



**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

FISCAL YEAR ENDED
JUNE 30, 2020



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CITY OF HAYWARD, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2020

Prepared by:

Accounting Division, Department of Finance

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INTRODUCTORY SECTION

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CITY OF HAYWARD, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2020

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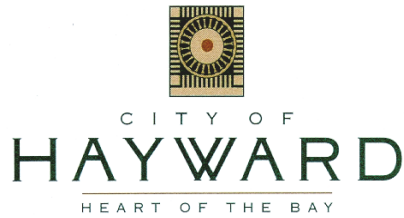
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December 18, 2020

Honorable Mayor, Members of the City Council, and Residents of the City of Hayward, California:

It is my pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Hayward for the fiscal year ended June 30, 2020. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. In the opinion of management, the data is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to understand the City's financial affairs. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB).

FINANCIAL STATEMENT PRESENTATION

This report consists of management's representations concerning the finances of the City of Hayward, California. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP.

The City's financial statements have been audited by Maze and Associates, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Hayward, California's financial statements for the year ended June 30, 2020, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this Report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis related to and involving the administration of Federal Awards. These reports are available in the City's separately issued Single Audit Report (issued in March 2021).

This CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and the combined financial statements and schedules, the independent auditor's report on these financial statements and schedules, and management's discussion and analysis (MD&A). The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The independent auditor's report is presented as the first component of the financial section of the CAFR, followed by the MD&A, which provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

CITY PROFILE & SERVICES

With a population currently estimated at 160,311, Hayward is the sixth largest city in the San Francisco Bay Area and the third largest city in Alameda County. Hayward is located fourteen miles south of Oakland in the San Francisco Bay Area. The City area includes sixty-one square miles lying between the eastern shore of the San Francisco Bay and the southern Oakland-Berkeley Hills. Hayward serves as a major transportation hub and a center of commercial and industrial activity, with immediate access to major interstate freeways, rail lines, and public transit routes such as Bay Area Rapid Transit (BART). The community has more than 50,000 homes and residences of all types; and considerable commercial and industrial development. Major institutional facilities include California State University-East Bay, Chabot Community College, one major hospital, a variety of private and vocational educational institutions; and state and county offices.

City Structure

The City was incorporated in 1876. Under the City Charter adopted in 1956, the City government is organized in the Council-Manager form. The Mayor is directly elected to a four-year term of office and serves as a voting member and the presiding officer of the City Council. The City Council includes six other members, each of whom is elected at-large to overlapping four-year terms. The Mayor and City Council serve as the legislative and policy-making body of the City government and appoint a City Manager, a City Clerk, and a City Attorney. The City Manager is the City's chief executive officer and appoints all other City staff. The City Manager is responsible for the daily administration of the City government and provides overall direction to all City departments.

City Services

Hayward provides a full range of services to its residents including: law enforcement; fire prevention and protection; paramedic services; housing and economic development; land use development services and regulations; community planning; street construction and maintenance; landscape maintenance services; transportation planning; and contracted curbside recycling and refuse collection. In addition, the City operates and maintains facilities for water distribution, storm water, and sanitary sewer collection and disposal. The City also operates a general aviation executive airport, downtown parking facilities, a main and branch library, and a civic center. Park and recreation services are provided through partnership with the regional Hayward Area Recreational District (HARD), headquartered in the City. This partnership includes two public golf courses under operational lease to HARD. After school homework and tutoring programs and literacy classes are provided through the City Library system and are located in the Library and on school campuses in partnership with Hayward Unified School District (HUSD).

Component Units

The City Council is also financially accountable for the Successor Agency of the Hayward Redevelopment Agency, the Hayward Public Financing Authority, the Hayward Housing Authority, and the Hayward Business Improvement District; therefore, these component unit activities are included in the accompanying basic financial statements. Furthermore, the City participates in a number of joint ventures and authorities, which exist due to joint exercise of power agreements. An equity interest is reported for the East Bay Dischargers Authority (www.ebda.org/). The complete financial activities have not been included for this entity, as the City Council is not financially accountable for them. Other entities, which have been excluded, that do not meet the established criteria for inclusion in the reporting entity are the Hayward Area Recreation and Park District (www.haywardrec.org/) and Hayward Unified School District (www.husd.k12.ca.us/).

ECONOMIC CONDITION AND OUTLOOK

The information presented in the financial statements is best understood when it is considered within the broader perspective of the specific environment in the City of Hayward.

Local Economy

Hayward is a diverse city with a diverse economy – comprised of a well-established and growing business community that represents a balance of retail, industrial, and advanced technologies. In fiscal year 2020, the City of Hayward economy began the year experiencing a modest improvement similar to the rest of the State – as did many other cities in the San Francisco Bay Area. This improvement halted as the local economy began to suffer from the effects of the COVID-19 pandemic and related shelter in place orders that either limited or prohibited operations of many businesses in the community.

Late in fiscal year 2020 the Nation and State entered a recession. The Country hit record levels of unemployment in the fourth quarter of the fiscal year. Early reports indicate that the State's economy improved in first quarter of the fiscal year 2021 and the Hayward economy reflected this improvement. The Employment Development Department data reflects that the unemployment rate in Alameda County as of October 2020 was 11.0%, which is up from 2.8% in 2019. This improvement may, however, be short lived as the state issued a new Stay Home Order in early December 2020. The impacts of this action on the local economy are currently unknown.

In spite of the recession, Hayward has seen a year over year increase of 7.0% in its assessed valuation in 2020. The median residential home value is about \$702,173 in September 2020 versus \$647,000 a year ago. The total Assessed Valuation for Hayward has grown from \$15.2 billion in FY 2012 to \$24.3 billion in FY 2020, as real estate values that have been restored to pre-Great Recession levels, higher sales prices, and new developments. The City's property tax revenues increased by 5% in FY 2020 as compared to FY 2019.

From 2008-2012 the City saw a cumulative loss of \$12.4 million in sales tax revenue, due in large part to lagging automobile sales, along with decreases in business-to-business, construction, and other retail sectors. While the City has seen an erosion in some business segments, this revenue source has been fully restored to pre-recession levels. The City's Measure C District tax revenues as approved by the voters in 2014, (\$16.9 million in FY 2020) dramatically increased total Sales Tax revenues. However, these revenues are targeted for specific activities as outlined in the documents to place the measure on the ballot in 2014; therefore, to get the true story of the City's Sales Tax, these revenues should be considered separately.

On May 19, 2009, the voters of the City of Hayward approved Measure A allowing for the collection of a 5.5% utility users tax to maintain key essential services and prevent further reductions to basic City services. The tax was extended to FY 2039 after the voters approved Measure D in 2016. The utility users' tax revenue for fiscal year 2020 was \$16.1 million.

While the City tries to remain optimistic, management has mixed views regarding the outlook for the future due to the continued growth of expenditures related to employee benefits and deferred infrastructure improvements. Controlling expenditures has been a key element in responding to the City's fiscal challenges. Management and employee groups have successfully partnered to implement significant structural savings and cost-sharing that will assist the City in achieving long-term fiscal sustainability shown by the fact that all but one of the City's employee groups agreed to offer concessions as the City struggled to offset the impacts on revenues.

Factors Affecting the City's Financial Condition

In addition to the unforeseen impacts of the COVID-19 pandemic, the City faces similar challenges to other local jurisdictions in California. In addition to rising operating and capital costs, the City has lost over \$100 million in local revenues to the State since 1994. The State's ability to take local government revenues, the loss of the City's redevelopment agency being a prime example, has significantly hampered the future plans of local governments for years to come. In addition, the State's continued policy to push services down to the local level without reallocating revenue to support the service delivery is a continued challenge.

Long-term Perspective

The City has been prudent with its financial resources and has contained costs by implementing both structural and one-time budget savings. The City worked incredibly diligently to reduce the amount of reserves used during FY 2020 and will continue to do so moving forward while the effects from the COVID-19 pandemic continue. While the City has consistently worked to balance its budget, Hayward must continue this effort and make additional adjustments to its general fund expenditures to address and resolve an ongoing structural deficit largely driven by rising employee benefit costs.

The City employs long-term planning as the framework for its fiscal decisions and recently updated its forecasting model to provide a comprehensive and agile tool projecting the City's finances for a ten-future fiscal year period for the General Fund as well as other key operating funds. While the General Fund structural budget gap has been greatly reduced as compared to years past, the City continues its efforts to eliminate structural gaps and achieve a more stable fiscal outlook on a long-term basis.

While Hayward’s underlying economy is viewed as stable and positive in the long-term, today’s economic challenges, notably to the City’s General Fund, must be dealt with immediately to ensure long-term economic stability. The other enormous challenge is continuing to provide an ever-increasing high level of service to the community with limited resources and rising employee benefit costs – while ensuring long-term economic stability.

MAJOR INITIATIVES & ACCOMPLISHMENTS

In early 2020, the Hayward City Council adopted the City’s “Strategic Roadmap,” which included six priority areas: Preserve, Protect & Produce Housing; Grow the Economy; Combat Climate Change; Improve Infrastructure; Improve Organizational Health; and Support Quality of Life. Through the budget planning process, and with City Council direction, the management team has aligned its program priorities and service delivery objectives with these Strategic Priorities. Some of the accomplishments and ongoing efforts in these Priority areas are discussed below.

Capital Improvement Program

One way through which the City implements the Strategic Priorities is through the Capital Improvement Program (CIP). The capital budget for FY20 totaled about \$148 million, with approximately \$520 million tentatively programmed for the entire ten-year period from FY20 through FY29. While the City’s CIP Projects touch the Combat Climate Change, Support Quality of Life, and Improve Organizational Health Priorities, they predominantly support the Improve Infrastructure Priority.

Improve Infrastructure Priority

Complete Hayward Feasibility Study: The Complete Hayward Boulevard Feasibility Study will address speeding and safety concerns on Hayward Boulevard, a vibrant multi-lane arterial that includes residential, commercial, and educational land uses. The intent of the project is to provide recommendations leading to the eventual implementation of a more balanced multi-modal roadway, utilizing traffic calming strategies to improve bicycle and pedestrian accessibility within the corridor. The study is anticipated to be completed in Fall 2021. At that point, funding will be sought to implement the adopted recommendations in a phased approach.

Assess Safe Route for Seniors in the Downtown Area: The proposed Safe Routes for Seniors (SRS) program seeks to make walking in Downtown Hayward safe, pleasant, and accessible for all. In collaboration with local senior housing facilities, senior centers, and community-based organizations, staff will meet with senior residents to identify obstacles to walking, develop a set of design solutions to address their concerns, and either advocate for or implement those solutions on Hayward streets and sidewalks. Benefited by a re-allocation of \$1.9 million dollars of Measure B/BB funding, the Program will ultimately involve the development and construction of recommended mobility and accessibility improvements benefiting seniors in the downtown core.

Mission Blvd Phases 2 & 3: Phase 2 of the Mission Boulevard Corridor Improvement Project involved the improvement of Mission Boulevard from Industrial Parkway to the south City limit, near Blanche Street. The improvements have been constructed to accommodate multi-modal access via a number of efforts, including: new sidewalks, curb ramps, pavement, traffic signals, street lighting, separated bike lanes, transit improvements, landscaping, undergrounding of overhead utilities, replacement of walls/signs at Blanche Street, Fairway Street, and Corrine Street, as well as new fencing. The project includes features such as drought tolerant plants, permeable pavers, reuse of existing pavement, and energy efficient LED streetlights with dimming features. Construction of this Phase of the Mission Boulevard Corridor Improvement Project commenced in March 2018 and was completed in September 2020.

Phase 3 is the final phase of the Mission Boulevard Corridor Improvement Project. Like the Phases before it, Phase 3 will focus on improving multi-modal access on Mission Blvd along the stretch from A Street to the north City limit at Rose Street. Improvements will include a bike lane adjacent to the sidewalk (Cycle Track), new sidewalk, curb ramps, pavement, traffic signals, street lighting, transit improvements, landscaping, undergrounding of overhead utilities, and a new gateway feature at Rose Street. Design work on Phase 3 is anticipated to be completed by December 2020. Construction is anticipated to start in Spring 2021.

Construct Fire Station No. 6 & Fire Training Center: Located on West Winton Avenue, adjacent to the Hayward Executive Airport, the New Fire Station 6 and Fire Training Center Project involves the replacement of the existing Fire Station 6 and Fire Training Center with nine new buildings and structures. New buildings will include: Fire Station 6/Classroom Building, Apparatus Building, Training Tower, Burn Building, Storage Building, Hangar Building, USAR/BART Training Structure, Outdoor Classroom, Entry Canopy, and a parking lot. The project will also include the installation of Bay-friendly landscaping, storm water treatment devices, LED lighting, and solar PV panels. The new facilities are planned to achieve LEED Silver, and the habitable buildings are being designed to achieve Net Zero Energy. Design work was completed in April 2020. Construction started in August 2020 and is anticipated to be complete in the Fall 2022.

Complete Initial Phase of Recycled Water Project: To improve overall water supply reliability and conserve drinking water supplies, the City has been working to implement a recycled water system to deliver tertiary-treated recycled water to sites near the WPCF for landscape irrigation and industrial uses. Construction of the storage tank, pump station, and distribution pipeline system was completed in FY20. Construction of the treatment facility and customer connections to the recycled water system is currently underway, and recycled water deliveries to the first phase of customers are anticipated to begin in mid-FY21. The Phase I customer sites include four parks, six schools, one college, nineteen private businesses, and City street landscaping.

Design & Construct Capital Improvements to Airport Hangars: The FY19 CIP included a Hangar Condition Assessment (HCA), through which a consultant was hired to conduct a physical evaluation of various Airport-owned hangars. The final assessment was provided to Airport staff in mid-FY20. In concert with the City's Council Airport Committee, and with input from the tenants, a ten-year maintenance schedule was developed based on this assessment. Implementation of this maintenance schedule began in FY20, and activities in the first two years of the ten-year plan will primarily involve roof repairs -- particularly those required of the larger executive hangars, which are in the greatest need of refurbishment.

Combat Climate Change Priority

Reduce Carbon Emissions – Transition 15% of Total City Fleet to EV/Hybrid Models: The City maintains a fleet of approximately 450 vehicles and equipment units. The useful life of these fleet units is maximized and managed via the Fleet Capital Replacement Plan. The Plan identifies replacement timelines based on age, mileage, maintenance, and safety. When it comes time to retire a unit, carbon emissions are key consideration in the selection of its replacement.

In FY20, 40 vehicles were scheduled for replacement, and 18 of the new replacement vehicles purchased were either electric or hybrid vehicles. Three of those 18 vehicles included patrol vehicles. Staff are monitoring these hybrid patrol vehicles to ensure they meet the necessary operation and performance requirements in the field. If demonstrated to perform as required, the Fleet Division will continue to work to hybridize the patrol fleet as those vehicles reach the end of their useful life. Staff will also work to invest in electric vehicles (EV) where possible within current replacement cycles and budget parameters. Development of an implementation plan to increase City EV charging infrastructure is necessary in order to accommodate future increases in the City’s EV Fleet.

Support Quality of Life Priority

Complete Tennyson & Jackson Corridor Landscape Beautification: In FY18, as part of the City Council’s Tennyson Corridor Strategic Initiative, staff began renovating the medians along Tennyson Corridor in an effort to transform this busy corridor into a visually appealing community gateway. The three-year project involves new trees, plants, bark chips, pavers, and more, and is anticipated to be completed in FY21. Similar median beautification efforts are planned for the Jackson Corridor, another key arterial road within the City. Also a three year-long project, this effort is scheduled to commence in FY22.

Implement Targeted Illegal Dumping Prevention Program: In a focused, proactive effort, staff are working to implement a pilot program to reduce illegal dumping by initiating a “Bring the Dump to You” pilot program. Illegal dumping refers to the act of dumping large amounts of garbage such as furniture, appliances, and hazardous waste instead of disposing of it properly. Dumped materials attract additional dumping and criminal activities, among other negative community effects. As part of this pilot, staff will mail postcards to identified neighborhoods, letting them know that the City will be providing localized trash collection dumpsters during a designated day to allow for disposal of unwanted items. Staff will evaluate the success of the program by measuring illegal dumping in the area before and after the event.

Complete LaVista Park: In partnership with Hayward Area Recreation and Parks District (HARD), La Vista Park is a 50-acre destination park located a quarter-mile east of the intersection of Tennyson Road and Mission Boulevard in South Hayward. The project is currently undergoing a CEQA update, which could take up to eighteen months. Construction bid documents are anticipated to be completed by Winter 2023, and construction is planned to commence in Spring 2024.

Improve Organizational Health Priority

Replace Aging Fiber Optic Lines between City Facilities: IT infrastructure is the critical backbone of all City systems and business processes. Therefore, it is essential that all systems and supporting infrastructure are reliable and continuously updated. Several of the fiber optic lines owned by the City are beyond their expected age of use and this project will support their replacement.

FINANCIAL INFORMATION

Organizational Health and Fiscal Stability

Long Range Financial Planning: The City continues to refine its long range financial planning tools as part of managing the annual budget for the General Fund, other key revenue funds such as internal service and enterprise funds, and the Capital Improvement Program. Utilizing a ten-year approach has helped the City identify and plan accordingly to manage potential future structural deficits.

Long-term Debt Ratings: The City maintains excellent ratings on all of its debt issuances. In recent fiscal years, the City has received very high ratings from the various rating agencies, including a AA rating from both Fitch and Standard & Poor's of the 2015 Certificates of Participation and a AA+ rating by Standard & Poor's for the 2013 Water Bonds. The City also has an implied general obligation rating of AA+ with a stable outlook from both rating agencies. Standard & Poor's Ratings Services recently reviewed the rating of the 2004 and 2006 TABS and upgraded its rating from A- to A and affirmed a stable outlook. In October, 2020, Fitch affirmed the City's AA+ Issuer Default Rating and maintained the City's outlook as stated. This opinion is likely to improve given recent changes to the City's fiscal outlook. A critical component of the rating agency review is the City's financial management status - i.e., appropriate reserve levels, plans to reduce liabilities, fiscal policies, etc. If the City fails to maintain these areas of fiscal control, the City could see a reduction in future ratings.

Internal Controls: The City's management is responsible for establishing and maintaining an internal control structure designed to ensure that adequate accounting data is compiled to prepare the City's financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the calculation of costs and benefits requires estimates and judgments by management.

Budgetary Controls & Financial Policies

The City Council adopts financial policies that provide guidance to critical areas such as budget administration and long-term planning, debt and cash management, fund balance/reserve levels, and risk management.

Budget Control: Budgetary controls ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Per the City Charter, the City Council is required to adopt an annual budget resolution prior to July 1 of each fiscal year. Activities of all funds, except agency funds, are included in the Annual Budget. The City also adopts a ten-year capital improvement program, appropriating the current year's expenditures in the annual budget. The level of control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City Manager may authorize transfers of appropriations in the adopted budget within funds; however, any revisions which alter the total expenditures of any fund must be approved by the City Council.

Long-term Planning: One of the financial policies noted above outlines the City's goals related to long-range financial forecasting. As recommended by the policy, the City annually prepares and adopts a ten-year financial plan for the General Fund as part of the operating budget.

In addition, the City maintains long-range forecasting models for other key operating funds, including a capital improvement program plan. The City adopts a ten-year Capital Improvement Program annually, that includes planned capital projects in the areas of transportation, low to moderate income housing, pedestrian access, utilities, airport, and internal services capital replacements. All these investments in the various areas reflect the City Council's commitment to maintain or improve the City of Hayward and provide the citizens with the highest possible service and level of infrastructure possible given constrained funding.

Debt Administration: Even as a charter city, Hayward has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the city); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt (such as term). At the end of fiscal year 2020, the City had total debt outstanding of \$127.6 million, which complies with, and is significantly under, the current policy limits. This is further detailed in the accompanying Management Discussion and Analysis (MD&A) section of this document.

Cash Management: The City's investment policy is conservative and is supported by the annual adoption by the City Council of a Statement of Investment Policy that defines the objectives and priorities of the investment program, which stresses the safety and liquidity of funds as the highest priority. The final priority is to achieve the maximum yield possible within the constraints and limits stated in the policy. The City hired a third-party investment manager in July 2012 to assist in managing and balancing the City's pooled cash portfolio, and improving the overall yield within policy guidelines.

Reserve Policies: In complying with the provisions of GASB Statement 54 (fund balance reporting and fund type definitions), some of the current reserve designations have changed. For FY 2020, the policy states that General Fund reserves for economic uncertainty and liquidity should be no less than two months of city operating costs or at least 20% of budgeted General Fund operating expenditures. While further delineated in the accompanying MD&A, at the end of fiscal year 2020, the unassigned fund balance of the General Fund was \$25.3 million, while the total fund balance was \$52.7 million (includes non-cash outstanding receivables of over \$5.2 million and \$21.8 million in Measure C District Tax cash balance). The unassigned fund balance represents 13.7% of total General Fund expenditures of \$184.1 million (including Transfers Out).

AWARDS AND ACKNOWLEDGEMENTS

Award Recognition

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Hayward for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the thirty fourth consecutive year that the City of Hayward has received this prestigious national award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This Report must also satisfy both GAAP and applicable legal requirements.

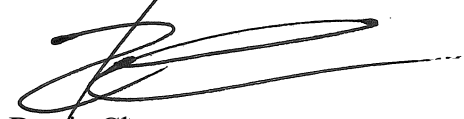
A *Certificate of Achievement for Excellence in Financial Reporting* from the GFOA is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement requirements and staff will submit it to the GFOA to determine eligibility for another certificate.

Acknowledgements

The preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department staff, as well as the audit firm of Maze & Associates. All those who contributed to the preparation of this report deserve commendation for their dedication and hard work. I would like to express special appreciation to Marichu Maramba, Accounting Manager; Michelle Polintan, Senior Accountant; Denise Robles, Accountant; Michele Tan, Accountant; and the entire Accounting Division staff.

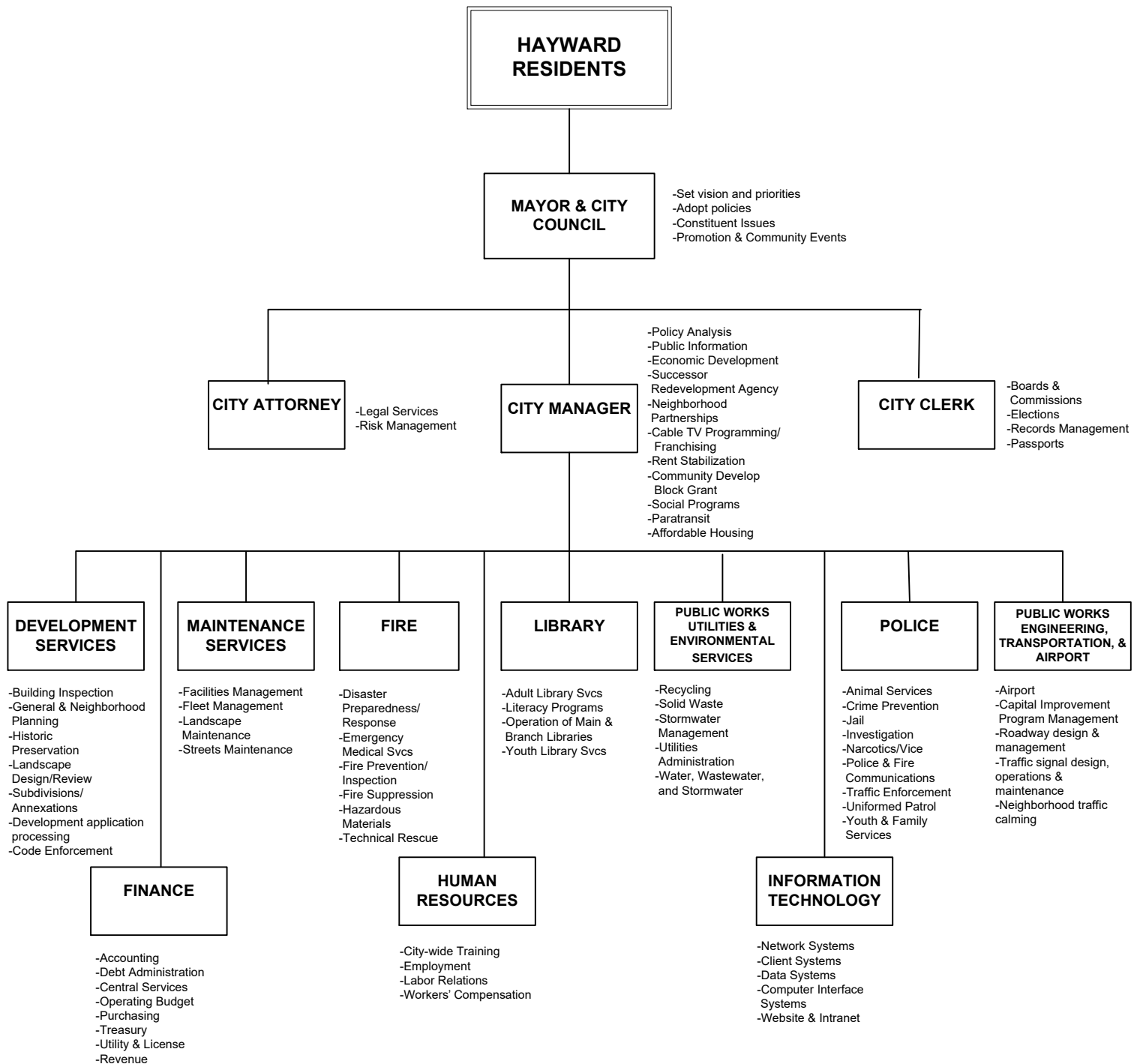
I also wish to recognize the commitment of the City Manager, the Mayor, and the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully Submitted,



Dustin Claussen
Director of Finance
City of Hayward

CITYWIDE ORGANIZATION



ELECTED OFFICIALS

The Mayor and six Council members represent Hayward residents, adopt public policy, and approve resource allocations consistent with community priorities. The City Council generally meets the first, third, and fourth Tuesday of each month at 7:00 p.m. in Council Chambers, 2nd Floor of 777 B Street, Hayward, CA 94541. The public is invited and encouraged to attend Council meetings.



Barbara Halliday
Mayor
Term Expires 2022



Mark Salinas
Council Member
Term Expires 2020



Sara Lamnin
Council Member
Term Expires 2022



Aisha Wahab
Council Member
Term Expires 2022



Elisa Márquez
Council Member
Term Expires 2020



Francisco Zermeño
Council Member
Term Expires 2020



Al Mendall
Council Member
Term Expires 2020

ADMINISTRATIVE STAFF

Appointed by City Council

City Manager	Kelly McAdoo
City Attorney	Michael Lawson
City Clerk	Miriam Lens

Department Directors

Assistant City Manager	Maria Hurtado
Deputy City Manager	Jennifer Ott
Development Services	Laura Simpson
Finance	Dustin Claussen
Fire	Chief Garrett Contreras
Human Resources (interim)	Maria Hurtado
Information Technology	Adam Kostrzak
Library	Jayanti Addleman
Maintenance Services	Todd Rullman
Police	Chief Toney Chaplin
Public Works - Engineering, Transportation & Airport	Alex Ameri
Public Works - Utilities & Environmental Services	Alex Ameri



Government Finance Officers Association

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**City of Hayward
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S OPINION

To the Honorable Members of the City Council
City of Hayward, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hayward (City), California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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 the 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We 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 City's basic financial statements. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pleasant Hill, California
December 18, 2020

CITY OF HAYWARD, CALIFORNIA Management's Discussion and Analysis

As management of the City of Hayward (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal, which can be found in the preceding introductory section of this report, and with the City's basic financial statements and accompanying notes to those financial statements.

Financial Highlights

- ❑ At the close of the most recent fiscal year, the City's asset and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$410.4 million (*total net position*). Excluding the \$440.4 million net pension liability, \$267.1 million of unrestricted net position is available to meet the City's ongoing obligations to residents and creditors.
- ❑ The City's total net position increased by \$41.4 million over fiscal year 2019. Governmental activities, including the General Fund, increased by \$13.0 million and Business-type activities increased by \$28.4 million.
- ❑ As of June 30, 2020, the City's governmental funds reported combined fund balances of \$165.1 million, an increase of \$9.6 million from the prior year.
- ❑ At the end of fiscal year 2020, total fund balance for the General Fund was \$52.7 million, an increase of \$2.1 million over fiscal year 2019. The total fund balance is comprised of \$5.2 million in non-spendable (illiquid reserves), \$22.1 million in assigned (liquid reserves designated for specific purposes), and \$25.3 million in spendable fund balance designated for contingencies, economic uncertainty, emergencies, and liquidity by City Council. The \$25.3 million represents 13.7% of total General Fund expenditures including Transfers Out. The \$5.2 million in non-spendable reserves offsets a long-term loan receivable (General Fund loan to the Redevelopment Successor Agency).
- ❑ Fiscal year 2020 ended with a net decrease to the General Fund, General Purpose Fund Reserve of \$6.0 million (net of Measure C district sales tax revenues).
- ❑ As of June 30, 2020, the City's enterprise funds (Sewer, Water, Stormwater and Airport) reported a combined ending net position of \$348.9 million; an increase of \$28.4 million from the previous year.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary budget vs. actual information and other statistical supplementary information.

Government-wide Financial Statements. (pages 17-19) The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* (see Table 1 below on page 6) presents information on all of the City's assets and liabilities, 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 City is improving or deteriorating. It should be noted that net position includes liquid and illiquid assets (cash and non-cash).

The *statement of activities and change in net position* (see Table 2 below on page 8) presents information showing how the government'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 related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow impacts in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the *government-wide financial statements* distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include: general government; public safety; public works and transportation; library and community services; planning and building; maintenance services; and interest on long-term debt. The business-type activities of the City include: sewer and water services; storm water runoff management; and the Hayward Executive Airport.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 City can be divided into three categories: governmental funds; proprietary funds; and fiduciary funds.

Governmental Funds. (pages 22-28) Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds are more narrow than that of the government-wide financial statements, it is useful to compare the information presented for *government 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 City'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 fund and governmental activities.

The City maintains twenty-three individual government funds for financial reporting. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Federal Grants, Housing Authority, Route 238 Corridor Improvement Fund and General Capital Projects Fund all of which are considered to be major funds. Data from the other eighteen 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* in the *Non-major Governmental Funds* section of this Report. *Combining statements* present and summarize all the details of the non-major funds.

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement is provided for all governmental funds with annually adopted budgets. The budget comparison statements for the General Fund, Federal Grants Special Revenue Fund, Housing Authority Capital Project Fund, the Route 238 Corridor Improvement Capital Project Fund and General Capital Projects Fund are located in the financial statements starting on page 106 of this report. All other major and non-major funds with legally adopted annual budgets are located in the supplementary information section.

Proprietary Funds. (pages 30-32) The City maintains two different types of *proprietary funds*, the Enterprise Funds and the Internal Service Funds. The *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer, water, storm water runoff, and airport operations. The *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Workers Compensation, General Liability, Fleet Management, Facilities, Information Technology, and Employee Benefits Funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the *government-wide financial statements*, only in more detail. The proprietary fund financial statements provide separate information for the Sewer and Water Funds which are considered to be major funds. Conversely, the Airport Fund and internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* in the *Internal Service Funds* section of this Report.

Fiduciary Funds. (pages 34-35) Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs.

Notes to the Basic Financial Statements. (pages 37-90) The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, supplementary information on major and non-major governmental funds and internal service funds are presented in this report. Combining and individual fund statements and schedules can be found beginning on page 106 of this Report.

Government-wide Financial Analysis

The *statement of net position* and the *statement of activities* of the City's governmental activities and business-type activities are presented below in Tables 1 and 2.

Statement of Net Position. As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the City, total assets exceeded total liabilities by \$410.4 million at the close of the current fiscal year, an increase from the prior year of \$41.4 million. The change in the combined net position includes an increase of \$13.0 million in Governmental Activities, and an increase of \$28.4 million in Business-type Activities.

Table 1 – City of Hayward Statement of Net Position *(in millions)*

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$230.8	\$216.8	\$248.7	\$219.7	\$479.6	\$436.5
Capital assets	420.9	413.4	190.5	191.8	611.4	605.2
Total assets	651.8	630.2	439.2	411.5	1,091.0	1,041.7
Deferred outflows	67.6	61.3	4.6	3.9	72.2	65.2
Liabilities						
Long term debt outstanding	85.6	86.5	42.0	39.9	127.6	126.4
Other liabilities	532.3	541.8	46.9	53.5	579.2	595.3
Total liabilities	617.9	628.3	88.9	93.4	706.8	721.7
Deferred inflows	39.9	14.7	6.0	1.6	45.9	16.3
Net position:						
Net investments in capital assets	341.0	329.5	148.4	148.4	489.4	477.9
Restricted	94.1	41.1	0.3	0.0	94.4	41.1
Unrestricted*	(373.5)	(322.1)	200.2	172.1	(173.3)	(150.0)
Total net position	\$61.5	\$48.5	\$348.9	\$320.5	\$410.4	\$369.0

* Unrestricted net position for June 30, 2020, included the City's \$440.4 million net pension liability, which is not a claim on current financial assets.

The largest portion of the fiscal year 2020 City's net position, \$489.4 million, reflects its investment in capital assets (e.g. land; buildings; street infrastructure; sewer and water pipelines; machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources (future revenue), since the capital assets themselves cannot be used to liquidate these liabilities.

In fiscal year 2020, the City's net position included \$72.2 million in deferred outflows of resources. Of this amount, \$57.9 million is related to pensions. This includes \$36.0 million related to pension contributions after the measurement date, as well as \$21.9 million attributable to changes in calculation assumptions and differences between expected and actual trust fund performance. \$13.7 million of the deferred outflows are related to other post-employment benefits (OPEB). \$7.5 million of these OPEB related deferred outflows is related to employer contributions after the measurement date and \$6.2 million is related to changes in assumptions and trust performance. Finally, \$0.7 million in outflows is related to 2016 refunding of certificates of participation, resulting in a deferred loss.

The City's long-term debt of \$127.7 million includes \$9.8 million due within one year, as well as an additional \$117.9 million due in future years.

The largest share of the City's other liabilities is comprised of \$440.4 million in net pension liabilities and \$79.2 million in OPEB liabilities, as detailed in Note 12 and Note 14, respectively. Other major liabilities include \$27.0 million in accrued liabilities, \$12.3 million in accounts payable, \$9.5 million in total compensated absences, and \$7.9 million in refundable deposits.

Deferred inflows of resources totaled \$45.9 million in fiscal year 2020, \$7.9 million related to pensions and \$38.1 million related to OPEB. Pension-related deferred inflows are comprised of \$1.5 million in differences between actual and expected experience; \$2.3 million in changes to calculation assumptions; and \$4.1 million in net difference between projected and actual earnings on investments. OPEB-related deferred inflows are due to changes of liability assumptions.

A portion of the City's net position, \$94.4 million, represents the resources that are subject to external restrictions on how they may be used. Almost all of the restricted net position is related to City's special revenue and capital projects funds. Excluding the \$440.4 million net pension liability, \$173.3 million of unrestricted net position is available to meet the City's ongoing obligations to residents and creditors.

Statement of Activities. The Statement of Activities provides information about all the City's revenues and expenses, with an emphasis on measuring net revenues or expenses of each of the City's programs and explains in detail the change in Net Position for the year. The City's governmental activities net position increased by a net total of \$13.0 million.

Table 2 – City of Hayward Statement of Activities and Change in Net Position *(in millions)*

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues						
Charges for services	\$21.8	\$26.0	\$100.7	\$105.6	\$122.4	\$131.6
Operating contributions and grants	14.8	14.9	0.1	-	14.9	14.9
Capital contributions and grants	5.8	4.8	-	-	5.8	4.8
	42.3	45.7	100.8	105.6	143.1	151.3
General revenues						
Property tax	58.9	56.0	-	-	58.9	56.0
Sales tax	56.6	52.9	-	-	56.6	52.9
Utility user tax	16.1	16.9	-	-	16.1	16.9
Real property transfer tax	12.2	12.3	-	-	12.2	12.3
Franchise fees	10.6	9.7	-	-	10.6	9.7
Other taxes	15.1	15.5	-	-	15.1	15.5
Investment earnings	3.3	3.3	5.1	4.3	8.4	7.6
Gain on sale of land for resale	-	11.0	-	-	-	11.0
Loss from equity investment	-	-	-	(0.1)	-	(0.1)
Miscellaneous	15.2	7.8	-	-	15.2	7.8
General revenues subtotal	187.8	185.4	5.1	4.2	192.9	189.6
Total Revenues	230.1	231.1	105.9	109.8	336.0	340.9
Expenses by activity						
General Government	30.3	26.8	-	-	30.3	26.8
Public safety	128.6	130.1	-	-	128.6	130.1
Public works and transportation	22.1	26.1	-	-	22.1	26.1
Library and neighborhood services	11.0	10.0	-	-	11.0	10.0
Economic development	2.6	2.2	-	-	2.6	2.2
Planning and building	10.7	10.7	-	-	10.7	10.7
Maintenance services	12.1	12.0	-	-	12.1	12.0
Interest on long term debt	2.8	2.9	-	-	2.8	2.9
Sewer	-	-	20.1	22.1	20.1	22.1
Water	-	-	47.7	46.8	47.7	46.8
Airport	-	-	3.8	4.0	3.8	4.0
Stormwater	-	-	2.8	2.8	2.8	2.8
Recycling	-	-	0.0	-	0.0	-
Total expenses	220.2	220.8	74.4	75.7	294.5	296.5
Increase (decrease) before transfers	9.9	10.3	31.5	34.1	41.5	44.4
Transfers	3.1	3.7	(3.1)	(3.7)	-	-
Change in Net Position	13.0	13.9	28.4	30.4	41.5	44.4
Beginning Net Position	48.5	34.6	320.5	290.1	369.0	324.7
Ending Net Position (June 30)	\$61.5	\$48.5	\$348.9	\$320.5	\$410.5	\$369.0

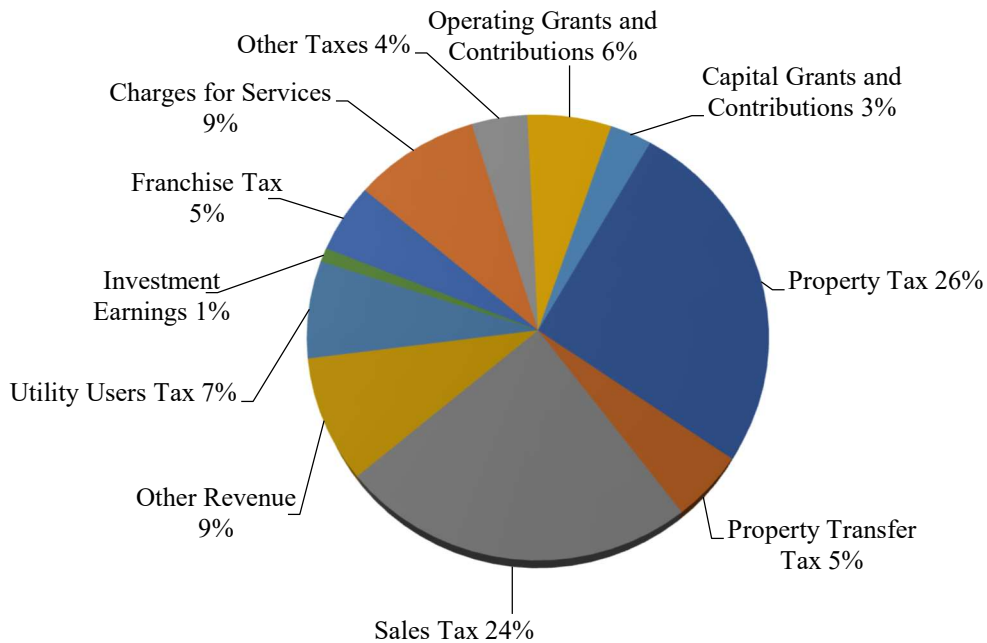
Governmental Activities Revenues

Governmental revenues are categorized as Program Revenues and General Revenues. Program revenue includes charges for services such as traffic safety fines, licenses, permits, plan check fees, building inspection and other construction related fees. Contributions and grants include amounts contributed by developers and grants from state and federal government, of which the majority is public works capital grants. General Revenues includes general taxes (property, sales, etc.). Total revenues decreased by \$1.0 million:

- A Gain on Sale of Land for Resale sale of city property along the Route 238 corridor increased one-time revenues in 2019 \$11 million, with a corresponding decrease in 2020.

- ❑ Charges for Services decreased by \$4.2 million versus prior year, as a result of a reduction in services offered during the initial months of the Covid-19 pandemic.
- ❑ Operating contributions and grants decreased by \$0.1 million compared to prior year due to a small reduction in the amount of award grant money from outside agencies.
- ❑ Capital contributions and grants increased slightly by \$1.0 million over the prior year.
- ❑ Property Taxes increased by \$2.9 million over the prior year, due to continued growth in residential use property values.
- ❑ Sales Taxes increased by \$3.7 million over the prior year, due to increased collection of sales taxes on online sale as a result of the *Wayfair* decision in FY 2019 as well as moderate business to business growth.
- ❑ Real Property Transfer Tax remained largely stable, with a decrease of \$0.1 million versus 2019. The bulk of the effect on RPTT of the slowdown prompted by the Covid-19 pandemic are expected for 2021.

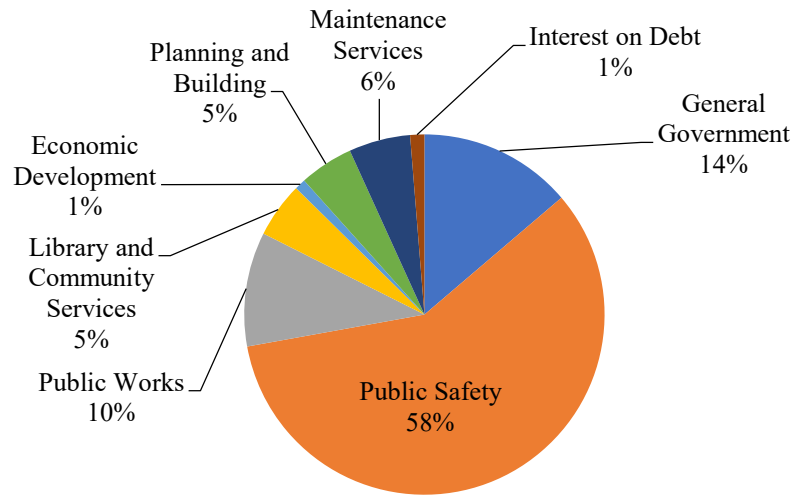
Chart 1 – Revenues by Source – Governmental Activities for Fiscal Year 2020



Governmental Activities Expenses

The governmental expenses (excluding transfers) decreased by \$0.6 million to \$220.2 million. Operational cost reductions of \$3.6 million in public works and \$1.5 million public safety were offset by an increase of \$3.4 million in general government costs in response to the Covid-19 pandemic and \$1.0 million in costs associated with the operation of the new 21st Century Library. Chart 2, *Expenses by Function* summarizes governmental expenses by category.

Chart 2 – Expenses by Function – Governmental Activities for Fiscal Year 2020



Business-Type Activities. The net position of business-type activities was \$348.9 million at June 30, 2020, an increase of \$28.4 million from last fiscal year. Program revenues totaled \$105.9 million, while program expenses totaled \$74.4 million.

As the *Revenue by Source* chart indicates, charges for utility services account for 95.2% of the revenue for the City's enterprise funds. Most of the revenues are generated by the Water and Sewer enterprises.

Chart 3 – Revenues by Source – Business-type Activities

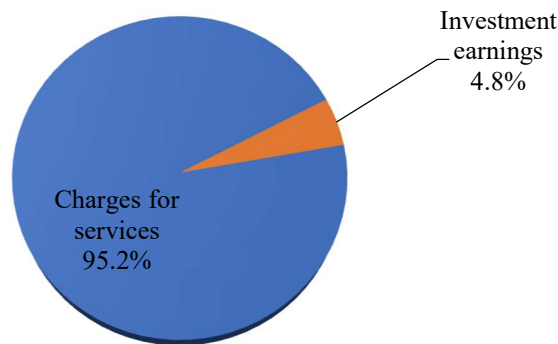
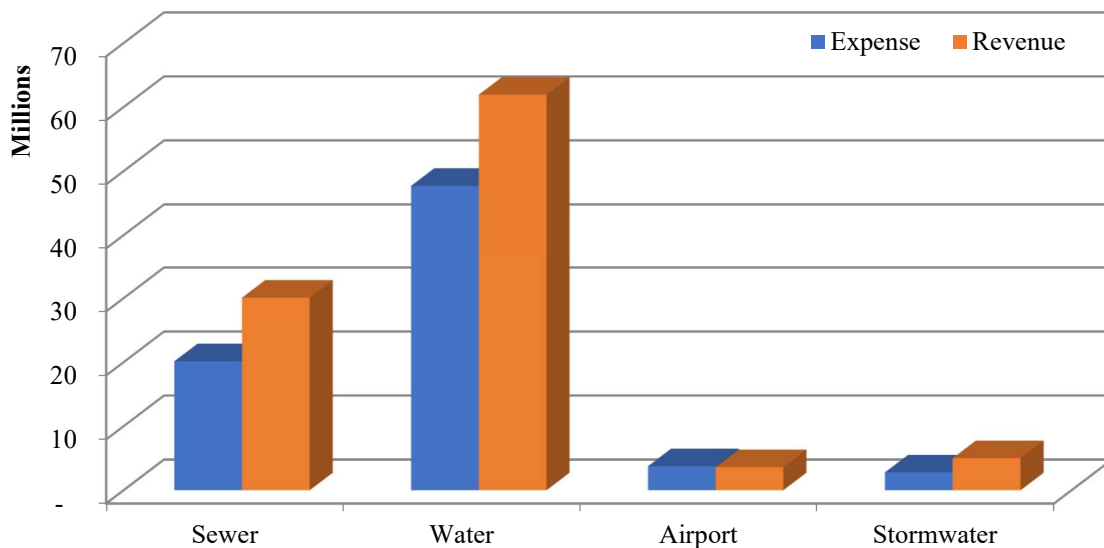


Chart 4 – Expenses and Program Revenues – Business-type Activities



The *Expenses and Program Revenues* chart above illustrates both expenditures and revenues for operations and capital improvements for the City’s business-type activities.

Water, Sewer and Stormwater Funds increased their net position. Sewer saw an increase of \$9.9 million, water increased by \$14.2 million and Stormwater increased by \$2.2 million. Given future capital expenses to be borne by these funds and increased water usage, this is an appropriate level of revenue growth. The Airport Fund experienced a decrease in net position of \$0.1 due to flat revenues and despite a \$0.3 million reduction in expenses.

Financial Analysis of the Government’s Funds

Governmental Funds. The purpose of the City’s governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s funding 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 year. It should be noted that unassigned amounts are designated by City Council for specific purposes.

At the end of fiscal year 2020, the City’s governmental funds reported combined ending fund balances of \$165.1 million, an increase of \$9.6 million over prior year, due to reductions in operation and capital expenditures across all city functions. Approximately \$149.0 million of the fund balance or 90.2% represents Non-Spendable, Restricted, and Assigned fund balances; and \$16.1 million or 9.8% is Unassigned and is available for spending at the City’s discretion pursuant internal and statutory restrictions, this amount represents the General Fund Reserve balance.

General Fund. The General Fund, by definition, is a major governmental fund and represents all funds not required to be accounted for or presented as other funds. The General Fund accounted for 80.0% of the total governmental revenues and 77.1% of the total expenditures. Several primary City services are accounted for in the General Fund, including public safety (police and fire services), general government, development services, maintenance services, and library and community services.

At the end of fiscal year 2020, the General Fund’s Unassigned fund balance was \$25.3 million (exclusive of Measure C), a decrease of \$5.2 million from the prior year. The total fund balance, inclusive of Non-spendable and Assigned balances, was \$52.7 million, an increase of \$2.1 million from the prior fiscal year. This difference is due to a reduction in transfers out to capital projects funded by the Measure C District Sales Tax. Measure C transfers were reduced by \$12.7 million versus prior year, largely because of the completion of major construction on the 21st Century Library project. The reduction in capital transfers offsets the \$6.0 million of General Fund balance used in fiscal year 2020 in response to the Covid-19 pandemic.

As a measure of the General Fund’s liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 14.7% of total General Fund expenditures of \$172.7 million (including Transfers Out).

General Fund Budgetary Highlights. Fiscal year 2020 ended with a Net Change in Fund Balance of \$2.1 million (GAAP Basis).

Table 3 – Fiscal Year 2020 General Fund Budget Summary *(in thousands)*

<i>(reflected in thousands)</i>	A 2020 Adopted	B 2020 Adjusted	C 2020 Actual	Variance (C-B)	Variance %
Revenues	\$185,605	\$184,508	\$183,535	\$(973)	-1.0%
Expenditures	165,206	171,522	166,507	(5,015)	-2.9%
Transfers In/(Out)	(44,524)	(44,524)	(14,926)	29,597	-66.5%
Net Change in Fund Balance (Budget Basis)	\$(19,497)	\$(31,568)	\$2,101	\$33,669	

The net change in fund balance for fiscal year 2020 based on actual performance (column C) is positive \$2.1 million. The net change in fund balance is primarily attributed to a reduction in capital outlays and transfers to other funds. This fund balance summary on page 106 reflects the Net Change in Fund Balance on a budget basis. Generally accepted accounting principles (GAAP Basis) require that all funds not required to be accounted for in other funds be included in the General Fund, resulting in several general ledger funds being combined and reported as the General Fund in the financial statements. These adjustments represent the GAAP Basis Fund balance and form a Net Change in Fund Balance of positive \$2.1 over prior year.

Other Major Governmental Funds. In addition to the General Fund, there are four other governmental funds considered to be major due to significant balances or activities in the current year and warrant a separate discussion in the management discussion and analysis: Federal Grants, Housing Authority Capital Projects Fund and General Capital Projects Fund.

Federal Grants Fund accounts for various federal grants received by the City, with each grant segregated within the fund to account for specific grant allocations and expenditures for specific purpose, activity or program.

The Housing Authority Fund Capital Projects Fund maintains loans for affordable housing projects.

The General Capital Projects Fund Accounts for General Fund and special revenue fund acquisition and construction of general-purpose public facilities, street resurfacing and improvements.

Proprietary Funds. The City’s proprietary-enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of fiscal year 2020, the unrestricted net position of the Sewer and Water Funds amounted to \$99.8 and \$89.0 million, respectively. Sewer net position increased by \$14.9 million and Water net position increased to \$11.3 million. This change in net position is consistent with fiscal year 2019, in which Sewer and Water net position increased \$15.6 million and \$14.8 million respectively

Fiduciary Funds. The Successor Agency to the Redevelopment Agency Private Purpose Trust Fund provides information about the City’s former Redevelopment Agency. In fiscal year 2020 the fund ended with a net position of \$5.6 million, an increase of \$2.0 million over prior fiscal year. The Successor Agency Fund is supported by property taxes, investment income, and rental income. These revenues exceeded the funds expenses in both the current and prior fiscal years.

Capital Asset and Debt Administration

Capital Assets. As of June 30, 2020, the City’s investments in capital assets for its governmental and business-type activities are \$611.5 million (net of accumulated depreciation) as presented below in Table 4. The investment in capital assets includes land, buildings, land improvements, machinery and equipment, vehicles, and street infrastructure such as roads, bridges, streetlights, traffic signals, airport hangers, sewer, and water pipelines. The City’s investment in capital assets for the current fiscal year increased by 1.0%, with several projects moving from being classified as Construction in Progress to classified as completed Buildings.

Table 4 – City of Hayward Capital Assets (in millions)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$19.0	\$19.0	\$4.8	\$4.8	\$23.8	\$23.8
Construction in progress	47.6	77.0	48.0	41.3	95.6	118.3
Buildings	73.7	29.7	14.9	15.6	88.6	45.3
Improvements other than buildings	18.1	18.2	-	-	18.1	18.2
Machinery and equipment	23.3	22.3	26.4	27.6	49.7	49.9
Street infrastructure	239.3	247.3	-	-	239.3	247.3
Sewer infrastructure	-	-	61.5	65.3	61.5	65.3
Water infrastructure	-	-	26.7	28.4	26.7	28.4
Airport infrastructure	-	-	8.2	8.9	8.2	8.9
Total	\$421.0	\$413.5	\$190.5	\$191.9	\$611.5	\$605.4

Additional information on the City’s capital assets can be found in Note 5 to the basic financial statements.

Debt Administration. At the end of fiscal year 2020, the City had total bonded debt outstanding of \$127.7 million as presented in Table 5. This represents a decrease of \$8.0 million versus the prior year. Of the total outstanding bond debt, \$79.7 million represents certificates of participation debt for Civic Center Project (City Hall) and 21st Century Library; \$6.5 million represents lease revenue bonds for capital improvements; \$1.3 million represents capital leases for a solar power generator, fleet vehicles, computer, and telephone equipment; \$35.6 million represents State Water Board financing for a water pollution control facility; \$3.7 million private placement lease; \$0.9 million loan represents loan from State Energy Resources Conservation and Development Commission.

With the dissolution of the City’s Redevelopment Agency, tax allocation bonds for redevelopment projects are no longer reflected in the City’s financial statements as this debt is now part of the Successor Agency to the Hayward Redevelopment Agency.

Table 5 – City of Hayward Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Certificates of Participation	\$79.7	\$84.5	\$ -	\$ -	\$79.7	\$84.5
Lease Revenue Bonds	0.1	0.2	6.4	5.0	6.5	5.2
Capital Lease Obligations	1.3	2.4	-	-	1.3	2.4
Private Placement Loan	3.7	4.1	-	-	3.7	4.1
State Water Resources Control Board Loan	-	-	35.6	38.4	35.6	38.4
State Energy Resources Conservation	0.9	1.2	-	-	0.9	1.2
Total Long-Term Debt	\$85.7	\$92.3	\$42.0	\$43.4	\$127.7	\$135.7

Local Improvement Districts (LIDS) in different parts of the City and a Community Facilities District #1 (Eden Shores) have also issued debt to finance infrastructure and facilities construction in their respective districts. As described in Note 8 to the financial statements, the City has sponsored special assessment debt issues, but has no legal liability for repayment. Therefore, these are not included in the City’s governmental debt. As of June 30, 2020, a total of \$5.3 million in special assessment district debt was outstanding by four special assessment districts. (Further detail regarding the City debt can be found in Note 8 to the financial statements.)

Economic Outlook and Major Initiatives

The economy of the City and major initiatives are discussed in the Transmittal Letter located in the Introductory Section of the CAFR.

Contacting the City’s Financial Management

This report is designed to provide a general overview of the City’s finances for all those with an interest in the government’s finances. Additional financial information is available on our website at: www.hayward-ca.gov . Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Hayward Finance Department, 777 B Street, Hayward, California 94541-5007.

CITY OF HAYWARD, CALIFORNIA

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and deferred outflows and all its liabilities and deferred inflows, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's Net Position, by subtracting total liabilities and deferred inflow of resources from total assets and deferred outflow of resources.

The Statement of Net Position summarizes the financial position of the entire City's Governmental Activities in a single column, and the financial position of the entire City's Business-Type Activities in a single column; these columns are followed by a total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared using the full accrual basis of accounting, which means it includes all the City'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.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the Hayward Public Financing Authority, the Hayward Business Improvement District and the Hayward Housing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for activities.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

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CITY OF HAYWARD
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash, cash equivalents, and investments (Note 2)	\$167,618,966	\$208,813,581	\$376,432,547
Cash, cash equivalents, and investments with fiscal agents (Note 2)	10,719,667	284,001	11,003,668
Accounts receivable, net	4,019,715	19,525,732	23,545,447
Due from other governments	11,149,052	1,571,504	12,720,556
Interest receivable	247,846	3,819	251,665
Internal balances (Note 4)	(3,091,745)	3,091,745	
Loans receivable (Note 3)	27,575,058	575,362	28,150,420
Long-term loans to the Private Purpose Trust Fund (Note 19)	9,139,979		9,139,979
Land held for resale (Note 1)	3,448,652		3,448,652
Deposits, parts, supplies and other	6,460	4,494,828	4,501,288
Investment in East Bay Dischargers Authority (Note 16)		10,382,103	10,382,103
Capital assets (Note 5):			
Land	18,950,817	4,757,492	23,708,309
Construction in progress	47,562,563	48,041,965	95,604,528
Depreciable capital assets, net	354,417,169	137,664,640	492,081,809
Total assets	<u>651,764,199</u>	<u>439,206,772</u>	<u>1,090,970,971</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions (Note 12)	55,288,047	2,586,000	57,874,047
Related to OPEB (Note 14)	11,634,691	2,042,732	13,677,423
Deferred loss on refunding (Note 6)	656,051		656,051
Total deferred outflow of resources	<u>67,578,789</u>	<u>4,628,732</u>	<u>72,207,521</u>
LIABILITIES:			
Accounts payable	7,726,976	4,548,145	12,275,121
Accrued interest	439,431	264,363	703,794
Accrued liabilities	26,442,386	585,206	27,027,592
Unearned revenue	1,271,052	649,706	1,920,758
Refundable deposits	4,750,747	3,151,121	7,901,868
Accrued reclamation costs (Note 10):			
Due within one year		125,000	125,000
Compensated absences (Note 1):			
Due within one year	6,555,861	934,117	7,489,978
Due in more than one year	1,726,176	295,020	2,021,196
Long-term debt (Note 6):			
Due within one year	5,840,165	3,953,694	9,793,859
Due in more than one year	79,773,880	38,077,451	117,851,331
Net pension liabilities, due in more than one year (Note 12)	416,086,473	24,319,464	440,405,937
Net OPEB obligations, due in more than one year (Note 14)	67,268,629	12,006,092	79,274,721
Total liabilities	<u>617,881,776</u>	<u>88,909,379</u>	<u>706,791,155</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions (Note 12)	7,492,559	371,030	7,863,589
Related to OPEB (Note 14)	32,429,224	5,650,040	38,079,264
Total deferred inflow of resources	<u>39,921,783</u>	<u>6,021,070</u>	<u>45,942,853</u>
NET POSITION (Note 9):			
Net investments in capital assets	340,992,711	148,432,952	489,425,663
Restricted for:			
Public safety	425,652		425,652
Debt service	7,276,339	284,001	7,560,340
Public works and transportation	26,001,056		26,001,056
Planning and building	32,076,632		32,076,632
Economic development activities	28,298,307		28,298,307
Total restricted net position	<u>94,077,986</u>	<u>284,001</u>	<u>94,361,987</u>
Unrestricted	(373,531,268)	200,188,102	(173,343,166)
Total net position	<u>\$61,539,429</u>	<u>\$348,905,055</u>	<u>\$410,444,484</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
General government	\$30,267,967	\$4,220,061	\$4,879,730	
Public safety	128,620,640	4,240,808	3,441,185	
Public works and transportation	22,129,650	4,894,837	6,286,369	\$5,780,882
Library and community services	10,983,659	885,787	150,332	
Economic development	2,565,850	544,108		
Planning and building	10,662,520	5,479,966		
Maintenance services	12,156,273	1,489,507		
Interest on long-term debt	2,784,563			
Total Governmental Activities	220,171,122	21,755,074	14,757,616	5,780,882
BUSINESS-TYPE ACTIVITIES:				
Sewer	20,147,930	30,078,797	119,683	
Water	47,714,898	61,951,757		
Airport	3,755,558	3,616,344		
Stormwater	2,784,429	5,019,351		
Recycling	16,514			
Total Business-type Activities	74,419,329	100,666,249	119,683	
Total	\$294,590,451	\$122,421,323	\$14,877,299	\$5,780,882

GENERAL REVENUES:

Taxes:
Property taxes
Sales taxes
Utility users tax
Real property transfer tax
Franchise tax
Business tax
Excise tax
Other taxes
Motor vehicle in-lieu, unrestricted
Investment earnings
Miscellaneous
TRANSFERS (Note 4)
Total General Revenues And Transfers

CHANGE IN NET POSITION

BEGINNING NET POSITION

ENDING NET POSITION

See accompanying notes to basic financial statements

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
(\$21,168,176)		(\$21,168,176)
(120,938,647)		(120,938,647)
(5,167,562)		(5,167,562)
(9,947,540)		(9,947,540)
(2,021,742)		(2,021,742)
(5,182,554)		(5,182,554)
(10,666,766)		(10,666,766)
(2,784,563)		(2,784,563)
<u>(177,877,550)</u>		<u>(177,877,550)</u>
	\$10,050,550	10,050,550
	14,236,859	14,236,859
	(139,214)	(139,214)
	2,234,922	2,234,922
	(16,514)	(16,514)
	<u>26,366,603</u>	<u>26,366,603</u>
<u>(177,877,550)</u>	<u>26,366,603</u>	<u>(151,510,947)</u>
58,939,316		58,939,316
56,566,457		56,566,457
16,065,943		16,065,943
12,150,286		12,150,286
10,581,960		10,581,960
4,057,795		4,057,795
2,383,998		2,383,998
8,505,009		8,505,009
126,184		126,184
3,272,626	5,088,464	8,361,090
15,167,508		15,167,508
3,054,013	(3,054,013)	
<u>190,871,095</u>	<u>2,034,451</u>	<u>192,905,546</u>
12,993,545	28,401,054	41,394,599
<u>48,545,884</u>	<u>320,504,001</u>	<u>369,049,885</u>
<u>\$61,539,429</u>	<u>\$348,905,055</u>	<u>\$410,444,484</u>

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CITY OF HAYWARD, CALIFORNIA

FUND FINANCIAL STATEMENTS

The Fund financial statements include only individual major funds are presented, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2020. Individual non-major funds are reported in the Supplemental Section.

General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources, which are not accounted for in another fund.

Federal Grants accounts for various federal grants received by the City, with each grant segregated within the fund to account for specific grant allocations and expenditures for specific purpose, activity or program.

Housing Authority – Under a cooperation agreement with the former Redevelopment Agency, the Housing Authority will use resources for purposes consistent with the California Health and Safety Code. The fund accounts for the activities financed by grants of the tax increment revenue from the former Redevelopment agency.

General Capital Projects Fund – Accounts for General Fund and special revenue fund acquisition and construction of general purpose public facilities, street surfacing and improvements.

Route 238 Corridor Improvement Fund – Accounts for various roadway improvements along Foothill Boulevard and Mission Boulevard between northern city limits and Industrial Parkway including a downtown one way loop street system, peak hour traffic lanes, pedestrian and bicycle improvements, and landscaping enhancements.

CITY OF HAYWARD
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2020

	<u>General*</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>
		<u>Federal Grants</u>	<u>Housing Authority</u>
ASSETS:			
Cash, cash equivalents, and investments (Note 2)	\$35,631,028	\$2,105,513	\$8,818,060
Cash, cash equivalents, and investments with fiscal agents (Note 2)			
Accounts receivable, net	2,168,196	5,250	
Due from other governments	8,961,284		
Interest receivable		28,341	
Due from other funds (Note 4)	16,469,998		
Loans receivable (Note 3)		12,704,058	9,385,440
Long-term loans to the Private Purpose Trust Fund (Note 19)	5,236,442		3,876,516
Land held for resale (Note 1)			707,539
Deposits, parts, supplies and other	6,460		
Total Assets	<u>\$68,473,408</u>	<u>\$14,843,162</u>	<u>\$22,787,555</u>
LIABILITIES:			
Accounts payable	\$2,972,446	\$59,435	\$162
Accrued liabilities	5,385,779		2,564
Due to other funds (Note 4)			
Long-term interfund payables (Note 4)	3,091,745		
Unearned revenue			
Refundable deposits	4,340,263		
Total Liabilities	<u>15,790,233</u>	<u>59,435</u>	<u>2,726</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue		5,250	
Total Deferred Inflows of Resources		<u>5,250</u>	
FUND BALANCES (Note 9):			
Nonspendable	5,242,902		
Restricted:			
Public safety			
Public works and transportation			
Planning and building		14,778,477	
Economic development			22,784,829
Debt service			
Assigned	22,092,043		
Unassigned	25,348,230		
Total Fund Balances (Deficit)	<u>52,683,175</u>	<u>14,778,477</u>	<u>22,784,829</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$68,473,408</u>	<u>\$14,843,162</u>	<u>\$22,787,555</u>

See accompanying notes to basic financial statements

* Includes balances related to the City's Measure C District Sales Tax.

Capital
Projects Funds

General Capital Projects	Route 238 Corridor Improvement	Other Governmental Funds	Total Governmental Funds
\$17,366,596	\$4,799,488	\$50,817,676	\$119,538,361
10,697,218		22,449	10,719,667
91,011	640,477	283,927	3,188,861
		2,187,768	11,149,052
61,790		60,676	150,807
			16,469,998
		5,485,560	27,575,058
			9,112,958
	2,741,113		3,448,652
			6,460
<u>\$28,216,615</u>	<u>\$8,181,078</u>	<u>\$58,858,056</u>	<u>\$201,359,874</u>
\$524,885	\$444,729	\$1,542,391	\$5,544,048
1,194	667	54,299	5,444,503
	16,273,997	196,001	16,469,998
			3,091,745
10,850	640,477	243,226	894,553
62,981	34,203	306,249	4,743,696
<u>599,910</u>	<u>17,394,073</u>	<u>2,342,166</u>	<u>36,188,543</u>
<u>80,162</u>		<u>1,210</u>	<u>86,622</u>
<u>80,162</u>		<u>1,210</u>	<u>86,622</u>
			5,242,902
		425,652	425,652
		26,001,056	26,001,056
		17,298,155	32,076,632
		5,513,478	28,298,307
		7,276,339	7,276,339
27,536,543			49,628,586
	(9,212,995)		16,135,235
<u>27,536,543</u>	<u>(9,212,995)</u>	<u>56,514,680</u>	<u>165,084,709</u>
<u>\$28,216,615</u>	<u>\$8,181,078</u>	<u>\$58,858,056</u>	<u>\$201,359,874</u>

CITY OF HAYWARD
GOVERNMENTAL FUNDS
BALANCE SHEET - RECONCILIATION OF GOVERNMENTAL
FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020

Total Fund Balances reported on the governmental funds balance sheet \$165,084,709

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS - GOVERNMENTAL ACTIVITIES

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.

Land	18,578,069
Construction in progress	46,407,048
Depreciable capital assets, net	334,641,235

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	48,080,605
Accounts receivable	830,854
Due from other funds	97,039
Deposits, parts, supplies and other	
Long-term loans to the Private Purpose Trust Fund	27,021
Land	372,748
Construction in progress	1,155,515
Depreciable capital assets, net	19,775,934
Accounts payable	(2,182,928)
Accrued liabilities	(21,005,355)
Unearned revenue	(376,499)
Refundable deposits	(7,051)
Compensated absences	(530,047)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(8,360,224)
Net OPEB liabilities and pension-related deferred outflows and inflows of resources	(4,754,548)
Long-term debt	(1,254,082)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues that are not currently available are shown as deferred on the Fund Balance Sheets are recognized as revenue on the Statement of Activities.

Unavailable revenue	86,622
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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 Fund financial statements:

Long-term debt	(84,359,963)
Amortized deferred loss on refunding	656,051
Interest payable	(431,959)
Compensated absences	(7,751,990)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(359,930,761)
Net OPEB Obligation and OPEB-related deferred outflows and inflows of resources	(83,308,614)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$61,539,429

See accompanying notes to basic financial statements

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CITY OF HAYWARD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General*</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>
		<u>Federal Grants</u>	<u>Housing Authority</u>
REVENUES:			
Property taxes	\$58,431,804		
Sales taxes	56,566,457		
Utility users tax	16,065,943		
Other taxes	30,214,409		
Licenses and permits	6,435,587		
Fines and forfeitures	2,210,385		
Special assessments			
Investment income	492,731	\$48,587	\$251,239
Rental income	5,332		
Intergovernmental	6,699,242	723,438	
Fees and charges for services	5,537,249		232
Other revenue	875,894	13,868	442,413
Total Revenues	<u>183,535,033</u>	<u>785,893</u>	<u>693,884</u>
EXPENDITURES:			
Current:			
General government	14,607,161		
Public safety	122,091,549	101,748	
Public works and transportation	5,144,882	12,111	
Library and community services	7,186,368	162,173	
Economic development		210,133	111,634
Planning and building	8,618,787		
Maintenance services	8,858,729		
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	<u>166,507,476</u>	<u>486,165</u>	<u>111,634</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>17,027,557</u>	<u>299,728</u>	<u>582,250</u>
OTHER FINANCING SOURCES (USES):			
Transfers in (Note 4)	2,691,046	15,203	
Transfers (out) (Note 4)	<u>(17,617,544)</u>	<u>(96,000)</u>	<u>(19,249)</u>
Total Other Financing Sources (Uses)	<u>(14,926,498)</u>	<u>(80,797)</u>	<u>(19,249)</u>
CHANGE IN FUND BALANCES	2,101,059	218,931	563,001
BEGINNING FUND BALANCES (DEFICITS)	<u>50,582,116</u>	<u>14,559,546</u>	<u>22,221,828</u>
ENDING FUND BALANCES (DEFICITS)	<u>\$52,683,175</u>	<u>\$14,778,477</u>	<u>\$22,784,829</u>

See accompanying notes to basic financial statements

* Includes revenue and expenditures related to the City's Measure C District Sales Tax.

Capital Projects Funds			
General Capital Projects	Route 238 Corridor Improvement	Other Governmental Funds	Total Governmental Funds
			\$58,431,804
			56,566,457
			16,065,943
\$977,814		\$582,032	31,774,255
			6,435,587
			2,210,385
		1,297,894	1,297,894
1,086,102	\$131,964	1,214,125	3,224,748
	126,857	544,108	676,297
3,595,279		17,919,192	28,937,151
	47,948	120	5,585,549
2,327,430	11,672,728	2,957,073	18,289,406
<u>7,986,625</u>	<u>11,979,497</u>	<u>24,514,544</u>	<u>229,495,476</u>
			14,607,161
		955,325	123,148,622
97,450		1,595,328	6,849,771
		1,358,671	8,707,212
		1,254,974	1,576,741
			8,618,787
		981,296	9,840,025
12,231,411	15,093,646	7,146,347	34,471,404
		5,207,513	5,207,513
		3,007,504	3,007,504
<u>12,328,861</u>	<u>15,093,646</u>	<u>21,506,958</u>	<u>216,034,740</u>
<u>(4,342,236)</u>	<u>(3,114,149)</u>	<u>3,007,586</u>	<u>13,460,736</u>
5,766,817		6,631,704	15,104,770
	(129,000)	(1,105,219)	(18,967,012)
<u>5,766,817</u>	<u>(129,000)</u>	<u>5,526,485</u>	<u>(3,862,242)</u>
1,424,581	(3,243,149)	8,534,071	9,598,494
26,111,962	(5,969,846)	47,980,609	155,486,215
<u>\$27,536,543</u>	<u>(\$9,212,995)</u>	<u>\$56,514,680</u>	<u>\$165,084,709</u>

CITY OF HAYWARD
RECONCILIATION OF THE
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
WITH THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

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 Position 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 \$9,598,494

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.

Capital outlay expenditures are therefore added back to fund balance	34,471,404
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(13,167,567)
Depreciation expense is deducted from fund balance	
(Depreciation expense is net of internal service fund depreciation of \$3,884,602 which has already been allocated to service funds)	(13,324,010)

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 Position. Repayment of principal is an expenditure in governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal and amortization of bond premiums are added back to fund balance	5,492,915
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ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Unavailable revenue	(411,453)
Compensated absences	(891,130)
Net pension liabilities and pension-related deferred outflows/inflows of resources	(22,650,689)
Net OPEB Obligation	5,356,786
Interest payable	28,796

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds	<u>8,489,999</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$12,993,545</u></u>
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See accompanying notes to basic financial statements

CITY OF HAYWARD, CALIFORNIA

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal year 2020. These statements include balances for both operating and capital funds.

The disclosure of budget versus actual comparisons is not required for proprietary funds.

Sewer Fund – Accounts for activities associated with sewage transmission and treatment.

Water Fund – Accounts for activities associated with distribution and transmission of potable water to users.

CITY OF HAYWARD
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2020

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	
ASSETS:					
Current Assets:					
Cash and investments (Note 2)	\$97,058,021	\$95,529,998	\$16,225,562	\$208,813,581	\$48,080,605
Cash and investments with fiscal agents (Note 2)		284,001		284,001	
Accounts receivable, net	5,609,235	11,856,135	2,060,362	19,525,732	830,854
Due from other governments	1,554,592		16,912	1,571,504	
Interest receivable		3,819		3,819	97,039
Deposits, parts, supplies and other		1,343,099		1,343,099	
Total Current Assets	<u>104,221,848</u>	<u>109,017,052</u>	<u>18,302,836</u>	<u>231,541,736</u>	<u>49,008,498</u>
Noncurrent Assets:					
Long-term interfund receivables (Note 4)		3,091,745		3,091,745	
Long-term loans to the Private Purpose Trust Fund (Note 19)					27,021
Deposits, parts, supplies and other	3,134,504		17,225	3,151,729	
Loans receivable (Note 3)		575,362		575,362	
Investment in East Bay Dischargers Authority (Note 16)	10,382,103			10,382,103	
Capital assets (Note 5):					
Land	1,830,143	2,683,047	244,302	4,757,492	372,748
Construction in progress	30,048,965	17,441,670	551,330	48,041,965	1,155,515
Depreciable capital assets, net	85,866,482	39,064,873	12,733,285	137,664,640	19,775,934
Total Noncurrent Assets	<u>131,262,197</u>	<u>62,856,697</u>	<u>13,546,142</u>	<u>207,665,036</u>	<u>21,331,218</u>
Total Assets	<u>235,484,045</u>	<u>171,873,749</u>	<u>31,848,978</u>	<u>439,206,772</u>	<u>70,339,716</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to pensions (Note 12)	1,102,287	1,042,798	440,915	2,586,000	978,059
Related to OPEB (Note 14)	852,546	838,533	351,653	2,042,732	706,137
Total deferred outflows of resources	<u>1,954,833</u>	<u>1,881,331</u>	<u>792,568</u>	<u>4,628,732</u>	<u>1,684,196</u>
LIABILITIES:					
Current Liabilities:					
Accounts payable	923,618	3,576,025	48,502	4,548,145	2,182,928
Accrued interest	249,517	10,329	4,517	264,363	7,472
Accrued liabilities	222,668	265,956	96,582	585,206	20,997,883
Unearned revenue	219,065	430,641		649,706	376,499
Refundable deposits		3,041,782	109,339	3,151,121	7,051
Compensated absences - due within one year (Note 1)	325,684	462,298	146,135	934,117	419,572
Accrued reclamation costs (Note 10)	125,000			125,000	
Long-term debt - due within one year (Note 6)	3,338,694	479,467	135,533	3,953,694	423,325
Total Current Liabilities	<u>5,404,246</u>	<u>8,266,498</u>	<u>540,608</u>	<u>14,211,352</u>	<u>24,414,730</u>
Noncurrent Liabilities:					
Compensated absences (Note 1)	102,860	146,007	46,153	295,020	110,475
Net pension liabilities, due in more than one year (Note 12)	10,366,211	9,806,767	4,146,486	24,319,464	9,197,957
Net OPEB liabilities (Note 14)	4,803,691	5,096,860	2,105,541	12,006,092	3,412,880
Long-term debt - due in more than one year (Note 6)	35,447,451	2,043,170	586,830	38,077,451	830,757
Total Noncurrent Liabilities	<u>50,720,213</u>	<u>17,092,804</u>	<u>6,885,010</u>	<u>74,698,027</u>	<u>13,552,069</u>
Total Liabilities	<u>56,124,459</u>	<u>25,359,302</u>	<u>7,425,618</u>	<u>88,909,379</u>	<u>37,966,799</u>
DEFERRED INFLOWS OF RESOURCES:					
Related to pensions (Note 12)	158,152	149,617	63,261	371,030	140,326
Related to OPEB (Note 14)	2,384,674	2,297,691	967,675	5,650,040	2,047,805
Total deferred inflows of resources	<u>2,542,826</u>	<u>2,447,308</u>	<u>1,030,936</u>	<u>6,021,070</u>	<u>2,188,131</u>
NET POSITION (Note 9):					
Net investments in capital assets	78,959,445	56,666,953	12,806,554	148,432,952	20,050,115
Restricted for debt service		284,001		284,001	
Unrestricted	99,812,148	88,997,516	11,378,438	200,188,102	11,818,867
Total Net Position	<u>\$178,771,593</u>	<u>\$145,948,470</u>	<u>\$24,184,992</u>	<u>\$348,905,055</u>	<u>\$31,868,982</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	
OPERATING REVENUES:					
Charges for services	\$29,524,613	\$15,229,248	\$6,948,845	\$51,702,706	\$32,251,938
Sale of water		46,665,517		46,665,517	
Miscellaneous	554,184	56,992	1,686,850	2,298,026	909,419
Total Operating Revenues	<u>30,078,797</u>	<u>61,951,757</u>	<u>8,635,695</u>	<u>100,666,249</u>	<u>33,161,357</u>
OPERATING EXPENSES:					
Salaries and related expenses	9,074,215	7,805,190	3,686,773	20,566,178	7,853,308
Materials, supplies and services	4,819,900	4,781,764	1,623,679	11,225,343	9,795,364
Repairs and maintenance	850,110	1,196,628	258,605	2,305,343	3,351,868
Water purchases		31,518,279		31,518,279	
Self-funded insurance expense					7,639,491
Depreciation (Note 5)	5,037,959	2,326,525	987,444	8,351,928	3,884,602
Total Operating Expenses	<u>19,782,184</u>	<u>47,628,386</u>	<u>6,556,501</u>	<u>73,967,071</u>	<u>32,524,633</u>
Operating Income (Loss)	<u>10,296,613</u>	<u>14,323,371</u>	<u>2,079,194</u>	<u>26,699,178</u>	<u>636,724</u>
NONOPERATING REVENUES (EXPENSES):					
Investment income	2,308,947	2,395,250	384,267	5,088,464	1,142,845
Interest (expense)	(365,746)	(86,512)		(452,258)	(91,257)
Loss on disposal of capital assets					(114,568)
Gain from equity investment (Note 16)	119,683			119,683	
Net Nonoperating Revenues (Expenses)	<u>2,062,884</u>	<u>2,308,738</u>	<u>384,267</u>	<u>4,755,889</u>	<u>937,020</u>
Income (Loss) Before Contributions and Transfers	<u>12,359,497</u>	<u>16,632,109</u>	<u>2,463,461</u>	<u>31,455,067</u>	<u>1,573,744</u>
TRANSFERS					
Transfers in (Note 4)	3,730,000	91,828	150,000	3,971,828	7,118,867
Transfers (out) (Note 4)	(1,182,724)	(5,424,813)	(418,304)	(7,025,841)	(202,612)
Net Transfers	<u>2,547,276</u>	<u>(5,332,985)</u>	<u>(268,304)</u>	<u>(3,054,013)</u>	<u>6,916,255</u>
CHANGE IN NET POSITION	14,906,773	11,299,124	2,195,157	28,401,054	8,489,999
BEGINNING NET POSITION	<u>163,864,820</u>	<u>134,649,346</u>	<u>21,989,835</u>	<u>320,504,001</u>	<u>23,378,983</u>
ENDING NET POSITION	<u>\$178,771,593</u>	<u>\$145,948,470</u>	<u>\$24,184,992</u>	<u>\$348,905,055</u>	<u>\$31,868,982</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$27,695,967	\$60,114,696	\$7,019,285	\$94,829,948	\$33,065,844
Payments to suppliers	(5,781,625)	(36,921,445)	(1,939,175)	(44,642,245)	(20,409,700)
Payments to employees	(9,060,905)	(7,691,972)	(3,663,963)	(20,416,840)	(8,404,443)
Net Cash Flows From Operating Activities	12,853,437	15,501,279	1,416,147	29,770,863	4,251,701
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:					
Interfund receipts		74,763		74,763	
Transfers in	3,730,000	91,828	150,000	3,971,828	7,118,867
Transfers (out)	(1,182,724)	(5,424,813)	(418,304)	(7,025,841)	(202,612)
Net Cash Flows From Noncapital and Related Financing Activities	2,547,276	(5,258,222)	(268,304)	(2,979,250)	6,916,255
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(6,120,826)	(706,097)	(159,608)	(6,986,531)	(3,621,710)
Proceeds from sale of capital assets					118,506
Proceeds from issuance of debt	2,150,955			2,150,955	
Principal payments on capital debt	(2,910,951)	(462,356)	(132,644)	(3,505,951)	(1,103,843)
Interest paid	(365,866)	(88,560)		(454,426)	(105,691)
Net Cash Flows From Capital and Related Financing Activities	(7,246,688)	(1,257,013)	(292,252)	(8,795,953)	(4,712,738)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Change in fair values of investments					85,622
Investment income	2,335,703	2,417,627	388,223	5,141,553	1,056,932
Net Cash Flows From Investing Activities	2,335,703	2,417,627	388,223	5,141,553	1,142,554
NET CASH FLOWS	10,489,728	11,403,671	1,243,814	23,137,213	7,597,772
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	86,568,293	84,126,327	14,981,748	185,676,368	40,482,833
CASH AND EQUIVALENTS AT END OF PERIOD	\$97,058,021	\$95,529,998	\$16,225,562	\$208,813,581	\$48,080,605
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$10,296,613	\$14,323,371	\$2,079,194	\$26,699,178	\$636,724
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	5,037,959	2,326,525	987,444	8,351,928	3,884,602
Change in assets and liabilities:					
Receivables, net	(828,238)	(2,261,641)	(1,610,397)	(4,700,276)	(456,104)
Due from other governments	(1,554,592)		(6,013)	(1,560,605)	134
Parts and supplies		(7,468)		(7,468)	
Other assets	332,238	14,839		347,077	
Accounts payable and other accrued expenses	(443,853)	567,855	(59,254)	64,748	377,023
Due to retirement system	388,548	439,534	152,691	980,773	(277,575)
Due to retirement OPEB	(426,310)	(402,903)	(170,372)	(999,585)	(378,035)
Compensated absences	51,072	76,587	40,491	168,150	104,475
Refundable deposits		396,610	2,363	398,973	
Unearned revenue		27,970		27,970	360,457
Net Cash Flows From Operating Activities	\$12,853,437	\$15,501,279	\$1,416,147	\$29,770,863	\$4,251,701

See accompanying notes to basic financial statements

CITY OF HAYWARD, CALIFORNIA

FIDUCIARY FUND FINANCIAL STATEMENTS

The Fiduciary funds account for resources received and are held by the City in a fiduciary capacity. Disbursements are made in accordance with the trust agreement or applicable legislative enactment for each fund.

Successor Agency to the Redevelopment Agency Private Purpose Trust Fund – This fund was established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Hayward.

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations.

CITY OF HAYWARD
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2020

	Private Purpose Trust Fund	Agency Funds
CURRENT ASSETS:		
Cash and investments (Note 2)	\$3,579,229	\$14,124,681
Cash and investments with fiscal agents (Note 2)	1,258	356,341
Accounts receivable, net	453,912	4,512
Due from other governments		150,739
Deposits, parts, supplies and other		201,524
	<u>4,034,399</u>	<u>14,837,797</u>
NONCURRENT ASSETS:		
Loans receivable (Note 19)	24,509,337	
Land held for resale	3,483,031	
Capital assets (Note 19):		
Land	4,430,516	
Depreciable capital assets, net	9,801,600	
	<u>42,224,484</u>	
Total Noncurrent Assets	<u>42,224,484</u>	
Total Assets	<u>46,258,883</u>	<u>\$14,837,797</u>
CURRENT LIABILITIES:		
Accounts payable	35,049	\$86,102
Accrued interest	451,980	
Deferred revenue	63,165	
Refundable deposits		9,577,972
Due to bondholders and others		5,173,723
Long-term debt - due in less than one year (Note 19)	1,880,000	
	<u>2,430,194</u>	<u>14,837,797</u>
Total Current Liabilities	<u>2,430,194</u>	<u>14,837,797</u>
NONCURRENT LIABILITIES (Note 19):		
Long-term loans payables - due in more than one year	9,139,979	
Long-term debt - due in more than one year	29,074,134	
	<u>38,214,113</u>	
Total Non-Current Liabilities	<u>38,214,113</u>	
Total Liabilities	<u>40,644,307</u>	<u>\$14,837,797</u>
NET POSITION HELD IN TRUST FOR PRIVATE PURPOSES	<u>\$5,614,576</u>	

See accompanying notes to basic financial statements

CITY OF HAYWARD
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Private-Purpose Trust Fund
ADDITIONS	
Property tax	\$3,791,673
Investment income	7,809
Rental income	33,336
Total additions	3,832,818
DEDUCTIONS	
Maintenance services	255,003
Depreciation expense	314,131
Interest and fiscal charges	1,263,594
Total deductions	1,832,728
Net change in position	2,000,090
Net position - beginning	3,614,486
Net position - ending	\$5,614,576

See accompanying notes to basic financial statements

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CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity – The City of Hayward, California (the “City”) was originally incorporated as the Town of Hayward in 1876. On March 7, 1956, the people of the City adopted a City Charter under which the City currently operates. The City maintains a Council-Manager form of government and is governed by an independently elected seven-member City Council. The City provides the following services as authorized by its charter: public safety (police, fire, and building inspection), highways and streets, sanitation, water, airport, social services, public improvements, planning, library and zoning, and general administrative services.

Reporting Entity – The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. The City Council sits in a different capacity as the governing boards of the following entities. Although they are separate legal entities, *blended* component units are in substance part of the City’s operations and are reported as an integral part of the City’s financial statements. Also, there is either a financial benefit or burden relationship between the City and the component units below or the City has operational responsibility for them. The City’s component units which are described below are all blended.

- *Hayward Public Financing Authority* (the “Authority”) – In May 1989, the City and the former Redevelopment Agency entered into a joint powers agreement under the Joint Exercise of Powers Law of the State of California, thereby forming the Authority for the purpose of financing certain capital improvements within the City. These capital improvements are leased to the City for rental payments, which, together with restricted assets of the Authority, will be sufficient to meet the debt service obligations of the Authority. At the termination of the individual leases, title to the related improvements will pass to the City. Operating activities of the Authority are reflected in both the Governmental and Business funds of the City.
- *The Hayward Business Improvement District* (the “District”) was established in 1984 to collect certain charges imposed on businesses within the downtown business improvement district and to expend such monies on activities, which enhance the district as a shopping and business center. Operating activities of the District are included as a special revenue fund of the City.
- *The Hayward Housing Authority* (“*Housing Authority*”) was originally established in 1946. The Housing Authority is only a conduit to issue housing mortgage revenue bonds for developers, whereby such developers are entirely responsible for meeting the related debt obligations and where the funds raised through such housing mortgage revenue bond issues are used to finance multifamily rental housing developments. A certain percentage of housing units being financed must be for low and moderate income purposes. The Housing Authority is paid a fee by the benefited developers for issuing the bonds and for monitoring the occupancy of these housing developments. This activity is recorded as a capital projects fund of the City.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City participates in a joint venture, the East Bay Dischargers Authority (“EBDA”), which is not included in the accompanying basic financial statements as it is administered by a board separate from and independent of the City. EBDA is also fiscally independent of the City (see Note 16).

Complete financial statements of the individual component units and the joint venture can be obtained from:

City of Hayward
Finance Department, 3rd Floor
777 B Street
Hayward, California 94541

Basis of Presentation – The City’s 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 in the U.S.A.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City’s 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 City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Major Funds – Governmental Accounting Standards Board requires that the City’s major governmental and business-type funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources, which are not accounted for in another fund.

Federal Grants Fund – Accounts for various federal grants received by the City, with each grant segregated within the fund to account for specific grant allocations and expenditures for specific purpose, activity or program.

Housing Authority Fund – Under a cooperation agreement with the former Redevelopment Agency, the Housing Authority will use resources for purposes consistent with the California Health and Safety Code. The fund accounts for the activities financed by grants of the tax increment revenue from the former Redevelopment agency.

General Capital Projects Fund – Accounts for general fund or special revenue fund transfers expended for acquisition and construction of general purpose public facilities, street surfacing and improvements.

Route 238 Corridor Improvement Fund – Accounts for various roadway improvements along Foothill and Mission Boulevard between northern city limits and Industrial Parkway including a downtown one way loop street system, peak hour traffic lanes, pedestrian and bicycle improvements, and landscaping enhancements.

The City reported the following proprietary-enterprise funds as major funds in the accompanying financial statements:

Sewer Fund – Accounts for activities associated with sewage transmission and treatment.

Water Fund – Accounts for activities associated with distribution and transmission of potable water to users.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Internal Service funds

These funds account for workers' compensation reimbursable costs, risk management expenses, self-insurance costs, other post-employment benefits; operation, maintenance and replacement of City-owned buildings, vehicles and mobile radio units and City information technology; all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary funds

These funds account for assets held by the City in trust or as an agent for various assessment and community facilities districts. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements. Agency funds apply the accrual basis of accounting but do not have a measurement focus. The Successor Agency to the Former Redevelopment Agency of the City of Hayward Private-purpose Trust Fund is used to account for the activities of the Redevelopment Agency of the City of Hayward Successor Agency. The financial activities of these funds are excluded from the City-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

Basis of Accounting – The government-wide, proprietary, and fiduciary fund 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*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within forty-five days after fiscal 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. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest and charges for services.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted Net Position may be made available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance 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 or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Budgets and Budgetary Accounting – The City adopts an annual operating budget on or before June 30 for the ensuing fiscal year for all Funds, except for the Donations Special Revenue Fund. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various governmental fund types. The level of budgetary control within all governmental fund types is at the fund level. The City Council may amend the budget by resolution during the fiscal year. The City Manager may transfer appropriations from one program, activity, or object to another within the same fund without the approval of the City Council. All appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

All governmental fund type annual operating budgets are presented on a basis consistent with generally accepted accounting principles (“GAAP”) except as follows:

- The City has several unrestricted subfunds it accounts for separately in its general ledger that are combined and included in General Fund amounts reported in the accompanying financial statements. However, for budgetary presentation purposes, the City only reports its main operating fund. Other subfunds not included in the budgetary presentation are reported as perspective differences.
- The sole Special Revenue fund the City does not budget for is the Donation Special Revenue Fund. The City is unable to forecast the amount of donations received in a given year, and the amount of donations it will spend in the fiscal year.

Parts and Supplies of the governmental funds consist of expendable supplies held for consumption and are valued at cost (first-in, first-out). The cost is recorded as expenditure in the governmental funds at the time individual items are consumed. Reported supplies are offset by nonspendable or restricted fund balances indicating that they do not constitute “available spendable resources” even though they are a component of net current assets. Supplies of enterprise funds are valued at the lower of cost (first-in, first-out) or market. Supplies of the enterprise funds consist principally of materials and supplies for utility operations and are expensed or capitalized as such supplies are consumed.

Land held for Resale of \$3,448,652 at June 30, 2020 was stated at the lowest of historical cost, net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer performing projects in accordance with the Redevelopment Plan of the former Redevelopment Agency of the City of Hayward.

Property taxes – Alameda County assesses properties and bills for and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	March 1	March 1
Lien/levy dates	January 1	January 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue and receivables, net of estimated uncollectibles, in the fiscal year of levy.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences – The long-term portion of the liability for vested vacation, time off in lieu of overtime and sick pay for governmental fund type operations is recorded as compensated absences in the government-wide financial statements. The portion expected to be permanently liquidated (matured due to termination) is recorded in the governmental funds. Vested vacation and sick pay of proprietary fund type operations is recorded in the respective proprietary fund type. Compensated absences attributable to governmental funds are typically liquidated by the General Fund. Compensated Absences are presented below as of June 30, 2020:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$7,286,432	\$1,060,986	\$8,347,418
Additions	6,763,370	974,476	7,737,846
Payments	(5,767,765)	(806,325)	(6,574,090)
Ending Balance	\$8,282,037	\$1,229,137	\$9,511,174
Current Portion	\$6,555,861	\$934,117	\$7,489,978

Special Assessment Debt – The City is considered to be “obligated in some manner,” as defined by Governmental Accounting Standards Board Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, for certain special assessment district debt. The City is obligated for the special assessment debt if the City is required to purchase properties on which owners have failed to pay installments of assessments as they fall due or is obligated to honor deficiencies to the extent that lien foreclosures proceeds are insufficient. Those special assessment debt would be included in the government-wide financial statements (see Note 6), and special assessment transactions would be included in the debt service funds to reflect the individual special assessment funds’ activities. There are other special assessment districts for which the City has no commitment to repay the debt (see Note 8). Activities for these districts are reported in Agency Funds.

Debt Defeasance And Refundings – In an advance refunding, new debt (termed refunding debt) is issued to provide the cash needed to refund old debt (termed refunded debt). Proceeds from the refunding debt are used to purchase U.S. government securities which are placed in an irrevocable trust with an escrow agent to provide for all future debt service on the refunded debt. As a result, the refunded debt is considered defeased and is removed from the City’s financial statements. The City is amortizing the loss on debt defeasance over the life of refunding debt.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements – Fair value is defined as 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 City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Estimates and Assumptions – The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Policies – The City invests in individual investments and investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

New Governmental Accounting Standards Board Statement Pronouncements

GASB 95 – Postponement of the Effective Dates of Certain Authoritative Guidance – The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. This Statement had no effect on the City’s financial statements.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The City’s dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash with fiscal agent so that it can be invested at the maximum yield, consistent with the principles of safety and liquidity. Individual funds can make expenditures at any time.

The City’s investments are carried at fair value, as required by generally accepted accounting principles. The City 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. In the City’s case, fair value equals market value, since all of the City’s investments are readily marketable.

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 value of 150% of the City’s cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the City’s name and places the City ahead of general creditors of the institution pledging the collateral. As of June 30, 2020, the City held \$284,000 in uncollateralized deposits under escrow agreements with construction contractors. Such deposits are permitted to be uncollateralized under the government code.

The City maintains a cash management pool that is available for use by all funds. Each fund type’s portion of the pool is shown on the combined balance sheet as “Cash and investments” or “Due to other funds” (for cash overdrafts), as appropriate.

Classification – As of June 30, 2020, cash and investments were classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Statement of Net Position

Cash and investments available for operations	\$376,432,547
Cash and investments with fiscal agents	11,003,668

Private Purpose Trust Fund

Cash and investments available for operations	3,579,229
Cash and investments with fiscal agents	1,258

Agency Funds

Cash and investments available for operations	14,124,681
Cash and investments with fiscal agents	356,341

Total Cash and Investments	\$405,497,724
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CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2020 consisted of the following:

Cash in bank	\$104,629,565
Cash on hand (Petty Cash)	3,175
Investments	300,864,984
Total Cash and Investments	\$405,497,724

Cash and investments are used in preparing Proprietary Fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

Investments Authorized by the California Government Code and the City's Investment Policy – The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; 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 it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality *	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligation	5 years	None	100%	100%
U.S. Agency Securities (fully backed)	5 years	None	100%	100%
U.S. Agency Securities (sponsored)	5 years	None	100%	40%
Banker's Acceptance	180 days	A-1	40%	5%
Commercial Paper	270 days	A-1	25%	5%
Negotiable Certificates of Deposit	5 years	A	30%	5%
Repurchase Agreements	1 year	None	20%	20%
Medium-Term Notes	5 years	A	30%	5%
Money Market Fund	N/A	AAAm	20%	10%
Alameda County Investment Pool	None	None	10%	10%
Shares of Beneficial Interest Issued by a JPA	None	AAAm	100%	N/A
California Local Agency Investment Fund	None	None	\$75M per account	N/A
Collateralized Certificates of Deposit	5 years	None	25%	20%
Municipal Bonds	5 years	A	20%	5%
Supranationals	5 years	AA	30%	30%
Asset-Backed Securities	5 years	AA	20%	5%

* Minimum credit quality at time of purchase.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements – The City 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 reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. 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.S. Treasury Obligations	No Limit	No Limit
U.S. Agency Securities (fully backed)	No Limit	No Limit
U.S. Agency Securities (sponsored)	No Limit	None to AAA
Money Market Mutual Funds	No Limit	AAm to AAAm-G
Collateralized Certificates of Deposits	None to 1 year	None to A-1+
FDIC Insured Deposits	No Limit	No Limit
Investment Agreements	No Limit	None to two Highest Categories
Commercial Paper	None to 270 days	A-1 to A-1+
State General Obligations	No Limit	A/A2 to Two Highest Categories
Municipal Obligations	No Limit	AAA to Two Highest Categories
Federal Funds or Bankers Acceptances	180 days to 1 year	A-1 to A-1+
Repurchase Agreements	None to 30 days	None to A
Pre-funded Municipal Bonds	No Limit	AAA
California Local Agency Investment Fund	No Limit	No Limit

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fair Value Hierarchy – The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2020:

Investment Type	Level 1	Level 2	Total
Investments by Fair Value:			
U.S. Treasury Obligations	\$46,766,660		\$46,766,660
U.S. Agency Securities		\$47,117,875	47,117,875
Corporate Bonds		9,784,147	9,784,147
Municipal Bonds		12,977,155	12,977,155
Supranationals		2,826,916	2,826,916
Asset-Backed Securities		5,193,728	5,193,728
Total Investments at Fair Value	<u>\$46,766,660</u>	<u>\$77,899,821</u>	124,666,481
Investments Measured at Amortized Cost:			
Money Market Mutual Funds			11,077,264
California Local Agency Investment Fund			160,742,089
Certificate of Deposits			4,379,150
Total Investments			<u>\$300,864,984</u>

U.S. Treasury Obligations classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. U.S. Agency Securities, Corporate Bonds, Municipal Bonds, Supranationals and Asset-Backed Securities, classified in Level 2 of the fair value hierarchy, are valued using pricing techniques of matrix pricing or market corroborated pricing, with inputs such as yield curves or indices. These prices are obtained from various pricing sources by our custodian bank. Fair value is defined as the quoted market value on the last trading day of the period.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 Months to 24 Months	25 Months to 60 Months	Total
U.S. Treasury Obligations		\$28,034,117	\$18,732,543	\$46,766,660
U.S. Agency Securities	\$2,291,920	17,389,439	27,436,516	47,117,875
Money Market Mutual Funds	11,077,264			11,077,264
California Local Agency Investment Fund	160,742,089			160,742,089
Corporate Bonds	3,706,552	3,037,044	3,040,551	9,784,147
Municipal Bonds	2,933,926	2,068,326	7,974,903	12,977,155
Supranationals		1,534,359	1,292,557	2,826,916
Certificate of Deposits	1,838,441	603,726	1,936,983	4,379,150
Asset-Backed Securities	91,465	960,115	4,142,148	5,193,728
Total Investments	<u>\$182,681,657</u>	<u>\$53,627,126</u>	<u>\$64,556,201</u>	<u>300,864,984</u>
Cash in Banks				104,629,565
Cash on Hand (Petty Cash)				<u>3,175</u>
Total Cash				<u>104,632,740</u>
Total Cash and Investments				<u>\$405,497,724</u>

The City is a 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 City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is 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, 2020, these investments had an average maturity of 191 days.

Money market funds are available for withdrawal on demand and at June 30, 2020, had an average maturity of 1 day.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk – 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 minimum rating required by (where applicable) the California Government Code, the City’s investment policy, or debt agreements, and the actual rating as of June 30, 2020 for each investment type as provided by Moody’s investment rating system (as of date of purchase):

Investment Type	AAAm/AAA	AA1 - AA3	A1 - A 3	P-1	Not Rated	Total
U.S. Treasury Obligations	\$46,766,660					\$46,766,660
U.S. Agency Securities	47,117,875					47,117,875
Money Market Mutual Funds	11,077,264					11,077,264
California Local Agency Investment Fund					\$160,742,089	160,742,089
Corporate Bonds		\$306,102	\$9,478,045			9,784,147
Municipal Bonds	3,002,841	8,875,998	1,098,316			12,977,155
Supranationals	2,826,916					2,826,916
Certificate of Deposits		1,936,983	603,726	\$1,838,441		4,379,150
Asset-Backed Securities	2,718,498				2,475,230	5,193,728
Total Investments	\$113,510,054	\$11,119,083	\$11,180,087	\$1,838,441	\$163,217,319	\$300,864,984

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Significant investments in the securities of any individual issuers, other than U. S. Treasury securities or mutual funds would be subjected to this risk. As of June 30, 2020, the following investments were subjected to custodial credit risk on the entity-wide level.

Issuer	Investment Type	Reported Amount
Federal Home Loan Mortgage Company	U.S. Agency Securities	\$18,893,836

3. LOANS RECEIVABLES

In order to carry out low-and-moderate housing programs, the Housing Authority Capital Project Fund loaned to homebuyers and third-party contractors for the purposes of promoting home ownership in the City and developing low and moderate income housing.

The City also pools certain funds received from the U.S. Department of Housing and Urban Development and the State of California Department of Housing and Community Development, and administrative fees received from owners of multifamily projects funded by mortgage revenues bonds sponsored by the City. These monies are loaned to businesses, nonprofit and for-profit housing developers and to qualified first-time homebuyers for the above purposes.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

3. LOANS RECEIVABLES (Continued)

Related Party Loan – The City entered into a loan agreement with the City Manager on June 30, 2017, to provide the City Manager a long-term loan of \$616,599 to finance the acquisition of the City Manager’s personal residence located within the City. The loan is secured by a deed of trust on the property. The loan was funded by the City’s Water Enterprise Fund. The loan is due upon sale of the property, within twelve months after the termination of the City Manager’s employment with the City, or 30 years from the date of the loan agreement execution, whichever occurs first. The loan bears an interest rate at 2.38% for the first five years of the loan. Interest thereafter will be set annually and shall accrue at a simple rate equal to the Yield at Market achieved by the City’s Managed Portfolio for the quarter ended on June 30 of the previous calendar year, plus 100 basis points or 1%, but shall not exceed 6%. At June 30, 2020, the outstanding balance of this loan was \$575,362.

4. INTERFUND TRANSACTIONS

Transfers Between Funds – With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2020 were as follows:

FROM FUND:	TO FUND:	AMOUNT:
General Fund	General Capital Projects Fund	\$4,887,817 A
	Non-Major Governmental Funds	6,616,704 B
	Water Enterprise Fund	91,828 B
	Internal Service Funds	6,021,195 B
Federal Grants Special Revenue Fund	Internal Service Funds	96,000 A
Housing Authority Capital Projects Fund	General Fund	3,897 C
	Federal Grants Special Revenue Fund	11,872 A
	Internal Service Funds	3,480 D
Route 238 Corridor Improvement Capital Projects Fund	General Capital Projects Fund	129,000 A
Non-Major Governmental Funds	General Fund	324,050 B
	Federal Grants Special Revenue Fund	3,331 B
	General Capital Projects Fund	750,000 A
	Internal Service Funds	27,838 D
Sewer Enterprise Fund	General Fund	823,783 C
	Internal Service Funds	358,941 B
Water Enterprise Fund	General Fund	1,229,099 C
	Sewer Enterprise Fund	3,730,000 B
	Non-Major Enterprise Funds	150,000 A
	Internal Service Funds	315,714 B
Non-Major Enterprise Funds	General Fund	310,217 C
	Non-Major Governmental Funds	15,000 A
	Internal Service Funds	93,087 D
Internal Service Funds	Internal Service Funds	<u>202,612 C</u>
		<u>\$26,195,465</u>

- A To fund capital projects
- B To fund debt service, capital projects, and administrative overhead
- C To fund allocation of administrative overhead
- D To fund General Liability insurance fund

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

4. INTERFUND TRANSACTIONS (Continued)

Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after end of the fiscal year. At June 30, 2020 interfund balances were as follows:

<u>Due from Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
General Fund	Route 238 Corridor Improvement Capital Projects Fund	\$16,273,997
	Local Grants Special Revenue Fund	196,001
		<u>\$16,469,998</u>

Long-Term Interfund Advances – At June 30, 2020, the funds below had made advances that were not expected to be repaid within the next year.

	<u>Long-Term Interfund Receivable</u>	<u>Long-Term Interfund Payable</u>
General Fund		\$3,091,745
Water Enterprise Fund	\$3,091,745	
Total	<u>\$3,091,745</u>	<u>\$3,091,745</u>

In fiscal year 2014, the Water Enterprise Fund loaned \$3,420,000 to the General Fund for costs related to a new fire station and firehouse clinic. This loan bears 2% interest and repayments are made semiannually every December 1st and June 1st. As of June 30, 2020, the outstanding loan balance was \$3,091,745.

Internal Balances – Internal balances are presented only in the Government-wide financial statements. They represent the net interfund receivable and payables remaining after the elimination of all such balances within governmental and business-type activities.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

5. CAPITAL ASSETS

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The City's policy is to capitalize all assets with costs exceeding \$5,000 and with useful lives exceeding two years.

GASB Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of the assets. The amount charged 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 City begins depreciation on July 1st of the year following acquisition. The City has assigned the useful lives listed below to capital assets.

Buildings and improvements	10 – 50 years
Improvements other than Buildings	25 years
Machinery and equipment	7 – 50 years
Streets	25 – 40 years
Traffic Signals	20 years
Medians	25 – 40 years
Conduits	20 years
Drains	20 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 over the same period.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

5. CAPITAL ASSETS (Continued)

Capital Asset Additions and Retirements – Capital assets at June 30 comprise:

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
<i>Governmental activities:</i>					
Capital assets not being depreciated:					
Land	\$18,950,817				\$18,950,817
Construction in progress	77,017,806	\$22,241,854		(\$51,697,097)	47,562,563
Total capital assets not being depreciated	95,968,623	22,241,854		(51,697,097)	66,513,380
Capital assets being depreciated:					
Buildings and improvements	59,069,887			46,202,191	105,272,078
Improvements other than buildings	27,062,123			902,484	27,964,607
Machinery and equipment	60,144,989	2,608,146	(\$1,152,511)	2,981,963	64,582,587
Streets	341,660,699			1,610,459	343,271,158
Traffic signals	7,993,603				7,993,603
Medians	3,724,705				3,724,705
Conduits	1,540,569				1,540,569
Drains	2,994,000				2,994,000
Total capital assets being depreciated	504,190,575	2,608,146	(1,152,511)	51,697,097	557,343,307
Less accumulated depreciation for:					
Buildings and improvements	29,339,284	2,204,278			31,543,562
Improvements other than buildings	8,910,628	996,061			9,906,689
Machinery and equipment	37,839,438	4,437,668	(994,984)		41,282,122
Streets	98,255,240	9,066,741			107,321,981
Traffic signals	6,349,438	250,730			6,600,168
Medians	2,240,666	93,118			2,333,784
Conduits	1,490,574	30,966			1,521,540
Drains	2,287,242	129,050			2,416,292
Total accumulated depreciation	186,712,510	17,208,612	(994,984)		202,926,138
Net depreciable assets	317,478,065	(14,600,466)	(157,527)	51,697,097	354,417,169
Governmental activity capital assets, net	\$413,446,688	\$7,641,388	(\$157,527)		\$420,930,549

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

5. CAPITAL ASSETS (Continued)

	Balance June 30, 2019	Additions	Transfers	Balance June 30, 2020
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$4,757,492			\$4,757,492
Construction in progress	41,295,586	\$6,785,327	(\$38,948)	48,041,965
Total capital assets not being depreciated	<u>46,053,078</u>	<u>6,785,327</u>	<u>(38,948)</u>	<u>52,799,457</u>
Capital assets being depreciated:				
Buildings and improvements	36,759,292			36,759,292
Machinery and equipment	46,430,674	201,204		46,631,878
Sewer pipelines and infrastructure	126,188,988			126,188,988
Water pipelines and infrastructure	67,353,077		38,948	67,392,025
Airport hangars, tarmacs and other infrastructure assets	28,131,955			28,131,955
Total capital assets being depreciated	<u>304,863,986</u>	<u>201,204</u>	<u>38,948</u>	<u>305,104,138</u>
Less accumulated depreciation for:				
Buildings and improvements	21,168,601	644,337		21,812,938
Machinery and equipment	18,810,047	1,432,010		20,242,057
Sewer pipelines and infrastructure	60,869,811	3,859,348		64,729,159
Water pipelines and infrastructure	39,001,923	1,715,464		40,717,387
Airport hangars, tarmacs and other infrastructure assets	19,237,188	700,769		19,937,957
Total accumulated depreciation	<u>159,087,570</u>	<u>8,351,928</u>		<u>167,439,498</u>
Net depreciable assets	<u>145,776,416</u>	<u>(8,150,724)</u>	<u>38,948</u>	<u>137,664,640</u>
Business-type activity capital assets, net	<u>\$191,829,494</u>	<u>(\$1,365,397)</u>		<u>\$190,464,097</u>

Governmental capital assets construction in progress was composed of the following at June 30, 2020:

	Project Budget	Expended to June 30, 2020	Committed
Buildings	\$64,680,000	\$11,498,364	\$53,181,636
Improvements other than buildings	122,299,047	34,446,938	87,852,109
Machinery and equipment	3,684,066	993,350	2,690,716
Streets	37,000,000	623,911	36,376,089
Total	<u>\$227,663,113</u>	<u>\$47,562,563</u>	<u>\$180,100,550</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

5. CAPITAL ASSETS (Continued)

A summary of enterprise fund construction in progress at June 30, 2020 follows:

	Project Budget	Expended to June 30, 2020	Committed
Sewer Enterprise Fund	\$64,494,425	\$30,048,965	\$34,445,460
Water Enterprise Fund	30,517,277	17,441,670	13,075,607
Airport Enterprise Fund	3,763,000	551,330	3,211,670
Total	\$98,774,702	\$48,041,965	\$50,732,737

Sewer facilities constructed for the sole use of the City by EBDA, including construction in progress, are included in capital assets at their full construction cost.

Construction Commitments – The government has active construction projects as of June 30, 2020. The projects include construction in areas for newly developed housing and the library. At year end, the government’s commitments for these projects are as follows:

Project	Spent-to-Date	Remaining Commitment
Measure A1 - Development of 259 units of Affordable Housing	\$800,000	\$27,778,465
21st Century Library and Community Learning Center and Heritage Plaza Arboretum Project	51,012,674	52,948,512
Fire Station 6 and Training Center Project	-	52,397,000

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. GAAP requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

Depreciation Allocation – Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental Activities

General Government	\$1,205,165
Public Safety	9,159,231
Public Works and Transportation	1,247,984
Library and Community Services	682,848
Economic Development	117,220
Planning and Building	556,304
Maintenance Services	355,258
Internal Service Funds	3,884,602
	<u>\$17,208,612</u>

Business-Type Activities

Sewer Fund	\$5,037,959
Water Fund	2,326,525
Stormwater Fund	165
Airport Fund	987,279
	<u>\$8,351,928</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

6. LONG-TERM DEBT

The City's long-term debt issues and transactions are summarized below:

Type of Obligation	Authorized and Issued	Balance at June 30, 2019	Retirements	Balance at June 30, 2020	Current Portion
Governmental Activity Debt:					
Certificates of Participation					
2015 COP (a), 3.0-5.0%, due 12/31/34	\$67,535,000	\$64,770,000	\$2,905,000	\$61,865,000	\$3,050,000
Add: Original issue premium	5,689,046	4,790,777	299,423	4,491,354	
Total Certificates of Participation		<u>69,560,777</u>	<u>3,204,423</u>	<u>66,356,354</u>	<u>3,050,000</u>
Direct Borrowings:					
Private Placement Certificates of Participation					
2016 Refunding COP (a), 2.6-2.76%, due 11/1/2026	19,813,775	14,288,939	1,619,188	12,669,751	1,669,884
Add: Original issue premium	876,695	637,595	79,700	557,895	
Lease Revenue Bonds					
ABAG Series 2001-2 (a), 3.0-5.0%, due 12/01/20	3,589,835	160,000	80,000	80,000	80,000
Loan Payable					
Energy Efficiency Loan (a), 1%, due 12/22/23	2,488,880	1,212,620	264,142	948,478	268,071
Private Placement Loan					
2014 Fire Station #7 and Wellness Center Private Placement Loan (a), 2.84%, due 8/1/29	5,500,000	4,086,668	339,183	3,747,485	348,885
Total Direct Borrowings		<u>20,385,822</u>	<u>2,382,213</u>	<u>18,003,609</u>	<u>2,366,840</u>
Subtotal		<u>89,946,599</u>	<u>5,586,636</u>	<u>84,359,963</u>	<u>5,416,840</u>
Direct Borrowings:					
Internal Service Fund Long-Term Debt (b)					
Capital Leases - Equipment					
Solar Power Generator Equipment, 6%, due 03/01/30	1,035,000	579,499	579,499		
Energy Upgrades and Solar Project, 3%, due 06/22/2021	887,152	183,866	90,558	93,308	93,308
Capital Leases - Fleet					
Fire Engines 3.240%, due 10/22/20	1,906,413	344,493	225,509	118,984	115,504
Fire Engines 3.05%, due 1/17/24	824,000	443,117	83,341	359,776	85,902
Fire Truck 2.92%, due 6/15/25	1,272,000	806,950	124,936	682,014	128,611
Total capital lease obligations (Direct Borrowings)		<u>2,357,925</u>	<u>1,103,843</u>	<u>1,254,082</u>	<u>423,325</u>
Subtotal		<u>2,357,925</u>	<u>1,103,843</u>	<u>1,254,082</u>	<u>423,325</u>
Total Governmental Activity Debt		<u>\$92,304,524</u>	<u>\$6,690,479</u>	<u>\$85,614,045</u>	<u>\$5,840,165</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

6. LONG-TERM DEBT (Continued)

Type of Obligation	Authorized and Issued	Balance at June 30, 2019	Additions	Retirements	Balance at June 30, 2020	Current Portion
Business-type Activity Debt						
Direct Borrowings:						
Private Placement Revenue Bonds						
2013 Water Revenue Refunding Loan (c), 2.76%, due 5/1/25	\$7,245,000	\$3,840,000		\$595,000	\$3,245,000	\$615,000
Loan Payable						
Energy Efficiency Loan (c), 3%, due 6/22/25	2,450,000	1,187,749		183,450	1,004,299	189,082
Energy Efficiency Loan (c), 1% due 6/22/2038	2,150,955		\$2,150,955		2,150,955	103,545
State Water Resource Control Board Loan 2006 1%, due 9/30/28 (d)	54,550,018	27,277,116		2,727,501	24,549,615	2,727,501
State Water Resource Control Board Loan 2019 1%, due 03/31/49 (d)	21,227,086	11,081,276			11,081,276	318,566
Total Business-type Activity Debt (Direct Borrowings)		<u>\$43,386,141</u>	<u>\$2,150,955</u>	<u>\$3,505,951</u>	<u>\$42,031,145</u>	<u>\$3,953,694</u>

Debt service payments are generally made from the following sources:

- (a) Revenues recorded in the General Fund.
- (b) Operating revenues recorded in the Internal Service Funds.
- (c) Operating Revenues from the Water Enterprise Fund and Airport Enterprise Fund.
- (d) Operating revenues recorded in the Sewer Enterprise Fund.

Even as a charter city, Hayward has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the City); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt (such as term). At the end of fiscal year 2020, the City had total debt outstanding of \$127.6 million, which complies with, and is significantly under, the current policy limits.

Certificates of Participation (COPs)

2015 Certificates of Participation – On October 1, 2015, the City issued \$67,535,000 in Certificates of Participation (2015 COPs) to acquire and construct a number of capital improvements, including a new library and community learning center, improvements to existing fire stations, and street rehabilitation and repairs. The 2015 COPs bear interest at 3% to 5% and are due serially each November 1. Interest payments are due semi-annually on May 1 and November 1, through maturity in 2034.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

6. LONG-TERM DEBT (Continued)

2016 Refunding Certificates of Participation (Private Placement) – On June 1, 2016, the Hayward Public Financing Authority issued Certificates of Participation (2016 COPs) in the amount of \$19,813,775. The proceeds of the lease obligation were used to refund the 2007 Certificates of Participation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of Net Position.

The lease obligation is payable each November from 2016 to 2026, in amounts ranging from \$850,000 to \$2,021,009 and bear interest at rates ranging from 2.6% to 2.76%. Interest is payable semiannually on May 1 and November 1.

The bond covenants of the Certificates of Participation contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

2001 ABAG Lease Revenue Bonds

In fiscal year 2002, the City issued \$7,475,000 principal amount of ABAG Lease Revenue Bonds, Series 2001-2, (2001-2 Bonds), the proceeds of which were used to finance the cost of acquiring capital assets and to refund and retire various capital lease and certificates of participation obligations. This bifurcated Bond issue is repayable from governmental funds, the Equipment Management Internal Service Fund, the Sewer Enterprise Fund and the Water Enterprise Fund and as a result, the principal balance of the 2001-2 Bonds has been prorated and recorded in each of the above funds and activities. As of June 30, 2020, the portions of bonds repayable from the Equipment Management Internal Service Funds, the Sewer Enterprise Fund and the Water Enterprise Fund were paid off. The remaining balance payable from governmental funds is \$80,000.

Energy Efficiency Loan

In fiscal year 2014, the City issued a \$2,488,880 loan for the Energy Conservation Assistance Program, funded by the California Infrastructure and Economic Development Bank. The loan will finance an Energy Savings Project that consists of streetlight retrofitting. The loan bears interest at 1% and payments are to be made bi-annually on June 22 and December 22 of each year until 2023.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

6. LONG-TERM DEBT (Continued)

2014 Fire Station #7 and Wellness Center Private Placement Loan

The City entered into a loan agreement with Umpqua Bank in the amount of \$5,500,000 on August 1, 2014. Loan proceeds will be used to fund the design and construction of a Firehouse Wellness Clinic at Fire Station # 7. This loan bears interest of 2.84%. Principal and interest payments are payable semiannually on February 1 and August 1, commencing February 1, 2015 through maturity on August 1, 2029.

The loan agreement contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

Capital Lease Obligations

The City has entered into various capital lease agreements to acquire property, miscellaneous computer mainframe equipment, and various City vehicles. All of the lease agreements require annual payments.

2013 Water Revenue Refunding Private Placement Loan

The City issued Water Revenue Refunding Bonds of \$7,245,000 on August 13, 2013, to defease the City's outstanding Public Financing Authority 1996 Revenue Bonds, and to refund 2001 Water System Improvement Project Certificates of Participation and 2004 Water System Improvement Project Certificates of Participation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of Net Position. The 2013 Water Revenue Refunding Bonds are secured by a pledge of net revenues of the water system. The Bonds bear interest at a rate per annum at 2.76%. Principal payments are payable May 1. Interest payments are payable semiannually on May 1 and November 1, commencing May 1, 2014 through maturity on May 1, 2025.

The pledge of future Water Fund Revenues ends upon repayment of the \$3.25 million in remaining debt service on the bonds which is scheduled to occur in fiscal year 2025. For fiscal year 2020, Water Fund Revenues including operating revenues, non-operating interest earnings and transfers in amounted to \$64.4 million and operating costs including operating expenses, but not interest, depreciation or amortizations amounted to \$45.3 million. Net Revenues available for debt service amounted to \$19.1 million, which represented coverage of 27.3 times over the \$700,984 in debt service.

The loan agreement contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. The covenant also contains a subjective acceleration clause that allows the trustees or holders, who hold the majority of the aggregate principal amount of the notes, to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

6. LONG-TERM DEBT (Continued)

Energy Efficiency Loan

In fiscal year 2011, the City was issued a \$2,450,000 loan from the Energy Conservation Assistance Program, issued by the California Infrastructure and Economic Development Bank. The loan will finance an Energy Savings Project that consists of 1 MW Tracking Photovoltaic System on the City's Water Pollution Control Facility. The loan bears interest at 3% and payments are to be made bi-annually on June 22 and December 22 of each year until 2025.

Energy Efficiency Loan

In fiscal year 2020, the City was issued a \$2,150,955 loan from the Energy Conservation Assistance Program, issued by the California Infrastructure and Economic Development Bank. The loan will finance an Energy Savings Project that consists of the Ground Mounted Photovoltaic System installed on City owned property. The loan bears interest at 1% and payments are to be made bi-annually on June 22 and December 22 of each year until 2038.

State Water Resources Control Board Loans

In June 2006, the City entered into a loan agreement with the State of California's State Water Resources Control Board for the purpose of financing the Wastewater System Improvement Project. Under the terms of the contract, the City agreed to repay \$54,550,018 to the State in exchange for receiving \$45,458,167 in proceeds used to fund the Project. The difference between the repayment obligation and proceeds amounts to \$9,091,852 upon issue and represents in-substance interest on the outstanding balance. As of June 30, 2020, the City's gross repayment obligation totaled \$24,549,615 and had a corresponding interest expense for \$2,074,216. The repayments of the loan are due annually on September 30, commencing September 30, 2009.

In October 2018, the City entered into a loan agreement with the State of California's State Water Resources Control Board for the purpose of financing the Recycled Water Project. Under the terms of the contract, the City agreed to repay \$21,227,086 plus interest to the State in exchange for receiving \$27,058,436 in proceeds used to fund the project. The difference between the repayment obligation and proceeds represents a grant from the State on the outstanding balance. As of June 30, 2020, the City has drawn down \$11,081,276. As of June 30, 2020, the City's estimated gross repayment obligation totaled \$11,081,276 and had a corresponding interest expense for \$1,800,080. The loan bears interest at 1% and payments are due annually on January 31 of each year commencing in 2021 until 2050.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

6. LONG-TERM DEBT (Continued)

Debt Service Requirements

At June 30, 2020, annual debt service requirements to maturity for long-term debt, including interest payments, were as follows:

Year Ending June 30:	Governmental Activities - 2015 Certificates of Participation		Governmental Activities - Direct Borrowings	
	Principal	Interest	Principal	Interest
2021	\$3,050,000	\$2,370,938	\$2,790,165	\$436,788
2022	3,205,000	2,214,563	2,568,978	371,500
2023	3,365,000	2,050,313	2,629,169	310,628
2024	3,530,000	1,877,938	2,558,278	248,167
2025	3,710,000	1,715,488	2,391,807	186,834
2026 - 2030	20,630,000	6,521,827	5,761,399	238,514
2031 - 2035	24,375,000	2,625,187		
Totals	61,865,000	\$19,376,254	18,699,796	\$1,792,431
Plus unamortized premium	4,491,354		557,895	
Total Long-term debt principal, net	\$66,356,354		\$19,257,691	

Year Ending June 30:	Business-Type Activities Direct Borrowings	
	Principal	Interest
2021	\$3,953,694	\$256,828
2022	3,985,124	223,424
2023	4,015,343	195,818
2024	4,045,710	167,510
2025	4,066,450	138,279
2026 - 2030	13,209,645	505,713
2031 - 2035	2,414,823	388,423
2036 - 2040	2,273,583	267,122
2041 - 2045	1,982,816	164,077
2046 - 2050	2,083,957	62,933
Totals	\$42,031,145	\$2,370,127

Defeased Bonds

As of June 30, 2020, outstanding balances for defeased debt were \$1,095,000 for the 2001 Water System Improvement Project Certificates of Participation and \$13,090,000 for the 2007 Refunding Certificates of Participation. The 2004 Water System Improvement Project Certificates of Participation, 1998 Sewer System Improvement Certificates of Participation, and 1996 Sewer System Improvement Certificates of Participation were fully defeased.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

7. LEASING ARRANGEMENTS

Certificates of Participation, Lease Revenue Bonds and Capital Leases are issued for the purpose of financing the construction or acquisition of projects defined in each leasing arrangement. Projects are leased to the City for lease payments which, together with unspent proceeds of the leasing arrangement, will be sufficient to meet the debt service obligations of the leasing arrangement. At the termination of the leasing arrangement title to the project will pass to the City.

Leasing arrangements are similar to debt; they allow investors to participate in a share of guaranteed payments, which are made by the City. Because they are similar to debt, the present value of the total of the payments to be made by the City is recorded as long-term debt. The City's leasing arrangements are included in long term obligations discussed in the preceding note.

8. SPECIAL ASSESSMENT DEBT WITHOUT CITY COMMITMENT

The City has sponsored special assessment debt issues under which it has no legal or moral liability with respect to repayment of the debt and therefore does not include this debt in the City's Governmental Activity. A summary of such debt follows:

In June 1999 the Local Improvement District No. 17, Twin Bridges Community Park, issued Limited Obligation Improvement Bonds in the original principal amount of \$396,014 to finance improvements within the District. Outstanding debt at June 30, 2020 was \$130,000.

In October 2013, the Community Facilities District No. 1, Eden Shores issued Special Tax Refunding Bonds, Series 2013, in the original principal amount of \$7,076,294 refunding the 2002 Special Tax Bonds. Outstanding debt for the 2013 Bonds at June 30, 2020 was \$5,250,142.

9. NET POSITION AND FUND BALANCES

Net Position – Net Position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position are divided into three captions. These captions apply only to Net Position, and are described below:

Net Investments in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets and related deferred inflows.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include the following:

Public Safety Activities – These Net Positions are restricted for activities pertaining to the rehabilitation or reconstruction of pavement, repair of or installation of new sidewalks, maintenance of or improvements to the City's streetlights and traffic signals, as well as other improvements to the City's infrastructure. Such projects primarily draw their funding from Special Revenue Programs operated by the City, including State Gasoline Tax, Alameda County Measure B, and various local, state and federal grants.

Debt Service Activities – These Net Positions are restricted for the use of debt service related activities.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

9. NET POSITION AND FUND BALANCES (Continued)

Public Works and Transportations Activities – These Net Positions are restricted for grants received by the City for the specific activities involving emergency response and responding to other emergency and other public safety calls for service from the community.

Planning and Buildings Activities – These Net Positions are restricted managing the development of Hayward in order to assure the economic and environmental health of the community, and to protect the health and safety of the community through building inspection, enforcement of codes and standards, and by providing new housing opportunities for residents of the City.

Economic Development Activities – These Net Positions are restricted by state law to housing redevelopment activities of the City of Hayward.

Unrestricted describes the portion of Net Position which is not restricted as to use.

Fund balance – Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund’s cash and receivables, less its liabilities.

The City’s fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by the resolutions of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. In accordance to the City’s fund balance policy, intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council. This category includes nonspendables, when it is the City’s intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

9. NET POSITION AND FUND BALANCES (Continued)

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Fund balance flow assumptions – Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Minimum Fund Balance Policies – The City's Budget and Fiscal Policy requires the City to strive to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one time expenditures. These resources also provide a first defense against deficit spending and help maintain liquidity when budgeted drawdowns are inevitable. The reserve may be used at the City Council's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one time opportunities. These resources are intended to provide flexibility to respond to unexpected opportunities that may help the City of Hayward achieve its goals. The use of these funds may also be tied to an adverse change in economic indicators to ensure that the funds are not depleted before an emergency arises.

It is the policy of the City of Hayward to establish and maintain adequate financial reserves in order to avoid the negative effects of economic cycles upon essential services to the public and to assure that annual fluctuations in revenue receipts do not impede the City's ability to meet its expenditure obligations.

During periods of economic sufficiency, these reserves shall be used as a source of supplemental revenue through prudent investments and earnings under policies of the City Council and for meeting short term cash flow deficiencies. During periods of economic downturns, when revenues fail to meet the normal operating requirements of essential public services, or when need for reserves temporarily exceeds receipts, these designations may, upon the recommendation of the City Manager and the authorization of the City Council, be used in accordance with the standards set forth herein.

Under GASB 54, such reserves are includable in Unassigned fund balance when the usage is predicated on general circumstances which are expected to routinely occur.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

9. NET POSITION AND FUND BALANCES (Continued)

The General Fund Balances are detailed below and described along with the minimum balance target and purpose:

	Balance at June 30, 2020
Nonspendables:	
Items not in spendable form:	
Long-term loans to Private Purpose Trust	\$5,236,442
Deposits, parts, supplies and other	6,460
Total Nonspendable Fund Balances	5,242,902
 Assigned:	
Capital projects	256,170
Measure C District sales tax	21,835,873
Total Assigned Fund Balances	22,092,043
 Unassigned:	
Designations:	
Liquidity	25,348,230
Total Unassigned Fund Balances	25,348,230
Total Fund Balances	\$52,683,175

- **Liquidity:** Minimum balance equal to greater of \$2.5 million or 5% of the annual general fund operating appropriations.

This reserve is to address short-term borrowing needs the City may encounter. Certain major revenues of the general fund are passed through other government agencies, state and county. The City cannot control the timing of when they make payments to the City.

- In October 2014, the Citizens of Hayward approved the Measure C District Sales Tax, a general tax. Fund balances related to this Measure have been assigned.

Deficit Fund Balances – As of June 30, 2020, the following funds had a deficit:

The Route 238 Corridor Improvement Capital Projects Fund reported a deficit of \$9,212,995 at June 30, 2020 due to expenditures related to Mission Boulevard Improvements. This deficit is expected to be eliminated with future revenues.

The General Liability Internal Service Fund reported a deficit of \$1,261,427 at June 30, 2020 due to a larger than expected claims adjustment at the end of fiscal year 2020. This deficit is expected to be eliminated with future internal service fund charges.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

10. ACCRUED RECLAMATION COSTS

To comply with regulatory requirements imposed by the California Regional Water Quality Control Board and the Alameda County Department of Environmental Health, the City expects to incur reclamation costs associated with an abandoned 60 acre landfill site. Such costs represent placing an 18-inch vegetative cover over the landfill site as well as ongoing monitoring costs. Annually the City expects to incur \$125,000 in expenses related to reclamation costs for the site. These expenses will be funded by operating revenue of the Sewer Enterprise Fund. Reclamation payments totaled \$153,408 for the year ended June 30, 2020. Reclamation costs are accrued in the Sewer Enterprise Fund. Actual costs may be higher due to inflation, changes in technology, or changes in State or Federal regulations.

11. DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them. Distributions may be made only at termination, retirement, death, or in an emergency defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

12. PENSION PLANS

General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

12. PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous	
	Classic Tier I	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.50%	1.0% - 2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates (A)	9.496%	9.496%

	Safety - Fire	
	Classic Tier I	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	9.75%
Required employer contribution rates (A)	18.452%	18.452%

	Safety - Police	
	Classic Tier I	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	12.00%
Required employer contribution rates (A)	22.755%	22.755%

(A) Rates represents blended combination rates

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

12. PENSION PLANS (Continued)

Employees Covered – The following employees were covered by the benefit terms for each Plan as of the most recent actuarial valuation date of June 30, 2018 and measurement date of June 30, 2019:

	<u>Miscellaneous</u>	<u>Safety-Fire</u>	<u>Safety - Police</u>
Inactive employees or beneficiaries currently receiving benefits	525	186	327
Inactive employees entitled to but not yet receiving benefits	682	23	73
Active employees	902	129	175
Total	<u>2,109</u>	<u>338</u>	<u>575</u>

Employees' Retirement Law 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. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is 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. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability

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

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

12. PENSION PLANS (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2019, the total pension liabilities were determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 and June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

	All Plans
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) Net of pension plan investment expenses, including inflation

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of projected mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the CalPERS Experience Study and review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

12. PENSION PLANS (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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 (a)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+ (c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

12. PENSION PLANS (Continued)

Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follow:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	\$459,488,995	\$305,620,064	\$153,868,931
Changes in the year:			
Service cost	8,124,065		8,124,065
Interest on the total pension liability	32,708,864		32,708,864
Differences between actual and expected experience	6,313,847		6,313,847
Changes in assumptions			
Plan to plan resource movement			
Contribution - employer		12,008,441	(12,008,441)
Contribution - employee		4,682,650	(4,682,650)
Net investment income		19,998,965	(19,998,965)
Administrative expenses		(218,097)	218,097
Benefit payments, including refunds of employee contributions	(24,796,470)	(24,796,470)	
Other miscellaneous income/(expense)		711	(711)
Net changes	22,350,306	11,676,200	10,674,106
Balance at June 30, 2019	\$481,839,301	\$317,296,264	\$164,543,037

Safety - Fire Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	\$300,365,184	\$187,020,698	\$113,344,486
Changes in the year:			
Service cost	5,286,457		5,286,457
Interest on the total pension liability	21,091,439		21,091,439
Differences between actual and expected experience	270,193		270,193
Changes in assumptions			
Plan to plan resource movement			
Contribution - employer		8,015,957	(8,015,957)
Contribution - employee		3,093,507	(3,093,507)
Net investment income		12,184,975	(12,184,975)
Administrative expenses		(133,462)	133,462
Benefit payments, including refunds of employee contributions	(16,586,918)	(16,586,918)	
Other miscellaneous income/(expense)		437	(437)
Net changes	10,061,171	6,574,496	3,486,675
Balance at June 30, 2019	\$310,426,355	\$193,595,194	\$116,831,161

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

12. PENSION PLANS (Continued)

Safety - Police Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	\$393,894,833	\$243,657,276	\$150,237,557
Changes in the year:			
Service cost	7,716,531		7,716,531
Interest on the total pension liability	28,039,320		28,039,320
Differences between actual and expected experience	4,860,684		4,860,684
Changes in assumptions			
Plan to plan resource movement			
Contribution - employer		12,243,071	(12,243,071)
Contribution - employee		3,750,089	(3,750,089)
Net investment income		16,002,505	(16,002,505)
Administrative expenses		(173,879)	173,879
Benefit payments, including refunds of employee contributions	(20,910,933)	(20,910,933)	
Other miscellaneous income/(expense)		567	(567)
Net changes	<u>19,705,602</u>	<u>10,911,420</u>	<u>8,794,182</u>
Balance at June 30, 2019	<u>\$413,600,435</u>	<u>\$254,568,696</u>	<u>\$159,031,739</u>
Combined Total	<u>\$1,205,866,091</u>	<u>\$765,460,154</u>	<u>\$440,405,937</u>

The long-term portion of the governmental activities Net Pension Liability is liquidated primarily by the General Fund.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety-Fire	Safety-Police
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$225,710,456	\$157,741,368	\$215,934,047
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$164,543,037	\$116,831,161	\$159,031,739
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$113,842,401	\$83,126,130	\$112,532,091

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

12. PENSION PLANS (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the City recognized pension expense of \$44,811,378. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$12,996,103	
Differences between actual and expected experience	4,500,505	
Changes in assumptions		(\$731,070)
Net differences between projected and actual earnings on plan investments		(1,779,276)
Total	<u>\$17,496,608</u>	<u>(\$2,510,346)</u>

Safety Plan - Fire:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$9,197,653	
Differences between actual and expected experience	2,955,111	(\$125,888)
Changes in assumptions	6,251,768	(829,417)
Net differences between projected and actual earnings on plan investments		(990,595)
Total	<u>\$18,404,532</u>	<u>(\$1,945,900)</u>

Safety Plan - Police:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$13,839,941	
Differences between actual and expected experience	3,510,494	(\$1,329,149)
Changes in assumptions	4,622,472	(729,444)
Net differences between projected and actual earnings on plan investments		(1,348,750)
Total	<u>\$21,972,907</u>	<u>(\$3,407,343)</u>
Combined total	<u>\$57,874,047</u>	<u>(\$7,863,589)</u>

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

12. PENSION PLANS (Continued)

\$36,033,697 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2021	\$3,467,807
2022	(1,250,540)
2023	(530,374)
2024	303,266
Total	\$1,990,159

Safety Plan - Fire:

Year Ended June 30	Annual Amortization
2021	\$5,368,097
2022	1,648,897
2023	(31,698)
2024	242,500
2025	33,183
Total	\$7,260,979

Safety Plan - Police:

Year Ended June 30	Annual Amortization
2021	\$5,356,325
2022	(1,263,512)
2023	387,296
2024	245,514
Total	\$4,725,623

Subsequent Event – CalPERS Pension Contribution Rates – The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to the UAL bases established on or after June 30, 2019. As a result of these changes, the City’s contribution rates for the fiscal year ending June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

13. PUBLIC AGENCY RETIREMENT SYSTEM

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer’s existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. Effective January 1, 1992, the City contracted with the Public Agency Retirement System (PARS), a defined contribution plan. This Plan covers part-time, seasonal and temporary employees and all employees not covered by another retirement system. All eligible employees covered by the Plan are fully vested. The benefits a participant will receive depend on contributions. Employer liabilities are limited to the amount of current contributions.

As approved by Council, PARS participants contribute 3.75% and the City contributes 3.75% of salary each pay period. Contributions made by an employee and the employer vest immediately. No forfeitures were noted during the current period.

For the fiscal year ending June 30, 2020, total contributions of \$19,034 were made based on a total amount of covered compensation of \$510,965.

14. OTHER POSTEMPLOYMENT BENEFITS

Provisions and Benefits

OPEB Healthcare The City participates in the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CalPERS, consisting of an aggregation of single-employer plans.

By City Council resolution the City provides certain health care benefits for employees who retire directly from the City with at least five years of service with the City and who are vested in the California Public Employees Retirement System (CalPERS). The City participates in the CalPERS health care plan which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). Required retiree medical plan contributions are also governed by PEMCHA for member agencies.

The City contributes up to a fixed dollar amount for retiree medical benefits, which varies by employee bargaining group and coverage level as governed by PEMCHA. Benefits continue for surviving spouses in amounts as required by PEMCHA. Should an eligible retiree opt out of the CalPERS medical plan, they will receive \$136 to \$139 per month in lieu of contributions to the CalPERS plan.

Employees Covered

Membership in the plan consisted of the following at June 30, 2019 (latest actuarial valuation date):

Active employees	821
Inactive employees or beneficiaries currently receiving benefit payments	624
Inactive employees entitled to but not yet receiving benefit payments	246
Total	1,691

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 that was rolled forward to determine the total OPEB liability, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	3.0%
Investment Rate of Return	6.90%
Mortality Rate	The mortality improvement scale was updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2018.
Pre-Retirement Turnover	Must retire from PERS on or after age 65 with at least 10 years of service.
Healthcare	4% to 5.40%

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 OPEB 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 target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Inflation Assets	5.0%	1.46%
Fixed Income	25.0%	2.62%
Global Equities	59.0%	5.98%
REITs	8.0%	5.00%
Commodities	3.0%	2.87%
Total	100.0%	

Discount Rate – The discount rate used to measure the total OPEB liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. 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.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Net OPEB Liability- The changes in the Net OPEB Liability follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2018	\$113,703,064	\$5,460,558	\$108,242,506
Changes Recognized for the Measurement Period:			
Service Cost	4,121,478		4,121,478
Interest on the total OPEB liability	4,186,619		4,186,619
Differences between expected and actual experience		458,766	(458,766)
Changes of assumptions	(32,786,613)		(32,786,613)
Plan experience	2,686,781		2,686,781
Contributions from the employer		6,344,188	(6,344,188)
Contributions from the employee		377,793	(377,793)
Net investment income		(3,349)	3,349
Administrative expenses		(1,348)	1,348
Benefit payments	(4,344,188)	(4,344,188)	
Net changes	(26,135,923)	2,831,862	(28,967,785)
Balance at June 30, 2019 (Measurement Date)	\$87,567,141	\$8,292,420	\$79,274,721

Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(5.90 %)	(6.90%)	(7.90%)
\$90,129,813	\$79,274,721	\$70,183,521

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Net OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
(4.4%)	(5.4%)	(6.4%)
\$70,641,334	\$79,274,721	\$90,134,573

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the California Employers’ Retiree Benefit Trust (CERBT). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2020, the City recognized OPEB expense of \$721,396. At June 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$7,455,802	
Changes of assumptions	3,955,965	(\$38,044,520)
Difference between Expected and Actual Experience	2,265,656	
Net difference between projected and actual earnings on investments		(34,744)
Total	\$13,677,423	(\$38,079,264)

\$7,455,802 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2021	(\$6,781,463)
2022	(6,781,465)
2023	(6,756,775)
2024	(5,015,625)
2025	(4,729,541)
Thereafter	(1,792,774)
Total	(31,857,643)

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

15. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; natural disasters. The City is self-insured for its general liability, workers' compensation, malpractice liability, and general and auto liability. The City has chosen to establish risk financing internal service funds where assets are set aside for claim settlements associated with the above risks of loss up to certain limits.

<u>Type of Coverage</u>	<u>Self Insurance</u>	<u>Coverage and Limits</u>
General Liability	\$0 - \$1,000,000 per occurrence	\$250,000- \$25,000,000
Workers' compensation	\$0 - statutory limits	None
Property	\$0 - \$500,000 per occurrence	\$250,000 - \$1,000,000,000
Cyber	\$0 - \$100,000 per occurrence	\$500,000 - \$25,000,000
Boiler and machinery	\$0 - \$350,000 per occurrence	\$2,000,000 - \$100,000,000
Airport	None	\$25,000 - \$50,000,000
Pollution	\$0- \$750,000 per pollution condition	\$500,000- \$25,000,000

Amounts in excess of the insured limits are self-insured.

In fiscal year 2004, the City did not renew its workers' compensation insurance coverage and instead elected to self-insure all workers' compensation claims.

The City is a member of the Exclusive Risk Management Authority of California JPA (formally known as CA Risk Management Authority) for general municipal liability insurance coverage.

Self-Insurance – The City records estimated liabilities for general liability claims filed or expected to be filed as part of the accrued liabilities in the General Liability Fund (internal service fund). Charges to the General Fund and other funds are determined from an analysis of self-insured claim costs and recorded as transfers from such funds to the General Liability Fund.

The City records estimated liabilities for workers' compensation claims filed or expected to be filed as part of the accrued liabilities in the Workers' Compensation Insurance Fund (internal service fund). Premiums are paid to the Insurance Fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program.

Property damage risks are covered on an occurrence basis up to the deductibles listed above by commercial insurance, Driver Alliant Insurance Services Inc., purchased from independent third parties. All properties are insured at full replacement values. During the past three years there have been no significant reductions in any of the City's insurance coverage and no settlement amounts have exceeded insurance coverage.

The unpaid workers' compensation claims liabilities included in the Worker's Compensation Insurance Internal Service Fund are based on the results of an actuarial study and include amounts for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. In addition, the liability is discounted using an annual interest rate of 2%.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

15. RISK MANAGEMENT (Continued)

Changes in the balances of claims liabilities, including a provision for claims incurred but not reported, during the past two fiscal years are as follows:

	General Liability	Workers' Compensation	Totals, as of June 30	
			2020	2019
Balance, beginning of year	\$2,899,516	\$18,488,910	\$21,388,426	\$18,506,242
Current year claims and changes in estimates	4,558,055	492,008	5,050,063	8,902,098
Claims paid	<u>(2,123,372)</u>	<u>(3,546,336)</u>	<u>(5,669,708)</u>	<u>(6,019,914)</u>
Balance, end of year	<u>\$5,334,199</u>	<u>\$15,434,582</u>	<u>\$20,768,781</u>	<u>\$21,388,426</u>

GASB #10 requires the City to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including allocated loss adjustment expense and unallocated loss adjustment expenses. GASB #10 does not prohibit the discounting of losses to recognize investment income. The City's estimated minimum liability at June 30, 2020 is \$20,768,781. This amount is net of the allowable adjustment to recognize investment income.

16. JOINT POWERS AGREEMENTS

In March 2013, agencies of Alameda County entered into a Joint Powers Agreement creating the Energy Council to further the efforts of the Alameda County Waste Management Authority (ACWMA) in efforts to seek funding, develop and implement sustainable energy initiatives that reduce energy demand, increase energy efficiency and advance the use of clean efficient and renewable resources in the region for the benefit of the member agencies. No debt, liability, or obligation of the Energy Council shall constitute a debt, liability of obligation of the City of Hayward pursuant to Government Code section 6508.1 and the terms of the agreement. The Energy Council shall be governed by the Board, consisting of one member from each governing body of each member agency. The financial activities for the Energy Council are not included in the accompanying financial statements as it is administered by a board separate from and independent of the City.

The East Bay Dischargers Authority ("EBDA") was established in 1974 under the Joint Exercise of Powers Act of the State of California by the Cities of Hayward and San Leandro, and the Ora Loma, Castro Valley, and Union Sanitary Districts for the purpose of planning, acquiring, constructing, managing and operating common use and individual wastewater treatment and disposal facilities for the member agencies. The governing body of EBDA consists of five members, one appointed by each of the member agencies. The City exercises a weighted vote of 20.7% of the total vote. As a separate legal entity, EBDA exercises full powers and authorities within the scope of the Joint Powers Agreement. Obligations and liabilities of EBDA are not those of the member agencies.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

16. JOINT POWERS AGREEMENTS (Continued)

The financial activities for EBDA are not included in the accompanying financial statements as it is administered by a board separate from and independent of the City. Transactions with and the investment in the joint powers agency are accounted for as follows:

- a) Payments related to the services which the City received during fiscal year 2020 amounted to \$960,098 and are recorded as materials, supplies and services expenses.
- b) Payments related to the City's long-term investment in the joint powers agency, for which the City has the ability to exercise significant influence over operating and financial policies, are recorded as an investment in the East Bay Dischargers Authority under the equity method. The City's equity approximates one-third of the total net position of EBDA and amounts to \$10,382,103 at June 30, 2020.

The investment in East Bay Dischargers Authority is valued as of June 30, 2020, the latest date for which financial information is available.

Summary financial information as of and for the year ended June 30, 2020 (the most recent audited financial information available) for EBDA's common use operations was as follows:

Assets	
Current	\$3,769,080
Capital assets - net	28,856,838
Total Assets	32,625,918
Deferred outflow of resources	1,443,088
Total	\$34,069,006
Liabilities	\$2,740,851
Deferred inflow of resources	181,845
Net Position	31,146,310
Total	\$34,069,006
Revenues	\$5,767,363
Expenses	(5,364,073)
Non-operating revenues	70,036
Non-operating expenses	(114,277)
Change in Net Position	\$359,049

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

17. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in several lawsuits arising from its normal operations. City management is of the opinion that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the basic financial statements of the City.

Bay Area Water Supply and Conservation Agency Revenue Bonds Surcharge

The City contracts with the City and County of San Francisco for the purchase of water from the Hetch Hetchy System operated by the San Francisco Public Utilities Commission (SFPUC). The City is also a member of the Bay Area Water Supply and Conservation Agency (BAWSCA) which represents the interests of all the 24 cities and water districts, as well as two private utilities, that purchase wholesale water from the SFPUC.

In 2009 the City entered into a new 25-year agreement with the SFPUC. One of the ways that the new agreement differs from the old is in how facilities constructed by the SFPUC that benefit the regional customers are treated from a rate and financial perspective. Under the old agreement, facilities were built, capitalized, and added to the rate base with a rate of return (interest), and then paid for over their useful lives through wholesale rates. Under the new agreement, the SFPUC issues revenue bonds and the debt service (which also includes an interest component) is paid for through rates over the life of the bonds.

During the transition from the old to the new contracts, one of the issues addressed was how to deal with the \$370 million in assets that were still being paid for by the wholesale customers under the old agreement. The assets were transferred to the new agreement, assigned a life with an agreed upon rate of return of 5.13%. Also negotiated was a provision to allow the wholesale customers to prepay any remaining existing assets' unpaid principal balance without penalty or premium. This prepayment was executed through the issuance of bonds by BAWSCA which provide a better interest rate given the favorable rate environment.

BAWSCA issued Revenue Bonds in the principal amount of \$335,780,000 in January 2013 to prepay the capital cost recovery payment obligation and fund a stabilization fund. The Bonds mature in October 2034 and are secured by surcharges to the monthly water purchase charges imposed upon the participating members. The Bonds are not a debt obligation of any member, and BAWSCA's failure to pay its Bonds would not constitute a default by any participating member.

Should any participating member fail to pay its share, BAWSCA will rely on the stabilization fund and will pursue all legal remedies to collect the shortfall from the delinquent member. In the interim, other participating members may have their portion adjusted to insure the continued payment of the debt service surcharge.

The risk of bearing the debt service expense of a defaulting member is not significantly different than the risk each member assumes currently for fluctuations in water purchase charges. Under the Bond indenture, BAWSCA maintains a stabilization fund. If surcharge revenues collected are less than needed (due to a member's failure to pay timely), BAWSCA uses the stabilization fund to fund the debt service deficiency, and increases the surcharge in the subsequent year to make up for the prior year shortfall and reimburse the stabilization fund account. Also, given that each participating agency's governing body adopted a Resolution to participate in the Bond issue, Management believes that default is generally very unlikely.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

17. COMMITMENTS AND CONTINGENCIES (Continued)

The annual debt service surcharges are a fixed amount for each participant and are calculated by taking the subsequent fiscal year's debt service, multiplied by each participant's actual water purchase as a percent of total wholesale customer water purchases from the prior fiscal year. One-twelfth of the annual surcharge is included in the monthly bill from SFPUC. Because each participant's share of the debt service surcharge is proportional to the amount of water purchased during the prior fiscal year, the City's share of the debt service will fluctuate from year to year.

The City paid its surcharge of \$2,850,780 during fiscal year 2020, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2021 is estimated to be \$2,772,684.

18. CONDUIT DEBT WITHOUT CITY COMMITMENT

On March 26, 1998, the City assisted in the issuance of \$9,500,000 in Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1998A for the purpose of providing funds to make a loan to Santa Clara Associates, LLC to provide permanent financing for a multifamily rental housing project known as the Timbers Apartments Project. Interest on the bonds is payable monthly commencing April 1, 1998. Principal on the Bonds is due March 1, 2023. The City has no legal or moral commitment for the repayment of these bonds.

On August 15, 2001, the City sponsored the issuance of the City of Hayward Variable Rate Demand Multifamily Housing Revenue Bonds (Lord Tennyson Apartments), 2001 Series A which were issued in the aggregate principal amount of \$6,450,000 to assist a developer in financing the acquisition and rehabilitation of a 96-unit multifamily complex located in Hayward. Repayments for the loan are required to be made by the developer. The City has no legal or moral liability with respect to the payment of this debt.

On January 6, 2004 the City sponsored the issuance of the second supplement of the 1984A City of Hayward Variable Rate Demand Multifamily Housing Revenue Bonds, (Shorewood Apartment Project) which were issued in the aggregate principal amount of \$33,100,000 to refinance prior bonds used to finance the acquisition and construction of a 544-unit multifamily rental housing complex. Repayments for the loan are required to be made by the developer. The City has no legal or moral liability with respect to the payment of this debt.

On April 1, 2005, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (Lord Tennyson Apartments) 2005 Series A and 2005 Series A-T which were issued in the aggregate principal amount of \$14,625,000 to finance the acquisition, rehabilitation and development of multifamily rental housing facilities. The City has no legal or moral liability with respect to the payment of this debt.

On October 1, 2005, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (Las Casitas of Hayward) 2005 Series A which were issued in the aggregate principal amount of \$6,325,000 to finance the acquisition, rehabilitation and development of multifamily rental housing facilities. The City has no legal or moral liability with respect to the payment of this debt.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

18. CONDUIT DEBT WITHOUT CITY COMMITMENT (Continued)

On November 28, 2006, the City sponsored the issuance of Multi-Family Housing Revenue Bonds (Saklan Family Housing Development) 2006 Series A which were issued in the aggregate principal amount of \$14,000,000 to assist in the construction and development 78-unit Saklan Family Housing project. The City has no legal or moral liability with respect to the payment of this debt.

On November 10, 2014, the City sponsored the issuance of City of Hayward Multifamily Housing Revenue Bonds (South Hayward BART Family and Senior Affordable Apartments) 2014 Series A which were issued in the aggregate principal amount of \$32,261,046 to assist in the acquisition and construction of a 150-unit multifamily rental housing facility. The City has no legal or moral liability with respect to the payment of this debt.

19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

Redevelopment Dissolution

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City initially declined to become the Housing Successor, however after other agencies refused to assume the responsibility, the City elected to become the temporary Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Housing Authority Capital Projects Fund.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on April 30, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

The activities of the Housing Successor are reported in the Housing Authority Capital Projects Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

Cash and Investments

The Successor Agency pools cash from all sources and all funds with the City so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. The details of the City’s investment pool can be found in Note 2.

Restricted cash and investments may be used only for activities authorized by the bond indentures of the Successor Agency’s Bonds.

Loans Receivable

The Successor Agencies assumed the notes and loans receivable of the former Redevelopment Agency as of February 1, 2012. The balance of the notes receivable assumed by the Successor Agency at June 30, 2020 was \$24,509,337 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust, consisting of rehabilitation and construction loans.

Elementary School and Public Improvements (Cannery/Burbank Project) – Pursuant to an agreement between the former Redevelopment Agency, City, the Hayward Area Park and Recreation District (HARD), and the Hayward Unified School District, the City has agreed to construct and the former Redevelopment Agency has agreed to pay for the design and construction of a new elementary school to be located on a site composed of parcels owned by or to be acquired by the former Redevelopment Agency. The project was completed during the year ended June 30, 2009 for a total cost of \$35,944,664. The site and improvements have been conveyed to the School District in exchange for a portion of land owned by the School District (the old school site).

The former Redevelopment Agency also agreed to deconstruct the old school site, and finance the cost of certain infrastructure improvements to the adjacent Cannery Park, which will be jointly used by the HARD, Park District and the School District. This infrastructure project was completed during the year ended June 30, 2009 for a total cost of \$6,813,260. The site and improvements have been conveyed to the HARD.

Receivables – To partially compensate the former Redevelopment Agency for the above design and construction costs and repay the advances, the School District, HARD and the City have agreed to assign certain school development fees and park-in-lieu fees to the former Redevelopment Agency. In addition, the School District has agreed that the former Redevelopment Agency may retain pass-through payments due the School District pursuant to the Health and Safety Code, as partial compensation for the above costs. The remaining unreimbursed costs are recorded in a schedule of changes in the loan receivable balance for the year ended June 30, 2020.

	School Project	Cannery Park	Cinema Place	Retail Attraction	Total
Balance at June 30, 2019	\$19,259,659	\$3,491,901	\$275,624	\$1,534,779	\$24,561,963
Less: Loan Payments				52,626	52,626
Balance at June 30, 2020	\$19,259,659	\$3,491,901	\$275,624	\$1,482,153	\$24,509,337

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

Capital Assets

The Successor Agency assumed the capital assets of the former Redevelopment Agency as of February 1, 2012.

Capital Assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at their acquisition values. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows.

Buildings and improvements	10 - 50 years
Improvements other than Buildings	15 years
Machinery and equipment	7 - 50 years

The Successor Agency has recorded all its public domain (infrastructure) capital assets, which include landscape, storm, street, and traffic systems.

Capital Asset Additions, Retirements, and Balances

	Balance <u>June 30, 2019</u>	<u>Additions</u>	Balance <u>June 30, 2020</u>
Capital assets not being depreciated:			
Land	\$4,430,516		\$4,430,516
Total capital asset not being depreciated	4,430,516		4,430,516
Capital assets being depreciated:			
Buildings and improvements	14,135,897		14,135,897
Machinery and equipment	9,575		9,575
Total capital asset being depreciated	14,145,472		14,145,472
Less accumulated depreciation for:			
Buildings and improvements	4,020,166	\$314,131	4,334,297
Machinery and equipment	9,575		9,575
Total accumulated depreciation	4,029,741	314,131	4,343,872
Net depreciable assets	10,115,731	(314,131)	9,801,600
Private purpose trust fund assets, net	\$14,546,247	(\$314,131)	\$14,232,116

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

Loans Payable

The Successor Agencies assumed the notes and loans payable of the former Redevelopment Agency as of February 1, 2012. The balance of the loans payable assumed by the Successor Agency at June 30, 2020 was \$9,139,979 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund. The loans were as follows:

	Advances to Private Purpose Trust Fund	Advances From City
General Fund	\$5,236,442	
Housing Authority Special Revenue Fund	3,876,516	
Internal Service Funds	27,021	
Successor Agency Private Purpose Trust Fund		\$9,139,979
Total	\$9,139,979	\$9,139,979

Funds were advanced from the City to the former Redevelopment Agency under an Amended Repayment Agreement whereby the Agency has agreed to reimburse the City a portion of project costs for the B Street/Watkins/Mission Garage and B Street Retail and Civic Center Plaza not to exceed \$11,186,217.

Under the Dissolution Act, certain agreements between Cities and redevelopment agencies no longer qualify as enforceable obligations. However, with the passage of AB 1484 on June 28, 2012, upon meeting certain requirements including the issuance of a finding of completion by the State Department of Finance and approval from the Oversight Board, this loan was restored at LAIF rates from inception. The amounts above reflect only the principal portion of the loan. As a result of the State Controller’s Office Asset Transfer Review, completed in 2014, a loan repayment made by the Successor Agency to the City’s General Fund in March 2011 of \$2.22 million was disallowed. Additional repayments of \$1,041,075 by the Successor Agency to the City’s Water Enterprise Fund and \$831,877 by the Successor Agency to the City’s Sewer Enterprise Fund were also disallowed. These balances are reflected in the table above. In late November 30, 2018 the California State Supreme Court granted the Petition Writ of Mandate in the City’s favor which confirms that the \$2.22 million obligation due the General Fund would be recognized and repaid by the State Department of Finance.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

Long-Term Debt

The Successor Agency assumed the long-term debt of the Redevelopment Agency as of February 2012. The Successor Agency's debt issues and transactions are summarized below and discussed in detail thereafter.

Type of Obligation	Authorized and Issued	Balance at June 30, 2019	Retirements	Balance at June 30, 2020	Current Portion
Tax Allocation Bonds, 2016 Refunding Redevelopment Agency due 3/1/2036, interest at 2.0%-5.0%	\$35,270,000	\$29,815,000	\$1,805,000	\$28,010,000	\$1,880,000
Add: Original Issue Premium		3,128,143	184,009	2,944,134	
Total	<u>\$35,270,000</u>	<u>\$32,943,143</u>	<u>\$1,989,009</u>	<u>\$30,954,134</u>	<u>\$1,880,000</u>

At June 30, 2020, future debt service requirement for the Successor Agency were as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$1,880,000	\$1,344,550
2022	1,975,000	1,254,250
2023	2,070,000	1,154,375
2024	2,180,000	1,049,625
2025	2,290,000	939,375
2026 - 2030	10,295,000	2,938,000
2031 - 2035	5,920,000	1,067,175
2036	1,400,000	41,900
Totals	28,010,000	<u>\$9,789,250</u>
Plus unamortized premium	2,944,134	
Total Long-term debt principal, net	<u>\$30,954,134</u>	

2016 Tax Allocation Refunding Bonds

On November 29, 2016, the Successor Agency issued 2016 Tax Allocation Refunding Bonds in the amount of \$35,270,000. The proceeds of the Bonds were used to refund the 2004 Tax Allocation Bonds and 2006 Tax Allocation Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of Net Position. The Bonds are payable in annual installments as indicated below until maturity on March 1, 2036. Interest is paid semiannually on March 1 and September 1, with rates ranging from 2.0% to 5.0% per annum.

CITY OF HAYWARD, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

19. REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

The bond covenant contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. The covenant also contains a subjective acceleration clause that allows the trustees or holders, who hold the majority of the aggregate principal amount of the bonds, to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs.

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed and housing set-aside amounts are no longer required, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. The Successor Agency only receives the funds necessary to fulfill its approved obligations. In fiscal year 2020, total tax increment calculated and available for distribution by the County Auditor-Controller was \$3,791,673, and the total received by the Successor Agency was \$3,791,673. The taxes available for distribution covered 118% of the \$3,222,450 of debt service.

Commitments and Contingencies

State Approval of Enforceable Obligations – Successor Agency

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HAYWARD
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Miscellaneous Plan - Agent Multiple-Employer Defined Pension Plan
Last 10 Years*

Measurement Date	6/30/2014	6/30/2015
Total Pension Liability		
Service Cost	\$6,288,587	\$5,922,880
Interest	27,661,985	28,504,068
Differences between expected and actual experience		(3,128,990)
Changes in assumptions		(6,628,461)
Changes in benefits		
Benefit payments, including refunds of employee contributions	(19,351,565)	(21,117,520)
Net change in total pension liability	14,599,007	3,551,977
Total pension liability - beginning	375,357,954	389,956,961
Total pension liability - ending (a)	\$389,956,961	\$393,508,938
Plan fiduciary net position		
Contributions - employer	\$7,412,951	\$8,397,492
Contributions - employee	3,116,188	3,176,411
Net investment income	42,388,729	6,280,326
Benefit payments, including refunds of employee contributions	(19,351,565)	(21,117,520)
Plan to plan resource movement		2,005
Administrative expense		(311,784)
Other miscellaneous income/(expense)		
Net change in plan fiduciary net position	33,566,303	(3,573,070)
Plan fiduciary net position - beginning	247,040,337	280,606,640
Plan fiduciary net position - ending (b)	\$280,606,640	\$277,033,570
Net pension liability - ending (a)-(b)	\$109,350,321	\$116,475,368
Plan fiduciary net position as a percentage of the total pension liability	71.96%	70.40%
Covered payroll	\$37,254,645	\$37,577,455
Net pension liability as percentage of covered payroll	293.52%	309.96%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Source: CalPERS Accounting Valuation - GASB 68

<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
\$6,147,333	\$7,504,688	\$7,869,869	\$8,124,065
29,369,393	30,173,942	31,188,964	32,708,864
(1,584,352)	444,821	2,372,377	6,313,847
	23,917,327	(2,819,842)	-
			-
<u>(22,169,235)</u>	<u>(22,746,836)</u>	<u>(23,688,392)</u>	<u>(24,796,470)</u>
11,763,139	39,293,942	14,922,976	22,350,306
<u>393,508,938</u>	<u>405,272,077</u>	<u>444,566,019</u>	<u>459,488,995</u>
<u>\$405,272,077</u>	<u>\$444,566,019</u>	<u>\$459,488,995</u>	<u>\$481,839,301</u>
\$9,973,051	\$11,093,282	\$10,774,004	\$12,008,441
3,159,686	3,799,837	4,511,187	4,682,650
1,454,000	29,788,614	24,576,008	19,998,965
(22,169,235)	(22,746,836)	(23,688,392)	(24,796,470)
(11,393)	(46,705)	(711)	-
(168,838)	(397,560)	(453,086)	(218,097)
		<u>(860,419)</u>	<u>711</u>
<u>(7,762,729)</u>	<u>21,490,632</u>	<u>14,858,591</u>	<u>11,676,200</u>
<u>277,033,570</u>	<u>269,270,841</u>	<u>290,761,473</u>	<u>305,620,064</u>
<u>\$269,270,841</u>	<u>\$290,761,473</u>	<u>\$305,620,064</u>	<u>\$317,296,264</u>
<u>\$136,001,236</u>	<u>\$153,804,546</u>	<u>\$153,868,931</u>	<u>\$164,543,037</u>
66.44%	65.40%	66.51%	65.85%
\$37,278,957	\$39,325,308	\$43,553,412	\$42,884,033
364.82%	391.11%	353.29%	383.69%

CITY OF HAYWARD
SCHEDULE OF CONTRIBUTIONS
Miscellaneous Plan - Agent Multiple-Employer Defined Pension Plan
Last 10 Years*

Fiscal Year Ended June 30	2015	2016
Actuarially determined contribution	\$8,401,478	\$10,026,685
Contributions in relation to the actuarially determined contributions	8,401,478	10,026,685
Contribution deficiency (excess)	\$0	\$0
Covered payroll	\$37,577,455	\$37,278,957
Contributions as a percentage of covered payroll	22.36%	26.90%

Notes to Schedule

Valuation date: 6/30/2013 6/30/2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	15 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service, and type of employment.
Investment rate of return	7.50% for 2015 to 2018, 7.15% for 2019 to 2020, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Source: City of Hayward's general ledger and CalPERS Actuarial Valuation

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$11,092,052	\$10,776,908	\$12,013,423	\$12,996,103
<u>11,092,052</u>	<u>10,776,908</u>	<u>12,013,423</u>	<u>12,996,103</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$39,325,308	\$43,553,412	\$42,884,033	\$49,210,706
28.21%	24.74%	28.01%	26.41%
6/30/2015	6/30/2016	6/30/2017	6/30/2018

CITY OF HAYWARD
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Safety - Fire Plan - Agent Multiple-Employer Defined Pension Plan
Last 10 Years*

Measurement Date	6/30/2014	6/30/2015
Total Pension Liability		
Service Cost	\$4,037,733	\$3,887,900
Interest	17,319,964	18,049,868
Differences between expected and actual experience		763,164
Changes in assumptions		(4,308,430)
Changes in benefits		
Benefit payments, including refunds of employee contributions	(12,054,664)	(13,394,096)
Net change in total pension liability	9,303,033	4,998,406
Total pension liability - beginning	234,941,316	244,244,349
Total pension liability - ending (a)	\$244,244,349	\$249,242,755
Plan fiduciary net position		
Contributions - employer	\$4,128,191	\$4,969,514
Contributions - employee	2,212,037	2,383,255
Net investment income	26,481,168	3,918,637
Benefit payments, including refunds of employee contributions	(12,054,664)	(13,394,096)
Plan to plan resource movement		
Administrative expense		(193,742)
Other miscellaneous income/(expense)		
Net change in plan fiduciary net position	20,766,732	(2,316,432)
Plan fiduciary net position - beginning	153,701,396	174,468,128
Plan fiduciary net position - ending (b)	\$174,468,128	\$172,151,696
Net pension liability - ending (a)-(b)	\$69,776,221	\$77,091,059
Plan fiduciary net position as a percentage of the total pension liability	71.43%	69.07%
Covered payroll	\$14,894,224	\$15,304,881
Net pension liability as percentage of covered payroll	468.48%	503.70%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Source: CalPERS Accounting Valuation - GASB 68

<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
\$4,145,914	\$5,098,972	\$4,895,549	\$5,286,457
19,111,623	19,657,506	20,408,514	21,091,439
5,499,415	(324,662)	2,612,499	270,193
	16,122,983	(1,401,429)	-
			-
<u>(13,979,969)</u>	<u>(14,874,772)</u>	<u>(15,849,714)</u>	<u>(16,586,918)</u>
14,776,983	25,680,027	10,665,419	10,061,171
<u>249,242,755</u>	<u>264,019,738</u>	<u>289,699,765</u>	<u>300,365,184</u>
<u>\$264,019,738</u>	<u>\$289,699,765</u>	<u>\$300,365,184</u>	<u>\$310,426,355</u>
\$5,795,308	\$6,378,762	\$6,646,548	\$8,015,957
2,527,042	2,544,269	2,516,137	3,093,507
802,917	18,488,612	15,036,869	12,184,975
(13,979,969)	(14,874,772)	(15,849,714)	(16,586,918)
		(437)	-
(104,917)	(246,848)	(279,683)	(133,462)
		(531,122)	437
<u>(4,959,619)</u>	<u>12,290,023</u>	<u>7,538,598</u>	<u>6,574,496</u>
<u>172,151,696</u>	<u>167,192,077</u>	<u>179,482,100</u>	<u>187,020,698</u>
<u>\$167,192,077</u>	<u>\$179,482,100</u>	<u>\$187,020,698</u>	<u>\$193,595,194</u>
<u>\$96,827,661</u>	<u>\$110,217,665</u>	<u>\$113,344,486</u>	<u>\$116,831,161</u>
63.33%	61.95%	62.26%	62.36%
\$15,425,723	\$16,579,674	\$17,977,548	\$19,202,305
627.70%	664.78%	630.48%	608.42%

CITY OF HAYWARD
SCHEDULE OF CONTRIBUTIONS
Safety - Fire Plan - Agent Multiple-Employer Defined Pension Plan
Last 10 Years*

Fiscal Year Ended June 30	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$4,879,642	\$5,789,172
Contributions in relation to the actuarially determined contributions	<u>4,879,642</u>	<u>5,789,172</u>
Contribution deficiency (excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Covered payroll	\$15,304,881	\$15,425,723
Contributions as a percentage of covered payroll	31.88%	37.53%

Notes to Schedule

Valuation date: 6/30/2013 6/30/2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	27 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service, and type of employment.
Investment rate of return	7.50% for 2015 to 2018 and 7.15% for 2019 to 2020, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Source: City of Hayward's general ledger and CalPERS Actuarial Valuation

2017	2018	2019	2020
\$6,383,503	\$6,646,548	\$8,015,966	\$9,197,653
6,383,503	6,646,548	8,015,966	9,197,653
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$16,579,674	\$17,977,548	\$19,202,305	\$18,986,921
38.50%	36.97%	41.74%	48.44%
6/30/2015	6/30/2016	6/30/2017	6/30/2018

CITY OF HAYWARD
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Safety - Police Plan - Agent Multiple-Employer Defined Pension Plan
Last 10 Years*

Measurement Date	6/30/2014	6/30/2015
Total Pension Liability		
Service Cost	\$6,810,663	\$6,454,659
Interest	22,705,717	23,663,122
Differences between expected and actual experience		(823,804)
Changes in assumptions		(5,929,992)
Changes in benefits		
Benefit payments, including refunds of employee contributions	(15,228,912)	(16,782,338)
Net change in total pension liability	14,287,468	6,581,647
Total pension liability - beginning	306,952,014	321,239,482
Total pension liability - ending (a)	\$321,239,482	\$327,821,129
Plan fiduciary net position		
Contributions - employer	\$5,781,918	\$7,594,532
Contributions - employee	3,731,615	3,296,967
Net investment income	32,686,768	4,819,953
Benefit payments, including refunds of employee contributions	(15,228,912)	(16,782,338)
Net plan to plan resource movement		
Administrative expense		(241,860)
Other miscellaneous income/(expense)		
Net change in plan fiduciary net position	26,971,389	(1,312,746)
Plan fiduciary net position - beginning	189,244,302	216,215,691
Plan fiduciary net position - ending (b)	\$216,215,691	\$214,902,945
Net pension liability - ending (a)-(b)	\$105,023,791	\$112,918,184
Plan fiduciary net position as a percentage of the total pension liability	67.31%	65.55%
Covered payroll	\$21,359,362	\$22,033,138
Net pension liability as percentage of covered payroll	491.70%	512.49%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Source: CalPERS Accounting Valuation - GASB 68

<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
\$6,807,555	\$8,055,656	\$8,436,727	\$7,716,531
25,023,071	25,738,287	26,651,517	28,039,320
4,712,282	(3,900,767)	(1,105,506)	4,860,684
	21,956,739	(1,587,612)	-
(17,676,444)	(17,590,706)	(19,447,095)	(20,910,933)
<u>18,866,464</u>	<u>34,259,209</u>	<u>12,948,031</u>	<u>19,705,602</u>
<u>327,821,129</u>	<u>346,687,593</u>	<u>380,946,802</u>	<u>393,894,833</u>
<u>\$346,687,593</u>	<u>\$380,946,802</u>	<u>\$393,894,833</u>	<u>\$413,600,435</u>
\$8,594,361	\$10,508,222	\$10,740,724	\$12,243,071
3,666,124	3,782,992	3,754,299	3,750,089
1,028,532	23,301,215	19,562,389	16,002,505
(17,676,444)	(17,590,706)	(19,447,095)	(20,910,933)
11,302		(567)	-
(130,972)	(310,635)	(358,539)	(173,879)
		(680,871)	567
(4,507,097)	19,691,088	13,570,340	10,911,420
<u>214,902,945</u>	<u>210,395,848</u>	<u>230,086,936</u>	<u>243,657,276</u>
<u>\$210,395,848</u>	<u>\$230,086,936</u>	<u>\$243,657,276</u>	<u>\$254,568,696</u>
<u>\$136,291,745</u>	<u>\$150,859,866</u>	<u>\$150,237,557</u>	<u>\$159,031,739</u>
60.69%	60.40%	61.86%	61.55%
\$21,649,761	\$22,884,077	\$24,345,421	\$24,912,360
629.53%	659.24%	617.11%	638.36%

CITY OF HAYWARD
SCHEDULE OF CONTRIBUTIONS
Safety - Police Plan - Agent Multiple-Employer Defined Pension Plan
Last 10 Years*

Fiscal Year Ended June 30	2015	2016
Actuarially determined contribution	\$7,487,975	\$8,650,555
Contributions in relation to the actuarially determined contributions	<u>7,487,975</u>	<u>8,650,555</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$22,033,138	\$21,649,761
Contributions as a percentage of covered payroll	33.99%	39.96%

Notes to Schedule

Valuation date:	6/30/2013	6/30/2014
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	14 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service, and type of employment
Investment rate of return	7.50% for 2015 to 2018 and 7.15% for 2019 to 2020, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation, therefore only six years are shown.

Source: City of Hayward's general ledger and CalPERS Actuarial Valuation

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$10,512,716	\$10,740,724	\$12,240,356	\$13,839,941
<u>10,512,716</u>	<u>10,740,724</u>	<u>12,240,356</u>	<u>13,839,941</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$22,884,077	\$24,345,421	\$24,912,360	\$24,853,675
45.94%	44.12%	49.13%	55.69%
6/30/2015	6/30/2016	6/30/2017	6/30/2018

CITY OF HAYWARD

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS AGENT MULTIPLE EMPLOYER PLAN Last 10 fiscal years*

Measurement Date	<u>6/30/17</u>	<u>6/30/18</u>	<u>6/30/19</u>
Total OPEB Liability			
Service cost	\$4,646,537	\$4,054,275	\$4,121,478
Interest	3,528,286	4,015,577	4,186,619
Changes in benefit terms			
Differences between expected and actual experience			2,686,781
Changes of assumptions	(11,390,281)	(1,014,291)	(32,786,613)
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)
Net change in total OPEB liability	<u>(7,478,529)</u>	<u>2,864,889</u>	<u>(26,135,923)</u>
Total OPEB liability - beginning	<u>118,316,704</u>	<u>110,838,175</u>	<u>113,703,064</u>
Total OPEB liability - ending (a)	<u>\$110,838,175</u>	<u>\$113,703,064</u>	<u>\$87,567,141</u>
Plan fiduciary net position			
Contributions - employer	\$4,263,071	\$5,190,672	\$6,344,188
Contributions - employee			377,793
Net investment income	396,755	318,308	455,417
Administrative expense	(2,014)	(2,234)	(1,348)
Other expense		(5,491)	
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)
Net change in plan fiduciary net position	<u>394,741</u>	<u>1,310,583</u>	<u>2,831,862</u>
Plan fiduciary net position - beginning	<u>3,755,234</u>	<u>4,149,975</u>	<u>5,460,558</u>
Plan fiduciary net position - ending (b)	<u>\$4,149,975</u>	<u>\$5,460,558</u>	<u>\$8,292,420</u>
 Net OPEB liability - ending (a)-(b)	 <u>\$106,688,200</u>	 <u>\$108,242,506</u>	 <u>\$79,274,721</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 3.74%	 4.80%	 9.47%
 Covered-employee payroll	 <u>\$97,007,987</u>	 <u>\$100,785,694</u>	 <u>\$104,434,054</u>
 Net OPEB liability as a percentage of covered-employee payroll	 <u>109.98%</u>	 <u>107.40%</u>	 <u>75.91%</u>

Notes to schedule:

* Fiscal year 2018 was the first year of implementation.

Source: GASB 75 Valuation Report

CITY OF HAYWARD

**SCHEDULE OF CONTRIBUTIONS - OTHER POSTEMPLOYMENT BENEFITS
AGENT MULTIPLE EMPLOYER PLAN**

Last 10 fiscal years*

Fiscal Year Ended June 30,	2018	2019	2020
Actuarially determined contribution	\$8,038,027	\$8,394,467	\$7,004,174
Contributions in relation to the actuarially determined contribution	5,190,672	6,374,161	7,455,802
Contribution deficiency (excess)	\$2,847,355	\$2,020,306	(\$451,628)
Covered employee payroll	\$100,785,694	\$104,434,054	\$92,915,000
Contributions as a percentage of covered payroll	5.15%	6.10%	8.02%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Valuation Date	6/30/2017	6/30/2017	6/30/2019
Actuarial Assumptions:			
Discount Rate	3.56%	3.62%	6.90%
Inflation	3.00%	2.75%	2.50%
Payroll Growth	3.25%	3.25%	3.00%
Investment Rate of Return	7.28%	6.90%	6.90%
Mortality Rate	Mortality rates used were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008.		Mortality rates used were the published CalPERS rates, adjusted to back out 15 years of Scale MP 2016 to central year 2015.
Pre-Retirement Turnover	Must retire from CalPERS on or after age 65 with at least 10 years of service.		
Healthcare	5% to 6.5%	5% to 7.5%	4% to 5.4%

* Fiscal year 2018 was the first year of implementation.

Source: GASB 75 Valuation

CITY OF HAYWARD
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis*	Variance with Adjusted Budget
	Adopted *	Adjusted *		Positive (Negative)
REVENUES:				
Property taxes	\$56,949,310	\$56,949,310	\$58,431,804	\$1,482,494
Sales taxes	51,255,412	51,255,412	56,566,457	5,311,045
Utility user tax	18,135,000	18,135,000	16,065,943	(2,069,057)
Other tax	35,493,680	35,493,680	30,214,409	(5,279,271)
Licenses and permits	7,278,280	6,878,280	6,435,587	(442,693)
Fines and forfeitures	2,379,403	2,379,403	2,210,385	(169,018)
Investment and rental income	299,880	578,530	498,063	(80,467)
Intergovernmental	7,526,083	6,551,188	6,699,242	148,054
Fees and charges for services	6,287,693	6,287,693	6,413,143	125,450
Total Revenues	185,604,741	184,508,496	183,535,033	(973,463)
EXPENDITURES:				
Current:				
General government	9,290,611	15,607,323	14,607,161	1,000,162
Public safety	121,707,253	121,707,253	122,091,549	(384,296)
Public works and transportation	7,648,652	7,648,652	5,144,882	2,503,770
Library and community services	7,595,715	7,595,715	7,186,368	409,347
Planning and building	10,343,379	10,343,379	8,618,787	1,724,592
Maintenance services	8,619,962	8,619,962	8,858,729	(238,767)
Total Expenditures	165,205,572	171,522,284	166,507,476	5,014,808
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	20,399,169	12,986,212	17,027,557	4,041,345
OTHER FINANCING SOURCES (USES):				
Transfers in	3,841,046	3,841,046	2,691,046	(1,150,000)
Transfers (out)	(43,737,006)	(48,395,313)	(17,617,544)	30,777,769
Total Other Financing Sources (Uses)	(39,895,960)	(44,554,267)	(14,926,498)	29,627,769
NET CHANGE IN FUND BALANCE	(\$19,496,791)	(\$31,568,055)	2,101,059	\$33,669,114
BEGINNING FUND BALANCE			50,582,116	
ENDING FUND BALANCE			\$52,683,175	

* Includes revenue and expenditures related to the City's Measure C District Sales Tax.

CITY OF HAYWARD
 FEDERAL GRANTS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Adjusted Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income			\$48,587	\$48,587
Intergovernmental	\$420,000	\$829,628	723,438	(106,190)
Fees and charges for services	10,000	10,000	13,868	3,868
	430,000	839,628	785,893	(53,735)
Total Revenues				
EXPENDITURES:				
Current:				
Public safety		501,969	101,748	400,221
Public works and transportation	407,938	233,048	12,111	220,937
Library and community services		409,628	162,173	247,455
Economic development		880,282	210,133	670,149
	407,938	2,024,927	486,165	1,538,762
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	22,062	(1,185,299)	299,728	1,485,027
OTHER FINANCING SOURCES (USES):				
Transfers in		15,203	15,203	
Transfers out	(96,000)	(96,000)	(96,000)	
	(96,000)	(80,797)	(80,797)	
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCE	(\$73,938)	(\$1,266,096)	218,931	\$1,485,027
BEGINNING FUND BALANCE			14,559,546	
ENDING FUND BALANCE			\$14,778,477	

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SUPPLEMENTAL INFORMATION

CITY OF HAYWARD
HOUSING AUTHORITY CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income	\$40,000	\$40,000	\$251,239	\$211,239
Fees and charges for services			232	232
Other revenue			442,413	442,413
	40,000	40,000	693,884	653,884
Total Revenues				
EXPENDITURES:				
Current:				
Economic development	237,887	4,923,593	111,634	4,811,959
	237,887	4,923,593	111,634	4,811,959
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(197,887)	(4,883,593)	582,250	(5,465,843)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(7,377)	(7,377)	(19,249)	(11,872)
	(7,377)	(7,377)	(19,249)	(11,872)
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCE	(\$205,264)	(\$4,883,593)	563,001	\$5,446,594
BEGINNING FUND BALANCE			22,221,828	
ENDING FUND BALANCE			\$22,784,829	

CITY OF HAYWARD
GENERAL CAPITAL PROJECTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Other taxes	\$730,000	\$730,000	\$977,814	\$247,814
Investment income	12,000	12,000	1,086,102	1,074,102
Intergovernmental	18,975,000	18,975,000	3,595,279	(15,379,721)
Other revenue	7,795,000	7,795,000	2,327,430	(5,467,570)
Total Revenues	27,512,000	27,512,000	7,986,625	(19,525,375)
EXPENDITURES:				
Current:				
Public works and transportation			97,450	(97,450)
Capital outlay	57,903,001	106,822,908	12,231,411	94,591,497
Total Expenditures	57,903,001	106,822,908	12,328,861	94,494,047
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(30,391,001)	(79,310,908)	(4,342,236)	74,968,672
OTHER FINANCING SOURCES (USES):				
Transfers in		32,207,307	5,766,817	(26,440,490)
Total Other Financing Sources (Uses)		32,207,307	5,766,817	(26,440,490)
NET CHANGE IN FUND BALANCE	(\$30,391,001)	(\$47,103,601)	1,424,581	\$48,528,182
BEGINNING FUND BALANCE			26,111,962	
ENDING FUND BALANCE			\$27,536,543	

CITY OF HAYWARD
ROUTE 238 CORRIDOR IMPROVEMENT CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income			\$131,964	\$131,964
Rental income			126,857	126,857
Fees and charges for services			47,948	47,948
Other revenue		\$4,086,267	11,672,728	7,586,461
		<u>4,086,267</u>	<u>11,979,497</u>	<u>7,893,230</u>
Total Revenues		<u>4,086,267</u>	<u>11,979,497</u>	<u>7,893,230</u>
EXPENDITURES:				
Capital outlay	\$335,000	30,634,574	15,093,646	15,540,928
	<u>335,000</u>	<u>30,634,574</u>	<u>15,093,646</u>	<u>15,540,928</u>
Total Expenditures	<u>335,000</u>	<u>30,634,574</u>	<u>15,093,646</u>	<u>15,540,928</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(335,000)</u>	<u>(26,548,307)</u>	<u>(3,114,149)</u>	<u>23,434,158</u>
OTHER FINANCING SOURCES (USES):				
Transfers in		70,284		(70,284)
Transfers (out)		(199,284)	(129,000)	70,284
		<u>(129,000)</u>	<u>(129,000)</u>	
Total Other Financing Sources (Uses)		<u>(129,000)</u>	<u>(129,000)</u>	
NET CHANGE IN FUND BALANCE	<u>(\$335,000)</u>	<u>(\$26,677,307)</u>	(3,243,149)	<u>\$23,434,158</u>
BEGINNING FUND BALANCE			<u>(5,969,846)</u>	
ENDING FUND BALANCE			<u>(\$9,212,995)</u>	

COMBINING GENERAL FUND SCHEDULES

CITY OF HAYWARD
GENERAL FUND
COMBINING BALANCE SHEETS
JUNE 30, 2020

	General Fund		Total
	General Purpose	Measure C District Sales Tax	
ASSETS:			
Cash and investments	\$16,728,742	\$18,902,286	\$35,631,028
Accounts receivable, net	2,168,196		2,168,196
Due from other governments	5,922,481	3,038,803	8,961,284
Due from other funds	16,469,998		16,469,998
Long-term loans to the Private Purpose Trust Fund	5,236,442		5,236,442
Deposits, parts, supplies and other	6,460		6,460
Total Assets	\$46,532,319	\$21,941,089	\$68,473,408
LIABILITIES:			
Accounts payable	\$2,968,728	\$3,718	\$2,972,446
Accrued liabilities	5,284,281	101,498	5,385,779
Advances from other funds	3,091,745		3,091,745
Refundable deposits	4,340,263		4,340,263
Total Liabilities	15,685,017	105,216	15,790,233
FUND BALANCES:			
Nonspendable	5,242,902		5,242,902
Assigned	256,170	21,835,873	22,092,043
Unassigned	25,348,230		25,348,230
Total Fund Balances	30,847,302	21,835,873	52,683,175
Total Liabilities and Fund Balances	\$46,532,319	\$21,941,089	\$68,473,408

CITY OF HAYWARD
GENERAL FUND
COMBINING SCHEDULES OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund		
	General Fund	Measure C District Sales Tax	Total
REVENUES:			
Property taxes	\$58,431,804		\$58,431,804
Sales taxes	39,679,957	\$16,886,500	56,566,457
Utility users tax	16,065,943		16,065,943
Other taxes	30,214,409		30,214,409
Licenses and permits	6,435,587		6,435,587
Fines and forfeitures	2,210,385		2,210,385
Investment income	492,731		492,731
Rental income	5,332		5,332
Intergovernmental	6,699,242		6,699,242
Fees and charges for services	5,537,249		5,537,249
Other revenue	875,894		875,894
Total Revenues	166,648,533	16,886,500	183,535,033
EXPENDITURES:			
Current:			
General government	14,607,161		14,607,161
Public safety	118,994,236	3,097,313	122,091,549
Public works and transportation	5,144,882		5,144,882
Library and community services	7,186,368		7,186,368
Planning and building	8,618,787		8,618,787
Maintenance services	7,789,736	1,068,993	8,858,729
Total Expenditures	162,341,170	4,166,306	166,507,476
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,307,363	12,720,194	17,027,557
OTHER FINANCING SOURCES (USES):			
Transfers in	2,691,046		2,691,046
Transfers (out)	(13,027,834)	(4,589,710)	(17,617,544)
Total Other Financing Sources (Uses)	(10,336,788)	(4,589,710)	(14,926,498)
CHANGE IN FUND BALANCES	(6,029,425)	8,130,484	2,101,059
BEGINNING FUND BALANCES	36,876,727	13,705,389	50,582,116
ENDING FUND BALANCES	\$30,847,302	\$21,835,873	\$52,683,175

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Gasoline Tax Fund – Accounts for revenue apportioned to the City from State collected gasoline taxes and expended for construction and maintenance of City streets.

Community Development Block Grant Program Fund – Accounts for monies received from the U.S. Department of Housing and Urban Development (“HUD”) and expended for development of jobs and suitable housing for low-income residents.

Housing Mortgage Revenue Bonds Fund – Accounts for fees paid by benefited developers of multifamily rental housing and used to reimburse City cost related to bond issuance and program monitoring.

Park Dedication Ordinance Fund – Accounts for park dedication fees applied to new construction and expended for acquisition of recreational land and construction of recreational facilities.

Business Improvement Fund – Accounts for fees imposed on businesses within the downtown business improvement district and expended on activities, which enhance the district as a shopping and business center.

Donation Fund – Accounts for miscellaneous donations expended for purposes agreed upon by the City and the donors.

Recycling Fund – Accounts for revenue received from County Measure D funds and grants used to support the City’s recycling program.

Narcotics Asset Seizure Fund – Accounts for funds received pursuant to federal and State narcotic and seizure laws used to support identified law enforcement activities.

Park Maintenance District Fund – Accounts for revenues from annual assessments of developers’ proportionate shares of the City’s costs for park maintenance in the areas of the developers’ projects and accounts for the actual park maintenance costs.

Measure B Local Streets and Roads – Accounts for proceeds of an additional one-half cent sales tax to be used to improve, repair and overlay city streets.

Measure B Pedestrian Fund – Accounts for revenue apportioned to the City from locally collected retail sales taxes and expended for pedestrian projects.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

Measure B Paratransit Fund – Accounts for the provision of taxi and van transportation for the elderly and the handicapped.

Measure BB Fund – Supports local road improvement and repair projects, traffic congestion relief projects, local transportation technology projects, and pedestrian and bicyclist access and safety projects. Accounts for the provision of taxi and van transportation for the elderly and handicapped. An additional 1% sales tax is collected to support this program.

Measure F Fund – Alameda County Vehicle Registration Fee was approved in November 2010. \$10 per year vehicle registration fee collection supports local road improvement and repair projects, traffic congestion relief projects, local transportation technology projects, and pedestrian and bicyclist access and safety projects.

Local Grants Fund – Accounts for grants not originating from the Federal Government and State of California.

RRAA (SBI) Fund – Accounts for revenue appropriated to the City from State of California collected gas taxes and expended for road maintenance and rehabilitation.

Rental Housing Program Fund – Accounts for transactions related to residential rent stabilization and tenant protection ordinance to mitigate displacement of Hayward residents.

DEBT SERVICE FUNDS

Certificates of Participation – Accounts for transfers of revenue from the general and capital projects funds for payment of interest and principal on certificates of participation.

CAPITAL PROJECTS FUNDS

Traffic Signal Construction Fund – Accounts for traffic signal fees paid by developers of residential housing and expended for installation of traffic signal equipment.

Performance Deposits Fund – Accounts for deposits belong to developer which will go through the entitle process for eligible expenses. Once projects completed City will either refund or bill developers for the difference.

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CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2020

SPECIAL REVENUE FUNDS

	Special Gasoline Tax	Community Development Block Grant	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
ASSETS:				
Cash and investments	\$1,403,317	\$16,415	\$276,085	\$13,201,623
Cash and investments with fiscal agents				
Accounts receivable, net				
Due from other governments	307,353			
Interest receivable				
Loans receivable		5,188,511	243,418	
Total Assets	\$1,710,670	\$5,204,926	\$519,503	\$13,201,623
LIABILITIES:				
Accounts payable	\$43,443	\$313,476	\$5,037	
Accrued liabilities		12,073	7,692	
Due to other funds				
Unearned revenue				
Refundable deposits				
Total Liabilities	43,443	325,549	12,729	
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants receivable				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	1,667,227			
Planning and building				\$13,201,623
Economic development		4,879,377	506,774	
Debt service				
Total Fund Balances	1,667,227	4,879,377	506,774	13,201,623
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$1,710,670	\$5,204,926	\$519,503	\$13,201,623

SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
\$46,612	\$720,119	\$3,518,867	\$477,710	\$3,446,445	\$4,210,012
1,210				6,741	424,908
		60,676			
		53,631			
<u>\$47,822</u>	<u>\$720,119</u>	<u>\$3,633,174</u>	<u>\$477,710</u>	<u>\$3,453,186</u>	<u>\$4,634,920</u>
	\$7,470	\$17,461		\$115,538	
	377	11,664			
			\$52,058		
	7,847	29,125	52,058	115,538	
\$1,210					
1,210					
			425,652		
46,612	712,272	3,604,049		3,337,648	\$4,634,920
<u>46,612</u>	<u>712,272</u>	<u>3,604,049</u>	<u>425,652</u>	<u>3,337,648</u>	<u>4,634,920</u>
<u>\$47,822</u>	<u>\$720,119</u>	<u>\$3,633,174</u>	<u>\$477,710</u>	<u>\$3,453,186</u>	<u>\$4,634,920</u>

(Continued)

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2020

SPECIAL REVENUE FUNDS				
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
ASSETS:				
Cash and investments	\$903,711	\$1,628,207	\$8,757,314	\$877,148
Cash and investments with fiscal agents				
Accounts receivable, net		81,429		
Due from other governments	85,782	158,283	586,363	151,823
Interest receivable				
Loans receivable				
Total Assets	\$989,493	\$1,867,919	\$9,343,677	\$1,028,971
LIABILITIES:				
Accounts payable	\$25,563	\$424,303	\$475,445	\$53,391
Accrued liabilities		10,772		
Due to other funds				
Unearned revenue				
Refundable deposits				
Total Liabilities	25,563	435,075	475,445	53,391
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - grants receivable				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	963,930	1,432,844	8,868,232	975,580
Planning and building				
Economic development				
Debt service				
Total Fund Balances	963,930	1,432,844	8,868,232	975,580
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$989,493	\$1,867,919	\$9,343,677	\$1,028,971

SPECIAL REVENUE FUNDS		DEBT SERVICE FUND		CAPITAL PROJECTS FUNDS		Total Nonmajor Governmental Funds
Local Grants	RRAA (SB1)	Rental Housing Program	Certificates of Participation	Traffic Signal Construction	Performance Deposits	
	\$2,783,100	\$162,441	\$7,253,890 22,449	\$795,677	\$338,983	\$50,817,676 22,449
\$15,120		186,168				283,927
267,696	198,819					2,187,768 60,676
						5,485,560
<u>\$282,816</u>	<u>\$2,981,919</u>	<u>\$348,609</u>	<u>\$7,276,339</u>	<u>\$795,677</u>	<u>\$338,983</u>	<u>\$58,858,056</u>
\$30,126		\$25,965 9,149		\$5,173		\$1,542,391 54,299
196,001		186,168			\$2,572	196,001
5,000						243,226
					306,249	306,249
<u>231,127</u>		<u>221,282</u>		<u>5,173</u>	<u>308,821</u>	<u>2,342,166</u>
						1,210
						1,210
51,689	\$2,981,919			790,504	30,162	425,652 26,001,056 17,298,155
		127,327	\$7,276,339			5,513,478 7,276,339
<u>51,689</u>	<u>2,981,919</u>	<u>127,327</u>	<u>7,276,339</u>	<u>790,504</u>	<u>30,162</u>	<u>56,514,680</u>
<u>\$282,816</u>	<u>\$2,981,919</u>	<u>\$348,609</u>	<u>\$7,276,339</u>	<u>\$795,677</u>	<u>\$338,983</u>	<u>\$58,858,056</u>

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Special Gasoline Tax	Community Development Block Grant	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
REVENUES:				
Other taxes				
Special assessments				
Investment income	\$28,743	\$25,468	\$7,604	\$312,813
Rental income				
Intergovernmental	3,488,862	1,225,133		
Fees and charges for services				
Other	179,238	167,395	55,465	2,417,826
Total Revenues	3,696,843	1,417,996	63,069	2,730,639
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation		815,994		
Library and community services		77,590		
Economic development		428,151	405,215	
Maintenance services				
Capital outlay	1,420,495			
Debt service:				
Principal repayment				
Interest and fiscal charges				
Total Expenditures	1,420,495	1,321,735	405,215	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,276,348	96,261	(342,146)	2,730,639
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000			
Transfers (out)	(983,000)	(3,480)	(18,556)	
Total Other Financing Sources (Uses)	(968,000)	(3,480)	(18,556)	
NET CHANGE IN FUND BALANCES	1,308,348	92,781	(360,702)	2,730,639
BEGINNING FUND BALANCES	358,879	4,786,596	867,476	10,470,984
ENDING FUND BALANCES	\$1,667,227	\$4,879,377	\$506,774	\$13,201,623

SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
		\$582,032			
\$1,558	\$17,568	93,705	\$12,439	\$1,297,894 78,747	\$94,378
		865,932			2,566,509
	78,154				
1,558	95,722	1,541,669	12,439	1,376,641	2,660,887
	107,038		23,157		
	26,227	748,616 305,363			
				981,296	1,083,867
	133,265	1,053,979	23,157	981,296	1,083,867
1,558	(37,543)	487,690	(10,718)	395,345	1,577,020
		(48,696)			
		(48,696)			
1,558	(37,543)	438,994	(10,718)	395,345	1,577,020
45,054	749,815	3,165,055	436,370	2,942,303	3,057,900
\$46,612	\$712,272	\$3,604,049	\$425,652	\$3,337,648	\$4,634,920

(Continued)

CITY OF HAYWARD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
REVENUES:				
Other taxes				
Special assessments				
Investment income	\$21,629	\$37,482	\$197,890	\$16,387
Rental income				
Intergovernmental	518,133	956,053	3,539,031	858,584
Fees and charges for services				
Other				
Total Revenues	539,762	993,535	3,736,921	874,971
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation			3,260	1,133
Library and community services		975,718		
Economic development				
Maintenance services				
Capital outlay	1,036,326		1,812,265	484,005
Debt service:				
Principal repayment				
Interest and fiscal charges				
Total Expenditures	1,036,326	975,718	1,815,525	485,138
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(496,564)	17,817	1,921,396	389,833
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)		(51,487)		
Total Other Financing Sources (Uses)		(51,487)		
NET CHANGE IN FUND BALANCES	(496,564)	(33,670)	1,921,396	389,833
BEGINNING FUND BALANCES	1,460,494	1,466,514	6,946,836	585,747
ENDING FUND BALANCES	\$963,930	\$1,432,844	\$8,868,232	\$975,580

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS			Total Nonmajor Governmental Funds
Local Grants	RRAA (SB1)	Rental Housing Program	Certificates of Participation	Traffic Signal Construction	Performance Deposits		
							\$582,032
							1,297,894
\$160	\$47,014	\$4,827	\$188,022	\$19,477	\$8,214		1,214,125
		544,108					544,108
1,110,718	2,790,237						17,919,192
120							120
58,995							2,957,073
<u>\$1,169,993</u>	<u>\$2,837,251</u>	<u>\$548,935</u>	<u>188,022</u>	<u>19,477</u>	<u>8,214</u>		<u>24,514,544</u>
825,130							955,325
	98						1,595,328
		421,608					1,358,671
							1,254,974
							981,296
334,839	746,288			228,262			7,146,347
			5,207,513				5,207,513
			3,007,504				3,007,504
<u>1,159,969</u>	<u>746,386</u>	<u>421,608</u>	<u>8,215,017</u>	<u>228,262</u>			<u>21,506,958</u>
10,024	2,090,865	127,327	(8,026,995)	(208,785)	8,214		3,007,586
			6,383,371	233,333			6,631,704
							(1,105,219)
			6,383,371	233,333			5,526,485
10,024	2,090,865	127,327	(1,643,624)	24,548	8,214		8,534,071
41,665	891,054		8,919,963	765,956	21,948		47,980,609
<u>\$51,689</u>	<u>\$2,981,919</u>	<u>\$127,327</u>	<u>\$7,276,339</u>	<u>\$790,504</u>	<u>\$30,162</u>		<u>\$56,514,680</u>

CITY OF HAYWARD
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	Special Gasoline Tax			Community Development Block Grant		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income		\$28,743	\$28,743		\$25,468	\$25,468
Intergovernmental		3,488,862	3,488,862	\$2,856,758	1,225,133	(1,631,625)
Fees and charges for services						
Other		179,238	179,238		167,395	167,395
Total Revenues		<u>3,696,843</u>	<u>3,696,843</u>	<u>2,856,758</u>	<u>1,417,996</u>	<u>(1,438,762)</u>
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation				3,277,711	815,994	2,461,717
Library and community services				1,549,462	77,590	1,471,872
Economic development					428,151	(428,151)
Maintenance services						
Capital outlay	\$3,577,688	1,420,495	2,157,193			
Debt service						
Principal repayment						
Interest and fiscal charges						
Total Expenditures	<u>3,577,688</u>	<u>1,420,495</u>	<u>2,157,193</u>	<u>4,827,173</u>	<u>1,321,735</u>	<u>3,505,438</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,577,688)</u>	<u>2,276,348</u>	<u>5,854,036</u>	<u>(1,970,415)</u>	<u>96,261</u>	<u>2,066,676</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	15,000	15,000				
Transfers (out)	<u>(983,000)</u>	<u>(983,000)</u>		<u>(3,480)</u>	<u>(3,480)</u>	
Total Other Financing Sources (Uses)	<u>(968,000)</u>	<u>(968,000)</u>		<u>(3,480)</u>	<u>(3,480)</u>	
NET CHANGE IN FUND BALANCES	<u>(\$4,545,688)</u>	<u>1,308,348</u>	<u>\$5,854,036</u>	<u>(\$1,973,895)</u>	<u>92,781</u>	<u>\$2,066,676</u>
BEGINNING FUND BALANCES		<u>358,879</u>			<u>4,786,596</u>	
ENDING FUND BALANCES		<u>\$1,667,227</u>			<u>\$4,879,377</u>	

SPECIAL REVENUE FUNDS

Housing Mortgage Revenue Bonds			Park Dedication Ordinance			Business Improvement		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
\$5,500	\$7,604	\$2,104		\$312,813	\$312,813		\$1,558	\$1,558
155,681	55,465	(100,216)	\$2,235,906	2,417,826	181,920			
161,181	63,069	(98,112)	2,235,906	2,730,639	494,733		1,558	1,558
415,010	405,215	9,795	2,638,816		2,638,816	\$96,000		96,000
415,010	405,215	9,795	2,638,816		2,638,816	96,000		96,000
(253,829)	(342,146)	(88,317)	(402,910)	2,730,639	3,133,549	(96,000)	1,558	97,558
(16,954)	(18,556)	(1,602)						
(16,954)	(18,556)	(1,602)						
<u>(\$270,783)</u>	<u>(360,702)</u>	<u>(\$89,919)</u>	<u>(\$402,910)</u>	2,730,639	<u>\$3,133,549</u>	<u>(\$96,000)</u>	1,558	<u>\$97,558</u>
	<u>867,476</u>			<u>10,470,984</u>			<u>45,054</u>	
	<u>\$506,774</u>			<u>\$13,201,623</u>			<u>\$46,612</u>	

(Continued)

CITY OF HAYWARD
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	Donation			Recycling		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes				\$490,000	\$582,032	\$92,032
Special assessments						
Investment income		\$17,568	\$17,568	4,000	93,705	89,705
Intergovernmental				1,141,481	865,932	(275,549)
Fees and charges for services						
Other		78,154	78,154	402,500		(402,500)
Total Revenues		95,722	95,722	2,037,981	1,541,669	(496,312)
EXPENDITURES:						
Current:						
Public safety	\$443,001	107,038	335,963			
Public works and transportation	59,238	26,227	33,011	1,831,247	748,616	1,082,631
Library and community services				999,881	305,363	694,518
Economic development						
Maintenance services						
Capital outlay						
Debt service						
Principal repayment						
Interest and fiscal charges						
Total Expenditures	502,239	133,265	368,974	2,831,128	1,053,979	1,777,149
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(502,239)	(37,543)	464,696	(793,147)	487,690	1,280,837
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(48,696)	(48,696)	
Total Other Financing Sources (Uses)				(48,696)	(48,696)	
NET CHANGE IN FUND BALANCES	(502,239)	(37,543)	\$464,696	(841,843)	438,994	\$1,280,837
BEGINNING FUND BALANCES		749,815			3,165,055	
ENDING FUND BALANCES		\$712,272			\$3,604,049	

SPECIAL REVENUE FUNDS

Narcotics Asset Seizure			Park Maintenance District			Measure B Local Streets and Roads		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
	\$12,439	\$12,439	\$1,231,101 17,133	\$1,297,894 78,747	\$66,793 61,614		\$94,378 2,566,509	\$94,378 2,566,509
	12,439	12,439	1,248,234	1,376,641	128,407		2,660,887	2,660,887
\$50,463	23,157	27,306						
			1,397,689	981,296	416,393	\$5,118,450	1,083,867	4,034,583
50,463	23,157	27,306	1,397,689	981,296	416,393	5,118,450	1,083,867	4,034,583
(50,463)	(10,718)	39,745	(149,455)	395,345	544,800	(5,118,450)	1,577,020	6,695,470
<u>(\$50,463)</u>	<u>(10,718)</u>	<u>\$39,745</u>	<u>(\$149,455)</u>	<u>395,345</u>	<u>\$544,800</u>	<u>(\$5,118,450)</u>	<u>1,577,020</u>	<u>\$6,695,470</u>
	<u>436,370</u>			<u>2,942,303</u>			<u>3,057,900</u>	
	<u>\$425,652</u>			<u>\$3,337,648</u>			<u>\$4,634,920</u>	

(Continued)

CITY OF HAYWARD
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	Measure B Pedestrian			Measure B Paratransit		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income		\$21,507	\$21,507		\$37,482	\$37,482
Intergovernmental		518,255	518,255	\$887,745	956,053	68,308
Fees and charges for services						
Other				41,300		(41,300)
Total Revenues		<u>539,762</u>	<u>539,762</u>	<u>929,045</u>	<u>993,535</u>	<u>64,490</u>
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services				2,169,190	975,718	1,193,472
Economic development						
Maintenance services						
Capital outlay	\$1,866,985	1,036,326	830,659			
Debt service						
Principal repayment						
Interest and fiscal charges						
Total Expenditures	<u>1,866,985</u>	<u>1,036,326</u>	<u>830,659</u>	<u>2,169,190</u>	<u>975,718</u>	<u>1,193,472</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,866,985)</u>	<u>(496,564)</u>	<u>1,370,421</u>	<u>(1,240,145)</u>	<u>17,817</u>	<u>1,257,962</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)				(49,758)	(51,487)	(1,729)
Total Other Financing Sources (Uses)				<u>(49,758)</u>	<u>(51,487)</u>	<u>(1,729)</u>
NET CHANGE IN FUND BALANCES	<u><u>(\$1,866,985)</u></u>	<u><u>(496,564)</u></u>	<u><u>\$1,370,421</u></u>	<u><u>(\$1,289,903)</u></u>	<u><u>(33,670)</u></u>	<u><u>\$1,256,233</u></u>
BEGINNING FUND BALANCES		<u>1,460,494</u>			<u>1,466,514</u>	
ENDING FUND BALANCES		<u><u>\$963,930</u></u>			<u><u>\$1,432,844</u></u>	

SPECIAL REVENUE FUNDS

Measure BB			Measure F			Local Grants		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
	\$197,890	\$197,890		\$16,387	\$16,387		\$160	\$160
\$743,504	3,539,031	2,795,527		858,584	858,584	\$1,864,711	1,110,718	(753,993)
							120	120
							58,995	58,995
<u>743,504</u>	<u>3,736,921</u>	<u>2,993,417</u>		<u>874,971</u>	<u>874,971</u>	<u>1,864,711</u>	<u>1,169,993</u>	<u>(694,718)</u>
						2,037,869	825,130	1,212,739
	3,260	(3,260)		1,133	(1,133)			
6,981,949	1,812,265	5,169,684	\$1,159,856	484,005	675,851		334,839	(334,839)
<u>6,981,949</u>	<u>1,815,525</u>	<u>5,166,424</u>	<u>1,159,856</u>	<u>485,138</u>	<u>674,718</u>	<u>2,037,869</u>	<u>1,159,969</u>	<u>877,900</u>
<u>(6,238,445)</u>	<u>1,921,396</u>	<u>8,159,841</u>	<u>(1,159,856)</u>	<u>389,833</u>	<u>1,549,689</u>	<u>(173,158)</u>	<u>10,024</u>	<u>183,182</u>
<u>(\$6,238,445)</u>	<u>1,921,396</u>	<u>\$8,159,841</u>	<u>(\$1,159,856)</u>	<u>389,833</u>	<u>\$1,549,689</u>	<u>(\$173,158)</u>	<u>10,024</u>	<u>\$183,182</u>
	<u>6,946,836</u>			<u>585,747</u>			<u>41,665</u>	
	<u>\$8,868,232</u>			<u>\$975,580</u>			<u>\$51,689</u>	

(Continued)

CITY OF HAYWARD
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS					
	RRAA (SB1)			Rental Housing Program		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income		\$47,014	\$47,014		\$4,827	\$4,827
Intergovernmental		2,790,237	2,790,237			
Fees and charges for services						
Other				\$637,650	544,108	(93,542)
Total Revenues		2,837,251	2,837,251	637,650	548,935	(88,715)
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation		98				
Library and community services						
Economic development				633,668	421,608	212,060
Maintenance services						
Capital outlay	\$3,503,932	746,288	2,757,644			
Debt Service						
Principal repayment						
Interest and fiscal charges						
Total Expenditures	3,503,932	746,386	2,757,644	633,668	421,608	212,060
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,503,932)	2,090,865	5,594,797	3,982	127,327	123,345
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	(3,503,932)	2,090,865	5,594,797	3,982	127,327	\$123,345
BEGINNING FUND BALANCES		891,054				
ENDING FUND BALANCES		\$2,981,919			\$127,327	

DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS					
Certificates of Participation			Traffic Signal Construction			Performance Deposits		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
\$3,000	\$188,022	\$185,022		\$19,477	\$19,477		\$8,214	\$8,214
<u>3,000</u>	<u>188,022</u>	<u>185,022</u>		<u>19,477</u>	<u>19,477</u>		<u>8,214</u>	<u>8,214</u>
			\$952,314	228,262	724,052			
4,604,187	5,207,513	(603,326)						
3,614,091	3,007,504	606,587						
<u>8,218,278</u>	<u>8,215,017</u>	<u>3,261</u>	<u>952,314</u>	<u>228,262</u>	<u>724,052</u>			
<u>(8,215,278)</u>	<u>(8,026,995)</u>	<u>188,283</u>	<u>(952,314)</u>	<u>(208,785)</u>	<u>743,529</u>		<u>8,214</u>	<u>8,214</u>
8,217,979	6,383,371	(1,834,608)	350,000	233,333	(116,667)			
<u>8,217,979</u>	<u>6,383,371</u>	<u>(1,834,608)</u>	<u>350,000</u>	<u>233,333</u>	<u>(116,667)</u>			
<u>\$2,701</u>	<u>(1,643,624)</u>	<u>(\$1,646,325)</u>	<u>(\$602,314)</u>	24,548	<u>\$626,862</u>		8,214	<u>\$8,214</u>
	<u>8,919,963</u>			<u>765,956</u>			<u>21,948</u>	
	<u>\$7,276,339</u>			<u>\$790,504</u>			<u>\$30,162</u>	

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NON-MAJOR ENTERPRISE FUNDS

Stormwater Fund – Accounts for activities with stormwater management and urban runoff control, as required by Federal and State law.

Airport Fund – Accounts for the operation, development and maintenance of the Hayward Air Terminal.

Recycling Fund – Accounts for the transactions related to the City's recycling and waste reduction programs.

CITY OF HAYWARD
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2020

	<u>Stormwater</u>	<u>Airport</u>	<u>Recycling</u>	<u>Totals</u>
Current Assets:				
Cash and investments	\$6,556,886	\$9,532,786	\$135,890	\$16,225,562
Accounts receivable, net	1,722,385	337,977		2,060,362
Due from other governments	16,912			16,912
	<u>8,296,183</u>	<u>9,870,763</u>	<u>135,890</u>	<u>18,302,836</u>
Total Current Assets				
Noncurrent Assets:				
Deposits, parts, supplies and other		17,225		17,225
Capital assets				
Land		244,302		244,302
Construction in progress		551,330		551,330
Depreciable capital assets, net	748	12,732,537		12,733,285
	<u>748</u>	<u>13,545,394</u>		<u>13,546,142</u>
Total Noncurrent Assets				
Total Assets				
	<u>8,296,931</u>	<u>23,416,157</u>	<u>135,890</u>	<u>31,848,978</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Related to pensions	239,704	201,211		440,915
Related to OPEB	184,268	167,385		351,653
	<u>423,972</u>	<u>368,596</u>		<u>792,568</u>
Total deferred outflows of resources				
LIABILITIES:				
Current Liabilities:				
Accounts payable	8,587	39,915		48,502
Accrued interest		4,517		4,517
Accrued liabilities	53,890	42,692		96,582
Refundable deposits		109,339		109,339
Compensated absences - due within one year	70,887	75,248		146,135
Long term debt - due within one year		135,533		135,533
	<u>133,364</u>	<u>407,244</u>		<u>540,608</u>
Total Current Liabilities				
Noncurrent Liabilities:				
Compensated absences - due more than one year	22,388	23,765		46,153
Net pension liabilities	2,254,241	1,892,245		4,146,486
Net OPEB liabilities	1,033,889	1,071,652		2,105,541
Long term debt - due in more than one year		586,830		586,830
	<u>3,310,518</u>	<u>3,574,492</u>		<u>6,885,010</u>
Total Noncurrent Liabilities				
Total Liabilities				
	<u>3,443,882</u>	<u>3,981,736</u>		<u>7,425,618</u>
DEFERRED INFLOWS OF RESOURCES:				
Related to pensions	34,392	28,869		63,261
Related to OPEB	515,981	451,694		967,675
	<u>550,373</u>	<u>480,563</u>		<u>1,030,936</u>
Total deferred inflows of resources				
NET POSITION:				
Net investments in capital assets	748	12,805,806		12,806,554
Unrestricted	4,725,900	6,516,648	135,890	11,378,438
	<u>\$4,726,648</u>	<u>\$19,322,454</u>	<u>\$135,890</u>	<u>\$24,184,992</u>
Total Net Position				

CITY OF HAYWARD
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Stormwater</u>	<u>Airport</u>	<u>Recycling</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for services	\$3,458,052	\$3,490,793		\$6,948,845
Miscellaneous	1,561,299	125,551		1,686,850
Total Operating Revenues	<u>5,019,351</u>	<u>3,616,344</u>		<u>8,635,695</u>
OPERATING EXPENSES:				
Salaries and related expenses	2,059,930	1,610,329	\$16,514	3,686,773
Materials, supplies and services	710,695	912,984		1,623,679
Repairs and maintenance	13,639	244,966		258,605
Depreciation	165	987,279		987,444
Total Operating Expenses	<u>2,784,429</u>	<u>3,755,558</u>	<u>16,514</u>	<u>6,556,501</u>
Operating Income (Loss)	<u>2,234,922</u>	<u>(139,214)</u>	<u>(16,514)</u>	<u>2,079,194</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income	149,606	232,257	2,404	384,267
Net Nonoperating Revenues (Expenses)	<u>149,606</u>	<u>232,257</u>	<u>2,404</u>	<u>384,267</u>
Income (Loss) Before Contributions and Transfers	<u>2,384,528</u>	<u>93,043</u>	<u>(14,110)</u>	<u>2,463,461</u>
TRANSFERS				
Transfers in			150,000	150,000
Transfers (out)	(167,889)	(250,415)		(418,304)
Net Transfers	<u>(167,889)</u>	<u>(250,415)</u>	<u>150,000</u>	<u>(268,304)</u>
CHANGE IN NET POSITION	2,216,639	(157,372)	135,890	2,195,157
BEGINNING NET POSITION	<u>2,510,009</u>	<u>19,479,826</u>		<u>21,989,835</u>
ENDING NET POSITION	<u>\$4,726,648</u>	<u>\$19,322,454</u>	<u>\$135,890</u>	<u>\$24,184,992</u>

CITY OF HAYWARD
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Stormwater	Airport	Recycling	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$3,440,852	\$3,578,433		\$7,019,285
Payments to suppliers	(762,014)	(1,177,161)		(1,939,175)
Payments to employees	(1,959,078)	(1,688,371)	(\$16,514)	(3,663,963)
Net Cash Flows From Operating Activities	<u>719,760</u>	<u>712,901</u>	<u>(16,514)</u>	<u>1,416,147</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfers in			150,000	150,000
Transfers (out)	(167,889)	(250,415)		(418,304)
Net Cash Flows From Noncapital and Related Financing Activities	<u>(167,889)</u>	<u>(250,415)</u>	<u>150,000</u>	<u>(268,304)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets		(159,608)		(159,608)
Principal payments on capital debt		(132,644)		(132,644)
Net Cash Flows From Capital and Related Financing Activities		<u>(292,252)</u>		<u>(292,252)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	151,415	234,404	2,404	388,223
Net Cash Flows From Investing Activities	<u>151,415</u>	<u>234,404</u>	<u>2,404</u>	<u>388,223</u>
NET CASH FLOWS	703,286	404,638	135,890	1,243,814
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	5,853,600	9,128,148		14,981,748
CASH AND EQUIVALENTS AT END OF PERIOD	<u>\$6,556,886</u>	<u>\$9,532,786</u>	<u>\$135,890</u>	<u>\$16,225,562</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$2,234,922	(\$139,214)	(\$16,514)	\$2,079,194
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	165	987,279		987,444
Change in assets and liabilities:				
Receivables, net	(1,572,486)	(37,911)		(1,610,397)
Due from other governments	(6,013)			(6,013)
Accounts payable and other accrued expenses	(37,680)	(21,574)		(59,254)
Refundable deposits		2,363		2,363
Due to retirement system	179,452	(26,761)		152,691
Due to OPEB	(92,335)	(78,037)		(170,372)
Compensated absences	13,735	26,756		40,491
Net Cash Flows From Operating Activities	<u>\$719,760</u>	<u>\$712,901</u>	<u>(\$16,514)</u>	<u>\$1,416,147</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. GASB Statement 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

Workers' Compensation Insurance Fund – Accounts for workers' compensation reimbursable costs.

General Liability Fund – Accounts for risk management expenses and self-insurance costs.

Facilities Management Fund – Accounts for operation, maintenance and replacement of City Hall and other city-owned buildings.

Fleet Management Fund – Accounts for operation, maintenance and replacement of vehicles.

Technology Services Fund – Accounts for operation, maintenance and replacement of Technology infrastructure and resources.

Employee Benefits Fund – Accounts for funding related to Other Post Employment Benefits (OPEB) and payments for the retiree medical stipends.

CITY OF HAYWARD
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2020

	Workers' Compensation Insurance*	General Liability	Facilities Management
ASSETS:			
Current Assets:			
Cash and investments	\$23,495,028	\$5,209,589	\$809,176
Accounts receivable, net	192,794	1,694	6,371
Interest receivable	97,039		
Total Current Assets	<u>23,784,861</u>	<u>5,211,283</u>	<u>815,547</u>
Noncurrent Assets:			
Long-term loans to the Private Purpose Trust Fund		27,021	
Land			372,748
Construction in progress			162,165
Depreciable capital assets, net			2,492,111
Total Noncurrent Assets		<u>27,021</u>	<u>3,027,024</u>
Total Assets	<u>23,784,861</u>	<u>5,238,304</u>	<u>3,842,571</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	75,235	64,737	209,959
Related to OPEB	55,718	51,101	150,439
Total deferred outflows of resources	<u>130,953</u>	<u>115,838</u>	<u>360,398</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	72,352	182,198	463,881
Accrued interest			61
Accrued liabilities*	15,457,356	5,355,223	46,895
Unearned revenue	3,800	1,694	3,136
Refundable deposits			7,051
Compensated absences	24,165	14,091	96,778
Long-term debt			93,308
Total Current Liabilities	<u>15,557,673</u>	<u>5,553,206</u>	<u>711,110</u>
Noncurrent Liabilities:			
Compensated absences	6,363	3,710	25,482
Net pension liabilities	707,534	608,808	1,974,516
Net OPEB liabilities	286,305	299,049	718,109
Long-term debt			
Total Noncurrent Liabilities	<u>1,000,202</u>	<u>911,567</u>	<u>2,718,107</u>
Total Liabilities	<u>16,557,875</u>	<u>6,464,773</u>	<u>3,429,217</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	10,795	9,288	30,124
Related to OPEB	159,400	141,508	437,432
Total deferred inflows of resources	<u>170,195</u>	<u>150,796</u>	<u>467,556</u>
NET POSITION:			
Net investments in capital assets			2,933,716
Restricted for debt service			
Unrestricted	7,187,744	(1,261,427)	(2,627,520)
Total Net Position	<u>\$7,187,744</u>	<u>(\$1,261,427)</u>	<u>\$306,196</u>

* Accrued liabilities balance in Workers' Compensation Insurance fund includes the ultimate cost of all reported and unreported claims as required by GASB Standard number 10.

<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$6,996,263	\$7,481,494	\$4,089,055	\$48,080,605
561,389	68,606		830,854
			97,039
<u>7,557,652</u>	<u>7,550,100</u>	<u>4,089,055</u>	<u>49,008,498</u>
			27,021
			372,748
176,992	816,358		1,155,515
15,633,868	1,649,955		19,775,934
<u>15,810,860</u>	<u>2,466,313</u>		<u>21,331,218</u>
<u>23,368,512</u>	<u>10,016,413</u>	<u>4,089,055</u>	<u>70,339,716</u>
			978,059
229,206	398,922		706,137
161,831	287,048		
<u>391,037</u>	<u>685,970</u>		<u>1,684,196</u>
114,380	1,342,844	7,273	2,182,928
7,411			7,472
45,105	93,304		20,997,883
365,370	2,499		376,499
			7,051
65,741	218,797		419,572
330,017			423,325
<u>928,024</u>	<u>1,657,444</u>	<u>7,273</u>	<u>24,414,730</u>
17,310	57,610		110,475
2,155,512	3,751,587		9,197,957
740,731	1,368,686		3,412,880
830,757			830,757
<u>3,744,310</u>	<u>5,177,883</u>		<u>13,552,069</u>
<u>4,672,334</u>	<u>6,835,327</u>	<u>7,273</u>	<u>37,966,799</u>
32,886	57,233		140,326
474,631	834,834		2,047,805
<u>507,517</u>	<u>892,067</u>		<u>2,188,131</u>
14,650,086	2,466,313		20,050,115
3,929,612	508,676	4,081,782	11,818,867
<u>\$18,579,698</u>	<u>\$2,974,989</u>	<u>\$4,081,782</u>	<u>\$31,868,982</u>

CITY OF HAYWARD
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Workers' Compensation Insurance	General Liability	Facilities Management
OPERATING REVENUES			
Charges for services	\$8,207,499		\$4,149,508
Other		\$29,395	211,909
Total Operating Revenues	8,207,499	29,395	4,361,417
OPERATING EXPENSES			
Salaries and related expenses	834,763	917,692	2,065,149
Materials, supplies and services	509,627	3,110,293	1,734,245
Repairs and maintenance			1,157,021
Self-funded insurance expense	492,008	2,123,372	
Depreciation			119,670
Total Operating Expenses	1,836,398	6,151,357	5,076,085
Operating Income (Loss)	6,371,101	(6,121,962)	(714,668)
NONOPERATING REVENUES (EXPENSES)			
Investment income	545,899	100,099	19,895
Interest (expense)			(49,325)
Loss on disposal of capital assets			
Total Nonoperating Revenues (Expenses)	545,899	100,099	(29,430)
Income (Loss) Before Transfers	6,917,000	(6,021,863)	(744,098)
CONTRIBUTIONS AND TRANSFERS			
Transfers in		4,206,685	675,849
Transfers (out)	(13,919)		(36,656)
Net Contributions and Transfers	(13,919)	4,206,685	639,193
CHANGE IN NET POSITION	6,903,081	(1,815,178)	(104,905)
BEGINNING NET POSITION	284,663	553,751	411,101
ENDING NET POSITION	\$7,187,744	(\$1,261,427)	\$306,196

<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$8,357,478	\$8,045,589	\$3,491,864	\$32,251,938
86,369	581,746		909,419
<u>8,443,847</u>	<u>8,627,335</u>	<u>3,491,864</u>	<u>33,161,357</u>
1,789,578	2,246,126		7,853,308
831,876	2,830,020	779,303	9,795,364
947,157	1,247,690		3,351,868
	1,165	5,022,946	7,639,491
<u>2,414,257</u>	<u>1,350,675</u>		<u>3,884,602</u>
<u>5,982,868</u>	<u>7,675,676</u>	<u>5,802,249</u>	<u>32,524,633</u>
<u>2,460,979</u>	<u>951,659</u>	<u>(2,310,385)</u>	<u>636,724</u>
200,729	167,620	108,603	1,142,845
(41,932)			(91,257)
<u>(114,568)</u>			<u>(114,568)</u>
<u>44,229</u>	<u>167,620</u>	<u>108,603</u>	<u>937,020</u>
<u>2,505,208</u>	<u>1,119,279</u>	<u>(2,201,782)</u>	<u>1,573,744</u>
35,000	486,000	1,715,333	7,118,867
(64,170)	(87,867)		(202,612)
<u>(29,170)</u>	<u>398,133</u>	<u>1,715,333</u>	<u>6,916,255</u>
2,476,038	1,517,412	(486,449)	8,489,999
<u>16,103,660</u>	<u>1,457,577</u>	<u>4,568,231</u>	<u>23,378,983</u>
<u>\$18,579,698</u>	<u>\$2,974,989</u>	<u>\$4,081,782</u>	<u>\$31,868,982</u>

CITY OF HAYWARD
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2020

	Workers' Compensation Insurance	General Liability	Facilities Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$8,204,304	\$29,395	\$4,360,317
Payments to suppliers	(4,039,779)	(2,697,826)	(2,628,238)
Payments to employees	(642,656)	(800,155)	(1,640,436)
Cash Flows from Operating Activities	<u>3,521,869</u>	<u>(3,468,586)</u>	<u>91,643</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in		4,206,685	675,849
Transfers out	(13,919)		(36,656)
Cash Flows from Noncapital Financing Activities	<u>(13,919)</u>	<u>4,206,685</u>	<u>639,193</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets			(174,952)
Proceeds from sale of capital assets			
Principal payments on capital debt			(670,057)
Interest paid on capital debt			(60,912)
Cash Flows from Capital and Related Financing Activities			<u>(905,921)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in fair values of investments			85,622
Investment income	454,922	101,451	20,167
Cash Flows from Investing Activities	<u>454,922</u>	<u>101,451</u>	<u>105,789</u>
Net increase (decrease) in cash and cash equivalents	3,962,872	839,550	(69,296)
Cash and cash equivalents at beginning of period	<u>19,532,156</u>	<u>4,370,039</u>	<u>878,472</u>
Cash and cash equivalents at end of period	<u>\$23,495,028</u>	<u>\$5,209,589</u>	<u>\$809,176</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$6,371,101	(\$6,121,962)	(\$714,668)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation			119,670
Change in assets and liabilities:			
Receivables, net	(3,195)		(3,258)
Due from other governments			
Accounts and other payables	10,882	96,122	248,718
Due to retirement system	206,428	130,340	498,329
Due to OPEB	(29,080)	(25,062)	(80,935)
Compensated absences	14,759	12,259	7,319
Unearned revenue			2,158
Other accrued expenses	(3,049,026)	2,439,717	14,310
Cash Flows from Operating Activities	<u>\$3,521,869</u>	<u>(\$3,468,586)</u>	<u>\$91,643</u>

<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$8,348,228	\$8,630,321	\$3,493,279	\$33,065,844
(2,158,380)	(3,083,228)	(5,802,249)	(20,409,700)
<u>(1,694,483)</u>	<u>(3,626,713)</u>		<u>(8,404,443)</u>
<u>4,495,365</u>	<u>1,920,380</u>	<u>(2,308,970)</u>	<u>4,251,701</u>
35,000	486,000	1,715,333	7,118,867
<u>(64,170)</u>	<u>(87,867)</u>		<u>(202,612)</u>
<u>(29,170)</u>	<u>398,133</u>	<u>1,715,333</u>	<u>6,916,255</u>
(2,674,005)	(772,753)		(3,621,710)
118,506			118,506
<u>(433,786)</u>			<u>(1,103,843)</u>
<u>(44,779)</u>			<u>(105,691)</u>
<u>(3,034,064)</u>	<u>(772,753)</u>		<u>(4,712,738)</u>
			85,622
<u>202,386</u>	<u>169,403</u>	<u>108,603</u>	<u>1,056,932</u>
<u>202,386</u>	<u>169,403</u>	<u>108,603</u>	<u>1,142,554</u>
1,634,517	1,715,163	(485,034)	7,597,772
<u>5,361,746</u>	<u>5,766,331</u>	<u>4,574,089</u>	<u>40,482,833</u>
<u>\$6,996,263</u>	<u>\$7,481,494</u>	<u>\$4,089,055</u>	<u>\$48,080,605</u>
\$2,460,979	\$951,659	(\$2,310,385)	\$636,724
2,414,257	1,350,675		3,884,602
(453,918)	2,852	1,415	(456,104)
	134		134
<u>(391,937)</u>	<u>965,514</u>		<u>929,299</u>
157,946	(1,270,618)		(277,575)
<u>(88,463)</u>	<u>(154,495)</u>		<u>(378,035)</u>
25,612	44,526		104,475
358,299			360,457
<u>12,590</u>	<u>30,133</u>		<u>(552,276)</u>
<u>\$4,495,365</u>	<u>\$1,920,380</u>	<u>(\$2,308,970)</u>	<u>\$4,251,701</u>

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AGENCY FUNDS

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations. These funds include the following:

Local Improvement Districts Fund – Accounts for debt service activities for LIDs #14, #15, #16, #17 and Community Facilities District #1. The City has no commitment for the repayment of these Districts' debt.

South Hayward Bart Parking District JPA – Account for related revenues and expenditures related to the Joint Powers Authority agreement between the City and Bay Area Rapid Transit (BART) for the purpose of providing parking access around the South Hayward BART station.

Other Agency Funds – Accounts for activities of Hayward Coalition for Youth and the Hayward Friends of the Library Fund.

CITY OF HAYWARD
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Local Improvement Districts</u>				
ASSETS:				
Cash and investments	\$3,811,999	\$3,540,065	\$3,811,999	\$3,540,065
Cash and investments with fiscal agents	358,821	356,341	358,821	356,341
Accounts receivable	3,053			3,053
Interest receivable	1,179		1,179	
Due from other governments	336,324	138,739	336,324	138,739
Deposits, parts, supplies and other	201,524			201,524
Total Assets	<u>\$4,712,900</u>	<u>\$4,035,145</u>	<u>\$4,508,323</u>	<u>\$4,239,722</u>
LIABILITIES:				
Accounts payable	\$713	\$1,843	\$713	\$1,843
Due to bondholders	4,712,187	4,033,302	4,507,610	4,237,879
Total Liabilities	<u>\$4,712,900</u>	<u>\$4,035,145</u>	<u>\$4,508,323</u>	<u>\$4,239,722</u>
<u>South Hayward Bart Parking District JPA</u>				
ASSETS:				
Cash and investments	\$1,240,688	\$934,385	\$1,240,688	\$934,385
Accounts receivable	8,995	1,459	8,995	1,459
Interest receivable	383		383	
Total Assets	<u>\$1,250,066</u>	<u>\$935,844</u>	<u>\$1,250,066</u>	<u>\$935,844</u>
LIABILITIES:				
Due to others	\$1,250,066	\$935,844	\$1,250,066	\$935,844
Total Liabilities	<u>\$1,250,066</u>	<u>\$935,844</u>	<u>\$1,250,066</u>	<u>\$935,844</u>
<u>Other Agency Funds</u>				
ASSETS:				
Cash and investments	\$6,027,764	\$9,650,231	\$6,027,764	\$9,650,231
Interest receivable	1,865		1,865	
Due from other governments		12,000		12,000
Total Assets	<u>\$6,029,629</u>	<u>\$9,662,231</u>	<u>\$6,029,629</u>	<u>\$9,662,231</u>
LIABILITIES:				
Accounts payable	\$80,615	\$3,644		\$84,259
Refundable deposits	5,949,014	9,658,587	\$6,029,629	9,577,972
Total Liabilities	<u>\$6,029,629</u>	<u>\$9,662,231</u>	<u>\$6,029,629</u>	<u>\$9,662,231</u>
<u>Total</u>				
ASSETS:				
Cash and investments	\$11,080,451	\$14,124,681	\$11,080,451	\$14,124,681
Cash and investments with fiscal agents	358,821	356,341	358,821	356,341
Accounts receivable, net	12,048	1,459	8,995	4,512
Interest receivable	3,427		3,427	
Due from other governments	336,324	150,739	336,324	150,739
Deposits, parts, supplies and other	201,524			201,524
Total Assets	<u>\$11,992,595</u>	<u>\$14,633,220</u>	<u>\$11,788,018</u>	<u>\$14,837,797</u>
LIABILITIES:				
Accounts payable	\$81,328	\$5,487	\$713	\$86,102
Refundable deposits	5,949,014	9,658,587	6,029,629	9,577,972
Due to bondholders and others	5,962,253	4,969,146	5,757,676	5,173,723
Total Liabilities	<u>\$11,992,595</u>	<u>\$14,633,220</u>	<u>\$11,788,018</u>	<u>\$14,837,797</u>

STATISTICAL SECTION

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STATISTICAL SECTION

The statistical section of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information. This section provides a history of the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Revenue Bond Coverage Wastewater Revenue Bonds
5. Bonded Debt Pledged Revenue Coverage, Tax Allocation Bonds

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

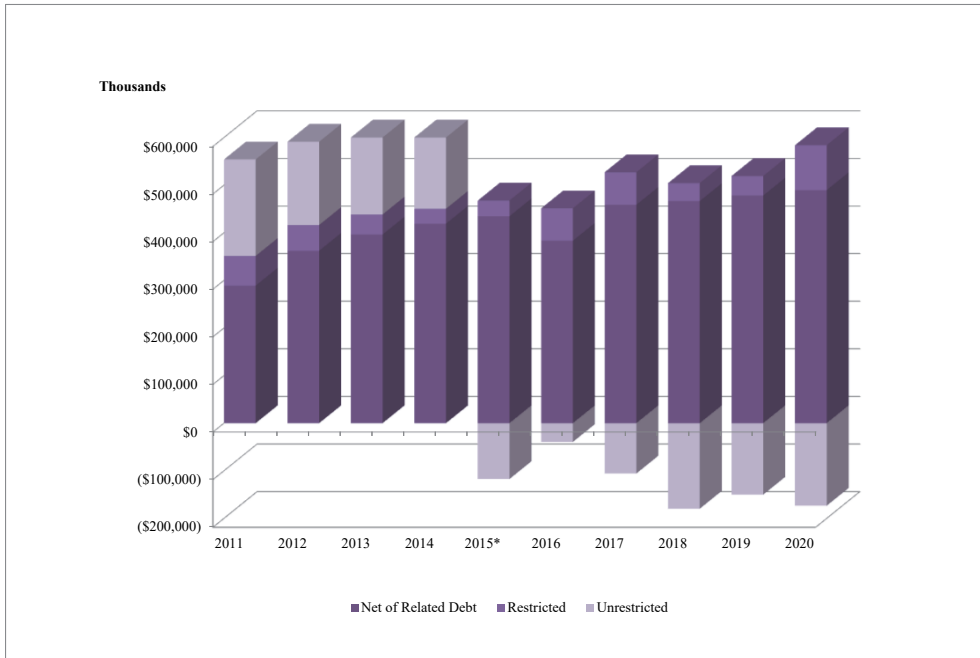
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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CITY OF HAYWARD
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



* To comply with GASB 68 an adjustment was made to the City's total unrestricted net position, decreasing it by \$311,685,673 in FY 2015. The negative Net Position offsets the Net Pension Liabilities of \$284,150,333.

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015*	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$177,018,316	\$249,020,221	\$279,525,198	\$290,077,936	\$305,320,098	\$254,986,441	\$324,056,697	\$324,408,453	\$329,532,552	\$340,992,711
Restricted	62,458,594	54,205,450	42,224,510	31,382,199	33,021,745	68,045,952	68,431,025	37,795,705	41,119,395	94,077,986
Unrestricted	67,919,935	35,822,808	33,214,883	43,176,179	(257,512,639)	(195,715,585)	(266,000,254)	(327,597,600)	(322,106,063)	(373,531,268)
Total governmental activities net position	\$307,396,845	\$339,048,479	\$354,964,591	\$364,636,314	\$80,829,204	\$127,316,808	\$126,487,468	\$34,606,558	\$48,545,884	\$61,539,429
Business-type activities										
Net investment in capital assets	\$111,809,831	\$112,987,363	\$116,593,166	\$128,869,837	\$129,150,393	\$128,152,757	\$134,479,298	\$141,998,213	\$148,443,353	\$148,432,952
Restricted	0	0	0	0	0	0	0	0	0	284,001
Unrestricted	134,720,060	139,002,268	140,296,857	143,368,162	140,262,979	156,403,925	160,313,212	148,088,671	172,060,648	200,188,102
Total business-type activities net position	\$246,529,891	\$251,989,631	\$256,890,023	\$272,237,999	\$269,413,372	\$284,556,682	\$294,792,510	\$290,086,884	\$320,504,001	\$348,905,055
Primary government										
Net investment in capital assets	\$288,828,147	\$362,007,584	\$396,118,364	\$418,947,773	\$434,470,491	\$383,139,198	\$458,535,995	\$466,406,666	\$477,975,905	\$489,425,663
Restricted	62,458,594	54,205,450	42,224,510	31,382,199	33,021,745	68,045,952	68,431,025	37,795,705	41,119,395	94,361,987
Unrestricted	202,639,995	174,825,076	173,511,740	186,544,341	(117,249,660)	(39,311,660)	(105,687,042)	(179,508,929)	(150,045,415)	(173,343,166)
Total primary government net position	\$553,926,736	\$591,038,110	\$611,854,614	\$636,874,313	\$350,242,576	\$411,873,490	\$421,279,978	\$324,693,442	\$369,049,885	\$410,444,484

CITY OF HAYWARD
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
Expenses				
Governmental Activities:				
General Government	\$9,728,751	\$9,417,144	\$11,162,908	\$11,989,512
Public Safety	97,783,089	96,991,346	100,470,925	102,494,680
Public Works and Transportation	12,061,251	12,400,798	13,689,585	8,851,489
Library and Community Services	8,826,270	7,645,958	7,490,405	8,073,175
Economic Development	7,755,610	2,078,030	1,285,830	1,432,514
Planning and Building	5,878,086	5,642,610	6,102,300	6,293,037
Maintenance Services	4,028,800	4,030,146	3,896,951	4,790,594
Community Development				
Culture and Leisure				
Nondepartmental				
Interest on Long Term Debt	4,486,345	3,685,703	2,056,984	1,131,490
Total Governmental Activities Expenses	<u>150,548,202</u>	<u>141,891,735</u>	<u>146,155,888</u>	<u>145,056,491</u>
Business-Type Activities:				
Sewer	19,395,928	17,977,438	19,127,813	17,443,979
Water	29,807,045	36,010,696	38,837,206	38,252,368
Airport	3,124,022	3,271,942	3,252,108	3,443,655
Centennial Hall Maintenance and Operation				
Stormwater	2,326,729	2,235,721	2,402,138	2,419,567
Recycling				
Total Business-Type Activities Expenses	<u>54,653,724</u>	<u>59,495,797</u>	<u>63,619,265</u>	<u>61,559,569</u>
Total Primary Government Expenses	<u>\$205,201,926</u>	<u>\$201,387,532</u>	<u>\$209,775,153</u>	<u>\$206,616,060</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$1,019,505	\$2,162,950	\$2,505,144	\$3,348,209
Public Safety	8,608,854	8,139,780	3,308,573	3,332,950
Public Works and Transportation	744,992	4,382,791	3,780,364	4,121,654
Library and Community Services	90,947	110,465	95,682	85,256
Economic Development	121,677	77,251		2,749,344
Planning and Building	5,022,960	4,312,438	3,541,420	5,026,469
Maintenance Services	269,786	399,721	710,653	1,243,660
Community Development				
Culture and Leisure				
Nondepartmental				
Operating Grants and Contributions	12,904,598	25,163,445	6,998,650	7,634,799
Capital Grants and Contributions	30,675,031	32,561,709	26,479,205	9,066,354
Total Government Activities Program Revenues	<u>59,458,350</u>	<u>77,310,550</u>	<u>47,419,691</u>	<u>36,608,695</u>

* Due to City of Hayward Departmental reorganization, Community Development, and Culture and Leisure Departments no longer exist.
Source: City of Hayward Comprehensive Annual Financial Report

Fiscal Year Ended June 30,

2015	2016	2017	2018	2019	2020
\$16,245,827	\$14,192,819	\$16,158,933	\$36,743,529	\$26,842,761	\$30,267,967
106,541,527	118,423,530	128,069,028	136,621,829	130,098,500	128,620,640
12,295,579	14,414,107	25,599,837	24,077,319	26,136,150	22,129,650
5,150,554	9,047,644	7,056,242	10,673,935	10,026,345	10,983,659
835,342	1,762,937	152,175	1,480,505	2,177,009	2,565,850
6,831,521	7,281,726	8,628,739	11,093,298	10,688,978	10,662,520
5,798,009	6,156,886	8,288,824	11,482,643	11,993,462	12,156,273
1,400,778	1,490,140	3,078,848	3,238,555	2,863,705	2,784,563
155,099,137	172,769,788	197,032,626	235,411,613	220,826,910	220,171,122
19,967,350	23,757,316	22,755,149	19,762,825	22,065,651	20,147,930
36,953,171	38,253,454	46,225,355	52,084,024	46,827,858	47,714,898
3,489,917	3,976,602	6,348,333	4,236,680	4,045,984	3,755,558
2,373,574	3,042,678	2,450,088	2,817,649	2,793,121	2,784,429
62,784,012	69,030,050	77,778,925	78,901,178	75,732,614	16,514
\$217,883,149	\$241,799,838	\$274,811,551	\$314,312,791	\$296,559,524	\$294,590,451
\$3,404,484	\$3,513,507	\$2,627,359	\$3,920,063	\$3,328,124	\$4,220,061
3,311,997	3,585,912	4,638,881	4,859,695	4,837,363	4,240,808
4,966,061	5,620,367	7,009,479	6,019,771	6,061,761	4,894,838
116,787	1,312,128	2,537,062	317,596	3,101,839	885,787
1,292,172					544,108
4,536,430	6,060,654	6,926,489	6,294,675	7,052,017	5,479,966
1,504,197	1,088,664	1,488,851	1,555,141	1,652,433	1,489,507
10,587,001	13,611,989	11,984,727	10,626,753	14,868,015	14,757,617
5,807,599	31,255,350	1,463,593	2,472,715	4,831,794	5,780,882
35,526,728	66,048,571	38,676,441	36,066,409	45,733,346	42,293,574

(Continued)

CITY OF HAYWARD
Changes in Net Position, (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
Business-Type Activities:				
Charges for Services:				
Sewer	\$20,338,593	\$22,333,628	\$22,136,846	\$25,527,904
Water	31,684,462	38,463,759	43,128,089	47,045,822
Airport	2,790,998	2,917,614	2,963,971	3,365,514
Centennial Hall Maintenance & Operation				
Stormwater	2,724,244	2,738,050	2,821,653	2,777,228
Operating Grants and Contributions		119,629	88,916	
Capital Grants and Contributions	1,246,130			
Total Business-Type Activities Program Revenue	<u>58,784,427</u>	<u>66,572,680</u>	<u>71,139,475</u>	<u>78,716,468</u>
Total Primary Government Program Revenues	<u>\$118,242,777</u>	<u>\$143,883,230</u>	<u>\$118,559,166</u>	<u>\$115,325,163</u>
Net (Expense)/Revenue				
Governmental Activities	(\$91,089,852)	(\$64,581,185)	(\$98,736,197)	(\$108,447,796)
Business-Type Activities	4,130,703	7,076,883	7,520,210	17,156,899
Total Primary Government Net Expense	<u>(\$86,959,149)</u>	<u>(\$57,504,302)</u>	<u>(\$91,215,987)</u>	<u>(\$91,290,897)</u>
Total Primary Government Net Expense from prior page	<u>(\$86,959,149)</u>	<u>(\$57,504,302)</u>	<u>(\$91,215,987)</u>	<u>(\$91,290,897)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$35,725,966	\$35,715,527	\$39,297,973	\$39,456,863
Incremental Property Tax	10,351,054	4,721,491		
Special Assessments	714,017	817,210		
Sales Taxes	25,491,533	26,346,354	29,197,989	31,019,079
Utility Users Tax	14,699,792	14,796,979	14,939,639	15,761,544
Real Property Transfer Tax	3,821,387	4,777,989	4,595,640	4,878,857
Franchise Tax	9,091,479	9,891,601	9,687,980	9,488,631
Business Tax	2,389,657	2,483,442	2,548,248	2,649,279
Excise Tax	1,699,438	1,742,210	1,868,695	1,694,229
Other Taxes	1,683,087	944,268	5,820,346	6,748,616
Motor Vehicle in-lieu, Unrestricted	694,933	75,744	78,484	64,954
Investment Earnings	434,426	369,203	534,927	424,910
Gain (Loss) on Sale of Capital Assets		(9,687)		
Gain (Loss) on land held for resale				
Miscellaneous	1,505,212	685,054	3,192,697	3,473,568
Transfers (refer to CAFR Footnote 4)	2,141,488	2,167,125	2,889,691	2,458,989
Extraordinary Item (refer to CAFR Footnote 19)		(9,342,122)		
Total Governmental Activities General Revenues and Transfers	<u>110,443,469</u>	<u>96,182,388</u>	<u>114,652,309</u>	<u>118,119,519</u>
Business-Type Activities:				
Investment Earnings	841,733	549,982	269,873	650,066
Gain (Loss) from disposal of capital assets				
Loss on equity investment				
Miscellaneous				
Transfers (refer to CAFR Footnote 19)	(2,141,488)	(2,167,125)	(2,889,691)	(2,458,989)
Total Business-Type Activities General Revenues and Transfers	<u>(1,299,755)</u>	<u>(1,617,143)</u>	<u>(2,619,818)</u>	<u>(1,808,923)</u>
Total Primary Government General Revenues and Transfers	<u>\$109,143,714</u>	<u>\$94,565,245</u>	<u>\$112,032,491</u>	<u>\$116,310,596</u>
Change in Net Position				
Governmental Activities	\$19,353,617	\$31,601,203	\$15,916,112	\$9,671,723
Business-Type Activities	2,830,948	5,459,740	4,900,392	15,347,976
Total Primary Government	<u>\$22,184,565</u>	<u>\$37,060,943</u>	<u>\$20,816,504</u>	<u>\$25,019,699</u>

* Due to City of Hayward Departmental reorganization, Community Development, and Culture and Leisure Departments no longer exist.
Source: City of Hayward Comprehensive Annual Financial Report

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020
\$28,389,311	\$33,557,099	\$27,000,318	\$26,374,872	\$37,064,893	\$30,078,797
44,704,910	46,264,199	53,565,672	59,385,204	61,614,956	61,951,757
2,995,362	3,239,400	4,161,002	3,426,086	3,611,746	3,616,344
2,832,703	2,894,801	3,066,075	3,165,846	3,328,818	5,019,351
		1,162,390			119,683
<u>78,922,286</u>	<u>85,955,499</u>	<u>88,955,457</u>	<u>92,352,008</u>	<u>105,620,413</u>	<u>100,785,932</u>
<u>\$114,449,014</u>	<u>\$152,004,070</u>	<u>\$127,631,898</u>	<u>\$128,418,417</u>	<u>\$151,353,759</u>	<u>\$143,079,506</u>
(\$119,572,409)	(\$106,721,218)	(\$158,356,185)	(\$199,345,204)	(\$175,093,564)	(\$177,877,548)
16,138,274	16,925,449	11,176,532	13,450,830	29,887,799	26,366,603
<u>(\$103,434,135)</u>	<u>(\$89,795,769)</u>	<u>(\$147,179,653)</u>	<u>(\$185,894,374)</u>	<u>(\$145,205,765)</u>	<u>(\$151,510,945)</u>
<u>(\$103,434,135)</u>	<u>(\$89,795,769)</u>	<u>(\$147,179,653)</u>	<u>(\$185,894,374)</u>	<u>(\$145,205,765)</u>	<u>(\$151,510,945)</u>
\$42,740,159	\$44,750,688	\$48,768,731	\$52,136,552	\$55,970,615	\$58,939,316
39,148,631	46,495,377	48,848,674	48,550,524	52,917,415	56,566,457
15,680,721	22,040,616	20,753,813	17,487,828	16,935,327	16,065,943
5,710,272	7,849,464	8,349,727	9,168,329	12,256,155	12,150,286
10,127,647	10,139,140	9,646,261	9,647,904	9,730,173	10,581,960
2,634,539	2,603,305	3,664,550	4,550,835	4,415,292	4,057,795
2,142,691	3,782,330	2,226,200	2,261,598	2,329,766	2,383,998
6,314,878	5,774,001	5,607,637	6,924,304	8,637,556	8,505,009
62,743	61,688	71,223	84,769	77,775	126,184
349,196	523,123	1,470,868	1,253,635	3,277,620	3,272,624
(352,880)	882,491	121,761	49,910		
				10,982,198	
2,996,956	5,505,290	5,130,121	5,514,057	7,837,732	15,167,508
2,618,309	2,801,309	2,861,623	2,621,785	3,665,266	3,054,013
<u>130,173,862</u>	<u>153,208,822</u>	<u>157,521,189</u>	<u>160,252,030</u>	<u>189,032,890</u>	<u>190,871,093</u>
533,521	1,019,170	1,920,919	925,665	4,305,963	5,088,464
			135,712		
				(111,379)	
<u>(2,618,309)</u>	<u>(2,801,309)</u>	<u>(2,861,623)</u>	<u>(2,621,785)</u>	<u>(3,665,266)</u>	<u>(3,054,013)</u>
(2,084,788)	(1,782,139)	(940,704)	(1,560,408)	529,318	2,034,451
<u>\$128,089,074</u>	<u>\$151,426,683</u>	<u>\$156,580,485</u>	<u>\$158,691,622</u>	<u>\$189,562,208</u>	<u>\$192,905,544</u>
\$10,601,453	\$46,487,604	(\$834,996)	(\$39,093,174)	\$13,939,326	\$12,993,545
14,053,486	15,143,310	10,235,828	11,890,422	30,417,117	28,401,054
<u>\$24,654,939</u>	<u>\$61,630,914</u>	<u>\$9,400,832</u>	<u>(\$27,202,752)</u>	<u>\$44,356,443</u>	<u>\$41,394,599</u>

CITY OF HAYWARD
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



* General Fund includes balances related to the City's Measure C District Sales Tax

(a) The change in total fund balance for the General Fund and All Other Governmental Funds is explained in Management's Discussion and Analysis. The detail of Reserved and Designated Fund balance is explained in Note 9 of the financial statement footnotes.

(b) Starting Fiscal Year ending June 30, 2011, the City's fund balances are classified in accordance with GASB54 which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned and Unassigned.

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CITY OF HAYWARD
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

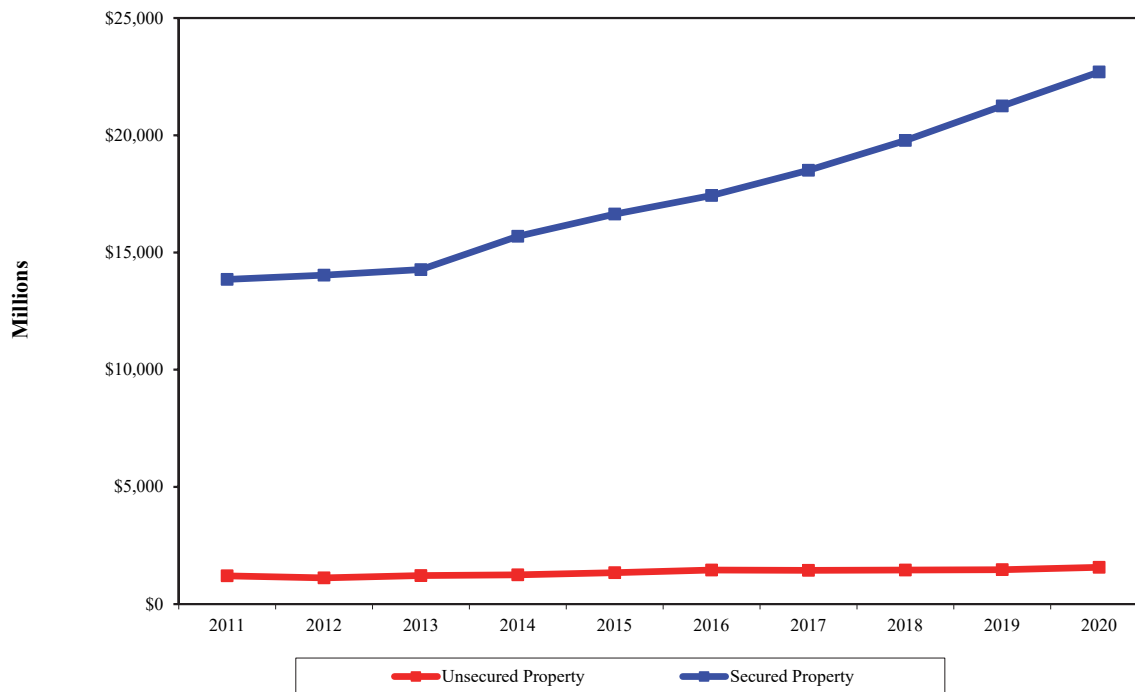
	Fiscal Years Ended June 30,			
	2011	2012	2013	2014
Revenues				
Property Taxes	\$35,725,967	\$35,715,527	\$39,180,750	\$38,971,067
Property Tax Increment	10,351,054	4,721,491		
Special Assessments	714,015	817,210	891,037	972,339
Sales Taxes	25,491,532	26,346,354	29,197,989	31,019,079
Utility Users Taxes	14,699,792	14,796,979	14,939,639	15,761,544
Other Taxes	18,729,085	20,748,138	20,630,166	21,310,770
Licenses and permits	3,259,291	3,177,816	3,605,753	4,078,392
Fines and forfeitures	2,756,632	2,951,068	2,938,106	2,285,486
Use of money and property	1,153,359	1,098,574	756,670	635,092
Intergovernmental revenues	36,952,595	55,173,561	28,617,999	33,839,482
Fees and charges for services	9,262,348	8,851,474	8,377,718	8,172,604
Reimbursement from Developer	1,064,680	344,375	109,677	252,910
Gain on Sale				
Other	7,787,702	6,565,952	1,934,141	2,402,380
Total Revenues	167,948,052	181,308,519	151,179,645	159,701,145
Expenditures				
Current:				
General government	7,930,669	8,034,218	9,841,308	10,551,378
Public safety	88,980,339	90,190,936	90,696,723	91,851,849
Public works and transportation	9,225,588	10,994,660	10,498,047	3,764,567
Library and community services	7,884,539	6,926,851	6,531,206	7,004,537
Economic development	5,622,527	4,396,669	1,847,619	2,017,787
Planning and building	5,562,298	5,346,481	5,806,741	5,981,108
Maintenance services	3,783,213	3,827,181	3,685,853	4,591,395
Nondepartmental				
Capital outlay	28,216,666	30,601,040	36,797,417	22,587,661
Debt service:				
Principal	3,071,058	1,751,366	1,854,870	2,216,033
Interest and fiscal charges	4,584,267	3,355,010	2,040,992	1,093,538
Bond issuance cost				
Pass-through payments	2,151,873	1,546		
Total Expenditures	167,013,037	165,425,958	169,600,776	151,659,853
Excess (deficiency) of revenues over (under) expenditures	935,015	15,882,561	(18,421,131)	8,041,292
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	17,961			
Proceeds of refunding bonds (refer to CAFR Footnote 6)				
Premium on refunding bonds issued (refer to CAFR Footnote 6)				
Payment to refunded bond escrow agent (refer to CAFR Footnote 6)				
Proceeds from long term debt (refer to CAFR Footnote 6)	200,000			2,488,880
Contributions from assessment district				
Transfers in (refer to CAFR Footnote 4)	35,397,325	14,518,727	11,304,955	16,346,295
Transfers out (refer to CAFR Footnote 4)	(36,133,801)	(15,548,463)	(12,689,762)	(22,375,934)
Total other financing sources (uses)	(518,515)	(1,029,736)	(1,384,807)	(3,540,759)
Extraordinary Item (Refer to CAFR Footnote 19)		(8,009,396)		
Net Change in fund balances	\$416,500	\$6,843,429	(\$19,805,938)	\$4,500,533
Debt service as a percentage of noncapital expenditures	5.9%	3.9%	3.0%	2.6%

Source: City of Hayward Comprehensive Annual Financial Report

Fiscal Years Ended June 30,

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$42,128,306	\$44,159,430	\$47,195,566	\$51,235,946	\$54,467,978	\$58,431,804
980,329	1,166,399	1,026,071	1,003,388	1,059,378	1,297,894
39,148,631	46,495,377	48,848,674	48,550,524	52,917,415	56,566,457
15,680,721	22,040,616	20,753,813	17,487,828	16,935,327	16,065,943
23,424,572	26,554,046	27,518,428	28,116,819	32,658,149	31,774,255
5,031,300	6,316,823	7,766,510	7,091,074	7,814,026	6,435,587
2,549,034	2,341,565	2,499,964	2,487,183	2,670,298	2,210,385
357,388	561,895	1,746,291	1,644,775	3,473,471	3,901,043
22,647,381	37,101,458	28,403,369	23,151,743	28,991,082	28,937,153
7,639,834	9,885,890	5,889,181	7,360,450	7,373,160	5,585,549
				10,982,198	
<u>5,002,806</u>	<u>7,909,582</u>	<u>11,082,590</u>	<u>6,084,935</u>	<u>10,689,323</u>	<u>18,289,406</u>
<u>164,590,302</u>	<u>204,533,081</u>	<u>202,730,457</u>	<u>194,214,665</u>	<u>230,031,805</u>	<u>229,495,476</u>
13,702,855	12,675,974	13,182,512	14,309,144	15,335,579	14,607,161
96,719,824	105,164,624	110,461,347	110,621,648	118,169,989	123,148,622
6,623,943	3,850,989	4,001,258	3,772,501	8,850,429	6,849,771
6,748,325	8,371,078	6,678,908	7,638,673	7,722,543	8,707,212
763,285	1,984,194	56,797	81,274	1,512,567	1,576,741
6,495,171	7,382,233	8,497,395	8,372,228	9,229,204	8,618,787
5,581,077	6,279,365	7,711,268	7,720,401	9,973,511	9,840,025
30,819,943	39,864,835	48,972,280	47,870,707	30,812,391	21,303,837
2,156,489	2,397,381	2,561,048	2,676,156	5,013,353	5,207,513
1,158,708	1,055,901	3,303,835	3,321,225	3,190,198	3,007,504
	1,054,619	2,972			
<u>170,769,620</u>	<u>190,081,193</u>	<u>205,429,620</u>	<u>206,383,957</u>	<u>209,809,764</u>	<u>202,867,173</u>
<u>(6,179,318)</u>	<u>14,451,888</u>	<u>(2,699,163)</u>	<u>(12,169,292)</u>	<u>20,222,041</u>	<u>26,628,303</u>
	87,348,775				
	6,565,740				
	(20,455,936)				
5,500,000					
9,012,179	25,098,265	40,553,431	13,461,040	40,742,247	15,104,770
<u>(12,188,316)</u>	<u>(27,899,357)</u>	<u>(44,118,007)</u>	<u>(17,962,337)</u>	<u>(48,967,406)</u>	<u>(18,967,012)</u>
<u>2,323,863</u>	<u>70,657,487</u>	<u>(3,564,576)</u>	<u>(4,501,297)</u>	<u>(8,225,159)</u>	<u>(3,862,242)</u>
<u>(\$3,855,455)</u>	<u>\$85,109,375</u>	<u>(\$6,263,739)</u>	<u>(\$16,670,589)</u>	<u>\$11,996,882</u>	<u>\$22,766,061</u>
2.4%	2.4%	3.8%	3.8%	4.6%	4.6%

**CITY OF HAYWARD
 ASSESSED AND ESTIMATED ACTUAL
 VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**



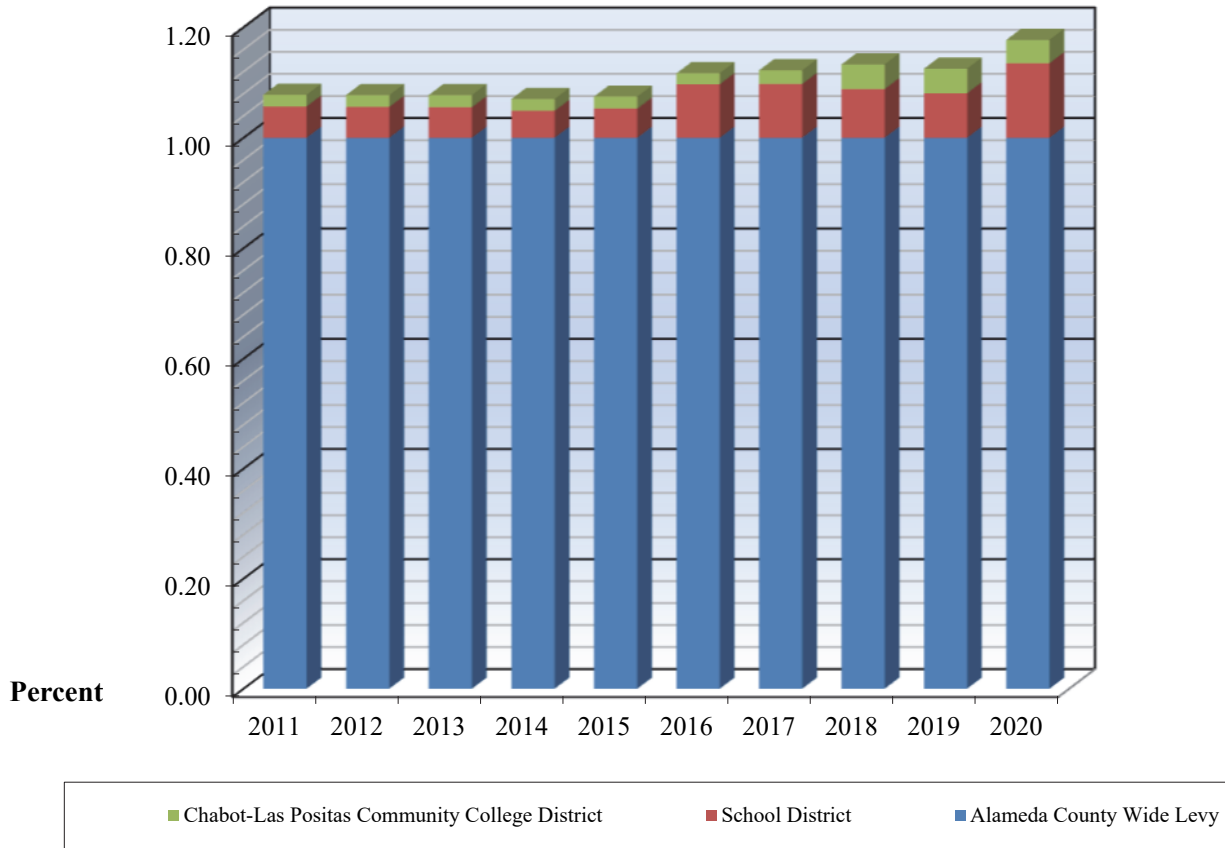
Fiscal Year	Total Secured Property	Total Unsecured Property	Total Assessed (c)	Estimated Full Market (a)	Direct Tax Rate (b)
2011	\$13,852,339,086	\$1,206,621,783	\$15,058,960,869	\$15,058,960,869	1%
2012	14,031,375,627	1,119,664,498	15,151,040,125	15,151,040,125	1%
2013	14,269,516,867	1,219,715,968	15,489,232,835	15,489,232,835	1%
2014	15,692,946,952	1,249,273,320	16,942,220,272	16,942,220,272	1%
2015	16,639,488,990	1,340,155,668	17,979,644,658	17,979,644,658	1%
2016	17,432,403,170	1,452,793,040	18,885,196,210	18,885,196,210	1%
2017	18,505,587,803	1,439,106,697	19,944,694,500	19,944,694,500	1%
2018	19,779,304,369	1,454,651,151	21,233,955,520	21,233,955,520	1%
2019	21,249,763,958	1,469,205,980	22,718,969,938	22,718,969,938	1%
2020	22,702,279,301	1,570,761,064	24,273,040,365	24,273,040,365	1%

NOTE:

- (a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.
- (b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.
- (c) Total assessed represents gross amount of the total assessed valuation of the taxable property.

Source: Alameda County Auditor Controller Office Certificate of Assessed Valuations

**CITY OF HAYWARD
PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**



Fiscal Year	Alameda County Wide Levy	City of Hayward	Alameda County Go Bond	Hayward Unified School District	Chabot-Las Positas Community College District	Bay Area Rapid Transit (BART)	Hayward Area Rec & Park	East Bay Regional Parl
2011	1.0000	0.0018	0.0000	0.0566	0.0211	0.0031		0.0084
2012	1.0000	0.0018	0.0000	0.0557	0.0214	0.0041		0.0071
2013	1.0000	0.0018	0.0000	0.0553	0.0219	0.0043		0.0051
2014	1.0000	0.0018	0.0000	0.0486	0.0214	0.0075		0.0078
2015	1.0000	0.0018	0.0000	0.0527	0.0217	0.0045		0.0085
2016	1.0000	0.0018	0.0000	0.0970	0.0198	0.0026		0.0067
2017	1.0000	0.0018	0.0000	0.0974	0.0246	0.0080		0.0032
2018	1.0000	0.0018	0.0000	0.0881	0.0445	0.0084	0.0299	0.0021
2019	1.0000	0.0018	0.0112	0.0806	0.0443	0.0070	0.0300	0.0057
2020	1.0000	0.0018	0.0108	0.1350	0.0422	0.0120	0.0300	0.0060

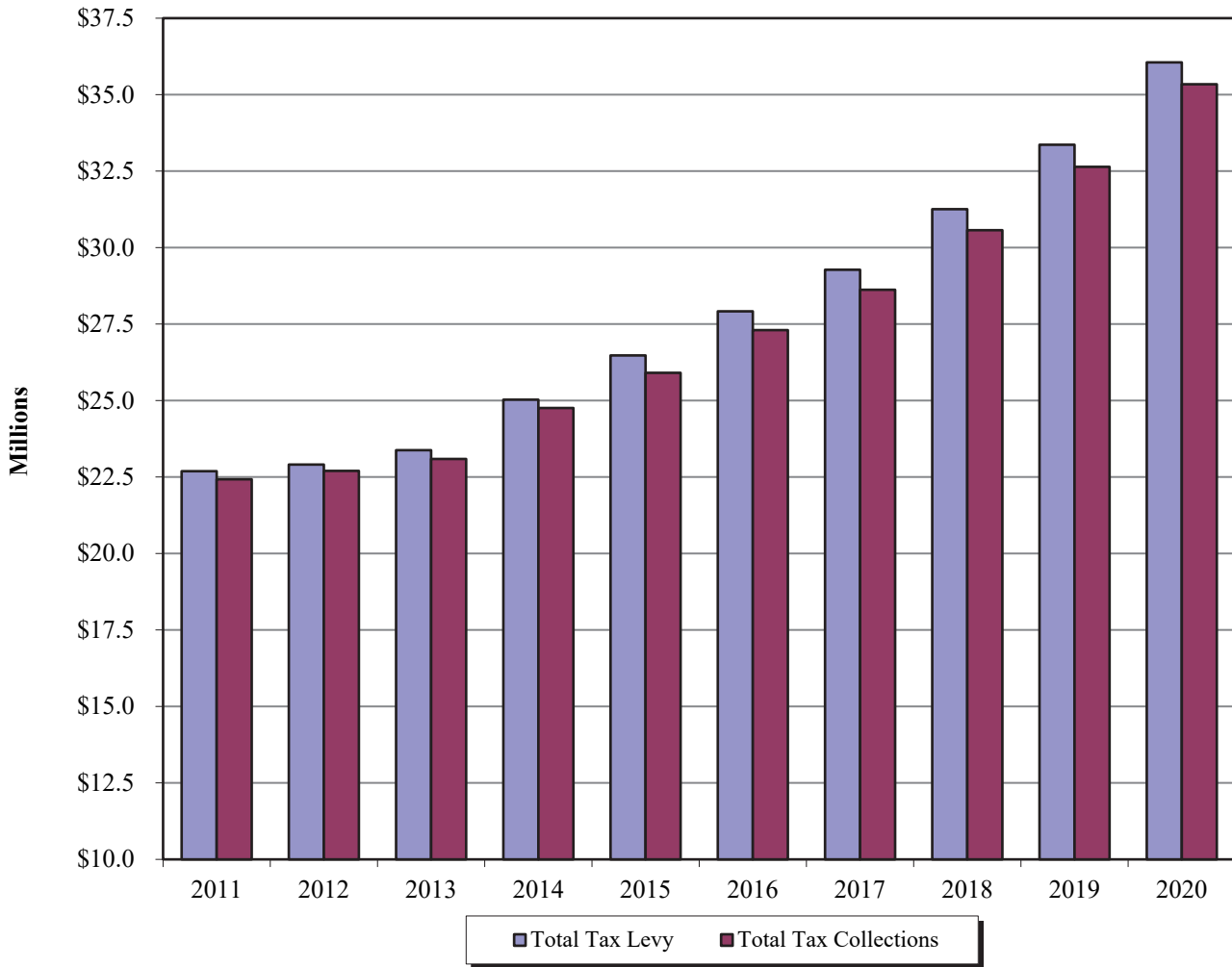
City of Hayward
Principal Property Tax Payers
Current Year and Ten Years Ago

Employer	FY 2020			FY 2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
PSB Northern Calif Industrial Portfolio LLC						
Russell City Energy Company, LLC	\$379,500,000	1	1.56%			
Southland Mall LP	242,419,154	2	1.00%	\$144,630,426	2	0.95%
PSB Northern Calif Industrial Portfolio LLC	216,869,067	3	0.89%			
Hayward 544 LLC	168,248,956	4	0.69%			
Hayward Point Eden I LP	109,220,598	5	0.45%	91,084,101	4	0.60%
ROC III CA Creekwood LLC	101,524,700	6	0.42%			
Hayward Industrial Park Associates	101,790,550	7	0.42%			
Rar2 Hayward 92 LLC	95,370,000	8	0.39%			
SCI Limited Partnership I	80,329,733	9	0.33%	79,539,747	5	0.52%
Bottling Group LLC	80,769,704	10	0.33%	70,132,390	7	0.46%
Northern Cal Industrial Portfolio				181,732,715	1	1.20%
Kohls Department Stores Inc						0.00%
Berkeley Farm Inc.				104,738,681	3	0.69%
North 3 Holding LLC				60,290,190	8	0.40%
First American Title Co						0.00%
Target Corporation				55,656,863	9	0.37%
Impax Laboratories Inc.				72,420,374	6	0.48%
Stonebrae LP				36,362,567	10	0.24%
Subtotal	\$1,576,042,462		6.49%	\$896,588,054		5.92%

Total Assessed Valuation:
Fiscal Year 2019/2020 \$24,273,040,365
Fiscal Year 2010/2011 15,151,040,125

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls

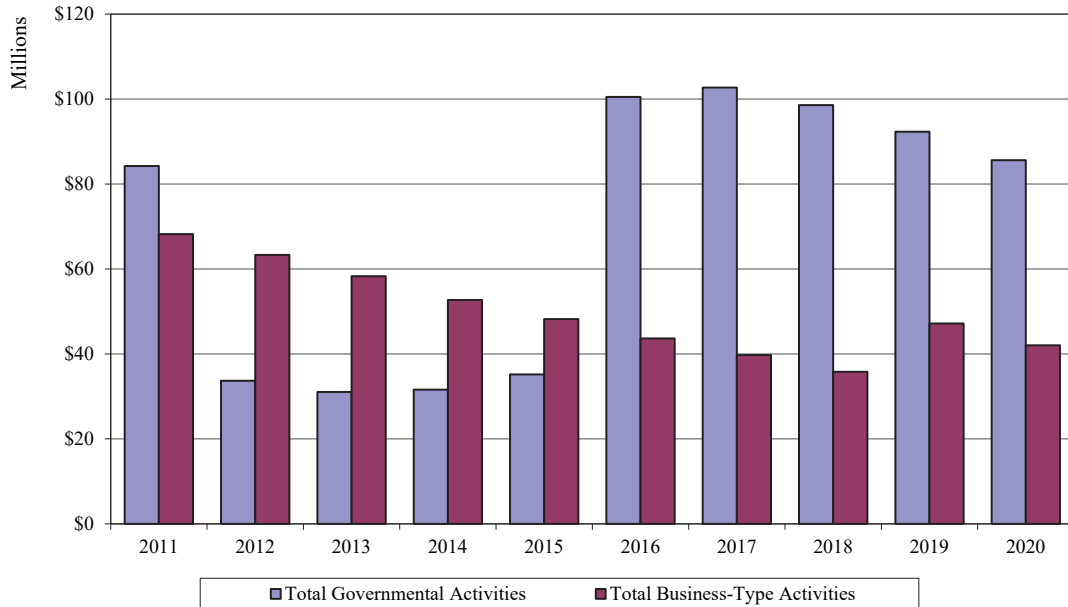
**CITY OF HAYWARD
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2011	\$22,689,887	\$21,518,638	94.84%	\$907,086	\$22,425,724	98.84%
2012	22,905,414	21,746,406	94.94%	952,781	22,699,187	99.10%
2013	23,375,741	22,340,018	95.57%	748,912	23,088,930	98.77%
2014	25,027,044	24,356,397	97.32%	399,535	24,755,932	98.92%
2015	26,474,019	25,522,217	96.40%	382,845	25,905,062	97.85%
2016	27,915,350	26,854,859	96.20%	446,987	27,301,846	97.80%
2017	29,275,215	28,172,161	96.23%	448,808	28,620,970	97.77%
2018	31,255,890	30,158,955	96.49%	410,565	30,569,520	97.80%
2019	33,360,474	32,234,964	96.63%	403,490	32,638,455	97.84%
2020	36,054,277	34,833,923	96.62%	505,412	35,339,334	98.02%

Source: Alameda County Assessor Office

**CITY OF HAYWARD
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**



Governmental Activities					
Fiscal Year	Tax Allocation Bonds	Certificates of Participation	Revenue Bonds	Capital Lease Obligations	Total
2011	\$50,170,000	\$27,605,000	\$1,101,010	\$5,367,484	\$84,243,494
2012	0 (a)	26,095,000	740,240	6,846,579	33,681,819
2013	0 (a)	24,525,000	575,000	5,943,842	31,043,842
2014	0 (a)	22,895,000	3,003,880	5,699,806	31,598,686
2015	0 (a)	21,195,000	2,695,717	11,279,313	35,170,031
2016	0 (a)	87,348,775	2,371,338	10,787,079	100,507,193
2017	0 (a)	91,613,001	2,044,350	9,050,057	102,707,408
2018	0 (a)	89,212,869	1,709,786	7,661,734	98,584,389
2019	0 (a)	84,487,311	1,372,620	6,444,597	92,304,528
2020	0 (a)	79,584,001	1,028,478	5,001,566	85,614,045

Business-Type Activities					
Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Total	Total Government	Government Debt Per Capita (b)
2011	\$10,276,995	\$57,944,117	\$68,221,112	\$152,464,606	1,045.43
2012	9,277,380	54,047,154	63,324,534	97,006,353	659.40
2013	8,225,000	50,073,263	58,298,263	89,342,105	600.59
2014	6,570,000	46,137,248	52,707,248	84,305,934	558.18
2015	6,055,000	42,151,592	48,206,592	83,376,623	545.34
2016	5,525,000	38,116,304	43,641,304	144,148,497	906.68
2017	4,980,000	34,755,949	39,735,949	142,443,357	884.52
2018	4,420,000	31,370,520	35,790,520	134,374,909	829.32
2019	3,840,000	43,337,073	47,177,073	139,481,601	874.86
2020	3,245,000	38,786,145	42,031,145	127,645,190	796.23

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

(a) Tax Allocation Bonds are reported under Redevelopment Successor Agency as Fiduciary Fund as Redevelopment Agency was dissolved on January 31, 2012 as per ABx1 26 and AB1484.

(b) Per Capita based on City population; refer to Demographic and Statistics Schedule for population data.

Source: City of Hayward
State of California, Department of Finance (population)
U.S. Dept of Commerce, Bureau of the Census (income)

**CITY OF HAYWARD
COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

2019-20 Assessed Valuation:	\$ 23,805,439,230
Redevelopment Incremental Valuation:	<u>(2,512,524,236)</u>
Adjusted Assessed Valuation:	\$ 21,292,914,994

	Total Debt 6/30/2020	% Applicable (1)	City's Share of Debt 6/30/2020		
<u>DIRECT DEBT:</u>					
City of Hayward General Fund Obligations	\$ 78,362,237	100.000%	\$ 78,362,237		
				\$ 78,362,237	\$ 78,362,237
Total Direct Debt					\$ 78,362,237
<u>OVERLAPPING DEBT:</u>					
Overlapping Tax and Assessment Debt:					
Alameda County	\$ 218,000,000	7.67%	\$ 16,720,600		
Bay Area Rapid Transit District	1,282,740,000	3%	37,943,449		
Chabot-Las Positas Community College District	626,920,000	18%	111,924,028		
Castro Valley Unified School District	127,305,000	0%	137,489		
Hayward Unified School District	557,888,940	86%	480,308,904		
New Haven Unified School District	254,924,413	14%	36,449,093		
Pleasanton Unified School District	149,420,000	0%	53,791		
San Lorenzo Unified School District	152,420,000	15%	23,266,913		
Washington Township Healthcare District	329,110,000	2%	6,216,888		
Hayward Area Recreation and Park District	108,510,000	56%	60,227,390		
East Bay Regional Park District	155,835,000	5%	7,350,737		
City of Hayward Community Facilities District No. 1	5,250,142	100%	5,250,142		
City of Hayward 1915 Act Bonds	130,000	100%	130,000		
Subtotal Overlapping Tax and Assessment Debt				\$ 785,979,424	
Ratios to 2019-20 Assessed Valuation:					
Subtotal Overlapping Tax and Assessment Debt	3.69%				
<u>OVERLAPPING GENERAL FUND DEBT:</u>					
Alameda County General Fund Obligations	\$ 830,130,000	7.670%	\$ 63,670,971		
Alameda County Pension Obligation Bonds	-		-		
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	9.101%	1,060,722		
Hayward Unified School District Certificates of Participation	14,875,201	86.094%	12,806,656		
San Lorenzo Unified School District Certificates of Participation	9,490,000	15.265%	1,448,649		
Castro Valley and Pleasanton Unified School District Certificates of Participation	4,930,000	0.108%	5,324		
Subtotal Overlapping General Fund Debt				\$ 78,992,321	
<u>OVERLAPPING TAX INCREMENT DEBT(Successor Agencies):</u>	\$ 52,460,000	7.391 & 100. %	\$ 29,817,100		
				\$ 29,817,100	
Total Overlapping Debt					\$ 894,788,845
Grand Total Direct and Overlapping Debt					\$ 973,151,082 ⁽²⁾
Combined Total Direct and Overlapping Debt					\$ 973,151,082 ⁽²⁾
<u>Ratio to 2019-20 Assessed Valuation:</u>					
Combined Total Direct and Overlapping Tax and Assessment Debt	4.57%				

NOTE:

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: California Municipal Statistics, Inc.

**CITY OF HAYWARD
COMPUTATION OF LEGAL BONDED DEBT MARGIN
Last Ten Fiscal Years**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$24,273,040,365
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BONDED DEBT LIMIT (15.% OF ASSESSED VALUE)	\$3,640,956,055
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$85,614,044
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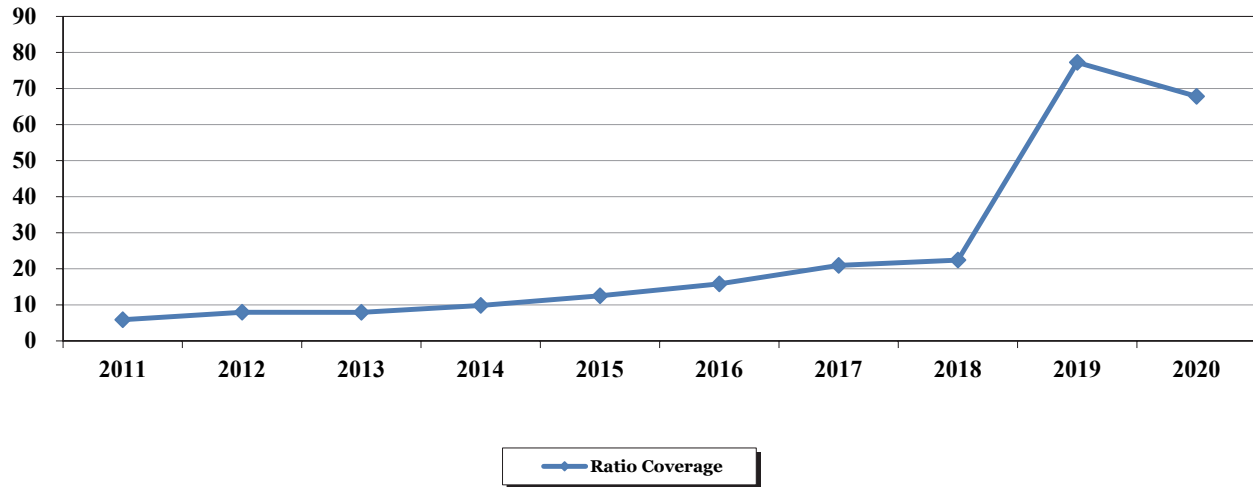
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	85,614,044
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Amount of debt subject to limit	0
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LEGAL BONDED DEBT MARGIN	\$3,640,956,055
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2011	\$2,272,656,019	0	\$2,272,656,019	0.00%
2012	2,323,384,925	0	2,323,384,925	0.00%
2013	2,541,333,041	0	2,541,333,041	0.00%
2014	2,541,333,041	0	2,541,333,041	0.00%
2015	2,696,946,699	0	2,696,946,699	0.00%
2016	2,832,779,432	0	2,832,779,432	0.00%
2017	2,991,704,175	0	2,991,704,175	0.00%
2018	3,185,093,328	0	3,185,093,328	0.00%
2019	3,407,845,491	0	3,407,845,491	0.00%
2020	3,640,956,055	0	3,640,956,055	0.00%

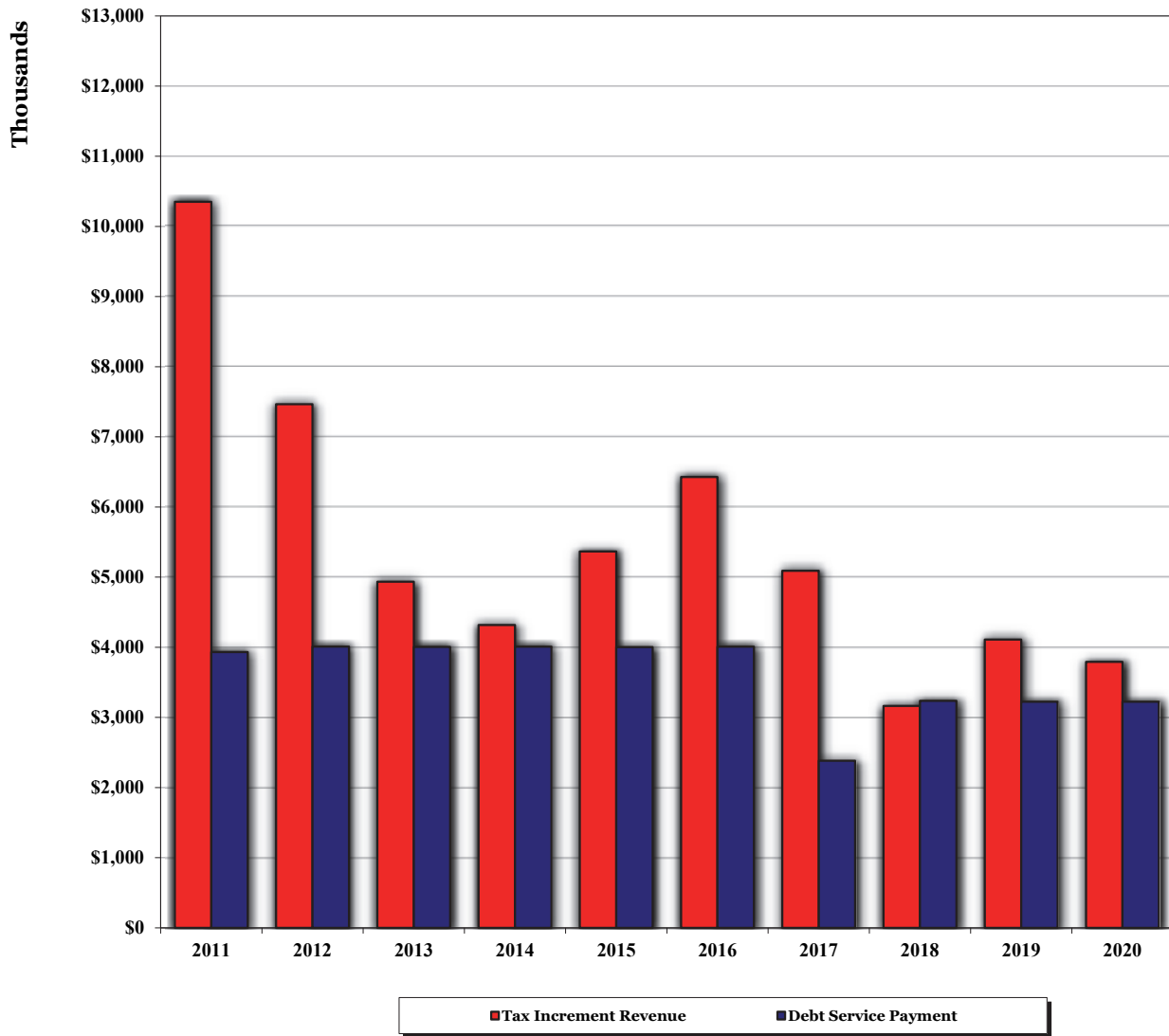
**CITY OF HAYWARD
REVENUE BOND COVERAGE
WASTEWATER REVENUE BONDS
LAST TEN FISCAL YEARS**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Ratio Coverage
				Principal	Interest	Total	
2011	\$52,765,158	\$41,042,710	\$11,722,448	\$1,370,000	\$628,288	\$1,998,288	5.87
2012	61,287,200	45,366,632	15,920,568	1,425,000	577,688	2,002,688	7.95
2013	65,512,421	49,506,563	16,005,858	1,490,000	527,831	2,017,831	7.93
2014	73,136,288	47,380,860	25,755,428	2,160,000	459,280	2,619,280	9.83
2015	73,564,675	49,566,818	23,997,857	1,615,000	302,938	1,917,938	12.51
2016	80,748,945	52,915,644	27,833,301	1,555,498	205,533	1,761,031	15.81
2017	82,325,821	60,602,745	21,723,076	886,781	151,341	1,038,122	20.93
2018	86,614,724	63,289,309	23,325,415	919,040	121,929	1,040,969	22.41
2019	102,636,863	60,860,754	41,776,109	450,133	90,738	540,871	77.24
2020	96,734,751	60,046,086	36,688,665	462,357	78,514	540,871	67.83

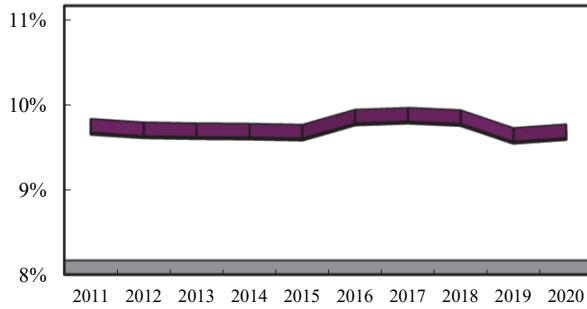
Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
(2) Includes all Wastewater Operating Expenses less Depreciation and Interest

**CITY OF HAYWARD
 BONDED DEBT PLEDGED REVENUE COVERAGE
 TAX ALLOCATION BONDS
 LAST TEN FISCAL YEARS**

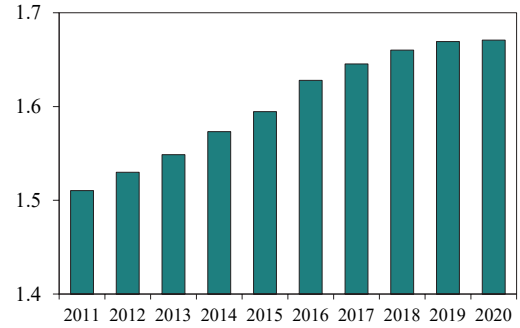


Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2011	\$10,351,054	\$1,400,000	\$2,532,021	\$3,932,021	2.63
2012	7,465,404	1,540,000	2,469,022	4,009,022	1.86
2013	4,934,694	1,605,000	2,400,322	4,005,322	1.23
2014	4,317,292	1,680,000	2,328,657	4,008,657	1.08
2015	5,365,287	1,750,000	2,253,588	4,003,588	1.34
2016	6,427,560	1,835,000	2,173,931	4,008,931	1.60
2017	5,089,716	2,035,000	347,642	2,382,642	2.14
2018	3,163,863	1,685,000	1,550,975	3,235,975	0.98
2019	4,109,694	1,735,000	1,487,550	3,222,550	1.28
2020	3,791,673	1,805,000	1,417,450	3,222,450	1.18

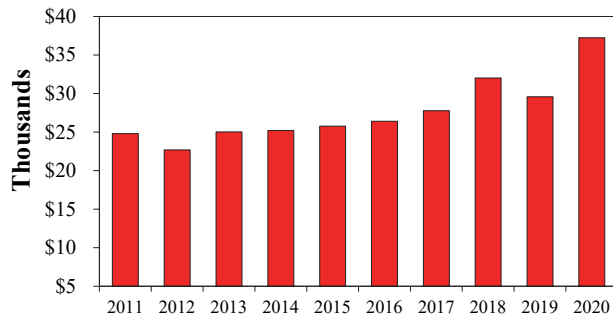
CITY OF HAYWARD DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS



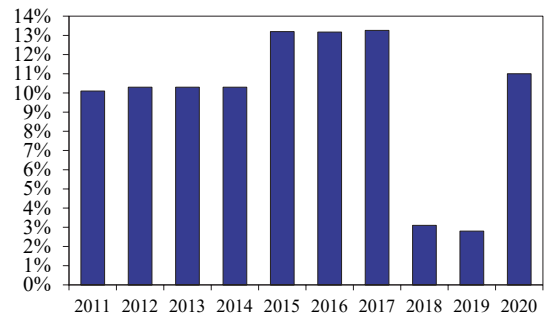
■ City Population as a % of County Population



■ Alameda Co. Population



■ Per Capita Income



■ Unemployment Rate (%)

Fiscal Year	City Population	Per Capita Income	City Unemployment Rate	Alameda Co. Population	City Population % of County
2011	145,839	\$24,803	10.1%	1,510,271	9.66%
2012	147,113	\$22,681	10.3%	1,529,875	9.62%
2013	148,756	\$25,019	10.3%	1,548,681	9.61%
2014	151,037	\$25,208	10.3%	1,573,254	9.60%
2015	152,889	\$25,770	13.2%	1,594,569	9.59%
2016	158,985	\$26,405	13.2%	1,627,865	9.77%
2017	161,040	\$27,774	13.3%	1,645,359	9.79%
2018	162,030	\$32,021	3.1%	1,660,202	9.76%
2019	159,433	\$29,583	2.8%	1,669,301	9.55%
2020	160,311	\$37,243	11.0%	1,670,834	9.59%

Sources: U.S. Census Bureau

State of California - Department of Finance, Office of The Director

State of California - Employment Development Department, Labor Market Information Division

**City of Hayward
Principal Employers
Current Year and Ten Years Ago**

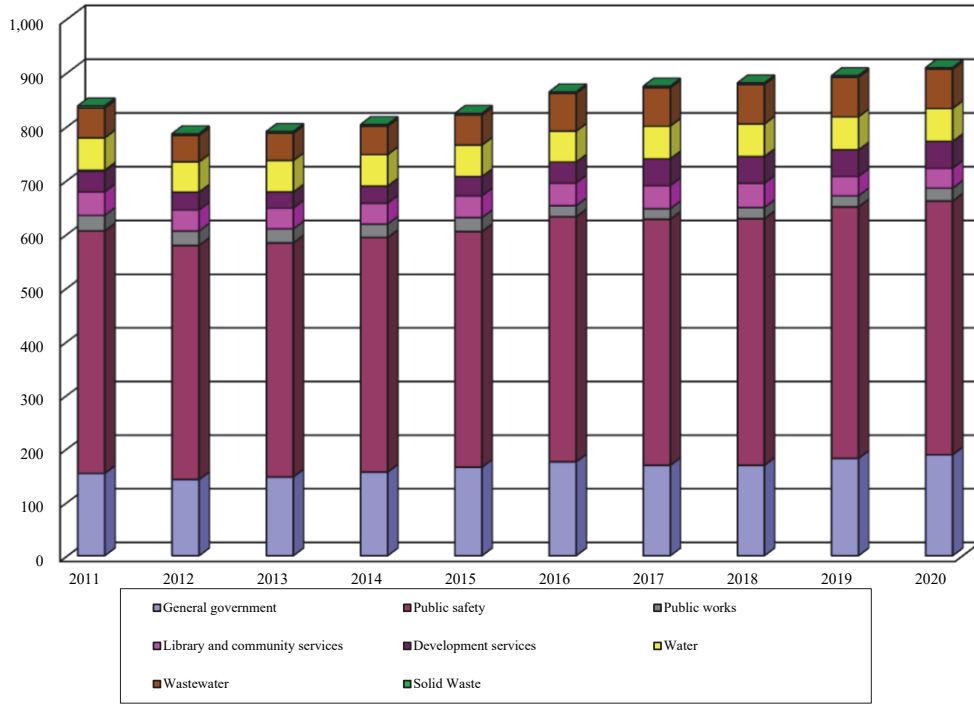
<u>Employer</u>	<u>FY 2020</u>	<u>FY 2011</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Alameda County Sheriff's Department	*	2,000	2	1.4%
Baxter Bio Pharma	*			
Berkeley Farms, LLC	*			
California State University East Bay	*	1,500	4	1.0%
Chabot Community College	*	615	8	0.4%
Costco Warehouse	*			
Fremont Bank Operations Center	*			
Hayward Unified School District	*	1,981	3	1.4%
Illumina	*			
Inland Marine Industries, Inc.	*			
New Century Beverage (Pepsi)	*			
Maleko Personnel, Inc.	*			
Plastikon Industries, Inc.	*	400	11	0.3%
Gillig Corporation		700	7	0.5%
St. Rose Hospital		1065	5	0.7%
Kaiser Permanente Medical Center **		2,200	1	1.5%
City of Hayward		812	6	0.6%
Kobe Precision		450	10	0.3%
Subtotal		<u>11,723</u>		<u>8.0%</u>
Total City Population Using Census Data		<u>145,839</u>		

Source: City of Hayward Adopted Operating Budget FY20
Note: FY20 data not available for ranking or total employment.

* Presented in alphabetical order based on economic development's assessment.

** Closed in November 2013

CITY OF HAYWARD
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
General government	153.50	142.00	146.90	156.00	165.00	175.00	168.50	168.50	181.50	188.25
Public safety	452.20	436.50	436.50	437.50	439.50	457.00	459.00	460.00	469.00	473.00
Public works	29.00	27.00	26.10	25.00	26.00	20.50	19.56	20.71	20.56	24.00
Library and community services	43.45	39.10	38.55	38.55	40.20	42.20	42.80	44.80	35.80	36.80
Development services	38.50	33.25	30.00	32.00	36.00	39.00	50.00	50.00	49.50	50.00
Water	60.00	56.00	58.40	58.50	58.50	57.30	60.61	60.46	61.41	61.26
Wastewater	55.50	49.50	51.00	53.00	56.00	70.40	71.58	73.58	73.78	73.24
Solid Waste	4.00	3.00	3.00	3.00	3.00	2.80	2.75	2.75	2.75	2.75
Total	836.15	786.35	790.45	803.55	824.20	864.20	874.80	880.80	894.30	909.30

Source: City of Hayward Adopted Operating Budget

*Due to City of Hayward department reorganization, Community Development and Culture and Leisure departments no longer exist.

CITY OF HAYWARD
Operating Indicators by Function/Program
Last Four Fiscal Years

Function/Program	2017	2018	2019	2020
Public safety:				
Fire alarms	17,989	18,898	18,823	18,860
Police: (Uniform Crime Reporting Statistics)				
Property crime calls	4,925	4,967	4,749	5,462
Violent crime calls (a)	593	633	604	568
Arson calls	27	33	28	20
Public works				
Pavement Condition Index (PCI)*	68	69	70	69
*Industry measure of street condition with 100 ideal score				
Annual pavement improvement projects	14	13	10	10
Airport operations count/flights	108,680	112,962	106,447	90,048
Airport reported based aircraft	436	470	461	461
Library and Community Services				
Social Services Projects Funded	17	20	18	18
Facilities Projects Funded	4	2	2	1
Economic Development Projects Funded	3	2	3	2
New Housing/Rehab Projects Funded	1	18	2	2
Public Services Projects Funded	2	5	5	5
Measure B Projects Funded		7	8	8
Measure BB Projects Funded		1	0	0
Planning				
Active Subdivisions	32	45	41	40
Active Parcel Maps	5	7	7	11
Building Permits	4,882	4,934	5,107	4,501
Residential Rental Inspections	1,435	1,039	977	943
Library and neighborhood services				
Library Materials in Collection	161,708	166,100	164,396	204,416
Library Circulation (Items checked out)	824,788	654,989	159,806	395,758
Community Preservation Cases	3,501	2,771	2,917	2,522
Water				
Water service connections	35,600	36,327	37,526	38,236
Water main breaks	23	14	21	17
Average daily consumption (thousands of gallons)	12,870	14,458	14,046	13,962
Wastewater				
Sewer service connections	32,520	34,320	34,728	35,256
Average daily treatment (thousands of gallons)	11,810	11,480	11,574	10,717
Solid Waste				
Landfilled waste recycled and diversion rate*	70%	70%-75%	66%	66%
*Diversion rate beginning in calendar year 2000 and each year thereafter.				

(a) Excluded Simple assault calls, restated prior years.

Source: City of Hayward

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CITY OF HAYWARD
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
Public safety:					
Fire stations (a)	9	9	9	9	9
Number of firefighters and officers (b)	121	118	115	127	118
Police stations	1	1	1	1	1
Number of police officers (c)	207	197	189	199	177
Public works					
Miles of streets	266	266	266	266	266
Street lights	8,143	8,143	8,143	8,161	8,178
Traffic Signals	133	134	135	135	134
Airport	1	1	1	1	1
Library and neighborhood services					
City Libraries	2	2	2	2	2
Water					
Number of consumers	140,000	140,000	140,000	150,000	150,000
Average daily consumption (gallons)	17,400,000	15,600,000	15,500,000	15,200,000	13,600,000
Miles of water mains	350	350	370	380	385
Storage capacity (gallons)	29,300,000	29,350,000	29,350,000	29,350,000	29,350,000
Wastewater					
Miles of sewers	320	320	320	325	325
Number of treatment plants	1	1	1	1	1
Treatment capacity (gallons)	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000

(a) Includes Fairview Fire District Station under contract

(b) Represents actual hired firefighters and officers which may be different than budgeted number of positions

(c) Represents actual hired police officers which may be different than budgeted number of positions

Sources: City of Hayward

Fiscal Year Ended June 30,

2016	2017	2018	2019	2020
9	9	9	9	9
118	114	129	124	122
1	1	1	1	1
186	194	176	178	181
283	283	283	283	283
8,273	8,288	8,238	8,327	8,327
134	136	143	146	146
1	1	1	1	1
2	2	2	2	2
150,000	155,000	160,500	159,500	159,203
12,255,000	12,870,000	14,650,000	14,046,000	13,962
385	385	385	391	391
29,350,000	30,550,000	30,550,000	25,350,000	31,250,000
325	325	325	321	321
1	1	1	1	1
18,500,000	18,500,000	18,500,000	18,400,000	18,500,000

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HAYWARD
FIRE
DEPARTMENT

STATION

6

FIRE
TRAINING
CENTER



HAYWARD

Finance Department, 777 B Street, Hayward CA 94541

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