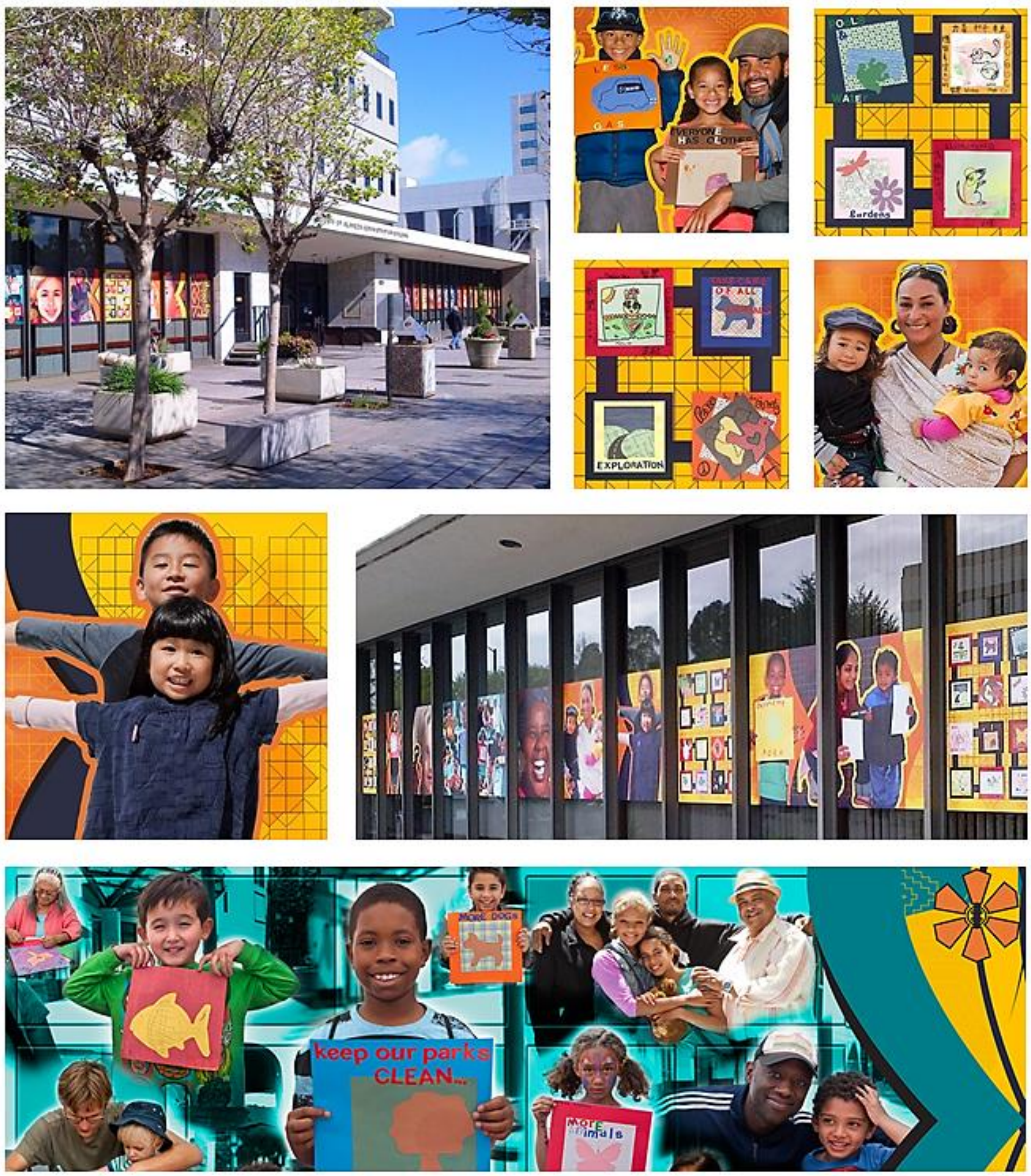
SINGLE AUDIT REPORTS

For the Fiscal Year Ended June 30, 2015

County of Alameda, California



Through the support and shared vision of New Beginnings and the Alameda County Arts Commission's 100 Families program, Alameda County partnered with the Oakland Museum of California to present the mural "We Dream in Art" on the front and side of the County Administration Building in Downtown Oakland. The 190-foot-long mural features the faces of local residents and the inspiring artworks of families who collaborated to create messages focused on their positive hopes and dreams for our community.

Steve Manning, Auditor-Controller

COUNTY OF ALAMEDA
Single Audit Reports
For the Year Ended June 30, 2015

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Alameda, California (County), as of and for the year ended June 30, 2015, 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), which represents 72%, 77%, and 7%, respectively, of the assets, net position/fund balances, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for ACERA, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Implementation of New Accounting Pronouncements
As discussed in Notes 1(T) and 21 to the financial statements, effective July 1, 2014, the County adopted the provisions of the following Governmental Accounting Standards Board (GASB) pronouncements.

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*; and
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.*

The implementation of these statements resulted in a restatement of net position as of July 1, 2014 in the amount of $815,818,000 and $153,993,000 for the governmental activities and discretely presented component unit, respectively.

Our opinions are not modified with respect to these matters.

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 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 GASB, 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 accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office Management and Budget Circular A-133 and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Oakland, California
December 30, 2015, except for our report on the schedule of expenditures
of federal awards, as to which the date is March 4, 2016

This section of the County of Alameda's (the County) Single Audit Report presents a narrative overview and analysis of the financial activities of the County for the year ended June 30, 2015. 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 $1,438,555 (net position). Of this amount, $763,777 is restricted for specified purposes and is not available to meet the government's ongoing obligations to citizens and creditors, $703,738 is net investment in capital assets, and a deficit of $28,960.

- The government's total net position increased for fiscal year 2015 by $196,040, an increase of 10.1 percent over the prior fiscal year. Total revenue increased $150,694 which includes increases in all of the revenue sources. Total expenses increased $35,880 or 1 percent over the prior fiscal year.

- As of June 30, 2015, the County's governmental funds reported a combined ending fund balances of $2,250,831, a decrease of $26,633 in comparison with the prior year. Unassigned fund balance of $46,394 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 $114,717 or 5.3 percent of total general fund expenditures of $2,149,193.

- The County's gross long-term obligations, excluding unamortized premiums and discounts, increased by $1,104,105 during the fiscal year 2015 due to the implementation of GASB 68 for pensions.

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 19-20 of this report.

Fund financial statements

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

Governmental funds

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

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

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

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

Proprietary funds

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

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

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

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

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The County reports unapportioned taxes, as well as the external portion of the Treasurer's investment pool, the pension, 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 28-29 of this report.

Notes to the basic financial statements

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-94 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 95-102 of this report.

(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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,438,555 at June 30, 2015.

A portion of the County's net position, $703,738 or 49 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, 2015 and 2014

	Governmental Activities	
	2015	2014
Assets:		
Current and other assets	$ 2,864,182	$ 2,732,562
Capital assets	1,601,345	1,477,987
Total assets	4,465,527	4,210,549
Deferred outflows of resources	426,054	3,292
Liabilities:		
Current liabilities	445,484	475,393
Long-term liabilities	2,938,882	1,803,076
Total liabilities	3,384,366	2,278,469
Deferred inflows of resources	68,660	-
Net position:		
Net investment in capital assets	703,738	619,242
Restricted	763,777	630,253
Unrestricted	(28,960)	685,877
Total net position	$ 1,438,555	$ 1,935,372

Current and other assets increased $131,620 from prior year primarily due to recognition of $59,071 long term receivable from Alameda Health System for pension obligation bonds contribution and $91,704 from Community Development Agency for housing loans receivable from individuals and multi-family affordable housing projects. This is offset by a decrease of $32,565 due from Alameda Health System.

Current liabilities decreased $29,909 primarily due to $32,075 redemption of commercial paper and a decrease of $8,281 in accounts payable and accrued expenses. These decreases were offset by an increase of $12,376 in unearned revenue due to advances received for welfare administration.

Long-term liabilities, deferred outflows and inflows of resources $1,135,806, $422,762, and $68,660, respectively, primarily due to the implementation of GASB 68 for pensions.

(Amounts expressed in thousands)

A portion of the County's net position, $763,777, represents resources that are subject to external restrictions as to how they may be used. As of June 30, 2015, the County has a deficit of $28,960 in unrestricted net position.

The County's net position increased by $196,040 during the fiscal year 2015 versus $81,226 for fiscal year 2014. As compared to last fiscal year, expenses increased by $35,880. Operating and capital grants and contributions increased $23,142 over fiscal year 2014 while charges for services increased $60,965. General revenues increased by a total of $66,587.

County of Alameda
Changes in Net Position
For the Years Ended June 30, 2015 and 2014

	Governmental Activities	
	2015	**2014**
Revenues:		
Program revenues:		
Charges for services	$ 633,027	$ 572,062
Operating grants and contributions	1,463,685	1,459,898
Capital grants and contributions	28,092	8,737
General revenues:		
Property taxes	466,093	431,923
Sales taxes - shared revenues	57,369	54,939
Other taxes	35,417	31,312
Interest and investment income	12,488	8,506
Other	48,133	26,233
Total Revenues	2,744,304	2,593,610
Expenses:		
General government	148,801	162,720
Public protection	884,370	816,218
Public assistance	671,151	672,473
Health and sanitation	680,779	700,454
Public ways and facilities	47,515	43,970
Recreation and cultural services	615	539
Education	27,442	27,202
Interest on long-term debt	87,591	88,808
Total expenses	2,548,264	2,512,384
Change in net position	196,040	81,226
Net position - beginning of period, as previously reported	1,935,372	1,854,146
Cumulative effect of restatements	(692,857)	-
Net position - beginning of period, as restated	1,242,515	1,854,146
Net position - end of period	$ 1,438,555	$ 1,935,372

Governmental activities

Governmental activities increased the County's net position by $196,040.

Operating grants and contributions increased $3,787 during the year. The increase is primarily due to increase in state SB90 revenue of $21,942 for prior fiscal years' claims. This is offset by a decrease of $16,828 in federal health programs.

Capital grants and contributions increased $19,355. The County received state funding of $11,163 for the East County Hall of Justice construction and contribution of $6,404 from the redevelopment successor agency for the construction of Cherryland Fire Station.

Charges for services increased $60,965 or 11 percent from fiscal year 2014. This increase can be attributed to an increase of $37,730 in health care services due to Medicaid Coverage Expansion, $13,510 in sale of surplus properties, and $6,706 in fines related to consumer fraud during fiscal year 2015.

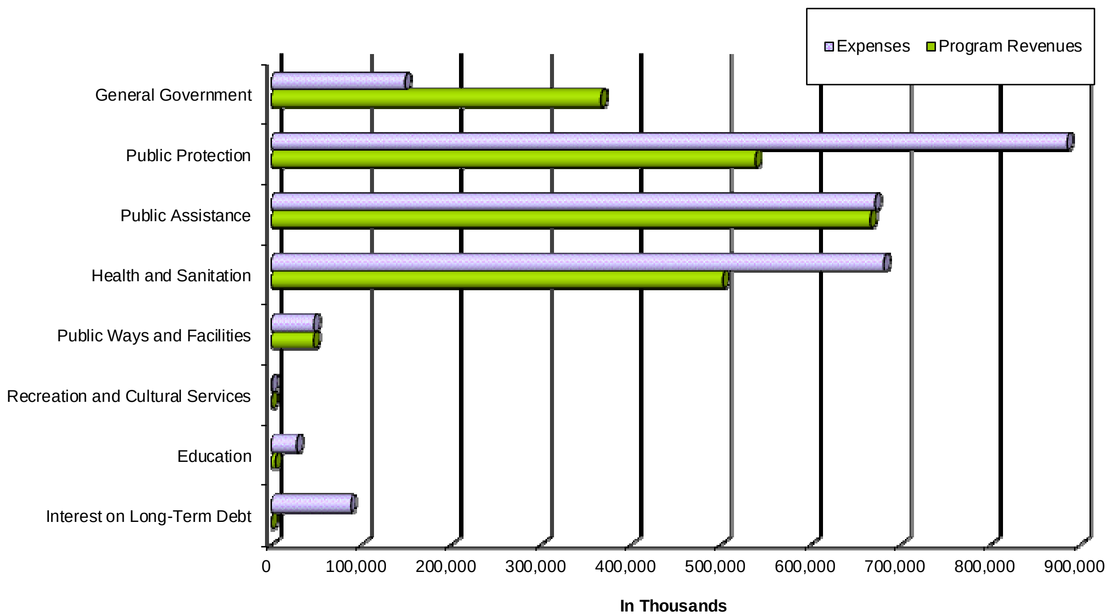
General revenues increased by $66,587 or 12 percent overall in the fiscal year 2015.

- Property tax revenues increased by $34,170 or 8 percent due to a strong assessment roll growth.
- Sales and use tax revenue increased by $2,430 or 4 percent due to an improving economy.
- Other revenue increased $21,900 or 83 percent. The increase was due to $16,476 donations received from private foundations and individuals to benefit pediatric trauma hospitals in the County. In addition, tobacco settlement revenue increased $6,778 in fiscal year 2015.

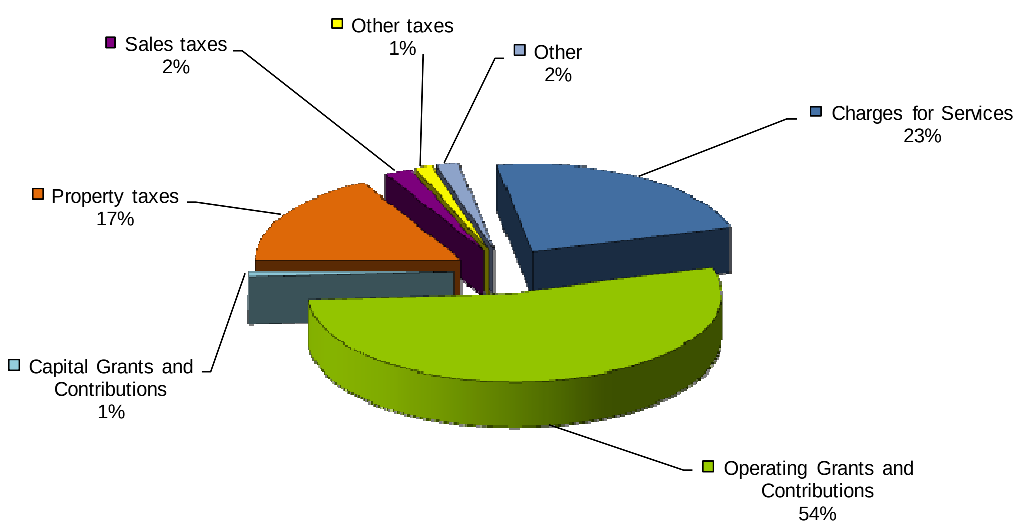
Expenses related to governmental activities increased $35,880 during fiscal year 2015. Pension expenses increased $108,251 due to the implementation of GASB 68 for pensions. However, contribution to the Supplemental Retirees Benefit Reserve (SRBR) decreased $80,908 due to transfer of excess investment earnings from pension investments. Please refer to Note 13 for more information on the funding policy of SRBR.

- Public protection had an increase in salaries and employee benefits due to increase in hiring and retirement and healthcare costs. This included an increase of $14,457 in the Sheriff Department, $3,870 in Probation Department, and $4,440 in District Attorney Office. Salaries and employee benefits expenses for the Fire district also increased $6,032 primarily due to overtime payment due to high volume mutual aid deployment and backfilling vacant positions.
- Salaries and employee benefits expenses for public assistance expenses increased $10,957 due to increase in hiring to meet staffing needs. Other increases included $7,077 in professional services contracts for housing and community development projects. General assistance expenses increased $5,240 due to the elimination of the good cause determination process and Basic Needs Only limitation. Construction for the Mercy housing project, which provides affordable housing for seniors, increased spending by $5,017. These increases were offset by a decrease of $27,814 in Community Development Agency due to the recognition of loans receivable for loans to individuals and multi-family affordable housing projects.
- Health and sanitation expenses decreased $44,831 due to the reduction of indigent contract with Alameda Health System due to the effect of the Affordable Care Act. This was offset by an increase of $27,826 in intergovernmental transfer to the State to leverage funding for Alameda Health System.

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, 2015, the County's governmental funds reported combined ending fund balances of $2,250,831, a decrease of $26,633 or 1 percent as compared to fiscal year 2014. Approximately 2 percent of this total amount ($46,394) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance consists of nonspendable ($11,410), restricted ($915,402), committed ($1,101,446), or assigned ($176,179).

Revenue for governmental funds overall totaled $2,714,716 for the fiscal year 2015, which represents an increase of $134,880 or 5 percent from the fiscal year 2014. Expenditures for governmental funds, totaling $2,776,754, increased by $58,278 or 2 percent from the fiscal year 2014. The governmental funds' expenditures exceeded revenues by $62,038 or 2 percent.

The general fund is the primary operating fund of the County. At the end of fiscal year 2015, the unassigned fund balance of the general fund was $114,717, while total fund balance was $1,366,468. 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 5.3 percent of total general fund expenditures of $2,149,193, while total fund balance represents 64 percent of that same amount.

General fund revenues increased by $150,863 or 7 percent to due to the following factors:

- Taxes revenue increased by $31,883 or 8 percent. Property tax revenue increased $24,249 due to a strong assessment roll growth. Sales tax revenue increased $2,430 due to an improved economy. In addition, distribution from post-redevelopment dissolution funds increased $5,774 in fiscal year 2015.

- Fines, permits, and forfeitures increased $7,290 or 23 percent due to increase in fines related to consumer fraud.

- State aid increased by $21,630 or 2 percent. The increase was due to increase of $21,942 in SB90 revenue for prior fiscal years' claims, $19,296 in health programs, $9,680 in ERAF property tax revenues due to rising assessed property values, and $7,759 in Prop 172 public safety sales tax revenue. These increases were offset by a decrease of $38,673 in welfare and public assist programs.

- Federal aid decreased by $16,828 or 4 percent. This was mainly due to a decrease of $30,210 in indigent health care services due to the end of the Low Income Health Program (LIHP) on

December 31, 2013. This decrease was offset by an increase of $12,332 in California Work Opportunity and Responsibility to Kids Information Network (CalWORKs) revenue.

- Charges for services increased by $89,269 or 34 percent. Increase was mainly due to $38,023 inter-governmental transfer received from Alameda Health System and $35,160 in mental health programs due to increase in utilization and higher reimbursement rate for new eligible clients, and prior year audit settlements. In addition, election services revenue increased $7,932 due to election held in November, 2014.
- Other revenue increased by $14,659 or 36 percent, mainly due to $16,476 donations received from private foundations and individuals to benefit pediatric trauma hospitals in the County. Also, tobacco revenue received in fiscal year 2015 increased by $6,778. These increases were offset by a decrease of $9,427 in funding for ERMHS (Educationally Related Mental Health Services) received from school districts and funding for Early Periodic Screening, Diagnosis and Treatment (EPSDT) expansion will be received in future 2011 Realignment payments.

General fund expenditures increased by $109,899 from fiscal year 2014, totaling $2,149,193. Overall, the general fund's performance resulted in revenues exceeding expenditures in the fiscal year 2015, by $177,001. In fiscal year 2014, the general fund revenues exceeded expenditures by $136,037.

The property development fund total fund balance was $349,382. 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 2015 was $23,525, primarily due to proceeds from sale of land.

The fund balance in the flood control fund increased in 2015 from $176,454 to $186,859 or 6 percent. Expenditures decreased $12,980 mainly due to the purchase of land for $13,097 in fiscal year 2014 for watershed protection.

The capital projects fund has a total fund balance of $71,808, a decrease of $58,943 from fiscal year 2014. The decrease was primarily attributable to $32,075 for the redemption of commercial paper which was issued to finance the construction of the Alameda Health System's Acute Tower.

The fund balance in the debt service fund decreased $73,148 from $150,783 to $77,635 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 $12,744 in 2015 with an operating loss of $6,854. This was primarily due to a net transfers out of $6,543 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, 2014, ACERA's fiscal year-end, the net position of ACERA and the other employee benefits trust totaled $6,789,914 representing an increase of $147,750 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, 2014.

As of June 30, 2015, the investment trust fund's net position totaled $1,847,696, a $365,751 increase in net position. The increase in net position of the investment trust fund was due to contributions exceeding withdrawals to the fund by $358,598, plus net investment income of $7,153.

The private-purpose trust fund includes the redevelopment non-housing successor agency, public guardian, and Court Wards & Dependents. As of June 30, 2015, the private-purpose trust fund's net position totaled $9,626, a decrease of $4,323.

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 $175,062 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 $42,195. This included $12,223 of salary and benefit increases and $17,150 year-end budget adjustment approved by the Board of Supervisors. An additional appropriation of $3,477 was from Homeland Security and Urban Area Security Initiative for disaster assistance and emergency preparedness.

- The public assistance departments increased appropriations by $5,250. The increase was due to an increase of $1,373 for the data warehouse system upgrade project. Funding for CalWORKs Information Network (CalWIN) client correspondence mailing and printing services increased by $597 due to an increase in caseload and new program and benefit notifications mandated by the California Department of Social Services (CDSS). Another appropriation of $600 was for Economic Empowerment Program (EEP) to provide comprehensive employment and training services for homeless CalWORKs clients. Another increase of $1,362 was for aging services. Appropriation for In Home Supportive Services increased $423 to fund five new positions and expand services.

- Appropriations for health and sanitation increased by $95,325. This increase included a $38,522 adjustment for an intergovernmental transfer to Alameda Health System for the purpose of enhancing Medi-Cal managed care rates, $12,621 funding augmentation for UCSF Benioff Children's Hospital Oakland for a managed care base rate intergovernmental transfer to maintain critical safety net medical services for children, $4,822 to effectuate a pass through of federal Low Income Health Program reimbursement to Washington Township Health Care District Hospital, and $5,851 funding augmentation for mental health services with community based organizations. Other increases included $5,072 for Household Hazardous Waste Program to provide expanded services and $15,700 adjustment as the result of the calculation of the final fund balance for fiscal year 2014.

Overall, the County's actual general fund revenues under-realized its budgeted fiscal year 2015 revenues by $22,340. Revenues that had significant variances include:

- Taxes was over-realized by $6,167 or 1 percent. This includes $2,352 in property tax and $2,083 in sales tax due to the strong housing market and improved economy.
- Fines, forfeitures, and penalties revenue exceeded the budget by $21,791 or 125 percent. This was due to the under-budgeting of penalties for delinquent taxes by $14,757 and fines and penalties collected for consumer fraud by $8,168.
- Use of money revenue exceeded the budget by $9,770. This was due to $5,233 interest for prior years' SB90 claims and $3,181 higher returns on investment pool than anticipated.

- State aid revenue was over-realized by $38,121 or 4 percent. Medi-Cal revenue allocation over-realized by $15,340 due to significant growth of Medi-Cal enrollment as a result of the Affordable Care Act. The County also received $21,980 unanticipated back payments of SB90 mandates from State for prior years' claims.
- Federal aid revenue was under-realized by $72,021 or 15 percent. Decrease in caseload for CalWorks and foster care programs resulted in lower revenue of $31,200. Claim ratio for CalWorks payments was lowered at the end of the fiscal year resulting in lower Federal revenue of $6,975. Juvenile probation claims for foster care were lower by $5,233 due to the change in claims calculation method. Revenue for mental health was under budget by $8,100 due to audit findings for prior fiscal years and rate adjustment. Reimbursement for low income healthcare costs was budgeted for $5,603 but not realized. Revenue for community development was under by $3,853 due to project delays.
- Charges for current services exceeded budget by $9,822 or 3 percent. Medi-Cal revenue for mental health services exceeded budget by $13,975 due to increase in utilization; increase in additional funding due to MCE higher reimbursement rate for new eligible clients; and prior year audit settlements. This is offset by under-budgeted by $5,239 in Household Hazardous Waste Collection Program due to community green efforts which resulted in lower revenue.
- Other revenue was less than budgeted by $32,772 or 37 percent. Revenue received for Educationally Related Mental Health Services was less than anticipated and the delayed in EPSDT expansion funding resulted in lower revenue of $20,035. Tobacco tax settlement funds under-realized by $9,411.

Variations between budget and actual expenditures in the general fund reflect overall expenditures under the adjusted budget by $239,080 or 9 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 $24,102 or 14 percent less than budget. Vacant positions resulted in savings of $6,127. Discretionary expenditures were lower by $14,166 due to reduction of expenditures.

- Public protection spent $25,053 or 4 percent less than budget. Vacant positions resulted in savings of $10,322 in salaries and benefits. Discretionary services and supplies expenditures were lower by $13,747 due to reduction of expenditures and delayed services contract assignment and implementation.

- Public assistance spent $62,336 or 8 percent less than budget. Vacant positions resulted in savings of $14,387 in salaries and benefits. Discretionary services and supplies expenditures were lowered by $19,189 due to reduction of expenditures and change in new Title IV-E Waiver program effective October 2014 which is no longer funding Probation reinvestments. Due to an improving economy, CalWorks caseload was lowered resulting in expenditures being $7,320 lower than budgeted. Payment for AB 12 program, which extends foster care until age 21, was $7,450 less than budgeted. Foster Care cost was under-spent by $3,870 due to the decrease in the number of Probation cases. In Home Supportive Services expenditures were lower by $3,170 due to wages and benefits and caseload were less than expected.

- Health and sanitation expenditures were $127,182 or 15 percent less than budget. Salaries and employee benefits were under-spent by $25,415 due to vacant positions. Behavioral health care saved $32,750 due to liquidation of encumbrances and $30,036 due to delays with start-up and implementation of programs; underutilized mental health programs. Other behavioral health services such as Institution for Mental Diseases (IMD); Managed Care; and pharmaceutical costs were under-spent by $7,454. In addition, $5,256 hospital payments to Washington and Alameda Health System were budgeted but not paid due to the State delay in processing the CPE payments. Environmental health expenditures were under-spent by $3,250 due to delay in program implementation.

(Amounts expressed in thousands)

Capital assets and debt administration

Capital Assets

The County's investment in capital assets for its governmental activities amounts to $1,601,345 (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 2015 was $123,358 or 8 percent.

Capital Assets Net of Accumulated Depreciation
June 30, 2015

	Governmental Activities	
	2015	2014
Land and other assets not being depreciated	$ 668,104	$ 546,496
Structures and improvements, machinery and equipment, and infrastructure, net of depreciation	933,241	931,491
Total	$ 1,601,345	$1,477,987

Major capital asset events that occurred during fiscal year 2015 include:

- Infrastructure increased $11,291 due to the completion of road and flood control projects which increased by $3,710 and $7,581, respectively.
- Structures and improvements increased $32,942 due to the purchase of the Arena Center.
- Construction in progress increased $132,942 primarily due to construction costs for the following: Phase II of Alameda Health System's Acute Tower, East County Hall of Justice, San Lorenzo Library expansion project, Villa Short Stay (mental health facility) in the amount of $68,279, $32,320, $5,737 and $2,409, respectively. Road and flood control projects increased construction in progress by $14,375 and $8,932, respectively.

At the end of the fiscal year, the Acute Tower and the criminal justice facility projects had outstanding contract commitments of $60,296 and $88,539, 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.

(Amounts expressed in thousands)

Debt Administration

As of June 30, 2015, the County had long-term obligations outstanding of $3,102,411, excluding unamortized premiums and discounts of $17,903, as summarized below:

Outstanding Long-term Obligations
June 30, 2015 and 2014

	Governmental Activities	
	2015	2014
Certificates of participation	$ 27,462	$ 31,474
Tobacco securitization bonds	280,740	277,508
Pension obligation bonds	262,846	318,892
Lease revenue bonds	802,020	818,105
Capital leases	3,784	3,971
Net pension obligation	-	95,240
Net pension liability	1,403,337	-
Net OPEB obligation	70,253	177,495
Other long-term obligations	251,969	275,621
Total	$ 3,102,411	$ 1,998,306

The County's total debt increased $1,104,105 during the fiscal year primarily due to the implementation of GASB 68 for pensions which resulted in recognition of $1,403,337 in net pension liability. This increase was offset by $32,075 for the redemption of commercial paper and pay down on existing debts. Outstanding pension obligation bonds decreased $56,046 due to principal payments of $20,623 and net reduction in accreted value by $35,423.

The County's legal debt limit is 1.25 percent of total assessed value. As of June 30, 2015, the legal limit was $2.79 billion; however, the County did not have any general obligation bonds and, therefore, has not used any of its debt limitation.

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

	2015 Rating	2014 Rating
Moody's	Aa1	Aa1
Standard & Poor's	AA+	AA+
Fitch	AA+	AA+

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

	2015 Rating	2014 Rating
Moody's	Aa3	Aa3
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 4.6 percent in June 2015, compared to the rate of 5.8 percent in June 2014. The State's unemployment rate was 6.2 percent in June 2015.
- The assessed value of the County's property increased by 5.9 percent in 2015 compared to an increase of 5 percent in 2014.
- The County experienced an increase in property tax revenue in fiscal year 2015 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 2016.

The County adopted its fiscal year 2016 budget on June 26, 2015, two days after the State of California adopted its own budget on June 24, 2015.

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2015
(amounts expressed in thousands)

	Primary Government	Component Unit
	Governmental Activities	Alameda Health System
ASSETS		
Current assets:		
Cash and investments with County Treasurer	$ 1,625,784	$ 25
Cash and investments with fiscal agents	306,359	-
Restricted cash	-	20
Deposits with others	5,353	21,737
Receivables, net of allowance for uncollectible accounts	393,925	219,435
Due from component unit	1,306	-
Due from primary government	-	13,531
Advance to component unit	1,003	-
Inventory of supplies	237	9,708
Prepaid items	5,049	1,202
Total current assets	2,339,016	265,658
Noncurrent assets:		
Restricted assets - cash and investments with fiscal agents	243,775	-
Properties held for resale	1,085	-
Due from component unit, net of allowance	176,901	-
Advance to component unit	1,046	-
Loans receivable	102,359	-
Capital assets:		
Land and other assets not being depreciated	668,104	12,433
Structures and improvements, machinery and equipment, infrastructure, net of depreciation	933,241	66,023
Total capital assets, net	1,601,345	78,456
Total noncurrent assets	2,126,511	78,456
Total assets	4,465,527	344,114
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding debt	2,628	
Related to pensions	423,426	113,890
Total deferred outflows of resources	426,054	113,890
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	205,617	148,519
Due to component unit	13,531	-
Due to primary government	-	1,306
Compensated employee absences payable	41,694	13,510
Estimated liability for claims and contingencies	27,506	5,866
Certificates of participation and bonds payable	96,603	-
Lease obligations	194	-
Loans and commercial paper notes	11,503	-
Accrued interest payable	4,953	-
Unearned revenue	39,951	-
Advance from primary government	-	1,003
Obligation to fund Coliseum Authority deficit	3,932	-
Total current liabilities	445,484	170,204
Noncurrent liabilities:		
Net pension liability	1,403,337	292,591
Net OPEB obligation	70,253	34,595
Compensated employee absences payable	23,921	12,051
Estimated liability for claims and contingencies	91,416	25,421
Certificates of participation and bonds payable	1,294,368	-
Lease obligations	3,590	-
Loans payable	6,484	-
Due to primary government	-	207,901
Advance from primary government	-	1,046
Obligation to fund Coliseum Authority deficit	45,513	-
Total noncurrent liabilities	2,938,882	573,605
Total liabilities	3,384,366	743,809
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	68,660	17,226
NET POSITION		
Net investment in capital assets	703,738	76,407
Restricted:		
Public protection	335,304	-
Public assistance	94,239	-
Health and sanitation	160,818	10,701
Public ways and facilities	89,366	-
Education	12,952	-
Other purposes	71,098	23,421
Unrestricted (deficit)	(28,960)	(413,560)
Total net position	$ 1,438,555	$ (303,031)

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, 2015
(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position: Primary Government	Net (Expense) Revenue and Changes in Net Position: 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	$ 148,801	$ 139,918	$ 223,989	$ 2,476	$ 217,582	$ -
Public protection	884,370	230,247	289,898	17,567	(346,658)	-
Public assistance	671,151	9,439	656,815	-	(4,897)	-
Health and sanitation	680,779	239,465	254,981	8,049	(178,284)	-
Public ways and facilities	47,515	11,011	36,248	-	(256)	-
Recreation and cultural services	615	162	-	-	(453)	-
Education	27,442	2,785	1,754	-	(22,903)	-
Interest on long-term debt	87,591	-	-	-	(87,591)	-
Total governmental activities	2,548,264	633,027	1,463,685	28,092	(423,460)	-
Total primary government	$ 2,548,264	$ 633,027	$ 1,463,685	$ 28,092	(423,460)	-
Alameda Health System	$ 841,128	$ 664,159	$ 16	$ -	-	(176,953)
General revenues:						
Property taxes					466,093	-
Sales taxes - shared revenues					57,369	98,677
Other taxes					35,417	-
Interest and investment income					12,488	139
Other					48,133	25,467
Total general revenues					619,500	124,283
Change in net position					196,040	(52,670)
Net position - beginning of period, as previously reported					1,935,372	(37,297)
Cumulative effect of restatements					(692,857)	(213,064)
Net position - beginning of period, as restated					1,242,515	(250,361)
Net position - end of period					$ 1,438,555	$ (303,031)

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

COUNTY OF ALAMEDA, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015
(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	$ 1,063,524	$ 38,319	$ 187,255	$ -	$ -	$ 172,048	$ 1,461,146
Cash and investments with fiscal agents	-	306,359	-	-	-	-	306,359
Restricted assets - cash and investments with fiscal agents	3,320	-	-	140,131	79,274	21,050	243,775
Deposits with others	1,244	-	-	-	-	4,104	5,348
Receivables, net of allowance for uncollectible accounts	349,525	45	4,502	11,596	-	25,176	390,844
Due from other funds	80,508	-	-	-	-	-	80,508
Due from component unit, net of allowance	107,199	-	-	-	11,612	6	118,817
Advance to component unit	-	-	-	-	2,049	-	2,049
Inventory of supplies	-	-	3	-	-	230	233
Properties held for resale	255	830	-	-	-	-	1,085
Prepaid items	-	-	-	-	-	630	630
Loans receivable	72,312	3,856	-	-	-	26,191	102,359
Total assets	$ 1,677,887	$ 349,409	$ 191,760	$ 151,727	$ 92,935	$ 249,435	$ 2,713,153
Liabilities, deferred inflows of resources, and fund balances							
Liabilities:							
Accounts payable and accrued expenditures	$ 158,378	$ 27	$ 4,757	$ 13,385	$ -	$ 15,566	$ 192,113
Due to other funds	-	-	-	66,534	13,251	723	80,508
Due to component unit	13,398	-	-	-	-	50	13,448
Unearned revenue	38,564	-	-	-	-	1,387	39,951
Total liabilities	210,340	27	4,757	79,919	13,251	17,726	326,020
Deferred inflows of resources							
Unavailable revenue	101,079	-	144	-	2,049	33,030	136,302
Fund balances (deficit):							
Nonspendable	10,547	-	3	-	-	860	11,410
Restricted	318,351	-	186,856	140,131	77,635	192,429	915,402
Committed	752,064	349,382	-	-	-	-	1,101,446
Assigned	170,789	-	-	-	-	5,390	176,179
Unassigned	114,717	-	-	(68,323)	-	-	46,394
Total fund balances	1,366,468	349,382	186,859	71,808	77,635	198,679	2,250,831
Total liabilities, deferred inflows of resources, and fund balances	$ 1,677,887	$ 349,409	$ 191,760	$ 151,727	$ 92,935	$ 249,435	$ 2,713,153

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, 2015
(amounts expressed in thousands)

Fund balances – total governmental funds	$ 2,250,831
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.	1,581,750
The unamortized balance of deferred outflows of resources resulting from deferred refunding losses.	2,628
The unamortized balance of deferred outflows of resources related to net pension liability	401,551
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	(1,390,971)
Compensated employee absences payable	(62,112)
Lease obligations	(3,784)
Loans and note payable	(17,987)
Other liabilities	(49,445)
Total long-term liabilities	(1,524,299)
The net OPEB obligation pertaining to governmental fund types is not recorded in the governmental fund statements.	(70,253)
The net pension liability pertaining to governmental fund types is not recorded in the governmental fund statements.	(1,331,326)
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.	136,302
Deferred inflows of resources related to net pension liability	(66,047)
Receivable from Alameda Health System's share of pension obligation bonds, reported as Due from component unit, net of allowance, noncurrent	59,071
Interest on long-term debt is not accrued in the funds, but is recognized as an expenditure when due.	(4,953)
Internal service funds are used by management to charge the costs of fleet management, building maintenance, communications, information technology, and risk management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	3,300
Net position of governmental activities	$ 1,438,555

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, 2015
(amounts expressed in thousands)

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	$ 450,566	$ -	$ 34,776	$ -	$ -	$ 73,580	$ 558,922
Licenses and permits	8,262	-	5,341	-	-	1,265	14,868
Fines, forfeitures, and penalties	39,231	-	-	4,732	-	800	44,763
Use of money and property	14,982	3,232	1,294	385	300	3,804	23,997
State aid	962,030	-	1,188	11,163	-	36,444	1,010,825
Federal aid	416,004	-	116	1,195	8,049	4,521	429,885
Other aid	26,825	-	3,792	7,685	-	12,765	51,067
Charges for services	353,144	-	12,990	-	15,425	109,929	491,488
Other revenue	55,150	2,623	180	-	1,079	29,869	88,901
Total revenues	2,326,194	5,855	59,677	25,160	24,853	272,977	2,714,716
Expenditures:							
Current							
General government	133,900	714	-	-	-	77	134,691
Public protection	644,922	-	49,272	-	-	138,214	832,408
Public assistance	683,896	-	-	-	-	17,206	701,102
Health and sanitation	649,098	-	-	-	-	34,490	683,588
Public ways and facilities	2,545	-	-	-	-	41,405	43,950
Recreation and cultural services	615	-	-	-	-	-	615
Education	263	-	-	-	-	26,754	27,017
Debt service							
Principal	-	-	-	-	39,308	4,700	44,008
Interest	-	-	-	-	106,694	9,455	116,149
Capital outlay	33,954	-	-	159,272	-	-	193,226
Total expenditures	2,149,193	714	49,272	159,272	146,002	272,301	2,776,754
Excess (deficiency) of revenues over expenditures	177,001	5,141	10,405	(134,112)	(121,149)	676	(62,038)
Other financing sources (uses):							
Proceeds from sale of land	-	28,862	-	-	-	-	28,862
Transfers in	2,567	-	-	75,241	90,076	2,100	169,984
Transfers out	(108,436)	(10,478)	-	(72)	(42,075)	(2,380)	(163,441)
Total other financing sources (uses)	(105,869)	18,384	-	75,169	48,001	(280)	35,405
Net change in fund balances	71,132	23,525	10,405	(58,943)	(73,148)	396	(26,633)
Fund balances - beginning of period	1,295,336	325,857	176,454	130,751	150,783	198,283	2,277,464
Fund balances - end of period	$ 1,366,468	$ 349,382	$ 186,859	$ 71,808	$ 77,635	$ 198,679	$ 2,250,831

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, 2015 (amounts expressed in thousands)

Net change in fund balances – total governmental funds	$ (26,633)
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.	29,464
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	(158,952)
Decrease in postemployment medical benefits obligation	20,782
Increase in compensated absences	(54)
Decrease in obligation to fund Coliseum Authority deficit	3,780
Total	(134,444)
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	174,226
Depreciation expense	(51,912)
Net loss on disposal of capital assets	(594)
Total	121,720
The change in net position of internal service funds is reported with governmental activities.	(12,744)
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.	147
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	44,008
Accumulated accretion paid on capital appreciation bonds	59,123
Principal payment on capital leases, loans, and commercial paper notes	33,806
Total	136,937
Interest accreted on bonds and certificates of participation.	(30,220)
Amortization of bond premiums and bond discounts	1,652
Amortization of deferred outflows of resources resulting from the deferred refunding loss	(664)
Amortization of deferred outflows of resources resulting from the pension liability	110,826
Change in net position of governmental activities	$ 196,041

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, 2015
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Assets:	
Current assets:	
Cash and investments with County Treasurer	$ 164,638
Deposits with others	5
Other receivables	3,081
Due from component unit	319
Inventory of supplies	4
Prepaid items	4,419
Total current assets	172,466
Noncurrent assets:	
Capital assets:	
Machinery and equipment, net of depreciation	19,595
Total assets	192,061
Deferred outflows of resources	
Related to pensions	21,875
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	13,504
Compensated employee absences payable	2,065
Estimated liability for claims and contingencies	27,506
Due to component unit	83
Total current liabilities	43,158
Noncurrent liabilities:	
Net pension liability	72,011
Compensated employee absences payable	1,438
Estimated liability for claims and contingencies	91,416
Total noncurrent liabilities	164,865
Total liabilities	208,023
Deferred inflows of resources	
Related to pensions	2,613
Net Position	
Investment in capital assets	19,595
Unrestricted	(16,295)
Total net position	$ 3,300

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, 2015
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	$ 215,313
Operating expenses:	
Salaries and benefits	69,003
Contractual services	7,969
Utilities	13,924
Repairs and maintenance	8,298
Other supplies and expenses	61,154
Insurance claims and expenses	38,719
Depreciation	4,474
Telephone	2,948
County indirect costs	6,938
Dental claims	7,896
Other	844
Total operating expenses	222,167
Operating loss	(6,854)
Non-operating revenues (expenses):	
Investment income	657
Loss on sale of capital assets	(4)
Total non-operating revenues (expenses)	653
Loss before transfers	(6,201)
Transfers in	3,249
Transfers out	(9,792)
Change in net position	(12,744)
Total net position - beginning of period, as previously reported	65,868
Cumulative effect of restatements	(49,824)
Total net position - beginning of period, as restated	16,044
Total net position - end of period	$ 3,300

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, 2015
(amounts expressed in thousands)

		Governmental Activities - Internal Service Funds
Cash flows from operating activities:		
Internal activity - receipts from other funds	$	214,783
Payments to suppliers		(92,757)
Payments to employees		(66,061)
Internal activity - payments to other funds		(6,938)
Claims paid		(32,940)
Other payments		(849)
Net cash provided by operating activities		15,238
Cash flows from non-capital financing activities:		
Transfers in		3,249
Transfers out		(9,792)
Net cash used in non-capital financing activities		(6,543)
Cash flows from capital and related financing activities:		
Acquisition of capital assets		(6,194)
Proceeds from sale of capital assets		53
Net cash used in capital and related financing activities		(6,141)
Cash flows from investing activities:		
Interest received on pooled cash		657
Net cash provided by investing activities		657
Net increase in cash and cash equivalents		3,211
Cash and cash equivalents - beginning of period		161,427
Cash and cash equivalents - end of period	$	164,638
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(6,854)
Adjustments for non-cash activities:		
Depreciation		4,474
Amortization - pension		2,928
Changes in assets and liabilities:		
Deposit with others		(5)
Other receivables		(530)
Inventory of supplies		2
Prepaid items		587
Accounts payable and accrued expenses		2,144
Compensated employee absences payable		18
Estimated liability for claims and contingencies		13,675
Due to other funds		(1,262)
Due to component unit		61
Total adjustments		22,092
Net cash provided by operating activities	$	15,238

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, 2015
(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	$ 2,301	$ 1,901,073	$ 30,864	$ 216,327
Investments, at fair value:				
Short-term investments	130,528	-	2,187	-
Domestic equities	1,597,685	-	-	-
Domestic equity commingled funds	829,039	-	-	-
International equities	1,456,618	-	-	-
International equity commingled funds	386,818	-	-	-
Domestic fixed income	774,787	-	-	-
International fixed income	156,841	-	-	-
International fixed income commingled funds	112,460			
Real estate - separate properties	39,141	-	-	-
Real estate - commingled funds	404,335	-	-	-
Real return pool	286,356	-	-	-
Private equity and alternatives	600,898			
Total investments	6,775,506	-	2,187	-
Investment of securities lending collateral	404,621	-	-	-
Deposits with others	660	-	-	-
Taxes receivable	-	-	-	150,487
Other receivables	35,695	-	-	-
Interest receivable	8,963	2,109	26	138
Properties held for redevelopment	-	-	11,279	-
Capital assets, net of accumulated depreciation	3,370	-	2,608	-
Total assets	7,231,116	1,903,182	46,964	366,952
Liabilities:				
Accounts payable and accrued expenses	36,581	55,486	-	5,484
Accrued interest payable	-	-	543	-
Securities lending obligation	404,621	-	-	-
Due to other governmental units	-	-	7,632	361,468
Bonds payable	-	-	29,163	-
Total liabilities	441,202	55,486	37,338	366,952
Net Position				
Restricted for pension benefits	6,023,597	-	-	-
Restricted for postemployment medical benefits	764,416	-	-	-
Restricted for other employee benefits	1,901	-	-	-
Restricted for other purposes	-	1,847,696	9,626	-
Total net position	$ 6,789,914	$ 1,847,696	$ 9,626	$ -

[1] Pension and OPEB balances reported as of December 31, 2014.

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, 2015
(amounts expressed in thousands)

	Pension, OPEB, [1] and Other Employee Benefits Trust Funds	Investment Trust Fund	Private-Purpose Trust Fund
Additions:			
Contributions:			
Employees	$ 83,628	$ -	$ -
Employer	213,255	-	-
Contributions on pooled investments	-	7,459,760	-
Total contributions	296,883	7,459,760	-
Investment income:			
Interest	39,276	5,708	178
Dividends	75,602	-	-
Net increase in fair value of investments	195,156	1,445	27
Real estate	15,140	-	-
Securities lending income	3,154	-	-
Total investment income	328,328	7,153	205
Less investment expenses:			
Investment expenses	42,983	-	-
Securities lending borrower rebates and management fees	666	-	-
Real estate	4,110	-	-
Total investment expenses	47,759	-	-
Net investment income	280,569	7,153	205
Other Income:			
Redevelopment property tax revenue	-	-	14,787
Miscellaneous income	432	-	13,368
Total other income	432	-	28,155
Total additions, net	577,884	7,466,913	28,360
Deductions:			
Benefit payments	407,716	-	-
Refunds of contributions	7,453	-	-
Administration expenses	14,965	-	-
Distribution from pooled investments	-	7,101,162	11,767
General and administrative expenses	-	-	2,998
Project expenses	-	-	10
Depreciation	-	-	62
Transfers to taxing entities	-	-	8,403
Contribution to other agencies	-	-	8,149
Interest on debt	-	-	1,294
Total deductions	430,134	7,101,162	32,683
Change in net position	147,750	365,751	(4,323)
Net position - beginning of period	6,642,164	1,481,945	13,949
Net position - end of period	$ 6,789,914	$ 1,847,696	$ 9,626

[1] Pension and OPEB balances reported as of December 31, 2014.

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, 2014, 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 76.11 and 18.45 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, 2015, 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 ***Flood Control Fund*** is used to account for taxes, assessments and other revenues collected in specific areas of the County, which are restricted for the provision of flood control services within those areas.

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

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

Additionally, the County reports the following fund types:

The ***Internal Service Funds*** are used to account for the financing of goods or services provided by one County department or agency to other departments or agencies of the County or to other governments on a cost-reimbursement basis. Internal Service funds account for the activities of the centralized communications, information technology, building maintenance, 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, 2015 financial statements are the balances as of ACERA's fiscal year ended December 31, 2014. The difference in the cash balance and interfund transactions are reconciled in the Cash and Investments footnote (Note 2).

D. ***Cash and Investments***

The County follows the practice of pooling cash and investments of all funds with the County Treasurer. Certain funds, which are held by outside custodians are classified as "Cash and investments with fiscal agents" on the accompanying financial statements. The earned interest yield on all funds held by the County Treasurer for fiscal year 2014-2015 was approximately .33 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 43.82 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. The fair value of investments is based on current market prices. The fair value of investments in open-end mutual funds is determined based on the fund's current share price.

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

Investment Income

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

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

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

E. Taxes Receivable

The State of California Constitution Article 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 estimated fair 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.

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, 2015, 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, 2015, 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. ***Self-Insurance***

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

N. ***Inter-fund Transfers***

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

(1) Charges for services are recorded as revenues of the performing fund and expenditures of the requesting fund. 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. ***Refunding of Debt***

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

P. ***Cash Flows***

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

Q. ***Pensions***

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.

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	November 30, 2013
Measurement Date	December 31, 2014
Measurement Period	January 1, 2014 to December 31, 2014

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

(amounts in tables expressed in thousands)

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, 2013
Measurement Date	June 30, 2014
Measurement Period	July 1, 2013 to June 30, 2014

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

Key changes include:

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

The statements relate to accounting and financial reporting and do not apply to how governments approach the funding of their pension plans. At present, there generally is a close connection between the ways many governments fund pensions and how they account for and report information about them in financial reports. The statements separate how the accounting and financial reporting is determined from how pensions are funded. The County implemented statements 67 and 68 effective fiscal year ending June 30, 2015. The effect to the financial statements was to restate beginning net position by a decrease of $815,818,000 see note 21.

In January 2013, the GASB issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations.* This statement is intended to improve accounting and financial reporting for state and local government's combinations and disposals of government operations. Government combinations include mergers, acquisitions, and transfers of operations. A disposal of government operations can occur through a transfer to another government or a sale.

The new standard provides guidance for:

- Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations;
- Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations;
- Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based upon their acquisition values in a government acquisition; and,
- Reporting the disposal of government operations that have been transferred or sold.

This statement did not have any effect on the County's financial statements.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement is intended to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this statement are effective for the County's fiscal year ending June 30, 2015. The County implemented statement 71 in conjunction with the implementation of statement 68 effective fiscal year ending June 30, 2015.

U. New Pronouncements

In February 2015, the GASB issued GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement is intended to improve accounting and financial reporting for state and local governments' investments by enhancing the comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for the County's fiscal year ending June 30, 2016.

In June 2015, the GASB issued Statement 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*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement

68 for pension plans and pensions that are within their respective scopes. Application of Statement No. 73 is effective for the County's fiscal year ending June 30, 2017.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57*, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. Application of Statement No. 74 is effective for the County's fiscal year ending June 30, 2017.

In June 2014, the GASB issued GASB 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 June 2014, the GASB issued GASB Statement No. 76, *The Heirarchy of Generally Accepted Accounting Principles for State and Local Governments*, which clarifies the hierarchy of generally accepted accounting principles (GAAP), and reduces the GAAP hierarch to two catalogues of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within the scope of authoritative GAAP. GASB Statement No. 76 is effective for the County's fiscal year ending June 30, 2016.

In August 2015, the GASB issued Statement No. 77, Tax Abatement Disclosures. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Application of Statement No. 77 is effective for the County's period beginning after December 15, 2015.

(amounts in tables expressed in thousands)

2. Cash and Investments

A. Deposits

As of June 30, 2015, the County's cash and deposits were as follows:

	Bank Balance	Carrying Value
Deposits with financial institutions	$ 188,319	$ 187,415
Cash on hand		1,146
Deposits in transit		40,420
ACERA cash balance as of December 31, 2014		400
Total cash and deposits		$ 229,381

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 $188,319,000 in deposits with financial institutions, $1,580,000 was covered by federal depository insurance and $186,739,000 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, 2014, ACERA reported a deposit of $400,000. As of December 31, 2014, ACERA had no investments that were exposed to custodial credit risk.

B. Investments

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

a. Treasurer's Investments

Funds with the County Treasurer are invested pursuant to the annual investment policy established by the Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio, which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. Authorized instruments in which the Treasurer can invest include U.S. Treasury securities, banker's acceptances, federal, state and local government securities, commercial paper, medium-term corporate notes, negotiable certificates of deposit, local agency investment fund, California asset management program, and money market mutual funds. Although the investment policy permits the Treasurer to invest in reverse repurchase agreements, or to engage in securities lending, such investment activities were not made during the year ended June 30, 2015.

(amounts in tables expressed in thousands)

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, 2015.

As of June 30, 2015 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	N/A	$ 149,862	$ -	$ 149,862
Federal Agency Notes & Bonds	AA+ / Aaa	577,788	1,800,090	2,377,878
Local Agency Investment Fund	Not Rated	50,000	-	50,000
Medium-Term Notes	AA+/AA1	65,261	90,632	155,893
Negotiable CDs	A-1/P-1	250,018	-	250,018
Money Market Mutual Funds	AAAm/Aaa-mf	359,000	-	359,000
Municipal Bonds and Notes	Not Rated	3,002	1,501	4,503
U.S. Treasury Coupons and Bills	A-1+/P-1	99,859	-	99,859
California Asset Management Program	AAAm/Aaa	100,000	-	100,000
Total Investments		$ 1,654,790	$ 1,892,223	$ 3,547,013

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, 2015 was 466 days.

(amounts in tables expressed in thousands)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Treasurer manages this risk exposure by complying with the Government Code and the Treasurer's more restrictive investment policy regarding the credit ratings of various types of investments. The investment policy, dated December 2, 2014, 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.

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, 2015, more than 5 percent of the Treasurer's investments were under the following issuers:

Issuer:	**Pool Portfolio as of June 30, 2015**
Federal Home Loan Bank	24.4%
Federal Farm Credit Bank	16.7%
Federal Home Loan Mortgage Corporation	21.2%

(amounts in tables expressed in thousands)

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, 2015. Cash and deposits do not include $1,148,000 in department revolving funds and $1,131,000 in Alameda Health Systems.

Statement of Net Position:

Assets:		
	Deposits and cash on hand	187,370
	Deposits in Transit	40,420
	Investments (at fair value)	3,547,013
	Accrued Interest	4,444
	Total assets	3,779,246
Liabilities:		55,486
Net Position		3,723,760
	Equity of internal pool participants	1,876,064
	Equity of external pool participants	1,847,696
	Total Net Position	3,723,760

Statement of Changes in Net Position

Net change in investments by pool participants	389,152
Net position at July 1, 2014	3,334,608
Net position at June 30, 2015	3,723,760

The County has not provided nor obtained any legally binding guarantees during the year ended June 30, 2015, to support the value of shares in the pool.

As of June 30, 2015, the Treasurer's cash and investment pool was carried at fair value, based on the current market price of the investment holdings. During the fiscal year, the fair value of the cash and investment pool was determined quarterly and reported to the Board of Supervisors at the end of each calendar quarter.

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

Each County fund's equity in the pool is the fund's actual cash position as of any given date. Any "value" that served to either increase or decrease the pool's valuation as a result of the current fair value of the pool on June 30, 2015, has been allocated to each fund based on the average cash balance during the last quarter of the fiscal year.

Other Disclosures

As of June 30, 2015, 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 $21.50 billion as of June 30, 2015. Of that amount, 97.92% was invested in non-derivative financial products and 2.08% in structured notes and asset backed securities as of June 30, 2015. The weighted average maturity of LAIF was 239 days at June 30, 2015.

(amounts in tables expressed in thousands)

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, 2015, cash and investments with fiscal agents consisted of the following:

	Credit Rating	Investment Maturities (in Years)			
Investment Type	S&P's/Moody's	Less than 1	1 to 5	More than 5	Fair Value
Cash and cash equivalents	Not rated	$ (16)	$ -	$ -	$ (16)
Local Agency Investment Fund	Not rated	199	-	-	199
EBRCSA revenue bonds [1]	Not rated	242	-	3,078	3,320
Money market mutual funds	AAAm/Aaa-mf	106,212	-	-	106,212
U.S. Treasury securities	NR/AAA	4,005	23,000	-	27,005
Federal agency notes and bonds	AA+/AAA	177,414	135,981	-	313,395
Corporate bonds	A to AA+/A3 to AA1	35,055	65,022	2,129	102,206
Total cash and investments with fiscal agents		$ 323,111	$ 224,003	$ 5,207	$ 552,321

[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, 2015, more than 5 percent of total investments with fiscal agents were in the Federal Home Loan Mortgage Corporation (37.57%), Federal National Mortgage Association (16.23%), and First American Funds (15.74%).

The investment policy for the property development fund and various bond indentures for other funds place no limit on the amount the funds may invest in any one issuer. As of June 30, 2015, more than 5 percent of the property development fund's investments were in the Federal National Mortgage Association (26.95%), Federal Home Loan Mortgage Corporation (32.03%), and the US Treasury (8.81%).

As of June 30, 2015, more than five percent of the debt service fund's investments were in the Federal Home Loan Mortgage Corporation (24.40%), the Federal Home Loan Bank (5.36%), and the Federal National Mortgage Association (8.92%). In addition, more than 5 percent of the capital projects funds' investments were in the Federal Home Loan Mortgage Corporation (34.26%), and more than five percent of the non-major governmental funds' investments were in General Electric Capital Corp. (74.37%).

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, 2014.

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, 2014, 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.

(amounts in tables expressed in thousands)

The Credit Risk Analysis table discloses the fair value of debt investments by type and credit rating as of December 31, 2014.

Credit Risk Analysis

		Adjusted Moody's Credit Rating								
Debt Investments by Type	**Total**	**Aaa**	**Aa**	**A**	**Bbb**	**Bb**	**B**	**Caa**	**Ca and Below**	**Not Rated**
Collateralized Mortgage Obligations	$ 83,130	$ 44,666	$ -	$ 444	$ 4,793	$ 2,377	$ 6,351	$ 14,261	$ 3,075	$ 7,163
Convertible Bonds	25,211	-	-	3,198	5,553	4,726	9,351	-	-	2,383
Corporate Bonds	428,363	3,703	17,110	66,003	200,293	91,268	33,840	3,702	-	12,444
Federal Home Loan Mortgage Corp.	34,650	-	-	-	-	-	-	-	-	34,650
Federal National Mortgage Assn.	66,657	-	-	-	-	-	-	-	-	66,657
Government National Mortgage Assn. I, II	17,027	-	-	-	-	-	-	-	-	17,027
Government Issues	234,482	130,714	36,806	33,516	21,740	-	-	-	-	11,706
Municipal	4,168	-	-	4,168	-	-	-	-	-	-
Other Asset Backed Securities	37,940	9,989	-	1,634	5,041	758	-	3,719	15,690	1,109
Subtotal Debt Investments	931,628	189,072	53,916	108,963	237,420	99,129	49,542	21,682	18,765	153,139
External Investment Pools of Debt Securities										
Securities Lending Cash Collateral Fund										
Liquidation Pool	390,703	-	-	-	-	-	-	-	-	390,703
Duration Pool	13,918	-	-	-	-	-	-	-	-	13,918
Master Custodian Short-Term Investment Fund	108,517	-	-	-	-	-	-	-	-	108,517
Subtotal External Investment Pools	513,138	-	-	-	-	-	-	-	-	513,138
Total	$ 1,444,766	$ 189,072	$ 53,916	$ 108,963	$ 237,420	$ 99,129	$ 49,542	$ 21,682	$ 18,765	$ 666,277

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

Custodial Credit Risk

The individual investment guidelines for each investment manager require that managed investments be held and maintained with the master custodian in the name of ACERA. The master custodian may rely on sub-custodians. The custodial requirement does not apply to real estate investments, investments in commingled pools, and private equity and alternative investments. As of December 31, 2014, ACERA had no investments that were exposed to custodial credit risk.

ACERA's investments include collateral associated with derivatives activity. As of December 31, 2014, collateral for derivatives was $1.6 million. The collateral margins are maintained in margin accounts at financial services firms that provide brokerage services. Each account is uninsured and uncollateralized, and subject to custodial credit risk.

Interest Rate Risk

ACERA has investments in three external investment pools containing debt securities that are subject to interest rate risk. ACERA has no general policy on interest rate risk for investments in external pools. The Interest Rate Risk Analysis – Duration of External Investment Pools of Debt Securities table indicates interest rate risk for the investments in these pools in terms of the duration of the pool securities as of December 31, 2014. 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	$ 390,703	37 days
Duration Pool	13,918	44 days
Master Custodian Short-Term Investment Fund	108,517	-
Total	$ 513,138	

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	$ 83,130	2.7
Convertible bonds	25,211	4.6
Corporate bonds	428,363	5.7
Federal Home Loan Mortgage Corp.	34,650	3.5
Federal National Mortgage Assn.	66,657	3.1
Government Issues	17,027	2.6
Government National Mortgage Assn. I, II	234,482	8.8
Municipal	4,168	13.1
Other Asset Backed Securities	37,940	3.6
	$ 931,628	

<u>Fair Value Highly Sensitive to Changes in Interest Rate</u>

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, 2014. ACERA has no general investment policy with respect to investments with fair values that are highly sensitive to changes in interest rates.

(amounts in tables expressed in thousands)

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
Convertible Bonds	Various debt related securities	2.65 to 4.75%	$ 3,029
Corporate Bonds	Various debt related securities	1.0 to 8.46%	57,998
Government Issues	Various debt related securities	2.875 to 8.5%	47,383
Municipals	Municipals	6.66%	2,715

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, 2014. It provides an indication of the magnitude of ACERA's foreign currency risk for each foreign currency.

Currency	Common Stock and Depository Receipts	Corporate Bonds	Foreign Currency	Government Issues	Currency Swaps	Net Exposure
Australian Dollar	$ 31,701	$ 1,781	$ 583	$ 20,144	$ 278	$ 54,487
Brazilian Real	6,199	3,144	-	694	-	10,037
Canadian Dollar	47,584	-	314	-	(148)	47,750
Chilean Peso	-	1,226	-	-	(242)	984
Colombian Peso	-	494	-	-	-	494
Danish Krone	23,752	-	115	-	22	23,889
Euro Currency	389,872	9,288	14,968	18,093	709	432,930
Hong Kong Dollar	127,202	-	142	-	-	127,344
Indian Rupee	28,257	2,477	-	-	-	30,734
Indonesian Rupiah	2,954	-	-	-	-	2,954
Israeli Shekel	-	-	-	-	29	29
Japanese Yen	234,920	-	200	-	182	235,302
Malaysian Ringgit	3,068	-	-	5,181	-	8,249
Mexican Peso	-	1,443	-	24,212	378	26,033
New Taiwan Dollar	17,682	-	-	-	-	17,682
New Zealand Dollar	716	-	-	9,750	686	11,152
Norwegian Krone	1,897	-	8	-	224	2,129
Philippine Peso	-	-	-	4,079	-	4,079
Pound Sterling	241,217	-	(1,110)	14,746	119	254,972
Singapore Dollar	29,698	-	52	-	(16)	29,734
South African Rand	7,186	-	-	-	-	7,186
South Korean Won	26,436	-	-	-	(452)	25,984
Swedish Krona	35,917	-	18	-	205	36,140
Swiss Franc	135,386	-	37	-	48	135,471
Thailand Baht	2,342	-	-	-	-	2,342
TOTAL	$ 1,393,986	$ 19,853	$ 15,327	$ 96,899	$ 2,022	$ 1,528,087

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, 2014, 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, 2014, 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, 2014, resulting from a default of the borrowers or the securities lending agent.

For the year ended December 31, 2014, 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 2014, the short-term investment fund was separated into two investment pools: 1) a liquidity pool and 2) a duration pool. As of December 31, 2014, the liquidity pool had an average duration of 37 days and an average weighted final maturity of 102 days for USD collateral. The duration pool had an average duration of 44 days and an average weighted final maturity of 2,092 days for USD collateral. For the year ended December 31, 2014, 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, 2014, ACERA had securities on loan with a fair value of $420,000,000 for cash collateral of $432,500,000.

(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, 2015:

Cash	
Cash on Hand and Deposits in Transit	$ 41,566
Cash in Bank - with County Treasurer	187,370
Cash with County Treasurer - AHS	25
Restricted Cash - With Component Unit (AHS)	20
ACERA cash balance as of 6/30/2014	400
Total Cash	229,381
Investments	
In Treasurer's Pool	3,547,013
with ACERA	6,775,506
with fiscal agents	552,321
Securities Lending - ACERA	404,621
Total Investments	11,279,461
Total Cash and Investments	$ 11,508,842
Primary Government	$ 11,508,797
Component Unit (AHS)	45
Total Cash and Investments	$ 11,508,842

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	$ 1,625,784 [1]	$ 2,150,565 [2]	$ 3,776,349	$ 25
Cash and investments with fiscal agents	306,359	6,777,693	7,084,052	-
Restricted Assets:				
Cash with fiscal agents	243,775	-	243,775	-
Cash with Component Unit (AHS)	-	-	-	20
Invested securities lending collateral	-	404,621	404,621	-
Total cash and investment	$ 2,175,918	$ 9,332,879	$ 11,508,797	$ 45
Deposits and cash on hand			$ 229,336	$ 45
Investments			11,279,461	-
Total deposits and investments			$ 11,508,797	$ 45

[1] Includes cash and investments with the County Treasurer of total governmental funds ($1,461,146) and internal service funds ($164,638).

[2] Includes deposits and investments with the County Treasurer of pension and other employee benefits trust funds ($2,301), investment trust fund ($1,901,073), private-purpose trust fund ($30,864) and agency funds ($216,327).

(amounts in tables expressed in thousands)

3. Receivables

Receivables as of June 30, 2015, 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	Non-major Governmental Funds	Subtotal	Internal Service Funds	Governmental Activities Total
Interest	$ 6,989	$ 45	$ 214	$ -	$ 237	$ 7,485	$ 180	$ 7,665
Taxes	34,344	-	1,668	-	4,128	40,140	-	40,140
Departmental accounts	199,597	-	-	-	-	199,597	-	199,597
Federal and state grants and subventions	172,193	-	716	11,596	1,619	186,124	-	186,124
Charges for services	94,920	-	81	-	11,474	106,475	2,901	109,376
Other	7,327	-	1,823	-	7,718	16,868	-	16,868
Gross receivables	515,370	45	4,502	11,596	25,176	556,689	3,081	559,770
Less: allowance for uncollectibles	(165,845)	-	-	-	-	(165,845)	-	(165,845)
Net total receivable - governmental activities	$ 349,525	$ 45	$ 4,502	$ 11,596	$ 25,176	$ 390,844	$ 3,081	$ 393,925

The departmental accounts receivable, net of allowance for uncollectibles, in the amount of $33,752,000 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, 2014 are as follows:

Contributions	$ 19,438
Derivative investments	4,415
Investments sold	5,142
Investment receivables	6,385
Other	315
Total other receivables at December 31, 2014	$ 35,695

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, 2015, 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	$ 67,312	$ 3,856	$ 26,191	$ 97,359
Operating	5,000	-	-	5,000
Total	$ 72,312	$ 3,856	$ 26,191	$ 102,359

(amounts in tables expressed in thousands)

5. Capital Assets

Capital asset activities of the primary government for the year ended June 30, 2015, are as follows:

GOVERNMENTAL ACTIVITIES

	Balance July 1, 2014	Increases	Decreases	Transfers	Balance June 30, 2015
Capital assets, not being depreciated:					
Land and easements	$ 72,745	$ 14	$ -	$ -	$ 72,759
Construction in progress	473,701	132,942	-	(11,348)	595,295
Collections	50	-	-	-	50
Total capital assets, not being depreciated	546,496	132,956	-	(11,348)	668,104
Capital assets, being depreciated:					
Structures and improvements	948,362	32,942	-	57	981,361
Machinery and equipment	173,063	14,522	8,170	-	179,415
Software	34,514	-	-	-	34,514
Infrastructure	895,919	-	-	11,291	907,210
Total capital assets, being depreciated	2,051,858	47,464	8,170	11,348	2,102,500
Less accumulated depreciation for:					
Structures and improvements	512,303	24,509	-	-	536,812
Machinery and equipment	135,876	9,070	7,494	-	137,452
Software	34,514	-	-	-	34,514
Infrastructure	437,674	22,807	-	-	460,481
Total accumulated depreciation	1,120,367	56,386	7,494	-	1,169,259
Total capital assets, being depreciated, net	931,491	(8,922)	676	11,348	933,241
Governmental activities capital assets, net	$ 1,477,987	$ 124,034	$ 676	$ -	$ 1,601,345

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

Governmental Activities	
General government	$ 2,431
Public protection	20,230
Public assistance	1,972
Health and sanitation	6,691
Public ways and facilities	19,440
Recreation and cultural services	420
Education	728
Capital assets held by the County's internal service funds	4,474
Total depreciation expense – governmental activities	$ 56,386

The County has active construction projects as of June 30, 2015. 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, 2015 are as follows:

(amounts in tables expressed in thousands)

Project	Spent-to-Date	Remaining Commitment
Construction of health care facilities	$ 518,516	$ 60,296
Construction of criminal justice facility	43,726	88,539
Expansion of library facility	7,473	1,560
Road improvements	14,185	5,154
Flood control channel improvements	7,628	321
Other projects	3,767	4,203
Total governmental funds	$ 595,295	$ 160,073

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. The commitment for the library facility expansion is funded by residual property tax revenue. 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	(1,721)
Net book value	$ 3,175

(amounts in tables expressed in thousands)

FIDUCIARY FUNDS – Pension and Other Employee Benefits Trust Funds

Capital asset activities of the pension and other employee benefits trust funds for the year ended December 31, 2014, are as follows:

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014
Capital assets, not being depreciated:				
Construction in progress	$ -	$ 24	$ 16	$ 8
Capital assets, being depreciated:				
Equipment and furniture	3,612	-	380	3,232
Electronic document management system	4,163	-	-	4,163
Information systems	10,457	-	-	10,457
Leasehold improvements	2,578	-	-	2,578
Total capital assets, being depreciated	20,810	-	380	20,430
Less accumulated depreciation and amortization for:				
Equipment and furniture	3,132	236	380	2,988
Electronic document management system	2,036	832	-	2,868
Information systems	10,457	-	-	10,457
Leasehold improvements	661	94	-	755
Total accumulated depreciation	16,286	1,162	380	17,068
Total capital assets, being depreciated, net	4,524	(1,162)	-	3,362
Fiduciary fund capital assets, net	$ 4,524	$ (1,138)	$ 16	$ 3,370

COMPONENT UNIT – Alameda Health System

Capital asset activities of the Alameda Health System for the year ended June 30, 2015, are as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets, not being depreciated:				
Construction in progress	$ 16,984	$ 1,284	$ (14,856)	$ 3,412
Land	9,021	-	-	9,021
Total capital assets, not being depreciated	26,005	1,284	(14,856)	12,433
Capital assets, being depreciated:				
Structures and improvements	46,328	7,080		53,408
Machinery and equipment	128,794	13,287	(2,883)	139,198
Total capital assets, being depreciated	175,122	20,367	(2,883)	192,606
Less accumulated depreciation for:				
Structures and improvements	31,357	1,857	-	33,214
Machinery and equipment	82,743	13,509	2,883	93,369
Total accumulated depreciation	114,100	15,366	2,883	126,583
Total capital assets, being depreciated, net	61,022	5,001	(5,766)	66,023
Component unit capital assets, net	$ 87,027	$ 6,285	$ (20,622)	$ 78,456

(amounts in tables expressed in thousands)

6. Accounts Payable and Accrued Expenditures/Expenses

Accounts payable and accrued expenditures/expenses as of June 30, 2015, 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	Nonmajor Governmental Funds	Subtotal	Internal Service Funds	Governmental Activities Total
Accounts payable	$ 75,511	$ 11	$ 2,793	$ 13,385	$ 10,757	$ 102,457	$ 9,788	$ 112,245
Outstanding warrants	26,266	-	-	-	-	26,266	-	26,266
Accrued payroll	56,601	16	1,964	-	4,809	63,390	3,716	67,106
Total accounts payable and accrued expenditures	$ 158,378	$ 27	$ 4,757	$ 13,385	$ 15,566	$ 192,113	$ 13,504	$ 205,617

Payables for pension and other employee benefits trust funds at December 31, 2014 are as follows:

Purchase of securities	$ 21,429
Investment-related payables	11,079
Member benefits	2,304
Accrued administrative expenses	1,548
Other	221
Total accounts payable and accrued expenses	$ 36,581

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, 2015:

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	$ 1,577
2007A Refunding (a)	12/1/2021	4 - 5.625	37,010	18,580
Certificates of participation-principal				20,157
1989 Capital Projects capital appreciation certificates-accretion (b)				7,305
Tobacco Settlement Asset-Backed bonds				
Tobacco Securitization bonds 2002 (e)	6/1/2042	2.25 - 6.00	220,525	155,440
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				223,299
Tobacco Securitization capital appreciation bonds 2006 - accretion (e)				57,441
Pension obligation bonds				
1996 bonds series B capital appreciation bonds-principal (a)	12/1/2018	7.03 - 7.58	306,863	67,165
1996 bonds series B capital appreciation bonds-accretion (a)				195,681
Lease revenue bonds				
Alameda County Joint Powers Authority:				
Juvenile Justice Facility Bonds Series D (a)	12/1/2015	3.3 - 5.125	28,275	3,500
Juvenile Justice Refunding Bonds 2008A (a)	12/1/2034	4.0 - 5.0	120,145	120,145
Multiple Capital Projects Bonds 2010A (a)	12/1/2044	7.046	320,000	320,000
North County Center Bonds 2004 (a)	12/1/2035	3.07 - 4.38	45,675	42,285
Lease Revenue Refunding Bonds 2012 (a)	12/1/2021	1.5 - 5	75,915	28,710
Multiple Capital Projects Bonds 2013A (a)	12/1/2035	3 - 5.25	287,380	287,380
Lease revenue bonds				802,020
Capital leases				
Water efficiency measures (a)	10/30/2023	4.08	3,000	1,889
Structures & Improvement - 7200 Bancroft Ave. (a)	2/28/2021	4.34	1,896	1,895
Capital leases payable				3,784
Other Long-term obligations				
Loans payable (d)	6/22/2015 to 6/22/2026	1.0 - 4.1	16,613	7,987
Commercial paper notes (a)	7/12/2013 to 8/9/2013	0.17 - 0.23	27,500	10,000
Compensated employee absences payable (c)				65,615
Estimated liability for claims and contingencies (d)				118,922
Obligation to fund Authority deficit (see Note 14) (a)				49,445
Other long-term obligations				251,969
Governmental activities total long-term obligations				$ 1,628,821

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, 2015 of $155.44 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 $1.81 billion, payable through June 2055. The tobacco revenue is determined by applying a rate to the number of cigarettes sold; hence, the amount to be received over the term of the bonds is not estimable. During the year, principal and interest payments were $14.2 million while tobacco settlement revenue was $13.2 million.

(amounts in tables expressed in thousands)

COMPONENT UNIT

Type of Obligation	Outstanding
Alameda Health System	
Compensated employee absences payable	$ 25,561
Estimated liability for claims and contingencies	31,287
Component unit total long-term obligations	$ 56,848

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, 2015, the County's debt limit (1.25% of total assessed value) was $2.79 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 no arbitrage rebate liability as of June 30, 2015.

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 $32.7 million as of June 30, 2015. 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 $90.3 million as of June 30, 2015. These obligations are the liability of the businesses that receive the proceeds of the bonds.

Assessment District bonds – Assessment district bonds were issued to improve the water and sewer system in the Castlewood district of Alameda County. At June 30, 2015, $0.31 million was the remaining outstanding obligation. Unpaid assessments constitute fixed liens on the lots and parcels assessed within the assessment district and do not constitute a personal indebtedness of the respective owners of such lots and parcels.

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

(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, 2015, are as follows:

	Balance July 1, 2014	Additional Obligations, Interest Accretion, and Net Increases	Current Maturities, Retirements, and Net Decreases	Balance June 30, 2015	Amounts Due Within One Year
Governmental activities:					
Certificates of participation and bonds payable					
Certificates of participation	$ 22,757	$ -	$ (2,600)	$ 20,157	$ 2,695
Tobacco securitization bonds	227,999	-	(4,700)	223,299	-
Pension obligation bonds	87,788	-	(20,623)	67,165	20,053
Lease revenue bonds	818,105	-	(16,085)	802,020	9,065
Total certificates of participation and bonds payable before accretion	1,156,649	-	(44,008)	1,112,641	31,813
Accretion on capital appreciation certificates and bonds					
Certificates of participation	8,717	739	(2,151)	7,305	2,180
Tobacco Securitization bonds	49,509	7,932	-	57,441	-
Pension obligation bonds	231,104	21,549	(56,972)	195,681	61,032
Total certificates of participation and bonds payable at accreted value	1,445,979	30,220	(103,131)	1,373,068	95,025
Other debt-related items					
Issuance premiums	23,401	-	(1,788)	21,613	1,714
Issuance discount	(3,846)	-	136	(3,710)	(136)
Total bonds and certificates payable	1,465,534	30,220	(104,783)	1,390,971	96,603
Loans and commercial paper notes	51,606	-	(33,619)	17,987	11,503
Compensated employee absences payable	65,543	34,231	(34,159)	65,615	41,694
Estimated liability for claims and contingencies	105,247	39,433	(25,758)	118,922	27,506
Capital leases	3,971	-	(187)	3,784	194
Obligation to fund Coliseum Authority deficit	53,225	-	(3,780)	49,445	3,932
Governmental activity long-term obligations	$ 1,745,126	$ 103,884	$ (202,286)	$ 1,646,724	$ 181,432

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, 2015, $3.50 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, 2015, are as follows:

Component Unit:	**Balance July 1, 2014**	**Increases**	**Decreases**	**Balance June 30, 2015**	**Amounts Due Within One Year**
Compensated employee absences payable	$ 24,242	$ 29,975	$ (28,656)	$ 25,561	$ 13,510
Estimated liability for claims and contingencies	26,021	9,838	(4,572)	31,287	5,866
Total component unit long-term obligations	$ 50,263	$ 39,813	$ (33,228)	$ 56,848	$ 19,376

(amounts in tables expressed in thousands)

Annual debt service requirements for long-term obligations outstanding as of June 30, 2015, 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
2016	$ 9,065	$ 46,067	$ -	$ -	$ 9,185	$ 20,052	$ 61,032	$ 29,117	$ 61,032	$ 55,252
2017	8,870	45,664	-	-	9,185	19,392	65,343	28,262	65,343	54,849
2018	9,280	45,257	-	-	9,185	18,782	69,763	28,062	69,763	54,442
2019	20,775	44,606	-	-	9,185	8,939	36,817	29,714	36,817	53,791
2020	21,720	43,669	-	-	9,185	-	-	21,720	-	52,854
2021-2025	110,465	202,495	-	-	45,924	-	-	110,465	-	248,419
2026-2030	130,145	173,148	34,020	-	43,968	-	-	164,165	-	217,116
2031-2035	165,675	135,624	45,170	-	36,144	-	-	210,845	-	171,768
2036-2040	146,300	89,617	-	-	22,875	-	-	146,300	-	112,492
2041-2045	179,725	32,699	76,250	-	9,150	-	-	255,975	-	41,849
2046-2050	-	-	51,475	764,585	-	-	-	51,475	764,585	-
2051-2055	-	-	16,384	616,926	-	-	-	16,384	616,926	-
2056-2058	-	-	-	-	-	-	-	-	-	-
Total	$ 802,020	$ 858,846	$ 223,299	$ 1,381,511	$ 203,986	$ 67,165	$ 232,955	$ 1,092,484	$ 1,614,466	$ 1,062,832

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
2016	$ 29,117	$ 61,032	$ 55,252	$ 2,695	$ 2,180	$ 868	$ 11,696	$ 1,413	$ 43,508	$ 63,212	$ 57,533
2017	28,262	65,343	54,849	2,791	2,208	737	1,450	1,383	32,503	67,551	56,969
2018	28,062	69,763	54,442	2,900	2,235	607	1,693	1,140	32,655	71,998	56,189
2019	29,714	36,817	53,791	3,001	2,259	478	1,549	938	34,264	39,076	55,207
2020	21,720	-	52,854	2,785	-	342	1,554	648	26,059	-	53,844
2021-2025	110,465	-	248,419	5,985	-	262	3,653	372	120,103	-	249,053
2026-2030	164,165	-	217,116	-	-	-	176	4	164,341	-	217,120
2031-2035	210,845	-	171,768	-	-	-	-	-	210,845	-	171,768
2036-2040	146,300	-	112,492	-	-	-	-	-	146,300	-	112,492
2041-2045	255,975	-	41,849	-	-	-	-	-	255,975	-	41,849
2046-2050	51,475	764,585	-	-	-	-	-	-	51,475	764,585	-
2051-2055	16,384	616,926	-	-	-	-	-	-	16,384	616,926	-
2056-2058	-	-	-	-	-	-	-	-	-	-	-
Total	$ 1,092,484	$ 1,614,466	$ 1,062,832	$ 20,157	$ 8,882	$ 3,294	$ 21,771	$ 5,898	$ 1,134,412	$ 1,623,348	$ 1,072,024

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.

The County completed several refundings in commercial paper notes and redeemed $32.075 million of these short-term notes during fiscal year 2015. The commercial paper notes were issued to provide construction financing for the Acute Tower Seismic Replacement Project.

(amounts in tables expressed in thousands)

8. Operating Lease Obligations

The County has numerous operating leases for office space. Rental expense for operating leases for fiscal year 2013/14 was $24.2 million. Future minimum lease payments for operating leases at June 30, 2015, are as follows:

2016	2017	2018	2019	2020	2021-25	Total
$ 23,707	$ 18,273	$ 15,288	$ 11,585	$ 10,538	$ 23,194	$ 102,585

9. Fund Deficits

Individual fund deficit at June 30, 2015 are as follows:

Alameda Health System	$ 303,031
Internal Service Fund - Building Maintenance	$ 8,167
Internal Service Fund - Information technology	$ 15,914

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, 2015 are as follows:

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major	Total
Nonspendable in form:							
Inventory	$ -	$ -	$ 3	$ -	$ -	$ 230	$ 233
Long-term receivables	10,292	-	-	-	-	-	10,292
Properties held for resale	255	-	-	-	-	-	255
Prepaid items	-	-	-	-	-	630	630
Total Nonspendable	10,547	-	3	-	-	860	11,410
Restricted for:							
Public protection	160,031	-	186,856	-	-	51,656	398,543
Public assistance	3,053	-	-	-	-	1,172	4,225
Health and sanitation	150,123	-	-	-	-	14,876	164,999
Public ways and facilities	-	-	-	-	-	90,815	90,815
Education	-	-	-	-	-	12,860	12,860
Capital projects	-	-	-	140,131	-	-	140,131
Debt service	-	-	-	-	77,635	21,050	98,685
Other purposes	5,144	-	-	-	-	-	5,144
Total Restricted	318,351	-	186,856	140,131	77,635	192,429	915,402
Committed to:							
Fiscal management rewards	135,324	-	-	-	-	-	135,324
Settlement claims	8,000	-	-	-	-	-	8,000
General contingencies	138,383	-	-	-	-	-	138,383
Capital projects	129,045	-	-	-	-	-	129,045
Pension liability reduction	200,000	-	-	-	-	-	200,000
Capital projects and related debt	-	349,382	-	-	-	-	349,382
Public assistance	14,970	-	-	-	-	-	14,970
Public protection	1,672	-	-	-	-	-	1,672
Other commitments	124,670	-	-	-	-	-	124,670
Total Committed	752,064	349,382	-	-	-	-	1,101,446
Assigned to:							
Appropriations in subsequent year	56,128	-	-	-	-	-	56,128
General government	15,100	-	-	-	-	-	15,100
Public protection	16,971	-	-	-	-	5,390	22,361
Public assistance	42,231	-	-	-	-	-	42,231
Health and sanitation	39,930	-	-	-	-	-	39,930
Public ways and facilities	276	-	-	-	-	-	276
Recreation and cultural services	35	-	-	-	-	-	35
Other purposes	118	-	-	-	-	-	118
Total Assigned	170,789	-	-	-	-	5,390	176,179
Unassigned	114,717	-	-	(68,323)	-	-	46,394
Total fund balances	$ 1,366,468	$ 349,382	$ 186,859	$ 71,808	$ 77,635	$ 198,679	$ 2,250,831

Encumbrance balances by major funds and non-major funds as of June 30, 2015 are:

	Restricted	Committed	Assigned	Total
General Fund	$ 10,170	$ -	$ 109,070	$ 119,240
Property Development	-	67	-	67
Flood Control	21,073	-	-	21,073
Capital Projects	184,847	-	-	184,847
Non-major Governmental Funds	18,899	-	294	19,193
Total encumbrances	$ 234,989	$ 67	$ 109,364	$ 344,420

(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, 2015 for governmental activities is as follows:

Restricted for Public Protection		
Flood	$187,003	
Criminal Justice and Courthouse Construction	28,927	
Sheriff	28,258	
Public Safety	23,664	
Consumer Protection	23,228	
Child Support Enforcement	16,235	
Vital Records	15,891	
Community Development	6,241	
Criminal Justice Programs	1,047	
Domestic Violence	752	
Survey Monument Preservation	622	
Vehicle Theft Prevention	614	
Probation	83	
Other	2,739	$335,304
Restricted for Public Assistance		
Housing and Commercial Development	92,469	
Social Services Programs	1,770	94,239
Restricted for Health and Sanitation		
Behavioral Health Services	93,048	
Public Health	35,283	
Emergency Medical Services	21,133	
Environmental Health	11,354	160,818
Restricted for Public Ways and Facilities		
Roads and Bridges Maintenance	84,600	
Streets and Highway Lighting	4,766	89,366
Restricted for Education		
Library Services		12,952
Restricted for Other Purposes		
Debt Payments	59,071	
Property Taxes	6,893	
Assessor	5,134	71,098
Total Restricted Net Position-Governmental Activities		$763,777

Included in governmental activities restricted net position as of June 30, 2015 is net position restricted by enabling legislation of $105,455,000.

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, 2015, is as follows:

	Due to other funds			
Due from other funds	**Capital Projects Fund**	**Debt Service Funds**	**Non-major Governmental Funds**	**Total Due from**
General fund	$ 66,534	$ 13,251	$ 723	$ 80,508

(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.

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

Due to/from primary government and component unit:

Receivable Entity	Payable Entity	Amount
	Alameda Health System	$ 209,207
Primary government-governmental		$ 209,207
Less allowance for uncollectibles		(31,000)
Net		$ 178,207
Alameda Health System	Primary government-governmental	$ 13,531

Advances to/from primary government and component unit:

Receivable Entity	Payable Entity	Amount
Primary government-governmental	Alameda Health System	$ 2,049

In fiscal year 2015, AHS recognized its full allocated share of the pension obligation bonds issued by the County in 1995 and 1996 and reported as a restatement of beginning net position. Accordingly, the County recognized the total allocated share in the due from component unit and the beginning net position was restated by an increase of $59,071.

Transfers between funds for the year ended June 30, 2015, 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	$ -	$ 31,786	$ 73,401	$ -	$ 3,249	108,436
Property development fund	542	-	9,936	-	-	10,478
Capital projects fund	72	-	-	-	-	72
Debt service fund	-	42,075	-	-	-	42,075
Non-major governmental funds	-	280	-	2,100	-	2,380
Internal service funds	1,953	1,100	6,739	-	-	9,792
Total transfers in	$ 2,567	$ 75,241	$ 90,076	$ 2,100	$ 3,249	$ 173,233

The $108.4 million General Fund transfer out includes $45.6 million for pension obligation debt service, $27.8 million to provide for the payment of debt service, $31.8 million to provide funding for capital projects, and $2.5 million for maintenance projects.

The $10.5 million Property Development Fund transfer out includes $9.9 million reimbursement to the Debt Service Fund for the Juvenile Justice bond payment.

The $42.1 million Debt Service Funds transfer out was for the pay down of commercial paper which was issued to finance the construction of the Acute Tower.

The $2.4 million Non-major Governmental Funds transfer out includes $2.1 million to cover operating costs of the bridges.

The $9.8 million Internal Service Funds transfer out includes $6.8 million for the payment of debt service, $1.9 million for payment of energy loans and leases, and $1.1 million for tenant improvement project.

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 $948.8 million as of December 31, 2014. ACERA began operations on January 1, 1948 and is governed by the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act (PEPRA) of 2012 and the bylaws, policies and procedures adopted by the Board of Retirement.

ACERA operates as a cost-sharing, multiple-employer, defined benefit plan for the County, the Alameda Health System, the Superior Court of California for the County of Alameda, and four participating special districts located in the County, but not under the control of the County Board of Supervisors. All full-time employees of participating entities, except for Alameda Health System, appointed to permanent positions are required by statute to become members of ACERA. Safety membership includes employees who are in active law enforcement, deferred firefighters, probation officers, and juvenile hall group counselors. General membership includes all other eligible classifications.

ACERA provides service and disability retirement benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State Law and are subject to amendment only by an act of the State of California legislature. Alternative benefit and contribution schedules are permissible with the Board of Supervisors' approval. All risks and costs, including benefit costs, are shared by the participating entities.

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 periodically 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, 2014 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 5.08 and 21.93 percent of their annual covered salary effective September 2014. Member contributions are refundable upon termination from the retirement system.

(amounts in tables expressed in thousands)

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, 2015, the County made contributions of $159,661,000 to ACERA. However, the reported contributions are allocated between the pension and the other postemployment benefit plans. Therefore, 20 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, 2015, the County reported a liability of $1,340,553,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, 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, 2014, the County's proportion was 77.01 percent, which was a decrease of 1.38 percent from its proportion measured as of December 31, 2013.

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

For the year ended June 30, 2015, the County recognized pension expense of $213,463,000. At June 30, 2015, 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	$ -	$ 48,785
Changes of assumptions	254,873	-
Net difference between projected and actual earnings on investments	72,713	-
Proportionate share of contributions	2,978	-
County contributions subsequent to the measurement date	80,186	-
Total	$ 410,750	$ 48,785

(amounts in tables expressed in thousands)

County contributions of $80,186,000 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, 2016. 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:	
2016	$ 62,851
2017	62,851
2018	62,850
2019	62,850
2020	30,377

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, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Measurement Date	December 31, 2014	December 31, 2013
Inflation	3.25%	3.50%
Salary Increases	General: 4.15% to 7.45% Safety: 4.45% to 10.45% Vary by service, including inflation	General: 4.60% to 7.20% Safety: 4.70% to 10.20% Vary by service, including inflation
Investment Rate of Return	7.60%, net of pension plan investment expense, including inflation	7.80%, 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	RP-2000 Combined Healthy Mortality Table adjusted for future mortality improvements based on a review of the mortality experience in the December 1, 2007 - November 30, 2010 Experience Study
Date of Experience Study	December 1, 2010 through November 30, 2013	December 1, 2007 through November 30, 2010

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 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:

(amounts in tables expressed in thousands)

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, 2014. 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:

	1% Decrease (6.60%)	Discount Rate (7.60%)	1% Increase (8.60%)
County's proportionate share of the net pension liability	$ 2,028,689	$ 1,340,553	$ 767,692

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).

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, 2014, the active employee contribution rate is 6.891 percent of annual pay, and the average ACFD contribution rate is 10.781 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, 2014, the active employee contribution rate is 9.0 percent of annual pay, and the average County contribution rate is 26.543 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, 2015, ACFD reported a liability of $1,614,000 for its proportionate share of the net pension liability for the Miscellaneous Plan. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2014, ACFD's proportion was 0.065 percent, which was a decrease of 0.002 percent from its proportion measured as of June 30, 2013.

(amounts in tables expressed in thousands)

Safety Plan

As of June 30, 2015, ACFD reported a liability of $61,170,000 for its Safety Plan net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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, 2013	$ 318,074	$ 236,789	$ 81,285
Changes for the year:			
Service cost	14,144	-	14,144
Interest	23,869	-	23,869
Contributions - employer	-	12,029	(12,029)
Contributions - employee	-	4,465	(4,465)
Net investment income[1]	-	41,634	(41,634)
Benefit payments[2]	(13,785)	(13,785)	-
Net changes for the year	24,228	44,343	(20,115)
Balances at June 30, 2014	$ 342,302	$ 281,132	$ 61,170

[1] Net of administrative expenses

[2] Including refunds of employee contributions

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

Miscellaneous Plan

For the year ended June 30, 2015, ACFD recognized pension expense of $404,000. At June 30, 2015, 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	$ -	$ 542
Changes in proportion and differences between ACFD contributions and proportionate share of contributions	-	239
ACFD contributions subsequent to the measurement date	652	-
Total	$ 652	$ 781

(amounts in tables expressed in thousands)

ACFD contributions of $652,000 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, 2016. 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:	
2016	$ (221)
2017	(221)
2018	(204)
2019	(135)

Safety Plan

For the year ended June 30, 2015, ACFD recognized pension expense of $11,008,000. At June 30, 2015, 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	$ -	$ 19,094
ACFD contributions subsequent to the measurement date	12,024	-
Total	$ 12,024	$ 19,094

ACFD contributions of $12,024,000 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, 2016. 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:	
2016	$ (4,773)
2017	(4,774)
2018	(4,773)
2019	(4,774)

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, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	7.50%
Inflation Rate	2.75%
Salary Increases	Varies by entry age and service
Investment Rate of Return	7.50%, net of pension plan investment and administrative expenses, including inflation
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.

(amounts in tables expressed in thousands)

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	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-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 7.50 percent as of June 30, 2014. 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.

According to paragraph 30 of statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. The difference was deemed immaterial to the agent multiple-employer plan.

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
ACFD's proportionate share of the net pension liability	$ 2,875	$ 1,614	$ 567

(amounts in tables expressed in thousands)

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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
ACFD's net pension liability	$ 105,620	$ 61,170	$ 24,158

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 $522.16 per month in 2015.

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, 2014 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).

(amounts in tables expressed in thousands)

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 2013 through 2015 are as follows:

Fiscal Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	$ 29,910	0.0 %	$ 117,610
2014	26,953	198.6	91,035
2015	14,126	672.8	10,127

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	$ 15,931
Interest on net OPEB obligation	7,283
Adjustment to annual required contributions	(9,088)
Annual OPEB cost	14,126
OPEB contributions	(95,034)
Change in net OPEB obligation	(80,908)
Net OPEB obligation, beginning of fiscal year	91,035
Net OPEB obligation, end of fiscal year	$ 10,127

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, 2014 was $831.3 million; the actuarial value of assets was $759.2 million; the unfunded actuarial accrued liability was $72.1 million; and the funded ratio was 91.3 percent. Covered payroll was $948.8 million and the ratio of unfunded actuarial accrued liability to covered payroll was 7.6 percent. For the three-year trend actuarial information, please see the Schedules of Funding Progress on page 98.

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 (12/31/2013 valuation) and the funded status of the plan (12/31/2014 valuation), as shown in a schedule on the next page.

(amounts in tables expressed in thousands)

Valuation date	12/31/2013	12/31/2014
Actuarial cost method	Entry Age Normal	
Amortization of UAAL	Closed period 30 years (decreasing)	
Remaining amortization period	22 years	21 years
Amortization method	Level percentage of pay	
Assets valuation method	Difference between actual and expected market return smoothed over 10 six-month periods	
Interest rate	7.80%	7.60%
Inflation rate	3.50%	3.25%
Across-the-Board salary increases	0.50%	
Salary increases:		
General	4.60 - 7.20%	4.15 - 7.45%
Safety	4.70 - 10.20%	4.45 - 10.45%
Demographics:		
(A) Healthy	RP-2000 Combined Healthy Mortality Table	
General members and all beneficiaries	Set back two years for males and one year for females	Set back one year for males and females
Safety members	Set back two years for males and one year for females	No set back for males and set back two years for females
(B) Disability	RP-2000 Combined Healthy Mortality Table	
General members	Set forward four years	Set forward seven years for males and set forward four years for females
Safety members	Set forward two years	Set forward six years for males and set forward three years for females
(C) For Employee Contribution Rate Purposes	RP-2000 Combined Healthy Mortality Table	
General members	Set back two years for males and one year for females, weighted 30% male and 70% female	Set back one year for males and females, weighted 30% male and 70% female
Safety members	Set back two years for males and one year for females, weighted 75% male and 25% female	No set back for males and set back two years for females, weighted 75% male and 25% female
Healthcare Cost Trend Rates:		
Monthly Medical Allowance (MMA)	Graded down from 8.0% by 0.5% per annum until ultimate rate of 5%	Graded down from 7.5% by 0.5% per annum until ultimate rate of 5%
Dental and Vision	5%	
Medicare Part B	5%	
Postemployment benefit increases	Dental, vision and Medicare Part B subsidies are assumed to increase at 100% of the healthcare cost trend rates for these benefits. 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 2015 MMA will remain at 2014 levels for non-Medicare insurer; for Medicare insurer will be $400.	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 2016 MMA will be $540.44, an increase of 3.5% from 2015 for non-Medicare insurer; for Medicare insurer will be $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 5 years of employment with the ACFD and 10 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 2014-15, the ACFD's contribution is $5,896,000. This amount includes: $526,000 of employee contributions, $613,000 of the City of Newark contribution toward its subaccount, $1,200,000 contribution from the Dispatch Center to fully fund its unfunded liability, $750,000 contribution from ACFD toward the County's subaccount, and $2,807,000 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	$ 15,453
Interest on net OPEB obligation	2,135
Adjustment to annual required contribution	(4,565)
Annual OPEB cost	13,023
Contributions made	(5,896)
Increase in Net OPEB obligation	7,127
Net OPEB obligation – beginning of year	52,999
Net OPEB obligation – end of year	$ 60,126

(amounts in tables expressed in thousands)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB asset for 2015 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	$11,764	18%	$43,288
6/30/2014	$12,490	22%	$52,999
6/30/2015	$13,023	45%	$60,126

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 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.

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. Actuarial Assumptions

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, 2013, actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 4.0 percent investment rate of return for no pre-funding scenario, an increasing trend of healthcare cost compared to the prior year, ranging from 8.0 to 8.3 percent increase beginning fiscal year 2015 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 23 years remaining as of June 30, 2015.

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

On May 31, 2012, the 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.

The Stadium Bonds are limited obligations of the Coliseum Authority payable solely from certain revenues of the Coliseum Authority, including revenues from the Stadium and Arena Complex and base rental payments from the City and the County. The source of the Coliseum Authority’s revenues relating to football games consists primarily of a portion of the club dues, concession, and parking payments. The Coliseum Authority has pledged the base rental payments and most other revenues received under the Master Lease from the lessees, the City, and the County to the trustee to pay debt service on the bonds. In the event that football revenues and other revenues received in connection with the Stadium are insufficient to make base rental payments, the City and the County are obligated to make up the shortfall in the base rental payments from their respective general funds. The City and the County each have covenanted to appropriate $11 million annually to cover such shortfall in revenue; however, the City and the County are jointly and severally liable to cover such shortfall, which means that the County could have to pay up to $22 million annually in the event of default by the City. Base rental payments are projected to cover one hundred percent of the debt service requirements over the life of the bonds. The obligation of the City and the County to make such payments is reduced to the extent the Coliseum Authority receives revenues generated at the complex to pay debt service and for operations and maintenance. The Stadium Bonds are not general obligations of either the City or the County.

Arena Background

On August 2, 1996, the Coliseum Authority issued $70 million Series A-1 and $70 million Series A-2 Variable Rate Lease Revenue Bonds (Arena Bonds) to finance the costs of remodeling the Coliseum Arena (Arena) and to satisfy certain obligations of the Coliseum Authority, the City, the County, and Coliseum Inc. in connection with the retention of the Golden State Warriors (the Warriors) to play professional basketball at the Arena for at least 20 basketball seasons, beginning with the 1997-98 season. These obligations are evidenced in a series of agreements (the Warriors Agreements) among the Warriors and the City, the County, Coliseum Inc., and the Coliseum Authority.

On April 14, 2015, the Authority issued $79,735,000 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.

(amounts in tables expressed in thousands)

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, 2015 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	2% - 5%	$ 122,815	$ 98,890
Arena Bonds				
2015 Refunding Series A Lease Revenue Bonds	February 1, 2026	1% - 4%	79,735	79,735
Total Long-term debt			$ 202,550	$ 178,625

Debt payments during the fiscal year ended June 30, 2015 were as follows:

	Stadium	Arena	Total
Principal	$ 7,560	$ 5,150	$ 12,710
Redemption	-	79,735	79,735
Interest	5,247	152	5,399
Total	$ 12,807	$ 85,037	$ 97,844

(amounts in tables expressed in thousands)

The following is a summary of long-term debt transactions for the year ended June 30, 2015:

Outstanding lease revenue bonds, July 1, 2014	$ 191,335
Lease refunding revenue bonds in fiscal year 2015	79,735
Principal repayments	(92,445)
Outstanding lease revenue bonds, June 30, 2015	178,625
Amount due within one year	(13,265)
Amount due beyond one year	$ 165,360

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
2016	$ 7,865	$ 4,945	$ 5,400	$ 7,071	$ 13,265	$ 12,016
2017	8,255	4,551	5,800	7,968	14,055	12,519
2018	8,670	4,139	6,200	8,296	14,870	12,435
2019	9,100	3,705	6,600	8,591	15,700	12,296
2020	9,555	3,250	7,000	8,838	16,555	12,088
2021-2025	55,445	8,587	43,850	49,515	99,295	58,102
2026	-	-	4,885	5,070	4,885	5,070
Total	$ 98,890	$ 29,177	$ 79,735	$ 95,349	$ 178,625	$ 124,526

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 five 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, 2015, the County made contributions of $9.89 million to fund its share of operating deficits and debt service payments of the Coliseum Authority.

The Coliseum Authority has anticipated a deficit for operating costs and repayment of its Stadium Bonds, such that the City and County will have to contribute to base rental payments. Of the $20.5 million appropriated in the general fund as part of the above agreements, it is estimated that the County will have to contribute $11.02 million for the year ending June 30, 2016. 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 $49.445 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 $167 thousand to AHS during fiscal year 2015.

Included in the County's outstanding long-term liabilities at June 30, 2015, are $2 million in lease revenue bonds which refunded the 2001A Refunding certificates of participation that were issued to provide for improvements to the Facilities. The County is liable for the repayment of the debt.

As of July 1, 2001, 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:

	2014/15	2013/14
Estimated liability for claims and contingencies at the beginning of the fiscal year	$ 26,021	$ 26,077
Additional obligations	9,838	3,367
Payments	(4,572)	(3,423)
Estimated liability for claims and contingencies at the end of the fiscal year	$ 31,287	$ 26,021

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 2016.

In 2004, the voters of Alameda County approved Measure A, which provides funding, beginning in fiscal year 2005, for emergency medical, hospital inpatient, outpatient, public health, mental health, and substance abuse services to indigent, low-income and uninsured adults, children, families, seniors and other residents of Alameda County through an increase in Alameda County's sales tax revenue of .5%. Seventy-five percent of the funds are to be used by 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. As of June 30, 2015, the balance of net loans to AHS was $137.22 million.

The terms of loan repayment, amended in April 2011, called for a reduction of the $200 million loan limit to $90 million by June 30, 2015. The outstanding net payable to the County exceeds the $90 million loan limit; therefore, AHS was not in compliance with the loan agreement. AHS and the County signed an interim agreement, which is effective from October 28, 2014 through December 31, 2014. The interim agreement has been extended several times and the latest extension was to March 31, 2016, approved by the Board on December 15, 2015. The purpose of the agreement is to allow AHS and the County time to develop a longer term agreement on repayment of AHS's obligation to the County. Under this agreement, AHS's net obligation cannot exceed $195 million. Failure to come to a long term agreement between AHS and the County by March 31, 2016 will result in the County no longer being able to extend credit to AHS. The net loans of $137.22 million at June 30, 2015 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 53 percent and 25 percent, respectively, of gross patient service revenues, excluding certain federal aid revenues, for the year ended June 30, 2015. Reimbursement rates are tentative and final reimbursement for services is determined after submission of annual cost reports and audits by third-party intermediaries.

(amounts in tables expressed in thousands)

C. Other Program Revenues

AHS also receives significant revenues from the Medi-Cal Waiver Program, California Senate Bill 1100 (SB1100). Beginning in fiscal year 2006, SB1100 provides additional funding to hospitals that provide a significant portion of their services to Medi-Cal and medically indigent recipients. SB1100 provides additional funds through a reimbursement rate increase for each Medi-Cal patient day provided, up to a maximum number of days. AHS recognized $45 million in SB1100 funds for the year ended June 30, 2015. This amount includes the net intergovernmental transfers for the year ended June 30, 2015 and adjustment to prior year revenues for changes in state allocations.

D. Charity Care

Counties are required by federal statute, Section 17000 of the Health and Welfare Act, to provide charity care to patients who are unable to pay. AHS provides services to patients who are financially screened and qualified to receive charity care under the guidelines of AB 774. AHS captures the amount of unreimbursed costs for services and supplies for patients who qualify for the charity care program and County programs. The following table summarizes the estimated cost of charity care for the year ended June 30, 2015:

Charity care at cost	$ 1,778
Percent of operating expenses	0.2 %

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, 2015:

HPAC unreimbursed cost	$ 11,160
Percent of operating expenses	1.3 %

E. Accounts Receivable

Accounts receivable at June 30, 2015, comprised the following:

Patient accounts receivable	$ 164,231
Due from State of California	50,159
Other accounts receivable	5,045
Total	$ 219,435

Patient accounts receivable include amounts due from third party payors, patients, and other agencies for patient services rendered and is net of $480.2 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, 2015, comprised the following:

Accounts payable	$ 48,537
Accrued payroll	20,951
Due to third-party payors	78,802
Other accrued liabilities	229
	$ 148,519

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 in prior years. 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 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, 2015, the proportionate share of net pension liability was $292,061.

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 2013 to 2015 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
2013	$ 7,144	0.00 %	$ 26,580
2014	6,533	0.00	33,113
2015	1,482	0.00	34,595

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, 2015:

Annual required contributions	$ 5,639
Interest on net OPEB obligation	2,243
Adjustment to annual required contributions	(6,400)
Annual postemployment medical benefits cost	1,482
Postemployment medical benefits contributions	-
Increase in net OPEB obligation	1,482
Net OPEB obligation, beginning of year	33,113
Net OPEB obligation, end of year	$ 34,595

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, 2015 to March 31, 2016.

Property Insurance – Declared values as of March 31, 2015 for Policy Period March 31, 2015 to March 31, 2016

	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	$600,000,000
Real and personal property and rents: $2,408,189,255	$50,000		
Vehicles and mobile equipment (excluding buses): $117,174,167	$20,000, except $100,000 for vehicles with replacement value greater than $250,000		
Buses: $3,110,076	$100,000		
Fine Arts (scheduled): $1,634,493	$50,000		
Terrorism	$500,000	$3,000,000	$200,000,000
Flood: $2,408,189,255	2% of total values per unit up to $25,000	$0	$490,000,000
Earthquake: $2,293,660,630	5% of replacement value per unit per occurrence, with a $100,000 minimum deductible	Pooled retention is $0. Alameda County is a member of the CSAC - EIA property insurance program. Member properties are separated into eight different groups (towers) to achieve geographical diversity within each group and spread the risk of loss from a single earthquake. Alameda County property is spread between three groups (Towers I, II, and IV) with $100 million in purchased coverage for each tower and an additional $390 million in annual aggregate purchased coverage shared among all members in Towers I –V only, for total purchased earthquake coverage of $890 million, subject to limits of $490 million per tower. The total limit available to Alameda County across the three towers in which its property is scheduled is $690 million.	

(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	Corridor retention of $9,000,000	$25,000,000 (inclusive of retention)
Medical Malpractice	$10,000 deductible	$1,500,000	$1,500,000 pooled retention limit
Workers' Compensation	$3,000,000	Quota share of 20% of $5,000,000 (80% borne by insurer) from SIR to $5,000,000	Statutory
Employer's Liability	$3,000,000	$5,000,000	Statutory
Pollution Liability	$250,000	$0	$10,000,000 per occurrence / $100,000,000 aggregate

The County purchases insurance for the following exposures:

Description	Deductible	Limit
Aircraft Coverage:		
Aircraft Liability	Some coverage is sub-limited	$15,000,000
Aircraft Hull (2000 Cessna 206)	$0	$15,000,000
Watercraft Coverage:		
Watercraft Protection and Indemnity	$1,000	$1,000,000
Watercraft Collision and Towers	$1,000	$1,000,000
Watercraft Hull and Machinery	$1,000	Varies by vessel ($12,500 to $4,800,000)
Foster Parents Liability	$250	$300,000
Crime Bond / Employee Dishonesty	$2,500	$15,000,000
Cyber Liability	$100,000	$2,000,000 aggregate per member / $20,000,000 aggregate per pool / various sub-limits
Public Guardian Bonds	$2,500	$15,000,000
Notary Bonds	$0	$1,000,000
Notary Public Errors and Omissions	$0	$10,000

The County is totally self-insured for dental benefits to employees and their families. Coverage for each family member is limited to $1,450 or $1,550, depending on employee's bargaining unit, per year for covered services.

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

(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	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Estimated liability for claims and contingencies at the beginning of the fiscal year	$ 19,766	19,226	$ 85,481	$ 80,992	$ 105,247	$ 100,218
Incurred claims and claim adjustment expenses	9,715	5,460	29,718	21,134	39,433	26,594
Payments	(7,474)	(4,920)	(18,284)	(16,645)	(25,758)	(21,565)
Total estimated liability for claims and contingencies at the end of the fiscal year	$ 22,007	$ 19,766	$ 96,915	$ 85,481	$ 118,922	$ 105,247

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, 2015, 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, 2015, are as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets, being depreciated:				
Infrastructure	$ 3,111	$ -	$ -	$ 3,111
Less accumulated depreciation for:				
Infrastructure	441	62	-	503
Total capital assets, being depreciated, net	$ 2,670	$ (62)	$ -	$ 2,608

The changes in liabilities, other than long-term debt, of the private-purpose trust fund for the year ended June 30, 2015 are as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Amounts Due Within One Year
Due to other governmental units	$ 9,727	$ 463	$ 2,558	$ 7,632	$ 2,597

The outstanding tax allocation bonds of the Alameda County Redevelopment Successor Agency as of June 30, 2015:

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	$ 28,905

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 $46.1 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, 2015 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, 2015, are as follows:

	Balance July 1, 2014	Additional Obligations and Net Increases	Current Maturities, Retirements, and Net Decreases	Balance June 30, 2015	Amounts Due Within One Year
Tax allocation bonds	$ 29,695	$ -	$ (790)	$ 28,905	$ 825
Deferred amount for issuance premium	270	-	(12)	258	12
Total private-purpose trust bonds payable	$ 29,965	$ -	$ (802)	$ 29,163	$ 837

Annual debt service requirements for Alameda County Redevelopment Successor Agency tax allocation bonds outstanding as of June 30, 2015 are as follows:

For the Year Ending June 30	Tax Allocation Bonds Principal	Interest	Total
2016	$ 825	$ 1,288	$ 2,113
2017	855	1,254	2,109
2018	890	1,219	2,109
2019	925	1,183	2,108
2020	960	1,145	2,105
2021-2025	5,435	5,077	10,512
2026-2030	6,705	3,785	10,490
2031-2035	8,355	2,068	10,423
2036-2037	3,955	200	4,155
	$ 28,905	$ 17,219	$ 46,124

(amounts in tables expressed in thousands)

21. Restatements of Beginning Net Position

In fiscal year 2015, the County restated the beginning net position as a result of the following:

	Governmental Activities	Alameda Health System
Pension related items		
Establish net pension liability as of July 1, 2014	$ (1,088,462)	$ (199,412)
Establish deferred outflows of resources for pension contributions made subsequent to measurement date, as of the beginning of fiscal year	90,944	19,737
Remove balance of net pension obligation as of June 30, 2014	95,240	8,057
Remove balance of net other OPEB obligation as of June 30, 2014	86,460	17,625
Net decrease in net position as a result of GASB 68 implementation	(815,818)	(153,993)
Other restatements		
Recognition of the Alameda Health System's full allocated share of pension obligation bonds as due from component unit	59,071	(59,071)
Change in recognition of affordable housing loans	63,890	-
Total cumulative effect of restatements of beginning net position	$ (692,857)	$ (213,064)

The beginning net position of the internal service funds was restated by a net decrease of $49,824,000 for pension related items. This amount is included in the governmental activities as follows:

Establish net pension liability as of July 1, 2014	$ (54,037)
Establish deferred outflows of resources for pension contributions made subsequent to measurement date, as of the beginning of fiscal year	4,213
Total cumulative effect of restatements of beginning net position	$ (49,824)

22. Subsequent Event

On July 28, 2015, the Board of Supervisors approved a transfer of $100 million from reserve funds to the Pension Liability Reduction Account (PLRA) in response to the significant increases in the County's unfunded pension liability as a result of changes in actuarial assumptions and a change to accrual basis accounting of net pension liability in compliance with GASB Statement No. 68. In addition, the Board approved an increase in the maximum amount to be transferred to the PLRA each year from fiscal year 2017 to fiscal year 2020; from $50 million to $100 million.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)

Schedule of Proportionate Share of the Net Pension Liability

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
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
2015	0.03 %	$ 1,614	$ 5,244	30.77 %	83.03 %

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)

Schedule of County Contributions

ACERA

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
2015	$ 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
2015	$ 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
2015	$ 12,029	$ 12,029	$ -	$ 45,785	26.27 %

Notes to the CalPERS Safety Plan Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2015 were from the June 30, 2011 public agency valuations:

Actuarial cost method	Entry age normal
Asset valuation method	Actuarial value of assets
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50% net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 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.

(amounts expressed in thousands)

Schedule of Changes in the Net Pension Liability and Related Ratios

CalPERS Safety Plan

	Fiscal Year 2015
Total pension liability	
Service cost	$ 14,144
Interest	23,869
Benefit payments, including refunds of employee contributions	(13,785)
Net change in total pension liability	24,228
Total pension liabiltiy, beginning	318,074
Total pension liabiltiy, ending	$ 342,302
Safety plan fiduciary net position	
Contributions - employer	$ 12,029
Contributions - employee	4,465
Net investment income	41,634
Benefit payments, including refunds of employee contributions	(13,785)
Net change in safety plan fiduciary net position	44,343
Safety plan fiduciary net position, beginning	236,789
Safety plan fiduciary net position, ending	$ 281,132
County's net pension liability - ending	$ 61,170
Safety plan fiduciary net position as a percentage of the total pension liability	82.13 %
Covered employee payroll	$ 45,785
County's net pension liability as a percentage of covered employee payroll	133.60 %

COUNTY OF ALAMEDA, CALIFORNIA

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]
2012	$ 545,429	$ 754,838	72.3 %	$ 209,409	$ 906,500	23.1 %
2013	617,627	724,576	85.2	106,949	916,803	11.7
2014	759,200	831,334	91.3	72,134	948,848	7.6

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]
1/1/2010	$ -	$ 77,388	0.0 %	$ 77,388	$ 47,274	163.7 %
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

Historical trend information is presented.

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary	Variance Positive
	Original	Final	Basis	(Negative)
Revenues:				
Taxes	$ 381,706	$ 444,399	$ 450,566	$ 6,167
Licenses and permits	8,861	8,861	8,262	(599)
Fines, forfeitures, and penalties	13,761	17,440	39,231	21,791
Use of money and property	5,212	5,212	14,982	9,770
State aid	966,953	923,909	962,030	38,121
Federal aid	418,370	488,025	416,004	(72,021)
Other aid	29,388	29,444	26,825	(2,619)
Charges for services	324,106	343,322	353,144	9,822
Other revenue	70,778	87,922	55,150	(32,772)
Total revenues	2,219,135	2,348,534	2,326,194	(22,340)
Expenditures:				
Current				
General government				
Salaries and benefits	93,897	94,652	88,525	6,127
Services and supplies	48,770	54,988	40,822	14,166
Other charges	25,487	18,984	15,175	3,809
Capital assets	16	269	269	-
Public protection				
Salaries and benefits	466,053	497,126	486,804	10,322
Services and supplies	188,682	198,403	184,646	13,757
Other charges	7,084	7,391	6,707	684
Capital assets	3,396	4,490	4,200	290
Public assistance				
Salaries and benefits	250,005	250,278	235,891	14,387
Services and supplies	203,770	208,486	189,297	19,189
Other charges	313,737	313,696	289,759	23,937
Capital assets	26,927	27,229	22,406	4,823
Health and sanitation				
Salaries and benefits	169,975	178,787	153,372	25,415
Services and supplies	487,471	513,059	431,649	81,410
Other charges	76,977	137,723	117,604	20,119
Capital assets	274	453	215	238
Public ways and facilities				
Salaries and benefits	406	374	374	-
Services and supplies	2,284	2,536	2,468	68
Recreation and cultural services				
Salaries and benefits	10	11	11	-
Services and supplies	663	661	639	22
Education				
Salaries and benefits	135	35	35	-
Services and supplies	154	254	228	26
Capital outlay	11,843	43,193	42,902	291
Pension bond debt service transfer	(45,564)	(45,564)	(45,564)	-
Total expenditures	2,332,452	2,507,514	2,268,434	239,080
Excess (deficiency) of revenues over expenditures	(113,317)	(158,980)	57,760	216,740
Other financing sources (uses):				
Transfers in	-	35,846	2,567	(33,279)
Transfers out	(45,564)	(114,324)	(108,436)	5,888
Budgetary reserves and designations	-	(36,309)	-	36,309
Total other financing sources (uses)	(45,564)	(114,787)	(105,869)	8,918
Net change in fund balance	(158,881)	(273,767)	(48,109)	225,658
Add outstanding encumbrances for current budget year	-	-	119,241	119,241
Fund balance - beginning of period	1,295,336	1,295,336	1,295,336	-
Fund balance - end of period	$ 1,136,455	$ 1,021,569	$ 1,366,468	$ 344,899

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Use of money and property	$ 238	$ 238	$ 3,232	$ 2,994
Other revenue	3,000	3,000	2,623	(377)
Total revenues	3,238	3,238	5,855	2,617
Expenditures:				
Current				
General government				
Salaries and benefits	479	479	267	212
Services and supplies	1,758	1,758	411	1,347
Capital assets	225	225	103	122
Total expenditures	2,462	2,462	781	1,681
Excess of revenues over expenditures	776	776	5,074	4,298
Other financing sources (uses):				
Proceeds from sale of land	40,644	40,644	28,862	(11,782)
Transfers out	(41,585)	(59,079)	(10,478)	48,601
Total other financing sources (uses)	(941)	(18,435)	18,384	36,819
Net change in fund balance	(165)	(17,659)	23,458	41,117
Add outstanding encumbrances for current budget year	-	-	67	67
Fund balance - beginning of period	325,857	325,857	325,857	-
Fund balance - end of period	$ 325,692	$ 308,198	$ 349,382	$ 41,184

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, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Taxes	$ 29,912	$ 35,183	$ 34,776	$ (407)
Licenses and permits	25	25	5,341	5,316
Use of money and property	918	918	1,294	376
State aid	848	848	1,188	340
Federal aid	-	-	116	116
Other aid	3,395	3,395	3,792	397
Charges for services	12,328	12,328	12,990	662
Other revenue	305	305	180	(125)
Total revenues	47,731	53,002	59,677	6,675
Expenditures:				
Current				
Public protection				
Salaries and benefits	36,771	37,008	16,850	20,158
Services and supplies	75,078	105,332	50,635	54,697
Other charges	2,901	2,956	1,204	1,752
Capital assets	1,309	1,894	1,656	238
Total expenditures	116,059	147,190	70,345	76,845
Excess (deficiency) of revenues over expenditures	(68,328)	(94,188)	(10,668)	83,520
Other financing uses:				
Transfers out	-	(94)	-	94
Total other financing uses	-	(94)	-	94
Net change in fund balance	(68,328)	(94,282)	(10,668)	83,614
Add outstanding encumbrances for current budget year	-	-	21,073	21,073
Fund balance - beginning of period	176,454	176,454	176,454	-
Fund balance - end of period	$ 108,126	$ 82,172	$ 186,859	$ 104,687

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, county redevelopment, 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	$ 2,268,434	$ 781	$ 70,345
Encumbrances for current budget year	(119,241)	(67)	(21,073)
GAAP basis expenditures	$ 2,149,193	$ 714	$ 49,272

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Alameda, California (County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 30, 2015, except for our report on the schedule of expenditures of federal awards, as to which the date is March 4, 2016. Our report includes a reference to other auditors who audited the financial statements of the Alameda County Employees' Retirement Association (ACERA), as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with

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those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Macias Gini & O'Connell LLP

Oakland, California
December 30, 2015

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**Independent Auditor's Report on Compliance for
Each Major Federal Program and Report on Internal Control
Over Compliance Required by OMB Circular A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the County of Alameda's, California (County), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Alameda County Medical Center, dba Alameda Health System (AHS); Alameda County Housing and Community Development Department (Department); and the Alameda County Healthy Homes (Program), which expended $3,934,380, $21,168,895, and $1,003,801 in federal awards, respectively, which are not included in the accompanying schedule of expenditures of federal awards during the year ended June 30, 2015. Our audit, described below, did not include the operations of AHS because we were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133), and report on the results separately to AHS. The Department and the Program engaged other auditors to perform audits in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133*.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002, that we consider to be significant deficiencies.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Oakland, California
March 4, 2016

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County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2015

CFDA No.	Federal Program Name	Cluster	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Agriculture								
10.025	Plant and Animal Disease, Pest Control, and Animal Care		Pass-through	13-0242/13-8506-1399-CA	California Department of Food and Agriculture	Exotic Pest Detection Trapping	$ 61,705	$ -
				13-0259/13-8506-0572-CA	California Department of Food and Agriculture	SOD - Sudden Oak Death	24,529	-
				13-0271/13-8506-1165-CA	California Department of Food and Agriculture	Dog Team	41,524	-
				13-0326FR/14-8506-1164-CA	California Department of Food and Agriculture	Light Brown Apple Moth	107,585	-
				13-0444/14-8506-1317-CA	California Department of Food and Agriculture	European Grapevine Moth	9,388	-
				13-8506-0934-GR & 13-8506-1399-CA.	California Department of Food and Agriculture	Insect Trapping	15,023	-
				14-0133/14-8506-1165-CA	California Department of Food and Agriculture	Dog Team	225,568	-
				140148/14-8506-0572-CA	California Department of Food and Agriculture	SOD - Sudden Oak Death	57,732	-
				14-0433/15-8506-0484-CA	California Department of Food and Agriculture	GWS - Glassy Winged Sharpshooter	275,095	-
				14-0435/15-8506-1164-CA	California Department of Food and Agriculture	Light Brown Apple Moth	105,330	-
				140518/15-8506-1317-CA	California Department of Food and Agriculture	European Grapevine Moth	11,600	-
				14-8505-1399-CA & 14-8506-0934-GR	California Department of Food and Agriculture	Insect Trapping	590,677	-
						10.025 Total	**1,525,756**	**-**
10.555	National School Lunch Program	Child Nutrition	Pass-through	01001-SN-01-R	California Department of Education	National School Lunch Program	346,843	-
						10.555 Total	**346,843**	**-**
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children		Pass-through	11-10429	California Department of Public Health	Women, Infant, Children (WIC) Program	5,252	-
				14-10217	California Department of Public Health	Women, Infant, Children (WIC) Program	4,199,413	-
						10.557 Total	**4,204,665**	**-**
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	SNAP	Pass-through	13-20018	California Department of Public Health	Nutrition Education and Obesity Prevention Program	3,422,574	673,487
				N/A	California Department of Social Services	Food Stamps - E&T - Admin	23,708,971	820,948
				N/A	California Department of Social Services	SNAP-Ed	750,537	648,002
				SP-1415-09	California Department of Aging	SNAP-Ed	100,128	92,618
						10.561 Total	**27,982,210**	**2,235,055**
10.576	Senior Farmers Market Nutrition Program		Pass-through	AP-1415-09	California Department of Aging	Farmers' Market	30,000	30,000
						10.576 Total	**30,000**	**30,000**
U.S. Department of Agriculture Total							**34,089,474**	**2,265,055**
U.S. Department of the Interior								
15.668	Coastal Impact Assistance Program		Direct	N/A	N/A	N/A	11,114	-
						15.668 Total	**11,114**	**-**
U.S. Department of the Interior Total							**11,114**	**-**
U.S. Department of Justice								
16.111	Domestic Cannabis Eradication/Suppression Program		Direct	N/A	N/A	N/A	38,852	-
						16.111 Total	**38,852**	**-**
16.523	Juvenile Accountability Block Grants		Pass-through	BSCC 181-13	California Board of State and Community Corrections	Juvenile Justice and Delinquency Prevention Allocation to States	46,327	-
				BSCC 181-14	California Board of State and Community Corrections	Juvenile Justice and Delinquency Prevention Allocation to States	57,433	-
						16.523 Total	**103,760**	**-**

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2015

CFDA No.	Federal Program Name	Cluster	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Justice (Continued)								
16.540	Juvenile Justice and Delinquency Prevention_Allocation to States		Pass-through	BSCC 377-13	California Board of State and Community Corrections	Evening Reporting Center	$ 166,764	$ -
						16.540 Total	**166,764**	**-**
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants		Direct	N/A	N/A	N/A	66,542	-
						16.560 Total	**66,542**	**-**
16.575	Crime Victim Assistance		Pass-through	HA14010010	California Office of Emergency Services	Human Trafficking Advocacy Program	61,358	-
				UV13040010	California Office of Emergency Services	Unserved/Underserved Victim Advocacy and Outreach Program	36,035	-
				UV14050010	California Office of Emergency Services	Unserved/Underserved Victim Advocacy and Outreach Program	90,057	-
				VW14330010	California Office of Emergency Services	Victim/Witness Assistance Program	578,977	-
						16.575 Total	**766,427**	**-**
16.588	Violence Against Women Formula Grants		Pass-through	VV14060010	California Office of Emergency Services	Violence Against Women Vertical Prosecution Program	212,900	-
				VW14330010	California Office of Emergency Services	Victim/Witness Assistance Program	86,458	-
						16.588 Total	**299,358**	**-**
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program		Direct	N/A	N/A	N/A	417,784	-
						16.590 Total	**417,784**	**-**
16.710	Public Safety Partnership and Community Policing Grants		Direct	N/A	N/A	N/A	1,787,456	-
						16.710 Total	**1,787,456**	**-**
16.738	Edward Byrne Memorial Justice Assistance Grant Program		Direct	N/A	N/A	N/A	286,219	-
			Pass-through	BSCC 646-12	California Board of State and Community Corrections	Anti-Drug Abuse Enforcement Program/Narcotics Task Force	180,968	-
						16.738 Total	**467,187**	**-**
16.741	DNA Backlog Reduction Program		Direct	N/A	N/A	N/A	276,970	-
						16.741 Total	**276,970**	**-**
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program		Pass-through	CQ13 09 0010	California Board of State and Community Corrections	Coverdell Science Improvement Program	10,995	-
				CQ14 10 0010	California Board of State and Community Corrections	Coverdell Science Improvement Program	9,600	-
						16.742 Total	**20,595**	**-**
16.812	Second Chance Act Reentry Initiative		Direct	N/A	N/A	N/A	631,479	-
			Pass-through	N/A	City of Oakland	Juvenile Second Chance Prisoner Reentry Program	95,113	-
						16.812 Total	**726,592**	**-**
U.S. Department of Justice Total							**5,138,287**	**-**
U.S. Department of Labor								
17.235	Senior Community Service Employment Program		Pass-through	TV-1415-09	California Department of Aging	Senior Employment	145,819	145,819
						17.235 Total	**145,819**	**145,819**
17.258	WIA Adult Program	WIA	Pass-through	K386290	California Employment Development Department	WIA Title I 15% Youth Career Technical Education Project - 310	199,361	177,371
				K491011	California Employment Development Department	WIA Title I Adult Formula - 202	541,840	377,105
				K594754	California Employment Development Department	WIA Title I Adult Formula - 201	131,556	130,309
				K594754	California Employment Development Department	WIA Title I Adult Formula - 202	1,486,703	1,067,626
						17.258 Total	**2,359,460**	**1,752,411**
17.259	WIA Youth Activities	WIA	Pass-through	K491011	California Employment Development Department	WIA Title I Youth Formula - 301	286,072	166,104
				K594754	California Employment Development Department	WIA Title I Youth Formula - 301	1,848,438	1,513,477
						17.259 Total	**2,134,510**	**1,679,581**

CFDA No.	Federal Program Name	Cluster	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Labor (Continued)								
17.278	WIA Dislocated Worker Formula Grants	WIA	Pass-through	13-W058	South Bay Workforce Investment Board	WIA 25% Dislocated Workers Additional Assistance Project	$ 403,655	$ 351,609
				K491011	California Employment Development Department	Title I Dislocated Workers - 501	132	-
				K491011	California Employment Development Department	Title I Dislocated Workers - 502	580,350	548,612
				K491011	California Employment Development Department	Title I Dislocated Workers - 541/WIA Title I Rapid Response for RA&PGM	79,250	10,865
				K594754	California Employment Development Department	Title I Dislocated Workers - 501	365,391	207,543
				K594754	California Employment Development Department	Title I Dislocated Workers - 502	1,825,720	1,242,035
				K594754	California Employment Development Department	Title I Dislocated Workers - 540/WIA Title I Rapid Response for RA&PGM	58,829	15,789
				K594754	California Employment Development Department	Title I Dislocated Workers - 541/WIA Title I Rapid Response for RA&PGM	341,920	275,597
				K594754	California Employment Development Department	WIA Dislocated Workers	103,450	52,156
						17.278 Total	**3,758,697**	**2,704,206**
U.S. Department of Labor Total							**8,398,486**	**6,282,017**
U.S. Department of Transportation								
20.205	Highway Planning and Construction	Highway Planning and Construction	Direct	N/A	N/A	N/A	155,100	152,880
			Pass-through	Program Supplement N075	California Department of Transportation	CML-5933(109)	1,194,546	-
				Program Supplement M045	California Department of Transportation	STPLZ-5933(028)	3,092	-
				Program Supplement N061	California Department of Transportation	HSIPL-5933(097)	8,400	-
				Program Supplement N062	California Department of Transportation	SRTSL-5933(090)	840,000	-
				Program Supplement N063	California Department of Transportation	HRRRL-5933(089)	999	-
				Program Supplement N066	California Department of Transportation	HSIPL-5933 (096)	(14)	-
				Program Supplement N071	California Department of Transportation	SRTSL-5933(107)	41,523	-
				Program Supplement N074	California Department of Transportation	TCSPL-09CA(018)	6,871	-
				Program Supplement N077	California Department of Transportation	RPSTPLE-5933(112)	18,767	-
				Program Supplement N078	California Department of Transportation	DEM05L-5933(114)	80,953	-
				Program Supplement N079	California Department of Transportation	HPLUL-5933(116)	19,621	-
				Program Supplement N081	California Department of Transportation	TCSPL-5933(121)	2,837	-
				Program Supplement N083	California Department of Transportation	DEM05L-5933(123)	19,929	-
				Program Supplement N084	California Department of Transportation	HPLUL-5933 (126)	2,749	-
				Program Supplement N085	California Department of Transportation	STPL-5933 (125)	92,628	-
				Program Supplement N086	California Department of Transportation	CML-5933 (127)	79,827	-
				Program Supplement N087	California Department of Transportation	HSIPL-5933(129)	73,700	-
				SRTSL-5933(091)	California Department of Transportation	Golden Sneakers Program, Safety Patrols	163,654	-
						20.205 Total	**2,805,182**	**152,880**
U.S. Department of Transportation Total							**2,805,182**	**152,880**

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2015

CFDA No.	Federal Program Name	Cluster	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of the Treasury								
21.009	Volunteer Income Tax Assistance (VITA) Matching Grant Program		Pass-through	N/A	United Way of the Bay Area	Volunteer Income Tax Assistance Program	$ 10,000	$ -
						21.009 Total	**10,000**	**-**
U.S. Department of the Treasury Total							**10,000**	**-**
U.S. Institute of Museum and Library Services								
45.310	Grants to States		Pass-through	40-8387	California State Library	N/A	5,000	-
						45.310 Total	**5,000**	**-**
U.S. Institute of Museum and Library Services Total							**5,000**	**-**
U.S. Department of Health and Human Services								
93.041	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation		Pass-through	AP-1415-09	California Department of Aging	Elder Abuse	19,557	19,557
						93.041 Total	**19,557**	**19,557**
93.042	Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals		Pass-through	AP-1415-09	California Department of Aging	Ombudsman	55,327	-
						93.042 Total	**55,327**	**-**
93.043	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services		Pass-through	AP-1415-09	California Department of Aging	Disease Prevention	85,899	85,899
						93.043 Total	**85,899**	**85,899**
93.044	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	Aging	Pass-through	AP-1415-09	California Department of Aging	Supportive Services	1,304,536	758,462
						93.044 Total	**1,304,536**	**758,462**
93.045	Special Programs for the Aging_Title III, Part C_Nutrition Services	Aging	Pass-through	AP-1415-09	California Department of Aging	Congregate Nutrition	1,128,986	964,522
				AP-1415-09	California Department of Aging	Home-Delivered Meal	1,657,668	1,574,990
						93.045 Total	**2,786,654**	**2,539,512**
93.052	National Family Caregiver Support, Title III, Part E		Pass-through	AP-1415-09	California Department of Aging	Caregiver Support	603,269	548,137
						93.052 Total	**603,269**	**548,137**
93.053	Nutrition Services Incentive Program	Aging	Pass-through	AP-1415-09	California Department of Aging	Nutrition Services Incentive Program (NSIP)	508,815	508,815
						93.053 Total	**508,815**	**508,815**
93.071	Medicare Enrollment Assistance Program		Pass-through	MI-1415-09	California Department of Aging	MIPPA	42,120	37,908
						93.071 Total	**42,120**	**37,908**
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements		Pass-through	14-10490	California Department of Public Health	BT-CDC Base Allocation	908,253	-
				14-10490	California Department of Public Health	BT-Cities Readiness Initiative	325,113	-
				14-10490	California Department of Public Health	BT-HRSA Emergency Preparedness Program	380,323	66,375
						93.074 Total	**1,613,689**	**66,375**
93.090	Guardianship Assistance		Pass-through	N/A	California Department of Social Services	KINGAP - 4T	2,105,793	-
				N/A	California Department of Social Services	KINGAP IV-E Admin	161,970	-
						93.090 Total	**2,267,763**	**-**
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		Direct	N/A	N/A	N/A	1,244,373	205,518
						93.104 Total	**1,244,373**	**205,518**
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		Pass-through	N/A	California Department of Public Health	Tuberculosis Control	766,137	-
						93.116 Total	**766,137**	**-**
93.136	Injury Prevention and Control Research and State and Community Based Programs		Direct	N/A	N/A	N/A	426,404	91,912
						93.136 Total	**426,404**	**91,912**
93.150	Projects for Assistance in Transition from Homelessness (PATH)		Pass-through	1946001347J5	California Department of Health Care Services	Projects for Assistance in Transition from Homelessness (PATH)	257,074	229,864
						93.150 Total	**257,074**	**229,864**

CFDA No.	Federal Program Name	Cluster	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Health and Human Services (Continued)								
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	Health Centers	Direct	N/A	N/A	N/A	$ 2,808,967	$ 760,169
						93.224 Total	**2,808,967**	**760,169**
93.268	Immunization Cooperative Agreements		Pass-through	13-20283	California Department of Public Health	State Immunization Assessment and Immunization Registry Awards	499,347	-
						93.268 Total	**499,347**	**-**
93.297	Teenage Pregnancy Prevention Program		Direct	N/A	N/A	N/A	904,099	412,569
						93.297 Total	**904,099**	**412,569**
93.324	State Health Insurance Assistance Program		Pass-through	HI-1415-09	California Department of Aging	HICAP	163,464	146,806
						93.324 Total	**163,464**	**146,806**
93.556	Promoting Safe and Stable Families		Pass-through	N/A	California Department of Social Services	Family Preservation / Family Support- Case Worker	1,085,135	344,150
						93.556 Total	**1,085,135**	**344,150**
93.558	Temporary Assistance for Needy Families	TANF	Pass-through	N/A	California Department of Social Services	CALWIN	4,741,532	-
				N/A	California Department of Social Services	CalWORKs Assistance-30,33,35, 3P,3R,3E,3H,3U	28,404,183	-
				N/A	California Department of Social Services	CalWORKS CEC Program	54,635,757	25,723,739
				N/A	California Department of Social Services	CWS - Emergency Assistance (TANF)	6,500,058	-
						93.558 Total	**94,281,530**	**25,723,739**
93.563	Child Support Enforcement		Pass-through	93.563	California Department of Child Support Services	Child Support Enforcement	17,884,882	-
						93.563 Total	**17,884,882**	**-**
93.566	Refugee and Entrant Assistance_State Administered Programs		Pass-through	N/A	California Department of Social Services	Refugee and Entrant Assistance_State Administered Programs	1,090,310	403,844
						93.566 Total	**1,090,310**	**403,844**
93.575	Child Care and Development Block Grant	CCDF	Pass-through	01-2501-00-4	California Department of Education	Child Care Salary / Retention Incentive Program (CRET)	565,153	-
				01-2501-00-4	California Department of Education	Local Child Care & Development Planning Council Program (CLPC)	56,647	-
						93.575 Total	**621,800**	**-**
93.576	Refugee and Entrant Assistance_Discretionary Grants		Pass-through	N/A	California Department of Social Services	Refugee and Entrant Assistance_State Administered Programs	31,403	31,403
						93.576 Total	**31,403**	**31,403**
93.584	Refugee and Entrant Assistance_Targeted Assistance Grants		Pass-through	N/A	California Department of Social Services	Refugee and Entrant Assistance_State Administered Programs	194,796	194,796
						93.584 Total	**194,796**	**194,796**
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	CCDF	Pass-through	01-2401-00-3	California Department of Education	Child Care Development	591,423	553,209
						93.596 Total	**591,423**	**553,209**
93.626	Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource		Pass-through	FA-1316	California Department of Aging	Financial Alignment	4,104	-
						93.626 Total	**4,104**	**-**
93.645	Stephanie Tubbs Jones Child Welfare Services Program		Pass-through	N/A	California Department of Social Services	CWS-IV-B	2,401,851	-
						93.645 Total	**2,401,851**	**-**

CFDA No.	Federal Program Name	Cluster	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Health and Human Services (Continued)								
93.658	Foster Care_Title IV-E		Pass-through	N/A	California Department of Social Services	CWS-CSEC	$ 75,349	$ 19,857
				N/A	California Department of Social Services	EA-Foster Care-5k	26,601	-
				N/A	California Department of Social Services	Foster Care	1,097,788	-
				N/A	California Department of Social Services	Foster Care Assistance-40,42	16,812,340	-
				N/A	California Department of Social Services	Foster Care EFC	3,673,613	-
				N/A	California Department of Social Services	Foster Home Licensing	486,490	-
				N/A	California Department of Social Services	Kin-GAP S	181,667	-
				N/A	California Department of Social Services	SACWIS	4	-
				N/A	California Department of Social Services	CWS-IV-E	39,071,638	2,651,229
				N/A	California Department of Social Services	NCWS-FPP	1,781,786	-
				N/A	California Department of Social Services	Family Preservation Program	704,365	-
				N/A	California Department of Social Services	Foster_Care Title IV-E	6,053,538	-
						93.658 Total	**69,965,179**	**2,671,086**
93.659	Adoption Assistance		Pass-through	N/A	California Department of Social Services	Adoption Eligibility	774,891	-
				N/A	California Department of Social Services	Adoption SS	1,037,056	-
				N/A	California Department of Social Services	Adoptive Assistance Payments-03, 04	10,036,571	-
						93.659 Total	**11,848,518**	**-**
93.667	Social Services Block Grant		Pass-through	N/A	California Department of Social Services	CalWorks Single XX	8,666,129	-
				N/A	California Department of Social Services	CWS Title XX	2,293,000	-
				N/A	California Department of Social Services	Foster Care XX	3,243,000	-
						93.667 Total	**14,202,129**	**-**
93.670	Child Abuse and Neglect Discretionary Activities		Pass-through	N/A	California Department of Social Services	Youth Transitions Partnership	474,043	60,000
						93.670 Total	**474,043**	**60,000**
93.674	Chafee Foster Care Independence Program		Pass-through	N/A	California Department of Social Services	Independent Living Skills	781,611	781,611
						93.674 Total	**781,611**	**781,611**
93.767	Children's Health Insurance Program		Pass-through	N/A	California Department of Social Services	Connecting Kids to Coverage	436,170	330,998
						93.767 Total	**436,170**	**330,998**

CFDA No.	Federal Program Name	Cluster	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Health and Human Services (Continued)								
93.778	Medical Assistance Program	Medicaid	Pass-through	13-90009	California Department of Health Care Services	Medi-Cal Administrative Activities (MAA)	$ 196,282	$ 196,282
				14-90005	California Department of Health Care Services	Medi-Cal Administrative Activities (MAA)	73,854	73,854
				N/A	California Department of Health Care Services	California Children Services	4,554,765	173,128
				N/A	California Department of Social Services	IHSS PCSP/Health Related ADM - DHS	9,298,767	-
				N/A	California Department of Health Care Services	Medi-Cal	32,672,681	830,673
				N/A	California Department of Health Care Services	Medi-Cal Outreach and Enrollment	255,994	152,165
				N/A	California Department of Social Services	CALWIN-CalHEERS	1,198,084	-
				N/A	California Department of Social Services	APS/CSBG - Health Related - DHS	6,681,047	540,730
				N/A	California Department of Social Services	IHSS - Health Related - DHS	13,587,970	-
						93.778 Total	**68,519,444**	**1,966,832**
93.914	HIV Emergency Relief Project Grants		Direct	N/A	N/A	N/A	6,518,816	3,927,847
						93.914 Total	**6,518,816**	**3,927,847**
93.917	HIV Care Formula Grants		Pass-through	13-20001 A1	California Department of Public Health	HIV Care	1,263,982	975,559
						93.917 Total	**1,263,982**	**975,559**
93.926	Healthy Start Initiative		Direct	N/A	N/A	N/A	1,834,732	-
						93.926 Total	**1,834,732**	**-**
93.940	HIV Prevention Activities_Health Department Based		Pass-through	13-20242	California Department of Public Health	HIV Care	902,506	733,580
						93.940 Total	**902,506**	**733,580**
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups		Pass-through	13-10006 A2	California Department of Public Health	Expanded & Integrated HIV Test	352,906	119,161
						93.943 Total	**352,906**	**119,161**
93.958	Block Grants for Community Mental Health Services		Pass-through	1946001347J5	California Department of Health Care Services	Community Mental Health Services Block Grant (MHBG)	758,245	733,423
						93.958 Total	**758,245**	**733,423**
93.959	Block Grants for Prevention and Treatment of Substance Abuse		Pass-through	N/A	California Department of Health Care Services	SAPT Block Grant - Adolescent Treatment Program	412,431	391,809
				N/A	California Department of Health Care Services	SAPT Block Grant - Discretionary	4,556,989	4,329,140
				N/A	California Department of Health Care Services	SAPT Block Grant - Friday Night Live and Club Live	30,000	-
				N/A	California Department of Health Care Services	SAPT Block Grant - HIV Set Aside	621,458	381,775
				N/A	California Department of Health Care Services	SAPT Block Grant - Perinatal Set Aside	1,520,597	1,441,405
				N/A	California Department of Health Care Services	SAPT Block Grant - Prevention Set Aside	1,955,231	1,955,231
						93.959 Total	**9,096,706**	**8,499,360**
93.991	Preventive Health and Health Services Block Grant		Pass-through	N/A	California Department of Health Care Services	Child Health and Disability Prevention (CHDP) Program Allocation	2,179,739	243,493
						93.991 Total	**2,179,739**	**243,493**
93.994	Maternal and Child Health Services Block Grant to the States		Pass-through	201301	California Department of Public Health	California Home Visiting Program	951,183	-
				201401	California Department of Public Health	Maternal and Child Health Services Block Grant to the States	2,587,440	-
				N/A	California Department of Health Care Services	Health Care Program for Children in Foster Care Program	603,608	-
						93.994 Total	**4,142,231**	**-**
U.S. Department of Health and Human Services Total							**327,821,685**	**54,705,594**

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2015

CFDA No.	Federal Program Name	Cluster	Direct / Pass-through	Grant ID	Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Homeland Security								
97.042	Emergency Management Performance Grants		Pass-through	2013-0047	California Emergency Management Agency	Emergency Management Performance Grant	$ 139,443	$ -
				2014-70	California Emergency Management Agency	Emergency Management Performance Grant	441,346	-
						97.042 Total	**580,789**	**-**
97.044	Assistance to Firefighters Grant		Direct	N/A	N/A	N/A	926,690	-
						97.044 Total	**926,690**	**-**
97.045	Cooperating Technical Partners		Direct	N/A	N/A	N/A	73,149	-
						97.045 Total	**73,149**	**-**
97.056	Port Security Grant Program		Direct	N/A	N/A	N/A	39,189	-
						97.056 Total	**39,189**	**-**
97.067	Homeland Security Grant Program		Pass-through	2011-SS-0077	California Emergency Management Agency	Homeland Security Cluster	410,436	-
				2012-SS-00123	California Emergency Management Agency	Homeland Security Cluster	368,128	-
				2013-00110	California Emergency Management Agency	Homeland Security Cluster	1,382,968	-
				2013-00110	City and County of San Francisco	Urban Area Security Initiative	3,836,000	-
				2014-00093	California Emergency Management Agency	Homeland Security Cluster	477,788	-
				2014-SS-00093	City and County of San Francisco	Urban Area Security Initiative	1,670,508	-
				FY11-SS-0077	City and County of San Francisco	Urban Area Security Initiative	14,400	-
						97.067 Total	**8,160,228**	**-**
97.083	Staffing for Adequate Fire and Emergency Response (SAFER)		Direct	N/A	N/A	N/A	1,632,490	-
						97.083 Total	**1,632,490**	**-**
U.S. Department of Homeland Security Total							**11,412,535**	**-**
Total Expenditures of Federal Awards							**$ 389,691,763**	**$ 63,405,546**

Note 1 – General

The accompanying schedule of expenditures of federal awards (SEFA) presents the expenditures for all federal award programs of the County of Alameda (the County), except as discussed in notes 5, 6 and 7 below. The County's financial reporting entity is defined in note 1(A) to the County's basic financial statements. The County's financial statements include the operations of the Alameda Health System, the Alameda County Housing and Community Development Department, and Alameda County Healthy Homes, which expended $3,934,380, $21,168,895, and $1,003,801 in federal awards, respectively. These federal expenditures are not included in the accompanying SEFA. Additionally, Medical Assistance (Medi-Cal) and Medicare Hospital Insurance (Medicare) are not considered federal awards (note 4).

Note 2 – Basis of Accounting

The accompanying SEFA is presented using the modified accrual basis of accounting, which is described in note 1(C) to the County's basic financial statements.

Note 3 – Relationship to the Financial Statements

Expenditures of federal awards are primarily reported in the County's basic financial statements in the general fund and other governmental funds.

Note 4 – Medi-Cal and Medicare

Medi-Cal and Medicare program expenditures are excluded from the schedule of expenditures of federal awards. These expenditures represent fees for services; therefore, the programs are not considered federal award programs of the County for the purposes of the schedule of expenditures of federal awards or in determining major programs. The County assists the State of California in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities. Medi-Cal administrative expenditures are included in the accompanying SEFA under CFDA No. 93.778 as they do not represent fees for services.

Note 5 – Federal Expenditures of the Alameda Health System Not Included in the SEFA

The Alameda Health System (AHS) federal expenditures are excluded from the County's SEFA because such expenditures are audited separately. Expenditures for the programs of the AHS listed on the next page are taken from AHS's single audit report for the year ended June 30, 2015.

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Pass-Through Identifying Number	Federal Expenditures
Department of Justice, Office of Victims of Crime			
Passed Through California Emergency Management Agency			
Crime Victim Assistance	16.575	RC12280010	$ 7,215
Crime Victim Assistance	16.575	RC13290010	172,587
Total Department of Justice, Office of Victims of Crime			**179,802**
U.S. Department of Health and Human Services			
Direct Programs:			
ARRA-Grants for Training in Primary Care Medicine and Dentistry Training and Enhancement	93.403	1 D5FHP20666-01-00	130,251
Ryan White HIV/AIDS Dental Reimbursements Community Based Dental Partnership	93.924	1 T22HA26478-01-00	23,517
Subtotal of direct programs			153,768
Passed Through Children's Hospital & Research Center at Oakland			
Coordinated Services and Access to Research for Women, Infants, Children and Youth	93.153	12.8958_13-14 004	161,521
Passed Through Alameda County Health Care Services Agency			
Mental Health Clinical and AIDS Service-Related Training Grants	93.224	PHG01CH40500	158,604
Passed Through Johns Hopkins University			
National Research Service Awards - Health Services Research Training	93.225	2001376220	59,181
Passed Through RTI International			
Mental Health Research Grants	93.242	2-312-0212795-50851L	28,939
Passed Through the Regents of the University of California			
Allergy, Immunology and Transplantation Research	93.855	7655SC	14,398
Passed Through Alameda County Health Care Services Agency			
Medical Assistance Program	93.778	MAA MOU 2012-2013	1,978,460
Passed Through Tri-City Health Center, California			
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	5H76 HA 00160	570,678
Passed Through Alameda County Public Health Department, Office of AIDS Administration			
HIV Emergency Relief Project Grants	93.914	PHG08HA60200	48,243
HIV Care Formula Grants	93.917	PHG08HA60100	517,578
HIV Prevention Activities - Health Department Based	93.940	PHG08HA61000	63,208
Subtotal of pass-through programs			3,600,810
Total U.S. Department of Health and Human Services			**3,754,578**
Total Expenditures of Federal Awards			**$ 3,934,380**

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

The Alameda County Housing & Community Development Department (Department) federal expenditures are excluded from the County's SEFA because such expenditures are audited separately. Expenditures for the programs of the Department listed below are taken from the separate single audit report for the year ended June 30, 2015. The programs of the Department are as follows:

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Catalog of Federal Domestic Assistance Number (CFDA)	Federal Expenditures
U.S. Department of Housing and Urban Development		
Community Development Block Grants/Entitlement Grants	14.218	$ 1,959,725
NSP I HERA	14.218	20,967
Emergency Solutions Grant Program	14.231	127,854
Home Investment Partnerships Program	14.239	4,825,779
Housing Opportunities for Persons with AIDS	14.241	485,539
Neighborhood Stabilization Program II ARRA	14.256	88,827
Continuum of Care Program	14.267	10,326,464
Subtotal of direct programs		17,835,155
Passed Through City of Oakland		
Housing Opportunities for Persons with AIDS	14.241	3,333,740
Total U.S. Department of Housing and Urban Development		**21,168,895**
Total Expenditures of Federal Awards		**$ 21,168,895**

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

The Alameda County Healthy Homes (Program) federal expenditures are excluded from the County's SEFA because such expenditures are audited separately. Expenditures for the federal programs of the Program listed below are taken from the separate single audit report for the year ended June 30, 2015. The programs of the Program are as follows:

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Federal Expenditures
U.S Department of Housing and Urban Development		
Lead Based Paint Abatement	14.901	$ 968,818
Pass-through program from Wayne State University Healthy Homes Technical Studies Grants	14.906	34,983
Total U.S. Department of Housing and Urban Development		1,003,801
Total Expenditures of Federal Awards		$ 1,003,801

Note 8 – California Department of Aging Federal/State Share

The California Department of Aging (CDA) requires agencies that receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following federal and state amounts under these grants in the year ended June 30, 2015.

Program Information			Expenditures			Amounts Provided to Subrecipients		
CFDA No.	CDA Program No.	CDA Program Title	Federal	State	Total	Federal	State	Total
10.561	SP 1415-09	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	$ 100,128	$ -	**$ 100,128**	$ 92,618	$ -	**$ 92,618**
10.576	AP-1415-09	Senior Farmers Market Nutrition Program	30,000	-	**30,000**	30,000	-	**30,000**
17.235	TV-1415-09	Senior Community Service Employment Program	145,819	-	**145,819**	145,819	-	**145,819**
93.041	AP-1415-09	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect and Exploitation	19,557	-	**19,557**	19,557	-	**19,557**
93.042	AP-1415-09	Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	55,327	-	**55,327**	-	-	-
93.043	AP-1415-09	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	85,899	-	**85,899**	85,899	-	**85,899**
93.044	AP-1415-09	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	1,304,536	-	**1,304,536**	758,462	-	**758,462**
93.045	AP-1415-09	Special Programs for the Aging_Title III, Part C_Nutrition Services	1,128,986	203,778	**1,332,764**	964,522	202,990	**1,167,512**
93.045	AP-1415-09	Special Programs for the Aging_Title III, Part C_Nutrition Services	1,657,668	179,815	**1,837,483**	1,574,990	179,605	**1,754,595**
93.052	AP-1415-09	National Family Caregiver Support, Title III, Part E	603,269	-	**603,269**	548,137	-	**548,137**
93.053	AP-1415-09	Nutrition Services Incentive Program	508,815	-	**508,815**	508,815	-	**508,815**
93.071	MI-1415-09	Medicare Enrollment Assistance Program	42,120	-	**42,120**	37,908	-	**37,908**
93.324	HI 1415-09	State Health Insurance Assistance Program	163,464	266,023	**429,487**	146,806	247,189	**393,995**
93.626	FA-1316-09	Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource Center (ADRC) Options Counseling for Medicare-Medicaid Individuals in States with Approved Financial Alignment Models	4,104	-	**4,104**	-	-	-
N/A	AP-1415-09	Ombudsman Initiative/SNF Quality & Accountability	-	132,044	**132,044**	-	-	-
			$ 5,849,692	$ 781,660	$ 6,631,352	$ 4,913,533	$ 629,784	$ 5,543,317

The federal expenditure of $30,000 under CDA Program No. AP-1415-09 (CFDA No. 10.576) was in the form of noncash federal assistance that Alameda County Social Services Agency (SSA) received through the CDA. This noncash assistance was in the form of coupons issued to seniors for use at certified farmers' markets.

Note 9 – Cluster Program Totals

The following table summarized clusters funded by various sources or grants whose totals are not shown on the accompanying SEFA. The following table summarizes these programs.

Program Title and Pass-Through Agency	CFDA Number	Federal Expenditures
WIA Cluster		
WIA Adult Program		
Passed Through California Employment Development Department	17.258	$ 2,359,460
WIA Youth Activities		
Passed Through California Employment Development Department	17.259	2,134,510
WIA Dislocated Worker Formula Grants		
Passed Through California Employment Development Department	17.278	3,355,042
Passed Through South Bay Workforce Investment Board	17.278	403,655
Subtotal WIA Dislocated Worker Formula Grants		3,758,697
Total WIA Cluster		$ 8,252,667
Aging Cluster		
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers		
Passed Through California Department of Aging	93.044	$ 1,304,536
Special Programs for the Aging_Title III, Part C_Nutrition Services		
Passed Through California Department of Aging	93.045	2,786,654
Nutrition Services Incentive Program		
Passed Through California Department of Aging	93.053	508,815
Total Aging Cluster		$ 4,600,005
CCDF Cluster		
Child Care and Development Block Grant		
Passed Through California Department of Education	93.575	$ 621,800
Child Care Mandatory and Matching Funds of the Child Care and Development Fund		
Passed Through California Department of Education	93.596	591,423
Total CCDF Cluster		$ 1,213,223

COUNTY OF ALAMEDA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

<u>Section I Summary of Auditor's Results</u>

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	Yes

Section I Summary of Auditor's Results (Continued)

Identification of major programs:

(1)	CFDA No. 10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
(2)	CFDA No.10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
(3)		Aging Cluster:
	CFDA No. 93.044	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers
	CFDA No. 93.045	Special Programs for the Aging_Title III, Part C_Nutrition Services
	CFDA No. 93.053	Nutrition Services Incentive Program
(4)	CFDA No. 93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)
(5)	CFDA No. 93.558	Temporary Assistance for Needy Families
(6)	CFDA No. 93.645	Stephanie Tubbs Jones Child Welfare Services Program
(7)	CFDA No. 93.658	Foster Care_Title IV-E
(8)	CFDA No. 93.674	Chafee Foster Care Independence Program
(9)	CFDA No. 97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:	$3,000,000
Auditee qualified as low-risk auditee?	No

Section II Financial Statement Findings

None reported.

Section III Federal Award Findings and Questioned Costs

Finding 2015-001 Reporting

Program Identification:

Awarding Agency:	United States Department of Health and Human Services
Passed Through:	California Department of Social Services
Program Name:	Chafee Foster Care Independence Program
CFDA:	93.674
Award Number:	All awards
Award Year:	FYE 6/30/2015

Criteria:

The General Instructions for preparation of the Chafee Foster Care Independence Program quarterly statistical report "Exit Outcomes for Youth Aging Out of Foster Care", Form SOC 405E, available on the California Department of Social Services website states that:

> "Reports are to be received on or before the 20th calendar day of the month following the end of the report quarter."

Condition Identified and Perspective:

During our audit we noted that:

- The report for the quarter ended September 30, 2014, was due by October 20, 2014 but not submitted until October 21, 2014.
- The report for the quarter ended March 31, 2015, was due by April 20, 2015 but not submitted until April 29, 2015.

This is a repeat finding from the County's single audit for the year ended June 30, 2014.

Questioned Costs:

None

Asserted Cause and/or Effect:

Internal controls are not adequate to ensure the completion and submission of the required reports and communications on a timely basis.

Recommendation:

We recommend that the County meet all mandated reporting deadlines.

Finding 2015-001 Reporting (continued)

Views of Responsible Officials:

The County agrees with the finding of late submission of two “Exit Outcomes for Youth Aging Out of Foster Care” report, Form SOC 405E.

The Department of Children & Family Services contracts with a provider who completes Form SOC 405E as part of administrative support. The two instances of delay in filing quarterly report, SOC 405E were due to reconciling discrepancies between the Forms 30-133 (Alameda County Exit Outcomes for Youth Aging Out of Foster Care), which were completed by the Child Welfare Workers, and the youth names in the form that have been submitted as dismissals during that quarter.

The Department of Children & Family Services has now taken over the reporting function and created a system that will ensure accurate data for reporting. The Department has updated Form 30-133 to match with the SOC 405X (new name April 1, 2015) report, and implemented new measures of recording dismissals to ensure accurate and timely reporting in the future.

Finding 2015-002 Eligibility

Program Identification:

Awarding Agency:	United States Department of Health and Human Services
Passed Through:	California Department of Social Services
Program Name:	Chafee Foster Care Independence Program
CFDA:	93.674
Award Number:	All awards
Award Year:	FYE 6/30/2015

Criteria:

Section 31-525.71 of the Child Welfare Services Program Special Requirements Manual Letter No. CWS-03-02 published by the California Department of Social Services requires the County to have Transitional Independent Living Plan and Agreements (TILP) as follows:

> “County ILP Coordinators shall: Ensure that every eligible youth participating in ILP up to age 21 has a TILP.”

Condition Identified and Perspective:

We selected and tested 40 cases out of a total population of 215 unique case identification numbers. We found one case in which the County could not provide a TILP.

Questioned Costs:

Questioned costs are 2.5% (1 of 40 case files) of the $781,611 in total program expenditures for the year, or $19,540.

Finding 2015-002 Eligibility (continued)

Asserted Cause and/or Effect:

The County did not prepare a TILP for the one case because the youth attended less than four classes. However, per the program guidelines, eligibility must be determined concurrently with the development of the initial TILP.

Recommendation:

We recommend that the County prepare TILPs for each participating youth upon initial contact in order to determine eligibility as required by the guidelines.

Views of Responsible Officials:

The County agrees with the finding and accepts the recommendation.

The one youth for whom the County did not prepare a Transitional Independent Living Plan and Agreements (TILP) had only attended one class instead of the required four classes, and did not complete the standard paperwork at that time. The County's TILP process for FY 2015-16 is that County prepares a TILP for each participating youth during the initial sign-up process, before they begin classes. Moving forward, quarterly monitoring on TILPs is enforced to ensure every eligible youth participating in ILP, up to age 21, has a TILP.

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County of Alameda
Status of Prior Year Findings
For the Year Ended June 30, 2015

Finding No.	Compliance Requirement and CFDA Number(s)	Status
Financial Statement Findings:		
	None reported.	
Federal Awards Findings:		
2014-001	Subrecipient Monitoring (CFDA Nos: 10.561, 93.558)	Corrected. The County implemented and documented policies and procedures as recommended in prior year.
2014-002	Reporting (CFDA No: 93.674)	Repeated. See finding 2015-001.
2013-001	Subrecipient Monitoring (CFDA No: 93.674)	Corrected. The County implemented and documented policies and procedures as recommended in prior year.
2013-003	Reporting (CFDA Nos: 93.991, 93.994, 93.558, 93.959, 17.258, 17.259, 17.278, 17.277)	Corrected. The County has corrected reporting requirements for the programs listed.
2012-1	Subrecipient Monitoring (CFDA Nos: 93.674, 93.658, 93.558)	Corrected. The County implemented and documented policies and procedures as recommended in prior year.
2012-3	Reporting (CFDA Nos: 10.557, 93.991, 93.994, 93.069, 93.674, 17.258, 17.259, 17.260, 17.278, 17.275, 17.277, 93.914)	Corrected. The County has corrected reporting requirements for the programs listed.
2011-4	Reporting (CFDA Nos: 10.557, 93.991, 93.994, 93.069)	Corrected. The County has corrected reporting requirements for the programs listed.

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.


WE DREAM IN ART
HARMONY
EXPLORATION


beauty & Butterflies
GROWTH
LOVE
LIFE
分享 梦想
和平 合作
Bunny
BUNNY
COMMUNITY INVOLVEMENT
FREE
SPIRIT
PEACE
Resourcefulness