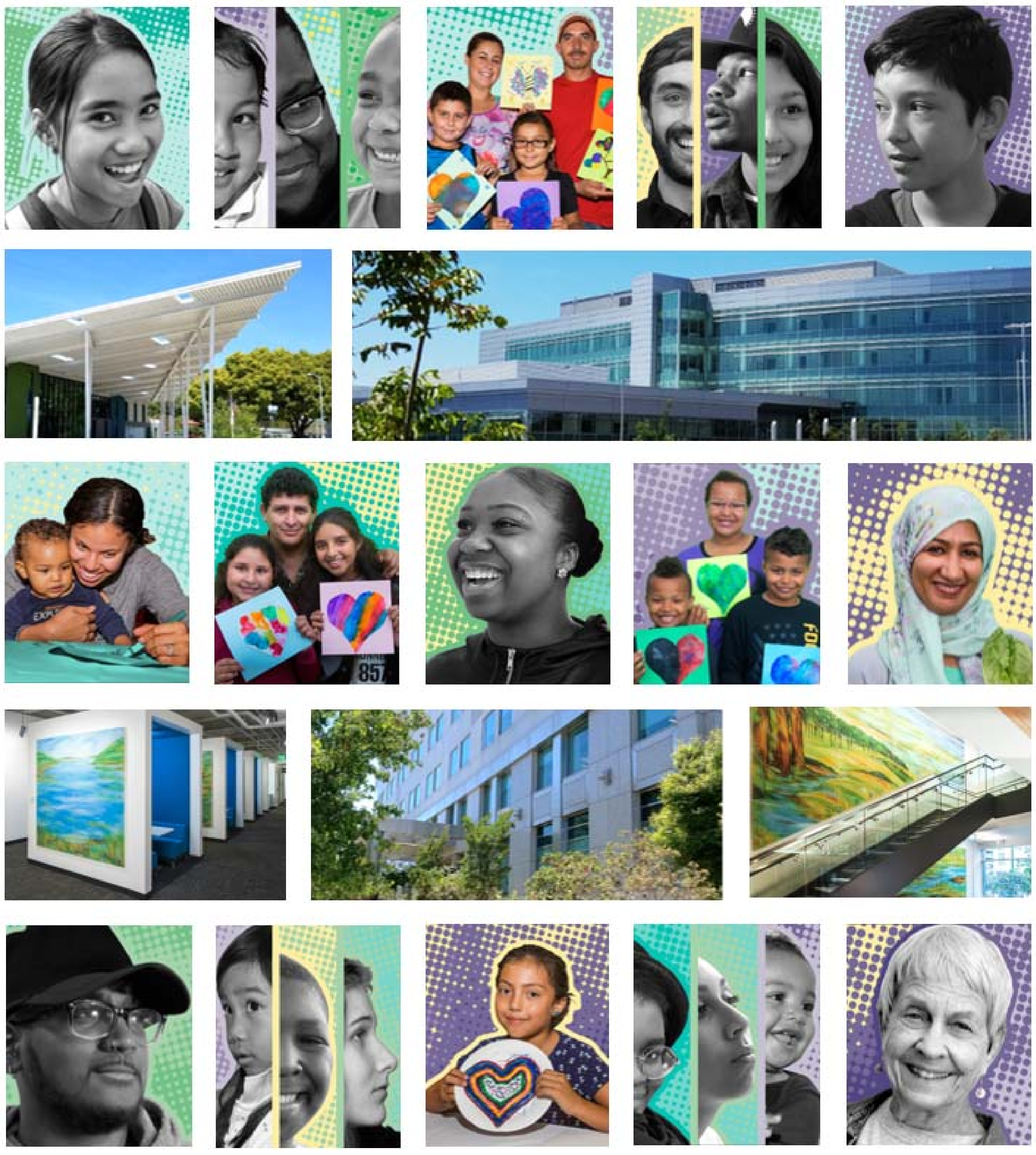
SINGLE AUDIT REPORTS

For the Fiscal Year Ended June 30, 2018

County of Alameda, California



Through the support and shared vision of New Beginnings, Alameda County Arts Commission's 100 Families program conducted family art making workshops. Images celebrate the diversity of Alameda County and feature local residents making art and engaging in healthy activities. Images of buildings include San Lorenzo Library, East County Hall of Justice, and 1111 Jackson Street with images of artwork created by Jane Norling.

Compiled under the direction of
Melissa Wilk, Auditor-Controller

COUNTY OF ALAMEDA
Single Audit Reports
For the Year Ended June 30, 2018

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mGO Certified Public Accountants

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Alameda County Employees' Retirement Association (ACERA) and the Alameda Health System (AHS), which represent the following percentages of the assets and deferred outflows, net positions/fund balances, and revenues/additions of the following opinion units as of and for the year ended June 30, 2018.

Opinion Unit	Assets and Deferred Outflows	Net Positions/ Fund Balances	Revenues/ Additions
Aggregate remaining fund information	67%	70%	15%
Discretely presented component unit	100%	100%	100%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for ACERA and the Health System, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

In our opinion, based on our audit and the reports of 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Implementation of a New Accounting Pronouncement

As discussed in Note 1(G) to the financial statements, effective as of July 1, 2017, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 21, 2018, except for our report on the schedule of expenditures
of federal awards, as to which the date is February 28, 2019

This section presents a narrative overview and analysis of the financial activities of the County of Alameda (County) for the year ended June 30, 2018. 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 $1,716,075 (net position). Of this amount, $814,964 is restricted for specified purposes and is not available to meet the government's ongoing obligations to citizens and creditors, $737,186 is net investment in capital assets, and the remaining unrestricted net position totals $163,925.

- The government's total net position increased for fiscal year 2018 by $114,120, an increase of 7.1 percent over the prior fiscal year. Total revenue increased $104,846 which includes increases in most of the revenue sources. Total expenses increased $103,993 or 4 percent over the prior fiscal year.

- As of June 30, 2018, the County's governmental funds reported a combined ending fund balance of $2,896,727, an increase of $470,556 in comparison with the prior year. Unassigned fund balance of $134,850 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 $134,850 or 5.6 percent of total general fund expenditures of $2,406,218.

- The County's gross long-term obligations, excluding unamortized premiums and discounts, increased by $124,050 during the fiscal year 2018 primarily due to the change in value of the net pension liability.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

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

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

Fund financial statements

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

<u>Governmental funds</u>

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

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

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

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

Proprietary funds

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

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

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

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

Fiduciary funds

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

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

Notes to the basic financial statements

The notes to the basic financial statements provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-99 of this report.

Required supplementary information

This report contains required supplementary information concerning the County's progress in its obligation to provide pension, postemployment medical, and other postemployment benefits to its employees, along with budget-to-actual information for the County's general and major special revenue funds. Required supplementary information can be found on pages 101-111 of this report.

Other supplementary information

The combining statements referred to in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 113-140 of this report. Budgetary comparisons for the County's capital projects and non-major special revenue funds are also presented.

(Amounts expressed in thousands)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Alameda County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,716,075 at June 30, 2018.

A portion of the County's net position, $737,186 or 43 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, 2018 and 2017

	Governmental Activities	
	2018	2017
Assets:		
Current and other assets	$ 3,624,963	$ 3,116,678
Capital assets	1,817,609	1,815,705
Total assets	5,442,572	4,932,383
Deferred outflows of resources	606,618	606,759
Liabilities:		
Current liabilities	533,312	523,821
Long-term liabilities	3,358,671	3,212,342
Total liabilities	3,891,983	3,736,163
Deferred inflows of resources	441,132	89,773
Net position:		
Net investment in capital assets	737,186	796,142
Restricted	814,964	801,958
Unrestricted	163,925	115,106
Total net position	$ 1,716,075	$ 1,713,206

Current and other assets increased $508,285 from prior year primarily due to net increases of cash and investment balances of $521,535 from improved property taxes and grant revenues and an increase of $35,853 for outstanding receivables. This is offset by a decrease of $57,148 due from Alameda Health System.

Deferred outflows of resources decreased $141 due to the change in value for the pension and OPEB deferred outflows of resources.

Current liabilities increased $9,491 primarily due to an increase of $24,764 in unearned revenues and $14,004 due to Alameda Health System and a decrease of $25,173 in bonds payable due to the repayment of the pension obligation bonds.

(Amounts expressed in thousands)

Long-term liabilities and deferred inflows of resources increased $146,329 and $351,359, respectively, primarily due to the change in value for the net pension/OPEB liability and related deferred inflows and outflows of resources The increase in the net pension liability in long-term liabilities was supplemented by the net increase in long-term debt due to new debt issuances offset by annual redemptions.

A portion of the County's net position, $814,964, represents resources that are subject to external restrictions as to how they may be used. As of June 30, 2018, the County has a balance of $163,925 in unrestricted net position.

The County's net position increased by $114,120 during the fiscal year 2018 versus $113,267 for fiscal year 2017. As compared to last fiscal year, expenses increased by $103,993. Operating and capital grants and contributions increased $38,402 over fiscal year 2017 and charges for services decreased $18,706. General revenues increased by a total of $85,150.

County of Alameda
Changes in Net Position
For the Years Ended June 30, 2018 and 2017

	Governmental Activities	
	2018	**2017**
Revenues:		
Program revenues:		
Charges for services	$ 586,081	$ 604,787
Operating grants and contributions	1,716,652	1,644,159
Capital grants and contributions	17,365	51,456
General revenues:		
Property taxes	580,500	530,322
Sales taxes - shared revenues	69,692	64,175
Other taxes	41,970	37,222
Interest and investment income	22,880	7,443
Other	37,945	28,675
Total Revenues	3,073,085	2,968,239
Expenses:		
General government	188,361	175,232
Public protection	1,025,266	991,438
Public assistance	746,760	732,600
Health and sanitation	831,984	812,264
Public ways and facilities	61,309	47,969
Recreation and cultural services	719	665
Education	30,695	21,110
Interest on long-term debt	73,871	73,694
Total expenses	2,958,965	2,854,972
Change in net position	114,120	113,267
Net position - beginning of period, as previously reported	1,713,206	1,542,232
Cumulative effect of restatements	(111,251)	57,707
Net position - beginning of period, as restated	1,601,955	1,599,939
Net position - end of period	$ 1,716,075	$ 1,713,206

Governmental activities

Governmental activities increased the County's net position by $114,120.

Operating grants and contributions increased $72,493 during the year. The increase is primarily due to an increase of $16,021 in state and local general government programs, an increase of $45,957 in federal and state health programs, and $7,473 in federal and state public protection programs.

Capital grants and contributions decreased $34,091. Significant projects include state funding of $9,018 for the East County Hall of Justice construction, a decrease of $33,894 from the prior year, and federal funding of $8,110 for the Acute Tower Replacement project, an increase of $26 from the prior year. Other projects include federal funding of $237, a decrease of $223 from the prior year.

Charges for services decreased $18,706 or 3 percent from fiscal year 2017. The County earned lower charges for services because there were sales of land in 2017 totaling $11,957 while no land sales occurred in 2018. Election services decreased $10,602 due to no local elections being held during the fiscal year.

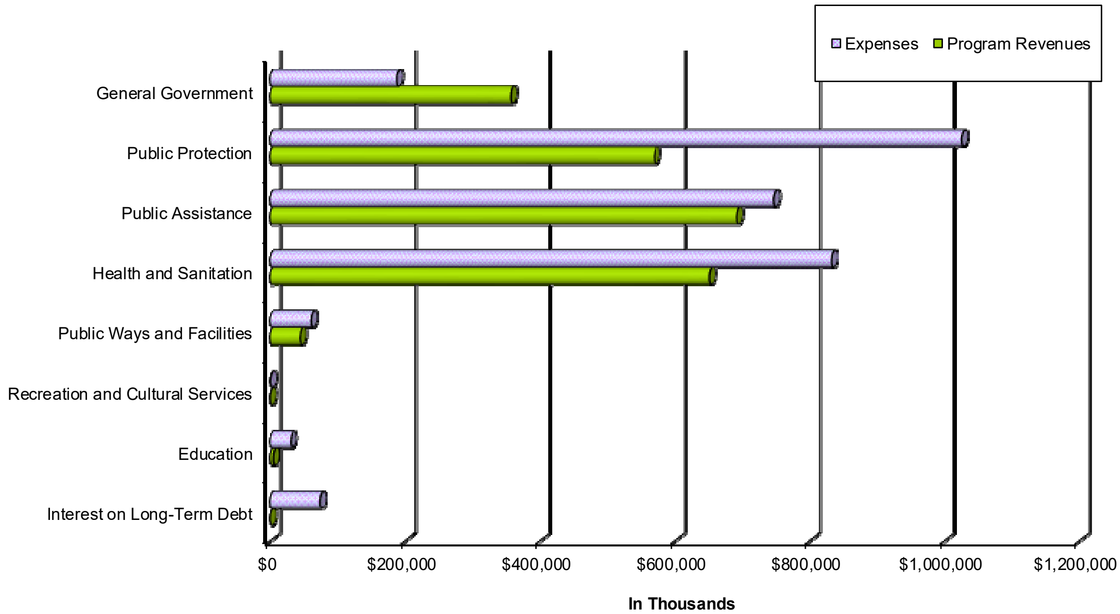
General revenues increased by $85,150 or 13 percent overall in the fiscal year 2018.

- Property tax revenues increased by $50,178 or 9 percent due to a strong assessment roll growth.
- Sales and use tax revenue increased by $5,517 or 9 percent due to an improving economy.
- Other taxes increased $4,748 or 13 percent due to increases in property transfer taxes and utility user taxes.
- Interest and investment income increased by $15,437 or 207 percent. The increase was primarily due to increased rates of return on investments.
- Other revenue increased $9,270 or 32 percent. The increase was primarily due to $3,676 in additional tobacco tax settlement receipts, an increase of $2,734 due to interest earned from agency funds, and an increase of $1,106 due to higher claims on unclaimed monies.

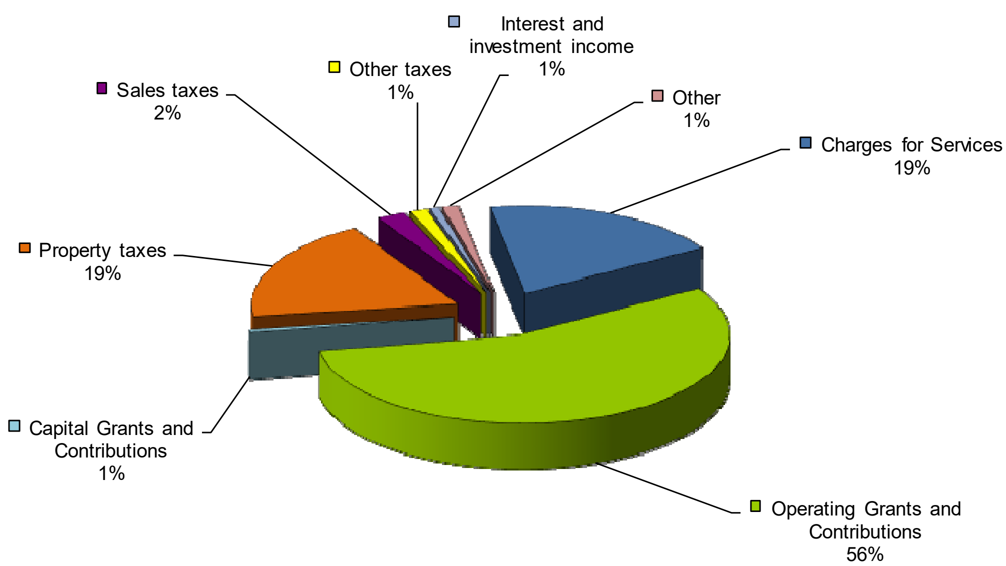
Expenses related to governmental activities increased $103,993 during fiscal year 2018. OPEB expenses increased $14,615 based on the GASB 75 actuarial valuation.

- Public protection had an increase of $14,711 for the Probation administration and adult services as well as to fund local community realignment programs. Flood control also increased $5,842 due to increased salaries and services for Zone 7 flood control services. Fire department has an increase of $9,023 due to increase salaries and services for Zone 1 and countywide fire districts.
- Public assistance had an increase of $10,947 for welfare assistance payments. Welfare administration also increased $2,976 due to increased contract service expenditures for welfare administration services.
- Health and sanitation expenses increased $19,720 due to increases in salaries and services for medical care financing and behavioral health care offset by health care services administration.

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, 2018, the County's governmental funds reported combined ending fund balances of $2,896,727, an increase of $470,556 or 19 percent as compared to fiscal year 2017. Approximately 5 percent of this total amount ($134,850) constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance consists of nonspendable ($6,545), restricted ($873,734), committed ($1,676,506), or assigned ($205,092).

Revenue for governmental funds overall totaled $3,086,139 for the fiscal year 2018, which represents an increase of $114,739 or 4 percent from the fiscal year 2017. Expenditures for governmental funds, totaling $2,950,643, increased by $97,768 from the fiscal year 2017. The governmental funds' revenues exceeded expenditures by $135,496 or 5 percent.

The general fund is the primary operating fund of the County. At the end of fiscal year 2018, the unassigned fund balance of the general fund was $134,850, while total fund balance was $1,682,421. 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 5.6 percent of total general fund expenditures of $2,406,218, while total fund balance represents 70 percent of that same amount.

General fund revenues increased by $124,859 or 5 percent to due to the following factors:

- Taxes revenue increased by $49,860 or 10 percent. Property tax revenue increased $40,867 due to a strong assessment roll growth. Sales tax revenue increased $4,811 due to a growing economy.

- Federal aid increased by $14,459 or 3 percent. This was mainly due to an increase of $22,205 in federal health programs due to a full fiscal year of grant revenues for the Whole Person Care program. This increase was offset by a decrease of $10,266 in medical care financing.

- Other Aid increased by $56,424 or 92 percent. The increase was primarily due to $53,398 in matching contributions for federal grant awards.

- Charges for services decreased by $11,632 or 4 percent. Decrease was due to $1,706 in medical charges due to decrease in utilization. In addition, election services revenue decreased $10,603 as no local election was held during the fiscal year.

- Other revenue increased by $9,590 or 17 percent, primarily due to $3,676 in additional tobacco tax settlement receipts, an increase of $2,734 due to interest earned from agency funds, and an increase of $1,106 due to higher claims on unclaimed monies.

General fund expenditures increased by $127,376 from fiscal year 2017, totaling $2,406,218. Overall, the general fund's performance resulted in revenues exceeding expenditures in the fiscal year 2018, by $256,407. In fiscal year 2017, the general fund revenues exceeded expenditures by $258,924.

The property development fund total fund balance was $613,198. 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 2018 was $232,923, primarily due to proceeds from sale of land.

The fund balance in the flood control fund increased in 2018 from $202,173 to $214,012. Revenue increased by $5,513 mainly due to increased tax revenues and decreased services and supplies for Districts 5 and 6.

The capital projects fund has a total fund balance of $65,596, an increase of $24,894 from fiscal year 2017. The increase was primarily attributable to the transfer of bond proceeds for construction costs for the Acute Care Tower, the East County Courthouse, and the Santa Rita Jail access and disability upgrades and security system projects.

The fund balance in the debt service fund decreased $30,272 from $63,646 to $33,374 due to pay down of 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 increased $715 in 2018 with an operating income of $7,638. This was primarily due to a net transfers out of $8,141 for debt service, energy loans and leases, and tenant improvement projects.

Fiduciary funds

The County maintains fiduciary funds for the assets of the Alameda County Employees' Retirement Association (ACERA) and funds held in trust for employees for before-tax reimbursement of health care expenses. As of December 31, 2017, ACERA's fiscal year-end, the net position of ACERA and the other employee benefits trust totaled $8,114,618 representing an increase of $1,146,316 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, 2017.

As of June 30, 2018, the investment trust fund's net position totaled $3,177,023, a $207,308 increase in net position. The increase in net position of the investment trust fund was due to contributions exceeding withdrawals to the fund by $183,159, plus net investment income of $24,149.

The private-purpose trust fund includes the redevelopment non-housing successor agency, public guardian, and Court Wards & Dependents. As of June 30, 2018, the private-purpose trust fund's net position totaled $6,124, an increase of $3,753.

General fund budgetary highlights

The County's final expenditure budget of the general fund differs from the original budget in that it contains supplemental appropriations approved during the fiscal year. The difference of $194,447 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 $75,012. This included $41,297 of salary and benefit increases and $33,435 of service and supplies increases.

- Appropriations for health and sanitation increased by $110,038. This included $6,706 of salary and benefit increases, $36,187 of services and supplies increases and $67,031 in other charges increases.

Overall, the County's actual general fund revenues under-realized its budgeted fiscal year 2018 revenues by $139,303 or 5 percent. Revenues that had significant variances include:

- Fines, forfeitures, and penalties revenue exceeded the budget by $16,640 or 91 percent. This was due to the under-budgeting of penalties for delinquent taxes by $13,268 and fines and penalties collected for consumer fraud by $5,054.
- Use of money revenue exceeded the budget by $7,917. This was due to $8,170 higher returns on investment pool than anticipated.
- Federal aid revenue was under-realized by $78,911 or 15 percent. Federal social services and public assistance programs were lower than expected by $6,881 and $44,309, respectively, due to lower than expected reimbursable costs associated with welfare administration and assistance payments. Federal health administration revenues were lower than expected by $26,310 due to mental health services.
- Other aid revenue was over-realized by $37,839 or 47 percent. This was primarily due to $35,524 in matching contributions for federal grant awards.
- Charges for services under-realized budget by $23,801 or 7 percent. Medi-Cal revenue for behavioral health services were less than budget by $24,879 due to decrease in utilization.
- Other revenue was less than budgeted by $107,314 or 62 percent. Medical care financing was under-realized by $86,338. Health care services administration was under budget by $20,119.

Variations between budget and actual expenditures in the general fund reflect overall expenditures under the adjusted budget by $423,582 or 14 percent. In general, this represents savings from the major government functions, primarily due to vacancies, cost-containment measures, and unspent contingency appropriations. Significant savings came from the following County functions:

- General government's total actual expenditures was $39,033 or 20 percent less than budget. Vacant positions resulted in savings of $10,118. Discretionary expenditures were lower by $15,735 due to reduction of expenditures. Other charges such as debt payments and claims were lower by $13,180 due to lower claim costs.

- Public protection spent $51,049 or 6 percent less than budget. Vacant positions resulted in savings of $23,331 in salaries and benefits. Discretionary services and supplies expenditures were lower by $26,938 due to reduction of expenditures and delayed services contract assignment and implementation.

(Amounts expressed in thousands)

- Public assistance spent $119,390 or 13 percent less than budget. Vacant positions resulted in savings of $19,875 in salaries and benefits. Discretionary services and supplies expenditures were lowered by $19,798 due to delayed professional service program assignments for community development programs using grant revenues. Due to an improving economy, CalWorks caseload was lowered resulting in expenditures being $24,036 lower than budgeted and the Workforce Investment Board expenditures were $2,078 lower than expected. Other charges were lower by $32,811 due to lower caseloads in CalWorks, extended foster care, and adoptions. Capital expenditures were lower than budget by $14,178 due to the reclassification of Tier 1 community development projects to miscellaneous designations.

- Health and sanitation expenditures were $211,147 or 19 percent less than budget. Salaries and employee benefits were under-spent by $28,238 due to vacant positions. Medical care financing and health care services funding were $31,682 and 11,133 lower, respectively, than budgeted because contributions were lower than expected. Health care administration was lower by $7,811 due to budgeted services that were not contracted. Behavioral health care saved $54,086 due to delays with start-up and implementation of programs, and underutilized mental health programs. Public health and behavioral health services paid by grants were under-spent by $3,122 and $1,611, respectively. Environmental health expenditures were under-spent by $6,019 due to delay in program implementation to achieve departmental savings.

Capital assets and debt administration

Capital Assets

The County's investment in capital assets for its governmental activities amounts to $1,817,609 (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 2018 was $1,904 or 0 percent.

Capital Assets Net of Accumulated Depreciation
June 30, 2018

	Governmental Activities	
	2018	2017
Land and other assets not being depreciated	$ 190,185	$ 305,927
Structures and improvements, machinery and equipment, and infrastructure, net of depreciation	1,627,424	1,509,778
Total	$ 1,817,609	$1,815,705

Major capital asset events that occurred during fiscal year 2018 include:

- Land increased $4,974 due primarily to the acquisition of land for the Cherryland Fire Station, the Cherryland Community Center, and the Castro Valley Shared Lot.
- Machinery and equipment increased $11,030 due primarily to the acquisition of information technology and other equipment totaling $6,396 and vehicles for $4,053.
- Structures and improvements increased $2,873 due to the acquisition of a building in Oakland.

(Amounts expressed in thousands)

- Construction in progress decreased $120,716 primarily due to the transfer of the following: East County Hall of Justice and Cherryland Fire Station in the amount of $152,354 and $10,534, respectively. These transfers were partially offset due to construction costs for the following: Alameda Health System's Acute Care Tower and ITD 13th Street Building Renovation and in the amount of $20,036 and $8,813, respectively. Road projects increased construction in progress by $5,716 while and flood control projects decreased construction in progress by $3,878.

At the end of the fiscal year, healthcare facilities, road improvements, and flood control channel improvements projects had outstanding contract commitments of $29,312, $15,549 and $2,035, respectively.

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

Governmental fund financial statements record capital asset purchases as expenditures.

Additional information about the County's capital assets can be found in Note 5 (page 56) of the financial statements.

Debt Administration

As of June 30, 2018, the County had long-term obligations outstanding of $3,494,549, excluding unamortized premiums and discounts of $31,510, as summarized below:

Outstanding Long-term Obligations
June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
Certificates of participation	$ 14,030	$ 18,671
Tobacco securitization bonds	290,177	288,703
Pension obligation bonds	45,755	126,252
Lease revenue bonds	825,145	766,420
General obligation bonds	240,000	-
Capital leases	2,915	3,351
Net pension liability	1,677,312	1,815,103
Net OPEB obligation	128,542	98,782
Other long-term obligations	270,673	253,217
Total	$ 3,494,549	$ 3,370,499

The County's total long-term obligations decreased $124,050 during the fiscal year primarily due to the change in value of the net pension liability in the GASB 68 actuarial valuation, which resulted in a decrease of $137,791 in net pension liability. The County issued general obligation and lease revenue debt during the year that increased long-term debt by $313,495. These increases were offset by $44,642 for pay down on existing long-term debts. Outstanding pension obligation bonds decreased $80,497 due to principal payments of $18,782 and net reduction in accreted value by $61,715.

The County's legal debt limit is 1.25 percent of total assessed value. As of June 30, 2018, the legal limit was $3.43 billion The County's outstanding general obligation debt is $240 million and therefore $3.19 is still available of the debt limit.

(Amounts expressed in thousands)

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

	2018 Rating	2017 Rating
Moody's	Aaa	Aaa
Standard & Poor's	AAA	AA+
Fitch	AAA	AAA

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

	2018 Rating	2017 Rating
Moody's	Aa1	Aa1
Standard & Poor's	AA+	AA
Fitch	AA+	AA+

The County's long-term obligations can be found in Note 7 (page 60) of the notes to the basic financial statements.

Economic factors and next year's budget and rates

- According to the U.S. Department of Labor, the unemployment rate for the County was 3.3 percent in June 2018, compared to the rate of 4.0 percent in June 2017. The State's unemployment rate was 4.5 percent in June 2018.
- The assessed value of the County's property increased by 6.7 percent in 2018 compared to an increase of 6.9 percent in 2017.
- The County experienced an increase in property tax revenue in fiscal year 2018 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 2018.

The County adopted its fiscal year 2019 budget on July 2, 2018, five days after the State of California adopted its own budget on June 27, 2018.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

COUNTY OF ALAMEDA, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2018
(amounts expressed in thousands)

	Primary Government Governmental Activities	Component Unit Alameda Health System
ASSETS		
Current assets:		
Cash and investments with County Treasurer	$ 2,287,001	$ -
Cash and investments with fiscal agents	555,034	24,766
Deposits with others	5,325	-
Receivables, net of allowance for uncollectible accounts	420,542	297,371
Due from component unit	14,584	-
Due from primary government	-	30,868
Inventory of supplies	63	9,387
Prepaid items	3,512	8,091
Total current assets	3,286,061	370,483
Noncurrent assets:		
Restricted assets - cash and investments with fiscal agents	160,502	6,000
Properties held for resale	2,091	-
Due from component unit, net of allowance	49,915	-
Endowment	-	3,180
Loans receivable	126,394	-
Capital assets:		
Land and other assets not being depreciated	190,185	40,642
Structures and improvements, machinery and equipment, infrastructure, net of depreciation	1,627,424	70,413
Total capital assets, net	1,817,609	111,055
Total noncurrent assets	2,156,511	120,235
Total assets	5,442,572	490,718
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding debt	5,201	-
Related to pensions	556,848	140,725
Related to OPEB	44,569	10,278
Total deferred outflows of resources	606,618	151,003
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	251,864	254,805
Due to component unit	30,868	-
Due to primary government	-	14,584
Compensated employee absences payable	48,731	18,270
Estimated liability for claims and contingencies	32,588	6,584
Certificates of participation and bonds payable	79,576	-
Lease obligations	595	-
Loans payable	1,348	-
Accrued interest payable	6,823	-
Unearned revenue	76,369	-
Obligation to fund Coliseum Authority deficit	4,550	-
Total current liabilities	533,312	294,243
Noncurrent liabilities:		
Net pension liabilities	1,677,312	342,201
Net OPEB liabilities	128,542	5,139
Compensated employee absences payable	26,675	12,352
Estimated liability for claims and contingencies	108,983	23,415
Certificates of participation and bonds payable	1,367,041	-
Lease obligations	2,320	-
Loans payable	15,298	-
Due to primary government	-	80,915
Due to other governmental units	-	12,306
Obligation to fund Coliseum Authority deficit	32,500	-
Total noncurrent liabilities	3,358,671	476,328
Total liabilities	3,891,983	770,571
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	307,125	99,999
Related to OPEB	134,007	30,977
Total deferred Inflows of resources	441,132	130,976
NET POSITION		
Net investment in capital assets	737,186	111,109
Restricted:		
Public protection	362,802	-
Public assistance	113,721	-
Health and sanitation	189,557	18,807
Public ways and facilities	90,138	-
Education	17,030	-
Other purposes	41,716	20,206
Unrestricted (deficit)	163,925	(409,948)
Total net position	$ 1,716,075	$ (259,826)

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, 2018
(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
					Primary Government	Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Alameda Health System
Primary government:						
Governmental activities:						
General government	$ 188,361	$ 109,342	$ 246,927	$ 237	$ 168,145	$ -
Public protection	1,025,266	241,418	319,027	9,018	(455,803)	-
Public assistance	746,760	12,545	678,955	-	(55,260)	-
Health and sanitation	831,984	208,283	435,674	8,110	(179,917)	-
Public ways and facilities	61,309	11,080	34,517	-	(15,712)	-
Recreation and cultural services	719	171	-	-	(548)	-
Education	30,695	3,242	1,552	-	(25,901)	-
Interest on long-term debt	73,871	-	-	-	(73,871)	-
Total governmental activities	2,958,965	586,081	1,716,652	17,365	(638,867)	-
Total primary government	$ 2,958,965	$ 586,081	$ 1,716,652	$ 17,365	(638,867)	-
Alameda Health System	$ 1,030,269	$ 902,772	$ 16	$ -	-	(127,481)
General revenues:						
Property taxes					580,500	-
Sales taxes - shared revenues					69,692	111,416
Property transfer taxes					21,343	-
Utility users' tax					13,369	-
Other taxes					7,258	-
Interest and investment income					22,880	808
Other					37,945	700
Total general revenues					752,987	112,924
Change in net position					114,120	(14,557)
Net position - beginning of period, as originally reported					1,713,206	(266,557)
Cumulative effect of restatements					(111,251)	21,288
Net position - beginning of period, as restated					1,601,955	(245,269)
Net position - end of period					$ 1,716,075	$ (259,826)

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

COUNTY OF ALAMEDA, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018
(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	$ 1,584,798	$ 54,269	$ 213,574	$ 61,114	$ -	$ 192,184	$ 2,105,939
Cash and investments with fiscal agents	1,327	553,453	-	-	-	4	554,784
Restricted assets - cash and investments with fiscal agents	2,910	-	-	7,150	61,264	89,178	160,502
Deposits with others	5	-	-	-	-	5,315	5,320
Receivables, net of allowance for uncollectible accounts	382,538	185	6,130	2,987	-	25,822	417,662
Due from other funds	40,324	-	-	-	-	-	40,324
Due from component unit, net of allowance	33,537	-	-	-	12,135	10	45,682
Inventory of supplies	-	-	3	-	-	56	59
Properties held for resale	255	1,836	-	-	-	-	2,091
Prepaid items	-	-	-	-	-	687	687
Loans receivable	88,890	3,608	-	-	-	33,896	126,394
Total assets	$ 2,134,584	$ 613,351	$ 219,707	$ 71,251	$ 73,399	$ 347,152	$ 3,459,444
Liabilities, deferred inflows of resources, and fund balances							
Liabilities:							
Accounts payable and accrued expenditures	$ 217,184	$ 153	$ 5,548	$ 5,655	$ 557	$ 14,075	$ 243,172
Due to other funds	-	-	-	-	39,468	856	40,324
Due to component unit	30,638	-	-	-	-	230	30,868
Unearned revenue	74,642	-	-	-	-	1,727	76,369
Total liabilities	322,464	153	5,548	5,655	40,025	16,888	390,733
Deferred inflows of resources							
Unavailable revenue	129,699	-	147	-	-	42,138	171,984
Fund balances:							
Nonspendable	3,963	1,836	3	-	-	743	6,545
Restricted	348,316	-	214,009	-	33,374	278,035	873,734
Committed	999,548	611,362	-	65,596	-	-	1,676,506
Assigned	195,744	-	-	-	-	9,348	205,092
Unassigned	134,850	-	-	-	-	-	134,850
Total fund balances	1,682,421	613,198	214,012	65,596	33,374	288,126	2,896,727
Total liabilities, deferred inflows of resources, and fund balances	$ 2,134,584	$ 613,351	$ 219,707	$ 71,251	$ 73,399	$ 347,152	$ 3,459,444

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, 2018
(amounts expressed in thousands)

Fund balances – total governmental funds	$	2,896,727
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.		1,793,101
The unamortized balance of deferred outflows of resources resulting from deferred refunding losses.		5,201
The unamortized balance of deferred outflows of resources related to net pension liability		519,163
The unamortized balance of deferred outflows of resources related to net OPEB		42,541
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		(1,446,617)
Compensated employee absences payable		(71,767)
Lease obligations		(2,915)
Loans and note payable		(16,646)
Other liabilities		(37,050)
Total long-term liabilities		(1,574,995)
The net OPEB liability pertaining to governmental fund types is not recorded in the governmental fund statements.		(127,432)
The net pension liability pertaining to governmental fund types is not recorded in the governmental fund statements.		(1,603,490)
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.		171,984
Deferred inflows of resources related to net pension liability		(275,669)
Deferred inflows of resources related to net OPEB liability		(127,156)
Receivable from Alameda Health System's share of pension obligation bonds, reported as Due from component unit, net of allowance, noncurrent		18,767
Interest on long-term debt is not accrued in the funds, but is recognized as an expenditure when due.		(6,823)
Internal service funds are used by management to charge the costs of fleet management, building maintenance, information technology, and risk management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		(15,844)
Net position of governmental activities	$	1,716,075

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, 2018
(amounts expressed in thousands)

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	$ 555,402	$ -	$ 44,384	$ -	$ -	$ 92,326	$ 692,112
Licenses and permits	10,248	-	126	-	-	1,273	11,647
Fines, forfeitures, and penalties	34,901	-	-	2,849	-	1,170	38,920
Use of money and property	16,494	2,508	2,457	802	622	11,569	34,452
State aid	1,096,937	-	2,875	9,018	-	35,280	1,144,110
Federal aid	448,132	-	770	237	8,110	2,087	459,336
Other aid	118,078	-	4,855	-	-	7,640	130,573
Charges for services	316,843	-	12,524	-	29,394	122,540	481,301
Other revenue	65,590	1,730	196	503	-	25,669	93,688
Total revenues	2,662,625	4,238	68,187	13,409	38,126	299,554	3,086,139
Expenditures:							
Current							
General government	143,589	510	-	-	558	7	144,664
Public protection	734,869	-	46,295	-	-	154,207	935,371
Public assistance	728,053	1,395	-	-	-	45	729,493
Health and sanitation	788,994	-	-	-	-	33,170	822,164
Public ways and facilities	2,695	-	-	-	-	39,635	42,330
Recreation and cultural services	714	-	-	-	-	-	714
Education	318	-	-	-	-	29,317	29,635
Debt service							
Principal	-	-	-	-	36,452	8,190	44,642
Interest	-	-	-	-	117,014	8,635	125,649
Bond issuance costs	-	1,114	-	-	724	-	1,838
Capital outlay	6,986	-	10,053	44,855	-	12,249	74,143
Total expenditures	2,406,218	3,019	56,348	44,855	154,748	285,455	2,950,643
Excess (deficiency) of revenues over expenditures	256,407	1,219	11,839	(31,446)	(116,622)	14,099	135,496
Other financing sources (uses):							
Issuance of commercial paper	-	-	-	10,000	-	-	10,000
Issuance of bonds	-	240,000	-	-	73,495	-	313,495
Premium on issuance of bonds	-	3,424	-	-	-	-	3,424
Transfers in	2,703	-	-	46,340	120,190	69,926	239,159
Transfers out	(103,336)	(11,720)	-	-	(107,335)	(8,627)	(231,018)
Total other financing sources (uses)	(100,633)	231,704	-	56,340	86,350	61,299	335,060
Net change in fund balances	155,774	232,923	11,839	24,894	(30,272)	75,398	470,556
Fund balances - beginning of period	1,526,647	380,275	202,173	40,702	63,646	212,728	2,426,171
Fund balances - end of period	$ 1,682,421	$ 613,198	$ 214,012	$ 65,596	$ 33,374	$ 288,126	$ 2,896,727

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, 2018 (amounts expressed in thousands)

Net change in fund balances – total governmental funds	$ 470,556
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.	(5,753)
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	(26,028)
Decrease in postemployment medical benefits obligation	(31,232)
Increase in compensated absences	(4,745)
Decrease in obligation to fund Coliseum Authority deficit	4,335
Total	(57,670)
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	76,530
Depreciation expense	(73,598)
Proceeds from sale of capital assets	62
Net loss on disposal of capital assets	(1,842)
Total	1,152
The change in net position of internal service funds is reported with governmental activities.	715
Loan proceeds are reported as financing sources in governmental funds, but increase liabilities in the statement of net position.	(10,000)
Net increase in accrued interest decreases the liability in the statement of net position but is reported as an expenditure in the governmental funds when paid.	(2,704)
Proceeds from issuance of long-term bonds are reported as financing sources in governmental funds, but increase liabilities in the statement of net position.	(313,495)
Bond premiums are recognized in the governmental funds when the bonds are issued, and are deferred and amortized in the statement of net position.	(3,424)
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	44,642
Accumulated accretion paid on capital appreciation bonds	71,998
Principal payment on capital leases and loans	2,063
Total	118,703
Interest accreted on bonds and certificates of participation.	(18,206)
Amortization of bond premiums and bond discounts	2,394
Amortization of deferred outflows of resources resulting from the deferred refunding loss	(514)
Amortization of deferred outflows of resources resulting from the pension liability	(91,203)
Amortization of deferred outflows of resources resulting from the OPEB liability	23,569
Change in net position of governmental activities	$ 114,120

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, 2018
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Assets:	
Current assets:	
Cash and investments with County Treasurer	$ 181,062
Cash and investments with fiscal agents	250
Deposits with others	5
Other receivables	2,880
Due from component unit	50
Inventory of supplies	4
Prepaid items	2,825
Total current assets	187,076
Noncurrent assets:	
Capital assets:	
Machinery and equipment, net of depreciation	24,508
Total assets	211,584
Deferred outflows of resources	
Related to pensions	37,685
Related to OPEB	2,028
Total deferred outflows of resources	39,713
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	8,692
Compensated employee absences payable	2,238
Estimated liability for claims and contingencies	32,588
Total current liabilities	43,518
Noncurrent liabilities:	
Net pension liability	73,822
Net OPEB liability	1,110
Compensated employee absences payable	1,401
Estimated liability for claims and contingencies	108,983
Total noncurrent liabilities	185,316
Total liabilities	228,834
Deferred inflows of resources	
Related to pensions	31,456
Related to OPEB	6,851
Total deferred inflows of resources	38,307
Net Position	
Investment in capital assets	24,508
Unrestricted	(40,352)
Total net position	$ (15,844)

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, 2018
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	$ 260,102
Operating expenses:	
Salaries and benefits	81,522
Contractual services	12,982
Utilities	14,544
Repairs and maintenance	8,745
Other supplies and expenses	69,244
Insurance claims and expenses	39,311
Depreciation	5,986
Telephone	2,600
County indirect costs	7,914
Dental claims	8,408
Other	1,208
Total operating expenses	252,464
Operating income	7,638
Non-operating revenues (expenses):	
Investment income	1,264
Loss on sale of capital assets	(46)
Total non-operating revenues (expenses)	1,218
Income before transfers	8,856
Transfers in	1,783
Transfers out	(9,924)
Change in net position	715
Total net position - beginning of period	(10,908)
Cumulative effect of restatements	(5,651)
Total net position - beginning of period, as restated	(16,559)
Total net position - end of period	$ (15,844)

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, 2018
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Internal activity - receipts from other funds	$ 259,735
Payments to suppliers	(109,114)
Payments to employees	(74,616)
Internal activity - payments to other funds	(7,914)
Claims paid	(39,138)
Other payments	(1,208)
Net cash provided by operating activities	27,745
Cash flows from non-capital financing activities:	
Transfers in	1,783
Transfers out	(9,924)
Net cash used in non-capital financing activities	(8,141)
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(6,927)
Proceeds from sale of capital assets	147
Net cash used in capital and related financing activities	(6,780)
Cash flows from investing activities:	
Interest received on pooled cash	1,264
Net cash provided by investing activities	1,264
Net increase in cash and cash equivalents	14,088
Cash and cash equivalents - beginning of period	166,974
Cash and cash equivalents - end of period	$ 181,062
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 7,638
Adjustments for non-cash activities:	
Depreciation	5,986
Amortization - pension	6,529
Amortization - OPEB	285
Changes in assets and liabilities:	
Other receivables	(372)
Prepaid items	291
Accounts payable and accrued expenses	(831)
Compensated employee absences payable	92
Estimated liability for claims and contingencies	8,581
Due to other funds	(454)
Total adjustments	20,107
Net cash provided by operating activities	$ 27,745

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, 2018
(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	$ 2,526	$ 3,224,315	$ 30,462	$ 308,924
Cash and investments with fiscal agents	17,130	2	2,187	-
Investments, at fair value:				
Short-term investments	210,168	-	-	-
Domestic equities	1,547,412	-	-	-
Domestic equity commingled funds	1,082,242	-	-	-
International equities	1,915,468	-	-	-
International equity commingled funds	560,459	-	-	-
Domestic fixed income	953,511	-	-	-
International fixed income	136,735	-	-	-
International fixed income commingled funds	141,106	-	-	-
Real estate - separate properties	66,538	-	-	-
Real estate - commingled funds	445,602	-	-	-
Real return pool	301,579	-	-	-
Private equity and alternatives	746,115	-	-	-
Total investments	8,106,935	-	-	-
Investment of securities lending collateral	406,876	-	-	-
Deposits with others	848	-	-	-
Taxes receivable	-	-	-	130,155
Other receivables	34,359	-	-	-
Interest receivable	8,551	10,629	90	434
Properties held for redevelopment	-	-	8,890	-
Capital assets, net of accumulated depreciation	1,605	-	2,421	-
Total assets	8,578,830	3,234,946	44,050	439,513
Liabilities:				
Accounts payable and accrued expenses	57,336	53,287	-	17,561
Accrued interest payable	-	-	500	-
Securities lending obligation	406,876	-	-	-
Due to other governmental units	-	4,636	10,870	421,952
Bonds payable	-	-	26,556	-
Total liabilities	464,212	57,923	37,926	439,513
Net Position				
Investment in capital assets	1,605	-	2,421	-
Restricted for pension benefits	7,246,659	-	-	-
Restricted for postemployment medical benefits	863,836	-	-	-
Restricted for other employee benefits	2,518	-	-	-
Restricted for other purposes	-	3,177,023	3,703	-
Total net position	$ 8,114,618	$ 3,177,023	$ 6,124	$ -

[1] Pension and OPEB balances reported as of December 31, 2017.

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, 2018
(amounts expressed in thousands)

	Pension, OPEB, [1] and Other Employee Benefits Trust Funds	Investment Trust Fund	Private-Purpose Trust Fund
Additions:			
Contributions:			
Employees	$ 93,800	$ -	$ -
Employer	247,064	-	-
Contributions on pooled investments	-	8,515,044	-
Total contributions	340,864	8,515,044	-
Investment income:			
Interest	41,170	35,190	405
Dividends	70,621	-	-
Net increase (decrease) in fair value of investments	1,231,430	(11,041)	(105)
Real estate	22,244	-	-
Securities lending income	5,899	-	-
Private equity and alternatives	(1,803)	-	-
Brokers Commissions	126	-	-
Total investment income	1,369,687	24,149	300
Less investment expenses:			
Investment expenses	52,943	-	-
Securities lending borrower rebates and management fees	3,508	-	-
Real estate	4,977	-	-
Total investment expenses	61,428	-	-
Net investment income	1,308,259	24,149	300
Other Income:			
Redevelopment property tax revenue	-	-	5,704
Miscellaneous income	864	-	9,547
Total other income	864	-	15,251
Total additions, net	1,649,987	8,539,193	15,551
Deductions:			
Benefit payments	480,003	-	-
Refunds of contributions	7,893	-	-
Administration expenses	15,775	-	-
Distribution from pooled investments	-	8,331,885	7,524
General and administrative expenses	-	-	439
Project expenses	-	-	25
Depreciation	-	-	62
Transfers to taxing entities	-	-	125
Contribution to other agencies	-	-	2,431
Interest on debt	-	-	1,192
Total deductions	503,671	8,331,885	11,798
Change in net position	1,146,316	207,308	3,753
Net position - beginning of period	6,968,302	2,969,715	2,371
Net position - end of period	$ 8,114,618	$ 3,177,023	$ 6,124

[1] Pension and OPEB balances reported for the year ended December 31, 2017.

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, 2017, are included herein.

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

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

• *Alameda County Fire Department (Fire Department)*

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

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

ACERA is a multiple-employer public retirement system organized under the 1937 Retirement Act. The County and its component unit, Alameda Health System (previously the Alameda County Medical Center), are the major participants and contribute 75.20 and 18.70 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 74. Other forms of postemployment benefits provided by ACERA include supplemental cost of living allowance and death benefits. These benefits are reported in the pension and other employee benefits trust funds in the financial statements consistent with GASB Statement No. 67, as they are considered pension benefits.

• *Alameda County Public Facilities Corporation (Corporation)*

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

• *County Service Areas (CSA)*

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

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

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

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

The Joint Powers Authority was initially formed by and between the County and the Redevelopment Agency to assist the County in the financing of public capital improvements. Effective February 1, 2012, the Redevelopment Agency was dissolved, and pursuant to the California Health and Safety Code, the Successor Agency to the Redevelopment Agency was established for the purpose of winding down the affairs of the former redevelopment agency. On March 18, 2014, the joint exercise of powers agreement was amended to add the Surplus Property Authority as a member of the Joint Powers Authority and for the Successor Agency to withdraw as a member. The Joint Powers Authority is included as part of the primary government because the governing board consists of the members of the Board of Supervisors and it provides services exclusively to the County. The activities of the Joint Powers Authority are reported within the debt service governmental fund. The books and records for the Joint Powers Authority are maintained by the County. Additional financial data 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, 2018, are shown herein. Complete financial statements for the AHS may be obtained from the Alameda Health System, 1411 E. 31st Street, Oakland, CA 94602.

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

The ***Property Development Fund*** accounts for the sale and development of surplus County land. The fund’s revenue sources include proceeds from sale of surplus land, proceeds from the issuance of the Measure A1 general obligation bonds, and developer fees.

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

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

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

Effect of Component Unit with Differing Fiscal Year-End

ACERA has a fiscal year ending on December 31. The amounts reflected in the June 30, 2018 financial statements are the balances as of ACERA's fiscal year ended December 31, 2017. 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 2017-2018 was approximately 1.08 percent. The fair value of the Treasurer's pool is determined on a quarterly basis. The adjustment to the cash balance of all participants in the pool is based on the cash balance at the valuation date. The change in the fair value of the investments is recognized in the year in which the change occurred.

Investment in the Treasurer's Pool

The Treasurer's investment pool comprises two components: (1) pooled deposits and investments and (2) specific investments. Specific investments are individual investments that are made separately from the pooled investments at the request of a specific depositor in the County Treasury. The interest earnings on specific investments are recorded only in the fund from which the investment was made.

Pursuant to the California Education Code, receipts of college and school districts must be deposited with the appropriate county. The Alameda County schools and colleges account for 47.08 percent of the net position in the Treasurer's pool. The deposits held for these entities are included in the investment trust fund.

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

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

Investment Valuation

Certain U.S. government securities that have a remaining maturity at time of purchase of one year or less are carried at amortized cost, which approximates fair value. Investments with maturity of more than one year, whether pooled or specific, are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of investments is determined using the fair value hierarchy defined by GASB Statement No. 72.

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

Investment Income

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

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

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 and $250, respectively, and an estimated useful life in excess of one year. Structures and improvements and infrastructure with a value of at least $250 are capitalized. Land, entitlements, and items in collections costing at least $5 are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital additions are recorded as expenditures throughout the governmental funds and as assets in the government-wide financial statements to the extent that the County's capitalization threshold is met.

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

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

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

I. Deferred Outflows and Inflows of Resources

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

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

The County reports the following deferred items:

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

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

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

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

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, 2018, 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, 2018, have been compensated for any accumulated vacation, compensatory time, and unexpired in-lieu compensatory time. The funds used to liquidate the liability is based on the funds the employee's salaries are budgeted.

K. Bond Issuance Costs and Premiums/Discounts

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

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

L. Fund Balances/Net Position

Fund Balances

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

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

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

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

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

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 and Other Postemployment Benefits

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the Alameda County Employees' Retirement Association (ACERA) and additions to/deductions from ACERA's fiduciary net position have been determined on the same basis as they are reported by ACERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(amounts in tables expressed in thousands)

GASB Statement No. 68 and 75 require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	December 31, 2016
Measurement Date	December 31, 2017
Measurement Period	January 1, 2017 to December 31, 2017

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

GASB Statement No. 68 and 75 require 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, 2016
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

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

	Net Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense/ Expenditures
ACERA	$ 1,561,392	$ 519,158	$ 303,755	$ 301,396
Fire Department	115,920	37,690	3,370	22,749
Total	$ 1,677,312	$ 556,848	$ 307,125	$ 324,145

	Net OPEB Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense/ Expenditures
ACERA	$ 20,664	$ 37,901	$ 125,209	$ 5,715
Fire Department	107,878	6,668	8,798	8,900
Total	$ 128,542	$ 44,569	$ 134,007	$ 14,615

R. *Joint Venture*

The County is a participant with the City of Oakland in a joint exercise of powers agreement known as the Oakland-Alameda County Coliseum Authority (the Coliseum Authority), which was formed on July 1, 1995, to assist the City of Oakland and the County in the financing of public capital improvements in the Oakland-Alameda County Coliseum Complex pursuant to the Marks-Roos Local Bond Pooling Act of 1985. Under this agreement, which formed the Coliseum Authority, the County is responsible for funding up to 50 percent of the Coliseum Authority's operating costs and debt service requirements, to the extent such funding is necessary. See Note 17 for further information on the Coliseum Authority joint venture.

S. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

T. New Accounting Standards Implemented

GASB issued Statement No. 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*. The County implemented GASB Statement No. 75 for fiscal year ending June 30, 2018. The effect to the financial statements was a decrease of $111.3 million to the beginning balance of the net position. See Note 21 for more information.

GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The statement provides recognition and measurement guidance for situations in which a government is a beneficiary of these agreements. This statement did not have a significant impact to the County's financial statements.

GASB issued Statement No. 85, *Omnibus 2017.* The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This statement did not have a significant impact to the County's financial statements.

GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This statement did not have a significant impact to the County's financial statements.

U. New Pronouncements

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

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

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

(amounts in tables expressed in thousands)

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement is effective for the County's fiscal year ending June 30, 2019.

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

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

2. Cash and Investments

A. Deposits

As of June 30, 2018, the County's cash and deposits were as follows:

	Bank Balance	Carrying Value
Deposits with financial institutions	$ 513,708	$ 513,693
Cash on hand		8
Deposits in transit		1,278
Cash with County Treasurer for other employee benefits trust fund		2,526
ACERA cash balance as of December 31, 2017		17,130
Total cash and deposits		$ 534,635

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 $513,708 in deposits with financial institutions, $5,082 was covered by federal depository insurance and $508,626 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 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 by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.

As of December 31, 2017, ACERA reported a deposit of $17,130. As of December 31, 2017, ACERA had no deposits that were exposed to custodial credit risk.

B. Investments

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

a. Treasurer's Investments

Funds with the County Treasurer are invested pursuant to the annual investment policy established by the Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio, which may be invested in certain instruments, as permitted by Section 53600 et seq. of the Government Code of the State of California. 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, 2018.

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.

(amounts in tables expressed in thousands)

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 State of CA and local agencies within the state	5 years	100%
Washington Supranational Obligations	5 years	30%
Repurchase Agreements (REPO)	180 days	20%
Reverse Repurchase Agreements (Reverse REPO)	As per code	20%
State of California Local Agency Investment Fund (LAIF)	Daily Liquidity	$65 million
California Asset Management Program (CAMP)	Daily Liquidity	2X LAIF Limit
CalTRUST	Daily Liquidity	2X LAIF Limit
Fully Collateralized/FDIC - Insured Time Deposits	5 years	no limit
Fully Collateralized/Money Market Bank Account	Daily Liquidity	no limit

There were no derivative investments in the investment pool for the year ended June 30, 2018.

As of June 30, 2018 Treasurer's investments consisted of the following:

Investment Type	Credit Rating S&P's/Moody's	Investment Maturities (in Years) Less than 1	1 to 5	Fair Value
Commercial paper	A-1/P-1	$ 398,081	$ -	$ 398,081
Federal agency notes and bonds	A1 to AA+/P-1 to Aaa	1,223,986	1,842,592	3,066,578
Local agency investment funds	Not Rated	10,000	-	10,000
Medium term notes	A to AAA/A1 to AAA	66,014	125,944	191,958
Negotiable certificates of deposit	A-1/P-1	1,050,106	-	1,050,106
Municipal securities	A1 to AA+/P-1 to Aaa	16,289	5,006	21,295
U.S. Treasury notes	N/A	272,761	49,332	322,093
Non-U.S. Treasury Notes *	A-1+ to AAA/P-1 to Aaa	59,503	118,109	177,612
California Asset Management Program	AAAm/Aaa-mf	98,000	-	98,000
Total Investments		$ 3,194,740	$ 2,140,983	$ 5,335,723

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the fair value of an investment. In accordance with the investment policy, the Treasurer manages the risk exposure by limiting the weighted average maturity of its investment portfolio to not more than two years at any time. The weighted average maturity of the Treasurer's Pool at June 30, 2018 was 357 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 October 24, 2017, 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.

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, 2018, more than 5 percent of the Treasurer's investments were under the following issuers:

Issuer:	Percentage of Treasurer's Pool Portfolio as of June 30, 2018
Federal Farm Credit Bank	15.0%
Federal Home Loan Mortgage Corporation	13.1%
Federal Home Loan Bank	13.0%
Federal National Mortgage Association	8.9%

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, 2018. Cash and deposits do not include cash associated with department revolving funds or the Alameda Health System, which are held outside of the County Treasury.

(amounts in tables expressed in thousands)

Statement of Net Position:

Assets:		
Deposits and cash on hand	$	516,227
Deposits in Transit		1,278
Investments (at fair value)		5,335,723
Accrued Interest		20,057
Total assets		5,873,285
Liabilities:		57,924
Net Position	$	5,815,361
Equity of internal pool participants	$	2,638,338
Equity of external pool participants		3,177,023
Total Net Position	$	5,815,361

Statement of Changes in Net Position

Net change in investments by pool participants	$	468,583
Net position at July 1, 2017		5,346,778
Net position at June 30, 2018	$	5,815,361

The County has not provided nor obtained any legally binding guarantees during the year ended June 30, 2018, to support the value of shares in the pool.

As of June 30, 2018, 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, 2018, has been allocated to each fund based on the average cash balance during the last quarter of the fiscal year.

Fair Value Measurement

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

(amounts in tables expressed in thousands)

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The County's cash equivalents and investments by fair value as of June 30, 2018, include the following:

Investments	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**
Investments subject to fair value hierarchy:			
Investments with County Treasury			
Commercial paper	$ 398,081	$ -	$ 398,081
Federal agency notes and bonds	3,066,578	-	3,066,578
Medium term notes	191,958	-	191,958
Negotiable certificates of deposit	1,050,106	-	1,050,106
Municipal securities	21,295	-	21,295
U.S. Treasury notes	322,093	322,093	-
Non-U.S. Treasury Notes	177,612	-	177,612
Total investments with County Treasury subject to fair value hierarchy	5,227,723	322,093	4,905,630
Investments with Fiscal Agents			
East Bay Regional Community System Authority revenue bonds	2,910	-	2,910
U.S. Treasury Securities	69,525	69,525	-
Federal agency debt securities	158,325	-	158,325
Corporate bonds	79,001	-	79,001
Private debt obligations	2,187	-	2,187
Total investments with fiscal agents subject to fair value hierarchy	311,948	69,525	242,423
Total investments subject to fair value hierarchy	$ 5,539,671	$ 391,618	$ 5,148,053
Investments not subject to fair value hierarchy:			
Local agency investment funds held by County Treasury	$ 10,000		
California asset management program	98,000		
Total investments not subject to fair value hierarchy	$ 108,000		

(amounts in tables expressed in thousands)

ACERA's cash equivalents and investments by fair value as of June 30, 2018, include the following:

Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Cash Equivalents				
Government Issues	$ 50,017	$ 50,017	$ -	$ -
STIF-Type Instrument	158,261	-	158,261	-
Total Cash Equivalents	208,278	50,017	158,261	-
Fixed Income Securities				
Asset-Backed Securities	73,551	-	73,551	-
Commercial Mortgage-Backed Securities	75,678	-	75,678	-
Convertible Bonds	21,572	-	21,572	-
Corporate bonds	496,079	-	495,468	611
Municipal/Revenue Bonds	3,546	-	3,546	-
FHLMC	58,348	-	58,348	-
FNMA	65,885	-	65,885	-
GNMA I	2,255	-	2,255	-
GNMA II	13,212	-	13,212	-
Government Issues	280,119	174,245	105,874	-
Mutual Funds	141,107	-	141,107	-
Total Fixed Income Securities	1,231,352	174,245	1,056,496	611
Equity Securities				
Non-U.S. Equity	2,089,686	1,792,949	296,737	-
Pooled Investments	1,540,535	1,419,456	121,079	-
U.S. Equity	1,475,360	1,475,342	18	-
Total Equity Securities	5,105,581	4,687,747	417,834	-
Real Estate				
Properties	66,538	-	-	66,538
Collateral from Securities Lending	406,876	-	406,876	-
Total investments subject to fair value hierarchy	7,018,625	$ 4,912,009	$ 2,039,467	$ 67,149
Investments Measured at Net Asset Value (NAV)				
Real Assets	301,579			
Private Equity	438,023			
Absolute Return	308,092			
Real Estate	445,602			
Total Investments Measured at NAV	1,493,296			
Total investments subject to fair value hierarchy	$ 8,511,921			
Derivatives				
Equity Index Swaps	$ 803	$ -	$ -	$ 803
Future Contracts-Equity Index	272	272	-	-
Foreign Exchange Contracts	199	199	-	-
Total Derivatives	$ 1,274	$ 471	$ -	$ 803

(amounts in tables expressed in thousands)

Other Disclosures

As of June 30, 2018, the County's investment in Local Agency Investment Fund (LAIF) is $10 million. The LAIF is part of the Pooled Money Investment Account (PMIA), and the Local Investment Advisory Board (LIAB), which consists of five members as designated by State statute, provides oversight for LAIF. All securities are purchased under the authority of Government Code Sections 16430 and 16480.4. The total amount invested by all cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies in LAIF is $22.5 billion as of June 30, 2018. Of that amount, 97.33% was invested in non-derivative financial products and 2.67% in structured notes and asset backed securities as of June 30, 2018.

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, 2018, cash and investments with fiscal agents consisted of the following:

		Investment Maturities (in Years)			
	Ratings (S&P / Moody's)	Less than 1	1 to 5	More than 5	Fair Value
Cash & Cash Equivalents	N/A	$ 453,673	$ -	$ -	$ 453,673
EBRCSA revenue bonds (*)	Not Rated	-	-	2,910	2,910
U.S. Treasury Securities	Not Rated	11,940	57,585	-	69,525
Federal Agency Debt Securities	AA+ / AAA	49,125	109,200	-	158,325
Corporate Bonds	A to AA+ / A3-AA1	22,999	56,002	-	79,001
Private Debt Obligations	Not Rated	-	-	2,187	2,187
Totals		$ 537,737	$ 222,787	$ 5,097	$ 765,621

* 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, 2018, more than five percent of total investments with fiscal agents were in the Federal National Mortgage Association (33.16%) and Federal Home Loan Mortgage Corporation (15.66%).

The investment policy for the property development fund and various bond indentures for other funds place no limit on the amount the funds may invest in any one issuer.

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

Government Code Section 31595 allows the Board of Retirement to invest funds at its discretion. Instruments authorized by the Board of Retirement are U.S. equity, international equity, U.S. and international fixed income, real estate and Treasurer's pooled investments. ACERA is prohibited from investing in securities issued by the County of Alameda or any agency thereof. Additionally, ACERA may not invest in futures, written options, swaps or structured notes, unless specific authorization is obtained from the Board of Retirement in advance of the investment. The ACERA investments shown in the statement of fiduciary net position are as of ACERA's fiscal year end December 31, 2017.

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, 2017, ACERA had no investments in a single issuer that equaled or exceeded 5 percent of ACERA's net position.

Credit Risk

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

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

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

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

(amounts in tables expressed in thousands)

		Adjusted Moody's Credit Rating								
Debt Investments by Type	**Total**	**Aaa**	**Aa**	**A**	**Baa**	**Ba**	**B**	**Caa**	**Ca and Below**	**Not Rated**
Collateralized Mortgage Obligations	$ 50,468	$ 32,715	$ -	$ -	$ 3,260	$ 1,455	$ 3,189	$ 6,874	$ 1,536	$ 1,439
Convertible Bonds	21,739	-	-	-	2,053	2,982	4,112	1,755	-	10,837
Corporate Bonds	495,913	5,508	14,881	91,529	276,676	79,533	22,123	3,429	621	1,613
Federal Home Loan Mortgage Corp.	80,898	5,213	-	-	-	-	-	-	-	75,685
Federal National Mortgage Assn.	68,398	-	-	-	397	-	-	-	-	68,001
Government National Mortgage Assn. I, II	15,467	-	-	-	-	-	-	-	-	15,467
Government Issues	280,118	185,071	33,695	49,268	-	6,585	2,872	-	-	2,627
Municipals	3,546	-	1,499	2,047	-	-	-	-	-	-
Other Asset Backed Securities	73,699	36,889	985	4,705	9,990	5	148	2,841	9,610	8,526
Subtotal Debt Investments	1,090,246	265,396	51,060	147,549	292,376	90,560	32,444	14,899	11,767	184,195
External Investment Pools of Debt Securities										
Securities Lending Cash Collateral Fund										
Liquidation Pool	403,297	-	-	-	-	-	-	-	-	403,297
Duration Pool	3,555	-	-	-	-	-	-	-	-	3,555
Master Custodian Short-Term Investment Fund	158,261	-	-	-	-	-	-	-	-	158,261
Subtotal External Investment Pools	565,113	-	-	-	-	-	-	-	-	565,113
Total	$ 1,655,359	$ 265,396	$ 51,060	$ 147,549	$ 292,376	$ 90,560	$ 32,444	$ 14,899	$ 11,767	$ 749,308

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, 2017, ACERA had no investments that were exposed to custodial credit risk.

ACERA's investments include collateral associated with derivatives activity. As of December 31, 2017, collateral for derivatives was $4.2 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, 2017. 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	$ 403,297	28 days
Duration Pool	3,555	25 days
Master Custodian Short-Term Investment Fund	158,261	-
Total	$ 565,113	

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	$ 50,468	4.6
Convertible bonds	21,739	3.5
Corporate bonds	495,913	6.4
Federal Home Loan Mortgage Corp.	80,898	4.4
Federal National Mortgage Assn.	68,398	3.9
Government National Mortgage Assn. I, II	15,467	4.3
Government Issues	280,118	7.6
Municipals	3,546	11.7
Other Asset Backed Securities	73,699	2.6
	$ 1,090,246	

(amounts in tables expressed in thousands)

Fair Value Highly Sensitive to Changes in Interest Rate

The terms of a debt investment may cause its fair value to be highly sensitive to interest rate changes. The two Interest Rate Risk Analysis – Duration tables above disclose the degree to which ACERA's investments are sensitive to interest rate changes due simply to the remaining term to maturity. In contrast, ACERA's investments with fair values that are highly sensitive to interest rates due to other factors are disclosed on the Interest Rate Risk Analysis – Highly Sensitive table as of December 31, 2017. ACERA has no general investment policy with respect to investments with fair values that are highly sensitive to changes in interest rates.

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

Investment Type	Investment Description	Interest Rates	Fair Values
Corporate Bonds	Various debt related securities	4.35% to 26.65%	$ 48,752
Government Issues	Various debt related securities	7.75% to 26.25%	20,948
Municipals	Municipal Electric Authority Georgia	6.66%	2,047
Other Asset Backed	Various debt related securities	1.86% to 5.21%	3,266

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, 2017. It provides an indication of the magnitude of ACERA's foreign currency risk for each foreign currency.

Foreign Currency Risk Analysis

Currency	Common Stock	Corporate Bonds	Foreign Currency	Government Issues	Total Return Swaps	Currency Swaps	Net Exposure
Argentine Peso	$ -	$ 2,135	$ 112	$ 1,789	$ -	$ -	$ 4,036
Australian Dollar	31,908	-	243	19,215	(4)	1,024	52,386
Brazilian Real	12,775	621	-	-	-	-	13,396
Canadian Dollar	44,562	-	396	-	-	301	45,259
Colombian Peso	-	3,608	-	-	-	-	3,608
Danish Krone	49,763	-	5	-	-	(8)	49,760
Euro Currency	506,959	4,563	375	-	(33)	(222)	511,642
Hong Kong Dollar	143,385	-	51	-	544	(1)	143,979
Indian Rupee	63,525	-	68	-	-	69	63,662
Indonesian Rupiah	23,805	-	-	-	-	-	23,805
Japanese Yen	298,003	-	(155)	-	226	(382)	297,692
Malaysian Ringgit	-	-	-	15,743	-	-	15,743
Mexican Peso	1,707	1,920	-	23,718	-	-	27,345
Israeli Sheqel	10,043	-	-	-	-	14	10,057
New Taiwan Dollar	24,624	-	-	-	-	3	24,627
New Zealand Dollar	732	-	-	-	-	404	1,136
Norwegian Krone	3,241	-	8	-	-	(363)	2,886
Polish Zloty	-	-	-	7,823	-	215	8,038
Pound Sterling	329,440	-	1,234	19,491	-	(154)	350,011
Singapore Dollar	37,922	-	163	-	-	10	38,095
South African Rand	29,560	-	-	6,585	-	(463)	35,682
South Korean Won	22,626	-	-	-	-	-	22,626
Swedish Krona	44,357	-	127	-	80	14	44,578
Swiss Franc	107,317	-	6	-	(10)	(263)	107,050
Thailand Baht	6,049	-	-	-	-	-	6,049
Turkish Lira	-	-	-	2,627	-	-	2,627
Uae Dirham	1,665	-	-	-	-	-	1,665
TOTAL	$ 1,793,968	$ 12,847	$ 2,633	$ 96,991	$ 803	$ 198	$ 1,907,440

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, 2017, 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, 2017, 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, 2017, resulting from a default of the borrowers or the securities lending agent.

For the year ended December 31, 2017, 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. For the fiscal year 2017, the short-term investment fund is separated into two investment pools: (a) a liquidity pool and (b) a duration pool. As of December 31, 2017, the Quality D Short – Term investment fund liquidity pool had an average duration of 28 days and an average weighted final maturity of 153 days for U.S. dollars collateral. The Quality D Short-Term investment fund duration pool had an average duration of 25 days and an average weighted final maturity of 3,185 days for U.S. dollars collateral. For the year ended December 31, 2017 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, 2017, ACERA had securities on loan with a fair value of $493.8 million for cash and noncash collateral of $511.8 million and exceeded the total fair value of loaned securities by $18.0 million.

(amounts in tables expressed in thousands)

Summary of County Deposits and Investments

The following table is a summary of the deposits and investments as of June 30, 2018:

Deposits	
Cash on Hand and Deposits in Transit	$ 1,286
Cash in Bank - with County Treasurer	513,693
Cash with fiscal agents	405,777
Unrestricted Cash - With Component Unit (AHS)	24,766
Restricted Cash - With Component Unit (AHS)	6,000
Retiree Trust Cash Balance	2,526
ACERA cash balance at 12/31/17	17,130
Total Cash	971,178
Investments	
In Treasurer's Pool	5,335,723
with ACERA	8,106,935
with fiscal agents	311,948
Securities Lending - ACERA	406,876
Total Investments	14,161,482
Total Cash and Investments	$ 15,132,660
Primary Government	$ 15,101,894
Component Unit (AHS)	30,766
Total Cash and Investments	$ 15,132,660

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

	Primary Government			
	Governmental Activities	Fiduciary Funds	Total	Component Unit
Cash and investments with County Treasurer	$ 2,287,001 [1]	$ 3,566,227 [2]	$ 5,853,228	$ -
Cash and investments with fiscal agents	555,034	8,126,254	8,681,288	24,766
Restricted Assets:				
Cash with fiscal agents	160,502	-	160,502	6,000
Invested securities lending collateral	-	406,876	406,876	-
Total cash and investments	$ 3,002,537	$ 12,099,357	$ 15,101,894	$ 30,766
Deposits and cash on hand			$ 946,412	$ 30,766
Investments			14,161,482	-
Total deposits and investments			$ 15,107,894	$ 30,766

[1] Includes cash and investments with the County Treasurer of total governmental funds ($2,105,939) and internal service funds ($181,062).

[2] Includes deposits and investments with the County Treasurer of pension and other employee benefits trust funds ($2,526), investment trust fund ($3,224,315), private-purpose trust fund ($30,462) and agency funds ($308,924).

(amounts in tables expressed in thousands)

3. Receivables

Receivables as of June 30, 2018, for the County's individual major funds, non-major funds in the aggregate, and the internal service funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds						Internal Service Funds	Governmental Activities Total
	General	Property Development	Flood Control	Capital Projects	Nonmajor Governmental Funds	Subtotal		
Interest	$ 6,977	$ 185	$ 701	$ 319	$ 717	$ 8,899	$ 527	$ 9,426
Taxes	39,886	-	2,039	-	4,414	46,339	-	46,339
Departmental accounts	198,603	-	-	-	-	198,603	-	198,603
Federal and state grants and subventions	198,662	-	3,251	2,668	4,344	208,925	-	208,925
Charges for services	75,685	-	117	-	7,832	83,634	2,353	85,987
Other	15,906	-	22	-	8,515	24,443	-	24,443
Gross receivables	535,719	185	6,130	2,987	25,822	570,843	2,880	573,723
Less: allowance for uncollectibles	(153,181)	-	-	-	-	(153,181)	-	(153,181)
Net total receivable - governmental activities	$ 382,538	$ 185	$ 6,130	$ 2,987	$ 25,822	$ 417,662	$ 2,880	$ 420,542

The departmental accounts receivable, net of allowance for uncollectibles, in the amount of $45.4 million is reported as unavailable revenue and classified as deferred inflows of resources. It is not practical to determine the amount that will be collected in the subsequent year.

Other receivables for pension and other employee benefits trust funds at December 31, 2017 are as follows:

Contributions	$ 14,212
Derivative investments	1,007
Investments sold	9,858
Investment receivables	8,280
Equity Index Swaps	803
Other	199
Total other receivables at December 31, 2017	$ 34,359

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, 2018, 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	$ 88,890	$ 3,608	$ 33,896	$ 126,394

(amounts in tables expressed in thousands)

5. Capital Assets

Capital asset activities of the primary government for the year ended June 30, 2018, are as follows:

GOVERNMENTAL ACTIVITIES

	Balance July 1, 2017	Increases	Decreases	Transfers	Balance June 30, 2018
Capital assets, not being depreciated:					
Land and easements	$ 74,135	$ 4,975	$ -	$ -	$ 79,110
Construction in progress	231,742	64,183	-	(184,901)	111,024
Collections	50	-	-	-	50
Total capital assets, not being depreciated	305,927	69,158	-	(184,901)	190,184
Capital assets, being depreciated:					
Structures and improvements	1,612,311	2,872	-	165,260	1,780,443
Machinery and equipment	197,100	11,032	5,985	-	202,147
Software	32,654	-	-	-	32,654
Infrastructure	972,640	462	688	19,641	992,055
Total capital assets, being depreciated	2,814,705	14,366	6,673	184,901	3,007,299
Less accumulated depreciation for:					
Structures and improvements	617,871	45,170	-	-	663,041
Machinery and equipment	147,952	10,931	4,638	-	154,245
Software	32,654	-	-	-	32,654
Infrastructure	506,450	23,484	-	-	529,934
Total accumulated depreciation	1,304,927	79,585	4,638	-	1,379,874
Total capital assets, being depreciated, net	1,509,778	(65,219)	2,035	184,901	1,627,425
Governmental activities capital assets, net	$ 1,815,705	$ 3,939	$ 2,035	$ -	$ 1,817,609

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

Governmental Activities	
General government	$ 3,744
Public protection	22,484
Public assistance	2,248
Health and sanitation	23,647
Public ways and facilities	19,901
Recreation and cultural services	383
Education	1,191
Capital assets held by the County’s internal service funds	5,986
Total depreciation expense – governmental activities	$ 79,584

(amounts in tables expressed in thousands)

The County has active construction projects as of June 30, 2018. 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, 2018 are as follows:

Project	Spent-to-Date	Remaining Commitment
Construction of health care facilities	$ 47,276	$ 29,312
Construction of youthful offender facility	4,000	315
Road improvements	12,020	15,549
Flood control channel improvements	17,942	2,035
Other projects	29,786	19,068
Total governmental funds	$ 111,024	$ 66,279

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

Capital Leases

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

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

Structures and Improvements	$ 4,896
Less accumulated amortization	(2,341)
Net book value	$ 2,555

(amounts in tables expressed in thousands)

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

Capital asset activities of the pension, OPEB, and other employee benefits trust funds for the year ended December 31, 2017, are as follows:

	Balance January 1, 2017	Increases	Decreases	Balance December 31, 2017
Capital assets, being depreciated:				
Equipment and furniture	$ 3,019	$ 15	$ -	$ 3,034
Electronic document management system	4,163	-	-	4,163
Information systems	10,457	-	-	10,457
Leasehold improvements	2,585	-	-	2,585
Total capital assets, being depreciated	20,224	15	-	20,239
Less accumulated depreciation and amortization for:				
Equipment and furniture	2,926	46	-	2,972
Electronic document management system	4,140	25	-	4,165
Information systems	10,457	-	-	10,457
Leasehold improvements	945	95	-	1,040
Total accumulated depreciation	18,468	166	-	18,634
Total capital assets, being depreciated, net	1,756	(151)	-	1,605
Fiduciary fund capital assets, net	$ 1,756	$ (151)	$ -	$ 1,605

COMPONENT UNIT – Alameda Health System

Capital asset activities of the Alameda Health System for the year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Increases	Transfers	Balance June 30, 2018
Capital assets, not being depreciated:				
Construction in progress	$ 10,193	$ 25,858	$ (4,430)	$ 31,621
Land	9,021	-	-	9,021
Total capital assets, not being depreciated	19,214	25,858	(4,430)	40,642
Capital assets, being depreciated:				
Structures and improvements	57,101	3,058	1,242	61,401
Machinery and equipment	155,609	11,212	3,188	170,009
Total capital assets, being depreciated	212,710	14,270	4,430	231,410
Less accumulated depreciation for:				
Structures and improvements	36,003	2,180	-	38,183
Machinery and equipment	108,465	14,349	-	122,814
Total accumulated depreciation	144,468	16,529	-	160,997
Total capital assets, being depreciated, net	68,242	(2,259)	4,430	70,413
Component unit capital assets, net	$ 87,456	$ 23,599	$ -	$ 111,055

(amounts in tables expressed in thousands)

6. Accounts Payable and Accrued Expenditures/Expenses

Accounts payable and accrued expenditures/expenses as of June 30, 2018, for the County's individual major funds, non-major funds in the aggregate, and internal service funds are as follows:

	Governmental Funds								
	General	Property Development	Flood Control	Capital Projects	Debt Service	Nonmajor Governmental Funds	Subtotal	Internal Service Funds	Governmental Activities Total
Accounts payable	$ 141,391	$ 143	$ 4,338	$ 5,655	$ 557	$ 9,659	$ 161,743	$ 6,229	$ 167,972
Outstanding warrants	37,554	-	-	-	-	-	37,554	-	37,554
Accrued payroll	38,239	10	1,210	-	-	4,416	43,875	2,463	46,338
Total accounts payable and accrued expenditures	$ 217,184	$ 153	$ 5,548	$ 5,655	$ 557	$ 14,075	$ 243,172	$ 8,692	$ 251,864

Payables for pension, OPEB, and other employee benefits trust funds at December 31, 2017 are as follows:

Purchase of securities	$ 37,552
Investment-related payables	13,293
Member benefits	3,473
Accrued administrative expenses	2,495
Other	523
Total accounts payable and accrued expenses	$ 57,336

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, 2018:

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	$ 356
2007A Refunding (a)	12/1/2021	4 - 5.625	37,010	11,415
Certificates of participation-principal				11,771
1989 Capital Projects capital appreciation certificates-accretion (b)				2,259
Tobacco settlement asset-backed bonds				
Tobacco Securitization bonds 2002 (e)	6/1/2042	2.25 - 6.00	220,525	137,695
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				205,554
Tobacco Securitization capital appreciation bonds 2006 - accretion (e)				84,623
Pension obligation bonds				
1996 bonds series B capital appreciation bonds-principal (a)	12/1/2018	7.03 - 7.58	306,863	8,938
1996 bonds series B capital appreciation bonds-accretion (a)				36,817
Lease revenue bonds				
Alameda County Joint Powers Authority:				
Juvenile Justice Refunding Bonds 2016 (a)	6/1/2035	2.0 - 5.0	98,470	94,880
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	38,470
Lease Revenue Refunding Bonds 2012 (a)	12/1/2021	1.5 - 5	75,915	17,015
Multiple Capital Projects Bonds 2013A (a)	12/1/2035	3 - 5.25	287,380	287,380
Taxable Lease Revenue Bonds 2018 (f)	6/1/2028	2.27 - 3.60	73,495	67,400
Lease revenue bonds				825,145
General obligation bonds				
Measure A1 bonds 2018 - A (g)	8/1/2038	2.56 - 4.00	240,000	240,000
Capital leases				
Water efficiency measures (a)	10/30/2023	4.08	3,000	1,281
Structures & Improvement - 7200 Bancroft Ave. (a)	2/28/2021	4.34	1,896	1,634
Capital leases payable				2,915
Other long-term obligations				
Loans payable (d)	6/22/2026	1.0 - 4.1	29,613	16,646
Compensated employee absences payable (c)				75,406
Estimated liability for claims and contingencies (d)				141,571
Obligation to fund Authority deficit (see Note 17) (a)				37,050
Other long-term obligations				270,673
Governmental activities total long-term obligations				$ 1,688,695

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

The Alameda County Tobacco Asset Securitization Authority has pledged all revenues received from the tobacco master settlement agreement with four U.S. tobacco manufacturers to repay the outstanding amount as of June 30, 2018 of $137.70 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 $1.75 billion, payable through June 2055. The tobacco revenue is determined by applying a rate to the number of cigarettes sold; hence, the amount to be received over the term of the bonds is not estimable. During the year, principal and interest payments were $16.8 million while tobacco settlement revenue was $16.0 million.

(amounts in tables expressed in thousands)

COMPONENT UNIT

Type of Obligation	Outstanding
Alameda Health System	
Compensated employee absences payable	$ 30,622
Estimated liability for claims and contingencies	29,999
Component unit total long-term obligations	$ 60,621

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, 2018, the County's debt limit (1.25% of total assessed value) was $3.43 billion. The County's outstanding general obligation debt is $240 million and therefore $3.19 billion is still available of the debt limit.

Arbitrage

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

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 $39.8 million as of June 30, 2018. 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 $51.6 million as of June 30, 2018. These obligations are the liability of the businesses that receive the proceeds of the bonds.

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

(amounts in tables expressed in thousands)

Changes in Long-Term Obligations

The changes in long-term obligations for governmental activities for the year ended June 30, 2018, are as follows:

	Balance July 1, 2017	Additional Obligations, Interest Accretion, and Net Increases	Current Maturities, Retirements, and Net Decreases	Balance June 30, 2018	Amounts Due Within One Year
Governmental activities:					
Certificates of participation and bonds payable					
Certificates of participation	$ 14,671	$ -	$ (2,900)	$ 11,771	$ 3,001
Tobacco securitization bonds	213,744	-	(8,190)	205,554	-
Pension obligation bonds	27,720	-	(18,782)	8,938	8,938
Lease revenue bonds	766,420	73,495	(14,770)	825,145	26,010
General obligation bonds	-	240,000	-	240,000	-
Total certificates of participation and bonds payable before accretion	1,022,555	313,495	(44,642)	1,291,408	37,949
Accretion on capital appreciation certificates and bonds					
Certificates of participation	4,000	494	(2,235)	2,259	2,259
Tobacco Securitization bonds	74,959	9,664	-	84,623	-
Pension obligation bonds	98,532	8,048	(69,763)	36,817	36,817
Total certificates of participation and bonds payable at accreted value	1,200,046	331,701	(116,640)	1,415,107	77,025
Other debt-related items					
Issuance premiums	33,918	3,424	(2,530)	34,812	2,687
Issuance discount	(3,438)	-	136	(3,302)	(136)
Total bonds and certificates payable	1,230,526	335,125	(119,034)	1,446,617	79,576
Loans	8,273	10,000	(1,627)	16,646	1,348
Compensated employee absences payable	70,569	43,452	(38,615)	75,406	48,731
Estimated liability for claims and contingencies	132,990	40,433	(31,852)	141,571	32,588
Capital leases	3,351	-	(436)	2,915	595
Obligation to fund Coliseum Authority deficit	41,385	-	(4,335)	37,050	4,550
Governmental activity long-term obligations	$ 1,487,094	$ 429,010	$ (195,899)	$ 1,720,205	$ 167,388

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, 2018, $3.64 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, 2018, are as follows:

Component Unit:	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Amounts Due Within One Year
Compensated employee absences payable	$ 28,952	$ 1,670	$ -	$ 30,622	$ 18,270
Estimated liability for claims and contingencies	32,180	944	(3,125)	29,999	6,584
Total component unit long-term obligations	$ 61,132	$ 2,614	$ (3,125)	$ 60,621	$ 24,854

(amounts in tables expressed in thousands)

Annual debt service requirements for long-term obligations outstanding as of June 30, 2018, are as follows:

GOVERNMENTAL ACTIVITIES

For the Year Ending June 30	Lease Revenue Bonds		General Obligaion Bonds		Tobacco Securitization Bonds			Pension Obligation Bonds		Total Bonds		
	Principal	Interest	Principal	Interest	Principal	Accreted Interest	Interest	Principal	Accreted Interest	Principal	Accreted Interest	Interest
2019	$ 26,010	$ 45,711	$ -	$ 7,343	$ -	$ -	$ 8,165	$ 8,938	$ 36,817	$ 34,948	$ 36,817	$ 61,219
2020	27,080	44,644	22,000	8,369	-	-	8,165	-	-	49,080	-	61,178
2021	28,260	43,489	26,700	7,642	-	-	8,165	-	-	54,960	-	59,296
2022	29,525	42,232	7,555	7,149	-	-	8,165	-	-	37,080	-	57,546
2023	26,045	41,009	7,855	6,840	-	-	8,165	-	-	33,900	-	56,014
2024-2028	149,380	185,763	44,250	29,130	-	-	40,823	-	-	193,630	-	255,716
2029-2033	145,710	149,025	53,315	19,989	16,275	-	37,080	-	-	215,300	-	206,094
2034-2038	151,865	108,842	64,020	9,028	45,170	-	28,182	-	-	261,055	-	146,052
2039-2043	164,980	56,985	14,305	273	76,250	-	18,300	-	-	255,535	-	75,558
2044-2048	76,290	5,428	-	-	-	-	-	-	-	76,290	-	5,428
2049-2053	-	-	-	-	51,475	764,585	-	-	-	51,475	764,585	-
2059-2060	-	-	-	-	16,384	616,926	-	-	-	16,384	616,926	-
Total	$ 825,145	$ 723,127	$ 240,000	$ 95,763	$ 205,554	$ 1,381,511	$ 165,210	$ 8,938	$ 36,817	$ 1,279,637	$ 1,418,328	$ 984,100

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
2019	$ 34,948	$ 36,817	$ 61,219	$ 3,001	$ 2,259	$ 478	$ 1,943	$ 963	$ 39,892	$ 39,076	$ 62,660
2020	49,080	-	61,178	2,785	-	342	1,951	670	53,816	-	62,190
2021	54,960	-	59,296	2,930	-	199	1,766	245	59,656	-	59,740
2022	37,080	-	57,546	3,055	-	63	1,163	85	41,298	-	57,694
2023	33,900	-	56,014	-	-	-	1,193	54	35,093	-	56,068
2024-2028	193,630	-	255,716	-	-	-	11,545	40	205,175	-	255,756
2029-2033	215,300	-	206,094	-	-	-	-	-	215,300	-	206,094
2034-2038	261,055	-	146,052	-	-	-	-	-	261,055	-	146,052
2039-2043	255,535	-	75,558	-	-	-	-	-	255,535	-	75,558
2044-2048	76,290	-	5,428	-	-	-	-	-	76,290	-	5,428
2049-2053	51,475	764,585	-	-	-	-	-	-	51,475	764,585	-
2059-2060	16,384	616,926	-	-	-	-	-	-	16,384	616,926	-
Total	$ 1,279,637	$ 1,418,328	$ 984,100	$ 11,771	$ 2,259	$ 1,082	$ 19,561	$ 2,057	$ 1,310,969	$ 1,420,587	$ 987,239

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

On March 29, 2018, the County issued General Obligation Bonds Measure A1 2018 Series A, in the amount of $240 million. The Series 2018 A Bonds is the first issuance from a total authorization under Measure A1 of $580 million of general obligation bonds, duly authorized by at least two-thirds of the voters of the County voting on Measure A1 at an election held on November 8, 2016 ("Measure A1") to provide affordable local housing and prevent displacement of vulnerable populations, including low and moderate-income households, veterans, seniors, and persons with disabilities; provide supportive housing for homeless people Countywide; and help low and middle-income households purchase homes and stay in their communities. The serial bonds component were issued with fixed interest rates ranging from 2.56 percent to 4 percent, with maturity dates between August

(amounts in tables expressed in thousands)

1, 2019 and August 1, 2033. The term bonds component were issued at 3.82 percent fixed interest rate with dates between August 1, 2034 and August 1, 2038.

On April 24, 2018, the Alameda County Joint Powers Authority issued Taxable Lease Revenue Bonds Series 2018 in the amount of $73.50 million. The proceeds of the bonds will be used to (a) finance and refinance certain public capital improvements and facilities of the County as permitted by applicable law; (b) refinance and prepay the 1998 Certificates principal along with the unpaid accrued interest to the prepayment date on April 25, 2018 and (c) pay cost of bond issuance. The serial bonds were issued with fixed interest rates ranging from 2.27 percent to 3.60 percent, with maturity dates between June 1, 2018 and June 1, 2028.

On February 8, 2018, the Alameda County Joint Powers Authority issued Commercial Paper Notes in the amount of $10 million. The purpose of the issuance was to provide for the final stage of financing for the Acute Care Tower Seismic Replacement Project.

8. Operating Lease Obligations

The County has numerous operating leases for office space. Rental expense for operating leases for fiscal year 2017-18 was $26.0 million. Future minimum lease payments for operating leases at June 30, 2018, are as follows:

2019	2020	2021	2022	2023	2024-28	Total
$ 23,764	$ 17,696	$ 16,425	$ 9,116	$ 6,318	$ 6,073	$ 79,392

9. Fund Deficits

Individual fund deficit at June 30, 2018 are as follows:

Alameda Health System	$ 259,826
Internal Service Fund - Building Maintenance	$ 20,467
Internal Service Fund - Information Technology	$ 22,799

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

(amounts in tables expressed in thousands)

10. Fund Balances

Details of the fund balance classifications of the major and non-major governmental funds as of June 30, 2018 are as follows:

	General	Property Development	Flood Control	Capital Projects	Debt Service	Non-major	Total
Inventory	$ -	$ -	$ 3	$ -	$ -	$ 56	$ 59
Long-term receivables	3,708	-	-	-	-	-	3,708
Properties held for resale	255	1,836	-	-	-	-	2,091
Prepaid items	-	-	-	-	-	687	687
Total Nonspendable	3,963	1,836	3	-	-	743	6,545
Restricted for:							
Public protection	148,364	-	214,009	-	-	70,898	433,271
Public assistance	2,944	-	-	-	-	380	3,324
Health and sanitation	186,879	-	-	-	-	9,286	196,165
Public ways and facilities	-	-	-	-	-	91,356	91,356
Education	-	-	-	-	-	16,937	16,937
Debt service	-	-	-	-	33,374	89,178	122,552
Other purposes	10,129	-	-	-	-	-	10,129
Total Restricted	348,316	-	214,009	-	33,374	278,035	873,734
Committed to:							
Fiscal management rewards	181,598	-	-	-	-	-	181,598
Settlement claims	7,000	-	-	-	-	-	7,000
General contingencies	67,434	-	-	-	-	-	67,434
Capital projects	132,900	-	-	65,596	-	-	198,496
Pension liability reduction	532,653	-	-	-	-	-	532,653
Capital projects and related debt	-	611,362	-	-	-	-	611,362
Public assistance	7,790	-	-	-	-	-	7,790
Public protection	2,903	-	-	-	-	-	2,903
Other commitments	67,270	-	-	-	-	-	67,270
Total Committed	999,548	611,362	-	65,596	-	-	1,676,506
Assigned to:							
Appropriations in subsequent year	33,122	-	-	-	-	-	33,122
General government	7,964	-	-	-	-	-	7,964
Public protection	33,498	-	-	-	-	9,348	42,846
Public assistance	39,360	-	-	-	-	-	39,360
Health and sanitation	81,379	-	-	-	-	-	81,379
Public ways and facilities	200	-	-	-	-	-	200
Recreation and cultural services	5	-	-	-	-	-	5
Other purposes	216	-	-	-	-	-	216
Total Assigned	195,744	-	-	-	-	9,348	205,092
Unassigned	134,850	-	-	-	-	-	134,850
Total fund balances	$ 1,682,421	$ 613,198	$ 214,012	$ 65,596	$ 33,374	$ 288,126	$ 2,896,727

Encumbrance balances by major funds and non-major funds as of June 30, 2018 are:

	Restricted	Committed	Assigned	Total
General Fund	$ 12,811	$ -	$ 153,654	$ 166,465
Property Development	-	17	-	17
Flood Control	35,103	-	-	35,103
Capital Projects	-	48,948	-	48,948
Non-major Governmental Funds	34,414	-	263	34,677
Total encumbrances	$ 82,328	$ 48,965	$ 153,917	$ 285,210

(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, 2018 for governmental activities is as follows:

Restricted for Public Protection		
Flood	$214,159	
Consumer Protection	41,605	
Sheriff	31,594	
Public Safety	16,589	
Criminal Justice and Courthouse Construction	18,096	
Vital Records	21,907	
Child Support Enforcement	3,634	
Community Development	6,444	
Criminal Justice Programs	864	
Vehicle Theft Prevention	1,734	
Survey Monument Preservation	550	
Domestic Violence	112	
Probation	163	
Other	5,351	$362,802
Restricted for Public Assistance		
Housing and Commercial Development	112,039	
Social Services Programs	439	
Child Protective Services	1,243	113,721
Restricted for Health and Sanitation		
Behavioral Health Services	102,236	
Public Health	37,284	
Emergency Medical Services	19,595	
Environmental Health	30,442	189,557
Restricted for Public Ways and Facilities		
Roads and Bridges Maintenance	82,924	
Streets and Highway Lighting	7,214	90,138
Restricted for Education		
Library Services		17,030
Restricted for Other Purposes		
Debt Payments	30,903	
Property Taxes	5,808	
Assessor	5,005	41,716
Total Restricted Net Position-Governmental Activities		$814,964

Included in governmental activities restricted net position as of June 30, 2018 is net position restricted by enabling legislation of $120.6 million.

12. Interfund Receivables, Payables, and Transfers

“Due to” and “due from” balances have been recorded for cash overdraft and inter-fund loans. The composition of inter-fund balances as of June 30, 2018, is as follows:

	Due to other funds		
Due from other funds	**Debt Service Funds**	**Non-major Governmental Funds**	**Total Due from**
General fund	$ 39,468	$ 856	$ 40,324

(amounts in tables expressed in thousands)

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

Due to/from primary government and component unit:

Receivable Entity	Payable Entity	Amount
Primary government-governmental	Alameda Health System	$ 95,499
Primary government-governmental		$ 95,499
Less allowance for uncollectibles		(31,000)
Net		$ 64,499
Alameda Health System	Primary government-governmental	$ 30,868

Transfers between funds for the year ended June 30, 2018, 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	$ -	$ 5,321	$ 96,306	$ -	$ 1,709	103,336
Property development fund	586	-	11,134	-	-	11,720
Debt service fund	-	39,709	-	67,626	-	107,335
Non-major governmental funds	-	-	6,327	2,300	-	8,627
Internal service funds	2,117	1,310	6,423	-	74	9,924
Total transfers in	$ 2,703	$ 46,340	$ 120,190	$ 69,926	$ 1,783	$ 240,942

The $103.3 million General Fund transfer out includes $60.3 million for pension obligation debt service, $36 million to provide for the payment of debt service, $5.3 million to provide funding for capital projects, and $1.7 million for maintenance projects.

The $11.7 million Property Development Fund transfer out includes $8.2 million for the payment of Juvenile Justice Refunding bond.

The $107.3 million Debt Service Fund transfer out includes $34.6 million reimbursement to the Capital Project Fund for the Acute Tower Replacement project. $5.1 million is from the proceeds of the JPA Taxable Lease Revenue Bond for other capital projects. Due to the prepayment of the 1998 Certificates, the 1998 Escrow Securities of $67.6 million is now available for the benefit of the County. The County anticipates that the aggregate annual payments received from the 1998 Escrow Securities will approximate the County’s annual base rental payments of the Taxable Lease Revenue Bonds Series 2018. However, the 1998 Escrowed Securities payments to the County are not pledged as security for the Series 2018 Bonds,

The $8.6 million Non-major Governmental Funds transfer out includes $6.3 million for debt payments and $2.3 million to cover operating costs of the bridges.

The $9.9 million Internal Service Funds transfer out includes $6.4 million for the payment of debt service, $1.9 million for payment of energy loans and leases, and $1.3 million for tenant improvement projects

13. Defined Benefit Pension Plan – ACERA

A. *Plan Description*

The County is the major participant in the Alameda County Employees' Retirement Association (ACERA). The total payroll covered by ACERA for all participants was $1.05 billion as of December 31, 2017. ACERA began operations on January 1, 1948 and is governed by the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act (PEPRA) of 2012 and the bylaws, policies and procedures adopted by the Board of Retirement.

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

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

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

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

ACERA also provides other postemployment benefits for retired members and their beneficiaries. The payment of those benefits is subject to available funding and must be annually reauthorized by the Board of Retirement. These benefits include supplemental cost of living adjustment (COLA) and retired member death benefit. The supplemental COLA is to maintain each retiree's purchasing power at no less than 85%

of the purchasing power of the original benefit. The retired member death benefit is a one-time $1,000 lump sum payment to the beneficiary of a retiree.

An actuarial valuation is performed annually for the pension plan as a whole. ACERA's financial statements and required supplementary information are audited annually by independent auditors. The audit report and December 31, 2017 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14th Street, Suite 1000, Oakland, CA 94612.

B. *Funding Policy*

The pension plan under the 1937 Act has no legal or contractual maximum contribution rates. The employers and members contribute to ACERA based on rates recommended by an independent actuary and adopted by the Board of Retirement. Covered employees are required by statute to contribute toward their pensions. Member contribution rates are formulated on the basis of their age at the date of entry and the actuarially calculated benefits, and are between 5.03 and 22.79 percent of their annual covered salary effective September 2016. Member contributions are refundable upon termination from the retirement system.

State and Federal laws as well as the California Constitution provide the authority for the establishment of ACERA benefit provisions. In most cases where the 1937 Act provides options concerning the allowance of credit for service, the offering of benefits, or the modification of benefit levels, the law generally requires approval of the employers' governing board for the option to take effect. Separately, in 1984 the Alameda Board of Supervisors and the Board of Retirement approved the adoption of Article 5.5 of the 1937 Act. This adoption permitted the establishment of a Supplemental Retirees Benefit Reserve (SRBR) for ACERA.

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

In 2006 the Board of Retirement approved the allocation of SRBR funds to Postemployment Medical Benefits and Other Pension Benefits. These two programs provide the supplemental benefits described above.

The County is required by statute to contribute the amounts necessary to finance the estimated benefits accruing to the employees. For the year ended June 30, 2018, the County made contributions of $189.78 million to ACERA. However, the reported contributions are allocated between the pension and the other postemployment benefit plans. Therefore, 18.32 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, 2018, the County reported a liability of $1.56 billion for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. 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, 2017, the County's proportion was 77.54 percent, which was an increase of 0.98 percent from its proportion measured as of December 31, 2016.

(amounts in tables expressed in thousands)

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

For the year ended June 30, 2018, the County recognized pension expense of $301.3 million. At June 30, 2018, 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	$ 14,541	$ 57,192
Changes of assumptions	394,568	36,676
Net difference between projected and actual earnings on investments	-	196,400
Changes in proportion and differences between County contributions and proportionate share of contributions	9,116	13,487
County contributions subsequent to the measurement date	100,933	-
Total	$ 519,158	$ 303,755

County contributions of $100.9 million are reported as deferred outflows of resources to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:	
2019	$ 91,956
2020	59,698
2021	(26,252)
2022	(32,118)
2023	21,186

E. *Actuarial Assumptions*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

(amounts in tables expressed in thousands)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equity	22.40 %	5.75 %
Domestic Small Cap Equity	5.60	6.37
Developed International Equity	19.50	6.89
Emerging Market Equity	6.50	9.54
U.S. Core Fixed Income	11.25	1.03
High Yield Bonds	1.50	3.99
International Bonds	2.25	19.00
TIPS	2.00	0.98
Real Estate	8.00	4.47
Commodities	3.00	3.78
Absolute Return (Hedge Fund)	9.00	4.30
Private Equity	9.00	7.60
Total	100.00 %	

Discount Rate – The discount rate used to measure the total pension liability was 7.25% as of December 31, 2017, a decrease of 0.35% from last year. 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 7.25 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

(amounts in tables expressed in thousands)

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability	$ 2,433,920	$ 1,561,392	$ 843,478

F. *Pension Plan Fiduciary Net Position*

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

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

A. *Plan Description*

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

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

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

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

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

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

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

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

B. *Funding Policy*

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The Miscellaneous Plan's actuarially determined rate is based on the estimated amount necessary to pay the Miscellaneous Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. ACFD is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2017, the active employee contribution rate is 7.00 percent of annual pay for non-PEPRA members and 6.25 percent of annual pay for PEPRA members. ACFD contribution rate is 8.92 percent of annual payroll for non-PEPRA members and 6.53 percent of annual payroll for PEPRA members.

The Safety Plan's actuarially determined rate is based on the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. ACFD is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. . For the measurement period ended June 30, 2017, the active employee contribution rate is 9.00 percent of annual pay for non-PEPRA members and 12.25 percent of annual pay for PEPRA members. The County contribution rate is 20.59 percent of annual payroll. ACFD contribution rate is 20.59 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, 2018, ACFD reported a liability of $2.72 million for its proportionate share of the net pension liability for the Miscellaneous Plan. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. ACFD's proportion of the net pension liability was based on a projection of ACFD's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2018, ACFD's proportion was 0.027 percent, which was an increase of 0.002 percent from its proportion measured as of June 30, 2017.

Safety Plan

As of June 30, 2018, ACFD reported a liability of $113.2 million for its Safety Plan net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016.

(amounts in tables expressed in thousands)

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2016	$ 384,277	$ 288,766	$ 95,511
Changes for the year:			
Service cost	13,986	-	13,986
Interest	29,083	-	29,083
Changes of assumptions	24,186	-	24,186
Differences between expected and ac	692	-	692
Contributions - employer	-	14,046	(14,046)
Contributions - employee	-	4,434	(4,434)
Net investment income	-	32,203	(32,203)
Benefit payments[1]	(18,785)	(18,785)	-
Administrative expenses	-	(426)	426
Net changes for the year	49,162	31,472	17,690
Balances at June 30, 2017	$ 433,439	$ 320,238	$ 113,201

[1] Including refunds of employee contributions

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

Miscellaneous Plan

For the year ended June 30, 2018, ACFD recognized pension expense of $996 thousand. At June 30, 2018, 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	$ 132	$ -
Changes of assumptions	581	44
Differences between expected and actual experience	5	67
Changes in proportion and differences between ACFD contributions and proportionate share of contributions	791	66
ACFD contributions subsequent to the measurement date	542	-
Total	$ 2,051	$ 177

ACFD contributions of $542 thousand are reported as deferred outflows of resources to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:	
2019	$ 558
2020	510
2021	341
2022	(77)

(amounts in tables expressed in thousands)

Safety Plan

For the year ended June 30, 2018, ACFD recognized pension expense of $21.75 million. At June 30, 2018, 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	$ 4,110	$ -
Changes of assumptions	20,155	2,958
Differences between expected and actual experience	1,307	235
ACFD contributions subsequent to the measurement date	10,067	-
Total	$ 35,639	$ 3,193

ACFD contributions of $10.07 million are reported as deferred outflows of resources to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:	
2019	$ 3,229
2020	8,003
2021	5,241
2022	1,760
2023	4,146

(amounts in tables expressed in thousands)

E. Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2016
Discount Rate	7.15%
Inflation Rate	2.75%
Salary Increases	Varies by entry age and service
Mortality Rate Table[1]	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

[1] The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

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

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

Asset Class	Target Allocation	Real Return Years 1-10[1]	Real Return Years 11+[2]
Global Equity	47.00%	4.90%	5.38%
Fixed Income	19.00%	0.80%	2.27%
Inflation Assets	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%

[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 7.15 percent as of June 30, 2017, a decrease of 0.50 percent from last year. The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current member contribution rates, and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, both the Miscellaneous Plan and the Safety Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(amounts in tables expressed in thousands)

Miscellaneous Plan

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

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
ACFD's proportionate share of the net pension liability	$ 4,637	$ 2,720	$ 1,132

Safety Plan

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

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
ACFD's net pension liability	$ 172,544	$ 113,201	$ 64,258

F. Pension Plan Fiduciary Net Position

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

15. Other Postemployment Benefits - ACERA

A. Plan Description

ACERA administers a medical benefits plan for retired members and their eligible dependents. The County participates in the plan. The OPEB plan is a cost-sharing, multiple-employer, defined benefit plan. The OPEB plan is not a benefit entitlement program and benefits are subject to modification and/or deletion by the ACERA Board of Retirement. Annually, based on the recommendation of the Board of Retirement, the Board of Supervisors designates a portion of the County's contribution to retirement towards medical premiums of retirees. The OPEB plan provides healthcare benefits for eligible retired members through health care subsidy in the form of the monthly medical allowance (MMA), Medicare Part B reimbursement, and dental and vision subsidies. Retirees can also purchase medical benefits for eligible dependents on an out-of-pocket basis.

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

(amounts in tables expressed in thousands)

The maximum MMA in 2017 was $540 and remains at $540 in 2018 for retirees who are not purchasing individual insurance through the Medicare exchange. For those purchasing individual insurance through the Medicare exchange, the MMA was $414 for 2017 and remains at $414 for 2018. These allowances are subject to the following schedule:

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

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

B. *Funding Policy*

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

C. *OPEB Liabilities*

As of June 30, 2018, the County reported a liability of $20.66 million for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as December 31, 2016. The County's proportion of the net OPEB liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At December 31, 2017, the County's proportion was 75.20 percent, which was a decrease of 0.41 percent from its proportion measured as of December 31, 2016.

(amounts in tables expressed in thousands)

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

For the year ended June 30, 2018, the County recognized OPEB expense of $5.71 million. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 13,830
Changes of assumptions	37,710	-
Net difference between projected and actual earnings on investments	-	110,721
Changes in proportion and differences between County contributions and proportionate share of contributions	191	658
Total	$ 37,901	$ 125,209

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

Year Ended June 30:	
2019	$ (23,558)
2020	(23,558)
2021	(23,558)
2022	(23,558)
2023	4,122
Thereafter	2,802

E. *Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

(amounts in tables expressed in thousands)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equity	22.40 %	5.75 %
Domestic Small Cap Equity	5.60	6.37
Developed International Equity	19.50	6.89
Emerging Market Equity	6.50	9.54
U.S. Core Fixed Income	11.25	1.03
High Yield Bonds	1.50	3.99
International Bonds	2.25	19.00
TIPS	2.00	0.98
Real Estate	8.00	4.47
Commodities	3.00	3.78
Absolute Return (Hedge Fund)	9.00	4.30
Private Equity	9.00	7.60
Total	100.00 %	

Discount Rate – The discount rate used to measure the total OPEB liability was 7.25% as of December 31, 2017. The projection of cash flows used to determine the discount rate assumes benefits are paid from current SRBR assets. Based on this assumption, the SRBR's Fiduciary Net Position was projected to be available to make all projected future benefits payments for current plan members. Therefore the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net OPEB liability	$ 119,697	$ 20,664	$ 61,708

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the County's proportionate share of the net OPEB liability calculated using the current trend rate, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower (6.0 percent decreasing to 4.5 percent) or 1-percentage-point higher (8.0 percent decreasing to 5.5 percent) than the current rate:

(amounts in tables expressed in thousands)

	1% Decrease (6.0% decreasing to 3.5%)	Heathcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
County's proportionate share of the net OPEB liability	$ (71,205)	$ 20,664	$ 133,741

F. OPEB Plan Fiduciary Net Position

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

16. Other Postemployment Benefits – ACFD

A. Plan Description

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

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

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

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

(amounts in tables expressed in thousands)

The ACFD's contribution will equal to the costs of the premium for the medical plan selected, not to exceed the premium for Kaiser Single, Kaiser Two-Party, or Kaiser Family Medicare medical coverage as applicable, less the MEC, with the application of the percentage of employer contribution. In no event will the department contribution be less than the MEC.

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

At June 30, 2017, the following numbers of participants were covered by the benefit terms:

	Number of Covered Participants
Inactives currently receiving benefits	276
Inactives entitled to but not yet receiving benefits	16
Active employees	419
Total	711

B. <u>Funding Policy</u>

The ACFD's current funding policy for postemployment medical benefits is pay-as-you-go, with employees making contribution to the CalPERS California Employers' Retiree Benefit Trust (CERBT) as a percentage of salary. For fiscal year 2018, the ACFD's contribution is $8.3 million. This amount includes $1.2 million of employee contributions and $7.1 million of employer contributions. The employer contributions are comprised of $2.2 million in contributions to the trust, $4.2 million in cash benefit payments, and $685 thousand in implied subsidy benefit payments. The ACFD is working with an actuary and its contract agencies to develop a funding strategy and accounting methodology for its net OPEB liability.

(amounts in tables expressed in thousands)

C. Net OPEB Liability

As of June 30, 2018, ACFD reported a net OPEB liability of $107.88 million. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016.

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2017	$ 127,411	$ 12,549	$ 114,862
Changes for the year:			
Service cost	5,905	-	5,905
Interest	6,490	-	6,490
Changes of assumptions	(9,592)	-	(9,592)
Contributions - employer	-	7,086	(7,086)
Contributions - employee	-	1,241	(1,241)
Net investment income	-	1,468	(1,468)
Benefit payments	(4,915)	(4,915)	-
Administrative expenses	-	(8)	8
Net changes for the year	(2,112)	4,872	(6,984)
Balance at June 30, 2018	$ 125,299	$ 17,421	$ 107,878

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

For the year ended June 30, 2018, ACFD recognized OPEB expense of $8.89 million. At June 30, 2018, ACFD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Net difference between projected and actual earnings on plan investments	$ -	$ 405
Changes of assumptions	-	8,393
ACFD contributions subsequent to the measurement date	6,668	-
Total	$ 6,668	$ 8,798

ACFD contributions of $6.67 million are reported as deferred outflows of resources to OPEB and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2019	$ (1,300)
2020	(1,300)
2021	(1,300)
2022	(1,301)
2023	(1,199)
Thereafter	(2,398)

(amounts in tables expressed in thousands)

E. *Actuarial Assumptions*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2017 Measurement Date
Contribution Policy	Employer contributions are made on an ad hoc basis Employees contribute based on current MOUs
Discount Rate	Based on crossover test 5.49% at June 30, 2017 4.96% at June 30, 2016
Long-Term Expected Rate of Return on Investments	6.75%, net of investment expenses
Municipal Bond Rate	5.49% at June 30, 2017 4.96% at June 30, 2016 Bond Buyer 20-Bond GO Index
Crossover Test Assumptions	Projected contributions based on average over prior 5 years, omitting 15/16 atypical contribution Administrative expenses = 0.06% of FNP Crossover occurs in 38 years
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2017
Salary Increases	Aggregate - 3% Merit - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4% in 2076 and later years Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4% in 2076 and later years
Healthcare participation for future retirees	Hired before 4/1/09: 100% if currently covered, 90% if not currently covered Hired on or after 4/1/09: Service — Participation <10 — 60% 10-14 — 90% 15-19 — 95% 20+ — 100%

(amounts in tables expressed in thousands)

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

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

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

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

Discount Rate – The discount rate used to measure the total OPEB liability was 5.49 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current member contribution rates, and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents ACFD's net OPEB liability calculated using the discount rate of 5.49 percent, as well as what the ACFD's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.49 percent) or 1-percentage-point higher (6.49 percent) than the current rate:

	1% Decrease (4.49%)	Discount Rate (5.49%)	1% Increase (6.49%)
ACFD's net OPEB liability	$ 126,962	$ 107,878	$ 92,454

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

	1% Decrease (6.5% decreasing to 3.0%)	Current Trend Rate (7.5% decreasing to 4.0%)	1% Increase (8.5% decreasing to 5.0%)
ACFD's net OPEB liability	$ 90,479	$ 107,878	$ 129,859

F. OPEB Plan Fiduciary Net Position

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

17. Joint Venture

The County is a participant with the City of Oakland (City) in a joint exercise of powers agreement forming the Oakland-Alameda County Coliseum Authority (Coliseum Authority), which was formed on July 1, 1995 to assist the City and County in the financing of public capital improvements in the Oakland-Alameda County Coliseum Complex (Coliseum Complex) pursuant to the Marks-Roos Local Bond Pooling Act of 1985. The Oakland-Alameda County Coliseum Financing Corporation (Financing Corporation) is reported as a blended component unit of the Coliseum Authority. The eight-member Board of Commissioners of the Coliseum Authority consists of two council members from the City, two members of the Board of Supervisors from the County, two appointees of the City Council, and two appointees of the Board of Supervisors. The Board of Directors of the Financing Corporation consists of the City Manager and the County Administrator.

Stadium Background

In August 1995, the Coliseum Authority issued $9.2 million in Fixed Rate Refunding Lease Revenue Bonds and $188.5 million in Variable Rate Lease Revenue Bonds (collectively known as the Stadium Bonds) to satisfy certain obligations of the Coliseum Authority, the City, the County, the Financing Corporation and Oakland-Alameda County Coliseum Inc. (Coliseum Inc.), which then managed the operations of the Coliseum Complex, to finance the costs of remodeling the stadium portion of the Coliseum complex as well as relocating the Raiders to the City.

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

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

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

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

Arena Background

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

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

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

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

Under the Bond Agreements, the Arena Bonds are limited obligations of the Coliseum Authority, payable solely from revenues received by the Coliseum Authority on behalf of the City and the County. Revenues consist of base rental payments from the City and County, certain payments from the Warriors of up to $7.4 million annually from premium seating revenues, the sale of personal seat licenses by the Coliseum Authority, concessionaire payments and Arena naming rights. If necessary to prevent default, additional premium revenues up to $10 million may be pledged to service Arena debt. If the revenues received from the Warriors and from Arena operations are not sufficient to cover the debt service requirements in any fiscal year, the City and the County are obligated to make up the shortfall in the base rental payments from their respective general funds. The County and the City each have covenanted to appropriate up to $9.5 million annually to cover such shortfalls in revenue; however, the City and the County are jointly and severally liable to cover such shortfall, which means that the County could have to pay up to $19 million annually in the event of default by the City. The Warriors' obligation to pay up to $7.4 million annually ends with the termination of the current lease option in June 2019. However, in October 2018, an arbitrator provided an interim ruling favorable to the City and the County regarding the Warriors' ongoing contractual obligation under the License Agreement to annually reimburse the Authority for any principal balance remaining on the Arena Bonds debt obligation if the net operating revenues are not sufficient to pay scheduled debt service through the term of the debt issuance. The Arbitrator's interim award is not final and may be appealed to the Alameda Superior Court.

(amounts in tables expressed in thousands)

Debt Obligations

Long-term debt outstanding as of June 30, 2018 is as follows:

Type of Indebtedness	Maturity	Interest Rate	Authorized and Issued	Outstanding
Stadium Bonds				
2012 Refunding Series A Lease Revenue Bonds	February 1, 2025	5%	$ 122,815	$ 74,100
Arena Bonds				
2015 Refunding Series A Lease Revenue Bonds	February 1, 2026	1% - 4%	79,735	62,335
Total Long-term debt			$ 202,550	$ 136,435

Debt payments during the fiscal year ended June 30, 2018 were as follows:

	Stadium	Arena	Total
Principal	$ 8,670	$ 6,200	$ 14,870
Interest	4,139	2,095	6,234
Total	$ 12,809	$ 8,295	$ 21,104

The following is a summary of long-term debt transactions for the year ended June 30, 2018:

Outstanding lease revenue bonds, July 1, 2017	$ 151,305
Principal repayments	(14,870)
Outstanding lease revenue bonds, June 30, 2018	136,435
Amount due within one year	(15,700)
Amount due beyond one year	$ 120,735

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
2019	$ 9,100	$ 3,705	$ 6,600	$ 1,991	$ 15,700	$ 5,696
2020	9,555	3,250	7,000	1,837	16,555	5,087
2021	10,035	2,772	7,600	1,650	17,635	4,422
2022	10,535	2,271	8,200	1,426	18,735	3,697
2023	11,065	1,744	8,800	1,167	19,865	2,911
2024-2026	23,810	1,800	24,135	1,608	47,945	3,408
Total	$ 74,100	$ 15,542	$ 62,335	$ 9,679	$ 136,435	$ 25,221

Management of Coliseum Authority

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

Under the joint exercise of power agreement, which formed the Coliseum Authority, the County is responsible for funding up to 50 percent of the Coliseum Authority's operating costs and debt service requirements to the extent such funding is necessary. During the year ended June 30, 2018, the County made contributions of $12 million to fund its share of operating deficits and debt service payments of the Coliseum Authority.

The Coliseum Authority has anticipated a deficit for operating costs and repayment of its Stadium Bonds, such that the City and the County will have to contribute to base rental payments. Of the $22 million appropriated in the general fund as part of the above agreements, it is estimated that the County will have to contribute $12.5 million for the year ending June 30, 2019. 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 $37.05 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.

(amounts in tables expressed in thousands)

Effective July 1, 2003, the County adopted the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*. This resulted in the Alameda Health System Foundation (Foundation) being included as a discretely presented component unit of AHS. During fiscal year 2004, the Foundation's Articles of Incorporation and bylaws were amended to require AHS to approve Foundation board members and to allow that upon dissolution, the Foundation's remaining assets would be distributed to AHS. The Foundation distributed $3.5 million to AHS during fiscal year 2018.

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

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

	2017/18	2016/17
Estimated liability for claims and contingencies at the beginning of the fiscal year	$ 32,180	$ 31,748
Additional obligations	944	2,032
Payments	(3,125)	(1,600)
Estimated liability for claims and contingencies at the end of the fiscal year	$ 29,999	$ 32,180

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 2019.

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

In August 2004, the County placed a $200 million limitation on net loans to AHS. As defined, this limitation is calculated as gross loans to AHS, reduced by board-designated funds held by the County on behalf of AHS. In fiscal year 2016, a permanent agreement was approved that sets a schedule of repayment of AHS net loans and a net loan limit of $135 million at June 30, 2018. The net loan of $49.92 million at June 30, 2018 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.

(amounts in tables expressed in thousands)

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 53.3 percent and 28.8 percent, respectively, of gross patient service revenues, excluding certain federal aid revenues, for the year ended June 30, 2018. Reimbursement rates are tentative and final reimbursement for services is determined after submission of annual cost reports and audits by third-party intermediaries.

C. *Other Program Revenues*

AHS also receives significant revenues from components of the Medi-Cal Waiver Program. Beginning in fiscal year 2006, California Senate Bill 1100 (SB1100) provides additional funding to hospitals that provide a significant portion of their services to Medi-Cal and medically indigent recipients. SB1100 provides additional funds through a reimbursement rate increase for each Medi-Cal patient day provided, up to a maximum number of days. Effective January 1, 2016, California's Section 1115 Waiver Renewal was approved and established the Global Payment Program (GPP) of statewide funding for the uninsured, and the Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program funding for improved quality of care and better care coordination through safety net providers. AHS recognized $148 million in revenues for Section 1115 waiver programs for the year ended June 30, 2018. This amount includes the net intergovernmental transfers for the year ended June 30, 2018 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, 2018:

Charity care at cost	$ 9,095
Percent of operating expenses	0.9 %

In addition to the direct cost of charity care, AHS recognizes the unreimbursed costs of care provided to medically indigent patients covered by the Health Plan of Alameda County (HPAC) as contractual allowances. The following table summarizes the estimated HPAC unreimbursed costs for the year ended June 30, 2018:

HPAC unreimbursed cost	$ 8,000
Percent of operating expenses	0.8 %

E. *Accounts Receivable*

Accounts receivable at June 30, 2018, comprised the following:

Patient accounts receivable	$ 255,316
Due from State of California	38,635
Other accounts receivable	3,420
Total	$ 297,371

(amounts in tables expressed in thousands)

Patient accounts receivable include amounts due from third party payors, patients, and other agencies for patient services rendered and is net of $469.4 million in estimated contractual adjustments and uncollectible accounts. Other accounts receivable include professional and other fees earned on patient services and services provided to various outside agencies. Also included in other accounts receivable are reimbursement claims for grants expenditures, amounts owed to AHS from the State for payments under the SB 1100 program, and uncollected contributions to the Foundation.

F. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2018, comprised the following:

Accounts payable	$ 56,417
Accrued payroll	17,793
Due to third-party payors	180,595
	$ 254,805

G. Pension Obligation Bond Commitments

The County issued pension obligation bonds in 1995 and 1996 and contributed the net bond proceeds to the pension plan. A portion of the obligation is attributable to the participation of AHS employees in ACERA and allows ACERA to provide pension obligation bond credits to AHS, thus reducing contributions otherwise payable to ACERA over time. The outstanding bonds are recorded by the County and have not been reflected in AHS financial statements prior to fiscal year 2015. In recognizing AHS legal obligation for the allocated share of the debt, the amount due to the County related to the pension obligation bonds has been recognized within the financial statements of fiscal year 2015 and included as a fiscal year 2014 restatement.

H. Defined Benefit Pension Plan

AHS is a participant in ACERA. ACERA is governed by the California Constitution, the County Employees Retirement Law of 1937, and the bylaws, procedures, and policies adopted by the Board of Retirement. ACERA operates a cost-sharing multiple employer defined benefit plan. ACERA provides service and disability retirement benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State law and are subject to amendment only by an act of the State of California legislature. An actuarial valuation is performed annually for the system as a whole.

The 1937 Act provides the authority for the establishment of ACERA benefit provisions. In most cases where the law provides options concerning the allowance of credit for service, the offering of benefits, or the modification of benefit levels, the law generally requires approval of the employers' governing boards for the option to take effect. Separately, in 1984 the Alameda County Board of Supervisors and the Board of Retirement approved the adoption of Article 5.5 of the 1937 Act. This adoption permitted the establishment of a Supplemental Retirees Benefit Reserve (SRBR) for ACERA.

Article 5.5 of the 1937 Act provides for the systematic funding of the SRBR and stipulates that it be used only for the benefit of retired members and beneficiaries. The law grants discretionary authority over the use of the SRBR funds to the Board of Retirement. Supplemental benefits currently provided through the SRBR include supplemental cost-of-living allowance, supplemental retired member death benefits, and the retiree monthly medical allowance, vision, dental, and Medicare Part B coverage. The payment of supplemental benefits from the SRBR is subject to available funding and must be periodically re-authorized by the Board of Retirement. SRBR benefits are not vested.

In 2006, the Board of Retirement approved the allocation of SRBR funds to Postemployment Medical Benefits and Other Pension Benefits. These two programs provide the supplemental benefits described above.

AHS is a discretely presented component unit and is an active participant of ACERA. As of June 30, 2018, the proportionate share of net pension liability was $342.2 million.

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

I. *Other Postemployment Benefits*

AHS also participates in an OPEB plan administered by ACERA for retired members and their eligible dependents. The OPEB plan is not a benefit entitlement program and benefits are subject to modification and/or deletion by the ACERA Board of Retirement. Annually, based on the recommendation of the Board of Retirement, the Board of Supervisors designates a portion of the County's and Health System's contribution to retirement towards medical premiums of retirees.

Retired employees from AHS receive a monthly medical allowance toward the cost of their health insurance from the SRBR. The SRBR is a funded trust that receives fifty percent of the investment earnings that are in excess of the target investment return of the ACERA pension fund. AHS does not make postemployment medical benefit payments directly to retirees and does not have the ability to fund these benefits.

AHS also implemented GASB Statement No. 75 this year which resulted to decrease in their unrestricted net deficit by $21.28 million. As of June 30, 2018, the proportionate share of net OPEB liability was $5.14 million.

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

19. Self-Insurance and Contingencies

A. *Self-insurance and Purchased Insurance*

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

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

(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, 2018 to March 31, 2019.

amounts in tables expressed in dollars

<table>
<tr><th colspan="4">Property Insurance – Declared values as of March 31, 2018 for Policy Period March 31, 2018 to March 31, 2019</th></tr>
<tr><th></th><th colspan="3">Funding Sources and Coverage Limits</th></tr>
<tr><th>Coverage type and declared value, if applicable</th><th>Deductible</th><th>Pooled Retention Limit (CSAC-EIA)</th><th>Excess Insurance Limit (Various carriers)</th></tr>
<tr><td>All Risk</td><td></td><td rowspan="5">3,000,000 per occurrence, $10,000,000 Aggregate, reinsured by EIO, a captive of EIA</td><td rowspan="5">$600,000,000</td></tr>
<tr><td>Real and personal property and rents: $3,122,958,420</td><td>$50,000</td></tr>
<tr><td>Vehicles and mobile equipment (excluding buses): $115,865,766</td><td>$10,000, except $100,000 for vehicles with replacement value greater than $250,000</td></tr>
<tr><td>Buses: $4,135,824</td><td>$100,000</td></tr>
<tr><td>Fine Arts (scheduled): $1,952,093</td><td>$50,000</td></tr>
<tr><td>Terrorism</td><td>$50,000</td><td>$200,000</td><td>$550,000,000</td></tr>
<tr><td>Flood: $3,122,958,420</td><td>$50,000
(Except Zones A/V, 5% per unit subject to minimum per occurrence based on TIV and a maximum of $4 million per occurrence)</td><td>$75,000
(Except Zones A/V)</td><td>$800,000,000 (excluding Zones A/V in Tower II)</td></tr>
<tr><td>Earthquake: $2,977,367,976</td><td>2% of replacement value per unit per occurrence, with a $100,000 minimum deductible

or 5% deductible if the $30,000,000 aggregate is exhausted</td><td colspan="2"></td></tr>
</table>

(amounts in tables expressed in thousands)

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

amounts in tables expressed in dollars

	Funding Sources and Coverage Limits		
Program Description	**Self-Insured Retention**	**Pooled Retention Limit (CSAC-EIA)**	**Excess Insurance Limit (Various carriers)**
General and Auto liability	$1,000,000	$17,973,312 corridor retention, reinsured by EIO, a captive of EIA.	$35,000,000 (inclusive of retention)
Medical Malpractice	$10,000 deductible	$1,500,000	$20,000,000
Workers' Compensation	$3,000,000	$22,026,998 corridor retention reinsured by EIO, a captive of EIA	Statutory
Employer's Liability	$3,000,000	$2,000,000	
Pollution Liability	$250,000	$0	$10 million per occurrence / $100 million policy aggregate

The County purchases insurance for the following exposures:

amounts in tables expressed in dollars

Description	Deductible	Limit
Aircraft Coverage:		
Aircraft Liability	NIL	$25,000,000
Aircraft Hull (2000 Cessna 206H)	$0	PD value: $825,000
Aircraft Hull (1980 Cessna U206)	$0	PD value: $125,000
Watercraft Coverage:		
Watercraft Protection and Indemnity	$1,000	$5,000,000
Watercraft Collision and Towers	$1,000	$5,000,000
Watercraft Hull and Machinery	$1,000	Per Schedule of Vessels
Foster Parents Liability	$250	$300,000
Crime Bond / Employee Dishonesty	$2,500	$15,000,000
Cyber Liability	$100,000	$2,000,000
Cyber Liability – Enhanced Option	At least 100 Notified Individuals	100,000 Notified Individuals in the aggregate
Public Guardian Bonds	$2,500	$15,000,000
Notary Bonds	$0	$1,000,000
Notary Public Errors and Omissions	$0	$10,000

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

(amounts in tables expressed in thousands)

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

	General Liability		Workers' Compensation		Total	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Estimated liability for claims and contingencies at the beginning of the fiscal year	$ 21,377	21,520	$ 111,613	$ 108,229	$ 132,990	$ 129,749
Incurred claims and claim adjustment expenses	10,389	7,516	30,044	23,364	40,433	30,880
Payments	(9,896)	(7,659)	(21,956)	(19,980)	(31,852)	(27,639)
Total estimated liability for claims and contingencies at the end of the fiscal year	$ 21,870	$ 21,377	$ 119,701	$ 111,613	$ 141,571	$ 132,990

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, 2018, 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, 2018, are as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets, being depreciated:				
Infrastructure	$ 3,111	$ -	$ -	$ 3,111
Less accumulated depreciation for:				
Infrastructure	628	62	-	690
Total capital assets, being depreciated, net	$ 2,483	$ (62)	$ -	$ 2,421

The changes in liabilities, other than long-term debt, of the private-purpose trust fund for the year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Amounts Due Within One Year
Due to other governmental units	$ 13,869	$ 41	$ (3,040)	$ 10,870	$ 2,962

The outstanding tax allocation bonds of the Alameda County Redevelopment Successor Agency as of June 30, 2018:

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	$ 26,335

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 $39.8 million, with the final payment due on August 1, 2036. The tax allocation bonds are secured by and to be serviced from tax increment revenues of the project areas. All project tax increment revenues except dedicated housing tax increment allocation are the security for the bonds. These revenues have been pledged until the year 2036. Pledged tax increment revenue recognized during the year ended June 30, 2018 was $2.1 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, 2018, are as follows:

	Balance July 1, 2017	Additional Obligations and Net Increases	Current Maturities, Retirements, and Net Decreases	Balance June 30, 2018	Amounts Due Within One Year
Tax allocation bonds	$ 27,225	$ -	$ (890)	$ 26,335	$ 925
Deferred amount for issuance premium	233	-	(12)	221	12
Total private-purpose trust bonds payable	$ 27,458	$ -	$ (902)	$ 26,556	$ 937

Annual debt service requirements for Alameda County Redevelopment Successor Agency tax allocation bonds outstanding as of June 30, 2018 are as follows:

For the Year Ending June 30	Tax Allocation Bonds Principal	Interest	Total
2019	$ 925	$ 1,183	$ 2,108
2020	960	1,145	2,105
2021	1,000	1,105	2,105
2022	1,040	1,063	2,103
2023	1,085	1,017	2,102
2024-2028	6,165	4,338	10,503
2029-2033	7,620	2,829	10,449
2034-2038	7,540	777	8,317
	$ 26,335	$ 13,457	$ 39,792

21. Restatement of Beginning Net Position

In fiscal year 2018, the County restated the beginning net position as a result of GASB Statement No. 75 implementation.

	Governmental Activities	Alameda Health System
OPEB related items		
Establish net OPEB liability as of July 1, 2017	$ (217,119)	$ (24,236)
Establish deferred outflows of resources for OPEB contributions made subsequent to measurement date, as of the beginning of fiscal year	7,086	-
Remove balance of net OPEB obligation as of June 30, 2017	98,782	45,524
Total cumulative effect of restatements of beginning net position	$ (111,251)	$ 21,288

(amounts in tables expressed in thousands)

The beginning net position of the internal service funds was restated by a net decrease of $5.65 million for OPEB related items. The amount is included in the governmental activities as follows:

Establish net OPEB liability as of July 1, 2017	$	(5,651)
Establish deferred outflows of resources for OPEB contributions made subsequent to measurement date, as of the beginning of fiscal year		-
Total cumulative effect of restatements of beginning net position	$	(5,651)

22. Subsequent Event

On September 18, 2018, the Alameda County Joint Powers Authority issued Commercial Paper Notes in the amount of $10 million. The purpose of the issuance was to provide for the final stage of financing for the Acute Care Tower Seismic Replacement Project. This is in addition to the $10 million Commercial Paper Notes already issued on February 8, 2018 for the same purpose as part of the existing $100 million Lease Revenue Commercial Paper Program that was approved by the Board in November 2009.

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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)
JUNE 30, 2018

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

ACERA

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

CalPERS Miscellaneous Plan

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

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

(amounts expressed in thousands)

Schedule of Changes in the Net Pension Liability and Related Ratios

CalPERS Safety Plan

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

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

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)
JUNE 30, 2018

Schedule of County Contributions - Pension Plans

ACERA

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

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

CalPERS Miscellaneous Plan

Fiscal Year	Contractually Required Contribution	Contributions in relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
2018	$ 542	$ 542	$ -	$ 6,737	8.05 %
2017	515	515	-	6,311	8.16
2016	491	491	-	6,134	8.00
2015	652	652	-	5,951	10.96
2014	564	564	-	5,244	10.76

CalPERS Safety Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
2018	$ 10,067	$ 10,067	$ -	$ 48,646	20.69 %
2017	14,046	14,046	-	45,815	30.66
2016	12,596	12,596	-	44,064	28.59
2015	12,024	12,024	-	45,029	26.70
2014	12,029	12,029	-	45,785	26.27

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

Notes to the CalPERS Safety Plan Schedule- Pension

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2018 were from the June 30, 2015 public agency valuations:

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.15% net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

REQUIRED SUPPLEMENTARY INFORMATION
(amounts expressed in thousands)
JUNE 30, 2018

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

ACERA

Fiscal Year	Proportion of Net OPEB Liability	Proportionate Share of Net OPEB Liability (a)	Covered Payroll (b)	NOL Proportion as percentage of Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a percentage of Total OPEB Liability
2018	75.20 %	$ 20,664	$ 686,402	3.01 %	97.33 %

Schedule of Changes in the Net OPEB Liability and Related Ratios

CalPERS

	Fiscal Year 2018
Service cost	$ 5,905
Interest	6,490
Changes of assumptions	(9,592)
Differences between expected and actual experience	
Benefit payments, including refunds of employee contributions	(4,915)
Net change in total OPEB liability	(2,112)
Total OPEB liabiltiy, beginning	127,411
Total OPEB liabiltiy, ending	$ 125,299
CalPERS fiduciary net position	
Contributions - employer	$ 7,086
Contributions - employee	1,241
Net investment income	1,468
Benefit payments, including refunds of employee contributions	(4,915)
Administrative expense	(8)
Net change in safety plan fiduciary net position	4,872
Safety plan fiduciary net position, beginning	12,549
Safety plan fiduciary net position, ending	$ 17,421
County's net OPEB liability - ending	$ 107,878
CalPERS plan fiduciary net position as a percentage of the total OPEB liability	13.90 %
Covered employee payroll	$ 72,109
County's net OPEB liability as a percentage of covered employee payroll	149.60 %

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

Schedule of County Contributions - OPEB Plans

ACERA

Fiscal Year*	Contractually Required Contribution	Contributions in relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Employee Payroll
2018	$ -	$ -	$ -	$ 704,619	26.93 %

CalPERS

Fiscal Year	Contractually Required Contribution	Contributions in relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a percentage of Covered Employee Payroll
2018	$ 11,220	$ 6,668	$ 4,552	$ 75,330	8.90 %

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

(amounts expressed in thousands)

Notes to the CalPERS Plan Schedule- OPEB

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2018 were from the June 30, 2015 public agency valuations:

Actuarial cost method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Market value
Amortization Period	2.75%
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	4.75% blended rate
Inflation Rate	3.00%
Medical Trend	Non-Medicare - 7.5% for 2017, decreasing to an ultimate rate of 5% in 2021 and later years
	Medicare - 7.2% for 2017, decreasing to an ultimate rate of 5% in 2021 and later years
Mortality	CalPERS 1997-2011 experience study
Mortality Improvement	Mortality projected fully generational with modified Scale MP-2014

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary Basis	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 526,304	$ 549,355	$ 555,402	$ 6,047
Licenses and permits	9,158	9,158	10,248	1,090
Fines, forfeitures, and penalties	15,418	18,261	34,901	16,640
Use of money and property	8,577	8,577	16,494	7,917
State aid	1,073,939	1,095,747	1,096,937	1,190
Federal aid	514,593	527,043	448,132	(78,911)
Other aid	89,784	80,239	118,078	37,839
Charges for services	328,085	340,644	316,843	(23,801)
Other revenue	98,497	172,904	65,590	(107,314)
Total revenues	2,664,355	2,801,928	2,662,625	(139,303)
Expenditures:				
Current				
General government				
Salaries and benefits	107,953	111,610	101,492	10,118
Services and supplies	50,676	55,864	40,129	15,735
Other charges	27,705	27,688	14,508	13,180
Capital assets	1,295	674	674	-
Public protection				
Salaries and benefits	528,408	569,705	546,374	23,331
Services and supplies	231,913	265,348	238,410	26,938
Other charges	7,905	7,935	7,274	661
Capital assets	1,315	1,565	1,446	119
Public assistance				
Salaries and benefits	281,413	283,607	263,732	19,875
Services and supplies	261,403	262,808	215,231	47,577
Other charges	335,662	335,762	298,002	37,760
Capital assets	17,980	18,080	3,902	14,178
Health and sanitation				
Salaries and benefits	202,343	209,049	180,811	28,238
Services and supplies	636,325	672,512	536,245	136,267
Other charges	152,714	219,745	173,156	46,589
Capital assets	12	126	73	53
Public ways and facilities				
Salaries and benefits	472	481	481	-
Services and supplies	3,445	3,443	2,440	1,003
Recreation and cultural services				
Salaries and benefits	10	11	11	-
Services and supplies	706	709	709	-
Education				
Services and supplies	338	338	318	20
Capital outlay	12,173	9,553	7,613	1,940
Pension bond debt service transfer	(60,348)	(60,348)	(60,348)	-
Total expenditures	2,801,818	2,996,265	2,572,683	423,582
Excess (deficiency) of revenues over expenditures	(137,463)	(194,337)	89,942	284,279
Other financing sources (uses):				
Transfers in	-	40,736	2,703	(38,033)
Transfers out	(60,348)	(120,034)	(103,336)	16,698
Budgetary reserves and designations	-	(27,574)	-	27,574
Total other financing sources (uses)	(60,348)	(106,872)	(100,633)	6,239
Net change in fund balance	(197,811)	(301,209)	(10,691)	290,518
Add outstanding encumbrances for current budget year	-	-	166,465	166,465
Fund balance - beginning of period	1,526,647	1,526,647	1,526,647	-
Fund balance - end of period	$ 1,328,836	$ 1,225,438	$ 1,682,421	$ 456,983

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PROPERTY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary	Variance Positive
	Original	Final	Basis	(Negative)
Revenues:				
Use of money and property	$ 237	$ 3,661	$ 5,932	$ 2,271
Other revenue	3,000	3,000	1,730	(1,270)
Total revenues	3,237	6,661	7,662	1,001
Expenditures:				
Current				
General government				
Salaries and benefits	516	516	287	229
Services and supplies	1,854	1,854	282	1,572
Capital assets	225	225	-	225
Public assistance				
Salaries and benefits	-	239,290	4,351	234,939
Services and supplies	-	1,157	1,114	43
Total expenditures	2,595	243,042	6,034	237,008
Excess of revenues over expenditures	642	(236,381)	1,628	238,009
Other financing sources (uses):				
Proceeds from sale of land	18,550	18,550	-	(18,550)
Refunding bonds issued	-	240,000	240,000	-
Transfers out	(19,274)	(66,875)	(11,720)	55,155
Total other financing sources (uses)	(724)	191,675	228,280	36,605
Net change in fund balance	(82)	(44,706)	229,908	274,614
Add outstanding encumbrances for current budget year	-	-	3,015	3,015
Fund balance - beginning of period	380,275	380,275	380,275	-
Fund balance - end of period	$ 380,193	$ 335,569	$ 613,198	$ 277,629

COUNTY OF ALAMEDA, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018
(amounts expressed in thousands)

	Budgeted Amounts		Actual Budgetary	Variance Positive
	Original	Final	Basis	(Negative)
Revenues:				
Taxes	$ 39,190	$ 44,435	$ 44,384	$ (51)
Licenses and permits	25	25	126	101
Use of money and property	1,071	1,071	2,457	1,386
State aid	5,446	5,446	2,875	(2,571)
Federal aid	-	-	770	770
Other aid	2,737	2,737	4,855	2,118
Charges for services	12,593	12,593	12,524	(69)
Other revenue	75	75	196	121
Total revenues	61,137	66,382	68,187	1,805
Expenditures:				
Current				
Public protection				
Salaries and benefits	41,184	41,224	16,615	24,609
Services and supplies	79,251	108,281	64,585	43,696
Other charges	1,297	2,302	821	1,481
Capital assets	13,726	12,951	679	12,272
Total expenditures	135,458	164,758	82,700	82,058
Excess (deficiency) of revenues over expenditures	(74,321)	(98,376)	(14,513)	83,863
Other financing uses:				
Transfers out	(13)	(23)	-	23
Total other financing uses	(13)	(23)	-	23
Net change in fund balance	(74,334)	(98,399)	(14,513)	83,886
Add outstanding encumbrances for current budget year	-	-	26,352	26,352
Fund balance - beginning of period	202,173	202,173	202,173	-
Fund balance - end of period	$ 127,839	$ 103,774	$ 214,012	$ 110,238

1. Budget and Budgetary Accounting

General Budget Policies

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

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

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

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

Budgetary Basis of Accounting

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

2. Reconciliation of Budget vs. GAAP Basis Expenditures

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

Reconciliation of Budget vs. GAAP Basis Expenditures

	General Fund	Property Development Fund	Flood Control Fund
Budget basis expenditures	$ 2,572,683	$ 6,034	$ 82,700
Encumbrances for current budget year	(166,465)	(3,015)	(26,352)
GAAP basis expenditures	$ 2,406,218	$ 3,019	$ 56,348

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Alameda, California (County), as of and for the year ended June 30, 2018, 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 21, 2018, except for our report on the schedule of expenditures of federal awards, as to which the date is February 28, 2019. Our report includes a reference to other auditors who audited the financial statements of the Alameda County Employees' Retirement Association (ACERA) and the Alameda Health System (Health System), as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) 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.

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

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

Purpose of this Report

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

Macias Gini & O'Connell LLP

Walnut Creek, California
December 21, 2018

Certified
Public
Accountants

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

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

Report on Compliance for Each Major Federal Program

We have audited the County of Alameda's, California (County), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. 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 Health System (Health System); Alameda County Housing and Community Development Department (Department); and the Alameda County Healthy Homes (Program), which expended $4,919,143, $21,579,424, and $1,717,927 in federal awards, respectively, which are not included in the accompanying schedule of expenditures of federal awards during the year ended June 30, 2018. Our audit, described below, did not include the operations of these components. These components engaged other auditors to perform audits in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Management's Responsibility

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

Auditor's Responsibility

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

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

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

www.mgocpa.com

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, 2018.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Macias Gini & O'Connell LLP

Walnut Creek, California
February 28, 2019

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2018

CFDA No.	Federal Program Name	Cluster	Grant ID	Direct Program / 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		15-0464-SF/15-8506-1164-CA	California Department of Food and Agriculture	Light Brown Apple Moth	$ 100	$ -
			16-0204-SF/16-8506-1165-CA	California Department of Food and Agriculture	Dog Team	18,722	-
			16-0335-SF/16-8506-0484-CA	California Department of Food and Agriculture	GWS - Glassy Winged Sharpshooter	260,445	-
			16-0528-SF/16-8560-1164-CA	California Department of Food and Agriculture	Light Brown Apple Moth	5,036	-
			16-0671-SF/17-8506-1317-CA	California Department of Food and Agriculture	European Grapevine Moth	5,430	-
			17-0154-027-SF/17-8506-1164-CA	California Department of Food and Agriculture	Light Brown Apple Moth	93,586	-
			17-0175/18-8506-1211-CA	California Department of Food and Agriculture	Insect Trapping	1,060,281	-
			17-0213-019-SF/17-8506-0572-CA	California Department of Food and Agriculture	SOD - Sudden Oak Death	56,785	-
			17-0215-001-SF/17-8506-1165-CA	California Department of Food and Agriculture	Dog Team	362,111	-
			17-0549-021-SF/18-8506-1317-CA	California Department of Food and Agriculture	European Grapevine Moth	12,214	-
					10.025 Total	**1,874,710**	**-**
10.555	National School Lunch Program	Child Nutrition	Not Applicable	California Department of Education	CalFresh Nut Ed	189,895	-
					10.555 Total	**189,895**	**-**
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children		15-10050	California Department of Public Health	Women, Infant, Children (WIC) Program	4,515,013	-
					10.557 Total	**4,515,013**	**-**
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	SNAP	16-10095	California Department of Public Health	Nutrition Education and Obesity Prevention Program	2,530,815	822,517
			Not Applicable	California Department of Social Services	CALWIN - Improving Participation for Elderly and Disabled (IPED)	10,843	-
			Not Applicable	California Department of Social Services	CALWIN-Able Bodied Adults Without Dependents (ABAWD)	50,621	-
			Not Applicable	California Department of Social Services	Electronic Benefit Transfer (EBT) Project	13,543	-
			Not Applicable	California Department of Social Services	Food Stamps - E&T - Admin	26,656,099	1,329,666
			SP-1718-09	California Department of Aging	SNAP-Ed	45,084	40,576
					10.561 Total	**29,307,005**	**2,192,759**
10.576	Senior Farmers Market Nutrition Program		AP-1718-09	Department of Agriculture, Food, and Nutrition Service	Farmers' Market	30,000	30,000
					10.576 Total	**30,000**	**30,000**
U.S. Department of Agriculture Total						**35,916,623**	**2,222,759**
U.S. Department of Housing and Urban Development							
14.267	Continuum of Care Program		Not Applicable	Direct	Not Applicable	161,838	13,288
					14.267 Total	**161,838**	**13,288**
U.S. Department of Housing and Urban Development Total						**161,838**	**13,288**

See notes to schedule of expenditures of federal awards.

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2018

CFDA No.	Federal Program Name	Cluster	Grant ID	Direct Program / Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Justice							
16.2018-04	Domestic Cannabis Eradication/Suppression Program		2017-06	Direct	Not Applicable	$ 17,664	$ -
			2018-04	Direct	Not Applicable	32,807	
					16.2018-04 Total	**50,471**	**-**
16.320	Services for Trafficking Victims		IO17010010	California Office of Emergency Services	Improving Outcomes for Child and Youth Victims of Human Trafficking Program	32,787	-
					16.320 Total	**32,787**	**-**
16.575	Crime Victim Assistance		HA16030010	California Office of Emergency Services	Human Trafficking Advocacy Program	12,371	-
			HA17040010	California Office of Emergency Services	Human Trafficking Advocacy Program	120,602	-
			VW16350010	California Office of Emergency Services	Victim/Witness Assistance Program	590,268	-
			VW17360010	California Office of Emergency Services	Victim/Witness Assistance Program	1,071,082	-
			XC16010010	California Office of Emergency Services	County Victim Services Program	641,730	-
			XE16010010	California Office of Emergency Services	Elder Abuse	207,001	-
			XY16 01 0010	California Office of Emergency Services	Unserved/Underserved Victim Advocacy and Outreach Program	131,897	-
					16.575 Total	**2,774,951**	**-**
16.585	Drug Court Discretionary Grant Program		SC 17-506	Alameda County Superior Court	Joint Adult Drug Court Solicitation to Enhance Services, Coordination, and Treatment	10,668	-
					16.585 Total	**10,668**	**-**
16.588	Violence Against Women Formula Grants		VV17090010	California Office of Emergency Services	Violence Against Women Vertical Prosecution Program	218,000	-
					16.588 Total	**218,000**	**-**
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program		Not Applicable	Direct	Not Applicable	167,154	-
					16.590 Total	**167,154**	**-**
16.710	Public Safety Partnership and Community Policing Grants		Not Applicable	Direct	Not Applicable	111,054	-
					16.710 Total	**111,054**	**-**
16.741	DNA Backlog Reduction Program		Not Applicable	Direct	Not Applicable	188,998	-
					16.741 Total	**188,998**	**-**
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program		CQ16 12 0010	Board of State and Community Corrections	Coverdell Science Improvement Program	12,175	-
					16.742 Total	**12,175**	**-**
16.812	Second Chance Act Reentry Initiative		Not Applicable	Direct	Not Applicable	428,309	-
					16.812 Total	**428,309**	**-**
16.817	Innovations in Community-Based Crime Reduction		Not Applicable	Direct	Not Applicable	230,865	-
					16.817 Total	**230,865**	**-**
U.S. Department of Justice Total						**4,225,432**	**-**

See notes to schedule of expenditures of federal awards.

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2018

CFDA No.	Federal Program Name	Cluster	Grant ID	Direct Program / Pass-through Entity Name	Pass-through Entity Program Name		Federal Expenditures	Amount Passed to Subrecipients
U.S. Department of Labor								
17.235	Senior Community Service Employment Program		TV-1718-09	California Department of Aging	Senior Employment		$ 137,067	$ 137,067
						17.235 Total	**137,067**	**137,067**
17.258	WIOA Adult Program	WIOA Cluster	K7102024	California Employment Development Department	WIA Title 1 15% Workforce Accelerator		129,910	-
			K7102024	California Employment Development Department	WIOA Title 1 Adult Formula – 201		65,831	65,831
			K7102024	California Employment Development Department	WIOA Title 1 Adult Formula – 202		6,217	56,077
			K8106025	California Employment Development Department	WIOA Title 1 Adult Formula – 201		189,069	19,489
			K8106025	California Employment Development Department	WIOA Title 1 Adult Formula – 202		1,286,809	953,027
						17.258 Total	**1,677,836**	**1,094,424**
17.259	WIOA Youth Activities	WIOA Cluster	K7102024	California Employment Development Department	WIOA Title 1 Youth Formula – 301		63,143	34,554
			K8106025	California Employment Development Department	WIOA Title 1 Youth Formula – 301		1,578,957	970,314
						17.259 Total	**1,642,100**	**1,004,868**
17.268	H-1B Job Training Grants		003-RTW-15	City of Sunnyvale	Not Applicable		128,708	-
						17.268 Total	**128,708**	**-**
17.270	Reentry Employment Opportunities		Not Applicable	Direct	Not Applicable		333,479	123,963
						17.270 Total	**333,479**	**123,963**
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants		K7102024	California Employment Development Department	WIA Dislocated Workers		175,469	44,173
			K8106025	California Employment Development Department	WIA Dislocated Workers		107,746	32,087
						17.277 Total	**283,215**	**76,260**
17.278	WIOA Dislocated Worker Formula Grants	WIOA Cluster	K7102024	California Employment Development Department	WIOA Title 1 Dislocated Worker Formula – 501		197,365	197,096
			K7102024	California Employment Development Department	WIOA Title 1 Dislocated Worker Formula – 502		5,677	27,562
			K7102024	California Employment Development Department	WIOA Title 1 Rapid Response Formula – 541		867	-
			K7102024	California Employment Development Department	WIOA Title 1 RR Layoff Aversion – 292		9,201	-
			K7102024	California Employment Development Department	WIOA Title 1 RR Layoff Aversion – 293		45,924	-
			K8106025	California Employment Development Department	WIOA Title 1 Dislocated Worker Formula – 501		318,832	130,816
			K8106025	California Employment Development Department	WIOA Title 1 Dislocated Worker Formula – 502		1,676,086	1,337,448
			K8106025	California Employment Development Department	WIOA Title 1 Rapid Response Formula – 540		48,196	-
			K8106025	California Employment Development Department	WIOA Title 1 Rapid Response Formula – 541		207,006	-
			K8106025	California Employment Development Department	WIOA Title 1 RR Layoff Aversion – 292		4,965	-
						17.278 Total	**2,514,119**	**1,692,922**
U.S. Department of Labor Total							**6,716,524**	**4,129,504**
U.S. Department of Transportation								
20.205	Highway Planning and Construction	Highway Planning and Construction	75LX283	California Department of Transportation	STPLR-7500-239		117,248	-
			Program Supplement N075	California Department of Transportation	CML-5933(109)		250,124	-
			PS F088	California Department of Transportation	ATPL-5933(133)		80,320	-
			PS F089	California Department of Transportation	ATPL-5933(132)		453,325	-
			PS F090	California Department of Transportation	BRLO-5933-138		22,669	-
			PS F091	California Department of Transportation	HSIPL-5933-141		8,660	-
			PS F092	California Department of Transportation	HSIPL-5933-142		15,000	-
			PS F093	California Department of Transportation	ATPL-5933-144		56,571	-
			PS F094	California Department of Transportation	ATPL-5933-143		7,572	-
			PS N079	California Department of Transportation	HPLUL-5933(116)		27,418	-
			PS N083	California Department of Transportation	DEM05L-5933(123)		107,487	-
			PS N084	California Department of Transportation	HPLUL-5933 (126)		3,723	-
			PS N087	California Department of Transportation	HSIPL-5933(129)		766,108	-
						20.205 Total	**1,916,225**	**-**
U.S. Department of Transportation Total							**1,916,225**	**-**

See notes to schedule of expenditures of federal awards.

CFDA No.	Federal Program Name	Cluster	Grant ID	Direct Program / 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		Not Applicable	United Way of the Bay Area	Volunteer Income Tax Assistance Program	$ 15,000	$ -
					21.009 Total	**15,000**	**-**
U.S. Department of the Treasury Total						**15,000**	**-**
U.S. Department of Education							
84.215	Fund for the Improvement of Education		U215N170023	California State University, East Bay	South Hayward Promise Neighborhood	65,883	-
					84.215 Total	**65,883**	**-**
U.S. Department of Education Total						**65,883**	**-**
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		AP-1718-09	California Department of Aging	Elder Abuse	20,726	20,726
					93.041 Total	**20,726**	**20,726**
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals		AP-1718-09	California Department of Aging	Ombudsman	55,126	-
					93.042 Total	**55,126**	**-**
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services		AP-1718-09	California Department of Aging	Disease Prevention	87,269	87,269
					93.043 Total	**87,269**	**87,269**
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Aging	AP-1718-09	California Department of Aging	Supportive Services	1,313,920	891,332
					93.044 Total	**1,313,920**	**891,332**
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Aging	AP-1718-09	California Department of Aging	Congregate Nutrition	1,018,841	849,457
			AP-1718-09	California Department of Aging	Home-Delivered Meal	1,671,982	1,586,734
					93.045 Total	**2,690,823**	**2,436,191**
93.052	National Family Caregiver Support, Title III, Part E		AP-1718-09	California Department of Aging	Caregiver Support	641,840	585,211
					93.052 Total	**641,840**	**585,211**
93.053	Nutrition Services Incentive Program	Aging	AP-1718-09	California Department of Aging	Nutrient Service Incentive Program (NSIP)	525,610	525,610
					93.053 Total	**525,610**	**525,610**
93.069	Public Health Emergency Preparedness		17-10142	California Department of Public Health	BT-CDC Base Allocation	1,206,802	-
			17-10142	California Department of Public Health	BT-HRSA Emergency Preparedness Program	286,486	-
					93.069 Total	**1,493,288**	**-**
93.071	Medicare Enrollment Assistance Program		MI-1718-09	California Department of Aging	MIPPA	79,624	71,662
					93.071 Total	**79,624**	**71,662**
93.090	Guardianship Assistance		Not Applicable	California Department of Social Services	KINGAP - 4T	2,387,707	-
			Not Applicable	California Department of Social Services	KINGAP IV-E Admin	238,278	-
					93.090 Total	**2,625,985**	**-**

See notes to schedule of expenditures of federal awards.

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2018

CFDA No.	Federal Program Name	Cluster	Grant ID	Direct Program / Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		Not Applicable	California Department of Public Health	Tuberculosis Control	$ 417,076	$ -
					93.116 Total	**417,076**	**-**
93.150	Projects for Assistance in Transition from Homelessness (PATH)		Not Applicable	California Department of Health Care Services	Projects for Assistance in Transition from Homelessness (PATH)	272,094	244,885
					93.150 Total	**272,094**	**244,885**
93.224	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	Health Center Program Cluster	Not Applicable	Direct	Not Applicable	3,773,956	602,463
					93.224 Total	**3,773,956**	**602,463**
93.242	Mental Health Research Grants		00008843	University of California, Berkeley	A Transdiagnostic Sleep and Circadian Treatment to Improve Community SMI Outcomes	25,583	-
					93.242 Total	**25,583**	**-**
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance		15-10912	California Department of Public Health	Promoting Safe and Stable Families	137,232	-
			1H79SM063517-01	City of Oakland	SAMHSA – Oakland ReCAST	98,000	-
			SC 17-506	Alameda County Superior Court	Joint Adult Drug Court Solicitation to Enhance Services, Coordination, and Treatment	39,008	-
					93.243 Total	**274,240**	**-**
93.268	Immunization Cooperative Agreements		17-10313	California Department of Public Health	State Immunization Assessment and Immunization Registry Awards	530,818	-
					93.268 Total	**530,818**	**-**
93.324	State Health Insurance Assistance Program		HI-1718-09	California Department of Aging	HICAP	127,077	127,077
					93.324 Total	**127,077**	**127,077**
93.556	Promoting Safe and Stable Families		Not Applicable	California Department of Social Services	Family Preservation / Family Support-Case Worker	946,911	484,470
			Not Applicable	California Department of Social Services	Refugee Administration	82,418	-
					93.556 Total	**1,029,329**	**484,470**
93.558	Temporary Assistance for Needy Families	TANF	Not Applicable	California Department of Social Services	CAL - OAR	2,228	-
			Not Applicable	California Department of Social Services	CALWIN-Continuum of Care Reform (CCR)	121,336	-
			Not Applicable	California Department of Social Services	CALWIN-Homeless Assistance	31,708	-
			Not Applicable	California Department of Social Services	CalWORKS ARC – 2S, 2T, 2U, 2P, 2R	181,140	-
			Not Applicable	California Department of Social Services	CalWORKs Assistance-30,33,35, 3P,3R,3E,3H,3U	15,948,317	-
			Not Applicable	California Department of Social Services	CalWORKs CEC Program	52,820,932	4,665,664
			Not Applicable	California Department of Social Services	CWS - Emergency Assistance(TANF)	6,500,058	-
			Not Applicable	California Department of Social Services	Foster Care	1,518,494	-
					93.558 Total	**77,124,213**	**4,665,664**

See notes to schedule of expenditures of federal awards.

CFDA No.	Federal Program Name	Cluster	Grant ID	Direct Program / Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
93.563	Child Support Enforcement		Not Applicable	California Department of Child Support Services	Child Support Enforcement	$ 17,618,647	$ -
					93.563 Total	**17,618,647**	**-**
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs		Not Applicable	California Department of Social Services	Refugee and Entrant Assistance_State Administered Programs	570,911	258,511
					93.566 Total	**570,911**	**258,511**
93.575	Child Care and Development Block Grant	CCDF	01-2501-00-7	California Department of Education	Child Care Salary / Retention Incentive Program (CRET)	624,911	-
			01-2501-00-7	California Department of Education	Local Child Care & Development Planning Council Program (CLPC)	56,647	-
					93.575 Total	**681,558**	**-**
93.584	Refugee and Entrant Assistance Targeted Assistance Grants		Not Applicable	California Department of Social Services	Refugee and Entrant Assistance_State Administered Programs	211,305	211,305
					93.584 Total	**211,305**	**211,305**
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	CCDF	Not Applicable	California Department of Education	Child Care Development	699,417	667,110
					93.596 Total	**699,417**	**667,110**
93.603	Adoption and Legal Guardianship Incentive Payments		Not Applicable	California Department of Social Services	Adoption Incentive	1,125	-
					93.603 Total	**1,125**	**-**
93.645	Stephanie Tubbs Jones Child Welfare Services Program		Not Applicable	California Department of Social Services	CWS-IV-B	727,624	-
					93.645 Total	**727,624**	**-**
93.658	Foster Care Title IV-E		Not Applicable	California Department of Social Services	CCR CWD	1,708,715	-
			Not Applicable	California Department of Social Services	CWS-CSEC	14,104	-
			Not Applicable	California Department of Social Services	CWS-IV-E	39,707,230	4,893,047
			Not Applicable	California Department of Social Services	EA-Foster Care-5k	85,266	-
			Not Applicable	California Department of Social Services	Foster Care Assistance-40,42	16,628,327	-
			Not Applicable	California Department of Social Services	Foster Care EFC	3,158,958	-
			Not Applicable	California Department of Social Services	Foster Home Licensing	224,447	-
			Not Applicable	California Department of Social Services	Kin-GAP S	183,255	-
			Not Applicable	California Department of Social Services	Non CWS Allocation	1,526,345	227,844
			Not Applicable	Social Services Agency	Title IV-E Waiver-CA Well-Being Project	13,211,559	-
					93.658 Total	**76,448,206**	**5,120,891**
93.659	Adoption Assistance		Not Applicable	California Department of Social Services	Adoption Eligibility	834,979	-
			Not Applicable	California Department of Social Services	Adoption SS	1,148,779	-
			Not Applicable	California Department of Social Services	Adoptive Assistance Payments-03, 04	10,031,029	-
					93.659 Total	**12,014,787**	**-**

See notes to schedule of expenditures of federal awards.

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2018

CFDA No.	Federal Program Name	Cluster	Grant ID	Direct Program / Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
93.667	Social Services Block Grant		Not Applicable	California Department of Social Services	CalWorks Single XX	$ 5,587,035	$ -
			Not Applicable	California Department of Social Services	CWS Title XX	2,293,000	-
			Not Applicable	California Department of Social Services	Foster Care XX	1,980,943	-
					93.667 Total	**9,860,978**	**-**
93.670	Child Abuse and Neglect Discretionary Activities		Not Applicable	California Department of Social Services	Youth Transitions Partnership	584,652	428,303
					93.670 Total	**584,652**	**428,303**
93.674	Chafee Foster Care Independence Program		Not Applicable	California Department of Social Services	Independent Living Skills	727,228	727,228
					93.674 Total	**727,228**	**727,228**
93.778	Medical Assistance Program	Medicaid	14-90005	California Department of Health Care Services	Medi-Cal Administrative Activities (MAA)	1,530,655	1,530,655
			16-93076	California Department of Health Care Services	Medi-Cal Administrative Activities (MAA)	17,445,881	17,445,881
			16-93564	California Department of Health Care Services	Medi-Cal	3,278,213	1,854,489
			Not Applicable	California Department of Health Care Services	California Children Services	5,627,267	117,795
			Not Applicable	California Department of Health Care Services	Health Care Program for Children in Foster Care Program	1,094,574	-
			Not Applicable	California Department of Health Care Services	IHSS PCSP/Health Related ADM - DHS	1,041,392	-
			Not Applicable	California Department of Health Care Services	Medi-Cal Outreach and Enrollment	345,550	287,287
			Not Applicable	California Department of Social Services	APS/CSBG - Health Related - DHS	8,847,240	1,305,279
			Not Applicable	California Department of Social Services	CALWIN	1,597,215	-
			Not Applicable	California Department of Social Services	CALWIN - CALACES	5,757	-
			Not Applicable	California Department of Social Services	CALWIN - Inter-County Transfer Automation SB1339	14,286	-
			Not Applicable	California Department of Social Services	IHSS - Health Related - DHS	15,969,520	-
			Not Applicable	California Department of Social Services	IHSS PCSP/Health Related ADM - DHS	12,342,786	-
			Not Applicable	California Department of Social Services	Medi-Cal	37,969,501	72,980
			PI-EID-1718-111	California Department of Health Care Services	Child Health and Disability Prevention (CHDP) Program Allocation	1,950,832	189,395
			PMM&O	California Department of Health Care Services	Health Care Program for Children in Foster Care Program	90,147	-
					93.778 Total	**109,150,816**	**22,803,761**
93.889	National Bioterrorism Hospital Preparedness Program		17-10142	California Department of Public Health	BT-HRSA Emergency Preparedness Program	420,943	-
						-	-
					93.889 Total	**420,943**	**-**
93.914	HIV Emergency Relief Project Grants		17-10678	California Department of Public Health	HIV Emergency Relief Project Grants	38,469	-
			H89HA00018	California Department of Public Health	Preventive Health and Health Services Block Grant	6,865,435	3,932,748
					93.914 Total	**6,903,904**	**3,932,748**
93.917	HIV Care Formula Grants		15-11051	California Department of Public Health	HIV Care	1,336,993	-
					93.917 Total	**1,336,993**	**-**
93.926	Healthy Start Initiative		Not Applicable	Direct	Not Applicable	1,817,947	-
					93.926 Total	**1,817,947**	**-**
93.940	HIV Prevention Activities Health Department Based		15-10938	California Department of Public Health	HIV Care	832,415	-
			15-10971	California Department of Public Health	Preventive Health and Health Services Block Grant	637,958	311,754
					93.940 Total	**1,470,373**	**311,754**

See notes to schedule of expenditures of federal awards.

County of Alameda
Schedule of Expenditures of Federal Awards
For Year Ended June 30, 2018

CFDA No.	Federal Program Name	Cluster	Grant ID	Direct Program / Pass-through Entity Name	Pass-through Entity Program Name	Federal Expenditures	Amount Passed to Subrecipients
93.945	Assistance Programs for Chronic Disease Prevention and Control		14-10958 AO1	California Department of Public Health	Preventive Health and Health Services Block Grant	$ 226,019	$ 100,319
					93.945 Total	**226,019**	**100,319**
93.958	Block Grants for Community Mental Health Services		Not Applicable	California Department of Health Care Services	Community Mental Health Services Block Grant (MHBG)	1,208,988	1,087,685
					93.958 Total	**1,208,988**	**1,087,685**
93.959	Block Grants for Prevention and Treatment of Substance Abuse		Not Applicable	California Department of Health Care Services	SAPT Block Grant - Adolescent Treatment Program	412,130	-
			Not Applicable	California Department of Health Care Services	SAPT Block Grant - Discretionary	4,910,421	-
			Not Applicable	California Department of Health Care Services	SAPT Block Grant - Friday Night Live and Club Live	30,000	-
			Not Applicable	California Department of Health Care Services	SAPT Block Grant - Perinatal Set Aside	1,537,386	-
			Not Applicable	California Department of Health Care Services	SAPT Block Grant - Prevention Set Aside	1,955,231	-
					93.959 Total	**8,845,168**	**-**
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants		15-10006	California Department of Public Health	Preventive Health and Health Services Block Grant	81,882	-
			Not Applicable	California Department of Public Health	Preventive Health and Health Services Block Grant	189,736	-
					93.977 Total	**271,618**	**-**
93.994	Maternal and Child Health Services Block Grant to the States		15-10141	California Department of Public Health	California Home Visiting Program	842,763	-
			201701	California Department of Public Health	Maternal and Child Health Services Block Grant to the States	3,998,691	-
					93.994 Total	**4,841,454**	**-**
U.S. Department of Health and Human Services Total						**349,749,258**	**46,392,175**
U.S. Department of Homeland Security							
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)		FEMA-4301-DR-CA,Cal OES ID: 001-00000	California Governor's Office of Emergency Services	Public Assistance Grant	110,310	-
			FEMA-4305-DR-CA,Cal OES ID: 001-00000	California Governor's Office of Emergency Services	Public Assistance Grant	15,370	-
			FEMA-4308-DR-CA,Cal OES ID: 001-00000	California Governor's Office of Emergency Services	Public Assistance Grant	343,799	-
					97.036 Total	**469,479**	**-**
97.042	Emergency Management Performance Grants		2017-0007	California Office of Emergency Services	Homeland Security Grants	459,407	-
					97.042 Total	**459,407**	**-**
97.056	Port Security Grant Program		Not Applicable	Direct	Not Applicable	74,399	-
					97.056 Total	**74,399**	**-**
97.067	Homeland Security Grant Program		2015-00078	California Office of Emergency Services	Urban Area Security Initiative	791	-
			2015-0078	California Office of Emergency Services	Homeland Security Cluster	922,061	-
			2016-0102	California Office of Emergency Services	Homeland Security Cluster	186,952	-
			2016-0102	California Office of Emergency Services	Urban Area Security Initiative	3,623,598	-
			2016-0102	California Office of Emergency Services	Urban Area Security Initiative	261,750	-
			2017-0083	California Office of Emergency Services	Homeland Security Cluster	81,631	-
			2017-0083	California Office of Emergency Services	Urban Area Security Initiative	481,214	-
					97.067 Total	**5,557,997**	**-**
U.S. Department of Homeland Security Total						**6,561,282**	**-**
Total Expenditures of Federal Awards						**$ 405,328,065**	**$ 52,757,726**

See notes to schedule of expenditures of federal awards.

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 basic 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 $4,919,143, $21,579,424, and $1,717,927 in federal awards, respectively. These federal expenditures are not included in the accompanying schedule. Additionally, Medical Assistance (Medi-Cal) and Medicare Hospital Insurance (Medicare) are not considered federal awards (note 4).

Note 2 – Basis of Accounting

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

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

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

The Alameda Health System's (AHS) federal expenditures are excluded from the SEFA because such expenditures are audited separately. Expenditures for the programs of the AHS listed below are taken from AHS's single audit report for the year ended June 30, 2018.

Federal Grantor/Pass-Through Grantor	Program Title Number (CFDA)	Pass-Through Identifying Number	Federal Expenditures
U.S. Department of Justice, Office of Victims of Crime			
Passed Through California Emergency Management			
Crime Victim Assistance	16.575	RC16321146	$ 179,649
Crime Victim Assistance	16.575	RC17331146	419,866
Crime Victim Assistance	16.575	XS16011146	161,389
Crime Victim Assistance	16.575	KD17011146	61,930
Total U.S. Department of Justice Office of Victims of Crime			822,834
U.S. Department of Labor			
Passed Through Alameda County Health Care Foundation			
WIA Youth Activities	17.259	P485230	233,918
Total U.S. Department of Labor			233,918
U.S. Department of Health and Human Services			
Direct Programs:			
Ryan White HIV/AIDS Dental Reimbursements Based Dental Partnership	93.924	T22HA31181	26,328
Ryan White HIV/AIDS Dental Reimbursements Based Dental Partnership	93.924	900148	125,538
Subtotal of Direct Programs			151,866
Passed Through Children's Hospital & Research Center at Oakland			
Coordinated Services and Access to Research for Women, Infants, Children and Youth	93.153	2 H12HA 247770-6-00	163,109
Passed Through Alameda County Health Care Services			
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	PHG01CH40500	518,266
Passed Through Alameda County Health Care Services			
Medical Assistance Program	93.778	MAA MOU 2017-2018	2,029,999
Passed Through the Regents of the University of California			
Allergy, Immunology and Transplantation Research	93.855	3U01A1034989-24SI	14,500
Cancer Cause and Prevention Research	93.393	5R01CA197784-02	37,059
Total R&D Cluster			51,559
Passed Through Tri-City Health Center, California			
Grants to Provide Outpatient Early Intervention Services with Resepect to HIV Disease	93.918	6 H76 HA 00160-026-01	368,382
Passed Through Alameda County Public Health			
Office of AIDS Administration			
HIV Emergency Relief Project Grants	93.914	PHG08HA60200	47,771
HIV Care Formula Grants	93.917	PHG08HA60100	467,460
HIV Prevention Activities - Health Department Based	93.940	PHG08HA61000	63,979
Subtotal of pass-through programs			3,710,525
Total U.S. Department of Health and Human Services			3,862,391
Total Expenditures of Federal Awards			$ 4,919,143

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

The Alameda County Housing & Community Development Department's (Department) federal expenditures are excluded from the SEFA because such expenditures are audited separately. Expenditures for the programs of the Department listed below are taken from the separate single audit report for the year ended June 30, 2018. The programs of the Department are as follows:

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number		Federal Expenditures	Amount Provided To Sub recipients
U.S. Department of Housing and Urban Development					
Community Development Block Grants/Entitlement Grants	14.218		*	$ 2,431,185	$ 1,030,899
HOME Investment in Partnerships Program	14.239		*	1,735,308	1,525,974
HOPWA SPNS - Project Independence	14.241		*	455,884	444,096
Continuum of Care	14.267		*	14,650,402	13,264,522
Emergency Shelter/Solutions Grant	14.231			107,511	81,713
NSP II ARRA	14.256			54,631	31,027
Sub-Total of Direct Programs				19,434,921	16,378,231
Pass-Through Program From City of Oakland					
Housing Opportunities for Persons With Aids	14.241	**	*	1,575,078	1,222,805
Pass-Through Program From State of California					
Emergency Shelter/Solutions Grant	14.231	**		569,425	540,446
Sub-Total of Pass-Through Programs				2,144,503	1,763,251
Total U.S. Department of Housing and Urban Development				$ 21,579,424	$ 18,141,482

** Denotes tested as a Major Federal Program*
***Pass -Through Entity Identifying Number not available*

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

The Alameda County Healthy Homes' (Program) federal expenditures are excluded from the SEFA because such expenditures are audited separately. Expenditures for the programs of the Program listed below are taken from the separate single audit report for the year ended June 30, 2018. The programs of the Program are as follows:

Federal Grantor/Pass-Through Grantors/Program of Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development		
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900*	$ 1,717,927
Total of direct programs		1,717,927
Total Expenditures of Federal Awards		$ 1,717,927

* *Tested as a Major Federal Program*

Note 8 – Department of Aging Federal/State Share

The California Department of Aging (CDA) requires agencies that receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following federal and state amounts under these grants in the year ended June 30, 2018.

Program Information			Expenditures			Amount Provided to Subrecipients		
CFDA No.	CDA Program No.	CFDA Program Title	Federal	State	Total	Federal	State	Total
10.561	SP 1718-09	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	$ 45,084	$ -	$ 45,084	$ 40,576	$ -	$ 40,576
17.235	TV-1718-09	Senior Community Service Employment Program	137,067	-	137,067	137,067	-	137,067
93.041	AP-1718-09	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	20,726	-	20,726	20,726	-	20,726
93.042	AP-1718-09	Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	55,126	-	55,126	-	-	-
93.043	AP-1718-09	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	87,269	-	87,269	87,269	-	87,269
93.044	AP-1718-09	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	1,313,920	41,229	1,355,149	891,332	-	891,332
93.045	AP-1718-09	Special Programs for the Aging_Title III, Part C_Nutrition Services	1,018,841	142,789	1,161,630	849,457	141,985	991,442
93.045	AP-1718-09	Special Programs for the Aging_Title III, Part C_Nutrition Services	1,671,982	155,167	1,827,149	1,586,734	154,953	1,741,687
93.052	AP-1718-09	National Family Caregiver Support, Title III, Part E	641,840	-	641,840	585,211	-	585,211
93.053	AP-1718-09	Nutrition Services Incentive Program	525,610	-	525,610	525,610	-	525,610
93.071	MI-1718-09	Medicare Enrollment Assistance Program	79,624	-	79,624	71,662	-	71,662
93.324	HI-1718-09	State Health Insurance Assistance Program	127,077	239,291	366,368	127,077	209,625	336,702
N/A	AP-1718-09	Ombudsman Initiative/SNF Quality & Accountability	-	195,755	195,755	-	-	-
			$ 5,724,166	**$774,231**	**$ 6,498,397**	**$ 4,922,721**	**$506,563**	**$ 5,429,284**

Note 9 – Cluster Program Totals

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

Program Title	CFDA Number	Expenditures
WIOA Cluster		
WIA/WIOA Adult Program		
Passed Through California Employment Development Department	17.258	$ 1,677,836
WIA/WIOA Youth Activities		
Passed Through California Employment Development Department	17.259	1,642,100
WIA/WIOA Dislocated Worker Formula Grants		
Passed Through California Employment Development Department	17.278	2,514,119
Total WIOA Cluster		5,834,055
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	1,313,920
Special Programs for the Aging, Title III, Part C, Nutrition Services		
Passed Through California Department of Aging	93.045	2,690,823
Nutrition Services Incentive Program		
Passed Through California Department of Aging	93.053	525,610
Total Aging Cluster		4,530,353
CCDF Cluster		
Child Care and Development Block Grant		
Passed Through California Department of Education	93.575	681,558
Child Care Mandatory and Matching Funds of the Child Care and Development Fund		
Passed Through California Department of Education	93.596	699,417
Total CCDF Cluster		$ 1,380,975

COUNTY OF ALAMEDA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section I Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
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 2 CFR 200.516(a)?	No

Identification of Major Programs:

(1)	CFDA No. 10.557	WIC 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	Health Center Program (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. 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?	Yes

Section II Financial Statement Findings

None reported.

Section III Federal Award Findings and Questioned Costs

None reported.

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COUNTY OF ALAMEDA
Status of Prior Year Findings
For the Year Ended June 30, 2018

Finding No.	Compliance Requirement and CFDA Number(s)	Status

Financial Statement Findings:

None reported.

Federal Awards Findings:

None reported.

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Mission

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

Vision

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

Values

Integrity, honesty and respect fostering mutual trust.

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

Fiscal stewardship reflecting the responsible management of resources.

Customer service built on commitment, accessibility and responsiveness.

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

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

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

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

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


STRENGTH IN NUMBERS
COUNTY OF ALAMEDA ADMINISTRATION BUILDING