COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017






In April 2016, the Highland Acute Care Tower opened to the public. The Tower is a 9-story centerpiece of the $668 million, multi-year project to modernize the historic Highland campus. It houses inpatient services, a family birthing center, a Neonatal Intensive Care Unit, a state-of-the art Diagnostic Imaging Service Center, physical/occupational/speech therapy suites, a technologically advanced laboratory, as well as predominantly private rooms with views of Oakland.

Steve Manning, Auditor-Controller

COUNTY OF ALAMEDA
STATE OF CALIFORNIA

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

For the Year Ended
June 30, 2017

Steve Manning
Auditor-Controller

COUNTY OF ALAMEDA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017

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COUNTY OF ALAMEDA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017

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INTRODUCTORY SECTION

ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
STEVE MANNING
AUDITOR-CONTROLLER/CLERK-RECORDER

December 18, 2017

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

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

The Comprehensive Annual Financial Report (CAFR) of Alameda County (the County) for the year ended June 30, 2017, is hereby submitted in compliance with the provisions of Sections 25250 and 25253 of the Government Code of the State of California.

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

The CAFR has been audited by the independent certified public accounting firm of Macias Gini & O'Connell LLP. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the County of Alameda for the year ended June 30, 2017, are free of material misstatements. The independent certified public accounting firm has issued an unmodified ("clean") opinion on the County's financial statements for the year ended June 30, 2017.

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

In addition to the annual audit of this CAFR, the County is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the 1996 amendments to that act, and the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Information related to the single audit, including the schedule of expenditures of federal awards, findings and questioned costs, and the auditor's report on the internal control and compliance with applicable laws and regulations, is presented in a separate publication.

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

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

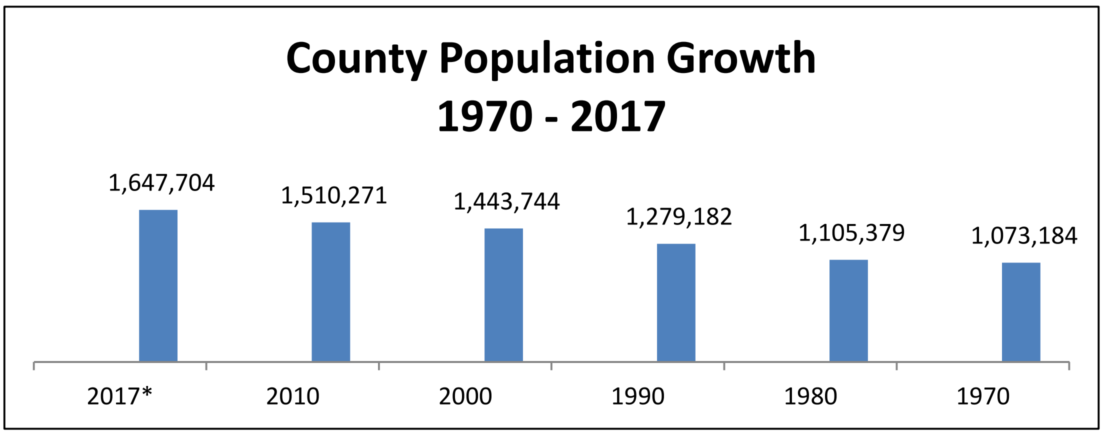
Office of the Auditor-Controller
Melissa Wilk, Chief Deputy Auditor
1221 Oak St., Rm. 249
Oakland, CA 94612
Tel: (510) 272-6565
Fax: (510) 272-6502

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

ALAMEDA COUNTY

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

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



Source U.S. Census
* Estimate based on U.S. Census 2010 Benchmark

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

In international trade, Alameda County has a long history of strong cultural and business ties with Pacific Rim trading partners. Because of its central location and state-of-the-art port facilities, it is a major port for the Pacific Rim trade. The County's extensive network of air, sea, highway and rail facilities have made the County a major transportation hub for regional, national, and international trade.

The Port of Oakland serves an essential role for the agricultural and manufacturing sectors of the California economy. California farm products, such as fruits, nuts, vegetables, rice, and raw cotton are exported through the Port of Oakland, as are other products, including animal feed, chemicals, lumber, recycled paper, and scrap metal. The Port is the fifth busiest shipping facility in North America and is Northern California's primary ocean gateway for international containerized cargo shipments which reached record highs of 2.4 million twenty-foot equivalent units (TEUs) in fiscal year 2017. The Port of Oakland loads and discharges more than 99 percent of the containerized goods moving through Northern California, the nation's fourth largest metropolitan area.

Oakland International Airport (OAK), owned and operated by the Port of Oakland, is a world class international airport handling in excess of 10 million passengers and over 1.1 billion pounds of cargo annually. In fiscal year 2017, it served approximately 12.6 million passengers and 1.2 billion pounds of air cargo. As of June 2017, the airport averaged 147 passenger departures to 60 domestic and international destinations, as well as an average of 15-30 daily all-cargo flight departures to destinations around the globe. The airport is also the regional center for cargo distribution for Federal Express, United States Postal Service, United Parcel Service, and Airborne Express.

In addition to its focus on passenger and cargo operations, the airport operates a successful general and corporate aviation facility at the Oakland Airport's North Field. Approximately 60 tenants run businesses at the North Field, consisting of airline charters, flight and aircraft maintenance schools, flying clubs, aerial advertising and photography, aircraft maintenance, repair and sales of aircraft components, and aircraft fueling. The Rolls Royce Corporation is the North Field's largest employer with more than 500 employees.

The Livermore Valley is home to one of California's oldest wine regions with a rich winemaking tradition dating back to 1840. Capturing America's first international gold medal for wine in 1889 at the Paris Exposition thus putting California on the world wine map, Livermore Valley currently has 50 plus wineries and more than 5,000 acres of vineyards. Wineries vary in size from limited release, 100-case special reserves to 400,000-case mass produced operations. The region's climate is ideal for producing fully ripened, balanced grapes for winemaking. The Livermore Valley's long and rich tradition of winemaking makes it a true tourist destination for wine lovers.

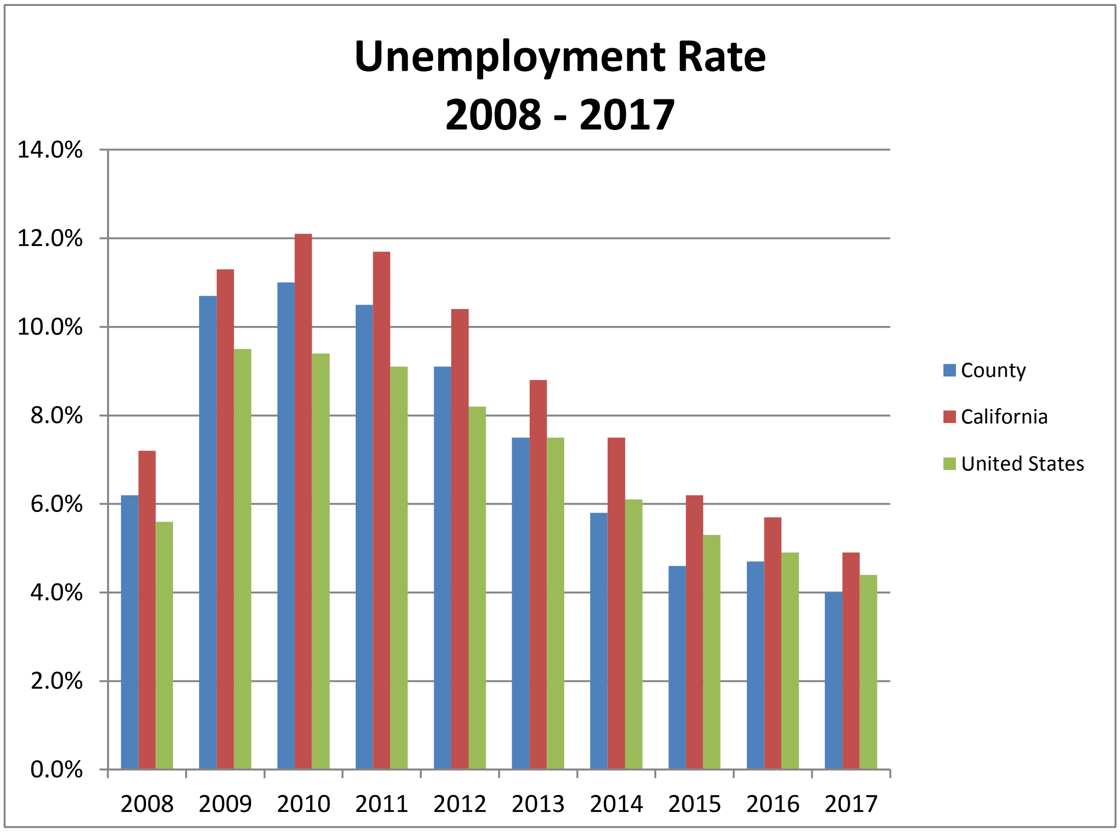
Alameda County is also the home of Ernest Orlando Lawrence Berkeley National Laboratory and Lawrence Livermore National Laboratory. Both sites are world-renowned scientific centers, where cutting-edge science and engineering are used to break new ground to enhance national security. Other areas of research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

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

A number of major freeways, bridges, the Alameda-Contra Costa Transit District (AC Transit), and the San Francisco Bay Area Rapid Transit District (BART) provide the County with a modern and efficient transportation system. For fiscal year 2016, annual ridership for AC Transit and BART was 53.5 million and 128.5 million, respectively.

ECONOMIC OUTLOOK

The California economy continues to expand after recovering from the depths of the Great Recession. However, unemployment in California continues to be higher than the nationwide average. The United States Bureau of Labor Statistics show that nationally, the unemployment rate was at 4.4 percent in June 2017, down from 4.9 percent in June 2016. However, unemployment in California stood at 4.9 percent in June 2017, down from the June 2016 rate of 5.7 percent. In Alameda County, the unemployment rate decreased from 4.7 percent in June 2016 to 4.0 percent in June 2017. These numbers reflect a positive trend and place Alameda County below the national average, demonstrating the impact of an improving economy.



Source: Bureau of Labor Statistics

The UCLA Anderson School of Business forecast for California calls for the state's unemployment rate to remain at its normal differential to the U.S. rate and be at 4.5 percent by 2019. The forecast also predicts employment growth of 1.1 percent and 0.9 percent in 2018 and 2019, respectively.

The State of California and its ongoing budget problems have had a major impact on the County of Alameda's ability to provide essential services to its most vulnerable population. On June 30, 2017, the Board of Supervisors adopted a budget for the 2017 – 2018 Fiscal Year by closing a $108.5 million funding gap through a combination of spending reductions, revenue increases and the use of Fiscal Management Reward (FMR) program savings. Due to the improving economy, the growth in estimated property taxes and other discretionary revenues helped to offset cost increases and reduce the size of the funding gap.

The collapse of the housing bubble had a devastating impact on the economy of California and hit parts of Alameda County especially hard, but there are signs of a full recovery. CoreLogic reports median home price sales have risen 11.7 percent from August 2016 to August 2017. This represents an increase in the median price of Alameda County sales from $673,000 to $752,000. These metrics point to a strong recovery of the housing market in Alameda County.

Alameda County is poised as one of California's leaders. Located at the heart of the Bay Area, Alameda County is host to many leading innovators in the fields of science and technology. The Tesla Motors Factory, located in Fremont, is the only auto assembly plant in California, and the first facility dedicated exclusively to the mass production of electric vehicles.

The leadership of Alameda County continues to employ sound fiscal judgment to address the severe economic issues it is facing. In the last three fiscal years, Alameda County has closed budget gaps totaling $245.8 million while still providing essential services to the citizens of Alameda County.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Partnerships and collaboration have played a key role in helping the County to close a $108.5 million funding gap.

The Assessor's Office timely submitted the 2016 – 2017 local assessment roll of $262.6 billion reflecting assessments of more than 502,000 taxable properties. The 6.99 percent roll increase from 2015 – 2016 is primarily attributed to the continued recovery in real estate market values.

The County partnered with 310 different community-based organizations to deliver nearly $537 million in economic assistance, job training, housing, substance abuse treatment, behavioral, physical and dental health care, crime victim assistance, and many other services. Without these partnerships, services would be less accessible to serve the specific needs of our unique and diverse communities.

The County developed a suite of innovative mobile apps to enhance our residents' ability to access services. The Election Results Viewer, an online map providing precinct-by-precinct real-time election results; CalWIN-integrated Self-Scanning Kiosk that enables clients to view their case documents and schedule appointments; and MAP1193 mobile web application designed to implement State law that requires businesses to help stop human trafficking are just a few examples of innovative apps that have brought national and statewide recognition to the creative ways that the County used in engaging residents and transforming how they access County data and services.

The County was recently awarded by the State a $6 million Proposition 47 competitive grant to enhance rehabilitative programs for adults returning to the community from jail and prison. The successful proposal was developed by a collaborative cross-agency team that designed a re-entry system of care program that integrates mental health, substance abuse, and housing services for local adults linked with low-level offenses who have a history of mental health issues and/or substance use disorders.

Measure A1, the countywide affordable housing General Obligation Bond measure approved by over 70% of voters last November will provide up to $580 million of financing for affordable housing. Program development is underway in collaboration with cities and other stakeholders to identify new affordable rental and homeownership projects for low-income, vulnerable target populations hit hard by soaring rent costs. Anti-Displacement and Homeless Assistance programs are Board priorities that will be funded through the annual General Fund commitment of $5 million for affordable housing programs. An assessment of existing homelessness programs and services, funding sources and best practices is also underway to help inform the County's response to the housing crisis.

Signature capital investments are slated for completion in the year ahead – most notably, the $668 million upgrade of the Highland Hospital campus in Oakland, with demolition of the H Building and construction of the Link and Courtyard. This largest-ever County-funded construction project is a vital investment in the community's safety net. Construction is now complete on the East County Hall of Justice in Dublin, with full operations to be phased in over the coming months. The $147 million project will provide vital criminal justice services with a 13-courtroom Courthouse and an adjacent County office building for District Attorney, Public Defender, and Probation Department. The new Cherryland Fire Station is also scheduled to open this summer with phase 2 of the new Cherryland Community Center underway in the fall – both supported by the Board's $90 million General Fund capital investments in the Unincorporated Area

RELEVANT FINANCIAL POLICIES

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

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

Audit of Financial Statements: The County Charter and the California Government Code require an annual audit of the financial statements of the County. The accounting firm of Macias Gini & O'Connell LLP was selected by the County to perform the audit for fiscal year 2016-17. The independent auditor's report on the Basic Financial Statements is included in the financial section of this report and states that the County's opinion units included in the Basic Financial Statements present fairly, in all material respects, the financial position of the County, as of June 30, 2017, and the changes in financial position and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Audit of the Alameda County Employees' Retirement Association (ACERA): ACERA engaged the accounting firm of Williams, Adley & Company-CA, LLP to perform an audit of its financial statements. The independent auditor's report states that ACERA's financial statements present fairly, in all material respects, the plan net position of ACERA, as of December 31, 2016 and the changes in plan net position for the year then ended is in conformity with accounting principles generally accepted in the United States of America.

Audit of the Alameda Health System (AHS): AHS engaged the accounting firm of Moss Adams LLP to perform an audit of its financial statements. The independent auditor's report states that AHS's financial statements present fairly, in all material respects, the financial position of AHS, as of June 30, 2017, and the changes in its financial position and its cash flows for the year then ended is in conformity with accounting principles generally accepted in the United States of America.

Single Audit: The County engaged the accounting firm of Macias Gini & O'Connell LLP to audit the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. As part of the Single Audit, tests are made to test compliance with internal controls related to the administration of federal financial assistance programs and to determine that the County had complied with applicable laws and regulations. The Single Audit report will be available separately from this report.

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

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

The County's funding objective for its pension plans is to fund long-term pension liabilities through contributions and investment income. Total contributions of $327.4 million, net investment gain of $470 million, and miscellaneous income of $.5 million, combined for a net increase of $797.9 million. Of the total contributions of $327.4 million, the employers' share was $241.7 million while the employees' share was $85.7 million. Total contributions increased by $19.9 million compared with $14.6 million the previous year. For calendar year 2016, overall change to plan net position was an increase of $324.9 million, compared to $147.3 million decrease in calendar year 2015.

In fiscal year 2015, the Board of Supervisors authorized the establishment of a Pension Liability Reduction Account (PLRA), a commitment of fund balance in the general fund, and the transfer of $200 million from County reserves to reduce the ACERA net pension liability. Since then, the Board has authorized total transfers of $300 million from reserves to the PLRA. In fiscal year 2017, the Board extended the policy to annually augment the PLRA by up to an additional five years. Current Board authorizations of $500 million have significantly improved the funded ratio from 73.33 percent to 81.09 percent.

Alameda County is one of the few counties within the State of California that has adopted Article 5.5 of the County Employees Retirement Law of 1937, which requires 50 percent of investment earnings in excess of the actuarially assumed rate of return from pension to be transferred to the Supplemental Retirees Benefits Reserve (SRBR). The SRBR funds other postemployment healthcare benefits for ACERA members. CalPERS members are funded on a pay-as-you-go basis in a separate plan.

The postemployment healthcare benefits payments for calendar year 2016 was $34.9 million, an increase of $1.2 million or 3.5 percent over the prior year. Postemployment healthcare benefits were 91.3 percent funded.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Alameda for its Comprehensive Annual Financial Report for the year ended June 30, 2015. The County has received this prestigious award for thirty two consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate is valid for a period of one year only. The County believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and the County is submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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

Steve Manning

Steve Manning
Auditor-Controller
of Alameda County

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Alameda

California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2016

Jeffrey R. Emer

Executive Director/CEO

COUNTY OF ALAMEDA, CALIFORNIA

ELECTED AND APPOINTED PUBLIC OFFICIALS

As of June 30, 2017

ELECTED OFFICIALS

Board of Supervisors

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

Department Heads

Ronnie Thomsen	Assessor
Steve Manning	Auditor-Controller-Clerk-Recorder
Nancy O'Malley	District Attorney
Gregory Ahern	Sheriff-Coroner
Henry Levy	Treasurer-Tax Collector

APPOINTED DEPARTMENT HEADS

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

COUNTY OF ALAMEDA ELECTORS

BOARD OF SUPERVISORS

COUNTY ADMINISTRATOR

GENERAL GOVERNMENT

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

PUBLIC PROTECTION

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

PUBLIC ASSISTANCE

- Social Services
- Public Guardian

HEALTH/SANITATION

- Health Care Services

PUBLIC WAYS/FACILITIES

- Road and Bridge Maintenance

RECREATION/CULTURAL SVCS

- Veterans' Memorial Buildings

EDUCATION

- County Library
- Cooperative Extension

* Elected Officials

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Alameda, California (County), as of and for the year ended June 30, 2017, 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 (Health System), 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, 2017.

Opinion Unit	Assets and Deferred Outflows	Net Positions/ Fund Balances	Revenues/ Additions
Aggregate remaining fund information	65%	69%	8%
Discretely presented component unit	100%	100%	100%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for ACERA and the Health System, 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

Macias Gini & O'Connell LLP
2121 N. California Boulevard, Suite 750
Walnut Creek, CA 94596

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of County contributions, the schedule of changes in the net pension liability and related ratios, the schedule of funding progress - postemployment medical benefits, and the budgetary comparison schedules, designated as required supplementary information, as listed in the tables 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining financial statements and other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining financial statements and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, 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 18, 2017

This section of the County of Alameda's (the County) Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the County for the year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $1,713,206 (net position). Of this amount, $801,958 is restricted for specified purposes and is not available to meet the government's ongoing obligations to citizens and creditors, $796,142 is net investment in capital assets, and the remaining unrestricted net position totals $115,106.

- The government's total net position increased for fiscal year 2017 by $113,267, an increase of 7.3 percent over the prior fiscal year. Total revenue increased $194,470 which includes increases in most of the revenue sources. Total expenses increased $184,880 or 7 percent over the prior fiscal year.

- As of June 30, 2017, the County's governmental funds reported a combined ending fund balance of $2,426,171, an increase of $146,028 in comparison with the prior year. Unassigned fund balance of $107,246 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 $107,246 or 4.7 percent of total general fund expenditures of $2,278,842.

- The County's gross long-term obligations, excluding unamortized premiums and discounts, increased by $65,561 during the fiscal year 2017 primarily due to the change in value of the net pension liability.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

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

The government-wide financial statements can be found on pages 17-18 of this report.

Fund financial statements

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

Governmental funds

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

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

The County maintains several individual governmental funds organized according to their type (special revenue, capital projects, debt service, and general fund). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the major funds, including general, property development, flood control, capital projects, and debt service. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary funds

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

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

The County does maintain internal service funds, which are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles, maintenance of buildings, risk management services, communications services and information technology services. Since the County does not have business-type activities, these services have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary funds

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

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

Notes to the basic financial statements

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-96 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 97-105 of this report.

Other supplementary information

The combining statements referred to in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 107-134 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 $1,713,206 at June 30, 2017.

A portion of the County's net position, $796,142 or 46 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, 2017 and 2016

	Governmental Activities	
	2017	2016
Assets:		
Current and other assets	$ 3,116,678	$ 2,957,783
Capital assets	1,815,705	1,694,204
Total assets	4,932,383	4,651,987
Deferred outflows of resources	606,759	603,981
Liabilities:		
Current liabilities	523,821	503,607
Long-term liabilities	3,212,342	3,142,409
Total liabilities	3,736,163	3,646,016
Deferred inflows of resources	89,773	67,720
Net position:		
Net investment in capital assets	796,142	706,722
Restricted	801,958	779,105
Unrestricted	115,106	56,405
Total net position	$ 1,713,206	$ 1,542,232

Current and other assets increased $158,895 from prior year primarily due to net increases of cash and investment balances of $138,608 from improved property taxes and charges for services and an increase of $23,309 for repayment of outstanding receivables. This is offset by a decrease of $9,263 due from Alameda Health System.

Current liabilities increased $20,214 primarily due to an increase of $13,002 in unearned revenues and an increase of $2,446 in accounts payable and accrued expenses.

Long-term liabilities, and deferred outflows and inflows of resources increased $69,933, $2,778, and $22,053, respectively, primarily due to the change in value for the net pension liability and related deferred inflows and outflows of resources The increase in the net pension liability in long-term liabilities was offset by a decrease in long-term debt due to annual redemptions.

(Amounts expressed in thousands)

A portion of the County's net position, $801,958, represents resources that are subject to external restrictions as to how they may be used. As of June 30, 2017, the County has a balance of $115,106 in unrestricted net position.

The County's net position increased by $113,267 during the fiscal year 2017 versus $103,677 for fiscal year 2016. As compared to last fiscal year, expenses increased by $184,880. Operating and capital grants and contributions increased $157,307 over fiscal year 2016 and charges for services increased $14,031. General revenues increased by a total of $23,132.

County of Alameda
Changes in Net Position
For the Years Ended June 30, 2017 and 2016

	Governmental Activities	
	2017	**2016**
Revenues:		
Program revenues:		
Charges for services	$ 604,787	$ 590,756
Operating grants and contributions	1,644,159	1,481,270
Capital grants and contributions	51,456	57,038
General revenues:		
Property taxes	530,322	500,987
Sales taxes - shared revenues	64,175	65,175
Other taxes	37,222	37,957
Interest and investment income	7,443	10,075
Other	28,675	30,511
Total Revenues	2,968,239	2,773,769
Expenses:		
General government	175,232	201,130
Public protection	991,438	995,579
Public assistance	732,600	672,846
Health and sanitation	812,264	638,290
Public ways and facilities	47,969	49,533
Recreation and cultural services	665	639
Education	21,110	29,617
Interest on long-term debt	73,694	82,458
Total expenses	2,854,972	2,670,092
Change in net position	113,267	103,677
Net position - beginning of period, as previously reported	1,542,232	1,438,555
Cumulative effect of restatements	57,707	-
Net position - beginning of period, as restated	1,599,939	1,438,555
Net position - end of period	$ 1,713,206	$ 1,542,232

Governmental activities

Governmental activities increased the County's net position by $113,267.

Operating grants and contributions increased $162,889 during the year. The increase is primarily due to an increase of $16,084 in state and local general government programs, an increase of $79,481 in federal and state health programs and $32,625 in federal and state public assistance programs.

Capital grants and contributions decreased $5,582. Significant projects include state funding of $42,912 for the East County Hall of Justice construction, a decrease of $5,346 from the prior year, and federal funding of $8,084 for the Acute Tower Replacement project, a decrease of $8 from the prior year. Other projects include federal funding of $460, a decrease of $228 from the prior year.

Charges for services increased $14,031 or 2 percent from fiscal year 2016. The County earned higher charges for services because there was an increase of $19,246 in behavioral health care services due to additional Medicaid revenues earned. Medicaid revenues are based on utilization and eligibility of the population that is provided with corresponding services.

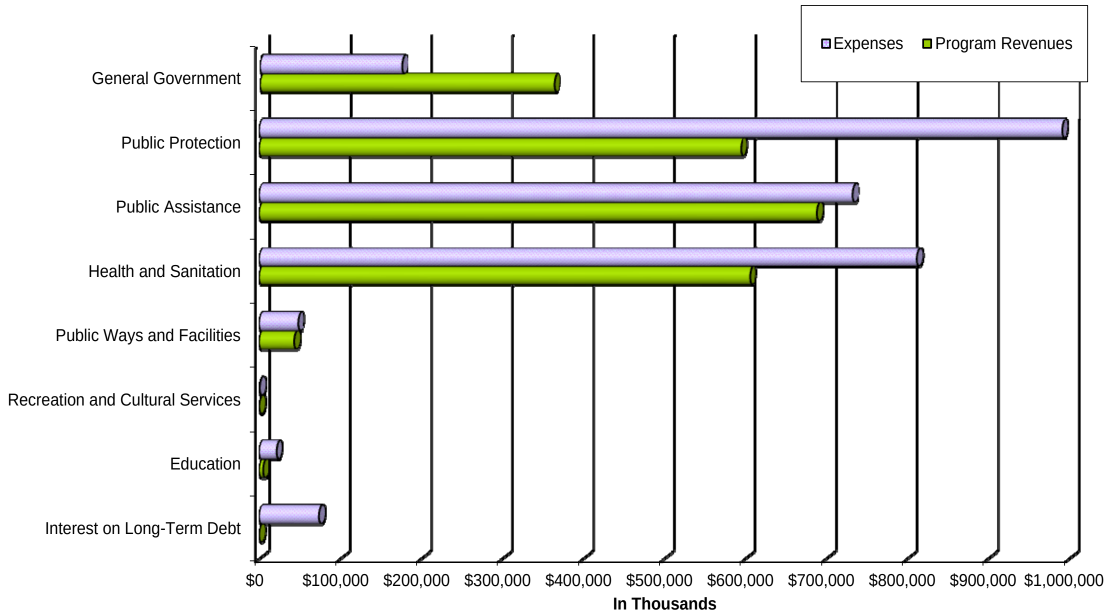
General revenues increased by $23,132 or 4 percent overall in the fiscal year 2017.

- Property tax revenues increased by $29,335 or 6 percent due to a strong assessment roll growth.
- Sales and use tax revenue decreased by $1,000 or 2 percent due to an improving economy.
- Other revenue decreased $1,836 or 6 percent. The decrease was primarily due to $1,080 in reductions in Inmate Welfare Fund receipts and a reduction of $956 due to reduced claims on unclaimed monies.

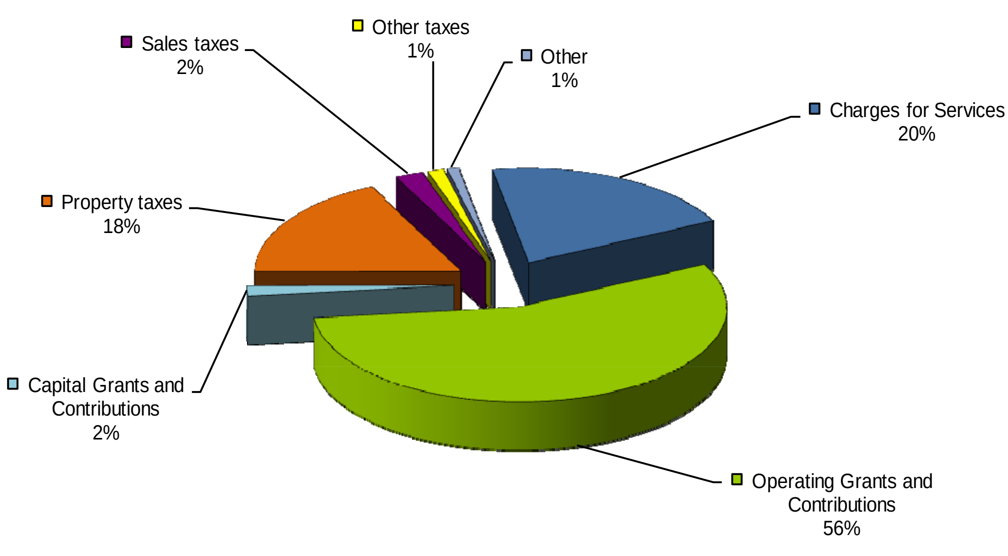
Expenses related to governmental activities increased $184,880 during fiscal year 2017. Pension expenses increased $39,061 based on the GASB 68 actuarial valuation.

- Public assistance had an increase of $15,542 for the Housing and Community Development grant expenditures to fund housing and community development projects. Welfare administration also increased $57,545 due to increased salaries and services for welfare administration services.
- Health and sanitation expenses increased $173,974 due to increases in salaries and services for health care services administration and medical care financing.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



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, 2017, the County's governmental funds reported combined ending fund balances of $2,426,171, an increase of $146,028 or 6 percent as compared to fiscal year 2016. Approximately 4 percent of this total amount ($107,246) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance consists of nonspendable ($5,680), restricted ($791,820), committed ($1,322,532), or assigned ($198,893).

Revenue for governmental funds overall totaled $2,971,400 for the fiscal year 2017, which represents an increase of $216,566 or 8 percent from the fiscal year 2016. Expenditures for governmental funds, totaling $2,852,875, increased by $82,534 from the fiscal year 2016. The governmental funds' revenues exceeded expenditures by $118,525 or 4 percent.

The general fund is the primary operating fund of the County. At the end of fiscal year 2017, the unassigned fund balance of the general fund was $107,246, while total fund balance was $1,526,647. 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 4.7 percent of total general fund expenditures of $2,278,842, while total fund balance represents 67 percent of that same amount.

General fund revenues increased by $219,261 or 9 percent to due to the following factors:

- Taxes revenue increased by $20,006 or 4 percent. Property tax revenue increased $20,914 due to a strong assessment roll growth. Sales tax revenue decreased $666 due to a slowing economy.
- State aid increased by $106,808 or 11 percent. Improved economic conditions resulted in an increase of $62,636 in sales tax realignment revenue. Revenue for state-funded health programs increased $15,869 and for state-funded public protection programs increased $11,691.
- Other Aid increased by $35,484 or 136 percent. The increase was primarily due to $32,960 in matching contributions for federal grant awards.
- Charges for services increased by $41,880 or 15 percent. Increase was due to $19,198 in medical charges due to increase in utilization. In addition, election services revenue increased $15,000 due to the election held in November 2016.
- Other revenue increased by $9,255 or 20 percent, mainly due to $8,375 used as the matching contribution for federal grant awards. In the prior fiscal year, a significant portion of matching contributions were from donations.

General fund expenditures increased by $128,954 from fiscal year 2016, totaling $2,278,842. Overall, the general fund's performance resulted in revenues exceeding expenditures in the fiscal year 2017, by $258,924. In fiscal year 2016, the general fund revenues exceeded expenditures by $168,617.

The property development fund total fund balance was $380,275. This fund accounts for activities related to the development and sale of County surplus land. The net increase in the fund balance during the fiscal year 2017 was $3,070, primarily due to proceeds from sale of land.

The fund balance in the flood control fund increased in 2017 from $201,856 to $202,173 . Revenue decreased by $2,649 mainly due to decreased license and permit revenues.

The capital projects fund has a total fund balance of $40,702, an increase of $44,905 from fiscal year 2016. The increase was primarily attributable to the construction costs for the Santa Rita Jail access and disability upgrades and security system projects and the Cherryland Community Center project.

The fund balance in the debt service fund decreased $245 from $63,891 to $63,646 due to pay down on existing 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 $5,326 in 2017 with an operating gain of $1,947. This was primarily due to a net transfers out of $7,787 for debt service 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, 2016, ACERA's fiscal year-end, the net position of ACERA and the other employee benefits trust totaled $6,968,302 representing an increase of $325,776 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, 2016.

As of June 30, 2017, the investment trust fund's net position totaled $2,969,715, a $436,774 increase in net position. The increase in net position of the investment trust fund was due to contributions exceeding withdrawals to the fund by $427,128, plus net investment income of $9,646.

The private-purpose trust fund includes the redevelopment non-housing successor agency, public guardian, and Court Wards & Dependents. As of June 30, 2017, the private-purpose trust fund's net position totaled $2,371, a decrease of $707.

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 $194,288 between the original budget and the final amended budget represents increased appropriations, the significant appropriations are briefly summarized:

- The public protection departments increased appropriations by $51,926. This included $40,077 of salary and benefit increases and $11,784 of service and supplies increases.

- The public assistance departments increased appropriations by $5,836. This included $1,933 of capital asset increases.

- Appropriations for health and sanitation increased by $129,032. This included $9,506 of salary and benefit increases, $38,157 of services and supplies increases and $81,082 in other charges increases.

Overall, the County's actual general fund revenues under-realized its budgeted fiscal year 2017 revenues by $109,671. Revenues that had significant variances include:

- State aid revenue was over-realized by $33,623 or 3 percent. Vehicle license fee and social services realignment revenues were higher than expected by $10,780 and $11,460, respectively, due to improved economic conditions leading to improved state revenues. Welfare administration revenues were $8,963 higher than budgeted to provide welfare assistance payments.
- Federal aid revenue was under-realized by $119,428 or 22 percent. Federal social services and public assistance programs were lower than expected by $37,256 and $52,858, respectively, due to lower than expected reimbursable costs associated with welfare administration and assistance payments. Federal health administration revenues were lower than expected by $15,916 due to mental health services.
- Charges for current services under-realized budget by $15,074 or 4 percent. Estimates for recording fees were $3,077 lower than revenues collected. Medi-Cal revenue for behavioral health services were less than budget by $19,221 due to decrease in utilization.
- Other revenue was less than budgeted by $15,274 or 21 percent. Tobacco tax settlement funds under-realized by $3,725. Health care services had lower revenues of $9,200 due to lower levels of donations to match federal and state grants. Revenue received for Educationally Related Mental Health Services was less than anticipated, resulting in lower revenue of $7,442.

Variations between budget and actual expenditures in the general fund reflect overall expenditures under the adjusted budget by $353,707 or 12 percent. In general, this represents savings from the major government functions, primarily due to vacancies, cost-containment measures, and contingency appropriations not spent. Significant savings came from the following County functions:

- General government's total actual expenditures was $36,481 or 19 percent less than budget. Vacant positions resulted in savings of $10,964. Discretionary expenditures were lower by $6,288 due to reduction of expenditures. Other charges such as debt payments and claims were lower by $11,849 due to lower claim costs. Costs associated with the 2016 election were $3,414 lower than expected.

- Public protection spent $35,103 or 4 percent less than budget. Vacant positions resulted in savings of $19,696 in salaries and benefits. Discretionary services and supplies expenditures were lower by $13,640 due to reduction of expenditures and delayed services contract assignment and implementation.

- Public assistance spent $123,938 or 14 percent less than budget. Vacant positions resulted in savings of $20,239 in salaries and benefits. Discretionary services and supplies expenditures were lowered by $2,905 due to delayed professional service program assignments for community development. Due to an improving economy, CalWorks caseload was lowered resulting in expenditures being $28,026 lower than budgeted and the Workforce Investment Board expenditures were $3,052 lower than expected. Other charges were lower by $55,031 due to lower caseloads in CalWorks, extended foster care, and adoptions. Capital assets were lower than budget by $12,375 due to the reclassification of Tier 1 community development projects to miscellaneous designations.

(Amounts expressed in thousands)

- Health and sanitation expenditures were $150,698 or 15 percent less than budget. Salaries and employee benefits were under-spent by $27,381 due to vacant positions. Public health care discretionary services and supplies were lower by $2,189 due to delays in program activities and uncompensated physician claims. Behavioral health care saved $68,067 due to delays with start-up and implementation of programs, and underutilized mental health programs. Other behavioral health services paid by grants were under-spent by $7,138. Environmental health expenditures were under-spent by $5,557 due to delay in program implementation.

Capital assets and debt administration

Capital Assets

The County's investment in capital assets for its governmental activities amounts to $1,815,705 (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 2017 was $121,501 or 7 percent.

Capital Assets Net of Accumulated Depreciation
June 30, 2017

	Governmental Activities	
	2017	2016
Land and other assets not being depreciated	$ 305,927	$ 754,578
Structures and improvements, machinery and equipment, and infrastructure, net of depreciation	1,509,778	939,626
Total	$ 1,815,705	$1,694,204

Major capital asset events that occurred during fiscal year 2017 include:

- Machinery and equipment increased $15,981 due primarily to the acquisition of equipment for information technology, public works and sheriff totaling $3,637and vehicles for $7,107.
- Structures and improvements increased $621,241 primarily due to the completion of Phase one and two of the Acute Care Tower and the Peralta Oaks Seismic and Tenant Improvements which increased by $554,945 and $27,774, respectively.
- Construction in progress decreased $450,027 primarily due to the transfer of the following: Phase 3 of Alameda Health System's Acute Care Tower, San Lorenzo Library expansion project, and 1111 Jackson Tenant Improvements in the amount of $532,712, $9,585 and $27,001, respectively. These transfers were partially offset due to construction costs for the following: Alameda Health System's Acute Care Tower, East County Hall of Justice, and Cherryland Fire Station in the amount of $15,207, $52,285, and $6,071, respectively. Road projects decreased construction in progress by $18,147 while and flood control projects increased construction in progress by $11,328.

(Amounts expressed in thousands)

In fiscal year 2017, adjustments were made to capitalize/adjust construction cost and interest expense that were expended in prior fiscal years. The adjustments resulted in a net increase of $57,707 to capital assets. Additional information on the restatement can be found in Note 21 on page 95.

At the end of the fiscal year, healthcare facilities, road improvements, and flood control channel improvements projects had outstanding contract commitments of $27,143, $11,447 and $6,610, 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 56) of the financial statements.

Debt Administration

As of June 30, 2017, the County had long-term obligations outstanding of $3,370,499, excluding unamortized premiums and discounts of $30,480, as summarized below:

Outstanding Long-term Obligations
June 30, 2017 and 2016

	Governmental Activities	
	2017	2016
Certificates of participation	$ 18,671	$ 23,198
Tobacco securitization bonds	288,703	284,596
Pension obligation bonds	126,252	198,891
Lease revenue bonds	766,420	792,955
Capital leases	3,351	3,590
Net pension liability	1,815,103	1,690,591
Net OPEB obligation	98,782	61,518
Other long-term obligations	253,217	249,599
Total	$ 3,370,499	$ 3,304,938

The County's total long-term obligations increased $65,561 during the fiscal year primarily due to the change in value of the net pension liability in the GASB 68 actuarial valuation, which resulted in an increase of $124,512 in net pension liability. The County issued refunding debt during the year that increased long-term debt by $98,470. These increases were offset by $152,128 for pay down on existing long-term debts. Outstanding pension obligation bonds decreased $72,639 due to principal payments of $19,391 and net reduction in accreted value by $53,248.

The County's legal debt limit is 1.25 percent of total assessed value. As of June 30, 2017, the legal limit was $3.22 billion; however, the County did not have any general obligation bonds and, therefore, has not used any of its debt limitation.

(Amounts expressed in thousands)

Although the County has no general obligation debt it has general obligation equivalent ratings as follows:

	2017 Rating	2016 Rating
Moody's	Aaa	Aaa
Standard & Poor's	AA+	AA+
Fitch	AAA	AAA

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

	2017 Rating	2016 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 60) 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 4.0 percent in June 2017, compared to the rate of 4.5 percent in June 2016. The State's unemployment rate was 4.7 percent in June 2017.
- The assessed value of the County's property increased by 6.9 percent in 2017 compared to an increase of 5 percent in 2016.
- The County experienced an increase in property tax revenue in fiscal year 2017 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 2017.

The County adopted its fiscal year 2018 budget on June 30, 2017, three days after the State of California adopted its own budget on June 27, 2017.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2017
(amounts expressed in thousands)

	Primary Government	Component Unit
	Governmental Activities	Alameda Health System
ASSETS		
Current assets:		
Cash and investments with County Treasurer	$ 2,084,552	$ -
Cash and investments with fiscal agents	313,911	24,053
Deposits with others	6,457	-
Receivables, net of allowance for uncollectible accounts	384,689	346,927
Due from component unit	16,186	-
Due from primary government	-	16,864
Inventory of supplies	211	9,278
Prepaid items	3,797	8,981
Total current assets	2,809,803	406,103
Noncurrent assets:		
Restricted assets - cash and investments with fiscal agents	81,407	-
Properties held for resale	1,085	-
Due from component unit, net of allowance	105,461	-
Endowment	-	3,143
Loans receivable	118,922	-
Capital assets:		
Land and other assets not being depreciated	305,927	19,214
Structures and improvements, machinery and equipment, infrastructure, net of depreciation	1,509,778	68,242
Total capital assets, net	1,815,705	87,456
Total noncurrent assets	2,122,580	90,599
Total assets	4,932,383	496,702
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding debt	5,715	
Related to pensions	601,044	145,248
Total deferred outflows of resources	606,759	145,248
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	262,596	232,293
Due to component unit	16,864	-
Due to primary government	-	16,186
Compensated employee absences payable	47,397	16,625
Estimated liability for claims and contingencies	30,093	7,436
Certificates of participation and bonds payable	104,749	-
Lease obligations	436	-
Loans payable	1,627	-
Accrued interest payable	4,119	-
Unearned revenue	51,605	-
Obligation to fund Coliseum Authority deficit	4,335	-
Total current liabilities	523,821	272,540
Noncurrent liabilities:		
Net pension liability	1,815,103	388,391
Net OPEB obligation	98,782	45,524
Compensated employee absences payable	23,172	12,327
Estimated liability for claims and contingencies	102,897	24,744
Certificates of participation and bonds payable	1,125,777	-
Lease obligations	2,915	-
Loans payable	6,646	-
Due to primary government	-	136,461
Obligation to fund Coliseum Authority deficit	37,050	-
Total noncurrent liabilities	3,212,342	607,447
Total liabilities	3,736,163	879,987
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	89,773	28,520
NET POSITION		
Net investment in capital assets	796,142	87,456
Restricted:		
Public protection	350,265	-
Public assistance	115,771	-
Health and sanitation	174,263	18,682
Public ways and facilities	92,193	-
Education	13,877	-
Other purposes	55,589	23,683
Unrestricted (deficit)	115,106	(396,378)
Total net position	$ 1,713,206	$ (266,557)

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, 2017
(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 Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Alameda Health System**
Primary government:						
Governmental activities:						
General government	$ 175,232	$ 131,865	$ 230,906	$ 460	$ 187,999	$ -
Public protection	991,438	240,242	311,554	42,912	(396,730)	-
Public assistance	732,600	10,831	677,684	-	(44,085)	-
Health and sanitation	812,264	208,147	389,717	8,084	(206,316)	-
Public ways and facilities	47,969	10,380	32,880	-	(4,709)	-
Recreation and cultural services	665	152	-	-	(513)	-
Education	21,110	3,170	1,418	-	(16,522)	-
Interest on long-term debt	73,694	-	-	-	(73,694)	-
Total governmental activities	2,854,972	604,787	1,644,159	51,456	(554,570)	-
Total primary government	$ 2,854,972	$ 604,787	$ 1,644,159	$ 51,456	(554,570)	-
Alameda Health System	$ 974,038	$ 860,926	$ 16	$ -	-	(113,096)
General revenues:						
Property taxes					530,322	-
Sales taxes - shared revenues					64,175	108,474
Property transfer taxes					18,623	-
Utility users' tax					10,951	-
Other taxes					7,648	-
Interest and investment income					7,443	915
Other					28,675	3,512
Total general revenues					667,837	112,901
Change in net position					113,267	(195)
Net position - beginning of period, as originally reported					1,542,232	(266,362)
Cumulative effect of capital asset restatement					57,707	-
Net position - beginning of period, as restated					1,599,939	(266,362)
Net position - end of period					$ 1,713,206	$ (266,557)

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

COUNTY OF ALAMEDA, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017
(amounts expressed in thousands)

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
Assets:							
Cash and investments with County Treasurer	$ 1,413,710	$ 63,399	$ 205,665	$ 48,207	$ -	$ 186,597	$ 1,917,578
Cash and investments with fiscal agents	1,357	312,301	-	-	-	3	313,661
Restricted assets - cash and investments with fiscal agents	3,151	-	-	514	56,740	21,002	81,407
Deposits with others	542	-	-	-	-	5,910	6,452
Receivables, net of allowance for uncollectible accounts	351,323	137	2,419	4,127	-	24,318	382,324
Due from other funds	8,202	-	-	-	-	-	8,202
Due from component unit, net of allowance	76,679	-	-	-	13,847	18	90,544
Inventory of supplies	-	-	3	-	-	204	207
Properties held for resale	255	830	-	-	-	-	1,085
Prepaid items	-	-	-	-	-	681	681
Loans receivable	81,342	3,641	-	-	-	33,939	118,922
Total assets	$ 1,936,561	$ 380,308	$ 208,087	$ 52,848	$ 70,587	$ 272,672	$ 2,921,063
Liabilities, deferred inflows of resources, and fund balances							
Liabilities:							
Accounts payable and accrued expenditures	$ 218,808	$ 33	$ 5,771	$ 12,146	$ -	$ 16,315	$ 253,073
Due to other funds	-	-	-	-	6,941	807	7,748
Due to component unit	16,831	-	-	-	-	33	16,864
Unearned revenue	49,693	-	-	-	-	1,912	51,605
Total liabilities	285,332	33	5,771	12,146	6,941	19,067	329,290
Deferred inflows of resources							
Unavailable revenue	124,582	-	143	-	-	40,877	165,602
Fund balances (deficit):							
Nonspendable	3,962	830	3	-	-	885	5,680
Restricted	321,806	-	202,170	-	63,646	204,198	791,820
Committed	902,385	379,445	-	40,702	-	-	1,322,532
Assigned	191,248	-	-	-	-	7,645	198,893
Unassigned	107,246	-	-	-	-	-	107,246
Total fund balances	1,526,647	380,275	202,173	40,702	63,646	212,728	2,426,171
Total liabilities, deferred inflows of resources, and fund balances	$ 1,936,561	$ 380,308	$ 208,087	$ 52,848	$ 70,587	$ 272,672	$ 2,921,063

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, 2017
(amounts expressed in thousands)

Fund balances – total governmental funds	$ 2,426,171
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.	1,791,945
The unamortized balance of deferred outflows of resources resulting from deferred refunding losses.	5,715
The unamortized balance of deferred outflows of resources related to net pension liability	564,951
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	(1,230,526)
Compensated employee absences payable	(67,022)
Lease obligations	(3,351)
Loans and note payable	(8,273)
Other liabilities	(41,385)
Total long-term liabilities	(1,350,557)
The net OPEB obligation pertaining to governmental fund types is not recorded in the governmental fund statements.	(98,782)
The net pension liability pertaining to governmental fund types is not recorded in the governmental fund statements.	(1,724,321)
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.	165,602
Deferred inflows of resources related to net pension liability	(83,396)
Receivable from Alameda Health System's share of pension obligation bonds, reported as Due from component unit, net of allowance, noncurrent	30,905
Interest on long-term debt is not accrued in the funds, but is recognized as an expenditure when due.	(4,119)
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.	(10,908)
Net position of governmental activities	$ 1,713,206

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, 2017
(amounts expressed in thousands)

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	$ 505,542	$ -	$ 40,460	$ -	$ -	$ 85,792	$ 631,794
Licenses and permits	8,557	-	4,044	-	-	1,356	13,957
Fines, forfeitures, and penalties	31,435	-	-	3,051	-	2,212	36,698
Use of money and property	9,456	1,595	1,481	542	223	3,743	17,040
State aid	1,102,974	-	408	42,912	-	27,137	1,173,431
Federal aid	433,673	-	101	460	8,084	4,824	447,142
Other aid	61,654	-	3,741	-	-	9,643	75,038
Charges for services	328,475	-	12,268	-	30,920	120,955	492,618
Other revenue	56,000	392	171	500	1,079	25,540	83,682
Total revenues	2,537,766	1,987	62,674	47,465	40,306	281,202	2,971,400
Expenditures:							
Current							
General government	139,400	715	-	-	-	32	140,147
Public protection	697,378	-	42,244	-	-	150,634	890,256
Public assistance	699,286	170	-	-	-	179	699,635
Health and sanitation	737,331	-	-	-	-	31,750	769,081
Public ways and facilities	2,637	-	-	-	-	27,643	30,280
Recreation and cultural services	654	-	-	-	-	-	654
Education	299	-	-	-	-	28,451	28,750
Debt service							
Principal	-	-	-	-	31,053	4,940	35,993
Interest	-	-	-	-	113,568	8,920	122,488
Payment to refunded bond escrow agent	-	-	-	-	10,167	-	10,167
Bond issuance costs	-	-	-	-	667	-	667
Capital outlay	1,857	-	20,113	84,387	-	18,400	124,757
Total expenditures	2,278,842	885	62,357	84,387	155,455	270,949	2,852,875
Excess (deficiency) of revenues over expenditures	258,924	1,102	317	(36,922)	(115,149)	10,253	118,525
Other financing sources (uses):							
Issuance of loans	3,000	-	-	-	-	-	3,000
Proceeds from sale of land	-	11,957	-	-	-	-	11,957
Refunding bonds issued	-	-	-	-	98,470	-	98,470
Premium on issuance of bonds	-	-	-	-	17,080	-	17,080
Payment to refunded bond escrow agent	-	-	-	-	(110,791)	-	(110,791)
Transfers in	2,571	-	-	81,899	110,145	2,385	197,000
Transfers out	(176,039)	(9,989)	-	(72)	-	(3,113)	(189,213)
Total other financing sources (uses)	(170,468)	1,968	-	81,827	114,904	(728)	27,503
Net change in fund balances	88,456	3,070	317	44,905	(245)	9,525	146,028
Fund balances - beginning of period	1,438,191	377,205	201,856	(4,203)	63,891	203,203	2,280,143
Fund balances - end of period	$ 1,526,647	$ 380,275	$ 202,173	$ 40,702	$ 63,646	$ 212,728	$ 2,426,171

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, 2017 (amounts expressed in thousands)

Net change in fund balances – total governmental funds	$ 146,028
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.	(3,977)
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.	
Increase in net pension liability	(103,447)
Decrease in postemployment medical benefits obligation	(37,264)
Increase in compensated absences	(2,690)
Decrease in obligation to fund Coliseum Authority deficit	4,128
Total	(139,273)
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	129,873
Depreciation expense	(68,327)
Sale of capital assets	(204)
Net loss on disposal of capital assets	(351)
Total	60,991
The change in net position of internal service funds is reported with governmental activities.	(5,326)
Proceeds from issuance of debt refunding provides current financial resources to governmental funds but has no effect on net assets.	(98,470)
Loan proceeds are reported as financing sources in governmental funds, but increase liabilities in the statement of net position.	(3,000)
Net decrease in accrued interest decreases the liability in the statement of net position but is reported as an expenditure in the governmental funds when paid.	675
Bond premiums are recognized in the governmental funds when the bonds are issued, and are deferred and amortized in the statement of net position.	(17,080)
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	35,993
Payment to escrow for the carrying value of the refunded debt	
Face value of the refunded debt	116,135
Unamortized premium of the refunded debt	857
Unamortized refunding loss of the refunded debt	3,966
Accumulated accretion paid on capital appreciation bonds	67,552
Principal payment on capital leases and loans	1,450
Total	225,953
Interest accreted on bonds and certificates of participation.	(21,616)
Amortization of bond premiums and bond discounts	2,068
Amortization of deferred outflows of resources resulting from the deferred refunding loss	(432)
Amortization of deferred outflows of resources resulting from the pension liability	(33,274)
Change in net position of governmental activities	$ 113,267

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, 2017
(amounts expressed in thousands)

		Governmental Activities - Internal Service Funds
Assets:		
Current assets:		
Cash and investments with County Treasurer	$	166,974
Cash and investments with fiscal agents		250
Deposits with others		5
Other receivables		2,365
Due from component unit		198
Inventory of supplies		4
Prepaid items		3,116
Total current assets		172,912
Noncurrent assets:		
Capital assets:		
Machinery and equipment, net of depreciation		23,760
Total assets		196,672
Deferred outflows of resources		
Related to pensions		36,093
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses		9,523
Compensated employee absences payable		2,274
Estimated liability for claims and contingencies		30,093
Due to other funds		454
Total current liabilities		42,344
Noncurrent liabilities:		
Net pension liability		90,782
Compensated employee absences payable		1,273
Estimated liability for claims and contingencies		102,897
Total noncurrent liabilities		194,952
Total liabilities		237,296
Deferred inflows of resources		
Related to pensions		6,377
Net Position		
Investment in capital assets		23,760
Unrestricted		(34,668)
Total net position	$	(10,908)

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, 2017
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	$ 248,152
Operating expenses:	
Salaries and benefits	85,255
Contractual services	14,436
Utilities	14,520
Repairs and maintenance	11,110
Other supplies and expenses	64,254
Insurance claims and expenses	29,895
Depreciation	5,348
Telephone	2,996
County indirect costs	9,148
Dental claims	8,286
Other	957
Total operating expenses	246,205
Operating income	1,947
Non-operating revenues (expenses):	
Investment income	538
Loss on sale of capital assets	(24)
Total non-operating revenues (expenses)	514
Income (loss) before transfers	2,461
Transfers in	3,672
Transfers out	(11,459)
Change in net position	(5,326)
Total net position - beginning of period	(5,582)
Total net position - end of period	$ (10,908)

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, 2017
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Internal activity - receipts from other funds	$ 247,982
Payments to suppliers	(110,996)
Payments to employees	(74,629)
Internal activity - payments to other funds	(9,148)
Claims paid	(34,940)
Other payments	(957)
Net cash provided by operating activities	17,312
Cash flows from non-capital financing activities:	
Transfers in	3,672
Transfers out	(11,459)
Net cash used in non-capital financing activities	(7,787)
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(8,310)
Proceeds from sale of capital assets	135
Net cash used in capital and related financing activities	(8,175)
Cash flows from investing activities:	
Interest received on pooled cash	538
Other investing activities	(250)
Net cash provided by investing activities	288
Net increase in cash and cash equivalents	1,638
Cash and cash equivalents - beginning of period	165,336
Cash and cash equivalents - end of period	$ 166,974
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 1,947
Adjustments for non-cash activities:	
Depreciation	5,348
Amortization - pension	10,600
Changes in assets and liabilities:	
Other receivables	(170)
Prepaid items	290
Accounts payable and accrued expenses	(4,334)
Compensated employee absences payable	26
Estimated liability for claims and contingencies	3,241
Due to component unit	(90)
Total adjustments	15,365
Net cash provided by operating activities	$ 17,312

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, 2017
(amounts expressed in thousands)

	Pension, OPEB,[1] and Other Employee Benefits Trust Funds	Investment Trust Fund	Private-Purpose Trust Fund	Agency Funds
Assets:				
Cash and investments with County Treasurer	$ 2,730	$ 3,021,009	$ 28,195	$ 256,065
Cash and investments with fiscal agents	1,265	2	-	-
Investments, at fair value:				
Short-term investments	209,671	-	2,187	-
Domestic equities	1,334,452	-	-	-
Domestic equity commingled funds	953,344	-	-	-
International equities	1,479,954	-	-	-
International equity commingled funds	400,848	-	-	-
Domestic fixed income	809,532	-	-	-
International fixed income	123,553	-	-	-
International fixed income commingled funds	115,954	-	-	-
Real estate - separate properties	55,954	-	-	-
Real estate - commingled funds	435,868	-	-	-
Real return pool	286,169	-	-	-
Private equity and alternatives	758,239	-	-	-
Total investments	6,963,538	-	2,187	-
Investment of securities lending collateral	322,844	-	-	-
Deposits with others	823	-	-	-
Taxes receivable	-	-	-	140,866
Other receivables	29,549	-	-	-
Interest receivable	8,493	6,178	68	362
Properties held for redevelopment	-	-	11,279	-
Capital assets, net of accumulated depreciation	1,756	-	2,483	-
Total assets	7,330,998	3,027,189	44,212	397,293
Liabilities:				
Accounts payable and accrued expenses	39,852	57,474	-	10,201
Accrued interest payable	-	-	514	-
Securities lending obligation	322,844	-	-	-
Due to other governmental units	-	-	13,869	387,092
Bonds payable	-	-	27,458	-
Total liabilities	362,696	57,474	41,841	397,293
Net Position				
Investment in capital assets	1,756	-	2,483	-
Restricted for pension benefits	6,117,774	-	-	-
Restricted for postemployment medical benefits	846,050	-	-	-
Restricted for other employee benefits	2,722	-	-	-
Restricted for other purposes	-	2,969,715	(112)	-
Total net position	$ 6,968,302	$ 2,969,715	$ 2,371	$ -

[1] Pension and OPEB balances reported as of December 31, 2016.

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, 2017
(amounts expressed in thousands)

	Pension, OPEB,[1] and Other Employee Benefits Trust Funds	Investment Trust Fund	Private-Purpose Trust Fund
Additions:			
Contributions:			
Employees	$ 90,029	$ -	$ -
Employer	241,729	-	-
Contributions on pooled investments	-	8,899,821	-
Total contributions	331,758	8,899,821	-
Investment income:			
Interest	37,923	20,074	337
Dividends	65,389	-	-
Net increase (decrease) in fair value of investments	366,973	(10,428)	(110)
Real estate	20,057	-	-
Securities lending income	4,898	-	-
Private equity and alternatives	23,778	-	-
Brokers Commissions	95	-	-
Total investment income	519,113	9,646	227
Less investment expenses:			
Investment expenses	42,964	-	-
Securities lending borrower rebates and management fees	1,800	-	-
Real estate	4,391	-	-
Total investment expenses	49,155	-	-
Net investment income (expense)	469,958	9,646	227
Other Income:			
Redevelopment property tax revenue	-	-	5,527
Miscellaneous income	501	-	12,509
Total other income	501	-	18,036
Total additions, net	802,217	8,909,467	18,263
Deductions:			
Benefit payments	452,161	-	-
Refunds of contributions	8,471	-	-
Administration expenses	15,809	-	-
Distribution from pooled investments	-	8,472,693	11,541
General and administrative expenses	-	-	948
Depreciation	-	-	62
Transfers to taxing entities	-	-	5,008
Contribution to other agencies	-	-	183
Interest on debt	-	-	1,228
Total deductions	476,441	8,472,693	18,970
Change in net position	325,776	436,774	(707)
Net position - beginning of period	6,642,526	2,532,941	3,078
Net position - end of period	$ 6,968,302	$ 2,969,715	$ 2,371

[1] Pension and OPEB balances reported for the year ended December 31, 2016.

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 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, 2016, are included herein.

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

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

• *Alameda County Fire Department (Fire Department)*

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

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

ACERA is a multiple-employer public retirement system organized under the 1937 Retirement Act. The County and its component unit, Alameda Health System (previously the Alameda County Medical Center), are the major participants and contribute 75.61 and 17.92 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 GASB Statement No 43. Other forms of postemployment benefits provided by ACERA include supplemental cost of living allowance and death benefits. These benefits are reported in the pension and other employee benefits trust funds in the financial statements consistent with GASB Statement No. 67, as they are considered pension benefits.

• *Alameda County Public Facilities Corporation (Corporation)*

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

• *County Service Areas (CSA)*

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

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

The Authority was established to account for the activities related to the tobacco securitization bonds and revenues generated from the master settlement agreement with the four largest U.S. tobacco manufacturers. The Authority is governed by a board consisting of five directors. It is a separate legal entity; however, it is presented as a blended entity because all members of the board are appointed by the Board of Supervisors and it provides services exclusively to the County. The activities of the Authority are reported within non-major governmental funds as a debt service fund. The books and records for the Authority are maintained by the County. Additional financial data for the Authority may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

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

The Joint Powers Authority was initially formed by and between the County and the Redevelopment Agency to assist the County in the financing of public capital improvements. Effective February 1, 2012, the Redevelopment Agency was dissolved, and pursuant to the California Health and Safety Code, the Successor Agency to the Redevelopment Agency was established for the purpose of winding down the affairs of the former redevelopment agency. On March 18, 2014, the joint exercise of powers agreement was amended to add the Surplus Property Authority as a member of the Joint Powers Authority and for the Successor Agency to withdraw as a member. The Joint Powers Authority is included as part of the primary government because the governing board consists of the members of the Board of Supervisors and it provides services exclusively to the County. The activities of the Joint Powers Authority are reported within the debt service governmental fund. The books and records for the Joint Powers Authority are maintained by the County. Additional financial data for the Joint Powers Authority may be obtained from the Alameda County Auditor-Controller's Office, 1221 Oak Street, Oakland, CA 94612.

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

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

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

• *Alameda Health System (AHS)*

Alameda Health System (AHS) is a public hospital authority created originally under the name of Alameda County Medical Center. AHS is governed by an eleven-member board of trustees, appointed by a majority vote of the Board of Supervisors of the County. Pursuant to the agreement dated July 1, 1998, between the County and the AHS, the AHS manages and operates the county hospitals and clinics. The County pays the AHS for the provision of indigent care. The hospital facilities and related debt are presented in the governmental activities of the County's statement of net position. All equipment is the property of the AHS. The AHS has a June 30 fiscal year-end. The financial activities of the AHS for the year ended June 30, 2017, are shown herein. Complete financial statements for the AHS may be obtained from the Alameda Health System, 1411 E. 31st Street, Oakland, CA 94602.

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

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

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

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

The ***Property Development Fund*** accounts for the sale and development of surplus County land. The fund’s revenue sources include proceeds from sale of surplus land and developer fees.

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

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

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

Additionally, the County reports the following fund types:

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

The ***Pension, OPEB, and Other Employee Benefits Trust Funds*** reflect the activities of the ACERA and the Employees' Cafeteria Benefit Plan. ACERA accounts for employee and County contributions to retirement and postemployment benefits and the earnings or losses from investments. It also accounts for the disbursements made for employee retirement benefits, withdrawals, postemployment benefits, disability and death benefits, as well as administrative expenses. The other employee benefits trust fund holds pre-tax dollars deducted from County employees' gross pay for subsequent reimbursement of allowable health care and dependent care costs.

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

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

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

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

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

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

Effect of Component Unit with Differing Fiscal Year-End

ACERA has a fiscal year ending on December 31. The amounts reflected in the June 30, 2017 financial statements are the balances as of ACERA's fiscal year ended December 31, 2016. The difference in the cash balance and interfund transactions are reconciled in the Cash and Investments footnote (Note 2).

D. <u>Cash and Investments</u>

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 2016-2017 was approximately .66 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 47.87 percent of the net position in the Treasurer's pool. The deposits held for these entities are included in the investment trust fund.

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

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

Investment Valuation

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

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

Investment Income

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

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

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

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

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

F. Inter-fund Receivables/Payables

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

G. Inventory of Supplies

Supplies inventory is recorded at cost and charged on a weighted-average basis. In both the governmental and proprietary funds, supplies inventory is accounted for using the consumption method of inventory accounting. This method records an expenditure when supplies are consumed rather than when purchased.

(amounts in tables expressed in thousands)

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 $5,000 and $250,000, respectively, and an estimated useful life in excess of one year. Structures and improvements and infrastructure with a value of at least $250,000 are capitalized. Land, entitlements, and items in collections costing at least $5,000 are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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 are recognized and measured in financial statements prepared using the economic resources measurement focus and the accrual basis of accounting.

Deferred Outflows and Inflows of Resources Related to Pensions - 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 liability that are not included in pension 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, and differences between projected and actual earnings on pension plan investments.

Employer contributions subsequent to the measurement date of the net pension liability are required to be 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, 2017, 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, 2017, have been compensated for any accumulated vacation, compensatory time, and unexpired in-lieu compensatory time.

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 deferred and amortized over the life of the bonds using a straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred in the statement of activities.

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

L. Fund Balances/Net Position

Fund Balances

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

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

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

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

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

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.

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. <u>Inter-fund Transfers</u>

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

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

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

O. <u>Refunding of Debt</u>

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

P. <u>Cash Flows</u>

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. <u>Pensions</u>

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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.

(amounts in tables expressed in thousands)

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	December 31, 2015
Measurement Date	December 31, 2016
Measurement Period	January 1, 2016 to December 31, 2016

For the Fire district, information about the fiduciary net position of the California Public Employees' Retirement System (CalPERS) Miscellaneous Plan and Safety 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.

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Measurement Period	July 1, 2015 to June 30, 2016

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 August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures.* This Statement requires governments that enter into tax abatement agreements to disclose information for the tax being abated. This statement did not have a significant impact to the County's financial statements.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this statement is to address a practice issue regarding the scope and applicability of Statement No. 68 associated with pensions provided through certain cost-sharing multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Such plans are not considered a state or local government pension plan and are used to provide benefits to both employees of state and local governments and employees of employers that are not state or local governments. This statement did not have a significant impact to the County's financial statements.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in GASB Statement No. 14, The Financial Reporting Entity, as amended. This statement did not have a significant impact to the County's financial statements.

In March 2016, the GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practices for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement did not have a significant impact to the County's financial statements.

U. <u>New Pronouncements</u>

In June 2014, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes new accounting and financial reporting requirements for OPEB plans improving the accounting and financial reporting by state and local governments for OPEB and provides information provided by state and local government employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. GASB Statement No. 75 is effective for the County's fiscal year ending June 30, 2018.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The statement provides recognition and measurement guidance for situations in which a government is a beneficiary of these agreements. This Statement is effective for the County's fiscal year ending June 30, 2018.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* The statement addresses accounting and financial reporting for certain asset retirement obligations. The requirements of this statement are effective for the County's fiscal year ending June 30, 2019.

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

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017.* The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement is effective for the County's fiscal year ending June 30, 2018.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for the County's fiscal year ending June 30, 2018.

(amounts in tables expressed in thousands)

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

2. Cash and Investments

A. Deposits

As of June 30, 2017, the County's cash and deposits were as follows:

	Bank Balance	Carrying Value
Deposits with financial institutions	$ 531,571	$ 527,201
Cash on hand		37
Deposits in transit		2,906
Cash with County Treasurer for other employee benefits trust fund		2,730
ACERA cash balance as of December 31, 2016		1,265
Total cash and deposits		$ 534,139

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 $531.6 million in deposits with financial institutions, $5.1 million was covered by federal depository insurance and $526.5 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 $250,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a market value of 150 percent of the secured public deposits. The collateral must be held at the pledging bank's trust department or at another bank, acting as the pledging bank's agent, in the public agency's name. The County may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.

As of December 31, 2016, ACERA reported a deposit of $1,265,000. As of December 31, 2016, ACERA had no investments that were exposed to custodial credit risk.

(amounts in tables expressed in thousands)

B. Investments

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

a. Treasurer's Investments

Funds with the County Treasurer are invested pursuant to the annual investment policy established by the Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio, which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. Authorized instruments in which the Treasurer can invest include U.S. Treasury securities, banker's acceptances, federal, state and local government securities, commercial paper, medium-term corporate notes, negotiable certificates of deposit, local agency investment fund, California asset management program, and money market mutual funds. Although the investment policy permits the Treasurer to invest in reverse repurchase agreements, or to engage in securities lending, such investment activities were not made during the year ended June 30, 2017.

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

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

Types of Investments Authorized by the County's Investment Policy

Authorized Investments	Maximum Maturity	Maximum Percentage of Portfolio
Banker's Acceptance	180 days	30%
Commercial Paper	270 days	25%
Medium Term Notes or Corporate Notes	5 years	30%
Negotiable Certificates of Deposit	1 year	30%
Money-Market Mutual Funds	Daily Liquidity	20%
US Treasury Bills, US Government Notes and Bonds, Federal Agency Notes, Debt issues by ST. of CA and local agencies within the state	5 years	100%
Washington Supranational Obligations	5 years	30%
Repurchase Agreements (REPO)	180 days	20%
Reverse Repurchase Agreements (Reverse REPO)	As per code	20%
State of California Local Agency Investment Fund (LAIF)	Daily Liquidity	$50 million
California Asset Management Program (CAMP)	Daily Liquidity	$100 million
CalTRUST	Daily Liquidity	$100 million
Fully Collateralized/FDIC - Insured Time Deposits	5 years	no limit
Fully Collateralized/Money Market Bank Account	Daily Liquidity	no limit

There were no derivative investments in the investment pool for the year ended June 30, 2017.

(amounts in tables expressed in thousands)

As of June 30, 2017 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	Fair Value
Commercial paper	A-1/P-1	$ 348,723	$ -	$ 348,723
Federal agency notes and bonds	A1 to AA+/P-1 to Aaa	1,246,666	2,015,006	3,261,672
Local agency investment funds	Not Rated	50,000	-	50,000
Medium term notes	A to AAA/A1 to AAA	35,472	150,466	185,938
Negotiable certificates of deposit	A-1/P-1	449,961	-	449,961
Municipal securities	Not Rated	17,105	2,495	19,600
U.S. Treasury notes	A-1+/P-1	349,301	-	349,301
Non-U.S. Treasury Notes [1]	AAA	39,939	54,545	94,484
California asset management program	AAf to AAAm/Aaa-mf	100,000	-	100,000
Total Investments		$ 2,637,167	$ 2,222,512	$ 4,859,679

[1] Non U.S. Treasury Notes represent securities with agencies outside of the U.S. which provide financial assistance to developing counties. These securities are backed by the U.S. government.

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, 2017 was 393 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, dated November 22, 2016, prescribes the following rating requirements:

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

Commercial Paper: at least P-1 rated by at least one rating agency; may not exceed 270 days from purchase date to final maturity.

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

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

Money Market Mutual Funds: the fund must attain the highest ranking or the highest letter and numerical rating by at least two of the three largest nationally recognized rating services; or if not rated, must retain an investment adviser registered with the SEC having not less than five years experience investing in the securities and obligations as authorized by subdivisions (a) to (m) of Government Code Section 53601, inclusive, and with assets under management in excess of $500,000,000.

(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, 2017, more than 5 percent of the Treasurer's investments were under the following issuers:

Issuer:	**Pool Portfolio as of June 30, 2017**
Federal Home Loan Bank	19.3%
Federal Home Loan Mortgage Corporation	18.6%
Federal Farm Credit Bank	17.3%
Federal National Mortgage Association	8.8%

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, 2017. Cash and deposits do not include cash associated with department revolving funds or the Alameda Health Systems, which are held outside of the County Treasury.

Statement of Net Position:

Assets:	
Deposits and cash on hand	529,966
Deposits in Transit	2,906
Investments (at fair value)	4,859,679
Accrued Interest	11,701
Total assets	5,404,252
Liabilities:	57,474
Net Position	5,346,778
Equity of internal pool participants	2,377,063
Equity of external pool participants	2,969,715
Total Net Position	5,346,778

Statement of Changes in Net Position

Net change in investments by pool participants	682,152
Net position at July 1, 2016	4,664,626
Net position at June 30, 2017	5,346,778

The County has not provided nor obtained any legally binding guarantees during the year ended June 30, 2017, to support the value of shares in the pool.

As of June 30, 2017, the Treasurer's cash and investment pool was carried at fair value based on the fair value measurements as required by GASB 72. During the fiscal year, the fair value of the cash and investment pool was determined quarterly and reported to the Board of Supervisors at the end of each calendar quarter.

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

Each County fund's equity in the pool is the fund's actual cash position as of any given date. Any "value" that served to either increase or decrease the pool's valuation as a result of the current fair value of the pool on June 30, 2017, has been allocated to each fund based on the average cash balance during the last quarter of the fiscal year.

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, 2017, 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	$ 348,723	$ -	$348,723
Federal agency notes and bonds	3,261,672	-	3,261,672
Medium term notes	185,938	-	185,938
Negotiable certificates of deposit	449,961	-	449,961
Municipal securities	19,600	-	19,600
U.S. Treasury notes	349,301	349,301	
Non-U.S. Treasury Notes	94,484	-	94,484
Total investments with County Treasury subject to fair value hierarchy	4,709,679	349,301	4,360,378
Investments with Fiscal Agents			
East Bay Regional Community System Authority revenue bonds	3,151	-	3,151
U.S. Treasury Securities	43,772	43,772	-
Federal agency debt securities	175,477	-	175,477
Corporate bonds	86,442	-	86,442
Private debt obligations	2,187	-	2,187
Total investments with fiscal agents subject to fair value hierarchy	311,029	43,772	267,257
Total investments subject to fair value hierarchy	$ 5,020,708	$ 393,073	$ 4,627,635
Investments not subject to fair value hierarchy:			
Local agency investment funds held by County Treasury	$ 50,000		
California asset management program	100,000		
Total investments not subject to fair value hierarchy	$ 150,000		

(amounts in tables expressed in thousands)

ACERA's cash equivalents and investments by fair value as of June 30, 2017, 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	$ 25,391	$ 25,391	$ -	$ -
STIF-Type Instrument	158,675	-	158,675	-
Total Cash Equivalents	184,066	25,391	158,675	-
Fixed Income Securities				
Asset-Backed Securities	62,205	-	62,205	-
Commercial Mortgage-Backed Securities	66,335	-	66,335	-
Convertible Bonds	6,657	-	6,657	-
Corporate bonds	467,684	-	466,956	728
Municipal/Revenue Bonds	3,971	-	3,971	-
FHLMC	42,660	-	42,660	-
FNMA	59,235	-	59,235	-
GNMA II	14,002	-	14,002	-
Government Issues	210,336	116,193	94,143	-
Mutual Funds	115,954	-	115,954	-
Total Fixed Income Securities	1,049,039	116,193	932,118	728
Equity Securities				
Non-U.S. Equity	1,577,474	1,461,778	115,696	-
Pooled Investments	1,314,554	1,225,953	88,601	-
U.S. Equity	1,276,570	1,276,530	40	-
Total Equity Securities	4,168,598	3,964,261	204,337	-
Real Estate				
Properties	55,954	-	-	55,954
Total Equity Securities	55,954	-	-	55,954
Collateral from Securities Lending	322,844	-	322,844	-
Total investments subject to fair value hierarchy (*)	5,780,501	$ 4,105,845	$ 1,617,974	$ 56,682
Investments Measured at Net Asset Value (NAV)				
Real Assets	286,169			
Private Equity & Alternatives	758,239			
Real Estate	435,869			
Total Investments Measured at NAV	1,480,277			
Total investments subject to fair value hierarchy	$ 7,260,778			
Derivatives				
Equity Index Swaps	$ (57)	$ -	$ -	$ (57)
Future Contracts-Equity Index	826	826	-	-
Foreign Echange Contracts	(2,932)	(2,932)	-	-
Total Derivatives	$ (2,163)	$ (2,106)	$ -	$ (57)

* The total investments subject to fair value hierarchy disclosed in the table above represents the combined total of investments ($6,963,538) and securities lending cash collateral ($322,844) from the Statement of Fiduciary Net Position less ($25,604) in short-term investments in foreign currency, which are considered to be cash equivalents.

(amounts in tables expressed in thousands)

Other Disclosures

As of June 30, 2017, the County's investment in Local Agency Investment Fund (LAIF) is $50 million. The LAIF is part of the Pooled Money Investment Account (PMIA), and the Local Investment Advisory Board (LIAB), which consists of five members as designated by State statute, provides oversight for LAIF. All securities are purchased under the authority of Government Code Sections 16430 and 16480.4. The total amount invested by all cities, counties, special districts, nonprofit corporations, or qualified quasigovernmental agencies in LAIF is $22.8 billion as of June 30, 2017. Of that amount, 97.11% was invested in non-derivative financial products and 2.89% in structured notes and asset backed securities as of June 30, 2017.

b. Investments with Fiscal Agents

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

As of June 30, 2017, cash and investments with fiscal agents consisted of the following:

Cash and Investments with Fiscal Agents

		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	$ 86,476	$ -	$ -	$ 86,476
EBRCSA revenue bonds	Not Rated	-	-	3,151	3,151
U.S. Treasury Securities	NR/AAA	2,994	40,778	-	43,772
Federal Agency Debt Securities	AA+ / AAA	61,974	113,503	-	175,477
Corporate Bonds	A to AA+ / A3-AA1	30,894	55,548	-	86,442
Private Debt Obligations	Not Rated	-	-	2,187	2,187
Totals		$ 182,338	$ 209,829	$ 5,338	$ 397,505

[1] 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, 2017, more than five percent of total investments with fiscal agents were in the Federal National Mortgage Association (34.05%) and Federal Home Loan Mortgage Corporation (20.44%).

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.

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, 2016.

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

Concentration of Credit Risk

The individual investment guidelines for each fixed-income manager restrict concentrations greater than 5 percent in the securities of any one issuer (excluding all federal government and agency securities). As of December 31, 2016, ACERA had no investments in a single issuer that equaled or exceeded 5 percent of ACERA's net position.

Credit Risk

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

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

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

The Credit Risk Analysis table discloses the fair value of debt investments by type and credit rating as of December 31, 2017.

(amounts in tables expressed in thousands)

		Adjusted Moody's Credit Rating								
Debt Investments by Type	**Total**	**Aaa**	**Aa**	**A**	**Bbb**	**Ba**	**B**	**Caa**	**Ca and Below**	**Not Rated**
Collateralized Mortgage Obligations	$ 66,334	$ 31,728	$-	$ 486	$ 5,170	$ 1,371	$ 3,267	$ 8,174	$ 2,682	$ 13,456
Convertible Bonds	6,657	-	-		-	715	1,142	751	-	4,049
Corporate Bonds	467,685	8,964	12,916	87,608	238,074	85,377	24,405	8,244	1,005	1,092
Federal Home Loan Mortgage Corp.	42,660	-	-	-	-	-	-	-	-	42,660
Federal National Mortgage Assn.	59,236	-	-	-	-	-	-	-	-	59,236
Government National Mortgage Assn. I, II	14,002	-	-	-	-	-	-	-	-	14,002
Government Issues	210,336	123,077	40,381	29,807	10,677	-	1,655	-	-	4,739
Municipal	3,971	-	1,453	2,518	-	-	-	-	-	-
Other Asset Backed Securities	62,204	21,150	137	3,622	11,722	7	-	3,774	11,971	9,821
Subtotal Debt Investments	933,085	184,919	54,887	124,041	265,643	87,470	30,469	20,943	15,658	149,055
External Investment Pools of Debt Securities										
Securities Lending Cash Collateral Fund										
Liquidation Pool	318,779	-	-	-	-	-	-	-	-	318,779
Duration Pool	4,065	-	-	-	-	-	-	-	-	4,065
Master Custodian Short-Term Investment Fund	158,675	-	-	-	-	-	-	-	-	158,675
Subtotal External Investment Pools	481,519	-	-	-	-	-	-	-	-	481,519
Total	$ 1,414,604	$ 184,919	$ 54,887	$ 124,041	$ 265,643	$ 87,470	$ 30,469	$ 20,943	$ 15,658	$ 630,574

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.

<u>Custodial Credit Risk</u>

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, 2016, ACERA had no investments that were exposed to custodial credit risk.

ACERA's investments include collateral associated with derivatives activity. As of December 31, 2016, collateral for derivatives was $2.1 million. The collateral margins are maintained in margin accounts at financial services firms that provide brokerage services. Each account is uninsured and uncollateralized, and subject to custodial credit risk.

<u>Interest Rate Risk</u>

ACERA has investments in three external investment pools containing debt securities that are subject to interest rate risk. ACERA has no general policy on interest rate risk for investments in external pools. The Interest Rate Risk Analysis – Duration of External Investment Pools of Debt Securities table indicates interest rate risk for the investments in these pools in terms of the duration of the pool securities as of December 31, 2016. 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.

(amounts in tables expressed in thousands)

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

External Investment Pools of Debt Securities	Fair Value	Duration
Securities Lending Cash Collateral Fund		
Liquidity Pool	$ 318,779	37 days
Duration Pool	4,065	23 days
Master Custodian Short-Term Investment Fund	158,675	-
Total	$ 481,519	

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

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

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

Interest Rate Risk Analysis – Duration of Fixed Income Portfolios

Debt Investments by Type	Fair Value	Duration In Years
Collateralized mortgage obligations	$ 66,335	3.7
Convertible bonds	6,657	3.0
Corporate bonds	467,684	5.9
Federal Home Loan Mortgage Corp.	42,660	4.1
Federal National Mortgage Assn.	59,235	9.0
Government Issues	14,002	4.3
Government National Mortgage Assn. I, II	210,336	7.9
Municipal	3,971	11.9
Other Asset Backed Securities	62,205	2.5
	$ 933,085	

(amounts in tables expressed in thousands)

Fair Value Highly Sensitive to Changes in Interest Rate

The terms of a debt investment may cause its fair value to be highly sensitive to interest rate changes. The two Interest Rate Risk Analysis – Duration tables above disclose the degree to which ACERA's investments are sensitive to interest rate changes due simply to the remaining term to maturity. In contrast, ACERA's investments with fair values that are highly sensitive to interest rates due to other factors are disclosed on the Interest Rate Risk Analysis – Highly Sensitive table as of December 31, 2016. ACERA has no general investment policy with respect to investments with fair values that are highly sensitive to changes in interest rates.

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

Investment Type	Investment Description	Interest Rates	Fair Values
Corporate Bonds	Various debt related securities	3.95% to 7.51%	$ 20,745
Government Issues	Mexico Bonos	7.75%	7,631
Municipals	Municipal Electric Authority Georgia	6.66%	2,518

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. ACERA has no general investment policy with respect to foreign currency risk. The Foreign Currency Risk Analysis table shows the fair value of investments by currency denomination and investment type, as of December 31, 2016. It 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	Total Return Swaps	Currency Swaps	Net Exposure
Argentine Peso	$ -	$ 728	$ -	$ -	$ -	$ -	$ 728
Australian Dollar	28,535	1,106	334	18,482	(21)	(394)	48,042
Brazilian Real	14,301	457	-	-	-	-	14,758
Canadian Dollar	40,881	-	390	-	-	133	41,404
Chilean Peso	-	-	-	-	-	43	43
Colombian Peso	-	2,933	-	-	-	-	2,933
Danish Krone	30,576	-	103	-	-	10	30,689
Euro Currency	399,671	5,800	(392)	127	(19)	538	405,725
Hong Kong Dollar	99,276	-	116	-	73	-	99,465
Hungarian Forint	-	-	-	5,580	-	-	5,580
Indian Rupee	32,811	3,693	-	-	-	2	36,506
Indonesian Rupiah	15,661	-	-	-	-	-	15,661
Israeli Sheqel	5,845	-	-	-	-	(21)	5,824
Japanese Yen	233,749	-	(752)	-	-	(1,258)	231,739
Malaysian Ringgit	-	-	-	4,739	-	-	4,739
Mexican Peso	1,258	1,736	-	23,023	-	-	26,017
New Taiwan Dollar	21,398	-	-	-	-	-	21,398
New Zealand Dollar	594	-	-	4,511	-	(113)	4,992
Norwegian Krone	1,153	-	7	-	-	(943)	217
Polish Zloty	-	-	-	3,809	-	-	3,809
Pound Sterling	245,395	-	(16)	16,902	-	(741)	261,540
Singapore Dollar	32,459	-	202	-	-	(24)	32,637
South African Rand	22,660	-	-	5,097	-	-	27,757
South Korean Won	7,463	-	-	-	-	-	7,463
Swedish Krona	34,847	-	104	-	121	(253)	34,819
Swiss Franc	117,564	-	48	-	(211)	89	117,490
Thailand Baht	3,481	-	-	-	-	-	3,481
Uae Dirham	3,261			-	-	-	3,261
TOTAL	$ 1,392,839	$ 16,453	$ 144	$ 82,270	$ (57)	$ (2,932)	$ 1,488,717

Securities Lending

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

For the year ended December 31, 2016, on behalf of ACERA, the securities lending agent lent ACERA's securities (government bonds, corporate stocks, corporate bonds, international equities, and international fixed income) under this agreement and received cash (United States and foreign currency), securities issued or guaranteed by the United States government, sovereign debt and irrevocable bank letters-of-credit as collateral. ACERA did not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 102% of the market value of the loaned security for domestic securities or sovereign debt issued by foreign governments, and at least 105% for international securities. Moreover, borrowers were required to maintain the market value of collateral on a daily basis.

ACERA did not impose any restrictions for the year ended December 31, 2016, on the amount of the loans that the custodian made on its behalf. The custodian indemnified ACERA by agreeing to purchase replacement securities or return cash collateral in the event the borrower failed to return the loaned securities and the collateral was inadequate to replace the securities lent or the borrower failed to pay ACERA for income distributions by the securities issuers where the securities are on loan. There were no losses during the year ended December 31, 2016, resulting from a default of the borrowers or the securities lending agent.

For the year ended December 31, 2016, ACERA and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in short-term investment pools managed by the securities lending agent. During fiscal year 2016, the short-term investment fund was separated into two investment pools: 1) a liquidity pool and 2) a duration pool. As of December 31, 2016, the quality D-Short-Term investment fund duration pool had an average weighted final maturity of 91 days for U.S. dollars collateral. The Quality D Short-Term investment fund duration pool had an average duration of 23 days and an average weighted final maturity of 3,150 days for U.S. dollars collateral. For the year ended December 31, 2016, 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, 2016, ACERA had securities on loan with a fair value of $389.2 million for cash collateral of $400.3 million and exceeded the total fair value of loaned securities by $11.1 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, 2017:

Cash	
Cash on Hand and Deposits in Transit	$ 2,943
Cash in Bank - with County Treasurer	527,201
Cash with fiscal agents	86,476
Cash with Component Unit (AHS)	24,053
Cash with County Treasurer for other employee benefits trust fund	2,730
ACERA cash balance as of December 31, 2016	1,265
Total Cash	644,668
Investments	
In Treasurer's Pool	4,859,679
with ACERA	6,963,538
with fiscal agents	311,029
Securities Lending - ACERA	322,844
Total Investments	12,457,090
Total Cash and Investments	$ 13,101,758
Primary Government	$ 13,077,705
Component Unit (AHS)	24,053
Total Cash and Investments	$ 13,101,758

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	$ 2,084,552 [1]	$ 3,307,999 [2]	$ 5,392,551	$ -
Cash and investments with fiscal agents	313,911	6,966,992	7,280,903	24,053
Restricted Assets:				
Cash with fiscal agents	81,407	-	81,407	-
Invested securities lending collateral	-	322,844	322,844	-
Total cash and investment	$ 2,479,870	$ 10,597,835	$ 13,077,705	$ 24,053
Deposits and cash on hand			$ 620,615	$ 24,053
Investments			12,457,090	-
Total deposits and investments			$ 13,077,705	$ 24,053

[1] Includes cash and investments with the County Treasurer of total governmental funds ($1,917,578) and internal service funds ($166,974).

[2] Includes deposits and investments with the County Treasurer of pension, OPEB, and other employee benefits trust funds ($2,730), investment trust fund ($3,021,009), private-purpose trust fund ($28,195) and agency funds ($256,065).

(amounts in tables expressed in thousands)

3. Receivables

Receivables as of June 30, 2017, 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								
	General	Property Development	Flood Control	Capital Projects	Debt Service	Nonmajor Governmental Funds	Subtotal	Internal Service Funds	Governmental Activities Total
Interest	$ 3,861	$ 137	$ 436	$ 171	$ -	$ 457	$ 5,062	$ 336	$ 5,398
Taxes	35,604	-	1,830	-	-	4,010	41,444	-	41,444
Departmental accounts	200,364	-	-	-	-	-	200,364	-	200,364
Federal and state grants and subventions	169,333	-	-	3,956	-	2,052	175,341	-	175,341
Charges for services	87,740	-	131	-	-	9,708	97,579	2,029	99,608
Other	11,532	-	22	-	-	8,091	19,645	-	19,645
Gross receivables	508,434	137	2,419	4,127	-	24,318	539,435	2,365	541,800
Less: allowance for uncollectibles	(157,111)	-	-	-	-	-	(157,111)	-	(157,111)
Net total receivable - governmental activities	$ 351,323	$ 137	$ 2,419	$ 4,127	$ -	$ 24,318	$ 382,324	$ 2,365	$ 384,689

The departmental accounts receivable, net of allowance for uncollectibles, in the amount of $43,239 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, 2016 are as follows:

Contributions	$ 12,753
Derivative investments	1,018
Investments sold	8,465
Investment receivables	7,124
Other	189
Total other receivables at December 31, 2015	$ 29,549

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, 2017, 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	$ 81,342	$ 3,641	$ 33,939	$ 118,922

(amounts in tables expressed in thousands)

5. Capital Assets

Capital asset activities of the primary government for the year ended June 30, 2017, are as follows:

GOVERNMENTAL ACTIVITIES

	Balance July 1, 2016	Prior Year Adjustment	Balance Restatement	Increases	Decreases	Transfers	Balance June 30, 2017
Capital assets, not being depreciated:							
Land and easements	$ 72,759	$ -	$ 72,759	$ -	$ -	$ 1,376	$ 74,135
Construction in progress	681,769	(498,254)	183,515	117,879	-	(69,652)	231,742
Collections	50	-	50	-	-	-	50
Total capital assets, not being depreciated	754,578	(498,254)	256,324	117,879	-	(68,276)	305,927
Capital assets, being depreciated:							
Structures and improvements	991,070	577,840	1,568,910	4,067	-	39,334	1,612,311
Machinery and equipment	186,933	-	186,933	15,974	5,814	7	197,100
Software	32,654	-	32,654	-	-	-	32,654
Infrastructure	943,705	-	943,705	264	264	28,935	972,640
Total capital assets, being depreciated	2,154,362	577,840	2,732,202	20,305	6,078	68,276	2,814,705
Less accumulated depreciation for:							
Structures and improvements	555,984	21,879	577,863	40,008	-	-	617,871
Machinery and equipment	142,825	-	142,825	10,490	5,363	-	147,952
Software	32,654	-	32,654	-	-	-	32,654
Infrastructure	483,273	-	483,273	23,177	-	-	506,450
Total accumulated depreciation	1,214,736	21,879	1,236,615	73,675	5,363	-	1,304,927
Total capital assets, being depreciated, net	939,626	555,961	1,495,587	(53,370)	715	68,276	1,509,778
Governmental activities capital assets, net	$ 1,694,204	$ 57,707	$ 1,751,911	$ 64,509	$ 715	$ -	$ 1,815,705

In fiscal year 2017, the County restated the beginning net position as a result of adjustments made to capitalize/adjust construction cost and interest expense that were expended in prior fiscal years. The adjustment resulted to a net increase of $57.7 million to capital assets. Restatement detail is in note 21 on page 95.

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

Governmental Activities	
General government	$ 3,084
Public protection	18,921
Public assistance	1,957
Health and sanitation	23,401
Public ways and facilities	19,510
Recreation and cultural services	387
Education	1,067
Capital assets held by the County's internal service funds	5,348
Total depreciation expense – governmental activities	$ 73,675

The County has active construction projects as of June 30, 2017. The projects include construction of new facilities, expansion of existing library facility, and improvements to roadways and flood control channels. The County's outstanding commitments with contractors as of June 30, 2017 are as follows:

(amounts in tables expressed in thousands)

Project	Spent-to-Date	Remaining Commitment
Construction of health care facilities	$ 26,478	$ 27,143
Construction of criminal justice facility	150,311	858
Construction of fire station	10,111	1,277
Construction of youthful offender facility	3,861	371
Road improvements	6,305	11,447
Flood control channel improvements	21,820	6,610
Other projects	12,856	3,313
Total governmental funds	$ 231,742	$ 51,019

Debt proceeds finance the commitment for construction of health care facilities. Fines and penalties imposed on criminal offenses provide the source of funding for the commitment for construction of a criminal justice facility. Construction of fire station is funded by RDA bond proceeds and ROPS revenue. 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	(2,135)
Net book value	$ 2,761

(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, 2016, are as follows:

	Balance January 1, 2016	Increases	Decreases	Balance December 31, 2016
Capital assets, being depreciated:				
Equipment and furniture	3,267	42	290	3,019
Electronic document management system	4,163	-	-	4,163
Information systems	10,457	-	-	10,457
Leasehold improvements	2,585	-	-	2,585
Total capital assets, being depreciated	20,472	42	290	20,224
Less accumulated depreciation and amortization for:				
Equipment and furniture	3,130	70	274	2,926
Electronic document management system	3,700	440	-	4,140
Information systems	10,457	-	-	10,457
Leasehold improvements	850	95	-	945
Total accumulated depreciation	18,137	605	274	18,468
Total capital assets, being depreciated, net	2,335	(563)	16	1,756
Fiduciary fund capital assets, net	$ 2,335	$ (563)	$ 16	$ 1,756

COMPONENT UNIT – Alameda Health System

Capital asset activities of the Alameda Health System for the year ended June 30, 2017, are as follows:

	Balance July 1, 2016	Increases	Transfers	Balance June 30, 2017
Capital assets, not being depreciated:				
Construction in progress	$ 4,045	$ 8,524	$ (2,376)	$ 10,193
Land	9,021	-	-	9,021
Total capital assets, not being depreciated	13,066	8,524	(2,376)	19,214
Capital assets, being depreciated:				
Structures and improvements	55,678	865	558	57,101
Machinery and equipment	152,661	1,130	1,818	155,609
Total capital assets, being depreciated	208,339	1,995	2,376	212,710
Less accumulated depreciation for:				
Structures and improvements	34,917	1,086	-	36,003
Machinery and equipment	105,754	2,711	-	108,465
Total accumulated depreciation	140,671	3,797	-	144,468
Total capital assets, being depreciated, net	67,668	(1,802)	2,376	68,242
Component unit capital assets, net	$ 80,734	$ 6,722	$ -	$ 87,456

(amounts in tables expressed in thousands)

6. Accounts Payable and Accrued Expenditures/Expenses

Accounts payable and accrued expenditures/expenses as of June 30, 2017, for the County's individual major funds, non-major funds in the aggregate, and internal service funds are as follows:

	Governmental Funds								
	General	Property Development	Flood Control	Capital Projects	Debt Service	Nonmajor Governmental Funds	Subtotal	Internal Service Funds	Governmental Activities Total
Accounts payable	$ 133,931	$ 24	$ 4,573	$ 12,146	$ -	$ 12,013	$ 162,687	$ 7,143	$ 169,830
Outstanding warrants	48,307	-	-	-	-	-	48,307	-	48,307
Accrued payroll	36,570	9	1,198	-	-	4,302	42,079	2,380	44,459
Total accounts payable and accrued expenditures	$ 218,808	$ 33	$ 5,771	$ 12,146	$ -	$ 16,315	$ 253,073	$ 9,523	$ 262,596

Payables for pension, OPEB, and other employee benefits trust funds at December 31, 2016 are as follows:

Purchase of securities	$ 18,503
Investment-related payables	15,843
Member benefits	3,238
Accrued administrative expenses	2,055
Other	213
Total accounts payable and accrued expenses	$ 39,852

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

(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, 2017:

GOVERNMENTAL ACTIVITIES

Type of Obligation and Purpose	Maturity	Interest Rates	Original Issue	Outstanding
Certificates of participation:				
Public Facilities Corporation:				
1989 Capital Projects capital appreciation certificates-principal (b)	6/15/2019	6.70 - 6.80%	$ 26,664	$ 736
2007A Refunding (a)	12/1/2021	4 - 5.625	37,010	13,935
Certificates of participation-principal				14,671
1989 Capital Projects capital appreciation certificates-accretion (b)				4,000
Tobacco Settlement Asset-Backed bonds				
Tobacco Securitization bonds 2002 (e)	6/1/2042	2.25 - 6.00	220,525	145,885
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				213,744
Tobacco Securitization capital appreciation bonds 2006 - accretion (e)				74,959
Pension obligation bonds				
1996 bonds series B capital appreciation bonds-principal (a)	12/1/2018	7.03 - 7.58	306,863	27,720
1996 bonds series B capital appreciation bonds-accretion (a)				98,532
Lease revenue bonds				
Alameda County Joint Powers Authority:				
Juvenile Justice Refunding Bonds 2016 (a)	6/1/2035	2.0 - 5.0	98,470	98,470
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	39,795
Lease Revenue Refunding Bonds 2012 (a)	12/1/2021	1.5 - 5	75,915	20,775
Multiple Capital Projects Bonds 2013A (a)	12/1/2035	3 - 5.25	287,380	287,380
Lease revenue bonds				766,420
Capital leases				
Water efficiency measures (a)	10/30/2023	4.08	3,000	1,492
Structures & Improvement - 7200 Bancroft Ave. (a)	2/28/2021	4.34	1,896	1,859
Capital leases payable				3,351
Other Long-term obligations				
Loans payable (d)	6/22/2015 to 6/22/2026	1.0 - 4.1	19,613	8,273
Compensated employee absences payable (c)				70,569
Estimated liability for claims and contingencies (d)				132,990
Obligation to fund Authority deficit (see Note 14) (a)				41,385
Other long-term obligations				253,217
Governmental activities total long-term obligations				$ 1,456,614

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.

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, 2017 of $145.89 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 $1.78 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 $13.9 million while tobacco settlement revenue was $13.4 million.

(amounts in tables expressed in thousands)

COMPONENT UNIT

Type of Obligation	Outstanding
Alameda Health System	
Compensated employee absences payable	$ 28,952
Estimated liability for claims and contingencies	32,180
Component unit total long-term obligations	$ 61,132

Debt Compliance

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

Legal Debt Limit and Legal Debt Margin

As of June 30, 2017, the County's debt limit (1.25% of total assessed value) was $3.22 billion. The County does not have any general obligation debt and therefore, has not used any of its debt limit.

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debts issued after August 31, 1986, are subject to arbitrage rebate requirements. The requirements stipulate, in general, that the excess of earnings from the investment of tax-exempt bond proceeds over related interest expenditures on the bonds must be remitted to the Federal government on every fifth anniversary of each bond issue. The County has evaluated each outstanding debt obligation that is subject to the arbitrage rebate requirements and there is an arbitrage rebate liability of $0.56 million as of June 30, 2017.

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 $58.5 million as of June 30, 2017. 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 $64.2 million as of June 30, 2017. 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, 2017, are as follows:

	Balance July 1, 2016	Additional Obligations, Interest Accretion, and Net Increases	Current Maturities, Retirements, and Net Decreases	Balance June 30, 2017	Amounts Due Within One Year
Governmental activities:					
Certificates of participation and bonds payable					
Certificates of participation	$ 17,462	$ -	$ (2,791)	$ 14,671	$ 2,900
Tobacco securitization bonds	218,684	-	(4,940)	213,744	-
Pension obligation bonds	47,112	-	(19,392)	27,720	18,782
Lease revenue bonds	792,955	98,470	(125,005)	766,420	8,675
Total certificates of participation and bonds payable before accretion	1,076,213	98,470	(152,128)	1,022,555	30,357
Accretion on capital appreciation certificates and bonds					
Certificates of participation	5,736	473	(2,209)	4,000	2,235
Tobacco Securitization bonds	65,912	9,047	-	74,959	-
Pension obligation bonds	151,779	12,096	(65,343)	98,532	69,763
Total certificates of participation and bonds payable at accreted value	1,299,640	120,086	(219,680)	1,200,046	102,355
Other debt-related items					
Issuance premiums	19,899	17,080	(3,061)	33,918	2,530
Issuance discount	(3,574)	-	136	(3,438)	(136)
Total bonds and certificates payable	1,315,965	137,166	(222,605)	1,230,526	104,749
Loans	6,484	3,000	(1,211)	8,273	1,627
Compensated employee absences payable	67,853	40,726	(38,010)	70,569	47,397
Estimated liability for claims and contingencies	129,749	30,880	(27,639)	132,990	30,093
Capital leases	3,590	-	(239)	3,351	436
Obligation to fund Coliseum Authority deficit	45,513	-	(4,128)	41,385	4,335
Governmental activity long-term obligations	$ 1,569,154	$ 211,772	$ (293,832)	$ 1,487,094	$ 188,637

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, 2017, $3.55 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, 2017, are as follows:

Component Unit:	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Amounts Due Within One Year
Compensated employee absences payable	$ 26,688	$ 2,370	$ (106)	$ 28,952	$ 16,625
Estimated liability for claims and contingencies	31,748	2,032	(1,600)	32,180	7,436
Total component unit long-term obligations	$ 58,436	$ 4,402	$ (1,706)	$ 61,132	$ 24,061

(amounts in tables expressed in thousands)

Annual debt service requirements for long-term obligations outstanding as of June 30, 2017, are as follows:

GOVERNMENTAL ACTIVITIES

For the Year Ending June 30	Lease Revenue Bonds		Tobacco Securitization Bonds			Pension Obligation Bonds		Total Bonds		
	Principal	Interest	Principal	Accreted Interest	Interest	Principal	Accreted Interest	Principal	Accreted Interest	Interest
2018	$ 8,675	$ 44,177	$ -	$ -	$ 8,920	$ 18,782	$ 69,763	$ 27,457	$ 69,763	$ 53,097
2019	20,105	43,591	-	-	8,920	8,938	36,817	29,043	36,817	52,511
2020	21,030	42,671	-	-	8,920	-	-	21,030	-	51,591
2021	22,050	41,672	-	-	8,920	-	-	22,050	-	50,592
2022	23,135	40,594	-	-	8,920	-	-	23,135	-	49,514
2023-2027	107,630	187,442	-	-	44,598	-	-	107,630	-	232,040
2028-2032	138,580	156,208	24,465	-	39,525	-	-	163,045	-	195,733
2033-2037	155,225	117,660	45,170	-	30,836	-	-	200,395	-	148,496
2038-2042	157,715	68,353	76,250	-	22,875	-	-	233,965	-	91,228
2043-2047	112,275	12,071	-	-	-	-	-	112,275	-	12,071
2048-2052	-	-	51,475	764,585	-	-	-	51,475	764,585	-
2053-2057	-	-	16,384	616,926	-	-	-	16,384	616,926	-
Total	$ 766,420	$ 754,439	$ 213,744	$ 1,381,511	$ 182,434	$ 27,720	$ 106,580	$ 1,007,884	$ 1,488,091	$ 936,873

For the Year Ending June 30	Total Bonds			Certificates of Participation			Other Long-Term Obligations		Total Debt		
	Principal	Accreted Interest	Interest	Principal	Accreted Interest	Interest	Principal	Interest	Principal	Accreted Interest	Interest
2018	$ 27,457	$ 69,763	$ 53,097	$ 2,900	$ 2,235	$ 607	$ 2,063	$ 1,188	$ 32,420	$ 71,998	$ 54,892
2019	29,043	36,817	52,511	3,001	2,259	478	1,943	963	33,987	39,076	53,952
2020	21,030	-	51,591	2,785	-	342	1,951	670	25,766	-	52,603
2021	22,050	-	50,592	2,930	-	199	1,766	245	26,746	-	51,036
2022	23,135	-	49,514	3,055	-	63	1,163	85	27,353	-	49,662
2023-2027	107,630	-	232,040	-	-	-	2,738	93	110,368	-	232,133
2028-2032	163,045	-	195,733	-	-	-	-	-	163,045	-	195,733
2033-2037	200,395	-	148,496	-	-	-	-	-	200,395	-	148,496
2038-2042	233,965	-	91,228	-	-	-	-	-	233,965	-	91,228
2043-2047	112,275	-	12,071	-	-	-	-	-	112,275	-	12,071
2048-2052	51,475	764,585	-	-	-	-	-	-	51,475	764,585	-
2053-2057	16,384	616,926	-	-	-	-	-	-	16,384	616,926	-
Total	$ 1,007,884	$ 1,488,091	$ 936,873	$ 14,671	$ 4,494	$ 1,689	$ 11,624	$ 3,244	$ 1,034,179	$ 1,492,585	$ 941,806

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.

On November 17, 2016, the Alameda County Joint Powers Authority issued Juvenile Justice Refunding Bonds, Series 2016, in the amount of $98.47 million. The purpose of the bond issuance was to (1) advance refund and defease all of the outstanding County of Alameda Juvenile Justice Refunding Bonds, Series 2008A, in order to reduce the County's overall debt, as well as its debt service obligation, and (2) pay the cost of issuance and underwriter's discount for the Juvenile Justice Refunding Bonds, Series 2016. The serial bonds component were issued with fixed interest rates ranging from 2 percent to 5 percent, with maturity dates between December 1, 2017 and December 1, 2031. The term bonds component were issued at 4 percent fixed interest rate with maturity dates between December 1, 2032 and December 1, 2034.

(amounts in tables expressed in thousands)

The aggregate difference in debt service between the Juvenile Justice Refunding Bonds, Series 2008A and the Juvenile Justice Refunding Bonds, Series 2016 was a decrease of $30.7 million. The economic gain on the refunding was $18.69 million.

8. Operating Lease Obligations

The County has numerous operating leases for office space. Rental expense for operating leases for fiscal year 2015-16 was $25.0 million. Future minimum lease payments for operating leases at June 30, 2017, are as follows:

2018	2019	2020	2021	2022	2023-27	Total
$ 23,610	$ 13,952	$ 12,261	$ 11,790	$ 6,286	$ 11,055	$ 78,954

9. Fund Deficits

Individual fund deficit at June 30, 2017 are as follows:

Alameda Health System	$ 266,557
Internal Service Fund - Building Maintenance	$ 13,590
Internal Service Fund - Information Technology	$ 24,419

The fund deficit of the internal service funds is expected to be funded by increased user charges.

(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, 2017 are as follows:

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major	Total
Nonspendable in form:							
Inventory	$ -	$ -	$ 3	$ -	$ -	$ 204	$ 207
Long-term receivables	3,707	-	-	-	-	-	3,707
Properties held for resale	255	830	-	-	-	-	1,085
Prepaid items	-	-	-	-	-	681	681
Total Nonspendable	3,962	830	3	-	-	885	5,680
Restricted for:							
Public protection	145,205	-	202,170	-	-	63,944	411,319
Public assistance	3,514	-	-	-	-	370	3,884
Health and sanitation	165,412	-	-	-	-	11,693	177,105
Public ways and facilities	-	-	-	-	-	93,402	93,402
Education	-	-	-	-	-	13,787	13,787
Debt service	-	-	-	-	63,646	21,002	84,648
Other purposes	7,675	-	-	-	-	-	7,675
Total Restricted	321,806	-	202,170	-	63,646	204,198	791,820
Committed to:							
Fiscal management rewards	168,696	-	-	-	-	-	168,696
Settlement claims	5,000	-	-	-	-	-	5,000
General contingencies	52,484	-	-	-	-	-	52,484
Capital projects	102,019	-	-	40,702	-	-	142,721
Pension liability reduction	502,653	-	-	-	-	-	502,653
Capital projects and related debt	-	379,445	-	-	-	-	379,445
Public assistance	12,955	-	-	-	-	-	12,955
Public protection	2,931	-	-	-	-	-	2,931
Other commitments	55,647	-	-	-	-	-	55,647
Total Committed	902,385	379,445	-	40,702	-	-	1,322,532
Assigned to:							
Appropriations in subsequent year	46,661	-	-	-	-	-	46,661
General government	9,178	-	-	-	-	-	9,178
Public protection	26,360	-	-	-	-	7,645	34,005
Public assistance	34,125	-	-	-	-	-	34,125
Health and sanitation	74,624	-	-	-	-	-	74,624
Public ways and facilities	102	-	-	-	-	-	102
Recreation and cultural services	2	-	-	-	-	-	2
Other purposes	196	-	-	-	-	-	196
Total Assigned	191,248	-	-	-	-	7,645	198,893
Unassigned	107,246	-	-	-	-	-	107,246
Total fund balances	$ 1,526,647	$ 380,275	$ 202,173	$ 40,702	$ 63,646	$ 212,728	$ 2,426,171

Encumbrance balances by major funds and non-major funds as of June 30, 2017 are:

	Restricted	Committed	Assigned	Total
General Fund	$ 10,928	$ -	$ 137,010	$ 147,938
Property Development	-	70	-	70
Flood Control	27,904	-	-	27,904
Capital Projects	-	30,996	-	30,996
Non-major Governmental Funds	28,134	-	330	28,464
Total encumbrances	$ 66,966	$ 31,066	$ 137,340	$ 235,372

(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, 2017 for governmental activities is as follows:

Restricted for Public Protection		
Flood	$202,304	
Consumer Protection	35,317	
Sheriff	27,896	
Public Safety	32,419	
Criminal Justice and Courthouse Construction	15,078	
Vital Records	21,534	
Child Support Enforcement	2,664	
Community Development	6,204	
Criminal Justice Programs	944	
Vehicle Theft Prevention	651	
Survey Monument Preservation	613	
Domestic Violence	155	
Probation	122	
Other	4,364	$350,265
Restricted for Public Assistance		
Housing and Commercial Development	114,119	
Social Services Programs	1,652	115,771
Restricted for Health and Sanitation		
Behavioral Health Services	90,337	
Public Health	39,803	
Emergency Medical Services	20,514	
Environmental Health	23,609	174,263
Restricted for Public Ways and Facilities		
Roads and Bridges Maintenance	85,681	
Streets and Highway Lighting	6,512	92,193
Restricted for Education		
Library Services		13,877
Restricted for Other Purposes		
Debt Payments	44,751	
Property Taxes	5,793	
Assessor	5,045	55,589
Total Restricted Net Position-Governmental Activities		$801,958

Included in governmental activities restricted net position as of June 30, 2017 is net position restricted by enabling legislation of $105.2 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, 2017, is as follows:

	Due to other funds			
Due from other funds	Debt Service Funds	Non-major Governmental Funds	Internal Service Funds	Total Due from
General fund	$ 6,941	$ 807	$ 454	$ 8,202

(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	$ 152,647
Primary government-governmental		$ 152,647
Less allowance for uncollectibles		(31,000)
Net		$ 121,647
Alameda Health System	Primary government-governmental	$ 16,864

Transfers between funds for the year ended June 30, 2017, are as follows:

	Transfers In:					
Transfers out:	General Fund	Capital Projects Fund	Debt Service Fund	Non-major Governmental Funds	Internal Service Funds	Total Transfers Out
General fund	$ -	$ 78,045	$ 94,274	$ 72	$ 3,648	176,039
Property development fund	533	-	9,456	-	-	9,989
Capital projects fund	72	-	-	-	-	72
Non-major governmental funds	250	563	-	2,300	-	3,113
Internal service funds	1,716	3,291	6,415	13	24	11,459
Total transfers in	$ 2,571	$ 81,899	$ 110,145	$ 2,385	$ 3,672	$ 200,672

The $176.0 million General Fund transfer out includes $59.4 million for pension obligation debt service, $34.9 million to provide for the payment of debt service, $78 million to provide funding for capital projects, and $2.7 million for maintenance projects.

The $10.0 million Property Development Fund transfer out includes $9.5 million reimbursement to the Debt Service Fund for the Juvenile Justice bond payment.

The $3.1 million Non-major Governmental Funds transfer out includes $2.3 million to cover operating costs of the bridges and $0.5 million to provide funding for capital projects.

The $11.5 million Internal Service Funds transfer out includes $6.4 million for the payment of debt service, $1.5 million for payment of energy loans and leases, and $3.3 million for tenant improvement projects

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 $1.0 billion as of December 31, 2016. 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.

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. 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. 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, 2016 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14th Street, Suite 1000, Oakland, CA 94612.

B. Contributions

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 5.01 and 22.73 percent of their annual covered salary effective September 2016. 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 programs provide the supplemental benefits described above.

The County is required by statute to contribute the amounts necessary to finance the estimated benefits accruing to the employees. For the year ended June 30, 2017, the County made contributions of $182.76 million to ACERA. However, the reported contributions are allocated between the pension and the other postemployment benefit plans. Therefore, 16.43 percent of the County's contributions were reallocated due to the transfer of excess investment earnings to the Supplemental Retirees Benefit Reserve.

C. Pension Liabilities

As of June 30, 2017, the County reported a liability of $1.72 billion for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2016, the County's proportion was 76.56 percent, which was a decrease of 0.60 percent from its proportion measured as of December 31, 2015.

(amounts in tables expressed in thousands)

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

For the year ended June 30, 2017, the County recognized pension expense of $329.3 million. At June 30, 2017, 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	$ -	$ 79,276
Changes of assumptions	239,413	-
Net difference between projected and actual earnings on investments	222,785	-
Changes in proportion and differences between County contributions and proportionate share of contributions	8,955	5,788
County contributions subsequent to the measurement date	96,953	-
Total	$ 568,106	$ 85,064

County contributions of $97 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, 2018. 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:	
2018	$132,533
2019	132,532
2020	100,038
2021	13,423
2022	7,563

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 in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	December 31, 2016
Inflation	3.25%
Salary Increases	General: 4.15% to 7.45% Safety: 4.45% to 10.45% Vary by service, including inflation
Investment Rate of Return	7.60%, net of pension plan investment expense, including inflation
Mortality Tables	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020, adjusted for future mortality improvements based on a review of the mortality experience in the December 1, 2010 - November 30, 2013 Actuarial Experience Study
Date of Experience Study	December 1, 2010 through November 30, 2013

(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
Domestic Large Cap Equity	25.60 %	5.91 %
Domestic Small Cap Equity	6.40	6.47
Developed International Equity	20.25	6.88
Emerging Market Equity	6.75	8.24
U.S. Core Fixed Income	11.25	0.73
High Yield Bonds	1.50	2.67
International Bonds	2.25	0.42
Real Estate	6.00	4.95
Commodities	2.00	4.25
Absolute Return (Hedge Fund)	7.50	3.17
Real Return	3.00	0.70
Private Equity	7.50	11.94
Total	100.00 %	

Discount Rate – The discount rate used to measure the total pension liability was 7.60% as of December 31, 2016. Article 5.5, which authorizes the allocation of 50% excess earnings to the SRBR, does not allow the use of a different investment return assumption for funding than is used for interest crediting. In order to reflect the provisions of Article 5.5, future allocations to the SRBR have been treated as an additional outflow against ACERA's fiduciary net position in the GASB crossover test. It is estimated that the additional outflow would average approximately 0.75% of assets over time, based on the results of the actuarial stochastic modeling of the 50% allocation of future excess earnings to the SRBR.

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.60 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 (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate:

(amounts in tables expressed in thousands)

	1% Decrease (6.60%)	Discount Rate (7.60%)	1% Increase (8.60%)
County's proportionate share of the net pension liability	$ 2,487,740	$ 1,717,410	$ 1,076,368

F. *Pension Plan Fiduciary Net Position*

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

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

A. *Plan Description*

The ACFD Miscellaneous Plan (Miscellaneous Plan) is a cost-sharing, multiple-employer, defined benefit plan and the County of Alameda Fire Department 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.

B. *Contributions*

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, 2016, the active employee contribution rate is 6.891 percent of annual pay, and the average ACFD contribution rate is 9.464 percent of annual payroll.

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, 2016, the active employee contribution rate is 9.0 percent of annual pay, and the average County contribution rate is 26.586 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, 2017, ACFD reported a liability of $2.2 million for its proportionate share of the net pension liability for the Miscellaneous Plan. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. 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, 2017, ACFD's proportion was 0.025 percent, which was an increase of 0.002 percent from its proportion measured as of June 30, 2016.

Safety Plan

As of June 30, 2017, ACFD reported a liability of $95.5 million for its Safety Plan net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015.

(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, 2015	$ 361,238	$ 287,796	$ 73,442
Changes for the year:			
Service cost	13,168	-	13,168
Interest	27,452	-	27,452
Changes of assumptions	-	-	-
Differences between expected and ac	(352)	-	(352)
Contributions - employer	-	12,596	(12,596)
Contributions - employee	-	4,164	(4,164)
Net investment income	-	1,614	(1,614)
Benefit payments[1]	(17,229)	(17,229)	-
Administrative expenses	-	(175)	175
Net changes for the year	23,039	970	22,069
Balances at June 30, 2016	$ 384,277	$ 288,766	$ 95,511

[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, 2017, ACFD recognized pension credit of $34 thousand. At June 30, 2017, 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	$ 955	$ -
Changes of assumptions	-	184
Differences between expected and actual experience	19	4
Changes in proportion and differences between ACFD contributions and proportionate share of contributions	659	174
ACFD contributions subsequent to the measurement date	515	-
Total	$ 2,148	$ 362

ACFD contributions of $515 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, 2018. 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:	
2018	$ 285
2019	310
2020	429
2021	247

(amounts in tables expressed in thousands)

Safety Plan

For the year ended June 30, 2017, ACFD recognized pension expense of $16.1 million. At June 30, 2017, 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	$ 15,715	$ -
Changes of assumptions	-	4,053
Differences between expected and actual experience	1,002	294
ACFD contributions subsequent to the measurement date	14,073	-
Total	$ 30,790	$ 4,347

ACFD contributions of $14.1 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, 2018. 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:	
2018	$ 1,411
2019	1,411
2020	6,184
2021	3,423
2022	(59)

(amounts in tables expressed in thousands)

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 in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2015
Discount Rate	7.65%
Inflation Rate	2.75%
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 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

[1] The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

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.

Asset Class	Target Allocation	Real Return Years 1-10[1]	Real Return Years 11+[2]
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%

[1] An expected inflation rate of 2.5% is used for this period
[2] An expected inflation rate of 3.0% 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 7.65 percent as of June 30, 2016. 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.

(amounts in tables expressed in thousands)

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 7.65 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 (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Discount Rate (7.65%)	1% Increase (8.65%)
ACFD's proportionate share of the net pension liability	$ 3,729	$ 2,181	$ 902

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 7.65 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 (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Discount Rate (7.65%)	1% Increase (8.65%)
ACFD's net pension liability	$ 146,446	$ 95,512	$ 53,333

F. ***Pension Plan Fiduciary Net Position***

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

15. Postemployment Medical Benefits - ACERA

A. ***Plan Description***

ACERA administers a medical benefits program for retired members and their eligible dependents. This is not a benefit entitlement program and benefits are subject to modification and/or deletion by the ACERA Board of Retirement. Annually, based on the recommendation of the Board of Retirement, the Board of Supervisors designates a portion of the County's contribution to retirement towards medical premiums of retirees. The medical benefits program operates as a cost-sharing multiple-employer 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.

The County arranges health insurance coverage for employees, negotiating coverage levels and premium rates annually with several carriers. Employees who meet certain eligibility conditions and make the required contributions may continue coverage in those same health plans after retirement until they become Medicare eligible. Currently, the County uses a single blended rate for budgeting and setting premium and contribution rates for both active employees and non-Medicare eligible retirees. The County funds the premiums for employees while ACERA funds the premiums for retirees. ACERA establishes the amount of the Monthly Medical Allowance (MMA). For employees who retire with a minimum 20 years of service, the MMA has been set at $540.44 per month in 2017.

(amounts in tables expressed in thousands)

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

ACERA's financial statements and required supplementary information are audited annually by independent auditors. The audit report and December 31, 2016 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14th Street, Suite 1000, Oakland, CA 94612.

B. Funding Policy

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

The County's OPEB cost is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County's annual postemployment medical benefit cost, the percentage of annual postemployment medical benefit cost contributed to the plan, and the net OPEB obligation for fiscal years 2015 through 2017 are as follows:

Fiscal Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	$ 14,126	672.8 %	$ 10,127
2016	22,001	143.8	488
2017	30,361	0.0	30,849

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

Annual required contributions	$ 30,370
Interest on net OPEB obligation	40
Adjustment to annual required contributions	(49)
Annual OPEB cost	30,361
OPEB contributions	-
Change in net OPEB obligation	30,361
Net OPEB obligation, beginning of fiscal year	488
Net OPEB obligation, end of fiscal year	$ 30,849

The actuarial funding status is determined from a long-term, ongoing plan perspective. The valuation determines the progress made in accumulating sufficient assets to pay benefits when due. The Postemployment Benefit Plan's actuarial accrued liability at December 31, 2016 was $910.4 million; the actuarial value of assets was $837.2 million; the unfunded actuarial accrued liability was $73.2 million; and the funded ratio was 92.0 percent. Covered payroll was $1 billion and the ratio of unfunded actuarial accrued liability to covered payroll was 7.3 percent. For the three-year trend actuarial information, please see the Schedules of Funding Progress on page 101.

C. ***Actuarial Assumptions***

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarially determined amounts for the OPEB plan are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The projections for postemployment medical benefits plan are based on the actuarial methods and assumptions for the annual required contribution (12/31/2015 valuation) and the funded status of the plan (12/31/2016 valuation), as shown in a schedule on the next page.

(amounts in tables expressed in thousands)

Valuation date	December 31, 2016	
Actuarial cost method	Entry Age Normal	
Amortization of UAAL	Closed period 30 years (decreasing)	
Remaining amortization period	19 years	20 years
Amortization method	Level percentage of pay	
Assets valuation method	Difference between actual and expected market return smoothed over 10 six-month periods	
Interest rate	7.60%	
Inflation rate	3.25%	
Across-the-Board salary increases	0.50%	
Salary increases:		
General	4.15 - 7.45%	
Safety	4.45 - 10.45%	
Demographics:		
(A) Healthy	RP-2000 Combined Healthy Mortality Table	
General members and all beneficiaries	Set back one year for males and females	
Safety members	No set back for males and set back two years for females	
(B) Disability	RP-2000 Combined Healthy Mortality Table	
General members	Set forward seven years for males and set forward four years for females	
Safety members	Set forward six years for males and set forward three years for females	
Healthcare Cost Trend Rates:		
Monthly Medical Allowance (MMA)	Starting at 6.50% for 2017 to 2018, reduced by 0.25% per annum until it reaches 4.5%	
Dental and Vision	5%	
Medicare Part B	5%	
Postemployment benefit increases	Dental, vision and Medicare Part B subsidies are assumed to increase with full trend. Monthly Medical Allowance (MMA) subsidies are assumed to increase at 50% of the healthcare cost trend rates for the MMA benefit, with the exception that the 2018 MMA will remain at 2017 levels for non-Medicare insurer at $540.44; for Medicare insurer at $414.	

(amounts in tables expressed in thousands)

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

16. Postemployment Medical Benefits – ACFD

A. Plan Description

The ACFD administers a defined benefit post-retirement medical benefit program 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.

B. Funding Policy

The ACFD's current funding policy for postemployment medical benefit is pay-as-you-go, with employees making contribution to CERBT as a percentage of salary. For fiscal year 2017, the ACFD's contribution is $6.6 million. This amount includes: $1.2 million of employee contributions, $170 thousands of the Union City contribution toward its subaccount, $1 million contribution from ACFD special revenue fund toward the County's subaccount, and $4.2 million of the pay-as-you-go amount allocated to contract agencies based on their shared allocation percentage. The ACFD is working with an actuary and its contract agencies to develop a funding strategy and accounting methodology for its retiree healthcare plan unfunded liability.

Annual OPEB Cost and Net OPEB Obligation

The ACFD's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The following table shows the components of the ACFD's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the ACFD's net OPEB obligation to the Plan:

Annual Required Contribution	$ 16,875
Interest on net OPEB obligation	3,299
Adjustment to annual required contribution	(6,629)
Annual OPEB cost	13,545
Contributions made	(6,642)
Increase in Net OPEB obligation	6,903
Net OPEB obligation – beginning of year	61,030
Net OPEB obligation – end of year	$ 67,933

(amounts in tables expressed in thousands)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal years 2015 through 2017 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	$ 13,023	45.28 %	$ 60,126
6/30/2016	13,957	93.52	61,030
6/30/2017	13,545	49.04	67,933

Funded Status and Funding Progress

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. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The ACFD's Postemployment Benefit Plan's actuarial accrued liability at June 30, 2015 was $126.8 million; the actuarial value of assets was $3.5 million; the unfunded actuarial accrued liability was $123.3 million; and the funded ratio was 2.8 percent. Covered payroll was $50.1 million and the ratio of unfunded actuarial accrued liability to covered payroll was 245.8 percent. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For the three-year trend actuarial information, please see the Schedules of Funding Progress on page 101.

Allocation of UAAL

Although unfunded liability of all ACFD's employees is reported in the ACFD's financials, initial Unfunded Actuarial Accrued Liability (UAAL) will be allocated to the ACFD contract agencies based on the agencies' prior years weighted average cost allocation percentage and ARC amount will also be allocated to contract agencies based on their current cost allocation percentage.

C. <u>Actuarial Assumptions</u>

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

In the June 30, 2015 actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 4.75 percent investment rate of return for no pre-funding scenario, an increasing trend of healthcare cost compared to the prior year, ranging from 7.0 to 7.2 percent increase beginning fiscal year 2017 to 5.0 percent increase beginning fiscal year 2021. The UAAL is being amortized at a level percentage of payroll method over a closed period with 21 years remaining as of June 30, 2017.

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.

(amounts in tables expressed in thousands)

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 $79,735,000 in Refunding Bonds Series 2015 with coupons of 0.8 to 3.793 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 $79,735,000.

These funds coupled with $3,319,013 in the 1996 Series A reserve fund generated available funds of $83,054,013 which was used to refund the 1996 Series A Refunding Bonds of $79,735,000, to fund a reserve fund of $2,168,103, to pay underwriter's discount and issuance cost of $659,928 and $490,983 was returned to the Authority's general fund. The all-in true interest cost of the 2015A refunding bonds was 3.33 percent.

There was an economic loss of $13,479,519 (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 Warriors Agreements, the Arena Bonds are limited obligations of the Coliseum Authority, payable solely from revenues received by the Coliseum Authority on behalf of the City and the County. Revenues consist of base rental payments from the City and County, certain payments from the Warriors of up to $7.428 million annually from premium seating revenues, the sale of personal seat licenses by the Coliseum Authority, concessionaire payments and Arena naming rights. If necessary to prevent default, additional premium revenues up to $10 million may be pledged to service Arena debt. If the revenues received from the Warriors and from Arena operations are not sufficient to cover the debt service requirements in any fiscal year, the City and the County are obligated to make up the shortfall in the base rental payments from their respective general funds. The County and the City each have covenanted to appropriate up to $9.5 million annually to cover such shortfalls in revenue; however, the City and the County are jointly and severally liable to cover such shortfall, which means that the County could have to pay up to $19 million annually in the event of default by the City.

Debt Obligations

Long-term debt outstanding as of June 30, 2017 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	$ 82,770
Arena Bonds				
2015 Refunding Series A Lease Revenue Bonds	February 1, 2026	1% - 4%	79,735	68,535
Total Long-term debt			$ 202,550	$ 151,305

(amounts in tables expressed in thousands)

Debt payments during the fiscal year ended June 30, 2017 were as follows:

	Stadium	Arena	Total
Principal	$ 8,255	$ 5,800	$ 14,055
Interest	4,551	2,168	6,719
Total	$ 12,806	$ 7,968	$ 20,774

The following is a summary of long-term debt transactions for the year ended June 30, 2017:

Outstanding lease revenue bonds, July 1, 2016	$ 165,360
Principal repayments	(14,055)
Outstanding lease revenue bonds, June 30, 2017	151,305
Amount due within one year	(14,870)
Amount due beyond one year	$ 136,435

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
2018	$ 8,670	$ 4,139	$ 6,200	$ 2,096	$ 14,870	$ 6,235
2019	9,100	3,705	6,600	1,991	15,700	5,696
2020	9,555	3,250	7,000	1,838	16,555	5,088
2021	10,035	2,772	7,600	1,650	17,635	4,422
2022	10,535	2,271	8,200	1,426	18,735	3,697
2023-2025	34,875	3,544	32,935	2,774	67,810	6,318
Total	$ 82,770	$ 19,681	$ 68,535	$ 11,775	$ 151,305	$ 31,456

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, 2017, the County made contributions of $11.02 million to fund its share of operating deficits and debt service payments of the Coliseum Authority.

The Coliseum Authority has anticipated a deficit for operating costs and repayment of its Stadium Bonds, such that the City and County will have to contribute to base rental payments. Of the $22 million appropriated in the general fund as part of the above agreements, it is estimated that the County will have to contribute $12 million for the year ending June 30, 2018. 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 $41.385 million. The County has not established a contingent liability for the Arena Bonds because management is of the opinion that revenues from the Arena, including payments from the Warriors and revenues from Arena operations, will be sufficient to cover the debt payments.

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

18. Alameda Health System Discretely Presented Component Unit

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

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

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

Effective July 1, 2003, the County adopted the provisions of GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14. This resulted in the Alameda Health System Foundation (Foundation) being included as a discretely presented component unit of AHS. During fiscal year 2004, the Foundation's Articles of Incorporation and bylaws were amended to require AHS to approve Foundation board members and to allow that upon dissolution, the Foundation's remaining assets would be distributed to AHS. The Foundation distributed $3.9 million to AHS during fiscal year 2017.

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.

(amounts in tables expressed in thousands)

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

	2016/17	2015/16
Estimated liability for claims and contingencies at the beginning of the fiscal year	$ 31,748	$ 31,287
Additional obligations	2,032	9,047
Payments	(1,600)	(8,586)
Estimated liability for claims and contingencies at the end of the fiscal year	$ 32,180	$ 31,748

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 2017.

In 2004, the voters of Alameda County approved Measure A, which provides funding, beginning in fiscal year 2005, for emergency medical, hospital inpatient, outpatient, public health, mental health, and substance abuse services to indigent, low-income and uninsured adults, children, families, seniors and other residents of Alameda County through an increase in Alameda County's sales tax revenue of .5 percent. Seventy-five percent of the funds are to be used by AHS. On June 3, 2014, the voters of Alameda County approved Measure AA, which extends the expiration date of Measure A from June 30, 2019 to June 30, 2034.

In August 2004, the County placed a $200 million limitation on net loans to AHS. As defined, this limitation is calculated as gross loans to AHS, reduced by board-designated funds held by the County on behalf of AHS. In fiscal year 2016, a permanent agreement was approved that sets a schedule of repayment of AHS net loans and a net loan limit of $140 million at June 30, 2017. The net loan of $105.46 million at June 30, 2017 is classified as long-term in the accompanying statement of net position. Should AHS, as a hospital authority, be terminated, the County may be required to assume the liabilities of AHS related to the operation of Hospitals and Clinics.

A. Net Patient Service Revenue

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

B. Medi-Cal and Medicare Programs

A substantial portion of AHS's revenues is derived from services provided to patients eligible for benefits under the Medi-Cal and Medicare programs. Revenues from Medi-Cal and Medicare programs represent approximately 54.5 percent and 28.8 percent, respectively, of gross patient service revenues, excluding certain federal aid revenues, for the year ended June 30, 2017. 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 $89 million in revenues for Section 1115 waiver programs for the year ended June 30, 2017. This amount includes the net intergovernmental transfers for the year ended June 30, 2017 and adjustment to prior year revenues for changes in state allocations.

(amounts in tables expressed in thousands)

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, 2017:

Charity care at cost	$ 6,598
Percent of operating expenses	0.7 %

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, 2017:

HPAC unreimbursed cost	$ 1,211
Percent of operating expenses	0.1 %

E. Accounts Receivable

Accounts receivable at June 30, 2017, comprised the following:

Patient accounts receivable	$ 301,440
Due from State of California	42,061
Other accounts receivable	3,426
Total	$ 346,927

Patient accounts receivable include amounts due from third party payors, patients, and other agencies for patient services rendered and is net of $466.3 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.

(amounts in tables expressed in thousands)

F. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2017, comprised the following:

Accounts payable	$ 64,656
Accrued payroll	21,102
Due to third-party payors	146,535
	$ 232,293

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. The outstanding bonds are recorded by the County and have not been reflected in AHS financial statements prior to fiscal year 2015. In recognizing AHS legal obligation for the allocated share of the debt, the amount due to the County related to the pension obligation bonds has been recognized within the financial statements of fiscal year 2015 and included as a fiscal year 2014 restatement.

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.

AHS is a discretely presented component unit and is an active participant of ACERA. As of June 30, 2017, the proportionate share of net pension liability was $388,391.

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

I. ***Postemployment Medical Benefits***

AHS's annual postemployment medical benefits cost for fiscal years 2015 to 2017 are shown below. There are no transfers of the excess investment earnings from the pension to the SRBR trust for the same periods.

Fiscal Year ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	$ 1,482	0.00 %	$ 34,595
2016	4,240	0.00	38,835
2017	6,689	0.00	45,524

The following table shows AHS's annual postemployment medical benefits cost and the changes in the net OPEB obligation for the year ended June 30, 2017:

Annual required contributions	$ 6,465
Interest on net OPEB obligation	3,045
Adjustment to annual required contributions	(2,821)
Annual postemployment medical benefits cost	6,689
Postemployment medical benefits contributions	-
Increase in net OPEB obligation	6,689
Net OPEB obligation, beginning of year	38,835
Net OPEB obligation, end of year	$ 45,524

19. Self-Insurance and Contingencies

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

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

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

(amounts in tables expressed in thousands)

PRIMARY GOVERNMENT

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

Property insurance is purchased on a March 31 policy year. Therefore, the information provided in the table below is for property insurance policies covering the period March 31, 2017 to March 31, 2018.

Property Insurance – Declared values as of March 31, 2015 for Policy Period March 31, 2017 to March 31, 2018			
	Funding Sources and Coverage Limits		
Coverage type and declared value, if applicable	**Deductible**	**Pooled Retention Limit (CSAC-EIA)**	**Excess Insurance Limit (Various carriers)**
All Risk		3,000,000 per occurrence, $10,000,000 Aggregate, reinsured by EIO, a captive of EIA	$600,000,000
Real and personal property and rents: $2,876,986,078	$50,000		
Vehicles and mobile equipment (excluding buses): $123,240,479	$20,000, except $100,000 for vehicles with replacement value greater than $250,000		
Buses: $2,970,000	$100,000		
Fine Arts (scheduled): $1,952,093	$50,000		
Terrorism	$50,000	$200,000	$550,000,000
Flood: $2,876,986,078	$50,000 (Except Zones A/V, 5% per unit subject to minimum per occurrence based on TIV and a maximum of $4 million per occurrence)	$75,000 (Except Zones A/V)	$600,000,000 (excluding Zones A/V in Tower II)
Earthquake: $2,767,951,348	2% of replacement value per unit per occurrence, with a $100,000 minimum deductible or 5% deductible if the $30,000,000 aggregate is exhausted	Pooled retention is $0. Alameda County is a member of the CSAC - EIA property insurance program. Member properties are separated into eight different groups (towers) to achieve geographical diversity within each group and spread the risk of loss from a single earthquake. Alameda County property is spread between three groups (Towers I, II, and IV) with $100 million in purchased coverage for each tower and an additional $440 million in annual aggregate purchased coverage shared among all members in Towers I –V only, for total purchased earthquake coverage of $940 million, subject to limits of $540 million per tower. The total limit available to Alameda County across the three towers in which its property is scheduled is $740 million: $100 million per tower and $440 million in shared limits.	

(amounts in tables expressed in thousands)

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

	Funding Sources and Coverage Limits		
Program Description	**Self-Insured Retention**	**Pooled Retention Limit (CSAC-EIA)**	**Excess Insurance Limit (Various carriers)**
General and Auto liability	$1,000,000	$17,801,550 corridor retention, reinsured by EIO, a captive of EIA.	$35,000,000 (inclusive of retention)
Medical Malpractice	$10,000 deductible	$1,500,000	$20,000,000
Workers' Compensation	$3,000,000	$22,026,998 corridor retention reinsured by EIO, a captive of EIA	Statutory
Employer's Liability	$3,000,000	$2,000,000	
Pollution Liability	$250,000	$0	$10,000,000 per occurrence / $50,000,000 aggregate

The County purchases insurance for the following exposures:

Description	Deductible	Limit
Aircraft Coverage:		
Aircraft Liability	NIL	$15,000,000
Aircraft Hull (2000 Cessna 206H)	$0	PD value: $825,000
Watercraft Coverage:		
Watercraft Protection and Indemnity	$1,000	$5,000,000
Watercraft Collision and Towers	$1,000	$5,000,000
Watercraft Hull and Machinery	$1,000	Per Schedule of Vessels
Foster Parents Liability	$250	$300,000
Crime Bond / Employee Dishonesty	$2,500	$15,000,000
Cyber Liability	$100,000	$2,000,000
Public Guardian Bonds	$2,500	$15,000,000
Notary Bonds	$0	$1,000,000
Notary Public Errors and Omissions	$0	$10,000

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

(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	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Estimated liability for claims and contingencies at the beginning of the fiscal year	$ 21,520	22,007	$ 108,229	$ 96,915	$ 129,749	$ 118,922
Incurred claims and claim adjustment expenses	7,516	7,379	23,364	31,095	30,880	38,474
Payments	(7,659)	(7,866)	(19,980)	(19,781)	(27,639)	(27,647)
Total estimated liability for claims and contingencies at the end of the fiscal year	$ 21,377	$ 21,520	$ 111,613	$ 108,229	$ 132,990	$ 129,749

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, 2017, 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, 2017, are as follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets, being depreciated:				
Infrastructure	$ 3,111	$ -	$ -	$ 3,111
Less accumulated depreciation for:				
Infrastructure	565	63	-	628
Total capital assets, being depreciated, net	$ 2,546	$ (63)	$ -	$ 2,483

The changes in liabilities, other than long-term debt, of the private-purpose trust fund for the year ended June 30, 2017 are as follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Amounts Due Within One Year
Due to other governmental units	$ 16,404	$ 182	$ (2,717)	$ 13,869	$ 3,040

The outstanding tax allocation bonds of the Alameda County Redevelopment Successor Agency as of June 30, 2017:

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	$ 27,225

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 $41.9 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, 2017 was $2.1 million as against the total debt service payment of $2.1 million. Pursuant to California Assembly Bill ABx1 26, the responsibility for the payment of this debt was transferred to the Alameda County Redevelopment Successor Agency private-purpose trust fund.

(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, 2017, are as follows:

	Balance July 1, 2016	Additional Obligations and Net Increases	Current Maturities, Retirements, and Net Decreases	Balance June 30, 2017	Amounts Due Within One Year
Tax allocation bonds	$ 28,080	$ -	$ (855)	$ 27,225	$ 890
Deferred amount for issuance premium	245	-	(12)	233	12
Total private-purpose trust bonds payable	$ 28,325	$ -	$ (867)	$ 27,458	$ 902

Annual debt service requirements for Alameda County Redevelopment Successor Agency tax allocation bonds outstanding as of June 30, 2017 are as follows:

For the Year Ending June 30	Tax Allocation Bonds		
	Principal	Interest	Total
2018	$ 890	1,219	$ 2,109
2019	925	1,183	2,108
2020	960	1,145	2,105
2021	1,000	1,105	2,105
2022	1,040	1,063	2,103
2023-2027	5,910	4,596	10,506
2028-2032	7,295	3,171	10,466
2033-2037	9,205	1,196	10,401
	$ 27,225	$ 14,678	$ 41,903

21. Restatement of Beginning Net Position

In fiscal year 2017, the County restated the beginning net position as a result of adjustments made to capitalize/adjust construction cost and interest expense that were expended in prior fiscal years. The adjustment resulted in a net increase of $57.7 million in capital assets due the following:

- A net decrease of $498.3 million to construction in progress is primarily due to the transfer of $532.3 million in capitalized costs of phases one and two of the Acute Care Tower project to structures and improvements. Phases I and II of the project were completed by the end of fiscal years 2013 and 2016, respectively. An additional increase of $34.0 million is due to capitalized costs of various projects that are still in construction in progress as of June 30, 2017.

- Bond proceeds were used to fund the construction of the Acute Care Tower project. As a result, a portion of the interest expense should have been capitalized. The total capitalized interest allocated for Phases I and II of $17.6 million is reflected as an increase to structures and improvements.

- An increase of $27.8 million in structures and improvements for the seismic and construction costs of Peralta Oaks building which was vacated in 2007 due to structural deficiencies. The project was completed in 2015.

- A net increase of $21.9 million in accumulated depreciation for projects completed in prior years.

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

	Governmental Activities
Net position- beginning of period, as reported	$1,542,232
Cumulative effect of capital asset restatement	$57,707
Net position- beginning of period, as restated	$1,599,939

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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	Proportionate Share of Net Pension Liability (a)	Covered Employee Payroll (b)	NPL Proportion as percentage of Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a percentage of Total Pension Liability
2017	76.56 %	$ 1,717,410	$ 660,415	260.05 %	77.01 %
2016	76.26	1,615,549	658,750	245.24	73.43
2015	77.01	1,340,553	614,704	218.08	77.26

CalPERS Miscellaneous Plan

Fiscal Year	Proportion of Net Pension Liability	Proportionate Share of Net Pension Liability (a)	Covered Employee Payroll (b)	NPL Proportion as percentage of Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as percentage of Total Pension Liability
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.

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)

Schedule of County Contributions

ACERA

Calendar Year	Contractually Required Contribution	Contributions in relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
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

CalPERS Miscellaneous Plan

Fiscal Year	Contractually Required Contribution	Contributions in relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
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 Employee Payroll	Contributions as a percentage of Covered Employee Payroll
2017	$ 14,073	$ 14,073	-	$ 46,102	30.53 %
2016	12,596	12,596	-	44,064	28.59
2015	12,024	12,024	-	45,029	26.70
2014	12,029	12,029	-	45,785	26.27

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

(amounts expressed in thousands)

Notes to the CalPERS Safety Plan Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2017 were from the June 30, 2014 public agency valuations:

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age, service, and type of employment
Payroll growth	3.00%
Investment rate of return	7.50% net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include five years of projected mortality improvement using Scale AA published by the Society of Actuaries.

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)

Schedule of Changes in the Net Pension Liability and Related Ratios

CalPERS Safety Plan

Total pension liability	Fiscal Year 2017	Fiscal Year 2016
Service cost	$ 13,168	$ 13,449
Interest	27,452	25,746
Changes of assumptions	-	(6,244)
Differences between expected and actual experience	(352)	1,544
Benefit payments, including refunds of employee contributions	(17,229)	(15,559)
Net change in total pension liability	23,039	18,936
Total pension liabiltiy, beginning	361,238	342,302
Total pension liabiltiy, ending	$ 384,277	$ 361,238
Safety plan fiduciary net position		
Contributions - employer	$ 12,596	$ 12,024
Contributions - employee	4,164	4,144
Net investment income	1,614	6,379
Benefit payments, including refunds of employee contributions	(17,229)	(15,559)
Administrative expense	(175)	(324)
Net change in safety plan fiduciary net position	970	6,664
Safety plan fiduciary net position, beginning	287,796	281,132
Safety plan fiduciary net position, ending	$ 288,766	$ 287,796
County's net pension liability - ending	$ 95,511	$ 73,442
Safety plan fiduciary net position as a percentage of the total pension liability	75.15	79.67 %
Covered employee payroll	$ 45,596	$ 45,029
County's net pension liability as a percentage of covered employee payroll	209.47	163.10 %

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)

Schedule of Funding Progress - Postemployment Medical Benefits

ACERA

Actuarial Valuation Date December 31	Actuarial Value of Plan Assets (a)	Accrued Actuarial Liability (AAL) (b)	Funded Ratio (%) (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2014	$ 759,200	$ 831,334	91.3 %	$ 72,134	$ 948,848	7.6 %
2015	822,858	900,981	91.3	78,123	969,534	8.1
2016	837,185	910,356	92.0	73,171	1,003,651	7.3

CalPERS

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Accrued Actuarial Liability (AAL) (b)	Funded Ratio (%) (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2011	$ -	$ 91,574	0.0 %	$ 91,574	$ 48,377	189.3 %
6/30/2013	-	111,712	0.0	111,712	50,708	220.3
6/30/2015	3,528	126,879	2.8	123,351	50,186	245.8

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Taxes	$ 492,535	$ 507,478	$ 505,542	$ (1,936)
Licenses and permits	9,018	9,018	8,557	(461)
Fines, forfeitures, and penalties	16,549	19,642	31,435	11,793
Use of money and property	7,869	7,869	9,456	1,587
State aid	1,019,228	1,069,351	1,102,974	33,623
Federal aid	510,803	553,101	433,673	(119,428)
Other aid	43,056	66,155	61,654	(4,501)
Charges for services	323,590	343,549	328,475	(15,074)
Other revenue	70,810	71,274	56,000	(15,274)
Total revenues	2,493,458	2,647,437	2,537,766	(109,671)
Expenditures:				
Current				
General government				
Salaries and benefits	103,821	107,015	97,592	9,423
Services and supplies	50,137	56,378	41,169	15,209
Other charges	27,171	25,030	13,181	11,849
Capital assets	344	542	542	-
Public protection				
Salaries and benefits	510,367	550,444	530,746	19,698
Services and supplies	212,171	223,955	209,834	14,121
Other charges	8,143	8,455	7,502	953
Capital assets	2,708	2,461	2,130	331
Public assistance				
Salaries and benefits	269,263	272,120	251,882	20,238
Services and supplies	240,113	241,052	205,018	36,034
Other charges	342,896	343,003	287,841	55,162
Capital assets	13,452	15,385	2,881	12,504
Health and sanitation				
Salaries and benefits	189,295	198,801	171,419	27,382
Services and supplies	564,543	602,700	494,777	107,923
Other charges	96,232	177,314	162,020	15,294
Capital assets	20	307	208	99
Public ways and facilities				
Salaries and benefits	445	455	455	-
Services and supplies	2,734	2,726	2,310	416
Recreation and cultural services				
Salaries and benefits	10	11	11	-
Services and supplies	737	736	645	91
Education				
Salaries and benefits	-	2	2	-
Services and supplies	326	324	297	27
Capital outlay	10,681	10,681	3,728	6,953
Pension bond debt service transfer	(59,409)	(59,409)	(59,409)	-
Total expenditures	2,586,200	2,780,488	2,426,781	353,707
Excess (deficiency) of revenues over expenditures	(92,742)	(133,051)	110,985	244,036
Other financing sources (uses):				
Issuance of loans	-	-	3,000	3,000
Transfers in	-	37,708	2,571	(35,137)
Transfers out	(59,409)	(195,336)	(176,039)	19,297
Budgetary reserves and designations	-	(26,595)	-	26,595
Total other financing sources (uses)	(59,409)	(184,223)	(170,468)	13,755
Net change in fund balance	(152,151)	(317,274)	(59,483)	257,791
Add outstanding encumbrances for current budget year	-	-	147,939	147,939
Fund balance - beginning of period	1,438,191	1,438,191	1,438,191	-
Fund balance - end of period	$ 1,286,040	$ 1,120,917	$ 1,526,647	$ 405,730

See the notes to required supplementary information.

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PROPERTY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Use of money and property	$ 237	$ 237	$ 1,595	$ 1,358
Other revenue	3,000	3,170	392	(2,778)
Total revenues	3,237	3,407	1,987	(1,420)
Expenditures:				
Current				
General government				
Salaries and benefits	512	512	281	231
Services and supplies	1,803	1,803	504	1,299
Capital assets	225	225	-	225
Total expenditures	2,540	2,710	955	1,755
Excess of revenues over expenditures	697	697	1,032	335
Other financing sources (uses):				
Proceeds from sale of land	19,850	19,850	11,957	(7,893)
Transfers out	(20,564)	(53,525)	(9,989)	43,536
Total other financing sources (uses)	(714)	(33,675)	1,968	35,643
Net change in fund balance	(17)	(32,978)	3,000	35,978
Add outstanding encumbrances for current budget year	-	-	70	70
Fund balance - beginning of period	377,205	377,205	377,205	-
Fund balance - end of period	$ 377,188	$ 344,227	$ 380,275	$ 36,048

See the notes to required supplementary information.

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Taxes	$ 36,431	$ 40,549	$ 40,460	$ (89)
Licenses and permits	25	25	4,044	4,019
Use of money and property	968	968	1,481	513
State aid	312	312	408	96
Federal aid	-	-	101	101
Other aid	3,012	3,012	3,741	729
Charges for services	12,471	12,471	12,268	(203)
Other revenue	65	65	171	106
Total revenues	53,284	57,402	62,674	5,272
Expenditures:				
Current				
Public protection				
Salaries and benefits	39,615	40,021	17,551	22,470
Services and supplies	98,566	122,976	67,089	55,887
Other charges	2,641	2,641	1,083	1,558
Capital assets	6,433	7,804	4,538	3,266
Total expenditures	147,255	173,442	90,261	83,181
Excess (deficiency) of revenues over expenditures	(93,971)	(116,040)	(27,587)	88,453
Other financing uses:				
Transfers out	(13)	(78)	-	78
Total other financing uses	(13)	(78)	-	78
Net change in fund balance	(93,984)	(116,118)	(27,587)	88,531
Add outstanding encumbrances for current budget year	-	-	27,904	27,904
Fund balance - beginning of period	201,856	201,856	201,856	-
Fund balance - end of period	$ 107,872	$ 85,738	$ 202,173	$ 116,435

See the notes to required supplementary information.

1. Budget and Budgetary Accounting

General Budget Policies

In accordance with the provisions of Sections 29000 through 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget on or before August 30, for each fiscal year. The expenditure side of the budget is enacted into law through the passage of an appropriation ordinance. This ordinance constitutes the maximum authorizations for spending during the fiscal year, and cannot be exceeded except by subsequent amendment of the budget by the Board of Supervisors. A balanced operating budget is adopted each fiscal year for the general fund, the special revenue funds, with the exception of the capital projects fund. No formal budget is adopted for inmate welfare and housing successor asset special revenue funds. Public hearings are conducted on the proposed budget prior to adoption to review all appropriations and sources of financing. The prior year fund balance is used as part of the balancing formula. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in appropriations.

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

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

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

Budgetary Basis of Accounting

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

2. Reconciliation of Budget vs. GAAP Basis Expenditures

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

Reconciliation of Budget vs. GAAP Basis Expenditures

	General Fund	Property Development Fund	Flood Control Fund
Budget basis expenditures	$ 2,426,781	$ 955	$ 90,261
Encumbrances for current budget year	(147,939)	(70)	(27,904)
GAAP basis expenditures	$ 2,278,842	$ 885	$ 62,357

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COMBINING FINANCIAL STATEMENTS AND OTHER SUPPLEMENTARY INFORMATION

Capital Projects Fund

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

COUNTY OF ALAMEDA, CALIFORNIA

CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines, forfeitures, and penalties	$ 29,568	$ 29,568	$ 3,051	$ (26,517)
Use of money and property	-	-	542	542
State aid	10,629	13,922	42,912	28,990
Federal aid	818	818	460	(358)
Other revenue	182	182	500	318
Total revenues	41,197	44,490	47,465	2,975
Expenditures:				
Capital outlay	322,572	316,694	115,383	201,311
Deficiency of revenues over expenditures	(281,375)	(272,204)	(67,918)	204,286
Other financing sources (uses):				
Transfers in	172,760	175,348	81,899	(93,449)
Transfers out	(6,404)	(6,506)	(72)	6,434
Total other financing sources (uses)	166,356	168,842	81,827	(87,015)
Net change in fund balance	(115,019)	(103,362)	13,909	117,271
Add outstanding encumbrances for current budget year	-	-	30,996	30,996
Fund balance - beginning	(4,203)	(4,203)	(4,203)	-
Fund balance - ending	$ (119,222)	$ (107,565)	$ 40,702	$ 148,267

Non-major Governmental Funds

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DEBT SERVICE FUND

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

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017
(amounts expressed in thousands)

	Special Revenue					
	Fish and Game	**Road**	**County Library**	**Library Special Taxing Zone**	**Health Services**	**Fire**
Assets:						
Cash and investments with County Treasurer	$ 365	$ 87,466	$ 12,548	$ 643	$ 16,091	$ 54,192
Cash and investments with fiscal agents	-	-	3	-	-	-
Restricted assets - cash and investments with fiscal agents	-	-	-	-	-	-
Deposits with others	-	-	2	-	-	5,908
Other receivables	-	1,967	1,765	23	891	11,171
Due from component unit	-	18	-	-	-	-
Inventory of supplies	-	204	-	-	-	-
Prepaid items	-	-	-	-	-	681
Loans receivable	-	-	-	-	210	-
Total assets	$ 365	$ 89,655	$ 14,318	$ 666	$ 17,192	$ 71,952
Liabilities, deferred inflows of resources, and fund balances						
Liabilities:						
Accounts payable and accrued expenditures	$ -	$ 4,459	$ 941	$ 171	$ 5,160	$ 4,472
Due to other funds	-	-	-	-	-	-
Due to component unit	-	-	-	-	33	-
Unearned revenue	-	-	-	-	96	1,816
Total liabilities	-	4,459	941	171	5,289	6,288
Deferred inflows of resources						
Unavailable revenue	-	-	91	-	210	157
Fund balances:						
Nonspendable	-	204	-	-	-	681
Restricted	365	84,992	13,286	495	11,693	57,220
Assigned	-	-	-	-	-	7,606
Total fund balances	365	85,196	13,286	495	11,693	65,507
Total liabilities, deferred inflows of resources, and fund balances	$ 365	$ 89,655	$ 14,318	$ 666	$ 17,192	$ 71,952

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017
(amounts expressed in thousands)

	Special Revenue				
	Recovery Grants	Lighting	Public Ways and Facilities	Dublin Library	Police Protection
Assets:					
Cash and investments with County Treasurer	$ 405	$ 2,505	$ 5,795	$ 6	$ -
Cash and investments with fiscal agents	-	-	-	-	-
Restricted assets - cash and investments with fiscal agents	-	-	-	-	-
Deposits with others	-	-	-	-	-
Other receivables	-	6	309	-	868
Due from component unit	-	-	-	-	-
Inventory of supplies	-	-	-	-	-
Prepaid items	-	-	-	-	-
Loans receivable	-	-	-	-	-
Total assets	$ 405	$ 2,511	$ 6,104	$ 6	$ 868
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable and accrued expenditures	$ 35	$ 51	$ 154	$ -	$ 25
Due to other funds	-	-	-	-	807
Due to component unit	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	35	51	154	-	832
Deferred inflows of resources					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	370	2,460	5,950	6	36
Assigned	-	-	-	-	-
Total fund balances	370	2,460	5,950	6	36
Total liabilities, deferred inflows of resources, and fund balances	$ 405	$ 2,511	$ 6,104	$ 6	$ 868

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017
(amounts expressed in thousands)

	Special Revenue			Debt Service	
	Housing Successor Assets	Inmate Welfare	Total	Tobacco Securitization Authority	Total Non-major Governmental Funds
Assets:					
Cash and investments with County Treasurer	$ -	$ 6,581	$ 186,597	$ -	$ 186,597
Cash and investments with fiscal agents	-	-	3	-	3
Restricted assets - cash and investments with fiscal agents	-	-	-	21,002	21,002
Deposits with others	-	-	5,910	-	5,910
Other receivables	-	628	17,628	6,690	24,318
Due from component unit	-	-	18	-	18
Inventory of supplies	-	-	204	-	204
Prepaid items	-	-	681	-	681
Loans receivable	33,729	-	33,939	-	33,939
Total assets	$ 33,729	$ 7,209	$ 244,980	$ 27,692	$ 272,672
Liabilities, deferred inflows of resources, and fund balances					
Liabilities:					
Accounts payable and accrued expenditures	$ -	$ 847	$ 16,315	$ -	$ 16,315
Due to other funds	-	-	807	-	807
Due to component unit	-	-	33	-	33
Unearned revenue	-	-	1,912	-	1,912
Total liabilities	-	847	19,067	-	19,067
Deferred inflows of resources					
Unavailable revenue	33,729	-	34,187	6,690	40,877
Fund balances:					
Nonspendable	-	-	885	-	885
Restricted	-	6,323	183,196	21,002	204,198
Assigned	-	39	7,645	-	7,645
Total fund balances	-	6,362	191,726	21,002	212,728
Total liabilities, deferred inflows of resources, and fund balances	$ 33,729	$ 7,209	$ 244,980	$ 27,692	$ 272,672

(concluded)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Special Revenue					
	Fish and Game	Road	County Library	Library Special Taxing Zone	Health Services	Fire
Revenues:						
Taxes	$ -	$ 5,160	$ 24,551	$ 430	$ -	$ 36,822
Licenses and permits	-	1,134	-	-	222	-
Fines, forfeitures, and penalties	27	11	-	-	2,174	-
Use of money and property	2	2,660	27	2	40	214
State aid	-	23,697	281	3	131	2,903
Federal aid	-	3,741	7	-	-	1,020
Other aid	-	5,440	1,090	36	-	3,076
Charges for services	-	602	3,122	-	26,606	87,572
Other revenue	-	434	394	-	3,972	70
Total revenues	29	42,879	29,472	471	33,145	131,677
Expenditures:						
General government	-	-	-	-	-	-
Public protection	96	-	-	-	-	124,561
Public assistance	-	-	-	-	-	-
Health and sanitation	-	-	-	-	31,750	-
Public ways and facilities	-	21,890	-	-	-	-
Education	-	-	27,545	906	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay	-	18,400	-	-	-	-
Total expenditures	96	40,290	27,545	906	31,750	124,561
Excess (deficiency) of revenues over expenditures	(67)	2,589	1,927	(435)	1,395	7,116
Other financing sources (uses):						
Transfers in	-	-	13	-	-	-
Transfers out	-	(2,300)	-	-	(563)	-
Total other financing sources (uses)	-	(2,300)	13	-	(563)	-
Net change in fund balances	(67)	289	1,940	(435)	832	7,116
Fund balances - beginning of period	432	84,907	11,346	930	10,861	58,391
Fund balances - end of period	$ 365	$ 85,196	$ 13,286	$ 495	$ 11,693	$ 65,507

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Special Revenue				
	Recovery Grants	Lighting	Public Ways and Facilities	Dublin Library	Police Protection
Revenues:					
Taxes	$ -	$ 8	$ 867	$ -	$ 17,954
Licenses and permits	-	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Use of money and property	1	28	23	1	72
State aid	-	-	-	-	122
Federal aid	56	-	-	-	-
Other aid	-	1	-	-	-
Charges for services	-	867	2,186	-	-
Other revenue	88	-	39	-	-
Total revenues	145	904	3,115	1	18,148
Expenditures:					
General government	-	-	-	-	-
Public protection	-	-	-	-	17,877
Public assistance	179	-	-	-	-
Health and sanitation	-	-	-	-	-
Public ways and facilities	-	635	5,118	-	-
Education	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total expenditures	179	635	5,118	-	17,877
Excess (deficiency) of revenues over expenditures	(34)	269	(2,003)	1	271
Other financing sources (uses):					
Transfers in	-	-	2,300	-	-
Transfers out	-	-	-	-	(250)
Total other financing sources (uses)	-	-	2,300	-	(250)
Net change in fund balances	(34)	269	297	1	21
Fund balances - beginning of period	404	2,191	5,653	5	15
Fund balances - end of period	$ 370	$ 2,460	$ 5,950	$ 6	$ 36

(continued)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Special Revenue			Debt Service	
	Housing Successor Assets	Inmate Welfare	Total	Tobacco Securitization Authority	Total Non-major Governmental Funds
Revenues:					
Taxes	$ -	$ -	$ 85,792	$ -	$ 85,792
Licenses and permits	-	-	1,356	-	1,356
Fines, forfeitures, and penalties	-	-	2,212	-	2,212
Use of money and property	-	31	3,101	642	3,743
State aid	-	-	27,137	-	27,137
Federal aid	-	-	4,824	-	4,824
Other aid	-	-	9,643	-	9,643
Charges for services	-	-	120,955	-	120,955
Other revenue	-	7,155	12,152	13,388	25,540
Total revenues	-	7,186	267,172	14,030	281,202
Expenditures:					
General government	-	-	-	32	32
Public protection	-	8,100	150,634	-	150,634
Public assistance	-	-	179	-	179
Health and sanitation	-	-	31,750	-	31,750
Public ways and facilities	-	-	27,643	-	27,643
Education	-	-	28,451	-	28,451
Debt service					
Principal	-	-	-	4,940	4,940
Interest	-	-	-	8,920	8,920
Capital Outlay	-	-	18,400		18,400
Total expenditures	-	8,100	257,057	13,892	270,949
Excess (deficiency) of revenues over expenditures	-	(914)	10,115	138	10,253
Other financing sources (uses):					
Transfers in	-	72	2,385	-	2,385
Transfers out	-	-	(3,113)	-	(3,113)
Total other financing sources (uses)	-	72	(728)	-	(728)
Net change in fund balances	-	(842)	9,387	138	9,525
Fund balances - beginning of period	-	7,204	182,339	20,864	203,203
Fund balances - end of period	$ -	$ 6,362	$ 191,726	$ 21,002	$ 212,728

(concluded)

COUNTY OF ALAMEDA, CALIFORNIA

FISH AND GAME - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Fines, forfeitures, and penalties	$ 60	$ 60	$ 27	$ (33)
Use of money and property	-	-	2	2
Total revenues	60	60	29	(31)
Expenditures:				
Current				
Public protection				
Services and supplies	60	491	96	395
Total expenditures	60	491	96	395
Excess (deficiency) of revenues over expenditures	-	(431)	(67)	364
Net change in fund balance	-	(431)	(67)	364
Fund balance - beginning of period	432	432	432	-
Fund balance - end of period	$ 432	$ 1	$ 365	$ 364

COUNTY OF ALAMEDA, CALIFORNIA

ROAD - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Taxes	$ 5,482	$ 5,482	$ 5,160	$ (322)
Licenses and permits	1,080	1,080	1,134	54
Fines, forfeitures, and penalties	25	25	11	(14)
Use of money and property	2,590	2,590	2,660	70
State aid	29,444	29,444	23,697	(5,747)
Federal aid	3,053	3,053	3,741	688
Other aid	6,745	6,745	5,440	(1,305)
Charges for services	859	859	602	(257)
Other revenue	327	327	434	107
Total revenues	49,605	49,605	42,879	(6,726)
Expenditures:				
Current				
Public ways and facilities				
Salaries and benefits	14,210	15,498	15,498	-
Services and supplies	69,466	102,406	40,943	61,463
Other charges	935	935	89	846
Capital assets	3,981	4,281	2,629	1,652
Total expenditures	88,592	123,120	59,159	63,961
Excess (deficiency) of revenues over expenditures	(38,987)	(73,515)	(16,280)	57,235
Other financing uses:				
Transfers out	(2,300)	(2,300)	(2,300)	-
Total other financing uses	(2,300)	(2,300)	(2,300)	-
Net change in fund balance	(41,287)	(75,815)	(18,580)	57,235
Add outstanding encumbrances for current budget year	-	-	18,869	18,869
Fund balance - beginning of period	84,907	84,907	84,907	-
Fund balance - end of period	$ 43,620	$ 9,092	$ 85,196	$ 76,104

COUNTY OF ALAMEDA, CALIFORNIA

COUNTY LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Taxes	$ 18,377	$ 24,772	$ 24,551	$ (221)
Use of money and property	10	10	27	17
State aid	240	240	281	41
Federal aid	-	-	7	7
Other aid	975	975	1,090	115
Charges for services	2,948	2,948	3,122	174
Other revenue	210	210	394	184
Total revenues	22,760	29,155	29,472	317
Expenditures:				
Current				
Education				
Salaries and benefits	21,161	21,167	17,248	3,919
Services and supplies	9,829	16,534	9,547	6,987
Other charges	1,204	1,254	1,236	18
Capital assets	188	898	728	170
Total expenditures	32,382	39,853	28,759	11,094
Excess (deficiency) of revenues over expenditures	(9,622)	(10,698)	713	11,411
Other financing sources:				
Transfers in	-	-	13	13
Total other financing sources	-	-	13	13
Net change in fund balance	(9,622)	(10,698)	726	11,424
Add outstanding encumbrances for current budget year	-	-	1,214	1,214
Fund balance - beginning of period	11,346	11,346	11,346	-
Fund balance - end of period	$ 1,724	$ 648	$ 13,286	$ 12,638

COUNTY OF ALAMEDA, CALIFORNIA

LIBRARY SPECIAL TAXING ZONE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Taxes	$ 306	$ 431	$ 430	$ (1)
Use of money and property	10	10	2	(8)
State aid	2	2	3	1
Other aid	-	-	36	36
Total revenues	318	443	471	28
Expenditures:				
Current				
Education				
Services and supplies	2,180	1,365	1,010	355
Other charges	3	3	3	-
Total expenditures	2,183	1,658	1,303	355
Excess (deficiency) of revenues over expenditures	(1,865)	(1,215)	(832)	383
Net change in fund balance	(1,865)	(1,215)	(832)	383
Add outstanding encumbrances for current budget year	-	-	397	397
Fund balance - beginning of period	930	930	930	-
Fund balance - end of period	$ (935)	$ (285)	$ 495	$ 780

COUNTY OF ALAMEDA, CALIFORNIA

HEALTH SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary	Variance Positive
	Original	Final	Basis	(Negative)
Revenues:				
Licenses and permits	$ 150	$ 150	$ 222	$ 72
Fines, forfeitures, and penalties	-	-	2,174	2,174
Use of money and property	50	50	40	(10)
State aid	-	-	131	131
Charges for services	25,914	25,914	26,606	692
Other revenue	5,463	5,709	3,972	(1,737)
Total revenues	31,577	31,823	33,145	1,322
Expenditures:				
Current				
Health and sanitation				
Salaries and benefits	9,764	9,764	8,884	880
Services and supplies	31,146	37,455	25,089	12,366
Other charges	293	293	293	-
Total expenditures	41,203	47,512	34,266	13,246
Excess (deficiency) of revenues over expenditures	(9,626)	(15,689)	(1,121)	14,568
Other financing uses:				
Transfers out	-	(563)	(563)	-
Budgetary reserves and designations	(133)	-	-	-
Total other financing uses	(133)	(563)	(563)	-
Net change in fund balance	(9,759)	(16,252)	(1,684)	14,568
Add outstanding encumbrances for current budget year	-	-	2,516	2,516
Fund balance - beginning of period	10,861	10,861	10,861	-
Fund balance - end of period	$ 1,102	$ (5,391)	$ 11,693	$ 17,084

COUNTY OF ALAMEDA, CALIFORNIA

FIRE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary	Variance Positive
	Original	Final	Basis	(Negative)
Revenues:				
Taxes	$ 33,287	$ 36,960	$ 36,822	$ (138)
Use of money and property	129	129	214	85
State aid	1,884	1,884	2,903	1,019
Federal aid	282	282	1,020	738
Other aid	2,474	2,474	3,076	602
Charges for services	88,780	88,780	87,572	(1,208)
Other revenue	21	21	70	49
Total revenues	126,857	130,530	131,677	1,147
Expenditures:				
Current				
Public protection				
Salaries and benefits	108,793	108,793	106,047	2,746
Services and supplies	22,636	69,921	20,206	49,715
Other charges	662	662	662	-
Capital assets	5,452	7,152	2,339	4,813
Total expenditures	137,543	186,528	129,254	57,274
Excess (deficiency) of revenues over expenditures	(10,686)	(55,998)	2,423	58,421
Net change in fund balance	(10,686)	(55,998)	2,423	58,421
Add outstanding encumbrances for current budget year	-	-	4,693	4,693
Fund balance - beginning of period	58,391	58,391	58,391	-
Fund balance - end of period	$ 47,705	$ 2,393	$ 65,507	$ 63,114

COUNTY OF ALAMEDA, CALIFORNIA

RECOVERY GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Use of money and property	$ -	$ -	$ 1	$ 1
Federal aid	1,000	1,000	56	(944)
Other revenue	-	-	88	88
Total revenues	1,000	1,000	145	(855)
Expenditures:				
Current				
Public assistance				
Services and supplies	1,462	996	179	817
Total expenditures	1,462	996	179	817
Excess (deficiency) of revenues over expenditures	(462)	4	(34)	(38)
Net change in fund balance	(462)	4	(34)	(38)
Fund balance - beginning of period	404	404	404	-
Fund balance - end of period	$ (58)	$ 408	$ 370	$ (38)

COUNTY OF ALAMEDA, CALIFORNIA

LIGHTING - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 5	$ 8	$ 8	$ -
Use of money and property	8	8	28	20
Other aid	-	-	1	1
Charges for services	875	875	867	(8)
Total revenues	888	891	904	13
Expenditures:				
Current				
Public ways and facilities				
Salaries and benefits	-	10	10	-
Services and supplies	891	1,384	445	939
Other charges	180	180	180	-
Total expenditures	1,071	1,574	635	939
Excess (deficiency) of revenues over expenditures	(183)	(683)	269	952
Net change in fund balance	(183)	(683)	269	952
Fund balance - beginning of period	2,191	2,191	2,191	-
Fund balance - end of period	$ 2,008	$ 1,508	$ 2,460	$ 952

COUNTY OF ALAMEDA, CALIFORNIA

PUBLIC WAYS AND FACILITIES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Taxes	$ 789	$ 797	$ 867	$ 70
Use of money and property	15	15	23	8
Charges for services	2,320	2,320	2,186	(134)
Other revenue	-	-	39	39
Total revenues	3,124	3,132	3,115	(17)
Expenditures:				
Current				
Public ways and facilities				
Salaries and benefits	2,520	3,006	2,939	67
Services and supplies	7,660	8,124	2,893	5,231
Other charges	61	61	61	-
Total expenditures	10,241	11,191	5,893	5,298
Excess (deficiency) of revenues over expenditures	(7,117)	(8,059)	(2,778)	5,281
Other financing sources:				
Transfers in	2,300	2,300	2,300	-
Total other financing sources	3,300	3,300	2,300	(1,000)
Net change in fund balance	(3,817)	(4,759)	(478)	4,281
Add outstanding encumbrances for current budget year	-	-	775	775
Fund balance - beginning of period	5,653	5,653	5,653	-
Fund balance - end of period	$ 1,836	$ 894	$ 5,950	$ 5,056

COUNTY OF ALAMEDA, CALIFORNIA

DUBLIN LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	$ -	$ -	$ 1	$ 1
Total revenues	-	-	1	1
Expenditures:				
Current				
Education				
Services and supplies	$ -	$ 6	$ -	$ 6
Total expenditures	-	6	-	6
Deficiency of revenues over expenditures	-	(6)	1	7
Net change in fund balance	-	(6)	1	7
Fund balance - beginning of period	5	5	5	-
Fund balance - end of period	$ 5	$ (1)	$ 6	$ 7

COUNTY OF ALAMEDA, CALIFORNIA

POLICE PROTECTION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Taxes	$ 17,580	$ 18,046	$ 17,954	$ (92)
Use of money and property	20	20	72	52
State aid	124	124	122	(2)
Total revenues	17,724	18,190	18,148	(42)
Expenditures:				
Current				
Public protection				
Salaries and benefits	17,530	17,699	17,700	(1)
Services and supplies	129	184	120	64
Other charges	65	57	57	-
Total expenditures	17,724	17,940	17,877	63
Excess of revenues over expenditures	-	250	271	21
Net change in fund balance	-	-	21	21
Fund balance - beginning of period	15	15	15	-
Fund balance - end of period	$ 15	$ 15	$ 36	$ 21

Internal Service Funds

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

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

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

Information Technology - This fund was established to account for the costs of providing information services, system design, computer programming, and computer processing for all County departments. Effective July 1, 2013, this fund will also provide communication services such as telephone service, radio and microwave maintenance, and electronic maintenance and repair services to County departments, cities, and special districts. Revenues are based on fees charged for services provided.

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

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017
(amounts expressed in thousands)

	Motor Pool	Building Maintenance	Information Technology	Risk Management	Total
Assets					
Current assets:					
Cash and investments with County Treasurer	$ -	$ 17,444	$ 2,080	$ 147,450	$ 166,974
Cash and investments with fiscal agents	-	-	-	250	250
Deposits with others	-	5	-	-	5
Other receivables	296	547	838	684	2,365
Due from component unit	24	174	-	-	198
Inventory of supplies	-	-	4	-	4
Prepaid items	-	-	2,991	125	3,116
Total current assets	320	18,170	5,913	148,509	172,912
Noncurrent assets:					
Capital assets:					
Machinery and equipment, net of depreciation	17,962	208	5,586	4	23,760
Total capital assets	17,962	208	5,586	4	23,760
Total noncurrent assets	17,962	208	5,586	4	23,760
Total assets	18,282	18,378	11,499	148,513	196,672
Deferred outflows of resources					
Related to pensions	1,224	14,906	19,047	916	36,093
Liabilities					
Current liabilities:					
Accounts payable and accrued expenses	815	3,852	3,178	1,678	9,523
Compensated employee absences payable	86	927	1,243	18	2,274
Estimated liability for claims and contingencies	-	-	-	30,093	30,093
Due to other funds	454	-	-	-	454
Total current liabilities	1,355	4,779	4,421	31,789	42,344
Noncurrent liabilities:					
Net pension liability	2,817	38,870	46,568	2,527	90,782
Compensated employee absences payable	48	519	696	10	1,273
Estimated liability for claims and contingencies	-	-	-	102,897	102,897
Total noncurrent liabilities	2,865	39,389	47,264	105,434	194,952
Total liabilities	4,220	44,168	51,685	137,223	237,296
Deferred inflows of resources					
Related to pensions	207	2,706	3,280	184	6,377
Net position					
Investment in capital assets	17,962	208	5,586	4	23,760
Unrestricted (deficit)	(2,883)	(13,798)	(30,005)	12,018	(34,668)
Total net position	$ 15,079	$ (13,590)	$ (24,419)	$ 12,022	$ (10,908)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Motor Pool	Building Maintenance	Information Technology	Risk Management	Total
Operating revenues:					
Charges for services	$ 12,880	$ 102,168	$ 69,280	$ 63,824	$ 248,152
Operating expenses:					
Salaries and benefits	2,830	39,278	41,100	2,047	85,255
Contractual services	644	1,037	8,868	3,887	14,436
Utilities	7	13,784	729	-	14,520
Repairs and maintenance	499	10,448	163	-	11,110
Other supplies and expenses	4,744	35,968	12,326	11,216	64,254
Insurance claims and expenses	-	-	-	29,895	29,895
Depreciation	3,387	61	1,900	-	5,348
Telephone	-	-	2,996	-	2,996
County indirect costs	2,082	4,871	1,210	985	9,148
Dental claims	-	-	-	8,286	8,286
Other	-	-	-	957	957
Total operating expenses	14,193	105,447	69,292	57,273	246,205
Operating income (loss)	(1,313)	(3,279)	(12)	6,551	1,947
Non-operating revenues (expenses):					
Investment income	2	38	(37)	535	538
Loss on sale of capital assets	(24)	-	-	-	(24)
Total non-operating revenues (expenses)	(22)	38	(37)	535	514
Income (loss) before transfers	(1,335)	(3,241)	(49)	7,086	2,461
Transfers in	966	2,706	-	-	3,672
Transfers out	(28)	(4,385)	(3,246)	(3,800)	(11,459)
Change in net position	(397)	(4,920)	(3,295)	3,286	(5,326)
Total net position - beginning of period	15,476	(8,670)	(21,124)	8,736	(5,582)
Total net position - end of period	$ 15,079	$ (13,590)	$ (24,419)	$ 12,022	$ (10,908)

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Motor Pool	Building Maintenance	Information Technology	Risk Management	Total
Cash flows from operating activities					
Internal activity - receipts from other funds	$ 12,720	$ 102,150	$ 69,589	$ 63,523	$ 247,982
Payments to suppliers	(5,946)	(61,842)	(27,632)	(15,576)	(110,996)
Payments to employees	(2,473)	(34,739)	(35,636)	(1,781)	(74,629)
Internal activity - payments to other funds	(2,082)	(4,871)	(1,210)	(985)	(9,148)
Claims paid	-	-	-	(34,940)	(34,940)
Other payments	-	-	-	(957)	(957)
Net cash provided by operating activities	2,219	698	5,111	9,284	17,312
Cash flows from non-capital financing activities					
Transfers in	966	2,706	-	-	3,672
Transfers out	(28)	(4,385)	(3,246)	(3,800)	(11,459)
Net cash provided by (used in) non-capital financing activities	938	(1,679)	(3,246)	(3,800)	(7,787)
Cash flows from capital and related financing activities					
Acquisition of capital assets	(7,107)	(29)	(1,174)	-	(8,310)
Proceeds from sale of capital assets	135	-	-	-	135
Net cash used in capital and related financing activities	(6,972)	(29)	(1,174)	-	(8,175)
Cash flows from investing activities					
Interest received (paid) on pooled cash and investments	2	38	(37)	535	538
Other investing activities	-	-	-	(250)	(250)
Net cash provided by (used in) investing activities	2	38	(37)	285	288
Net increase (decrease) in cash and cash equivalents	(3,813)	(972)	654	5,769	1,638
Cash and cash equivalents - beginning of period	3,813	18,416	1,426	141,681	165,336
Cash and cash equivalents - end of period	$ (0)	$ 17,444	$ 2,080	$ 147,450	$ 166,974
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ (1,313)	$ (3,279)	$ (12)	$ 6,551	$ 1,947
Adjustments for non-cash activities					
Depreciation	3,387	61	1,900	-	5,348
Amortization - pension	373	4,495	5,421	311	10,600
Changes in assets and liabilities					
Other receivables	(160)	(18)	309	(301)	(170)
Prepaid items	-	-	301	(11)	290
Accounts payable and accrued expenses	(506)	(528)	(2,851)	(449)	(4,334)
Compensated employee absences payable	(16)	44	43	(45)	26
Estimated liability for claims and contingencies	-	-	-	3,241	3,241
Due to component unit	-	(77)	-	(13)	(90)
Total adjustments	3,532	3,977	5,123	2,733	15,365
Net cash provided by (used in) operating activities	$ 2,219	$ 698	$ 5,111	$ 9,284	$ 17,312

Fiduciary Funds

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

TRUST FUNDS

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

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

AGENCY FUNDS

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

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

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

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION, OPEB, AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2017
(amounts expressed in thousands)

	Pension and Other Postemployment Benefits Trust Funds [1]			Other Employee Benefits Trust Fund	Total
	Pension	Postemployment Medical Benefits (OPEB)	Total		
Assets:					
Cash and investments with County Treasurer	$ -	$ -	$ -	$ 2,730	$ 2,730
Cash and investments with fiscal agents	1,265	-	1,265	-	1,265
Investments, at fair value:					
Short-term investments	209,671	-	209,671	-	209,671
Domestic equities	1,334,452	-	1,334,452	-	1,334,452
Domestic equity commingled funds	953,344	-	953,344	-	953,344
International equities	1,479,954	-	1,479,954	-	1,479,954
International equity commingled funds	400,848	-	400,848	-	400,848
Domestic fixed income	809,532	-	809,532	-	809,532
International fixed income	123,553	-	123,553	-	123,553
International fixed income commingled funds	115,954		115,954		115,954
Real estate - separate properties	55,954	-	55,954	-	55,954
Real estate - commingled funds	435,868	-	435,868	-	435,868
Real Return Pool	286,169	-	286,169	-	286,169
Private equity and alternatives	758,239	-	758,239	-	758,239
Total investments	6,963,538	-	6,963,538	-	6,963,538
Investment of securities lending collateral	322,844	-	322,844	-	322,844
Deposits with others	823	-	823	-	823
Other receivable	29,549	-	29,549	-	29,549
Interest receivable	8,493	-	8,493	-	8,493
Non-OPEB assets	36,162	-	36,162	-	36,162
Due from (to) pension plan	(882,212)	846,050	(36,162)	-	(36,162)
Capital assets, net of accumulated depreciation	1,756	-	1,756	-	1,756
Total assets	6,482,218	846,050	7,328,268	2,730	7,330,998
Liabilities:					
Accounts payable and accrued expenses	39,844	-	39,844	8	39,852
Securities lending obligation	322,844	-	322,844	-	322,844
Total liabilities	362,688	-	362,688	8	362,696
Net Position					
Investment in capital assets	1,756	-	1,756	-	1,756
Restricted	6,117,774	846,050	6,963,824	2,722	6,966,546
	$ 6,119,530	$ 846,050	$ 6,965,580	$ 2,722	$ 6,968,302

[1] Pension and OPEB balances reported as of December 31, 2016.

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION, OPEB, AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Pension and Other Postemployment Benefits Trust Funds [1]			Other Employee Benefits Trust Fund	Total
	Pension	Postemployment Medical Benefits (OPEB)	Total		
Additions:					
Contributions:					
Employees	$ 85,736	$ -	$ 85,736	$ 4,293	$ 90,029
Employer	207,910	33,819	241,729	-	241,729
Total contributions	293,646	33,819	327,465	4,293	331,758
Investment income:					
Interest	37,904	-	37,904	19	37,923
Dividends	65,389	-	65,389	-	65,389
Net increase (decrease) in fair value of investments	366,982	-	366,982	(9)	366,973
Real estate	20,057	-	20,057	-	20,057
Securities lending income	4,898	-	4,898	-	4,898
Private equity and alternatives	23,778	-	23,778	-	23,778
Brokers Commissions	95	-	95	-	95
Earnings allocated to non-OPEB	2,507	-	2,507	-	2,507
Earnings allocated to OPEB reserves	(61,322)	58,815	(2,507)	-	(2,507)
Total investment income (loss)	460,288	58,815	519,103	10	519,113
Less investment expenses:					
Investment expenses	42,964	-	42,964	-	42,964
Securities lending borrower rebates and management fees	1,800	-	1,800	-	1,800
Real estate	4,391	-	4,391	-	4,391
Total investment expenses	49,155	-	49,155	-	49,155
Net investment income (loss)	411,133	58,815	469,948	10	469,958
Miscellaneous income	501	-	501	-	501
Transfer to Pension from SRBR for Employer Contribution to 401(h)	33,819	(33,819)	-	-	-
Transfer to Pension from SRBR for Implicit Subsidy	6,021	(6,021)	-	-	-
Administrative expense	(1,191)	1,191	-	-	-
Total additions, net	743,929	53,985	797,914	4,303	802,217
Deductions:					
Benefit payments	413,752	34,927	448,679	3,482	452,161
Refunds of contributions	8,471	-	8,471	-	8,471
Administration expenses	14,618	1,191	15,809	-	15,809
Total deductions	436,841	36,118	472,959	3,482	476,441
Change in net position	307,088	17,867	324,955	821	325,776
Net position - beginning of year	5,812,442	828,183	6,640,625	1,901	6,642,526
Net position - end of year	$ 6,119,530	$ 846,050	$ 6,965,580	$ 2,722	$ 6,968,302

[1] Pension and OPEB balances reported as of December 31, 2016.

COUNTY OF ALAMEDA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(amounts expressed in thousands)

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Unapportioned Taxes				
Assets:				
Cash and investments with County Treasurer	$ 114,231	$ 5,150,472	$ 5,143,567	$ 121,136
Taxes receivable	146,871	3,826,542	3,832,547	140,866
Interest receivable	-	237	236	2
Total assets	$ 261,102	$ 8,977,251	$ 8,976,350	$ 262,004
Liabilities:				
Due to other governmental units	$ 261,102	$ 8,977,460	$ 8,976,559	$ 262,003
Total liabilities	$ 261,102	$ 8,977,460	$ 8,976,559	$ 262,003
Other Agency				
Assets:				
Cash and investments with County Treasurer	$ 82,541	$ 5,930,301	$ 5,877,913	$ 134,929
Interest receivable	129	1,307	1,076	360
Total assets	$ 82,670	$ 5,931,608	$ 5,878,989	$ 135,289
Liabilities:				
Accounts payable and accrued expenses	$ 5,007	$ 35,936	$ 30,742	$ 10,201
Due to other governmental units	77,663	9,216,411	9,168,985	125,089
Total liabilities	$ 82,670	$ 9,252,347	$ 9,199,727	$ 135,290
Totals - Agency Funds				
Assets:				
Cash and investments with County Treasurer	$ 196,772	$ 11,080,773	$ 11,021,480	$ 256,065
Taxes receivable	146,871	3,826,542	3,832,547	140,866
Interest receivable	129	1,544	1,312	362
Total assets	$ 343,772	$ 14,908,859	$ 14,855,339	$ 397,293
Liabilities:				
Accounts payable and accrued expenses	$ 5,007	$ 35,936	$ 30,742	$ 10,201
Due to other governmental units	338,765	18,193,871	18,145,544	387,092
Total liabilities	$ 343,772	$ 18,229,807	$ 18,176,286	$ 397,293

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COUNTY OF ALAMEDA, CALIFORNIA

Capital Assets Used in the Operation of Governmental Funds
Schedule by Source[1]
June 30, 2017
(amounts in tables expressed in thousands)

Governmental funds capital assets:

Land	$	74,135
Structures & Improvements		1,612,311
Infrastructure		972,640
Equipment		118,102
Software		32,654
Construction in Progress		231,742
Total Governmental funds capital assets	$	3,041,584 [2]

Investments in governmental funds capital assets acquired prior to July 1, 2001	$	1,237,090
Investments in governmental funds capital assets acquired from July 1, 2001 by source:		
General fund		291,994
Capital projects fund		1,005,146
Other governmental funds		493,105
Donations		14,249
Total governmental funds capital assets	$	3,041,584

[1] This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of $78,998,000 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

[2] This amount does not include a collection item of $50,000 which is considered an historical artifact and is not used in the operation of governmental funds.

COUNTY OF ALAMEDA, CALIFORNIA

Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Type[1]
June 30, 2017
(amounts in tables expressed in thousands)

	Land	Structures and Improvements	Infrastructure	Equipment	Software	Construction in Progress	Total
General	$ 13,023	$ 147,716	$ -	$ 15,490	$ 32,654	$ 9,313	$ 218,196
Public protection	39,228	550,343	242,919	67,995	-	174,590	1,075,075
Public assistance	13,599	56,562	6,109	8,148	-	11,769	96,187
Health and sanitation	6,201	803,470	-	5,310	-	29,766	844,747
Public ways and facilities	378	13,420	721,174	11,430	-	6,304	752,706
Recreation and cultural services	-	9,998	2,438	7,312	-	-	19,748
Education	1,706	30,802	-	2,417	-	-	34,925
Total governmental funds capital assets	$ 74,135	$ 1,612,311	$ 972,640	$ 118,102	$ 32,654	$ 231,742	$ 3,041,584 [2]

[1] This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of $78,998,000 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

[2] This amount does not include a collection item of $50,000 which is considered an historical artifact and is not used in the operation of governmental funds.

COUNTY OF ALAMEDA, CALIFORNIA

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function[1]
June 30, 2017
(amounts in tables expressed in thousands)

	Balance July 1, 2016	Prior Year Adjustment	Additions	Deductions	Balance June 30, 2017
General	$ 181,990	$ 181,990	$ 36,331	$ 125	$ 218,196
Public protection	975,183	975,183	104,107	4,216	1,075,074
Public assistance	88,173	88,173	8,197	183	96,188
Health and sanitation	802,919	802,919	42,444	616	844,747
Public ways and facilities	733,427	733,427	20,254	975	752,706
Recreation and cultural services	19,783	19,783	45	80	19,747
Education	35,212	35,212	(286)	-	34,926
Total governmental funds capital assets	$ 2,836,687	$ 2,908,891	$ 211,092	$ 6,195	$ 3,041,584 [2]

[1] This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds of $53,317,000 are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

[2] This amount does not include a collection item of $50,000 which is considered an historical artifact and is not used in the operation of governmental funds.

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STATISTICAL SECTION

Statistical Section

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

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

COUNTY OF ALAMEDA, CALIFORNIA

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	$ 508,533	$ 511,354	$ 560,449	$ 404,686	$ 585,788	$ 620,302	$ 619,242	$ 703,738	$ 706,722	$ 796,142
Restricted	531,744	579,459	641,476	697,984	627,179	655,381	630,253	763,777	779,105	801,958
Unrestricted (deficit)	452,524	465,456	328,726	574,257	512,095	578,463	685,877	(28,960)	56,405	115,106
Total governmental activities net position	$ 1,492,801	$ 1,556,269	$ 1,530,651	$ 1,676,927	$ 1,725,062	$ 1,854,146	$ 1,935,372	$ 1,438,555	$ 1,542,232	$ 1,713,206

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	$ 137,490	$ 161,834	$ 143,497	$ 141,862	$ 129,436	$ 138,512	$ 162,720	$ 148,801	$ 201,130	$ 175,232
Public protection	720,939	719,458	766,225	752,191	766,855	780,729	816,218	884,370	995,579	991,438
Public assistance	620,978	653,920	680,142	674,181	682,936	664,085	672,473	671,151	672,846	732,600
Health and sanitation	524,225	558,632	597,448	584,815	649,431	697,402	700,454	680,779	638,290	812,264
Public ways and facilities	48,620	39,427	36,598	43,312	45,437	44,269	43,970	47,515	49,533	47,969
Recreation and cultural services	523	677	557	608	608	554	539	615	639	665
Education	21,358	23,064	22,813	22,863	24,356	27,125	27,202	27,442	29,617	21,110
Interest on long-term debt	77,708	78,352	75,420	87,490	90,003	82,957	88,808	87,591	82,458	73,694
Total governmental activities expenses	2,151,841	2,235,364	2,322,700	2,307,322	2,389,062	2,435,633	2,512,384	2,548,264	2,670,092	2,854,972
Program Revenues										
Governmental activities:										
Charges for services:										
General government	125,532	124,488	111,200	125,619	126,244	122,756	127,863	139,918	139,123	131,865
Public protection	210,362	218,244	222,606	238,915	200,720	206,366	209,420	230,247	236,577	240,242
Health and sanitation	119,509	139,217	153,243	202,110	171,185	176,875	211,742	239,465	186,944	208,147
Other activities	15,212	22,114	27,819	32,085	26,578	21,164	23,037	23,397	28,112	24,533
Operating grants and contributions	1,087,171	1,130,306	1,170,990	1,232,027	1,269,542	1,482,657	1,459,898	1,463,685	1,481,270	1,644,159
Capital grants and contributions	7,070	4,260	5,782	5,550	9,618	8,305	8,737	28,092	57,038	51,456
Total governmental activities program revenues	1,564,856	1,638,629	1,691,640	1,836,306	1,803,887	2,018,123	2,040,697	2,124,804	2,129,064	2,300,402
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	412,767	425,713	403,847	399,701	411,821	444,147	431,923	466,093	500,987	530,322
Sales taxes - shared revenues	174,984	150,551	140,643	150,328	169,375	52,749	54,939	57,369	65,175	64,175
Other taxes	26,173	26,309	28,144	27,503	27,948	29,984	31,312	35,417	37,957	37,222
Interest and investment income	46,746	25,979	9,369	5,751	8,924	22	8,506	12,488	10,075	7,443
Other	41,289	36,948	23,439	34,009	50,577	40,318	26,233	48,133	30,511	28,675
Transfers	(3)	(5,297)	-	-	-	-	-	-	-	-
Extraordinary item	-	-	-	-	(35,335)	-	-	-	-	-
Total governmental activities	701,956	660,203	605,442	617,292	633,310	567,220	552,913	619,500	644,705	667,837
Change in Net Position										
Governmental activities	$ 114,971	$ 63,468	$ (25,618)	$ 146,276	$ 48,135	$ 149,710	$ 81,226	$ 196,040	$ 103,677	$ 113,267

COUNTY OF ALAMEDA, CALIFORNIA

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

	2008	2009	2010	2011 [1]	2012 [1]	2013 [1]	2014 [1]	2015 [1]	2016 [1]	2017 [1]
General fund										
Reserved	$ 246,546	$ 246,383	$ 299,432	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	573,336	618,174	627,898	-	-	-	-	-	-	-
Nonspendable	-	-	-	1,725	4,408	3,785	11,487	10,547	5,760	3,962
Restricted	-	-	-	303,635	288,068	294,844	292,832	318,351	302,339	321,806
Committed	-	-	-	638,601	667,437	806,176	838,833	752,064	728,221	902,385
Assigned	-	-	-	101,961	99,646	128,177	144,224	170,789	207,381	191,248
Unassigned	-	-	-	16,996	23,305	17,719	7,960	114,717	194,490	107,246
Total general fund	$ 819,882	$ 864,557	$ 927,330	$ 1,062,918	$ 1,082,864	$ 1,250,701	$ 1,295,336	$ 1,366,468	$ 1,438,191	$ 1,526,647
All other governmental funds										
Reserved	$ 190,267	$ 171,988	$ 592,468	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	584,941	606,763	598,330	-	-	-	-	-	-	-
Capital projects fund	72,672	79,236	(375,645)	-	-	-	-	-	-	-
Nonspendable	-	-	-	5,421	335	472	566	863	190	1,718
Restricted	-	-	-	527,282	608,361	506,147	710,121	597,051	462,776	470,014
Committed	-	-	-	567,921	321,926	314,766	325,857	349,382	377,205	420,147
Assigned	-	-	-	3,003	4,567	5,293	5,708	5,390	5,984	7,645
Unassigned	-	-	-	(1,930)	(9,268)	(2,926)	(60,124)	(68,323)	(4,203)	-
Total all other governmental funds	$ 847,880	$ 857,987	$ 815,153	$ 1,101,697	$ 925,921	$ 823,752	$ 982,128	$ 884,363	$ 841,952	$ 899,524

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

COUNTY OF ALAMEDA, CALIFORNIA

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	$ 614,397	$ 602,473	$ 572,507	$ 577,186	$ 608,987	$ 527,025	$ 518,733	$ 558,922	$ 604,065	$ 631,794
Licenses and permits	9,138	7,904	8,490	9,635	13,597	15,006	14,465	14,868	18,332	13,957
Fines, forfeitures, and penalties	34,621	41,228	41,444	38,887	36,076	38,745	36,727	44,763	47,101	36,698
Use of money and property	77,653	48,250	27,769	19,635	20,502	8,391	19,469	23,997	23,956	17,040
State aid	699,172	761,782	694,252	725,140	757,769	946,878	983,076	1,010,825	1,075,081	1,173,431
Federal aid	364,958	349,759	459,652	481,010	465,275	506,611	446,110	429,885	427,283	447,142
Other aid	20,345	23,259	40,057	29,914	61,752	44,730	39,520	51,067	35,945	75,038
Charges for services	335,617	389,506	428,166	455,215	365,541	430,141	411,647	491,488	441,795	492,618
Other revenue	70,493	71,436	50,709	136,133	73,549	104,976	110,089	88,901	81,276	83,682
Total revenues	2,226,394	2,295,597	2,323,046	2,472,755	2,403,048	2,622,503	2,579,836	2,714,716	2,754,834	2,971,400
Expenditures										
Current										
General government	118,713	130,358	120,465	129,978	126,190	129,394	127,304	134,691	142,050	140,147
Public protection	708,363	703,959	710,039	739,809	757,380	762,506	806,129	832,408	875,714	890,256
Public assistance	619,109	647,504	666,247	667,601	702,114	657,269	670,945	701,102	697,016	699,635
Health and sanitation	522,120	556,575	590,590	580,833	644,493	690,296	692,549	683,588	644,825	769,081
Public ways and facilities	51,204	46,199	42,400	49,705	49,819	52,828	44,769	43,950	50,158	30,280
Recreation and cultural services	562	719	594	675	671	610	580	615	659	654
Education	21,037	22,883	21,947	22,079	23,450	26,136	26,318	27,017	29,722	28,750
Debt service										
Principal	74,235	78,730	90,896	93,865	98,241	57,695	51,048	44,008	36,428	35,993
Interest	26,779	28,889	27,130	38,788	47,495	96,098	108,264	116,149	119,332	122,488
Payment to refunded bond escrow agent	-	-	-	-	82,031	-	-	-	-	10,167
Bond issuance costs	12,248	-	-	2,465	817	6	1,749	-	-	667
Capital outlay	24,389	31,878	46,875	95,067	111,523	100,560	188,821	193,226	174,437	124,757
Total expenditures	2,178,759	2,247,694	2,317,183	2,420,865	2,644,224	2,573,398	2,718,476	2,776,754	2,770,341	2,852,875
Excess (deficiency) of revenues over expenditures	47,635	47,903	5,863	51,890	(241,176)	49,105	(138,640)	(62,038)	(15,507)	118,525
Other financing sources (uses)										
Issuance of loans	-	675	4,732	28,040	785	2,779	18,600	-	-	3,000
Proceeds from sale of land	-	-	-	13,452	15,130	4,914	15,352	28,862	30,109	11,957
Capital leases issued	697	3,000	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	320,000	45,675	-	287,380	-	-	-
Refunding bonds issued	120,145	-	-	-	75,915	-	-	-	-	98,470
Premium on issuance of debt	1,265	-	-	-	10,300	-	13,106	-	-	17,080
Payment to refunded bond escrow agent	(108,815)	-	-	-	-	-	-	-	-	(110,791)
Transfers in	84,736	85,552	83,705	93,073	119,366	103,513	141,575	169,984	128,311	197,000
Transfers out	(76,788)	(82,348)	(74,361)	(84,319)	(110,463)	(94,643)	(134,362)	(163,441)	(113,601)	(189,213)
Total other financing sources (uses)	21,240	6,879	14,076	370,246	156,708	16,563	341,651	35,405	44,819	27,503
Extraordinary item	-	-	-	-	(71,362)	-	-	-	-	-
Net change in fund balances	$ 68,875	$ 54,782	$ 19,939	$ 422,136	$ (155,830)	$ 65,668	$ 203,011	$ (26,633)	$ 29,312	$ 146,028
Debt service as a percentage of noncapital expenditures	5.73%	4.90%	5.27%	5.93%	9.04%	6.30%	6.41%	6.15%	5.92%	6.22%

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Institutional Property	Utility, Unsecured and Escaped Assessment Property [1]	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2008	$140,379,422	$ 24,458,944	$ 17,854,260	$ 1,360,579	$ 2,203,804	$ 13,629,455	$ 4,880,956	$ 195,005,508	1.00 %
2009	146,399,031	25,895,769	19,172,805	1,466,409	2,263,501	14,086,040	5,115,665	204,167,890	1.00
2010	139,524,668	27,086,816	19,319,349	1,499,707	2,437,587	14,398,367	5,476,280	198,790,214	1.00
2011	137,082,662	26,746,547	19,385,756	1,435,643	2,450,098	14,454,882	5,793,021	195,762,567	1.00
2012	138,442,842	27,114,991	18,540,107	1,412,736	2,506,623	14,447,692	6,560,413	195,904,578	1.00
2013	140,479,280	27,958,514	19,450,625	1,412,563	2,599,792	15,321,278	6,549,698	200,672,354	1.00
2014	149,092,989	29,348,915	20,120,895	1,456,520	2,689,140	15,633,013	7,566,667	210,774,805	1.00
2015	161,954,196	29,475,074	20,596,312	1,501,740	2,871,593	15,748,875	8,858,490	223,289,300	1.00
2016	174,707,996	30,784,933	21,604,658	1,573,372	3,008,754	16,840,363	7,931,121	240,588,955	1.00
2017	186,918,732	32,806,144	23,888,234	1,756,511	3,170,216	17,221,687	8,558,188	257,203,336	1.00

[1] The utility, unsecured and escaped assessment rolls are not available by property type.

Source: Auditor-Controller, County of Alameda

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

Fiscal Year	County General	County Special Districts	Local Special Districts	Agency Districts	Schools	Cities	Total[1]
2008	1.0000 %	0.0031 %	0.0015 %	0.0216 %	0.0862 %	0.0524 %	1.1648 %
2009	1.0000	0.0035	0.0018	0.0249	0.0987	0.0520	1.1809
2010	1.0000	0.0042	0.0015	0.0195	0.1164	0.0582	1.1998
2011	1.0000	0.0052	0.0017	0.0179	0.1163	0.0582	1.1993
2012	1.0000	0.0063	0.0018	0.0176	0.1273	0.0584	1.2114
2013	1.0000	0.0048	0.0016	0.0159	0.1289	0.0560	1.2072
2014	1.0000	0.0054	0.0015	0.0240	0.1346	0.0529	1.2184
2015	1.0000	0.0054	0.0022	0.0183	0.1393	0.0546	1.2198
2016	1.0000	0.0074	0.0018	0.0177	0.1310	0.0469	1.2048
2017	1.0000	0.0071	0.0019	0.0198	0.1279	0.0513	1.2080

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

Source: Auditor-Controller, County of Alameda

COUNTY OF ALAMEDA, CALIFORNIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)

	JUNE 30, 2017			JUNE 30, 2008		
Taxpayer	**Secured Assessed Value**	**Rank**	**Percentage of Total Secured Assessed Value**	**Secured Assessed Value**	**Rank**	**Percentage of Total Secured Assessed Value**
Pacific Gas & Electric Co.	$ 2,200,949	1	0.90 %	$ 1,200,857	1	0.65 %
Tesla Motors Inc	1,538,982	2	0.63			
Kaiser Foundation Hospitals	558,253	3	0.23	310,785	4	0.17
BMR Gateway Boulevard LLC	412,267	4	0.17	306,584	5	0.17
Russell City Energy Company, LLC	408,700	5	0.17			
AT&T	403,764	6	0.17	462,360	3	0.25
Kaiser Foundation Health Plan	385,560	7	0.16			
Apple Computer	367,101	8	0.15			
Bayer Healthcare LLC	347,022	9	0.14	270,198	7	0.15
BRE Properties	339,636	10	0.14	261,863	8	0.14
New United Motor Manufacturing, Inc.				969,230	2	0.53
Catellus Development Corporation				300,363	6	0.16
AT&T Mobility LLC				261,797	9	0.14
SCI Limited Partnership 1				257,429	10	0.14
	$ 6,962,234		2.86 %	$ 4,601,466		2.50 %

Source: Auditor-Controller, County of Alameda

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

Fiscal Year	Taxes Levied for the Fiscal Year [1]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years [2]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	$ 2,259,012	$ 2,155,685	95.43 %	-	$ -	-
2009	2,393,333	2,284,204	95.44	-	-	-
2010	2,360,181	2,283,101	96.73	-	-	-
2011	2,327,545	2,264,442	97.29	62,623	2,327,065	99.98 %
2012	2,358,081	2,300,192	97.55	54,937	2,355,129	99.87
2013	2,402,703	2,359,713	98.21	39,166	2,398,879	99.84
2014	2,539,344	2,503,557	98.59	36,165	2,539,722	100.01
2015	2,711,822	2,675,977	98.68	32,480	2,708,457	99.88
2016	2,880,728	2,840,578	98.61	34,288	2,874,866	99.80
2017	3,082,262	3,040,805	98.65			

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

[2] Data only available beginning fiscal year 2012.

Source: Auditor-Controller, County of Alameda

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

	Governmental Activities										
Fiscal Year	Certificates of Participation	Tobacco Settlement Asset-Backed Bonds	Pension Obligations Bonds	Lease Revenue Bonds	Tax Allocation Bonds [1]	Special Assessment Bonds	Capital Leases	Loans and Notes Payable	Total Primary Government	Percentage of Total Personal Income [2]	Per Capita [2]
2008	$ 185,202	$ 273,244	$ 526,070	$ 148,765	$ 33,840	$ 680	$ 27,730	$ 8,284	$ 1,203,815	1.62 %	$ 811
2009	178,347	271,655	504,074	145,520	33,215	545	30,300	8,194	1,171,850	1.67	782
2010	160,221	272,799	477,740	141,705	32,565	335	29,849	12,129	1,127,343	1.55	746
2011	140,915	274,880	446,593	458,190	31,890	220	29,516	39,066	1,421,270	1.87	936
2012	39,249	277,774	410,116	575,655	-	-	4,357	37,241	1,344,392	1.58	879
2013	36,552	270,239	367,753	564,254	-	-	4,150	38,520	1,281,468	1.50	827
2014	32,617	273,662	318,892	840,363	-	-	3,971	51,606	1,521,111	1.68	967
2015	28,451	277,030	262,846	822,644	-	-	3,784	17,987	1,412,742	-	883
2016	24,033	281,022	198,891	812,019	-	-	3,590	6,484	1,326,039	-	815
2017	19,351	285,265	126,252	799,658	-	-	3,351	8,273	1,242,150	1.23	758

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

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

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

COUNTY OF ALAMEDA, CALIFORNIA

ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2017
(dollar amounts in tables expressed in thousands)

2016-17 Assessed Valuation: $257,203,336 (includes unitary utility valuation)

Population: 1,638,215

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 6/30/17
Bay Area Rapid Transit District	39.329%	$ 350,475
East Bay Municipal Utility District, Special Service District No. 1	94.177	3,310
Chabot-Las Positas Community College District	99.387	533,176
Ohlone Community College District	100.000	398,133
Peralta Community College District	100.000	394,480
San Joaquin Delta Community College District	0.458	580
Alameda Unified School District	100.000	135,567
Berkeley Unified School District	100.000	250,795
Castro Valley Unified School District	100.000	108,470
Dublin Unified School District	100.000	339,243
Fremont Unified School District	100.000	389,320
Hayward Unified School District	100.000	423,916
Livermore Valley Joint Unified School District	99.616	147,935
New Haven Unified School District	100.000	211,939
Oakland Unified School District	100.000	928,325
Pleasanton Unified School District	100.000	92,114
San Leandro Unified School District	100.000	225,925
San Lorenzo Unified School District	100.000	115,340
Other Unified School Districts	2.136-100.000	258,555
City of Alameda	100.000	7,925
City of Albany	100.000	15,035
City of Berkeley	100.000	86,465
City of Fremont	100.000	40,355
City of Oakland	100.000	216,655
Washington Township Healthcare District	100.000	333,525
East Bay Regional Park District	56.391	69,694
Community Facilities Districts	100.000	164,916
1915 Act Bonds (Estimated)	100.000	34,445
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$6,276,613

ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT (Continued)
JUNE 30, 2017
(dollar amounts in tables expressed in thousands)

DIRECT AND OVERLAPPING DEBT:	% Applicable	Debt 6/30/17
Alameda County Certificates of Participation	100.000%	$ 19,351
Alameda County Tobacco Securitization Bonds	100.000	285,265
Alameda County Pension Obligations	100.000	126,252
Alameda County Lease Revenue Bonds	100.000	799,658
Alameda County Capital Leases	100.000	3,351
Alameda County Loans and Notes Payable	100.000	8,273
Alameda-Contra Costa Transit District Certificates of Participation	89.617	15,795
Peralta Community College District Pension Obligation Bonds	100.000	159,638
Fremont Unified School District Certificates of Participation	100.000	65,985
Hayward Unified School District Certificates of Participation	100.000	18,631
Oakland Unified School District Certificates of Participation	100.000	32,165
Pleasanton Unified School District General Fund Obligations	100.000	15,730
San Lorenzo Unified School District Certificates of Participation	100.000	7,950
Other School District Certificates of Participation	100.000	21,145
City of Berkeley General Fund and Pension Obligation Bonds	100.000	28,515
City of Fremont General Fund Obligations	100.000	126,665
City of Hayward General Fund Obligations	100.000	90,473
City of Livermore General Fund Obligations	100.000	69,390
City of Oakland General Fund Obligations	100.000	158,402
City of Oakland Pension Obligation Bonds	100.000	296,854
City of San Leandro General Fund and Pension Obligations Bonds	100.000	40,450
Other City General Fund Obligations	100.000	46,868
Hayward Recreation and Park District Certificates of Participation	100.000	125,000
Byron Bethany Irrigation District General Fund Obligations	3.466	155
TOTAL DIRECT AND OVERLAPPING DEBT		$2,561,961
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	100.000	$ 785,809
TOTAL DIRECT DEBT		$1,242,150 [1]
TOTAL OVERLAPPING DEBT		$8,382,233
COMBINED TOTAL DEBT		$9,624,383 [2]

Ratios to 2016-17 Assessed Valuation:		Per Capita (not in thousands)
Total Overlapping Tax and Assessment Debt	2.44%	$3,831
Total Direct Debt	.48%	758
Combined Total Debt	3.74%	5,875
Ratios to Redevelopment Successor Agencies Incremental Valuation ($30,321,718):		
Total Overlapping Tax Increment Debt	2.59%	480

[1] Includes accreted value.

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

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

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

Legal debt margin calculation for fiscal year 2017	
Net assessed value	$255,474,142
Plus homeowners' exemption	1,729,194
Total assessed value	$257,203,336
Debt limit (1.25% of total assessed value)	$3,215,042
Amount of debt applicable to debt limit	-
Legal debt margin	$3,215,042

Fiscal year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin / Debt Limit
2008	$2,437,569	$ -	$2,437,569	100 %
2009	2,552,099	-	2,552,099	100
2010	2,484,877	-	2,484,877	100
2011	2,447,032	-	2,447,032	100
2012	2,448,807	-	2,448,807	100
2013	2,508,404	-	2,508,404	100
2014	2,634,685	-	2,634,685	100
2015	2,791,116	-	2,791,116	100
2016	3,007,362	-	3,007,362	100
2017	3,215,042	-	3,215,042	100

Source: Auditor-Controller, County of Alameda

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

	Special Assessment Bonds [1]				Tax Allocation Bonds [2]				Tobacco Securitization Bonds [3]			
	Special Assessment	Debt Service			Tax	Debt Service			Tobacco Settlement	Debt Service		
Fiscal Year	Collections	Principal	Interest	Coverage	Increment	Principal	Interest	Coverage	Revenue	Principal	Interest	Coverage
2008	$ 188	$ 135	$ 40	107 %	$ 2,023	$ 600	$ 1,502	96 %	$ 16,566	$ 5,145	$ 11,341	100 %
2009	180	135	32	108	1,985	625	1,489	94	18,019	6,935	11,103	100
2010	190	210	23	82	2,075	650	1,453	99	14,624	4,565	10,834	95
2011	135	115	14	105	2,078	675	1,426	99	13,162	4,015	10,618	90
2012	86	220	5	38	2,114	705	1,409	100	13,422	3,615	10,432	96
2013	-	-	-	-	2,111	730	1,381	100	20,229	10,505	10,278	97
2014	-	-	-	-	2,111	760	1,351	100	13,299	4,140	9,693	96
2015	-	-	-	-	2,110	790	1,320	100	13,165	4,700	9,455	93
2016	-	-	-	-	2,113	825	1,288	100	13,017	4,615	9,185	94
2017	-	-	-	-	2,109	855	1,254	100	13,388	4,940	8,920	97

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

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

[3] Tobacco Securitization bonds were issued on October 30, 2002.

Source: Auditor-Controller, County of Alameda

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

Fiscal Year	Population	Total Personal Income (amounts expressed in thousands)[2]	Per Capita Personal Income (dollars)[2]	Unemployment Rate [3]
2008	1,484,085	$ 74,305,916	$ 50,302	6.1 %
2009	1,497,799	69,974,222	46,695	11.1
2010	1,510,271	72,757,457	48,087	11.3
2011	1,517,756	75,908,145	49,617	10.8
2012	1,530,176	85,017,099	54,683	9.5
2013	1,548,681	85,173,987	53,798	7.4
2014	1,573,254	90,631,392	56,261	5.8
2015	1,599,888	- [1]	- [1]	4.6
2016	1,627,865	- [1]	- [1]	4.7
2017	1,638,215	101,370,460	61,879	4.0

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

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

[3] Unemployment rates reflected as of June of each year

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

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

Employer	Type of Business	Number of Employees JULY 7, 2017 [1]	Rank	Percentage of Total County Employment [2]	Number of Employees JUNE 30, 2008 [1]	Rank	Percentage of Total County Employment [2]
Kaiser Permanente Medical Group Inc. [3]	Health Care	33,700	1	4.19 %	-	20+	- %
Safeway Inc. [3]	Supermarkets & Other Grocery	10,184	2	1.27	-	20+	-
County of Alameda	Local Government	9,268	3	1.15	9,044	3	1.26
John Muir Health [3]	Health Care	6,570	4	0.82	-	20+	-
Tesla [3]	Electric Vehicle Manufacturer	6,000	5	0.75	-	20+	-
Chevron Corp. [3]	Energy	5,445	6	0.68	-	20+	-
Wells Fargo Bank [3]	Financial Services	5,264	7	0.65	-	20+	-
PG&E Corporation [3]	Energy	5,210	8	0.65	-	20+	-
Alta Bates Summit Medical Center [3]	Health Care	4,561	9	0.57	-	20+	-
Lam Research Corporation [3]	Manufacturing	4,000	10	0.50	-	20+	-
Total		90,202		11.21 %	9,044		1.25 %

Source: SFBT research for July 7, 2017 employment data. The County of Alameda number of employees as of June 30, 2008 is obtained from the County of Alameda Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2008.

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

[2] Percentage calculated based on Alameda County's Employment of 803,800 for June 2017 and 714,500 for 2008 (Source: Employment Development Department)

[3] Information from SFBT research as of July 07, 2017. Information as of June 30, 2017 is not available, except for County of Alameda employer.

[4] Information from County of Alameda's database as of June 30, 2017.

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	1,221	1,197	1,256	1,247	1,242	1,241	1,259	1,333	1,291	1,294
Public Protection	3,375	3,422	3,458	3,399	3,319	3,330	3,385	3,155	3,249	3,039
Public Assistance	2,252	2,278	2,159	2,057	1,980	1,919	2,057	2,288	1,211	2,137
Health and Sanitation	1,034	1,042	1,056	1,094	1,130	1,158	1,190	1,159	2,276	1,595
Public Ways and Facilities	4	4	4	4	5	5	5	4	105	4
Recreation and Cultural Services	2	4	4	4	4	3	4	4	5	4
Education	101	97	91	93	90	88	93	102	4	107
Totals	7,989	8,044	8,028	7,898	7,770	7,744	7,993	8,045	8,141	8,180

Source: Auditor-Controller, County of Alameda

COUNTY OF ALAMEDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS[1]

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government									
Property tax bills processed	583,795	573,519	561,531	562,212	556,359	570,121	571,625	568,444	565,466
Phone-assisted property tax calls	78,643	90,602	92,518	74,700	63,784	60,970	53,484	56,467	42,666
Recycled materials recovered (pounds) from county departments									
Metal	428,327	277,046	442,250	424,776	347,449	424,908	413,351	386,384	561,659
Paper	1,977,240	2,672,980	1,070,263	1,034,233	680,461	1,136,732	1,399,429	1,420,980	1,328,709
Toner cartridges	2,400	5,703	8,716	5,276	9,633	9,709	14,515	14,692	11,644
Public Protection									
Juvenile detention risks and needs assessment completed	2,940	3,114	2,806	2,180	4,092	3,017	2,740	2524	1,852
Youth serviced through community probation	1,500	1,528	908	634	640	641	576	436	397
Documents recorded/indexed	396,880	368,584	377,208	396,916	405,824	452,091	323,925	346,218	326,558
Child support active caseload	37,803	39,611	37,277	35,786	34,612	33,472	32,983	31,825	31,081
Emergency calls to fire district	22,591	23,855	23,621	31,887	33,071	34,483	36,621	38,797	40,814
Calls for police service	51,272	52,367	51,742	51,199	50,122	51,610	50,444	53,147	54,317
Total patrol arrests	5,668	6,518	6,244	5,607	5,856	5,220	6,437	6,430	6,672
Total investigation arrests	1,531	1,710	1,910	2,039	1,978	1,939	1,969	2,008	1,846
Crime investigation cases assigned	6,372	5,768	5,115	5,008	2,671	4,146	5,844	7,141	7,002
Crime investigation cases closed	6,193	7,898	7,438	7,022	8,644	6,822	8,308	6,542	7,099
Average daily inmate population	4,371	4,441	4,305	3,898	3,487	3,383	3,380	2,988	2,653
Public Assistance									
Seniors receiving services (annual amount)	25,360	32,000	34,198	41,365	49,685	54,599	57,740	64,464	63,011
Congregate nutrition meals served (annual amount)	235,207	233,751	222,688	216,540	199,427	200,428	196,768	185,477	180,046
Home-delivered nutrition meals served (annual amount)	538,471	531,563	514,599	537,310	518,453	488,203	496,397	529,690	480,814
CALWORKS job placements (annual amount)	3,475	2,964	2,644	2,954	2,788	2,620	2,614	2,626	2,372
CALWORKS eligible households aided (monthly average)	18,461	19,154	19,963	20,480	19,997	19,172	18,406	17,036	14,581
Medi-Cal eligible households aided (monthly average)	66,068	69,722	75,813	80,387	84,254	105,488	116,322	168,060	204,664
Food stamps eligible households aided (monthly average)	33,995	38,613	45,511	52,827	59,802	62,968	63,828	67,545	62,067
General Assistance eligible cases aided (monthly average)	7,976	9,001	8,907	6,378	7,455	8,184	8,089	8,241	8,250
Health and Sanitation									
Food inspections	15,903	13,148	13,823	12,151	13,894	15,652	16,165	17,911	15,647
Recreational inspections	1,888	2,458	2,847	1,986	2,398	1,432	2,418	2,054	2,505
Medical waste facility inspections	130	145	120	160	150	160	158	136	140
Landfill site inspections	154	252	252	252	252	258	221	295	306
Hazardous waste accepted from households (pounds)	2,433,661	2,052,451	2,091,555	2,609,290	2,851,155	2,887,424	3,100,100	3,390,777	4,066,855
Hazardous waste recycled (pounds)	2,284,808	1,784,343	1,801,109	2,017,973	2,200,192	2,343,774	2,450,000	1,982,822	2,889,840
Public Ways and Facilities									
Percent of roadway miles rehabilitated	1.40	2.30	1.82	2.95	9.84	9.45	9.45	6.75	8.4
Percent of potholes filled within 48 hours of request	96.00	87.00	75.00	75.00	75.00	80.00	80.00	80.00	80.00
Education									
Number of library visits	4,266,895	4,827,535	4,998,814	4,547,999	4,922,076	4,891,575	4,855,755	5,301,916	5,006,010
Number of registered library card holders	315,406	340,737	323,798	336,360	346,431	357,036	366,504	375,054	386,768

[1] Operating indicators are not available for the recreation and cultural services function.

Source: Various County of Alameda departments

COUNTY OF ALAMEDA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administration buildings	3	3	3	3	3	5	5	6	6	6
Public Protection										
Administration buildings	11	11	11	11	11	11	11	11	11	11
Jail and detention facilities	6	6	6	6	5	5	5	5	5	6
Pump stations	13	13	13	13	13	13	13	13	13	13
Fuel cell center	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire trucks	31	30	29	28	30	31	31	33	31	29
Aircraft	2	2	2	2	2	2	2	3	3	3
Patrol boats	5	5	5	5	5	5	5	5	7	7
Patrol cars	144	149	142	141	141	160	160	165	143	129
Rescue equipment	10	10	10	10	10	10	10	10	6	6
Heavy equipment	72	71	65	69	69	70	72	72	61	63
Public Assistance										
Administration buildings	4	4	4	4	4	4	4	4	4	4
Health and Sanitation										
Administration buildings	2	2	2	2	2	2	4	4	4	4
Hospitals	3	3	3	3	3	3	3	3	3	3
Health centers	4	4	5	5	5	5	5	5	6	6
Hazardous waste facilities	2	2	2	2	2	2	2	2	2	2
Public Ways and Facilities										
Administration building	1	1	1	1	1	1	1	1	1	1
Maintenance buildings	5	5	5	5	5	5	5	5	5	5
Bridges	7	7	7	7	7	7	7	7	7	7
Road (miles)	473	473	473	473	472	472	472	472	472	471
Street lights	7,483	7,496	7,507	7,507	7,531	7,592	7,603	7613	8,076	8,084
Traffic signals	81	81	78	78	78	79	80	87	87	87
Heavy equipment	70	72	64	65	65	65	73	73	68	64
Recreation and Cultural Services										
Administration building	1	1	1	1	1	1	1	1	1	1
Exhibit halls	6	6	6	6	6	6	6	6	6	6
Amphitheater	1	1	1	1	1	1	1	1	1	1
Education										
Libraries	3	3	4	4	4	4	4	4	4	4

Source: Auditor-Controller, County of Alameda

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Mission

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

Vision

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

Values

Integrity, honesty and respect fostering mutual trust.

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

Fiscal stewardship reflecting the responsible management of resources.

Customer service built on commitment, accessibility and responsiveness.

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

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

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

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

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