Youth Victims of Human Trafficking Program	142,287	-

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2021

Assistance Listing No.	Federal Program Name	Cluster	COVID-19 Funded	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
16.575 *(continued)*	Crime Victim Assistance			Pass-through	KU19010010	California Office of Emergency Services	Increased Access to Services Program	$ 125,000	$ -
				Pass-through	XY19 02 0010	California Office of Emergency Services	Unserved/Underserved Victim Advocacy and Outreach Program	73,303	-
				Pass-through	XY20 03 0010	California Office of Emergency Services	Unserved/Underserved Victim Advocacy and Outreach Program	54,491	-
				Pass-through	KS19 02 0010	California Office of Emergency Services	Unserved/Underserved Victim Advocacy and Outreach Program	71,008	-
				Pass-through	KS20 03 0010	California Office of Emergency Services	Unserved/Underserved Victim Advocacy and Outreach Program	96,563	-
							16.575 Total	**4,104,978**	**-**
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program			Direct	Not Applicable	Not Applicable	Not Applicable	395,163	136,735
							16.590 Total	**395,163**	**136,735**
16.710	Public Safety Partnership and Community Policing Grants			Direct	2016-CK-WX-0023	Not Applicable	Not Applicable	11,650	-
				Direct	2017-UL-WX-0027	Not Applicable	Not Applicable	288,636	-
							16.710 Total	**300,286**	**-**
16.734	Special Data Collections and Statistical Studies			Direct	2017-MU-CX-K051	Not Applicable	Not Applicable	158,179	-
							16.734 Total	**158,179**	**-**
16.738	Edward Byrne Memorial Justice Assistance Grant Program			Direct	2017-DJ-BX-0937	Not Applicable	Not Applicable	81,442	-
				Pass-through	BSCC 646-19	Board of State and Community Corrections	Edward Byrne Memorial Justice Assistance Grant Program	489,216	-
				Pass-through	BSCC 0073-18-MH	Board of State and Community Corrections	Edward Byrne Memorial Justice Assistance Grant Program	30,728	-
							16.738 Total	**601,386**	**-**
16.741	DNA Backlog Reduction Program			Direct	2019-DN-BX-0119	Not Applicable	Not Applicable	144,090	-
				Direct	2020-DN-BX-0149	Not Applicable	Not Applicable	42,216	-
							16.741 Total	**186,306**	**-**
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program			Pass-through	CQ19 15 0010	California Office of Emergency Services	Coverdell Science Improvement Program	58,841	-
							16.742 Total	**58,841**	**-**
16.812	Second Chance Act Reentry Initiative			Direct	Not Applicable	Not Applicable	Not Applicable	144,904	47,054
				Pass-through	2018-CZ-BX-0023	California Office of Emergency Services	Redesigning the Pathways Home	144,751	96,950
				Pass-through	2018-CZ-BX-0011	California Office of Emergency Services	Second Chance Juvenile Gang Intervention Pilot Program	196,143	118,373
				Direct	2017-CZ-BX-0007	Not Applicable	Not Applicable	385,707	-
							16.812 Total	**871,505**	**262,377**
16.839	STOP School Violence			Direct	2019-YS-BX-0005	Not Applicable	Not Applicable	164,500	-
							16.839 Total	**164,500**	**-**
16.842	Opioid Affected Youth Initiative			Pass-through	2018-YB-FX-K003	California Office of Emergency Services	Opioid Affect Youth Initiative	329,234	93,688
							16.842 Total	**329,234**	**93,688**
16.922	Equitable Sharing Program			Direct	Not Applicable	Not Applicable	Not Applicable	168,571	-
							16.922 Total	**168,571**	**-**
U.S. DEPARTMENT OF JUSTICE Total								**7,555,744**	**492,800**

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2021

Assistance Listing No.	Federal Program Name	Cluster	COVID-19 Funded	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. DEPARTMENT OF LABOR									
17.235	Senior Community Service Employment Program			Pass-through	TV 2021-09	California Department of Aging	Senior Employment	$ 128,350	$ 128,350
							17.235 Total	**128,350**	**128,350**
17.258	WIOA Adult Program	**WIOA Cluster**		Pass-through	AA011001	California Employment Development Department	WIOA Title 1 Adult Formula – 202	264,604	184,201
				Pass-through	AA111001	California Employment Development Department	WIOA Title 1 Adult Formula – 201	225,304	46,094
				Pass-through	AA111001	California Employment Development Department	WIOA Title 1 Adult Formula – 202	634,202	276,931
							17.258 Total	**1,124,110**	**507,226**
17.259	WIOA Youth Activities	**WIOA Cluster**		Pass-through	AA011001	California Employment Development Department	WIOA Title 1 Youth Formula – 301	53,721	51,631
				Pass-through	AA011001	California Employment Development Department	WIOA Title 1 Youth Formula – 302	3,982	3,982
				Pass-through	AA111001	California Employment Development Department	WIOA Title 1 Youth Formula – 301	1,268,693	836,844
							17.259 Total	**1,326,396**	**892,457**
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants			Pass-through	AA011001	California Employment Development Department	WIOA National Dislocated Worker Grant/WIOA National Emergency Grant	158,509	42,606
							17.277 Total	**158,509**	**42,606**
17.278	WIOA Dislocated Worker Formula	**WIOA Cluster**		Pass-through	AA011001	California Employment Development Department	WIA 25% Dislocated Workers Additional	451,326	-
				Pass-through	AA011001	California Employment Development Department	WIOA Title 1 Dislocated Worker Formula – 500	59,633	59,633
				Pass-through	AA011001	California Employment Development Department	WIOA Title 1 Dislocated Worker Formula – 502	424,818	329,298
				Pass-through	AA011001	California Employment Development Department	WIOA Title 1 Rapid Response Formula – 541	101,104	-
				Pass-through	AA011001	California Employment Development Department	WIOA Title 1 RR Layoff Aversion – 292	1,740	-
				Pass-through	AA011001	California Employment Development Department	WIOA Title 1 RR Layoff Aversion – 293	32,884	-
				Pass-through	AA111001	California Employment Development Department	WIOA Title 1 Dislocated Worker Formula – 501	296,645	87,409
				Pass-through	AA111001	California Employment Development Department	WIOA Title 1 Dislocated Worker Formula – 502	1,024,296	364,387
				Pass-through	AA111001	California Employment Development Department	WIOA Title 1 Rapid Response Formula – 540	49,623	-
				Pass-through	AA111001	California Employment Development Department	WIOA Title 1 Rapid Response Formula – 541	125,420	-
				Pass-through	AA111001	California Employment Development Department	WIOA Title 1 RR Layoff Aversion – 292	11,512	-
				Pass-through	AA111001	California Employment Development Department	WIOA Title 1 RR Layoff Aversion – 293	40,373	-
							17.278 Total	**2,619,374**	**840,727**
U.S. DEPARTMENT OF LABOR Total								**5,356,739**	**2,411,366**

Assistance Listing No.	Federal Program Name	Cluster	COVID-19 Funded	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION									
20.205	Highway Planning and Construction	**Highway Planning and Construction**		Pass-through	PS F101	California Department of Transportation	STPL-5933-157	$ 44,367	$ -
				Pass-through	PS F095	California Department of Transportation	STPL-5933-146	271,690	-
				Pass-through	PS F100	California Department of Transportation	HSIPL-5933-154	37,236	-
				Pass-through	PS F090	California Department of Transportation	BRLO-5933-138	16,801	-
				Pass-through	PS F092	California Department of Transportation	HSIPL-5933-142	717,884	-
				Pass-through	PS F091	California Department of Transportation	HSIPL-5933-141	182,500	-
				Pass-through	PS F102	California Department of Transportation	BRLS-5933-159	38,297	-
				Pass-through	PS F099	California Department of Transportation	HSIPL-5933-153	9,129	-
				Pass-through	PS F097	California Department of Transportation	HSIPL-5933-152	64,658	-
				Pass-through	PS F098	California Department of Transportation	HSIPL-5933-155	60,385	-
				Pass-through	PS N084	California Department of Transportation	HPLUL-5933-126	439,101	-
				Pass-through	PS F096	California Department of Transportation	ER-32L0(520)	71,994	-
							20.205 Total	**1,954,042**	**-**
U.S. DEPARTMENT OF TRANSPORTATION Total								**1,954,042**	**-**
U.S. DEPARTMENT OF TREASURY									
21.009	Volunteer Income Tax Assistance (VITA) Matching Grant Program			Pass-through	Not Applicable	United Way of the Bay Area	Volunteer Income Tax Assistance Program	17,500	-
							21.009 Total	**17,500**	**-**
21.019	Coronavirus Relief Fund		Yes	Direct	Not Applicable	Not Applicable	Not Applicable	280,185,525	-
							21.019 Total	**280,185,525**	**-**
U.S. DEPARTMENT OF TREASURY Total								**280,203,025**	**-**
U.S. NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES									
45.025	Promotion of the Arts Partnership Agreements		Yes	Pass-through	State-Local Partnership SLP-CRS-20-9702	California Arts Council	SLP CARES	15,787	-
							45.025 Total	**15,787**	**-**
45.312	National Leadership Grants			Direct	Not Applicable	Not Applicable	Not Applicable	29,305	-
							45.312 Total	**29,305**	**-**
U.S. NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES Total								**45,092**	**-**
U.S. DEPARTMENT OF ELECTION ASSISTANCE COMMISSION									
90.404	2018 HAVA Election Security Grants		Yes	Pass-through	CA20101CARES 20G26101 0000001888	California Office of the Secretary of State	HAVA SEC. 101 / COVID-19	3,453,336	-
							90.404 Total	**3,453,336**	**-**
U.S. DEPARTMENT OF ELECTION ASSISTANCE COMMISSION Total								**3,453,336**	**-**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	**Aging**		Pass-through	AP 2021-09	California Department of Aging	Elder Abuse	21,853	21,853
							93.041 Total	**21,853**	**21,853**
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	**Aging**		Pass-through	AP 2021-09	California Department of Aging	Ombudsman	62,907	62,907
							93.042 Total	**62,907**	**62,907**
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	**Aging**		Pass-through	AP 2021-09	California Department of Aging	Disease Prevention	115,190	115,190
							93.043 Total	**115,190**	**115,190**

Assistance Listing No.	Federal Program Name	Cluster	COVID-19 Funded	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	**Aging**	Yes	Pass-through	AP 2021-09	California Department of Aging	Coronavirus Aid, Relief, and Economic Security (CARES)	$ 187,330	$ 187,330
				Pass-through	AP 2021-09	California Department of Aging	Supportive Services	1,460,352	1,054,371
							93.044 Total	**1,647,682**	**1,241,701**
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	**Aging**		Pass-through	AP 2021-09	California Department of Aging	Congregate Nutrition	1,328,985	1,204,004
			Yes	Pass-through	AP 2021-09	California Department of Aging	Coronavirus Aid, Relief, and Economic Security (CARES)	1,859,533	1,859,533
			Yes	Pass-through	AP 2021-09	California Department of Aging	Families First Coronavirus Response Act (HR 6201)	984,042	885,638
				Pass-through	AP 2021-09	California Department of Aging	Home-Delivered Meal	1,734,114	1,609,133
							93.045 Total	**5,906,674**	**5,558,308**
93.052	National Family Caregiver Support, Title III, Part E	**Aging**		Pass-through	AP 2021-09	California Department of Aging	Caregiver Support	880,997	756,016
			Yes	Pass-through	AP 2021-09	California Department of Aging	Coronavirus Aid, Relief, and Economic Security (CARES)	202,586	202,586
							93.052 Total	**1,083,583**	**958,602**
93.053	Nutrition Services Incentive Program	**Aging**		Pass-through	AP 2021-09	California Department of Aging	Nutrient Service Incentive Program (NSIP)	544,958	544,958
							93.053 Total	**544,958**	**544,958**
93.071	Medicare Enrollment Assistance Program			Pass-through	MI 2021-09	California Department of Aging	MIPPA	78,138	72,274
							93.071 Total	**78,138**	**72,274**
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			Pass-through	17-10142	California Department of Public Health	BT-CDC Base Allocation	751,646	-
							93.074 Total	**751,646**	**-**
93.090	Guardianship Assistance			Pass-through	Not Applicable	California Department of Social Services	KINGAP - 4T	2,848,576	-
				Pass-through	Not Applicable	California Department of Social Services	KINGAP IV-E Admin	215,221	-
							93.090 Total	**3,063,797**	**-**
93.150	Projects for Assistance in Transition from Homelessness (PATH)			Pass-through	Projects for Assistance in Transition from Homelessness (PATH)	California Department of Health Care Services	Projects for Assistance in Transition from Homelessness (PATH)	273,698	246,328
							93.150 Total	**273,698**	**246,328**
93.224	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	**Health Center Program**		Direct	H80CS00047	Not Applicable	Not Applicable	4,128,121	454,189
				Direct	H8CCS34248	Not Applicable	Not Applicable	63,410	-
			Yes	Direct	H8DCS35523	Not Applicable	Coronavirus Aid, Relief, and Economic Security (CARES)	750,735	150,000
				Direct	H8ECS37730	Not Applicable	Not Applicable	74,410	-
							93.224 Total	**5,016,676**	**604,189**
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases		Yes	Pass-through	COVID-19ELC59	California Department of Public Health	Epidemiology Laboratory Capacity Enhancing Detection Expansion Grant	3,798,148	-
			Yes	Pass-through	COVID-19ELC01	California Department of Public Health	Epidemiology Laboratory Capacity Enhancing Detection Expansion Grant	6,607,377	-
							93.323 Total	**10,405,525**	**-**

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2021

Assistance Listing No.	Federal Program Name	Cluster	COVID-19 Funded	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
93.324	State Health Insurance Assistance Program			Pass-through	HI 2021-09	California Department of Aging	HICAP	$ 118,002	$ 117,377
							93.324 Total	**118,002**	**117,377**
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response		Yes	Pass-through	Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020	California Department of Public Health	Not Applicable	1,571,884	-
							93.354 Total	**1,571,884**	**-**
93.556	MaryLee Allen Promoting Safe and Stable Families Program			Pass-through	Not Applicable	California Department of Social Services	Family Preservation / Family Support-Case Worker	866,106	378,453
							93.556 Total	**866,106**	**378,453**
93.558	Temporary Assistance for Needy Families			Pass-through	Not Applicable	California Department of Social Services	CALWIN - CalSAWS DD&I	331,828	-
				Pass-through	Not Applicable	California Department of Social Services	CalWORKS ARC – 2S, 2T, 2U, 2P, 2R	272,884	-
				Pass-through	Not Applicable	California Department of Social Services	CalWORKs Assistance-30,33,35, 3P,3R,3E,3H,3U	14,848,541	-
				Pass-through	Not Applicable	California Department of Social Services	CalWORKs CEC Program	58,750,579	12,114,104
				Pass-through	Not Applicable	California Department of Social Services	CWS - Emergency Assistance (TANF)	6,500,058	-
				Pass-through	Not Applicable	California Department of Social Services	Foster Care	1,150,730	-
							93.558 Total	**81,854,620**	**12,114,104**
93.563	Child Support Enforcement			Pass-through	93.563	California Department of Child Support Services	Child Support Enforcement	15,614,129	-
							93.563 Total	**15,614,129**	**-**
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs			Pass-through	Not Applicable	California Department of Social Services	Refugee Administration	57,476	-
				Pass-through	Not Applicable	California Department of Social Services	Refugee and Entrant Assistance_State Administered Programs	798,774	533,377
							93.566 Total	**856,250**	**533,377**
93.575	Child Care and Development Block Grant	**CCDF Cluster**		Pass-through	01-2501-00-8	California Department of Education	Local Child Care & Development Planning Council Program (CLPC)	56,647	-
				Pass-through	01-2501-00-8	California Department of Education	Quality Counts California Workforce Pathways Grant	507,105	-
							93.575 Total	**563,752**	**-**
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	**CCDF Cluster**		Pass-through	Not Applicable	California Department of Social Services	Child Care Development	1,459,688	1,410,527
							93.596 Total	**1,459,688**	**1,410,527**
93.645	Stephanie Tubbs Jones Child Welfare Services Program			Pass-through	Not Applicable	California Department of Social Services	CWS-IV-B	641,141	-
							93.645 Total	**641,141**	**-**
93.658	Foster Care Title IV-E			Pass-through	Not Applicable	California Department of Social Services	CCR-CWD	4,312,198	527,440
				Pass-through	Not Applicable	California Department of Social Services	CWS-CSEC	3,000	-
				Pass-through	Not Applicable	California Department of Social Services	CWS-IV-E	21,187,207	151,877
				Pass-through	Not Applicable	California Department of Social Services	EA-Foster Care-5k	76,583	-
				Pass-through	Not Applicable	California Department of Social Services	Emergency Child Care Bridge	70,879	-
				Pass-through	Not Applicable	California Department of Social Services	Foster Care Assistance-40,42	7,679,782	-
				Pass-through	Not Applicable	California Department of Social Services	Foster Care EFC	2,996,924	-
				Pass-through	Not Applicable	California Department of Social Services	Kin-GAP S	148,270	-
				Pass-through	Not Applicable	California Department of Social Services	NCWS	401,044	-
				Pass-through	Not Applicable	California Department of Social Services	Title IV-E Waiver-CA Well-Being Project	2,592,483	-
							93.658 Total	**39,468,370**	**679,317**

See the accompanying notes to the schedule of expenditures of federal awards.

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2021

Assistance Listing No.	Federal Program Name	Cluster	COVID-19 Funded	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
93.659	Adoption Assistance			Pass-through	Not Applicable	California Department of Social Services	Adoption Eligibility	$ 782,601	$ -
				Pass-through	Not Applicable	California Department of Social Services	Adoption SS	1,521,150	-
				Pass-through	Not Applicable	California Department of Social Services	Adoptive Assistance Payments-03, 04	12,505,528	-
							93.659 Total	**14,809,279**	**-**
93.667	Social Services Block Grant			Pass-through	Not Applicable	California Department of Social Services	CalWorks Single XX	5,813,608	5,554,056
				Pass-through	Not Applicable	California Department of Social Services	CWS Title XX	2,293,000	970,762
				Pass-through	Not Applicable	California Department of Social Services	Foster Care XX	1,366,693	-
							93.667 Total	**9,473,301**	**6,524,818**
93.670	Child Abuse and Neglect Discretionary Activities			Pass-through	Not Applicable	California Department of Social Services	Youth Transitions Partnership	60,333	42,363
							93.670 Total	**60,333**	**42,363**
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood			Pass-through	Not Applicable	California Department of Social Services	Independent Living Skills	635,993	498,841
							93.674 Total	**635,993**	**498,841**
93.686	Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B			Pass-through	UTHA33916/UTHA3 3916-02	California Department of Public Health	Ryan White Care ACT- Part B Grant	405,094	49,587
							93.686 Total	**405,094**	**49,587**
93.778	Medical Assistance Program	**Medicaid**		Pass-through	MOU #2019-001	Health Management Associates	Medication Assisted Treatment Project	220,016	145,103
				Pass-through	Not Applicable	California Department of Health Care Services	CALWIN	480,910	-
				Pass-through	Not Applicable	California Department of Health Care Services	IHSS PCSP/Health Related ADM - DHS	17,493,312	-
				Pass-through	Not Applicable	California Department of Social Services	AB74 Medi-Cal Health Enrollment	651,113	564,272
				Pass-through	Not Applicable	California Department of Social Services	APS/CSBG - Health Related - DHS	10,849,241	2,250,725
				Pass-through	Not Applicable	California Department of Social Services	IHSS - Health Related - DHS	16,914,576	-
				Pass-through	Not Applicable	California Department of Social Services	Medi-Cal	34,765,677	134,602
				Pass-through	19-96008	California Department of Health Care Services	Medi-Cal Administrative Activities (MAA)	17,938,215	17,938,215
				Pass-through	Whole Person Care Program	California Department of Health Care Services	Whole Person Care Program	39,816,503	-
				Pass-through	16-93564	California Department of Health Care Services	Medi-Cal	2,751,332	1,544,330
				Pass-through	CCS Information Notice 20-02/Budget	California Department of Health Care Services	California Children Services	4,723,000	205,054
				Pass-through	CHDP Program Letter 20-03	California Department of Health Care Services	Health Care Program for Children in Foster Care Program	263,604	-
				Pass-through	CHDP Administrative Budget	California Department of Health Care Services	Child Health and Disability Prevention (CHDP) Program Allocation	2,200,386	-
				Pass-through	Foster Care/ HCPCFC Budgets; CHDP Program Letter 20-03	California Department of Health Care Services	Health Care Program for Children in Foster Care Program	702,364	-
							93.778 Total	**149,770,249**	**22,782,301**
93.914	HIV Emergency Relief Project Grants			Direct	H89HA00018	Not Applicable	Not Applicable	7,069,089	6,048,533
							93.914 Total	**7,069,089**	**6,048,533**
93.917	HIV Care Formula Grants			Pass-through	18-10661	California Department of Public Health	Ryan White Care ACT- Part B Grant	1,090,454	739,795
							93.917 Total	**1,090,454**	**739,795**
93.926	Healthy Start Initiative			Pass-through	19H49MC00130	California Department of Public Health	Not Applicable	1,042,466	-
							93.926 Total	**1,042,466**	**-**
93.940	HIV Prevention Activities Health Department Based			Pass-through	18-10864	California Department of Public Health	Strengthening Our FoundationThrough Integration	729,517	417,649
							93.940 Total	**729,517**	**417,649**

See the accompanying notes to the schedule of expenditures of federal awards.

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2021

Assistance Listing No.	Federal Program Name	Cluster	COVID-19 Funded	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
93.958	Block Grants for Community Mental Health Services			Pass-through	Community Mental Health Services Block Grant (MHBG)	California Department of Health Care Services	Community Mental Health Services Block Grant (MHBG)	$ 1,524,936	$ 579,060
							93.958 Total	**1,524,936**	**579,060**
93.959	Block Grants for Prevention and Treatment of Substance Abuse			Pass-through	Not Applicable	California Department of Health Care Services	SAPT Block Grant - Adolescent Treatment Program	412,130	412,130
				Pass-through	Not Applicable	California Department of Health Care Services	SAPT Block Grant - Discretionary	4,890,254	4,657,385
				Pass-through	Not Applicable	California Department of Health Care Services	SAPT Block Grant - Friday Night Live and Club Live	18,538	18,538
				Pass-through	Not Applicable	California Department of Health Care Services	SAPT Block Grant - Perinatal Set Aside	851,443	810,898
				Pass-through	Not Applicable	California Department of Health Care Services	SAPT Block Grant - Prevention Set Aside	2,093,055	1,993,386
							93.959 Total	**8,265,420**	**7,892,337**
93.994	Maternal and Child Health Services Block Grant to the States			Pass-through	202001 Alameda	California Department of Public Health	Black Infant Health	725,563	-
				Pass-through	202001 Alameda	California Department of Public Health	Maternal, Child, & Adolescent Health (MCAH) Program	2,138,596	-
				Pass-through	CHVP 20-01	California Department of Public Health	California Home Visiting Program	1,168,440	-
							93.994 Total	**4,032,599**	**-**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Total								**370,894,999**	**70,234,749**
U.S. DEPARTMENT OF HOMELAND SECURITY									
97.039	Hazard Mitigation Grant			Pass-through	FEMA-4301-DR-CA	California Office of Emergency Services	Hazard Mitigation Grant Program	2,876,911	-
							97.039 Total	**2,876,911**	**-**
97.042	Emergency Management Performance Grants			Pass-through	2019-0003	California Office of Emergency Services	Emergency Management Performance Grant	137,916	-
				Pass-through	2020-0006	California Office of Emergency Services	Emergency Management Performance Grant	272,483	-
							97.042 Total	**410,399**	**-**
97.044	Assistance to Firefighters Grant			Direct	Not Applicable	Not Applicable	Not Applicable	210,517	-
							97.044 Total	**210,517**	**-**
97.056	Port Security Grant Program			Direct	Not Applicable	Not Applicable	Not Applicable	18,898	-
				Pass-through	EMW-2019-PU-00007-S01	California Emergency Management Agency	Homeland Security Grants	3,080	-
							97.056 Total	**21,978**	**-**
97.067	Homeland Security Grant Program			Pass-through	2018-0054	County and City of San Francisco	Urban Area Security Initiative	142,778	-
				Pass-through	Not Applicable	California Office of Emergency Services	Homeland Security Grants	506,619	-
				Pass-through	2017-0083	California Office of Emergency Services	Homeland Security Grants	259,669	-
				Pass-through	2019-0035	County and City of San Francisco	Urban Area Security Initiative	509,347	-
				Pass-through	Not Applicable	California Office of Emergency Services	Homeland Security Grants	492,233	-
				Pass-through	2020-0095	County and City of San Francisco	Urban Area Security Initiative	6,951	-
				Pass-through	Not Applicable	California Office of Emergency Services	Homeland Security Grants	369	-
							97.067 Total	**1,917,966**	**-**
97.132	Financial Assistance for Targeted Violence and Terrorism Prevention			Direct	EMW-2016-CA-00087	Not Applicable	Homeland Security Grants	166,374	-
							97.132 Total	**166,374**	**-**
U.S. DEPARTMENT OF HOMELAND SECURITY Total								**5,604,145**	**-**
Total Expenditures of Federal Awards								**$ 713,437,633**	**$ 74,563,715**

See the accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF ALAMEDA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 1 – General

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the expenditures for all federal award programs of the County of Alameda (the County), except as discussed (in notes 6 and 7). The County's financial reporting entity is defined in note 1(A) to the County's basic financial statements. The County's basic financial statements include the operations of the Alameda County Housing and Community Development Department and Alameda County Healthy Homes which, during the year ended June 30, 2021, expended $40,615,126, and $964,006 in federal awards, respectively. These federal expenditures are not included in the accompanying schedule. Additionally, Medical Assistance (Medi-Cal) and Medicare Hospital Insurance (Medicare) are not considered federal awards (note 4).

Note 2 – Basis of Accounting

The accompanying SEFA is presented using the modified accrual basis of accounting, which is described in note 1(C) to the County's basic financial statements. The County did not elect to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs, with the exception of the Sheriff's Office.

Note 3 – Relationship to Federal Financial Reports and Financial Statements

Expenditures of federal awards are reported in the County's basic financial statements in the general fund and other governmental funds. Amounts reported in the accompanying SEFA agree or can be reconciled with amounts reported in the related federal award reports and the County's basic financial statements.

Note 4 – Medi-Cal and Medicare

Medi-Cal and Medicare program expenditures are excluded from the SEFA. These expenditures represent fees for services; therefore, neither is considered a federal award program of the County for the purposes of the SEFA or in determining major programs. The County assists the State of California in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities. Medi-Cal administrative expenditures are included in the SEFA as they do not represent fees for services.

Note 5 – Other Cluster Designated by the State of California

The SEFA includes the State-designated Aging Cluster, which is different from Part 5 of the *2021 OMB Compliance Supplement*, as permitted by the Uniform Guidance in 2 CFR 200.1. The State-designated Aging Cluster includes assistance listing numbers 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, and 93.053.

Note 6 – Federal Expenditures of the Alameda County Housing & Community Development Department Not Included in the SEFA

The Alameda County Housing & Community Development Department (the Department) federal expenditures are excluded from the SEFA because such expenditures are audited separately. Expenditures for the programs of the Department listed below are taken from the separate single audit report for the year ended June 30, 2021. The programs of the Department are as follows:

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing No.	Note	Federal Expenditures	Amount Provided To Subrecipient
U.S. Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants	14.218	*	$ 2,271,164	$ 1,623,840
COVID-19 - CDBG Cares Act	14.218		1,408,170	1,011,657
HOME Investment in Partnerships Program	14.239	*	1,500,414	1,278,152
HOPWA SPNS - Project Independence	14.241	*	398,211	383,862
COVID-19 - HOPWA PI - Cares Act	14.241		71,716	64,984
Continuum of Care	14.267		17,489,488	16,258,435
Emergency Shelter/Solutions Grant	14.231		158,189	156,391
COVID -19- Emergency Shelter Grant - Cares Act	14.231		681,562	411,522
Neighborhood Stabilization Program HERA	14.218		8,791	-
Neighborhood Stabilization Program ARRA	14.256	*	13,238	-
Sub-Total of Direct Programs			24,000,943	21,188,843
Pass-Through Program From City of Oakland				
Housing Opportunities for Persons With AIDS	14.241	**	1,026,641	820,340
ESGV- Cares Act	14.231	**	790,730	790,730
COVID-19 - HOPWA - Cares Act	14.241	**	10,838	-
Pass-Through Program From State of California				
Emergency Shelter/Solutions Grant	14.231	**	260,373	256,534
COVID-19- Emergency Shelter/Solutions Grant - Cares Act	14.231	**	4,221,566	3,930,536
Pass-Through Program From State of Berkley				
ESGV - Cares Act	14.231	**	723,030	723,030
Sub-Total of Pass-Through Programs			7,033,178	6,521,170
Total U.S. Department of Housing and Urban Development			31,034,121	27,710,013
U.S. Department of Treasury				
COVID -19 - Emergency Rental Assistance Program		*	9,581,005	9,365,500
TOTAL EXPENDITURES			$ 40,615,126	$ 37,075,513

** Denotes tested as a major federal program*
*** Pass-through entity identifying number not available*

Note 7 – Federal Expenditures of the Alameda County Healthy Homes Not Included in the SEFA

The Alameda County Healthy Homes ("the Program") federal expenditures are excluded from the SEFA because such expenditures are audited separately. Expenditures for the federal programs of the Program listed below are taken from the separate single audit report for the year ended June 30, 2021 are as follows:

Federal Grantor/Program Title	Assistance Listing No.		Federal Expenditures
U.S. Department of Housing and Urban Development			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	*	$ 964,006
Total Expenditure of Federal Awards			$ 964,006

** Tested as a major federal program*

COUNTY OF ALAMEDA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 8 – Department of Aging Federal/State Share

The California Department of Aging (CDA) requires agencies that receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following federal and state amounts under these grants in the year ended June 30, 2021.

Program Information			Expenditures			Amount Provided to Subrecipients		
Assistance Listing No.	CDA Program No.	Federal or CDA Program Title	Federal	State	Total	Federal	State	Total
10.561	SP 2021-09	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	$ 142,869	$ -	$ 142,869	$ 129,583	$ -	$ 129,583
17.235	TV 2021-09	Senior Community Service Employment Program	128,350	-	128,350	128,350	-	128,350
93.041	* AP-2021-09	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	21,853	-	21,853	21,853	-	21,853
93.042	* AP-2021-09	Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	62,907	-	62,907	62,907	-	62,907
93.043	* AP-2021-09	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	115,190	-	115,190	115,190	-	115,190
93.044	* AP-2021-09	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	1,460,352	319,553	1,779,905	1,054,371	319,553	1,373,924
93.044	* AP-2021-09	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers-CARES	187,330	-	187,330	187,330	-	187,330
93.045	* AP-2021-09	Special Programs for the Aging_Title III, Part C_Nutrition Services	1,328,985	37,184	1,366,169	1,204,004	37,184	1,241,188
93.045	* AP-2021-09	Special Programs for the Aging_Title III, Part C_Nutrition Services	1,734,114	899,291	2,633,405	1,609,133	899,291	2,508,424
93.045	* AP-2021-09	Special Programs for the Aging_Title III, Part C_Nutrition Services-CARES	2,843,575	-	2,843,575	2,745,171	-	2,745,171
93.052	* AP-2021-09	National Family Caregiver Support, Title III, Part E	880,997	-	880,997	756,016	-	756,016
93.052	* AP-2021-09	National Family Caregiver Support, Title III, Part E-CARES	202,586	-	202,586	202,586	-	202,586
93.053	* AP-2021-09	Nutrition Services Incentive Program	544,958	-	544,958	544,958	-	544,958
93.071	MI-2021-09	Medicare Enrollment Assistance Program	78,138	-	78,138	72,274	-	72,274
93.324	HI-2021-09	State Health Insurance Assistance Program	118,002	238,952	356,954	117,377	203,952	321,329
N/A	AP-2021-09	Ombudsman Initiative/SNF Quality & Accountability	-	193,338	193,338	-	193,338	193,338
			$ 9,850,206	**$ 1,688,318**	**$11,538,524**	**$ 8,951,103**	**$ 1,653,318**	**$10,604,421**

*The Aging Cluster reflected on the County's SEFA includes the assistance listing numbers defined by the State of California Department of Aging. This is different from the part 5 of the OMB compliance supplement, as permitted by the Uniform Guidance in 2 CFR 200.217.

COUNTY OF ALAMEDA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 9 – Cluster Program Totals

The following table summarizes clusters funded by various sources or grants whose totals are not shown on the SEFA:

Program Title	Assistance Listing No.	Federal Expenditures
WIOA Cluster		
WIOA Adult Program		
Passed Through California Employment Development Department	17.258	$ 1,124,110
WIOA Youth Activities		
Passed Through California Employment Development Department	17.259	1,326,396
WIOA Dislocated Worker Formula Grants		
Passed Through California Employment Development Department	17.278	2,619,374
Total WIOA Cluster		$ 5,069,880
Aging Cluster (*)		
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation		
Passed Through California Department of Aging	93.041	$ 21,853
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals		
Passed Through California Department of Aging	93.042	62,907
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services		
Passed Through California Department of Aging	93.043	115,190
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		
Passed Through California Department of Aging	93.044	1,647,682
Special Programs for the Aging, Title III, Part C, Nutrition Services		
Passed Through California Department of Aging	93.045	5,906,674
National Family Caregiver Support, Title III, Part E		
Passed Through California Department of Aging	93.052	1,083,583
Nutrition Services Incentive Program		
Passed Through California Department of Aging	93.053	544,958
Total Aging Cluster		$ 9,382,847
CCDF Cluster		
Child Care and Development Block Grant		
Passed Through California Department of Education	93.575	$ 563,752
Child Care Mandatory and Matching Funds of the Child Care and Development Fund		
Passed Through California Department of Social Services	93.596	1,459,688
Total CCDF Cluster		$ 2,023,440

*The Aging Cluster reflected on the County's SEFA includes the assistance listing numbers defined by the State of California Department of Aging. This is different from the part 5 of the OMB compliance supplement, as permitted by the Uniform Guidance in 2 CFR 200.217.

COUNTY OF ALAMEDA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Other audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs:

	Assistance Listing No.	Program Title
(1)	10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
(2)	10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
(3)	21.019	Coronavirus Relief Fund
(4)	90.404	2018 HAVA Election Security Grants
(5)	93.090	Guardianship Assistance
(6)	93.224	Health Center Program Cluster
(7)	93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
(8)	93.558	Temporary Assistance for Needy Families
(9)	93.041 93.042 93.043 93.044 93.045 93.052 93.053	Aging Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$3,000,000
Auditee qualified as low-risk auditee?	Yes

<u>Section II Financial Statement Findings</u>

None reported.

<u>Section III Federal Award Findings and Questioned Costs</u>

Item No. 2021-001 – Procurement, Suspension and Debarment
Material Weakness

Finding Reference:	2021-001
Federal Agency:	Election Assistance Commission
Pass-Through Agency:	None
Federal Program Title:	2018 HAVA Election Security Grants
Federal Catalog Number:	90.404
Federal Grant Numbers:	20G26101
Award Names:	2018 HAVA Election Security Grants

<u>Criterion</u>

Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart C, Section 200.213, Suspension and Debarment, states that non-federal entities are subject to the non-procurement debarment and suspension regulations that restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed $25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-Federal entity enters into a covered transaction with an entity at a lower tier, the non-Federal entity must verify that the entity is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the entity for active exclusions at SAM.gov, (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity.

<u>Condition</u>

The 2018 HAVA Election Security Grants program is administered by the County Registrar of Voters. While the County has a procurement policy that addresses compliance with federal suspension and debarment requirements, the County's direct claiming mechanism does not specifically address federal regulations. The direct claiming mechanism is intended for expedited contracting for certain higher priority goods and services, including election expenditures.

The Registrar of Voters used the direct claiming method to procure goods and services funded by the program for the year ended June 30, 2021. Our sample of $2,000,284 from a population of $2,825,763 in procured goods and services included $526,733 (or 26%) that were procured using the direct claiming method and were not subject to suspension and debarment verification before the covered transactions were executed. However, subsequent verifications on SAM.gov confirmed that none of the parties in the sampled transactions were suspended or debarred during the contract periods.

Cause
Program personnel were not aware of the requirement to check for suspension and debarment.

Effect
The use of the existing direct claiming method for federally funded transactions puts the County at risk of noncompliance with applicable federal procurement requirements.

Questioned Costs
There are no questioned costs associated with this finding.

Recommendation
We recommend that the County revisit its procurement policies and procedures, including the use of the direct claiming method, to ensure federally funded transactions follow applicable procurement requirements for federal awards.

View of Responsible Officials
Management's response is reported in a separate section at the end of this report.

Item No. 2021-002 – Reporting
Significant Deficiency

Finding Reference:	2021-002
Federal Agency:	United States Department of Health and Human Services
Pass-Through Agency:	California Department of Public Health
Federal Program Title:	Epidemiology and Laboratory Capacity for Infectious Diseases
Federal Catalog Number:	93.323
Federal Grant Numbers:	6 NU50CK000539-01-10; 6 NU50CK000539-02-07
Award Names:	CDC - Epidemiology and Laboratory Capacity (ELC) Paycheck Protection Program and Health Care Enhancement Act of 2020; CDC - Epidemiology and Laboratory Capacity (ELC) Expansion Coronavirus Response and Relief Supplemental Appropriations Act, 2021;

Criterion
Code of Federal Regulations, Title 2 – Subtitle A, Part 200, Subpart D, Section 200.334 Retention requirements for records requires "Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient."

Condition
The Epidemiology and Laboratory Capacity for Infectious Diseases program is administered by the County Health Care Services Agency – Department of Public Health. Under the provisions of the grant agreements for the program, the County is required to submit quarterly expenditure and quarterly progress reports.

The County did not have a process to retain proper documentation of report submission or evidence of proper review and approval of the reports. However, the County's Information Technology Department was able to retrieve evidence of report submission from archived emails.

Cause
The County did not have a process to retain proper documentation. The individual who submitted the reports during the year ended June 30, 2021 left County employment. The new personnel overseeing this process did not have access to the applicable documentation.

Effect
The lack of proper documentation puts the County at risk for being unable to substantiate compliance with applicable requirements for federal awards.

Questioned Costs
There are no questioned costs associated with this finding.

Recommendation
We recommend that the Health Care Services Agency – Department of Public Health strengthen its internal controls over record retention related to reporting requirements to ensure that documentation is maintained in a designated place for the required period to clearly demonstrate compliance with program requirements and that established controls were followed.

View of Responsible Officials
Management's response is reported in a separate section at the end of this report.

This section outlines the County's status of prior year findings as well as corrective active plans to current year findings prepared by respective County departments for the year ended June 30, 2021.

STATUS OF PRIOR YEAR FINDINGS

Financial Statement Findings:

None reported.

Federal Awards Findings:

None reported.

CORRECTIVE ACTION PLAN

Item No. 2021-001 – Procurement, Suspension and Debarment
Material Weakness

Responsible Party:
Cynthia Cornejo
Deputy Registrar of Voters
Alameda County Registrar of Voters

Dwayna Gullatt
Elections Technician
Alameda County Registrar of Voters

Corrective Action Plan:
In order to ensure that a vendor is not suspended or debarred or otherwise excluded from participating in a transaction, the plan for corrective action to the finding of noncompliance of Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart C, Section 200.213, Suspension and Debarment, Alameda County Registrar of Voters (ROV) will (1) check the System for Award Management (SAM) at https://www.sam.gov/SAM/ for all entities, prior to requesting a purchase. (2) If an entity has been suspended or debarred, ROV will not follow through with a transaction. (3) Proof of non-suspension or non-debarment is required as the initial step for a purchase request. (4) The purchase request packet must include proof of non-suspension or non-debarment for all entities. (5) Proof of the non-suspension or non-debarment includes a current printout indicating "No Match Found" from the search page on https://www.sam.gov/SAM/ for each entity.

Anticipated Implementation Date:
May 31, 2022

Item No. 2021-002 – Reporting
Significant Deficiency

Responsible Party:
ThuTrang Hoang
Supervising Financial Services Specialist
Public Health Department Billing & Grants Claiming Unit

Corrective Action Plan:
The Public Health Department (PHD) agrees with the recommendations. PHD will retain records of quarterly reports submitted to the state awarding agency, evidence of timely submission, and documentation of review/approval of such reports within PHD. PHD will document these internal control measures in its written procedures, which will include the location of the records as well as the duration of retention.

Anticipated Implementation Date:
August 1, 2022

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Mission

To enrich the lives of Alameda County residents through visionary policies and accessible, responsive, and effective services.

Vision

Alameda County is recognized as one of the best counties in which to live, work and do business.

Values

Integrity, honesty and respect fostering mutual trust.

Transparency and accountability achieved through open communications and involvement of diverse community voices.

Fiscal stewardship reflecting the responsible management of resources.

Customer service built on commitment, accessibility and responsiveness.

Excellence in performance based on strong leadership, teamwork and a willingness to take risks.

Diversity recognizing the unique qualities of every individual and his or her perspective.

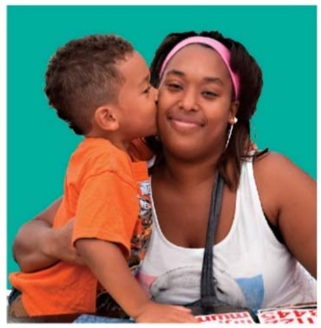
Environmental stewardship to preserve, protect and restore our natural resources.

Social responsibility promoting self-sufficiency, economic independence and an interdependent system of care and support.

Compassion ensuring all people are treated with respect, dignity and fairness.









Healthy Environment

Safe & Livable Communities

Prosperous & Vibrant Economy

Thriving & Resilient Population