

**ALAMEDA REUSE AND  
REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA**

**COMPONENT UNIT BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA**

**Component Unit Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009**

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**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY**  
**OF THE CITY OF ALAMEDA**  
**MEMBERS AND ADMINISTRATIVE PERSONNEL**

**June 30, 2009**

**MEMBERS**

Mayor	Beverly Johnson
Vice Mayor	Doug deHaan
Councilmember	Marie Gilmore
Councilmember	Frank Matarrese
Councilmember	Lena Tam

**ADMINISTRATIVE PERSONNEL**

Interim Executive Director	Ann Marie Gallant
Development Services Director	Leslie Little

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## INDEPENDENT AUDITOR'S REPORT

Members of the Governing Board of the Alameda Reuse and Redevelopment Authority  
of the City of Alameda  
Alameda, California

We have audited the component unit basic financial statements of the governmental activities and each major fund of the Alameda Reuse and Redevelopment Authority (ARRA) of the City of Alameda, a component unit of the City of Alameda, as of and for the year ended June 30, 2009, as listed in the Table of Contents. These component unit basic financial statements are the responsibility of the ARRA's management. Our responsibility is to express an opinion on these component unit basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the component unit basic financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the component unit basic financial statements. An audit also includes assessing the accounting principles used and assessing significant estimates made by management, as well as evaluating the overall component unit basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit basic financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities and each major fund of the ARRA of the City of Alameda as of June 30, 2009, and the results of its operations and the respective budgetary comparisons listed as part of the component unit basic financial statements thereof for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

Management's Discussion and Analysis is not a required part of the component unit basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the component unit basic financial statements that collectively comprise the component unit basic financial statements. The supplemental section listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the component unit basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the component unit basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the component unit basic financial statements taken as a whole.

*Maze & Associates*

October 2, 2009

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**ALAMEDA REUSE AND  
REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

The Alameda Reuse and Redevelopment Authority (ARRA) is required to provide this management overview of its financial activities for the fiscal year ended June 30, 2009. The information presented herein should be considered in conjunction with the Basic Financial Statements for the Authority.

**FINANCIAL HIGHLIGHTS**

Financial highlights include the following:

- At June 30, 2009, the Authority's net assets totaled \$73.1 million.
- At June 30, 2009, the Authority's total revenues, including program and general revenues, were \$17.4 million while total expenses were \$16.1 million; transfers out were \$4.5 million.
- Governmental Program Revenues were \$14 million in fiscal year 2008-09.
- Governmental General Revenues were \$3.4 million in fiscal year 2008-09.

**OVERVIEW OF BASIC COMPONENT UNIT FINANCIAL STATEMENTS**

The Authority's annual financial report is comprised of two parts:

- 1) Management's Discussion and Analysis, and
- 2) The Basic Component Unit Financial Statements, which include the Government-wide and the Fund Financial Statements, as well as the Notes to these financial statements.

**The Basic Component Unit Financial Statements**

The Basic Component Unit financial Statements comprise the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different perspectives of the Authority's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of the Authority's activities as a whole, and comprise the Statement of Net Assets and the

Alameda Reuse and Redevelopment Authority  
Of the City of Alameda  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009

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Statement of Activities. The Statement of Net Assets provides information on the financial position of the Authority as a whole, including all capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information on all Authority revenues and all expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the Authority's programs. The Statement of Activities explains in detail the change in Net Assets for the fiscal year.

The Fund Financial Statements report the Authority's operations in more detail than the government-wide statements, and focus primarily on the short-term activities of the Authority's Governmental Funds. The Fund Financial Statements measure only current revenues, current expenditures and fund balances. These statements exclude capital assets, long-term debt, and other long-term obligations.

Major Funds account for all the financial activities of the Authority and are presented individually.

### **The Government-wide Financial Statements**

The Statement of Net Assets and the Statement of Activities present information about the following:

- Governmental Activities – All of the Authority's basic services are considered to be governmental activities, including general government, reuse and redevelopment services. These services are supported by revenues such as lease and rental revenue, capital grants and developer fees.

Government-wide financial statements are prepared on the accrual basis, which measures the flow of all economic resources of the Authority as a whole.

### **Fund Financial Statements**

The fund Financial Statements provide detailed information on each of the Authority's most significant funds, called Major Funds. Each Major Fund is presented individually. Major Funds present the major activities of the Authority for the year, and may change from year to year as a result of changes in the pattern of the Authority's activities.



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## **Fund Financial Statements Include Only Governmental Funds**

Governmental Fund Financial Statements are prepared on the modified accrual basis, which measures only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements. Comparisons of Budget and Actual financial information are presented only for the Governmental General Funds.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Commission-wide and fund financial statements. The notes to the financial statements follow the basic financial statements and can be found on pages 21-29 of this report.

## **AUTHORITY-WIDE FINANCIAL ACTIVITIES**

Net assets may serve, over time, as a useful indicator of a government's financial position. This analysis focuses on the net assets and changes in net assets of the Authority's Governmental Activities.

### **Summary of Net Assets June 30, 2009 and 2008 (dollars in millions)**

	2009	2008	Percentage Change
Cash and Investments	\$ 13.07	\$ 12.36	5.74%
Other Assets	0.47	0.44	6.82%
Capital Assets	75.76	77.92	-2.77%
<b>Total assets</b>	<b>\$ 89.30</b>	<b>\$ 90.72</b>	<b>-1.57%</b>
Long-term Debt Outstanding	12.90	13.20	-2.27%
Other Liabilities	3.33	1.24	168.55%
<b>Total Liabilities</b>	<b>\$ 16.23</b>	<b>\$ 14.44</b>	<b>12.40%</b>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Debt	64.32	66.18	-2.81%
Restricted	1.23	1.19	3.36%
Unrestricted	7.52	8.91	-15.6%
<b>Total net assets</b>	<b>\$ 73.07</b>	<b>\$ 76.28</b>	<b>-4.21%</b>

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Of the City of Alameda  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009

- Cash and investments consist of \$12.8 million available to fund ongoing Authority operations, with \$0.3 million legally restricted for debt service and redevelopment projects.
- Other assets are accounts receivable.
- Long-term debt consists of 2003 ARRA Variable Rate Demand Revenue Bonds to refund the 1999 ARRA Revenue Bonds and provide financing for redevelopment tasks at Alameda Point.
- Other liabilities consist primarily of accounts payable, advances from the City and deposits payable.
- Restricted net assets are legally restricted for debt service reserves and capital projects of the Authority.
- Unrestricted net assets can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements.

The following table presents the items underlying the changes in net assets:

<b>Summary of Changes  in Net Assets  June 30, 2009 and 2008  (dollars in millions)</b>			
	<u>2009</u>	<u>2008</u>	<u>Percentage Change</u>
<b>Revenues</b>			
Program revenues			
Capital Grants & Contributions	\$ 0.27	\$ 1.67	-83.83%
Charges for Services	13.75	11.95	15.06%
Total Program Revenues	<u>\$ 14.02</u>	<u>\$ 13.62</u>	2.94%
General revenues			
Use of Money and Property	0.39	0.69	-43.48%
Other	2.97	0.50	494.00%
Total General Revenues	<u>3.36</u>	<u>1.19</u>	182.35%
<b>Total Revenues</b>	<b>\$ 17.38</b>	<b>\$ 14.81</b>	<b>17.35%</b>
<b>Program Expenses</b>			
Alameda Point Administration	10.08	5.34	88.76%
Residential and Commercial Leasing	5.74	6.31	-9.03%
Interest on Long-Term Debt	0.29	0.50	-42.00%
<b>Total Expenses</b>	<b>\$ 16.11</b>	<b>\$ 12.15</b>	<b>32.59%</b>
<b>Change in Net Assets before Transfers</b>	1.27	2.66	
<b>Transfers, Net</b>	<u>(4.48)</u>	<u>(3.91)</u>	14.58%
<b>Change in Net Assets</b>	<u>(3.21)</u>	<u>(1.25)</u>	156.80%
<b>Beginning Net Assets</b>	76.28	77.37	-1.41%
<b>Ending Net Assets</b>	<b><u>\$ 73.07</u></b>	<b><u>\$ 76.28</u></b>	<b>-4.21%</b>

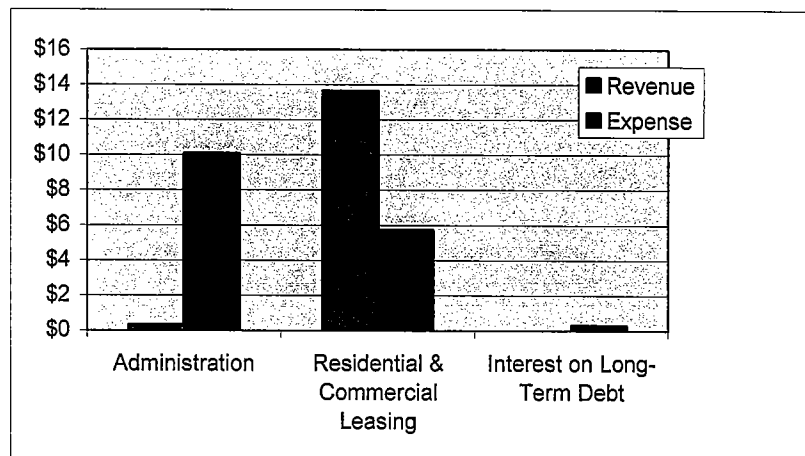
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Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009

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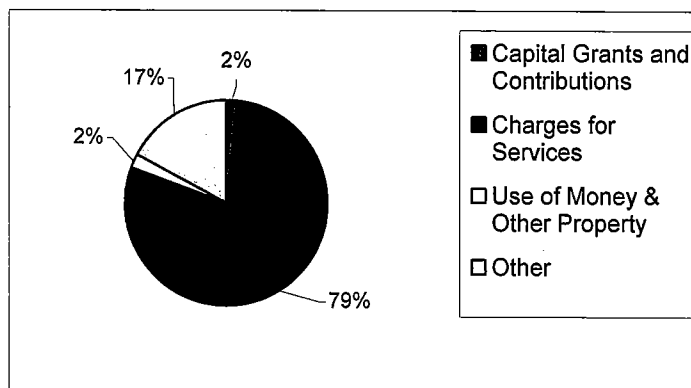
The Authority's major revenue source, Charges for Services, comprising lease revenue, provided \$13.8 million or 79% of revenues in fiscal year 2008-09. The Authority's primary governmental expenditures for Alameda Point Administration were \$10 million or 63% of expenses in fiscal 2008-09.

The following table presents the net cost of each of the Authority's largest programs – Administration, Housing, Leasing and Interest on Long-term Debt. Net cost is defined as total program costs less the revenues generated by those specific activities.

**Expenses and Program Revenues  
Governmental Activities  
(dollars in millions)**



**Revenues by Source-Governmental Activities**



## **Financial Analysis of the Authority's Funds**

At June 30, 2009, the Authority's governmental funds reported combined fund balances of \$10.2 million. Of this amount, \$1.2 million is reserved for capital projects and debt service; \$8.8 million is available to fund ongoing Authority operations. Governmental fund revenues totaled \$17.4 million. Governmental fund expenditures totaled \$14.3 million.

### **Analysis of Major Governmental Funds**

#### **General Fund**

General Fund revenue consisted primarily of lease revenue totaling \$13.6 million or 79%, and grants and contributions totaling \$0.3 million or 2% of total general fund revenue for the year ended June 30, 2009.

General Fund expenditures consisted primarily of professional and administration services totaling \$6.1 million or 43%, and building/equipment repair and maintenance totaling \$5.8 million or 42% for the year ended June 30, 2009.

At June 30, 2009, the general operating fund balance of approximately \$9 million comprised the total unreserved fund balance for the Authority.

#### **Capital Project Fund**

Capital Project Fund revenues consisted solely of interest income totaling \$3,000 at June 30, 2009. Capital Project Fund expenditures consisted solely of building/equipment repair and maintenance totaling \$2,000 at June 30, 2009.

At June 30, 2009, the Capital Project Fund balance was \$0.3 million reserved for capital improvement projects.

#### **Debt Service Fund**

Debt Service Fund revenue consisted solely of interest income of \$0.4 million for the year ended June 30, 2009. Debt Service Fund expenditures consisted solely of debt service principal and interest payments on outstanding debt totaling \$0.6 million for the year ended June 30, 2009.

At June 30, 2009, the Debt Service Fund balance was \$0.9 million.

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Of the City of Alameda  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009

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## **CAPITAL ASSETS**

At the end of fiscal year 2008-09, the Authority had \$75.8 million, net of depreciation, invested in a broad range of capital assets.

**SUMMARY OF CAPITAL ASSETS**  
**June 30, 2009 and 2008**  
**(dollars in millions)**

<b>Governmental Activities:</b>	<b>2009</b>	<b>2008</b>	<b>Percentage Change</b>
Buildings	\$ 151.26	\$ 151.26	-
Machinery and Equipment	0.73	0.73	-
Infrastructure	20.23	20.23	-
Less: Accumulated Depreciation	-96.46	-94.30	2.29%
<b>TOTAL</b>	<b>\$ 75.76</b>	<b>\$ 77.92</b>	<b>-2.77%</b>

Capital assets decreased \$2.16 million due to depreciation retirement. There were no significant construction projects during the fiscal year ended June 30, 2009.

### **Debt Administration**

The Authority's debt issues are discussed in detail in Note 7 to its financial statements.

## **ECONOMIC OUTLOOK AND MAJOR INITIATIVES**

### **Alameda Point**

Alameda Point is the reuse and redevelopment area of the former Naval Air Station Alameda located at the western end of the Island.

At its October 4, 2006 meeting, the ARRA authorized staff to issue a Request for Qualifications (RFQ) for a master developer for Alameda Point. In May 2007, the ARRA selected SunCal as the City's Master Developer, in July 2007 ARRA entered into an Exclusive Negotiation Agreement (ENA) with Alameda Point, LLC. The ENA was extended by the ARRA on October 7, 2008, until July 20, 2010.

On March 26, 2009, SunCal submitted a ballot initiative to the City Clerk which seeks voter approval for entitlement of a development project at Alameda Point. The initiative has qualified for a February 2, 2010 election. The City and SunCal are also negotiating

Alameda Reuse and Redevelopment Authority  
Of the City of Alameda  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009

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a Disposition and Development Agreement for the project contemplated in the initiative. The ENA period expires in July 2010.

## **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This Alameda Reuse and Redevelopment Authority Financial Report is intended to provide citizens, taxpayers, investors and creditors with a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the City of Alameda, Interim City Manager, Ann Marie Gallant, 2263 Santa Clara Avenue, Room 320, Alameda, California, 94501.

**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA**

**STATEMENT OF NET ASSETS  
AND STATEMENT OF ACTIVITIES**

The Statement of Net Assets reports the difference between ARRA's total assets and ARRA's total liabilities, including all of ARRA's capital assets and all its long-term debt.

The Statement of Net Assets summarizes the financial position of all of ARRA's Governmental Activities in a single column.

The Statement of Activities reports increases and decreases in ARRA's net assets. It is also prepared on the full accrual basis, which means it includes all of ARRA's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
STATEMENT OF NET ASSETS  
JUNE 30, 2009

	Governmental Activities
<b>ASSETS</b>	
Cash and investments (Note 3)	\$12,750,884
Restricted cash and investments (Note 3)	322,622
Accounts receivable	466,914
Capital assets, net of accumulated depreciation (Note 6)	<u>75,756,893</u>
Total Assets	<u>89,297,313</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	1,422,555
Accrued payroll	20,728
Claims payable	
Advances from City of Alameda (Note 5)	300,000
Deposits payable	1,582,691
Long-term debt (Note 7):	
Due within one year	300,000
Due in more than one year	<u>12,600,000</u>
Total Liabilities	<u>16,225,974</u>
<b>NET ASSETS (Note 8)</b>	
Invested in capital assets, net of related debt	<u>64,319,422</u>
Restricted for:	
Capital projects	330,510
Debt service	<u>903,114</u>
Total Restricted Net Assets	<u>1,233,624</u>
Unrestricted	<u>7,518,293</u>
Total Net Assets	<u><u>\$73,071,339</u></u>

See accompanying notes to financial statements



ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for	Capital Grants and Contributions	Revenue and Changes in Net Assets
		Services		Governmental Activities
Governmental Activities:				
Alameda Point Administration	\$10,084,922	\$107,346	\$272,803	(\$9,704,773)
Residential Leasing	1,227,640	1,644,042		416,402
Commercial Leasing	4,517,044	11,997,911		7,480,867
Interest on Long-Term Debt	286,453			(286,453)
Total Governmental Activities	16,116,059	13,749,299	272,803	(2,093,957)
General Revenues:				
Investment Earnings				387,546
Miscellaneous				2,970,387
Total General Revenues				3,357,933
Net transfer (out) to the City of Alameda (Note 5)				(4,478,021)
Total General Revenues and Transfers				(1,120,088)
Change in Net Assets				(3,214,045)
Net Assets-Beginning				76,285,384
Net Assets-Ending				\$73,071,339

See accompanying notes to financial statements

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**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA**

**FUND FINANCIAL STATEMENTS**

**MAJOR GOVERNMENTAL FUNDS**

The funds described below were determined to be Major Funds by the ARRA in fiscal year 2008-09.

**GENERAL FUND**

The General Fund is the general operating fund of the ARRA. It is used to account for all financial resources which are not accounted for in the other funds. The major revenue sources for this Fund are leasing activities revenues and grants. Expenditures are made for base reuse activities.

**2003 AP REVENUE BOND PROJECT CAPITAL PROJECT FUND**

This fund accounts for Alameda Point major construction and improvement projects financed through the 2003 Variable Rate Demand Revenue Bonds.

**2003 AP REVENUE BONDS DEBT SERVICE FUND**

The 2003 Variable Rate Demand Revenue Bonds were issued in December 2003 by the Alameda Public Financing Authority to refund the 1999 ARRA Revenue Bonds and to finance professional land use planning and other activities required by the redevelopment process. The debt will be repaid solely from lease revenues.

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2009

	General Fund	2003 AP Revenue Bond Project Capital Project Fund	2003 AP Revenue Bonds Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments (Note 3)	\$11,834,607	\$23,151	\$893,126	\$12,750,884
Restricted cash and investments (Note 3)		312,634	9,988	322,622
Accounts receivable	466,914			466,914
Total Assets	<u>\$12,301,521</u>	<u>\$335,785</u>	<u>\$903,114</u>	<u>\$13,540,420</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$1,417,555	\$5,000		\$1,422,555
Accrued payroll	20,728			20,728
Advances from City of Alameda (Note 5)	300,000			300,000
Deposits payable	1,582,691			1,582,691
Total Liabilities	<u>3,320,974</u>	<u>5,000</u>		<u>3,325,974</u>
<b>FUND BALANCES</b>				
Fund balance (Note 8)				
Reserved for:				
Debt service			\$903,114	903,114
Capital improvement		330,510		330,510
Unreserved:				
Designated for:				
Unrealized increase in fair value of investments	137,505	275		137,780
Undesignated, Reported in:				
General Fund	8,843,042			8,843,042
Total Fund Balances	<u>8,980,547</u>	<u>330,785</u>	<u>903,114</u>	<u>10,214,446</u>
Total Liabilities and Fund Balances	<u>\$12,301,521</u>	<u>\$335,785</u>	<u>\$903,114</u>	<u>\$13,540,420</u>

See accompanying notes to financial statements

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
Reconciliation of the  
GOVERNMENTAL FUNDS -- FUND BALANCE  
with the  
GOVERNMENTAL ACTIVITIES NET ASSETS  
JUNE 30, 2009

Total fund balances reported on the governmental funds balance sheet	\$10,214,446
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Amounts reported for Governmental Activities in the Statement of Net Assets  
are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	75,756,893
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LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not  
reported in the Funds:

Long-term debt	<u>(12,900,000)</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$73,071,339</u></u>
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See accompanying notes to financial statements

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	2003 AP Revenue Bond Project Capital Project Fund	2003 AP Revenue Bonds Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Miscellaneous grants and contributions	\$272,803			\$272,803
Charges for current services	107,346			107,346
Lease revenue	13,641,953			13,641,953
Interest	341,616	\$3,412	\$42,518	387,546
Other	2,970,387			2,970,387
<b>Total Revenues</b>	<b>17,334,105</b>	<b>3,412</b>	<b>42,518</b>	<b>17,380,035</b>
<b>EXPENDITURES</b>				
Wages and benefits	1,113,330			1,113,330
Office supplies	18,938			18,938
Travel	6,635			6,635
Professional and administrative services	6,116,639			6,116,639
Building/equipment repairs and maintenance	5,798,952	2,069		5,801,021
Utilities	608,667			608,667
Debt service:				
Principal			300,000	300,000
Interest	15,000		271,453	286,453
<b>Total Expenditures</b>	<b>13,678,161</b>	<b>2,069</b>	<b>571,453</b>	<b>14,251,683</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,655,944</b>	<b>1,343</b>	<b>(528,935)</b>	<b>3,128,352</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,000		571,836	576,836
Transfers (out)	(570,000)	(6,836)		(576,836)
Transfer from the City of Alameda (Note 5)	14,649			14,649
Transfer to the City of Alameda (Note 5)	(4,492,670)			(4,492,670)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,043,021)</b>	<b>(6,836)</b>	<b>571,836</b>	<b>(4,478,021)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,387,077)</b>	<b>(5,493)</b>	<b>42,901</b>	<b>(1,349,669)</b>
<b>BEGINNING FUND BALANCES</b>	<b>10,367,624</b>	<b>336,278</b>	<b>860,213</b>	<b>11,564,115</b>
<b>ENDING FUND BALANCES</b>	<b>\$8,980,547</b>	<b>\$330,785</b>	<b>\$903,114</b>	<b>\$10,214,446</b>

See accompanying notes to financial statements

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
Reconciliation of the  
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
with the  
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	(\$1,349,669)
--	---------------

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense is deducted from the fund balance	(2,164,376)
--	-------------

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

Repayment of debt principal is added to fund balance	<u>300,000</u>
--	----------------

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>(\$3,214,045)</u></u>
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See accompanying notes to financial statements

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
REVENUES:			
Miscellaneous grants and contributions		\$139,774	\$272,803
Charges for current services			107,346
Lease revenue	\$19,873,521	11,972,774	13,641,953
Interest			341,616
Other			2,970,387
Total Revenues	19,873,521	12,112,548	17,334,105
EXPENDITURES:			
Wages and benefits	939,466	904,021	1,113,330
Office supplies	49,184	25,921	18,938
Travel			6,635
Professional and administrative services	5,133,979	3,974,033	6,116,639
Building/equipment repairs and maintenance	2,972,245	4,609,495	5,798,952
Utilities	1,273,025	127,025	608,667
Interest and fiscal charges	480,000	480,000	15,000
Total Expenditures	10,847,899	10,120,495	13,678,161
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,025,622	1,992,053	3,655,944
OTHER FINANCING SOURCES (USES)			
Transfer in			5,000
Transfer (out)			(570,000)
Transfer from the City of Alameda (Note 5)			14,649
Transfer to the City of Alameda (Note 5)	(3,787,666)		(4,492,670)
Total other financing sources (uses)	(3,787,666)		(5,043,021)
NET CHANGE IN FUND BALANCE	\$5,237,956	1,992,053	(1,387,077)
Beginning fund balance	7,534,670	6,693,200	10,367,624
Ending fund balance	\$12,772,626	\$8,685,253	\$8,980,547

See accompanying notes to financial statements



**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA  
Notes to the Basic Financial Statements**

**NOTE 1 - ORGANIZATION AND PROGRAMS**

The Alameda Reuse and Redevelopment Authority (ARRA) was formed in April 1994 by the City and County of Alameda. The purpose of ARRA is to ensure the effective transition of the Alameda Naval Air Station (NAS) from federal to local ownership. ARRA is responsible for the development of an Interim Reuse Strategy, taking title to base lands, and implementation of the Community Reuse Plan. ARRA is recognized by the Department of Defense as the responsible entity for submitting and completing the Community Reuse Plan for the 1997 decommission of the NAS.

ARRA is governed by a Governing Body which was restructured in January 2000 and is now composed of the members of the City Council of the City of Alameda acting in separate capacity as board members of the Authority. All staff work is performed by the officials and staff of the City or by consultants. The City Council services as the Governing Board of the Authority, which is a component unit of the City, and is accounted for in separate funds established by the City.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of ARRA conform with generally accepted accounting principles applicable to governments. The following is a summary of the significant policies:

**A. *Basis of Presentation***

The ARRA Component Unit Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities.

These Statements require that the financial statements described below be presented.

***Authority-wide Statements:*** The Statement of Net Assets and the Statement of Activities include the financial activities of the overall ARRA entity. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the ARRA governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs; (b) grants and contributions that are restricted to meeting the operational needs of a particular program; and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

***Fund Financial Statements:*** The fund financial statements provide information about the ARRA funds. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. ARRA considers all its funds to be major funds.

**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA  
Notes to the Basic Financial Statements**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Major Funds**

The ARRA reported all its governmental funds as major funds in the accompanying financial statements.

**GENERAL FUND**

General Fund is the general operating fund of the ARRA. It is used to account for all financial resources that are not accounted for in other funds. The major revenue sources for this Fund are leasing activities revenues and grants. Expenditures are made for base reuse activities.

**2003 AP REVENUE BOND PROJECT CAPITAL PROJECT FUND**

This fund accounts for the Alameda Point major construction and improvement projects financed through the 2003 Variable Rate Demand Revenue Bonds.

**2003 AP REVENUE BONDS DEBT SERVICE FUND**

The 2003 Variable Rate Demand Revenue Bonds were issued in December 2003 by the Alameda Public Financing Authority to refund the 1999 ARRA Revenue Bonds and to finance professional land use planning and other activities required in the redevelopment process at Alameda Point. The debt will be repaid solely from lease revenues paid to ARRA.

**C. Basis of Accounting**

The authority-wide financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. ARRA considers all revenues reported in the governmental funds to be available if the revenues are collected within forty-five days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are grants and leases. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA  
Notes to the Basic Financial Statements**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Grant Revenues**

ARRA obtains grants from public, private and private non-profit organizations. Under the terms of these grant agreements, funds are advanced to finance program expenditures. Revenues from grants are recognized throughout the grant period, or as allowable costs are incurred for the purposes specified in the grant.

**NOTE 3 - CASH AND INVESTMENTS**

**A. Policies**

ARRA's cash, except cash with fiscal agents, is included in the cash and investments pool of the City of Alameda, the details of which are presented in the City's basic financial statements.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

ARRA and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by ARRA's fiscal agents as required under its debt issues; ARRA normally invests only in the California Local Agency Investment Fund pool administered by the State.

ARRA's investments are carried at fair value, as required by generally accepted accounting principles. ARRA adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

**B. Classification**

Cash and investments are classified in the component unit basic financial statements as shown below, based on whether or not their use is restricted under the terms of ARRA debt instruments or agency agreements.

Cash and investments at June 30, 2009 are as follows:

Cash and investments available for operations	\$12,750,884
Restricted cash and investments	<u>322,622</u>
Total ARRA cash and investments	<u><u>\$13,073,506</u></u>

**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA  
Notes to the Basic Financial Statements**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**C. Investments Authorized by the California Government Code and the City's Investment Policy**

The City's investment policy and the California Government Code allow ARRA to invest in the following, provided the credit ratings of the issuers are acceptable to ARRA; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's investment policy where the City's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	270 Days	N/A	20%	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$40,000,000 per account	\$40,000,000 per account
U.S. Treasury Bonds, Notes and Bills	5 Years	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	5 Years	N/A	75%	25% in each U.S. Agency
Bankers' Acceptances	180 Days	N/A	30%	30%
Commercial Paper	270 Days	A1, P1	25%	No Limit
Negotiable Certificates of Deposit	5 Years	AA	30%	No Limit
Time Certificates of Deposit	5 Years	N/A	30%	No Limit
Medium-Term Corporate Notes	5 Years	A	30%	No Limit
Money Market Mutual Funds	N/A	AAA	20%	No Limit
County Agency Investment Fund	Upon Demand	N/A	15%	No Limit
California Asset Management Program (CAMP)	Upon Demand	N/A	No Limit	No Limit

**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA  
Notes to the Basic Financial Statements**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

***D. Investments Authorized by Debt Agreements***

ARRA must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the ARRA fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with ARRA ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum in Portfolio</u>	<u>Maximum Investment In One</u>
Repurchase Agreements	30 days	Top Four Rating Category	No Limit	No Limit
U. S. Treasury Bonds, Notes and Bills	No Limit	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	No Limit	N/A	No Limit	No Limit
Commercial Paper	No Limit	A-1+	No Limit	No Limit
Negotiable Certificates of Deposit	No Limit	N/A	No Limit	No Limit
Time Certificates of Deposit	No Limit	N/A	No Limit	No Limit
Guaranteed Investment Contracts	No Limit	Not lower than their bond rating	No Limit	No Limit
Shares of Beneficial Interest	No Limit	Top Rating Category	No Limit	No Limit
Money Market Mutual Funds	No Limit	AAm	20%	No Limit
Bankers' Acceptances	365 days	A-1+	40%	30%
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	\$40,000,000 per account	\$40,000,000 per account
Investment Agreements	No Limit	N/A	No Limit	No Limit

***E. Interest Rate Risk***

Interest rate risk is the risk that changes in the economic markets that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates.

**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA  
Notes to the Basic Financial Statements**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Information about the sensitivity of the fair values of the ARRA's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the ARRA's investments by maturity:

Investment Type	12 Months or less
Money Market Mutual funds	\$322,622
California Local Agency Investment Fund	12,750,884
Total Investments	<u>\$13,073,506</u>

Through the City's investment pool, the ARRA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The ARRA reports its investment in LAIF at the fair value amounts provided by LAIF, which is the same as the value of the pool share. At June 30, 2009 the fair value approximated is the ARRA's cost. The balance available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2009, these investments have an average maturity of 235 days.

**F. Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2009 for each investment type as provided by Standard and Poor's:

Investment Type	Total
<i>AAAm rated:</i>	
Money Market Mutual Funds	\$322,622
<i>Not rated:</i>	
California Local Agency Investment Fund	12,750,884
Total Investments	<u>\$13,073,506</u>

**NOTE 4 – REVENUES**

ARRA collects lease revenues from residential and commercial tenants who occupy space at Alameda Point. A significant source of this revenue is generated from berthing fees received from the U.S. Department of Transportation, whose fees are based on the number of days ships are berthed at Alameda Point. During the normal course of business, revenues may be earned but not available due to lease renegotiation, federal payment systems or other circumstances which the ARRA Board has reviewed. Lease revenues in arrears were \$1,070,740 and \$1,276,052 at June 30, 2009 and 2008, respectively.

**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA  
Notes to the Basic Financial Statements**

**NOTE 5 – INTERFUND TRANSACTIONS**

**A. Long-Term Interfund Advances**

The Golf Course Enterprise Fund advanced the General Fund Leasing Activity Subfund \$300,000 in fiscal year 2001 for predevelopment activities in connection with the Golf Course at Alameda Point. Upon completion of various pre-development engineering and environmental studies, development of the Golf Course at Alameda Point was deemed unfeasible. As of June 30, 2009, this loan had a balance of \$300,000. This advance is expected to be repaid in fiscal year 2010.

**B. Transfers Between the City and the ARRA**

During the fiscal year ended June 30, 2009, ARRA made net cash transfers of \$4,478,021 to reimburse the City for capital expenditures for infrastructure improvements and its prorata share of operating expenditures incurred on behalf of ARRA, as determined by the City's approved Cost Allocation Plan.

**NOTE 6 - CAPITAL ASSETS**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

All capital assets with limited useful lives will be depreciated during their estimated useful lives. The purpose of depreciation is to allocate the cost of capital assets equitably among all users during the life of these assets. The amount allocated to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years, and the result is charged to expense each year until the asset is fully depreciated. The ARRA has assigned the useful lives to capital assets as listed below:

Buildings	40 - 80 years
Machinery and Equipment	4 - 40 years
Infrastructure	15 - 75 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds in the same period.

**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA  
Notes to the Basic Financial Statements**

**NOTE 6 - CAPITAL ASSETS (Continued)**

**A. Capital Asset Additions, Retirements and Transfers**

Capital assets at June 30 comprise:

	Balance June 30, 2008	Additions	Balance June 30, 2009
<b>Governmental activities</b>			
Buildings	\$151,257,381		\$151,257,381
Machinery and equipment	730,258		730,258
Infrastructure	20,230,527		20,230,527
Less Accumulated Depreciation:			
Buildings	(76,440,745)	(\$1,903,079)	(78,343,824)
Machinery and equipment	(520,532)	(3,888)	(524,420)
Infrastructure	(17,335,620)	(257,409)	(17,593,029)
Total	<u>\$77,921,269</u>	<u>(\$2,164,376)</u>	<u>\$75,756,893</u>

Depreciation expense of \$2,164,376 was added to the Alameda Point Administration function expenses on the statement of activities.

**B. Capital Asset Contributions**

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

**NOTE 7 - LONG-TERM DEBT**

**2003 ARRA Variable Rate Demand Revenue Bonds** – On December 1, 2003, the Alameda Public Financing Authority issued Variable Rate Revenue Bonds in the original principal amount of \$13,440,000 at a variable rate of interest determined on a weekly basis. The proceeds from the bonds were used to refund the 1999 ARRA Revenue Bonds which were issued to finance the costs of certain improvements at Alameda Point and to finance professional services for land use planning and other activities required in the redevelopment process at Alameda Point. Repayment of these bonds is from lease revenues paid to ARRA from certain land, buildings, fixtures and equipment. Interest is payable on the first business day of each month.

The pledge of sublease revenues ends upon repayment of the \$17,108,448 in remaining debt service on the Bonds which is scheduled to occur in 2034. As disclosed in the bond indenture documents, pledged future sublease revenues are expected to provide coverage over debt service of 1.5 during the life of the Bonds. For fiscal year 2009, sublease revenues amounted to \$11,983,029 which represented coverage of 2,031% over the \$590,131 in debt service.



**ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
OF THE CITY OF ALAMEDA  
Notes to the Basic Financial Statements**

**NOTE 7 - LONG-TERM DEBT (Continued)**

The current year principal retirement is \$300,000. Repayment requirements for the Revenue Bonds were as follows at June 30, 2009:

For the Year Ending June 30	Governmental Activities	
	Principal	Interest
2010	\$300,000	\$107,856
2011	300,000	105,336
2012	300,000	102,816
2013	300,000	100,296
2014	300,000	97,776
2015-2019	2,000,000	438,480
2020-2024	2,500,000	346,920
2025-2029	3,000,000	169,344
2030-2034	3,900,000	77,280
Total	<u>\$12,900,000</u>	<u>\$1,546,104</u>

**NOTE 8 - NET ASSETS**

Net Assets is the excess of all ARRA assets over all liabilities, regardless of fund. Net Assets are divided into three captions, as described below:

*Invested in Capital Assets, net of related debt* describes the portion of Net Assets which is represented by the current net book value of the ARRA's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which ARRA cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

*Unrestricted* describes that portion of Net Assets not restricted as to use.

**NOTE 9 - RISK MANAGEMENT**

Through the City, ARRA participates in public entity risk pools, which provide coverage against liability and workers' compensation claims. Coverage and terms are discussed in the City's basic financial statements at Note 12.

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

ARRA is subject to litigation arising in the normal course of business. In the opinion of the ARRA Counsel, there is no pending litigation which is likely to have a material adverse effect on the financial position of ARRA.

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
GENERAL FUND  
BALANCE SHEET-BY REVENUE SOURCE  
JUNE 30, 2009

	Alameda Point Administration	Housing Activities	Leasing Activities	Total
<b>ASSETS</b>				
Cash and investments	(\$18,353,868)	\$11,217,641	\$18,970,834	\$11,834,607
Accounts receivable	461,989		4,925	466,914
Total Assets	<u>(\$17,891,879)</u>	<u>\$11,217,641</u>	<u>\$18,975,759</u>	<u>\$12,301,521</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$215,410		\$1,202,145	\$1,417,555
Accrued payroll			20,728	20,728
Advances from City of Alameda			300,000	300,000
Deposits payable	<u>\$1,000,000</u>	<u>\$163,325</u>	<u>419,366</u>	<u>1,582,691</u>
Total Liabilities	<u>1,215,410</u>	<u>163,325</u>	<u>1,942,239</u>	<u>3,320,974</u>
<b>FUND BALANCES</b>				
Fund balance				
Unreserved:				
Designated for:				
Unrealized increase in fair value of investments			137,505	137,505
Undesignated, Reported in:				
General Fund	<u>(19,107,289)</u>	<u>11,054,316</u>	<u>16,896,015</u>	<u>8,843,042</u>
Total Fund Balances (Deficits)	<u>(19,107,289)</u>	<u>11,054,316</u>	<u>17,033,520</u>	<u>8,980,547</u>
Total Liabilities and Fund Balances (Deficits)	<u>(\$17,891,879)</u>	<u>\$11,217,641</u>	<u>\$18,975,759</u>	<u>\$12,301,521</u>

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GENERAL FUND - BY REVENUE SOURCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Alameda Point Administration	Residential Leasing	Commercial Leasing	Total
<b>REVENUES</b>				
Miscellaneous grants and contributions	\$135,298		\$137,505	\$272,803
Charges for current services	107,346			107,346
Lease revenue		\$1,644,042	11,997,911	13,641,953
Interest		333	341,283	341,616
Other	\$75,120		2,895,267	2,970,387
<b>Total Revenues</b>	<b>317,764</b>	<b>1,644,375</b>	<b>15,371,966</b>	<b>17,334,105</b>
<b>EXPENDITURES</b>				
Wages and benefits	\$663,095		\$450,235	\$1,113,330
Office supplies	14,553		4,385	18,938
Travel	4,432		2,203	6,635
Professional and administrative services	1,163,170	416,735	4,536,734	6,116,639
Building/equipment repairs and maintenance	59,637		5,739,315	5,798,952
Utilities	501,617		107,050	608,667
Interest			15,000	15,000
<b>Total Expenditures</b>	<b>2,406,504</b>	<b>416,735</b>	<b>10,854,922</b>	<b>13,678,161</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>(2,088,740)</b>	<b>1,227,640</b>	<b>4,517,044</b>	<b>3,655,944</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	5,000			5,000
Transfer (out)			(570,000)	(570,000)
Transfer from the City of Alameda	14,649			14,649
Transfer to the City of Alameda	(83,216)		(4,409,454)	(4,492,670)
<b>Total Other Financing Sources (Uses)</b>	<b>(63,567)</b>		<b>(4,979,454)</b>	<b>(5,043,021)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,152,307)</b>	<b>1,227,640</b>	<b>(462,410)</b>	<b>(1,387,077)</b>
Fund balances (deficit) at beginning of year	(16,954,982)	9,826,676	17,495,930	10,367,624
Fund balances (deficit) at end of year	<u>(\$19,107,289)</u>	<u>\$11,054,316</u>	<u>\$17,033,520</u>	<u>\$8,980,547</u>

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