



**Annual  
Comprehensive  
Financial Report**

**FISCAL YEAR ENDED:  
JUNE 30, 2021**



**HAYWARD, CALIFORNIA**

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**CITY OF HAYWARD, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED JUNE 30, 2021**

Prepared by:

Accounting Division, Department of Finance

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## ***INTRODUCTORY SECTION***

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# CITY OF HAYWARD, CALIFORNIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2021

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December 17, 2021

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

It is my pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Hayward for the fiscal year ended June 30, 2021. 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, 2021, 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, 2021, 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 2022).

This ACFR 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 ACFR, 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 162,954, 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 one public golf course 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/](http://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/](http://www.haywardrec.org/)) and Hayward Unified School District ([www.husd.k12.ca.us/](http://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. Because of this the City is working towards a healthy recovery after multiple shelter in place orders during the fiscal year. The City has worked tirelessly with local businesses to assist in keeping their doors open for business and funding programs to stimulate the local economy and assist in this recovery.

The Employment Development Department data reflects that the unemployment rate in Alameda County as of October 2021 was 6.1%, which is down from 11.0% in 2020.

In spite of the pandemic, Hayward has seen a year over year increase of 6.0% in its assessed valuation in 2021. The median residential home value is about \$876,343 in October 2021 versus \$702,173 a year ago.

The total Assessed Valuation for Hayward has grown from \$15.2 billion in FY 2012 to \$25.8 billion in FY 2021, 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 6% in FY 2021 as compared to FY 2020.

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, (\$18.6 million in FY 2021) 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 2021 was \$17.3 million.

The City's transfers tax revenue went up by \$5 million or 40.6% in fiscal year 2021 compared to fiscal year 2020 due to growing demand and tight housing supply.

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 2021 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 FY 2021 totaled about \$73 million, with approximately \$471million tentatively programmed for the entire ten-year period from FY 2021 through FY 2030. 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 Boulevard 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 numerous 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 was completed on schedule in December 2020, and the project was advertised and bids were received in April 2021. However, due to unexpectedly high bids and a funding shortfall, a construction contract was not awarded. Staff have modified the design to allow for the inclusion or exclusion of some elements due to cost. Staff are also actively pursuing funding opportunities, like the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant, to rebid the project in FY 2022.

***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 Fall 2022.



***Complete Initial Phase of Recycled Water Project:*** To improve overall water supply reliability and conserve drinking water supplies, the City constructed 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 FY 2020. Construction of the treatment facility and customer connections to the recycled water system have been completed, and recycled water deliveries to the first phase of customers are anticipated to begin in mid-FY 2022. 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 FY 2019 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-FY 2020. 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 FY 2020, 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. In FY 2021, roof repairs, which consisted of removing and repairing sections of the metal roof that were leaking and applying a polyurethane coating to make the roofs water resistant, were completed on Executive Hangar Buildings 1 and 2.

### **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 FY 2021, Fleet Management began a Police Hybrid Patrol Vehicle Pilot Program which included the replacement of four patrol gasoline powered vehicles with four hybrid models. After a six-month trial in 24/7 operation, the hybrid vehicles performed as required, clearing the way for the City to order future police patrol replacement vehicles as hybrids. In FY 2021, Fleet purchased an all-electric ride-on lawnmower to replace a gasoline model in a deliberate effort to evaluate and purchase greener types of vehicles and equipment. The new mower is being used in the downtown area and operates quietly, eliminating noise in and around businesses and homes. Staff are also working to invest in electric vehicles (EV) where possible and 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 FY 2018, 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 FY 2022. 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 FY 2023.

***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 completed its CEQA update, and staff are currently working with consultants to finalize the design. Construction bid documents are anticipated to be completed by Fall 2022, and construction is planned to commence in Spring 2023.

## **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 September 2021, 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 2021, the City had total debt outstanding of \$122.04 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 2021, 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 2021, the unassigned fund balance of the General Fund was \$31.4 million, while the total fund balance was \$66.2 million (includes non-cash outstanding receivables of over \$4.5 million and \$30.3 million in Measure C District Tax cash balance). The unassigned fund balance represents 16.6% of total General Fund expenditures of \$188.5 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the thirty sixth 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 ACFR. 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 annual comprehensive 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.

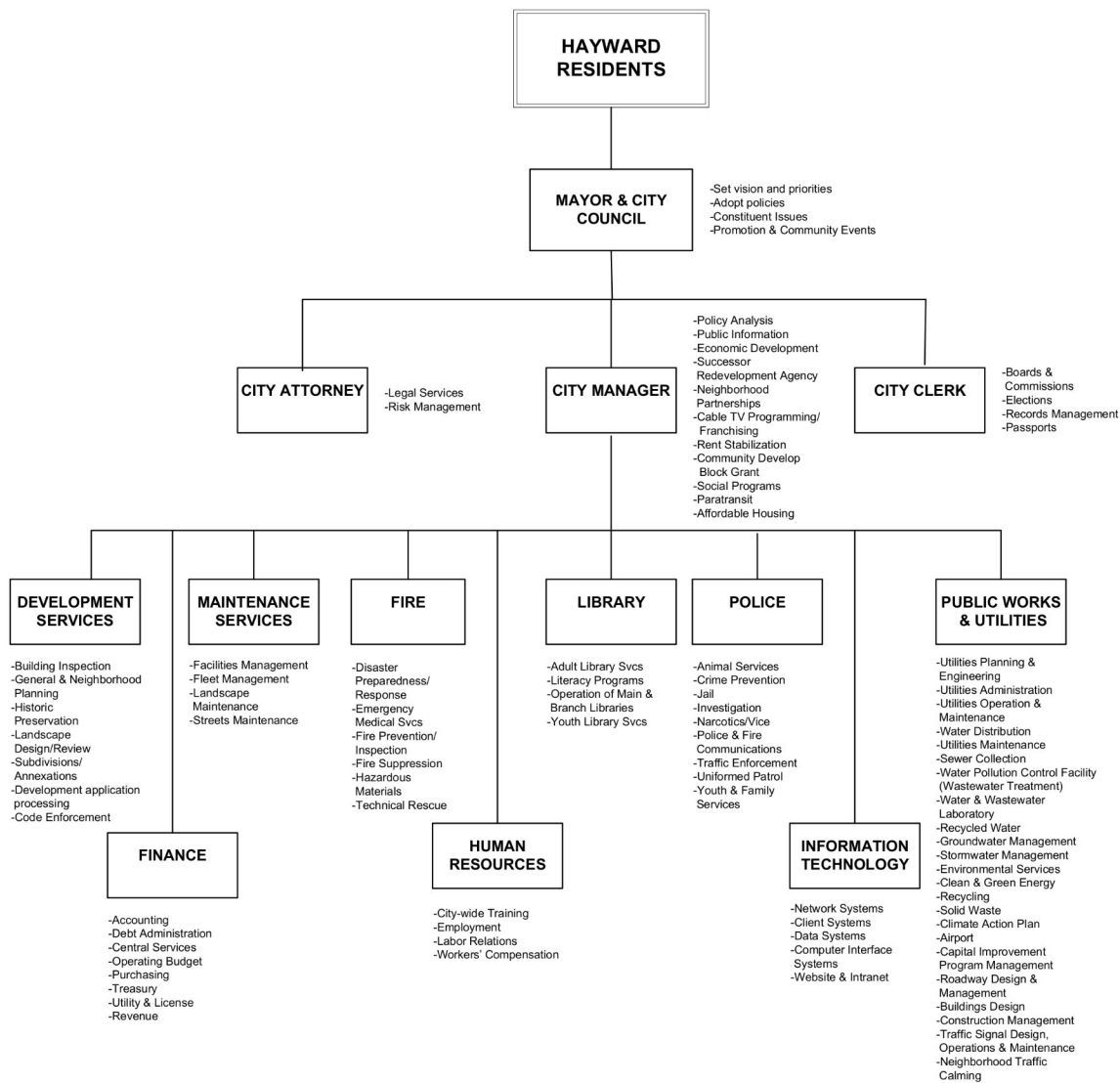
I also wish to recognize the commitment of the City Manager, the Mayor, and the City Council to the high standards embodied in this report and express appreciation to them and each City department for their cooperation and support in conducting the fiscal operations of the City.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'DC' or similar initials, followed by a horizontal line.

Dustin Claussen  
Director of Finance  
City of Hayward

# CITYWIDE ORGANIZATION



## ELECTED OFFICIALS

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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 2024



**Sara Lamnin**  
**Council Member**  
Term Expires 2022



**Aisha Wahab**  
**Council Member**  
Term Expires 2022



**Elisa Márquez**  
**Council Member**  
Term Expires 2024



**Francisco Zermeno**  
**Council Member**  
Term Expires 2024



**Angela Andrews**  
**Council Member**  
Term Expires 2024

# ADMINISTRATIVE STAFF

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## 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 & Utilities	Alex Ameri





Government Finance Officers Association

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Presented to

**City of Hayward  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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## ***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, 2021, 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 did not audit the financial statements of East Bay Dischargers Authority, which represent 2.23%, 2.82% and 10.46%, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for East Bay Dischargers Authority is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2021, 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.

## ***Change in Accounting Principles***

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities*, which became effective during the year ended June 30, 2021 and required the restatements of Governmental Activities and Fiduciary net positions as discussed in Note 1 to the financial statements. In addition, the Statement established the new fund type, Custodial Funds, and eliminated the fund type of Agency Funds.

Management early adopted the provisions of Governmental Accounting Standards Board Statement No. 98 – *The Annual Comprehensive Financial Report* which changes the name of the Comprehensive Annual Financial Report to Annual Comprehensive Financial Report.

The emphasis of these matters does not constitute a modification to our opinions.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the 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 listed in the Table of Contents are presented for purposes of additional analysis and are not a required part 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 17, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pleasant Hill, California  
December 17, 2021

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## **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, 2021. 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 \$474.9 million (*total net position*). Excluding the \$467.1 million net pension liability, \$321.5 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 \$64.5 million over fiscal year 2020. Governmental activities, including the General Fund, increased by \$44.8 million and Business-type activities increased by \$19.7 million.
- ❑ As of June 30, 2021, the City's governmental funds reported combined fund balances of \$198.3 million, an increase of \$33.2 million from the prior year.
- ❑ At the end of fiscal year 2021, total fund balance for the General Fund, including Measure C, is \$66.2 million, an increase of \$13.5 million over fiscal year 2020. Of the total, the General Fund ending fund balance is \$36.1 million, and Measure C ending fund balance is \$30.1. The total fund balance is comprised of \$4.4 million in non-spendable (illiquid reserves), \$30.3 million in assigned (liquid reserves designated for specific purposes), and \$31.4 million in spendable fund balance designated for contingencies, economic uncertainty, emergencies, and liquidity by City Council. The \$31.4 million in unassigned fund balance represents 16.6% of total General Fund expenditures including Transfers Out. The \$4.4 million in non-spendable reserves offsets a long-term loan receivable (General Fund loan to the Redevelopment Successor Agency).
- ❑ Fiscal year 2021 ended with a net increase to the General Fund, General Purpose Fund Reserve of \$5.3 million (net of Measure C district sales tax revenues).
- ❑ As of June 30, 2021, the City's enterprise funds (Sewer, Water, Stormwater and Airport) reported a combined ending net position of \$368.6 million; an increase of \$19.7 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 21-23) 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 26-32) 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 8 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 34-36) 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 38-39) 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 41-94) 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 118 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 \$474.9 million at the close of the current fiscal year, an increase from the prior year of \$64.5 million. The change in the combined net position includes an increase of \$44.8 million in Governmental Activities, and an increase of \$19.7 million in Business-type Activities.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$297.9	\$230.8	\$272.6	\$248.7	\$570.5	\$479.6
Capital assets	433.2	420.9	188.0	190.5	621.2	611.4
<b>Total assets</b>	<b>731.1</b>	<b>651.8</b>	<b>460.6</b>	<b>439.2</b>	<b>1,191.7</b>	<b>1,091.0</b>
<b>Deferred outflows</b>	<b>62.7</b>	<b>67.6</b>	<b>4.1</b>	<b>4.6</b>	<b>66.7</b>	<b>72.2</b>
<b>Liabilities</b>						
Long term debt outstanding	79.4	85.6	42.6	42.0	122.0	127.6
Other liabilities	575.7	532.3	47.9	46.9	623.6	579.1
<b>Total liabilities</b>	<b>655.1</b>	<b>617.9</b>	<b>90.5</b>	<b>88.9</b>	<b>745.6</b>	<b>706.8</b>
<b>Deferred inflows</b>	<b>32.3</b>	<b>39.9</b>	<b>5.5</b>	<b>6.0</b>	<b>37.9</b>	<b>45.9</b>
<b>Net position:</b>						
Net investments in capital assets	357.5	341.0	145.3	148.4	502.8	489.4
Restricted	117.7	94.1	0.0	0.3	117.7	94.4
Unrestricted*	(368.8)	(373.5)	223.2	200.2	(145.6)	(173.3)
<b>Total net position</b>	<b>\$106.4</b>	<b>\$61.5</b>	<b>\$368.6</b>	<b>\$348.9</b>	<b>\$474.9</b>	<b>\$410.4</b>

\* Unrestricted net position for June 30, 2021, included the City's \$467.1 million net pension liability, which is not a claim on current financial assets.

The largest portion of the fiscal year 2021 City's net position, \$502.8 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 2021, the City's net position included \$66.7 million in deferred outflows of resources. Of this amount, \$57.5 million is related to pensions. This includes \$39.7 million related to pension contributions after the measurement date, as well as \$17.8 million attributable to changes in calculation assumptions and differences between expected and actual trust fund performance. \$8.6 million of the deferred outflows are related to other post-employment benefits (OPEB). \$6.8 million of these OPEB related deferred outflows is related to employer contributions after the measurement date and \$1.8 million is related to changes in assumptions and trust performance. Finally, \$0.6 million in outflows is related to 2016 refunding of certificates of participation, resulting in a deferred loss.

The City's long-term debt of \$122.0 million includes \$9.9 million due within one year, as well as an additional \$112.1 million due in future years.

The largest share of the City's other liabilities is comprised of \$467.1 million in net pension liabilities and \$67.5 million in OPEB liabilities, as detailed in Note 12 and Note 14, respectively. Other major liabilities include \$29.1 million in accrued liabilities, \$23.3 in unearned revenue, \$15.3 million in accounts payable, \$11.7 million in total compensated absences, and \$8.7 million in refundable deposits.

Deferred inflows of resources totaled \$37.9 million in fiscal year 2021, \$1.4 million related to pensions and \$36.5 million related to OPEB. Pension-related deferred inflows are comprised of \$0.6 million in differences between actual and expected experience and \$0.8 million in changes to calculation assumptions. OPEB-related deferred inflows consist of \$36.1 million in changes to calculation assumptions and \$0.3 million in differences between projected and actual earnings.

A portion of the City's net position, \$117.7 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 \$467.1 million net pension liability, \$321.5 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 \$44.9 million.

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

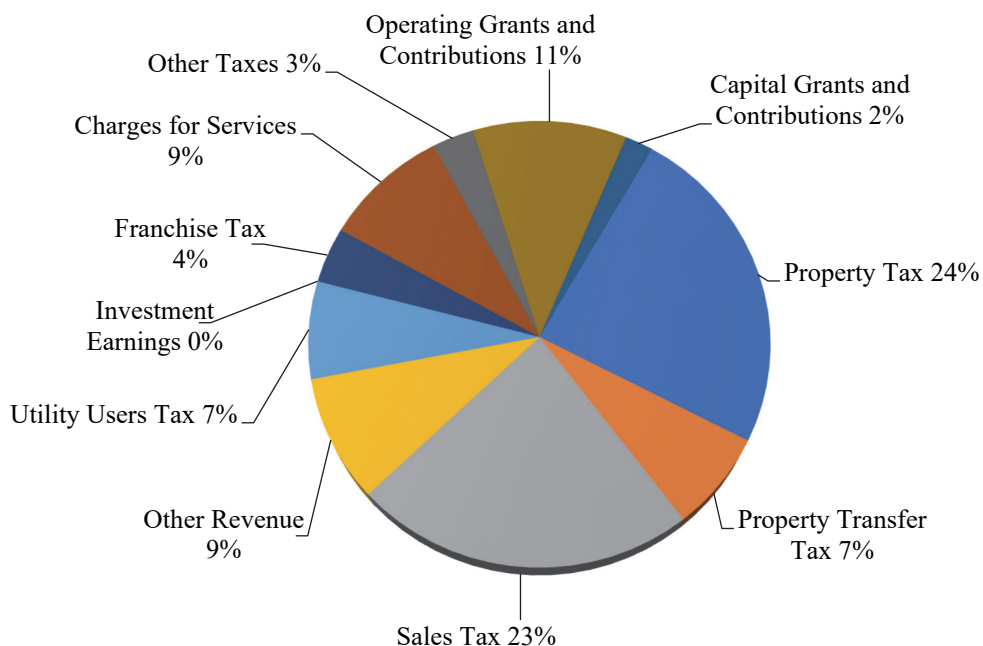
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Program revenues</b>						
Charges for services	\$23.4	\$21.8	\$99.3	\$100.7	\$122.7	\$122.4
Operating contributions and grants	29.5	14.8	-	0.1	29.5	14.9
Capital contributions and grants	5.4	5.8	-	-	5.4	5.8
	58.3	42.3	99.3	100.8	157.6	143.1
<b>General revenues</b>						
Property tax	62.2	58.9	-	-	62.2	58.9
Sales tax	58.7	56.6	-	-	58.7	56.6
Utility user tax	17.3	16.1	-	-	17.3	16.1
Real property transfer tax	17.1	12.2	-	-	17.1	12.2
Franchise fees	10.6	10.6	-	-	10.6	10.6
Other taxes	15.1	15.1	-	-	15.1	15.1
Investment earnings	1.1	3.3	1.1	5.1	2.2	8.4
Gain on sale of land for resale	3.4	-	-	-	3.4	-
Gain on sale of capital assets	0.1	-	-	-	0.1	-
Miscellaneous	18.7	15.2	-	-	18.7	15.2
General revenues subtotal	204.2	187.8	1.1	5.1	205.3	192.9
<b>Total Revenues</b>	<b>262.5</b>	<b>230.1</b>	<b>100.4</b>	<b>105.9</b>	<b>362.9</b>	<b>336.0</b>
<b>Expenses by activity</b>						
General Government	24.8	30.3	-	-	24.8	30.3
Public safety	139.4	128.6	-	-	139.4	128.6
Public works and transportation	26.5	22.1	-	-	26.5	22.1
Library and neighborhood services	11.4	11.0	-	-	11.4	11.0
Economic development	3.0	2.6	-	-	3.0	2.6
Planning and building	10.4	10.7	-	-	10.4	10.7
Maintenance services	12.4	12.1	-	-	12.4	12.1
Interest on long term debt	2.6	2.8	-	-	2.6	2.8
Sewer	-	-	21.9	20.1	21.9	20.1
Water	-	-	49.1	47.7	49.1	47.7
Airport	-	-	3.4	3.8	3.4	3.8
Stormwater	-	-	2.7	2.8	2.7	2.8
Recycling	-	-	0.3	0.0	0.3	0.0
<b>Total expenses</b>	<b>230.5</b>	<b>220.2</b>	<b>77.5</b>	<b>74.4</b>	<b>308.0</b>	<b>294.6</b>
Increase (decrease) before transfers	32.0	9.9	22.9	31.5	54.9	41.4
Transfers	3.2	3.1	(3.2)	(3.1)	-	-
Change in Net Position	35.2	13.0	19.7	28.4	54.9	41.4
Beginning Net Position, as restated*	71.2	48.5	348.9	320.5	420.1	369.0
<b>Ending Net Position (June 30)</b>	<b>\$106.4</b>	<b>\$61.5</b>	<b>\$368.6</b>	<b>\$348.9</b>	<b>\$474.9</b>	<b>\$410.4</b>

## 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 increased by \$32.4 million:

- ❑ Charges for Services increased by \$1.7 million over prior year, as the City resumed specific services that were paused during the initial months of the Covid-19 pandemic.
- ❑ Operating Contributions and Grants increased by \$14.8 million compared to prior year due to federal and county funding received in response to the Covid-19 pandemic.
- ❑ Capital contributions and grants decreased slightly by \$0.4 million over the prior year.
- ❑ Property Taxes increased by \$3.3 million over the prior year, due to continued growth in residential use property values.
- ❑ Sales Taxes increased by \$2.1 million over the prior year, due to continued strength of online sales and increased collections because of the *Wayfair* decision in FY 2019.
- ❑ Real Property Transfer Tax increased by \$5.0 million over 2020, despite an expected RPTT slowdown prompted by the Covid-19 pandemic.
- ❑ A Gain on Sale of Land for Resale resulting from the sale of additional City property along Route 238 increased one-time revenues by \$3.4 million over 2020.
- ❑ Miscellaneous Revenue increased by \$3.5 million compared to 2020.

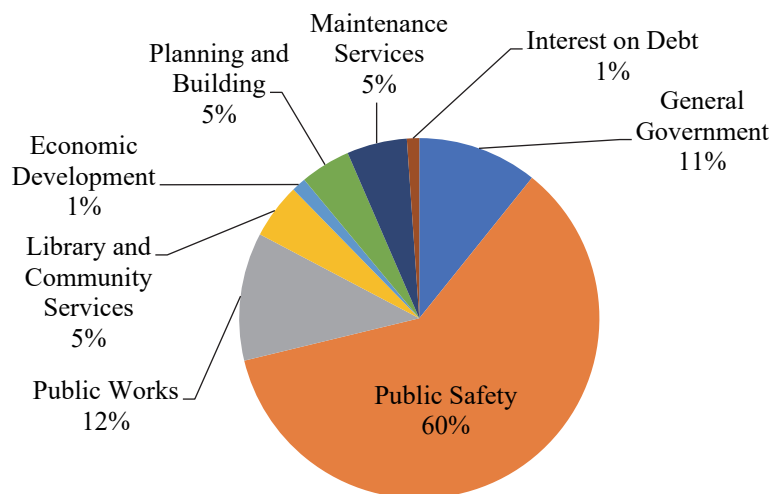
**Chart 1 – Revenues by Source – Governmental Activities for Fiscal Year 2021**



### Governmental Activities Expenses

The governmental expenses (excluding transfers) increased by \$10.3 million to \$230.5 million. Operational cost reductions of \$5.5 million in general government expenditures were offset by increases of \$10.7 million in public safety costs, \$4.4 million in public works costs, and a net increase of \$0.7 million across other governmental activities expenditures. A significant portion of the increase in expenditures is related to personnel expenses including rising pension benefit costs, as well as an increase in overtime expenses resulting from the City's response to the Covid-19 pandemic and mutual aid response. The increase in public works costs is associated with the current and ongoing construction of the new Fire Station 6 and Regional Fire Training Center. Chart 2, *Expenses by Function* summarizes governmental expenses by category.

**Chart 2 – Expenses by Function – Governmental Activities for Fiscal Year 2021**

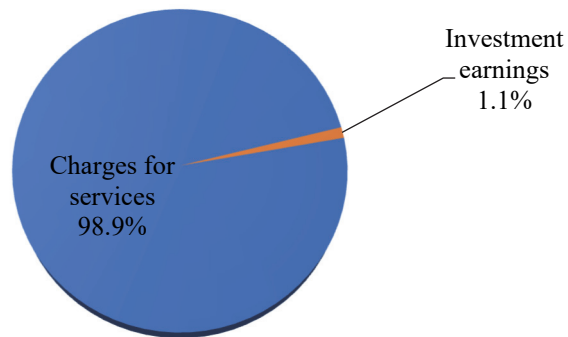


**Business-Type Activities.** The net position of business-type activities was \$368.6 million at June 30, 2021, an increase of \$19.7 million from last fiscal year. Program revenues totaled \$100.4 million, while program expenses totaled \$77.5 million.

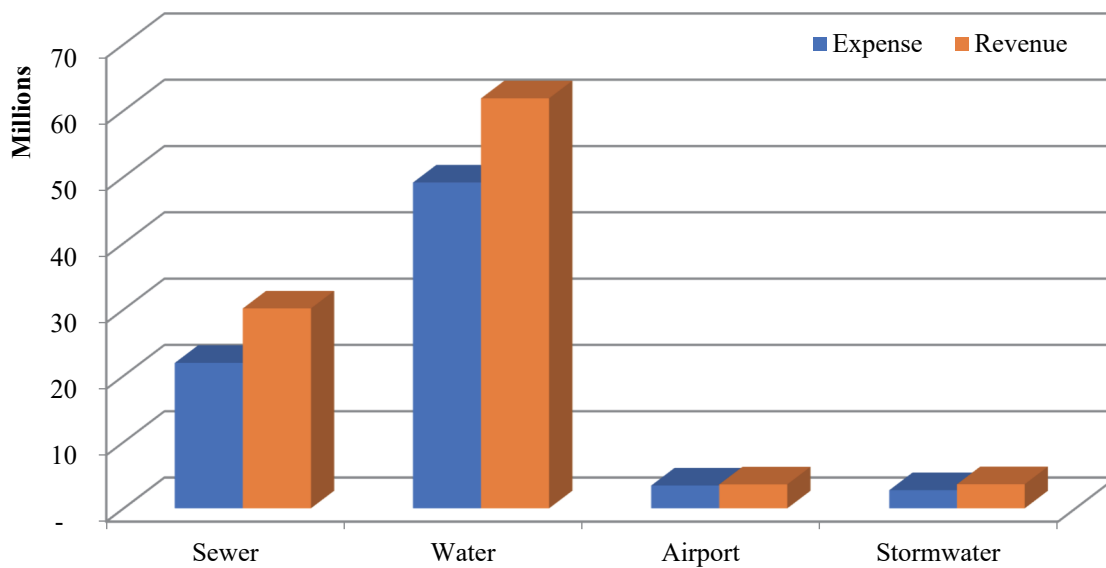
As the *Revenue by Source* chart indicates, charges for utility services account for 98.9% of the revenue for the City's enterprise funds. Most of the revenues are generated by the Water and Sewer enterprises.



**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 \$10.1 million, water increased by \$11.6 million, and Stormwater decreased by \$1.6 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 slight decrease in net position of \$0.04 million. The Recycling Fund experienced a decrease in net position by \$0.4 million.

## 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 2021, the City's governmental funds reported combined ending fund balances of \$198.3 million, an increase of \$33.2 million over prior year. Among the City's major governmental funds, increases of \$5.3 million and \$8.2 million to the General Fund and Measure C Fund, respectively, are mostly offset by a reduction of \$13.1 million to the General Capital Projects Fund. The net increase to the combined ending fund balances is due primarily to changes in fund balance for the City's non-major funds. These include increases of \$13.8 million to the Route 238 Improvement fund; \$11.6 million to the Affordable Housing fund; \$3.4 million to the Measure BB fund; \$2.1 million to the Park Dedication Ordinance fund; and a net increase of \$1.8 million to other non-major governmental funds. The change in the Route 238 Improvement fund stemmed from the sale of City-owned parcels, while the increase to the Affordable Housing fund is due to the implementation of GASB Statement No. 84. Approximately \$166.9 million of the fund balance or 84.2% represents Non-Spendable, Restricted, and Assigned fund balances; and \$31.4 million or 15.8% 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 77.7% of the total governmental revenues and 74.5% of the total governmental 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 2021, the General Fund's Unassigned fund balance was \$31.4 million (exclusive of Measure C), an increase of \$6.1 million over the prior year. The total fund balance, inclusive of Non-spendable and Assigned balances, was \$66.2 million, an increase of \$13.5 million from the prior fiscal year. This difference is related to federal Covid-19 response funding, along with significant increases to Real Property Transfer, Property, and Utility User Tax revenues. In addition to federal funding, the General Fund's fund balance was bolstered by higher-than-expected property, sales, and real property transfer tax revenues.

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 16.6% of total General Fund expenditures of \$188.5 million (including Transfers Out).

**General Fund Budgetary Highlights.** Fiscal year 2021 ended with a Net Change in Fund Balance of \$13.5 million (GAAP Basis).

**Table 3 – Fiscal Year 2021 General Fund Budget Summary** *(in thousands)*

<i>(reflected in thousands)</i>	A 2021 Adopted	B 2021 Adjusted	C 2021 Actual	Variance (C-B)	Variance %
Revenues	\$177,583	\$182,888	\$199,885	\$16,997	8.8%
Expenditures	165,108	171,157	172,389	1,232	0.7%
Transfers In/(Out)	(10,448)	(13,040)	(13,988)	(948)	7.3%
<b>Net Change in Fund Balance (Budget Basis)</b>	<b>\$2,027</b>	<b>\$(1,310)</b>	<b>\$13,508</b>	<b>\$14,818</b>	

The net change in fund balance for fiscal year 2021 based on actual performance (column C) is positive \$13.5 million. The net change in fund balance is primarily attributed to federal pandemic response funding. This fund balance summary on page 26 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 \$13.5 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 2021, the unrestricted net position of the Sewer and Water Funds amounted to \$111.4 and \$102.2 million, respectively. Sewer net position increased by \$10.1 million and Water net position increased to \$11.5 million. This increase in net position for Sewer is significantly less than in fiscal year 2020, in which Sewer and Water net position increased \$14.9 million and \$11.3 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 2021 the fund ended with a net position of \$7.9 million, an increase of \$2.2 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, 2021, the City's investments in capital assets for its governmental and business-type activities are \$621.2 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 1.6%, with several projects moving from being classified as Construction in Progress to classified as completed Improvements and Buildings.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$19.0	\$19.0	\$4.8	\$4.8	\$23.7	\$23.8
Construction in progress	42.6	47.6	19.7	48.0	62.3	95.6
Buildings	71.9	73.7	14.3	14.9	86.2	88.6
Improvements other than buildings	47.1	18.1	-	-	47.1	18.1
Machinery and equipment	23.0	23.3	54.7	26.4	77.6	49.7
Street infrastructure	229.8	239.3	-	-	229.8	239.3
Sewer infrastructure	-	-	57.8	61.5	57.8	61.5
Water infrastructure	-	-	28.8	26.7	28.8	26.7
Airport infrastructure	-	-	7.9	8.2	7.9	8.2
<b>Total</b>	<b>\$433.2</b>	<b>\$420.9</b>	<b>\$188.0</b>	<b>\$190.5</b>	<b>\$621.2</b>	<b>\$611.4</b>

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 2021, the City had total bonded debt outstanding of \$110.6 million as presented in Table 5. This represents a decrease of \$3.8 million versus the prior year. Of the total outstanding bond debt, \$63.0 million represents certificates of participation debt for Civic Center Project (City Hall) and 21<sup>st</sup> Century Library; \$0.8 million represents capital leases for a solar power generator, fleet vehicles, computer, and telephone equipment; \$37.2 million represents State Water Board financing for a water pollution control facility; \$6.0 million private placement lease; \$3.5 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** *(in millions)*

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Certificates of Participation	\$63.0	\$66.4	\$-	\$-	\$63.0	\$66.4
Lease Revenue Bonds	-	0.1	-	-	-	0.1
Capital Lease Obligations	0.8	1.3	-	-	0.8	1.3
Private Placement Loan	3.4	3.7	2.6	3.2	6.0	7.0
State Water Resources Control Board Loan	-	-	37.2	35.6	37.2	35.6
State Energy Resources Conservation	0.7	0.9	2.9	3.2	3.5	4.1
<b>Total Long-Term Debt</b>	<b>\$67.9</b>	<b>\$72.4</b>	<b>\$42.6</b>	<b>\$42.0</b>	<b>\$110.6</b>	<b>\$114.4</b>

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, 2021, a total of \$4.9 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 ACFR.

### **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](http://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.

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## 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, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash, cash equivalents, and investments (Note 2)	\$221,268,145	\$235,165,574	\$456,433,719
Cash, cash equivalents, and investments with fiscal agents (Note 2)	8,787,854	2	8,787,856
Accounts receivable, net	10,798,235	20,022,374	30,820,609
Due from other governments	16,075,039	9,989	16,085,028
Interest receivable	166,325		166,325
Internal balances (Note 4)	(3,015,479)	3,015,479	
Loans receivable (Note 3)	28,646,290		28,646,290
Long-term loans to the Private Purpose Trust Fund (Note 19)	8,339,979		8,339,979
Land held for resale (Note 1)	6,838,652		6,838,652
Deposits, parts, supplies and other	5,981	4,010,073	4,016,054
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	42,587,866	19,699,013	62,286,879
Depreciable capital assets, net	371,673,225	163,524,565	535,197,790
Total assets	<u>731,122,929</u>	<u>460,586,664</u>	<u>1,191,709,593</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions (Note 12)	54,761,870	2,766,157	57,528,027
Related to OPEB (Note 14)	7,337,848	1,302,085	8,639,933
Deferred loss on refunding (Note 6)	562,329		562,329
Total deferred outflow of resources	<u>62,662,047</u>	<u>4,068,242</u>	<u>66,730,289</u>
<b>LIABILITIES:</b>			
Accounts payable	10,172,040	5,136,187	15,308,227
Accrued interest	450,388	337,445	787,833
Accrued liabilities	28,534,872	613,539	29,148,411
Unearned revenue	22,593,818	669,565	23,263,383
Refundable deposits	5,465,150	3,240,813	8,705,963
Accrued reclamation costs (Note 10):			
Due within one year		125,000	125,000
Compensated absences (Note 1):			
Due within one year	6,663,283	789,459	7,452,742
Due in more than one year	3,409,925	859,764	4,269,689
Long-term debt (Note 6):			
Due within one year	5,770,495	4,122,587	9,893,082
Due in more than one year	73,621,593	38,523,485	112,145,078
Net pension liabilities, due in more than one year (Note 12)	441,111,191	25,957,721	467,068,912
Net OPEB liability, due in more than one year (Note 14)	57,292,730	10,166,460	67,459,190
Total liabilities	<u>655,085,485</u>	<u>90,542,025</u>	<u>745,627,510</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to pensions (Note 12)	1,363,944	44,609	1,408,553
Related to OPEB (Note 14)	30,980,603	5,497,436	36,478,039
Total deferred inflow of resources	<u>32,344,547</u>	<u>5,542,045</u>	<u>37,886,592</u>
<b>NET POSITION (Note 9):</b>			
Net investments in capital assets	357,492,270	145,334,998	502,827,268
Restricted for:			
Public safety	510,994		510,994
Debt service	7,311,682	2	7,311,684
Public works and transportation	34,817,120		34,817,120
Planning and building	34,637,432		34,637,432
Economic development	40,387,423		40,387,423
Total restricted net position	<u>117,664,651</u>	<u>2</u>	<u>117,664,653</u>
Unrestricted	<u>(368,801,977)</u>	<u>223,235,836</u>	<u>(145,566,141)</u>
Total net position	<u>\$106,354,944</u>	<u>\$368,570,836</u>	<u>\$474,925,780</u>

See accompanying notes to basic financial statements

CITY OF HAYWARD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES:				
General government	\$24,801,183	\$2,491,348	\$10,160,132	\$5,395,405
Public safety	139,350,883	3,537,739	5,349,174	
Public works and transportation	26,493,672	5,505,441	13,759,190	
Library and community services	11,444,270	3,919,571	249,056	
Economic development	2,981,340	520,189		
Planning and building	10,430,293	5,751,306		
Maintenance services	12,442,998	1,682,246		
Interest on long-term debt	2,551,130			
Total Governmental Activities	230,495,769	23,407,840	29,517,552	5,395,405
BUSINESS-TYPE ACTIVITIES:				
Sewer	21,928,468	30,144,384		
Water	49,135,479	61,842,042		
Airport	3,428,349	3,610,821		
Stormwater	2,727,484	3,633,200		
Recycling	283,369	42,546		
Total Business-type Activities	77,503,149	99,272,993		
Total	\$307,998,918	\$122,680,833	\$29,517,552	\$5,395,405

**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
Gain on sale of land held
Gain on sale of capital assets
Miscellaneous
TRANSFERS (Note 4)
Total General Revenues And Transfers

**CHANGE IN NET POSITION**

BEGINNING NET POSITION, AS RESTATED (Note 1)

ENDING NET POSITION

See accompanying notes to basic financial statements

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
(\$12,149,703)		(\$12,149,703)
(130,463,970)		(130,463,970)
(1,833,636)		(1,833,636)
(7,275,643)		(7,275,643)
(2,461,151)		(2,461,151)
(4,678,987)		(4,678,987)
(10,760,752)		(10,760,752)
(2,551,130)		(2,551,130)
(172,174,972)		(172,174,972)
	\$8,215,916	8,215,916
	12,706,563	12,706,563
	182,472	182,472
	905,716	905,716
	(240,823)	(240,823)
	21,769,844	21,769,844
(172,174,972)	21,769,844	(150,405,128)
62,227,460		62,227,460
58,652,032		58,652,032
17,267,592		17,267,592
17,120,032		17,120,032
10,624,234		10,624,234
4,365,441		4,365,441
2,070,754		2,070,754
8,497,353		8,497,353
117,578		117,578
1,124,743	1,081,381	2,206,124
3,390,000		3,390,000
82,854		82,854
18,633,107		18,633,107
3,185,444	(3,185,444)	
207,358,624	(2,104,063)	205,254,561
35,183,652	19,665,781	54,849,433
71,171,292	348,905,055	420,076,347
\$106,354,944	\$368,570,836	\$474,925,780

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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 2021. 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.

CITY OF HAYWARD  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021

		Special Revenue Fund	Capital Projects Fund
	General*	Federal Grants	Housing Authority
<b>ASSETS:</b>			
Cash, cash equivalents, and investments (Note 2)	\$82,193,745	\$2,150,835	\$8,978,503
Cash, cash equivalents, and investments with fiscal agents (Note 2)			
Accounts receivable, net	2,273,665		
Due from other governments	13,184,060		
Interest receivable		33,829	
Due from other funds (Note 4)	1,790,879		
Loans receivable (Note 3)		12,701,755	9,187,981
Long-term loans to the Private Purpose Trust Fund (Note 19)	4,436,442		3,876,516
Land held for resale (Note 1)			707,539
Deposits, parts, supplies and other	5,981		
Total Assets	<u>\$103,884,772</u>	<u>\$14,886,419</u>	<u>\$22,750,539</u>
<b>LIABILITIES:</b>			
Accounts payable	\$2,987,403	\$49,752	\$572
Accrued liabilities	7,540,612		2,952
Due to other funds (Note 4)			
Long-term interfund payables (Note 4)	3,015,479		
Unearned revenue	19,232,997		
Refundable deposits	4,916,874		
Total Liabilities	<u>37,693,365</u>	<u>49,752</u>	<u>3,524</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue			
Total Deferred Inflows of Resources			
<b>FUND BALANCES (Note 9):</b>			
Nonspendable	4,442,423		
Restricted:			
Public safety			
Public works and transportation			
Planning and building		14,836,667	
Economic development			22,747,015
Debt service			
Assigned	30,317,921		
Unassigned	31,431,063		
Total Fund Balances	<u>66,191,407</u>	<u>14,836,667</u>	<u>22,747,015</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$103,884,772</u>	<u>\$14,886,419</u>	<u>\$22,750,539</u>

See accompanying notes to basic financial statements

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

Capital Projects Fund		
General Capital Projects	Other Governmental Funds	Total Governmental Funds
\$6,471,794	\$68,315,837	\$168,110,714
8,787,854		8,787,854
6,266,857	1,667,918	10,208,440
86,218	2,712,103	15,982,381
64,281	68,215	166,325
		1,790,879
	6,756,554	28,646,290
		8,312,958
	6,131,113	6,838,652
		5,981
<u>\$21,677,004</u>	<u>\$85,651,740</u>	<u>\$248,850,474</u>
\$3,794,401	\$1,416,760	\$8,248,888
385	193,974	7,737,923
	1,790,879	1,790,879
		3,015,479
2,937,983	394,949	22,565,929
89,855	453,982	5,460,711
<u>6,822,624</u>	<u>4,250,544</u>	<u>48,819,809</u>
399,541	1,320,227	1,719,768
<u>399,541</u>	<u>1,320,227</u>	<u>1,719,768</u>
		4,442,423
	510,994	510,994
	34,817,120	34,817,120
	19,800,765	34,637,432
	17,640,408	40,387,423
	7,311,682	7,311,682
14,454,839		44,772,760
		31,431,063
<u>14,454,839</u>	<u>80,080,969</u>	<u>198,310,897</u>
<u>\$21,677,004</u>	<u>\$85,651,740</u>	<u>\$248,850,474</u>

CITY OF HAYWARD  
GOVERNMENTAL FUNDS  
BALANCE SHEET - RECONCILIATION OF GOVERNMENTAL  
FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2021

Total Fund Balances reported on the governmental funds balance sheet	\$198,310,897
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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	39,936,898
Depreciable capital assets, net	352,049,196

**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	53,157,431
Accounts receivable	589,795
Due from other governments	92,658
Long-term loans to the Private Purpose Trust Fund	27,021
Land	372,748
Construction in progress	2,650,968
Depreciable capital assets, net	19,624,029
Accounts payable	(1,923,152)
Accrued interest	(5,192)
Accrued liabilities	(20,796,949)
Unearned revenue	(27,889)
Refundable deposits	(4,439)
Compensated absences	(721,658)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(8,850,406)
Net OPEB liabilities and OPEB-related deferred outflows and inflows of resources	(5,464,769)
Long-term debt	(827,275)

**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	1,719,768
---------------------	-----------

**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	(78,564,813)
Amortized deferred loss on refunding	562,329
Interest payable	(445,196)
Compensated absences	(9,351,550)
Net pension liabilities and pension-related deferred outflows and inflows of resources	(378,862,859)
Net OPEB liabilities and OPEB-related deferred outflows and inflows of resources	(75,470,716)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$106,354,944</u></u>
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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, 2021

		Special Revenue Fund	Capital Projects Fund
	General*	Federal Grants	Housing Authority
REVENUES:			
Property taxes	\$61,196,409		
Sales taxes	58,652,032		
Utility users tax	17,267,592		
Other taxes	35,277,539		
Licenses and permits	5,439,030		
Fines and forfeitures	2,194,569		
Special assessments			
Investment income	151,835	\$37,827	\$70,718
Rental income	1,723		
Intergovernmental	10,881,724	949,046	
Fees and charges for services	7,420,237		2,968
Other revenue	1,402,183	8,537	
Total Revenues	<u>199,884,873</u>	<u>995,410</u>	<u>73,686</u>
EXPENDITURES:			
Current:			
General government	13,971,584		
Public safety	128,375,921	182,196	
Public works and transportation	4,085,154		
Library and community services	7,587,444	179,684	
Economic development		575,340	103,341
Planning and building	8,712,707		
Maintenance services	9,656,198		
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Total Expenditures	<u>172,389,008</u>	<u>937,220</u>	<u>103,341</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>27,495,865</u>	<u>58,190</u>	<u>(29,655)</u>
OTHER FINANCING SOURCES (USES):			
Gain on sale of land held			
Transfers in (Note 4)	2,694,046		
Transfers (out) (Note 4)	<u>(16,681,679)</u>		<u>(8,159)</u>
Total Other Financing Sources (Uses)	<u>(13,987,633)</u>		<u>(8,159)</u>
CHANGE IN FUND BALANCES	13,508,232	58,190	(37,814)
BEGINNING FUND BALANCES, AS RESTATED (Note 1)	<u>52,683,175</u>	<u>14,778,477</u>	<u>22,784,829</u>
ENDING FUND BALANCES	<u><u>\$66,191,407</u></u>	<u><u>\$14,836,667</u></u>	<u><u>\$22,747,015</u></u>

See accompanying notes to basic financial statements

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

Capital Projects Fund		
General Capital Projects	Other Governmental Funds	Total Governmental Funds
		\$61,196,409
		58,652,032
		17,267,592
\$830,605	\$564,498	36,672,642
		5,439,030
		2,194,569
	1,408,903	1,408,903
35,574	807,781	1,103,735
	624,258	625,981
5,184,103	21,511,185	38,526,058
	2,289,758	9,712,963
6,506,193	16,461,791	24,378,704
12,556,475	43,668,174	257,178,618
		13,971,584
	919,655	129,477,772
44,072	4,069,040	8,198,266
	1,356,861	9,123,989
	1,671,663	2,350,344
		8,712,707
	1,096,327	10,752,525
26,559,107	14,098,783	40,657,890
	5,416,028	5,416,028
	2,795,772	2,795,772
26,603,179	31,424,129	231,456,877
(14,046,704)	12,244,045	25,721,741
	3,390,000	3,390,000
965,000	8,633,043	12,292,089
	(1,119,667)	(17,809,505)
965,000	10,903,376	(2,127,416)
(13,081,704)	23,147,421	23,594,325
27,536,543	56,933,548	174,716,572
\$14,454,839	\$80,080,969	\$198,310,897

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, 2021

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	\$23,594,325
--	--------------

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	40,657,890
--	------------

Non-capitalized capital outlay expenditures and net retirements were reclassified to various governmental activities	(16,025,372)
--	--------------

Depreciation expense is deducted from fund balance

(Depreciation expense is net of internal service fund depreciation of \$2,993,211 which has already been allocated to service funds)	(13,694,707)
---	--------------

**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 and deferred loss are added back to fund balance	5,701,428
Interest payable	(13,237)

**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	1,633,146
---------------------	-----------

Compensated absences	(1,599,560)
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Net pension liabilities and pension-related deferred outflows/inflows of resources	(18,932,098)
--	--------------

Net OPEB liabilities and OPEB-related deferred outflows/inflows of resources	7,837,898
--	-----------

**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	6,023,939
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$35,183,652
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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 2021. 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, 2021

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	Funds
<b>ASSETS:</b>					
Current Assets:					
Cash and investments (Note 2)	\$110,952,654	\$109,521,252	\$14,691,668	\$235,165,574	\$53,157,431
Cash and investments with fiscal agents (Note 2)	1	1		2	
Accounts receivable, net	5,603,829	12,272,456	2,146,089	20,022,374	589,795
Due from other governments			9,989	9,989	92,658
Deposits, parts, supplies and other		1,194,157		1,194,157	
Due from other funds (Note 4)	136,051			136,051	
Total Current Assets	116,692,535	122,987,866	16,847,746	256,528,147	53,839,884
Noncurrent Assets:					
Long-term interfund receivables (Note 4)		3,015,479		3,015,479	
Long-term loans to the Private Purpose Trust Fund (Note 19)					27,021
Deposits, parts, supplies and other	2,802,998		12,918	2,815,916	
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	5,085,571	14,055,239	558,203	19,699,013	2,650,968
Depreciable capital assets, net	110,664,618	40,646,811	12,213,136	163,524,565	19,624,029
Total Noncurrent Assets	130,765,433	60,400,576	13,028,559	204,194,568	22,674,766
Total Assets	247,457,968	183,388,442	29,876,305	460,722,715	76,514,650
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Related to pensions (Note 12)	1,136,199	1,158,139	471,819	2,766,157	1,053,598
Related to OPEB (Note 14)	534,569	544,571	222,945	1,302,085	495,452
Total Deferred Outflows of Resources	1,670,768	1,702,710	694,764	4,068,242	1,549,050
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts payable	1,437,253	3,544,258	154,676	5,136,187	1,923,152
Accrued interest	325,412	8,199	3,834	337,445	5,192
Accrued liabilities	326,616	196,454	90,469	613,539	20,796,949
Unearned revenue	229,565	440,000		669,565	27,889
Refundable deposits		3,126,873	113,940	3,240,813	4,439
Due to other funds (Note 4)			136,051	136,051	
Compensated absences, due within one year (Note 1)	306,077	370,849	112,533	789,459	477,367
Accrued reclamation costs (Note 10)	125,000			125,000	
Long-term debt, due within one year (Note 6)	3,492,587	487,444	142,556	4,122,587	220,936
Total Current Liabilities	6,242,510	8,174,077	754,059	15,170,646	23,455,924
Noncurrent Liabilities:					
Compensated absences, due in more than one year (Note 1)	333,335	403,875	122,554	859,764	244,291
Net pension liabilities, due in more than one year (Note 12)	10,662,127	10,868,057	4,427,537	25,957,721	9,887,016
Net OPEB liability, due in more than one year (Note 14)	4,173,825	4,251,918	1,740,717	10,166,460	3,868,408
Long-term debt, due in more than one year (Note 6)	36,523,485	1,555,726	444,274	38,523,485	606,339
Total Noncurrent Liabilities	51,692,772	17,079,576	6,735,082	75,507,430	14,606,054
Total Liabilities	57,935,282	25,253,653	7,489,141	90,678,076	38,061,978
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Related to pensions (Note 12)	18,325	18,899	7,385	44,609	16,988
Related to OPEB (Note 14)	2,256,964	2,299,192	941,280	5,497,436	2,091,813
Total Deferred Inflows of Resources	2,275,289	2,318,091	948,665	5,542,045	2,108,801
<b>NET POSITION (Note 9):</b>					
Net investments in capital assets	77,564,260	55,341,927	12,428,811	145,334,998	21,820,470
Restricted for debt service	1	1		2	
Unrestricted	111,353,904	102,177,480	9,704,452	223,235,836	16,072,451
Total Net Position	\$188,918,165	\$157,519,408	\$22,133,263	\$368,570,836	\$37,892,921

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, 2021

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	
OPERATING REVENUES:					
Charges for services	\$29,100,056	\$15,441,391	\$7,023,549	\$51,564,996	\$30,034,972
Sale of water		46,260,314		46,260,314	
Miscellaneous	1,044,328	140,337	263,018	1,447,683	2,140,555
Total Operating Revenues	30,144,384	61,842,042	7,286,567	99,272,993	32,175,527
OPERATING EXPENSES:					
Salaries and related expenses	8,804,152	8,508,922	3,616,088	20,929,162	9,802,028
Materials, supplies and services	6,089,429	4,768,463	1,596,705	12,454,597	10,235,487
Repairs and maintenance	795,021	1,268,231	249,480	2,312,732	3,848,874
Water purchases		32,130,463		32,130,463	
Self-funded insurance expense					8,228,815
Depreciation (Note 5)	5,576,099	2,385,415	976,929	8,938,443	2,993,211
Total Operating Expenses	21,264,701	49,061,494	6,439,202	76,765,397	35,108,415
Operating Income (Loss)	8,879,683	12,780,548	847,365	22,507,596	(2,932,888)
NONOPERATING REVENUES (EXPENSES):					
Investment income	482,896	532,293	66,192	1,081,381	209,359
Interest (expense)	(663,767)	(73,985)		(737,752)	(27,521)
Gain on sale of capital assets					72,129
Net Nonoperating Revenues (Expenses)	(180,871)	458,308	66,192	343,629	253,967
Income (Loss) Before Contributions and Transfers	8,698,812	13,238,856	913,557	22,851,225	(2,678,921)
TRANSFERS					
Transfers in (Note 4)	3,115,520	547,741	600,000	4,263,261	8,954,428
Transfers (out) (Note 4)	(1,667,760)	(2,215,659)	(3,565,286)	(7,448,705)	(251,568)
Net Transfers	1,447,760	(1,667,918)	(2,965,286)	(3,185,444)	8,702,860
CHANGE IN NET POSITION	10,146,572	11,570,938	(2,051,729)	19,665,781	6,023,939
BEGINNING NET POSITION	178,771,593	145,948,470	24,184,992	348,905,055	31,868,982
ENDING NET POSITION	\$188,918,165	\$157,519,408	\$22,133,263	\$368,570,836	\$37,892,921

See accompanying notes to basic financial statements

CITY OF HAYWARD  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewer	Water	Non-Major Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$31,714,882	\$61,520,171	\$7,277,296	\$100,512,349	\$31,975,318
Payments to suppliers	(5,935,361)	(37,544,122)	(1,741,523)	(45,221,006)	(22,776,498)
Payments to employees	(8,910,706)	(8,076,751)	(3,706,755)	(20,694,212)	(8,410,014)
Net Cash Flows From Operating Activities	<u>16,868,815</u>	<u>15,899,298</u>	<u>1,829,018</u>	<u>34,597,131</u>	<u>788,806</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:					
Interfund receipts (payments)	(136,051)	76,266	136,051	76,266	
Transfers in	3,115,520	547,741	600,000	4,263,261	8,954,428
Transfers (out)	<u>(1,667,760)</u>	<u>(2,215,659)</u>	<u>(3,565,286)</u>	<u>(7,448,705)</u>	<u>(251,568)</u>
Net Cash Flows From Noncapital and Related Financing Activities	<u>1,311,709</u>	<u>(1,591,652)</u>	<u>(2,829,235)</u>	<u>(3,109,178)</u>	<u>8,702,860</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(5,410,841)	(580,922)	(463,653)	(6,455,416)	(4,347,484)
Proceeds from sale of capital assets					82,854
Proceeds from issuance of debt	4,701,217			4,701,217	
Principal payments on capital debt	(3,471,290)	(479,467)	(135,533)	(4,086,290)	(426,807)
Interest paid	<u>(587,872)</u>	<u>(76,115)</u>	<u>(683)</u>	<u>(664,670)</u>	<u>(29,801)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(4,768,786)</u>	<u>(1,136,504)</u>	<u>(599,869)</u>	<u>(6,505,159)</u>	<u>(4,721,238)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	<u>482,895</u>	<u>820,112</u>	<u>66,192</u>	<u>1,369,199</u>	<u>306,398</u>
Net Cash Flows From Investing Activities	<u>482,895</u>	<u>820,112</u>	<u>66,192</u>	<u>1,369,199</u>	<u>306,398</u>
NET CASH FLOWS	<u>13,894,633</u>	<u>13,991,254</u>	<u>(1,533,894)</u>	<u>26,351,993</u>	<u>5,076,826</u>
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	<u>97,058,021</u>	<u>95,529,998</u>	<u>16,225,562</u>	<u>208,813,581</u>	<u>48,080,605</u>
CASH AND EQUIVALENTS AT END OF PERIOD	<u>\$110,952,654</u>	<u>\$109,521,252</u>	<u>\$14,691,668</u>	<u>\$235,165,574</u>	<u>\$53,157,431</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$8,879,683	\$12,780,548	\$847,365	\$22,507,596	(\$2,932,888)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	5,576,099	2,385,415	976,929	8,938,443	2,993,211
Change in assets and liabilities:					
Receivables, net	5,406	(416,321)	(81,420)	(492,335)	241,059
Due from other governments	1,554,592		6,923	1,561,515	(92,658)
Parts and supplies	331,506	148,942		480,448	
Other assets		575,362		575,362	
Accounts payable and other accrued expenses	617,583	(101,269)	100,061	616,375	(463,322)
Due to retirement system	122,177	815,231	194,271	1,131,679	490,182
Due to OPEB	(439,599)	(549,479)	(262,511)	(1,251,589)	710,221
Compensated absences	210,868	166,419	42,799	420,086	191,611
Refundable deposits		85,091	4,601	89,692	
Unearned revenue	<u>10,500</u>	<u>9,359</u>		<u>19,859</u>	<u>(348,610)</u>
Net Cash Flows From Operating Activities	<u>\$16,868,815</u>	<u>\$15,899,298</u>	<u>\$1,829,018</u>	<u>\$34,597,131</u>	<u>\$788,806</u>

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, applicable legislative enactment, or custodial agreement 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.

*Custodial Funds* account for assets held by the City as custodian for individuals, other governmental entities, and non-public organizations.

CITY OF HAYWARD  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021

	Private Purpose Trust Fund	Custodial Funds
CURRENT ASSETS:		
Cash and investments (Note 2)	\$3,241,624	\$4,725,081
Cash and investments with fiscal agents (Note 2)	20	353,843
Accounts receivable, net	453,912	22,300
Due from other governments		109,233
Deposits, parts, supplies and other		201,524
	<hr/>	<hr/>
Total Current Assets	3,695,556	5,411,981
	<hr/>	<hr/>
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	9,487,469	
	<hr/>	<hr/>
Total Noncurrent Assets	41,910,353	
	<hr/>	<hr/>
Total Assets	45,605,909	5,411,981
	<hr/>	<hr/>
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	31,703	196,631
Accrued interest	423,933	
Deferred revenue	63,165	124,235
Refundable deposits		30,497
Long-term debt, due in less than one year (Note 19)	1,975,000	
	<hr/>	<hr/>
Total Current Liabilities	2,493,801	351,363
	<hr/>	<hr/>
NONCURRENT LIABILITIES (Note 19):		
Long-term loans payable, due in more than one year	8,339,979	
Long-term debt, due in more than one year	26,915,126	
	<hr/>	<hr/>
Total Noncurrent Liabilities	35,255,105	
	<hr/>	<hr/>
Total Liabilities	37,748,906	351,363
	<hr/>	<hr/>
NET POSITION		
Restricted for:		
Organizations and other governments	7,857,003	952,480
Bondholders		4,108,138
	<hr/>	<hr/>
Total Net Position	\$7,857,003	\$5,060,618
	<hr/>	<hr/>

See accompanying notes to basic financial statements

CITY OF HAYWARD  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property tax	\$4,020,771	\$1,116,326
Intergovernmental revenue		262,872
Other revenue		64,270
Investment income	25	18,257
	<u>4,020,796</u>	<u>1,461,725</u>
Total additions		
DEDUCTIONS		
Maintenance services	331,740	503,826
Contractual services		203,786
Payments to bondholders		349,366
Depreciation expense (Note 19)	314,131	
Interest and fiscal charges	1,132,498	217,330
	<u>1,778,369</u>	<u>1,274,308</u>
Total deductions		
Net change in position	2,242,427	187,417
Net position - beginning, as restated (Note 1)	5,614,576	4,873,201
Net position - ending	<u>\$7,857,003</u>	<u>\$5,060,618</u>

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, 2021**

**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-type 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, 2021**

**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, 3<sup>rd</sup> 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, 2021**

**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.

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, 2021**

**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, other governmental entities, and non-profits. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements. 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. Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity. 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, 2021**

**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 Donation Special Revenue Fund and the Performance Deposits Capital Projects 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.

For the fiscal year ended June 30, 2021, the General Fund's expenditures exceeded the budgeted appropriations by \$1,231,678, due largely to excess overtime costs related to the Fire department employees assisting with the wildfires and COVID 19- related expenditures.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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 \$6,838,652 at June 30, 2021 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><b>Secured</b></u>	<u><b>Unsecured</b></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, 2021**

**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, 2021:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$8,282,037	\$1,229,137	\$9,511,174
Additions	7,269,620	1,008,456	8,278,076
Payments	(5,478,449)	(588,370)	(6,066,819)
Ending Balance	<u>\$10,073,208</u>	<u>\$1,649,223</u>	<u>\$11,722,431</u>
Current Portion	<u>\$6,663,283</u>	<u>\$789,459</u>	<u>\$7,452,742</u>

***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 Custodial 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, 2021**

**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 84 – Fiduciary Activities*** - In January 2017, GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of this Statement were implemented during fiscal year 2021. As part of the implementation of this Statement, it was determined that the Affordable Housing Agency Fund should be accounted for and reported as a Special Revenue Fund, which required the restatement of beginning net position of governmental-activities and the fund in the amount of \$9,631,863. In addition, it was determined that the Local Improvement Districts Agency Funds, South Hayward BART Parking District JPA Agency Fund, and Other Agency Funds be accounted for and reported as Custodial Funds, which required the restatements of beginning net position of the funds in the amounts of \$4,039,848, \$935,000, and (\$101,647), respectively, totaling \$4,873,201.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In addition, the City early implemented **GASB No. 98 – The Annual Comprehensive Financial Report**, which changed the name of the Comprehensive Annual Financial Report to Annual Comprehensive Financial Report.

**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, 2021, the City held no 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, cash equivalents, and investments" or "Due to other funds" (for cash overdrafts), as appropriate.

**Classification** – As of June 30, 2021, 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, cash equivalents, and investments	\$456,433,719
Cash, cash equivalents, and investments with fiscal agents	8,787,856

***Private Purpose Trust Fund***

Cash and investments	3,241,624
Cash and investments with fiscal agents	20

***Custodial Funds***

Cash and investments	4,725,081
Cash and investments with fiscal agents	353,843

Total Cash and Investments	\$473,542,143
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**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Cash and investments as of June 30, 2021 consisted of the following:

Cash in bank	\$133,680,345
Cash on hand (Petty Cash)	3,175
Investments	<u>339,858,623</u>
Total Cash and Investments	<u><u>\$473,542,143</u></u>

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 Notes/Bills	5 years	None	100%	100%
U.S. Agency Securities (fully backed)	5 years	None	100%	40%
U.S. Agency Securities (mortgage-backed)	5 years	None	100%	20%
Banker's Acceptance	180 days	A-1	40%	5%
Commercial Paper	270 days	A-1	40%	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 Funds	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, 2021**

**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:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Notes/Bills	No Limit	No Limit
U.S. Agency Securities (fully backed)	No Limit	No Limit
U.S. Agency Securities (mortgage-backed)	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, 2021**

**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, 2021:

Investment Type	Level 1	Level 2	Total
<b>Investments by Fair Value:</b>			
U.S. Treasury Notes	\$41,722,495		\$41,722,495
U.S. Agency Securities		\$45,279,614	45,279,614
Medium-Term Notes		12,081,602	12,081,602
Municipal Bonds		16,124,589	16,124,589
Supranationals		3,569,404	3,569,404
Asset-Backed Securities		5,610,122	5,610,122
Total Investments at Fair Value	<u>\$41,722,495</u>	<u>\$82,665,331</u>	124,387,826
<b>Investments Measured at Amortized Cost:</b>			
Money Market Mutual Funds			9,141,717
California Local Agency Investment Fund			201,377,786
Certificates of Deposit			<u>4,951,294</u>
Total Investments			<u>\$339,858,623</u>

U.S. Treasury Notes classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. U.S. Agency Securities, Medium-Term Notes, 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, 2021**

**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 Notes		\$15,767,414	\$25,955,081	\$41,722,495
U.S. Agency Securities	\$5,390,567	25,705,815	14,183,232	45,279,614
Money Market Mutual Funds	9,141,717			9,141,717
California Local Agency Investment Fund	201,377,786			201,377,786
Medium-Term Notes		1,706,035	10,375,567	12,081,602
Municipal Bonds	1,999,560	7,308,339	6,816,690	16,124,589
Supranationals		2,198,353	1,371,051	3,569,404
Certificates of Deposit	1,582,190	3,369,104		4,951,294
Asset-Backed Securities		833,134	4,776,988	5,610,122
Total Investments	<u>\$219,491,820</u>	<u>\$56,888,194</u>	<u>\$63,478,609</u>	<u>339,858,623</u>
Cash in Banks				133,680,345
Cash on Hand (Petty Cash)				3,175
Total Cash				<u>133,683,520</u>
Total Cash and Investments				<u>\$473,542,143</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, 2021, these investments had an average maturity of 291 days.

Money market funds are available for withdrawal on demand and at June 30, 2021, had an average maturity of 1 day.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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, 2021 for each investment type as provided by Moody’s investment rating system (as of date of purchase):

Investment Type	AAA/AAA	AA1 - AA3	A1 - A 3	P-1	Not Rated	Total
U.S. Treasury Notes	\$41,722,495					\$41,722,495
U.S. Agency Securities	45,279,614					45,279,614
Money Market Mutual Funds	9,141,717					9,141,717
California Local Agency Investment Fund					\$201,377,786	201,377,786
Medium-Term Notes		\$624,026	\$11,457,576			12,081,602
Municipal Bonds	3,237,840	11,094,279			1,792,470	16,124,589
Supranationals	3,569,404					3,569,404
Certificates of Deposit		2,891,872	477,232	\$1,582,190		4,951,294
Asset-Backed Securities	5,610,122					5,610,122
Total Investments	<u>\$108,561,192</u>	<u>\$14,610,177</u>	<u>\$11,934,808</u>	<u>\$1,582,190</u>	<u>\$203,170,256</u>	<u>\$339,858,623</u>

**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, 2021, 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	\$26,349,372

**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, 2021**

**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, 2021, the loan was paid off.

**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, 2021 were as follows:

FROM FUND:	TO FUND:	AMOUNT:
General Fund	General Capital Projects Fund	\$215,000 A
	Non-Major Governmental Funds	8,618,043 B
	Water Enterprise Fund	137,741 B
	Internal Service Funds	7,710,895 B
Housing Authority Capital Projects Fund	General Fund	3,897 C
	Internal Service Funds	4,262 D
Non-Major Governmental Funds	General Fund	327,050 B
	General Capital Projects Fund	750,000 A
	Internal Service Funds	42,617 D
Sewer Enterprise Fund	General Fund	823,783 C
	Water Enterprise Fund	410,000 B
	Internal Service Funds	433,977 D
Water Enterprise Fund	General Fund	1,229,099 C
	Non-Major Enterprise Funds	600,000 A
	Internal Service Funds	386,560 D
Non-Major Enterprise Funds	General Fund	310,217 C
	Non-Major Governmental Funds	15,000 A
	Sewer Enterprise Fund	3,115,520 A
	Internal Service Funds	124,549 D
Internal Service Funds	Internal Service Funds	251,568 B
		<u>\$25,509,778</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 Internal Service Fund for insurance.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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, 2021 interfund balances were as follows:

<u>Due from Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$1,790,879
Sewer Enterprise Fund	Non-Major Enterprise Funds	<u>136,051</u>
		<u><u>\$1,926,930</u></u>

***Long-Term Interfund Advances*** – At June 30, 2021, 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		\$3,015,479
Water Enterprise Fund	<u>\$3,015,479</u>	
Total	<u><u>\$3,015,479</u></u>	<u><u>\$3,015,479</u></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 1<sup>st</sup> and June 1<sup>st</sup>. As of June 30, 2021, the outstanding loan balance was \$3,015,479.

***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, 2021**

**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 1<sup>st</sup> 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, 2021**

**5. CAPITAL ASSETS (Continued)**

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

	Balance June 30, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$18,950,817				\$18,950,817
Construction in progress	47,562,563	\$25,932,369		(\$30,907,066)	42,587,866
Total capital assets not being depreciated	66,513,380	25,932,369		(30,907,066)	61,538,683
Capital assets being depreciated:					
Buildings and improvements	105,272,078	273,560	(\$426,672)		105,118,966
Improvements other than buildings	27,964,607		(395,980)	30,635,061	58,203,688
Machinery and equipment	64,582,587	2,987,511	(974,714)	272,005	66,867,389
Streets	343,271,158				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	557,343,307	3,261,071	(1,797,366)	30,907,066	589,714,078
Less accumulated depreciation for:					
Buildings and improvements	31,543,562	2,121,920	(426,666)		33,238,816
Improvements other than buildings	9,906,689	1,443,223	(208,676)		11,141,236
Machinery and equipment	41,282,122	3,564,588	(937,861)		43,908,849
Streets	107,321,981	9,087,469			116,409,450
Traffic signals	6,600,168	250,172			6,850,340
Medians	2,333,784	93,118			2,426,902
Conduits	1,521,540	9,928			1,531,468
Drains	2,416,292	117,500			2,533,792
Total accumulated depreciation	202,926,138	16,687,918	(1,573,203)		218,040,853
Net depreciable assets	354,417,169	(13,426,847)	(224,163)	30,907,066	371,673,225
Governmental activity capital assets, net	\$420,930,549	\$12,505,522	(\$224,163)		\$433,211,908

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**5. CAPITAL ASSETS (Continued)**

	Balance June 30, 2020	Additions	Transfers	Balance June 30, 2021
<i><b>Business-type activities:</b></i>				
Capital assets not being depreciated:				
Land	\$4,757,492			\$4,757,492
Construction in progress	48,041,965	\$6,001,914	(\$34,344,866)	19,699,013
Total capital assets not being depreciated	52,799,457	6,001,914	(34,344,866)	24,456,505
Capital assets being depreciated:				
Buildings and improvements	36,759,292			36,759,292
Machinery and equipment	46,631,878	453,502	29,741,600	76,826,980
Sewer pipelines and infrastructure	126,188,988		179,134	126,368,122
Water pipelines and infrastructure	67,392,025		3,967,353	71,359,378
Airport hangars, tarmacs and other infrastructure assets	28,131,955		456,779	28,588,734
Total capital assets being depreciated	305,104,138	453,502	34,344,866	339,902,506
Less accumulated depreciation for:				
Buildings and improvements	21,812,938	643,464		22,456,402
Machinery and equipment	20,242,057	1,901,884		22,143,941
Sewer pipelines and infrastructure	64,729,159	3,850,017		68,579,176
Water pipelines and infrastructure	40,717,387	1,839,275		42,556,662
Airport hangars, tarmacs and other infrastructure assets	19,937,957	703,803		20,641,760
Total accumulated depreciation	167,439,498	8,938,443		176,377,941
Net depreciable assets	137,664,640	(8,484,941)	34,344,866	163,524,565
Business-type activity capital assets, net	\$190,464,097	(\$2,483,027)		\$187,981,070

Governmental capital assets construction in progress was composed of the following at June 30, 2021:

	Project Budget	Expended to June 30, 2021	Committed
Buildings	\$69,780,000	\$15,505,883	\$54,274,117
Improvements other than buildings	85,151,897	23,251,304	61,900,593
Machinery and equipment	5,291,066	2,657,442	2,633,624
Streets	41,513,000	1,173,237	40,339,763
Total	\$201,735,963	\$42,587,866	\$159,148,097

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**5. CAPITAL ASSETS (Continued)**

A summary of enterprise fund construction in progress at June 30, 2021 follows:

	Project Budget	Expended to June 30, 2021	Committed
Sewer Enterprise Fund	\$36,665,425	\$5,085,571	\$31,579,854
Water Enterprise Fund	27,842,277	14,055,239	13,787,038
Airport Enterprise Fund	3,763,000	558,203	3,204,797
Total	<u>\$68,270,702</u>	<u>\$19,699,013</u>	<u>\$48,571,689</u>

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, 2021. 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	\$1,130,351	\$9,169,649
21st Century Library and Community Learning Center and Heritage Plaza Arboretum Project	65,636,629	43,371
Fire Station 6 and Training Center Project	23,446,440	36,953,560

**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	\$1,238,691
Public Safety	9,414,060
Public Works and Transportation	1,282,705
Library and Community Services	701,846
Economic Development	120,481
Planning and Building	571,782
Maintenance Services	365,142
Internal Service Funds	<u>2,993,211</u>
	<u>\$16,687,918</u>

**Business-Type Activities**

Sewer Fund	\$5,576,099
Water Fund	2,385,415
Stormwater Fund	165
Airport Fund	<u>976,764</u>
	<u>\$8,938,443</u>



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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, 2020	Retirements	Balance at June 30, 2021	Current Portion
<b>Governmental Activity Debt:</b>					
<b>Certificates of Participation</b>					
2015 COP (a), 3.0-5.0%, due 12/31/34	\$67,535,000	\$61,865,000	\$3,050,000	\$58,815,000	\$3,205,000
Add: Original issue premium	5,689,046	4,491,354	299,422	4,191,932	
Total Certificates of Participation		66,356,354	3,349,422	63,006,932	3,205,000
<b>Direct Borrowings:</b>					
<b>Private Placement Certificates of Participation</b>					
2016 Refunding COP (a), 2.6-2.76%, due 11/1/2026	19,813,775	12,669,751	1,669,884	10,999,867	1,715,567
Add: Original issue premium	876,695	557,895	79,700	478,195	
<b>Lease Revenue Bonds</b>					
ABAG Series 2001-2 (a), 3.0-5.0%, due 12/01/2020	3,589,835	80,000	80,000		
<b>Loan Payable</b>					
Energy Efficiency Loan (a), 1%, due 12/22/2023	2,488,880	948,478	267,259	681,219	270,129
<b>Private Placement Loan</b>					
2014 Fire Station #7 and Wellness Center					
Private Placement Loan (a), 2.84%, due 8/1/2029	5,500,000	3,747,485	348,885	3,398,600	358,863
Total Direct Borrowings		18,003,609	2,445,728	15,557,881	2,344,559
Subtotal		84,359,963	5,795,150	78,564,813	5,549,559
<b>Direct Borrowings:</b>					
<b>Internal Service Fund Long-Term Debt (b)</b>					
<b>Capital Leases - Equipment</b>					
Energy Upgrades and Solar Project, 3%, due 06/22/2021	887,152	93,308	93,308		
<b>Capital Leases - Fleet</b>					
Fire Engines					
3.240%, due 10/22/2020	1,906,413	118,984	118,984		
Fire Engines					
3.05%, due 1/17/2024	824,000	359,776	85,904	273,872	88,542
Fire Truck					
2.92%, due 6/15/2025	1,272,000	682,014	128,611	553,403	132,394
Total Capital Lease Obligations (Direct Borrowings)		1,254,082	426,807	827,275	220,936
Subtotal		1,254,082	426,807	827,275	220,936
Total Governmental Activity Debt		\$85,614,045	\$6,221,957	\$79,392,088	\$5,770,495

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**6. LONG-TERM DEBT (Continued)**

Type of Obligation	Authorized and Issued	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Current Portion
<b>Business-type Activity Debt</b>						
<b>Direct Borrowings:</b>						
<b>Private Placement Revenue Bonds</b>						
2013 Water Revenue Refunding Loan (c), 2.76%, due 5/1/2025	\$7,245,000	\$3,245,000		\$615,000	\$2,630,000	\$630,000
<b>Loan Payable</b>						
Energy Efficiency Loan (c), 3%, due 6/22/2025	2,450,000	1,004,299		189,083	815,216	194,799
Energy Efficiency Loan (c), 1% due 6/22/2038	2,150,955	2,150,955		103,544	2,047,411	111,073
<b>State Water Resource Control Board Loan 2006</b>						
1%, due 9/30/2028 (d)	\$4,550,018	24,549,615		2,727,501	21,822,114	2,727,501
<b>State Water Resource Control Board Loan 2019</b>						
1%, due 03/31/2049 (d)	21,227,086	11,081,276	\$4,701,217	451,162	15,331,331	459,214
Total Business-type Activity Debt (Direct Borrowings)		\$42,031,145	\$4,701,217	\$4,086,290	\$42,646,072	\$4,122,587

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 2021, the City had total debt outstanding of \$122 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, 2021**

**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, 2021, bonds repayable from the City were paid off.

***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, 2021**

**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 \$2.81 million in remaining debt service on the bonds which is scheduled to occur in fiscal year 2025. For fiscal year 2021, Water Fund Revenues including operating revenues, non-operating interest earnings and transfers in amounted to \$62.9 million and operating costs including operating expenses, but not interest, depreciation or amortizations amounted to \$46.7 million. Net Revenues available for debt service amounted to \$16.4 million, which represented coverage of 23.3 times over the \$704,562 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, 2021**

**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, 2021, the City's gross repayment obligation totaled \$21,822,114 and had a corresponding interest expense for \$2,727,501. The repayments of the loan are due annually on September 30, commenced 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, 2021, the City has drawn down \$15,669,071. As of June 30, 2021, the City's estimated gross repayment obligation totaled \$15,331,331 and had a corresponding interest expense for \$2,540,842. The loan bears interest at 1% and payments are due annually on January 31 of each year commencing in 2021 until 2050.

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**6. LONG-TERM DEBT (Continued)**

***Debt Service Requirements***

At June 30, 2021, 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
2022	\$3,205,000	\$2,214,563	\$2,565,495	\$371,500
2023	3,365,000	2,050,313	2,629,175	310,628
2024	3,530,000	1,877,938	2,558,278	248,167
2025	3,710,000	1,715,488	2,392,615	186,834
2026	3,855,000	1,564,188	2,306,723	126,760
2027 - 2031	21,295,000	5,862,551	3,454,675	111,754
2032 - 2035	19,855,000	1,720,275		
Totals	58,815,000	\$17,005,316	15,906,961	\$1,355,643
Plus unamortized premium	4,191,932		478,195	
Total Long-term debt principal, net	\$63,006,932		\$16,385,156	

Year Ending June 30:	Business-Type Activities Direct Borrowings	
	Principal	Interest
2022	\$4,122,587	\$268,190
2023	4,153,260	240,129
2024	4,185,006	210,443
2025	4,207,139	179,818
2026	3,320,007	150,372
2027 - 2031	11,237,217	661,783
2032 - 2036	3,208,402	505,986
2037 - 2041	2,973,415	347,164
2042 - 2046	2,852,568	205,467
2047 - 2050	2,386,471	59,957
Totals	\$42,646,072	\$2,829,309

***Defeased Bonds***

As of June 30, 2021, outstanding balances for defeased debt were \$960,000 for the 2001 Water System Improvement Project Certificates of Participation and \$11,500,000 for the 2007 Refunding Certificates of Participation.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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 Activities. 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, 2021 was \$105,000.

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, 2021 was \$4,925,776.

**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**  
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**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, 2021**

**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.

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**9. NET POSITION AND FUND BALANCES (Continued)**

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

	<u>Balance at June 30, 2021</u>
<b>Nonspendables:</b>	
Items not in spendable form:	
Long-term loans to Private Purpose Trust	\$4,436,442
Deposits, parts, supplies and other	<u>5,981</u>
<b>Total Nonspendable Fund Balances</b>	<u>4,442,423</u>
<b>Assigned:</b>	
Capital projects	256,170
Measure C District sales tax	<u>30,061,751</u>
<b>Total Assigned Fund Balances</b>	<u>30,317,921</u>
<b>Unassigned:</b>	
Designations:	
Liquidity	<u>31,431,063</u>
<b>Total Unassigned Fund Balances</b>	<u>31,431,063</u>
<b>Total Fund Balances</b>	<u><u>\$66,191,407</u></u>

- **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, 2021, the following funds had a deficit:

The Recycling Enterprise Fund reported a deficit of \$278,350 at June 30, 2021 due to expenditures related to the recycling program. This deficit is expected to be eliminated with future revenues.

The General Liability Internal Service Fund reported a deficit of \$2,893,511 at June 30, 2021 due to a larger than expected claims adjustment at the end of fiscal year 2021. This deficit is expected to be eliminated with future internal service fund charges.

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**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 \$191,309 for the year ended June 30, 2021. 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**  
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**12. PENSION PLANS (Continued)**

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<b>Miscellaneous</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	<b>Prior to January 1, 2013</b>	<b>On or after January 1, 2013</b>
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)	10.276%	10.276%

	<b>Safety - Fire</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	<b>Prior to January 1, 2013</b>	<b>On or after January 1, 2013</b>
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%	10.50%
Required employer contribution rates (A)	19.294%	19.294%

	<b>Safety - Police</b>	
	<b>Classic Tier I</b>	<b>PEPRA</b>
	<b>Prior to January 1, 2013</b>	<b>On or after January 1, 2013</b>
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%	13.00%
Required employer contribution rates (A)	23.224%	23.224%

(A) Rates represents blended combination rates

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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, 2019 and measurement date of June 30, 2020:

	Miscellaneous	Safety-Fire	Safety - Police
Inactive employees or beneficiaries currently receiving benefits	917	188	342
Inactive employees entitled to but not yet receiving benefits	712	24	64
Active employees	521	125	179
Total	2,150	337	585

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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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**12. PENSION PLANS (Continued)**

**Actuarial Assumptions** – For the measurement period ended June 30, 2020, the total pension liabilities were determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2019 and June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

	All Plans
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
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, 2021**

**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 rates 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 Comprehensive Annual Financial Report, 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.

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**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)
<b>Balance at June 30, 2019</b>	<b>\$481,839,301</b>	<b>\$317,296,264</b>	<b>\$164,543,037</b>
<b>Changes in the year:</b>			
Service cost	8,254,476		8,254,476
Interest on the total pension liability	33,774,340		33,774,340
Differences between actual and expected experience	(481,002)		(481,002)
Contribution - employer		12,993,586	(12,993,586)
Contribution - employee		5,503,016	(5,503,016)
Net investment income		15,793,925	(15,793,925)
Administrative expenses		(447,310)	447,310
Benefit payments, including refunds of employee contributions	(26,234,280)	(26,234,280)	
<b>Net changes</b>	<b>15,313,534</b>	<b>7,608,937</b>	<b>7,704,597</b>
<b>Balance at June 30, 2020</b>	<b>\$497,152,835</b>	<b>\$324,905,201</b>	<b>\$172,247,634</b>

***Safety - Fire Plan:***

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2019</b>	<b>\$310,426,355</b>	<b>\$193,595,194</b>	<b>\$116,831,161</b>
<b>Changes in the year:</b>			
Service cost	5,558,671		5,558,671
Interest on the total pension liability	22,013,653		22,013,653
Differences between actual and expected experience	3,298,871		3,298,871
Contribution - employer		9,191,715	(9,191,715)
Contribution - employee		2,851,797	(2,851,797)
Net investment income		9,590,927	(9,590,927)
Administrative expenses		(272,922)	272,922
Benefit payments, including refunds of employee contributions	(17,242,575)	(17,242,575)	
<b>Net changes</b>	<b>13,628,620</b>	<b>4,118,942</b>	<b>9,509,678</b>
<b>Balance at June 30, 2020</b>	<b>\$324,054,975</b>	<b>\$197,714,136</b>	<b>\$126,340,839</b>



**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**12. PENSION PLANS (Continued)**

*Safety - Police Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2019</b>	<u>\$413,600,435</u>	<u>\$254,568,696</u>	<u>\$159,031,739</u>
<b>Changes in the year:</b>			
Service cost	8,079,098		8,079,098
Interest on the total pension liability	29,217,195		29,217,195
Differences between actual and expected experience	2,096,406		2,096,406
Contribution - employer		13,842,327	(13,842,327)
Contribution - employee		3,749,712	(3,749,712)
Net investment income		12,710,839	(12,710,839)
Administrative expenses		(358,879)	358,879
Benefit payments, including refunds of employee contributions	(22,208,581)	(22,208,581)	
<b>Net changes</b>	<u>17,184,118</u>	<u>7,735,418</u>	<u>9,448,700</u>
<b>Balance at June 30, 2020</b>	<u>\$430,784,553</u>	<u>\$262,304,114</u>	<u>\$168,480,439</u>
<b>Combined Total</b>	<u>\$1,251,992,363</u>	<u>\$784,923,451</u>	<u>\$467,068,912</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	\$234,729,299	\$169,002,589	\$227,135,351
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$172,247,634	\$126,340,839	\$168,480,439
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$120,412,060	\$91,172,543	\$120,475,666

***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, 2021**

**12. PENSION PLANS (Continued)**

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

For the year ended June 30, 2021, the City recognized pension expense of \$60,249,504. At June 30, 2021, 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	\$14,580,046	
Differences between actual and expected experience	1,457,041	(\$296,001)
Changes in assumptions		
Net differences between projected and actual earnings on plan investments	2,318,298	
Total	<u>\$18,355,385</u>	<u>(\$296,001)</u>

***Safety Plan - Fire:***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$10,135,787	
Differences between actual and expected experience	3,984,198	(\$59,630)
Changes in assumptions	2,961,363	(543,411)
Net differences between projected and actual earnings on plan investments	1,473,971	
Total	<u>\$18,555,319</u>	<u>(\$603,041)</u>

***Safety Plan - Police:***

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$14,979,710	
Differences between actual and expected experience	3,674,375	(\$209,151)
Changes in assumptions		(300,360)
Net differences between projected and actual earnings on plan investments	1,963,238	
Total	<u>\$20,617,323</u>	<u>(\$509,511)</u>
<b>Combined total</b>	<u>\$57,528,027</u>	<u>(\$1,408,553)</u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**12. PENSION PLANS (Continued)**

\$39,695,543 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:

***Miscellaneous Plan:***

Year Ended June 30	Annual Amortization
2022	(\$122,294)
2023	671,873
2024	1,616,513
2025	1,313,246
Total	<u>\$3,479,338</u>

***Safety Plan - Fire:***

Year Ended June 30	Annual Amortization
2022	\$3,068,709
2023	1,388,114
2024	1,662,312
2025	1,452,995
2026	244,361
Total	<u>\$7,816,491</u>

***Safety Plan - Police:***

Year Ended June 30	Annual Amortization
2022	\$380,006
2023	2,030,814
2024	1,656,098
2025	1,061,184
Total	<u>\$5,128,102</u>

***All Plans (Misc., Fire and Police)***

Year Ended June 30	Amortization Amount
2022	\$3,326,421
2023	4,090,801
2024	4,934,923
2025	3,827,425
2026	244,361
Total	<u>\$16,423,931</u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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, 2021, total contributions of \$12,058 were made based on a total amount of covered compensation of \$322,791.

**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 \$139 to \$143 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
	<hr/>
Total	<u>1,691</u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**14. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Net OPEB Liability**

**Actuarial Methods and Assumptions** – The City’s net OPEB liability was measured as of June 30, 2020 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, 2020
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	3.00%
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	1-10 Year Expected Real Rate of Return
Global Equities	59.0%	4.80%
Fixed Income	25.0%	1.10%
Global Real Estate (REITs)	8.0%	3.20%
Treasury Inflation Protected Securities	5.0%	0.25%
Commodities	3.0%	1.50%
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, 2021**

**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, 2019	\$87,567,141	\$8,292,420	\$79,274,721
Changes Recognized for the Measurement Period:			
Service Cost	2,213,810		2,213,810
Interest on the total OPEB liability	5,048,226		5,048,226
Differences between expected and actual experience		364,141	(364,141)
Changes of assumptions	(10,988,323)		(10,988,323)
Contributions from the employer		7,455,802	(7,455,802)
Contributions from the employee		(374,055)	374,055
Net investment income		647,884	(647,884)
Administrative expenses		(4,528)	4,528
Benefit payments	(4,882,802)	(4,882,802)	
Net changes	(8,609,089)	3,206,442	(11,815,531)
Balance at June 30, 2020 (Measurement Date)	\$78,958,052	\$11,498,862	\$67,459,190

**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%
\$77,110,408	\$67,459,190	\$59,404,029

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
4.40%	5.40%	6.40%
\$59,836,364	\$67,459,190	\$77,130,628

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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, 2021, the City recognized OPEB expense of (\$1,583,862). At June 30, 2021, 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	\$6,795,404	
Changes of assumptions		(\$36,172,015)
Difference between Expected and Actual Experience	1,844,529	
Net difference between projected and actual earnings on investments		(306,024)
Total	<u>\$8,639,933</u>	<u>(\$36,478,039)</u>

\$6,795,404 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, 2022. 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
2022	(\$8,576,600)
2023	(8,551,910)
2024	(6,810,760)
2025	(6,524,677)
2026	(3,515,088)
Thereafter	(654,475)
Total	<u>(\$34,633,510)</u>

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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.

Type of Coverage	Self Insurance	Coverage and Limits
General Liability	\$0 - \$1,000,000 per occurrence	\$0- \$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 - \$45,000,000
Boiler and machinery	\$0 - \$350,000 per occurrence	\$2,000,000 - \$100,000,000
Airport	None	\$25,000 - \$50,000,000
Pollution	\$0- \$75,000 per pollution condition	\$10,000,000 - \$50,000,000

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, 2021**

**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	
			2021	2020
Balance, beginning of year	\$5,334,199	\$15,434,582	\$20,768,781	\$21,388,426
Current year claims and changes in estimates	4,042,535	1,296,191	5,338,726	5,050,063
Claims paid	(2,412,222)	(3,110,790)	(5,523,012)	(5,669,708)
Balance, end of year	<u>\$6,964,512</u>	<u>\$13,619,983</u>	<u>\$20,584,495</u>	<u>\$20,768,781</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, 2021 is \$20,584,495. 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, 2021**

**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 2021 amounted to \$811,956 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 latest date for which financial information is available.

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

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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**  
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**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 \$2,772,684 during fiscal year 2021, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2022 is estimated to be \$2,521,752.

**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, 2021**

**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, 2021**

**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, 2021 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, 2021.

	School Project	Cannery Park	Cinema Place	Retail Attraction	Total
Balance at June 30, 2020	\$19,259,659	\$3,491,901	\$275,624	\$1,482,153	\$24,509,337
Less: Loan Payments					
Balance at June 30, 2021	\$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, 2021**

**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 June 30, 2020	Additions	Balance June 30, 2021
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	4,334,297	\$314,131	4,648,428
Machinery and equipment	9,575		9,575
Total accumulated depreciation	4,343,872	314,131	4,658,003
Net depreciable assets	9,801,600	(314,131)	9,487,469
Private purpose trust fund assets, net	\$14,232,116	(\$314,131)	\$13,917,985

**CITY OF HAYWARD, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2021**

**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, 2021 was \$8,339,979 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund. The loans were as follows:

	<b>Advances to Private Purpose Trust Fund</b>	<b>Advances From City</b>
General Fund	\$4,436,442	
Housing Authority Special Revenue Fund	3,876,516	
Internal Service Funds	27,021	
Successor Agency Private Purpose Trust Fund		\$8,339,979
Total	<u>\$8,339,979</u>	<u>\$8,339,979</u>

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, 2021**

**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, 2020	Retirements	Balance at June 30, 2021	Current Portion
Tax Allocation Bonds, 2016 Refunding Redevelopment Agency due 3/1/2036, interest at 2.0%-5.0% Add: Original Issue Premium	\$35,270,000	\$28,010,000 2,944,134	\$1,880,000 184,008	\$26,130,000 2,760,126	\$1,975,000
Total	\$35,270,000	\$30,954,134	\$2,064,008	\$28,890,126	\$1,975,000

At June 30, 2021, future debt service requirement for the Successor Agency were as follows:

Year Ending June 30	Successor Agency	
	Principal	Interest
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	2,405,000	823,625
2027 - 2031	8,950,000	2,439,125
2032 - 2036	6,260,000	784,325
Totals	26,130,000	\$8,444,700
Plus unamortized premium	2,760,126	
Total Long-term debt principal, net	\$28,890,126	

***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, 2021**

**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 2021, total tax increment calculated and available for distribution by the County Auditor-Controller was \$4,159,450, and the total received by the Successor Agency was \$4,020,771. The taxes available for distribution covered 125% of the \$3,224,450 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	6/30/2016
<b>Total Pension Liability</b>			
Service Cost	\$6,288,587	\$5,922,880	\$6,147,333
Interest	27,661,985	28,504,068	29,369,393
Differences between expected and actual experience		(3,128,990)	(1,584,352)
Changes in assumptions		(6,628,461)	
Changes in benefits			
Benefit payments, including refunds of employee contributions	(19,351,565)	(21,117,520)	(22,169,235)
<b>Net change in total pension liability</b>	14,599,007	3,551,977	11,763,139
<b>Total pension liability - beginning</b>	375,357,954	389,956,961	393,508,938
<b>Total pension liability - ending (a)</b>	<u>\$389,956,961</u>	<u>\$393,508,938</u>	<u>\$405,272,077</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$7,412,951	\$8,397,492	\$9,973,051
Contributions - employee	3,116,188	3,176,411	3,159,686
Net investment income	42,388,729	6,280,326	1,454,000
Benefit payments, including refunds of employee contributions	(19,351,565)	(21,117,520)	(22,169,235)
Plan to plan resource movement		2,005	(11,393)
Administrative expense		(311,784)	(168,838)
Other miscellaneous income/(expense)			
<b>Net change in plan fiduciary net position</b>	33,566,303	(3,573,070)	(7,762,729)
<b>Plan fiduciary net position - beginning</b>	247,040,337	280,606,640	277,033,570
<b>Plan fiduciary net position - ending (b)</b>	<u>\$280,606,640</u>	<u>\$277,033,570</u>	<u>\$269,270,841</u>
<b>Net pension liability - ending (a)-(b)</b>	<u>\$109,350,321</u>	<u>\$116,475,368</u>	<u>\$136,001,236</u>
Plan fiduciary net position as a percentage of the total pension liability	71.96%	70.40%	66.44%
Covered payroll	\$37,254,645	\$37,577,455	\$37,278,957
Net pension liability as percentage of covered payroll	293.52%	309.96%	364.82%

**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% to 7.15%. In 2016, 2018 and 2019, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% discount rate.

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

**Source:** CalPERS Accounting Valuation - GASB 68

<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>
\$7,504,688	\$7,869,869	\$8,124,065	\$8,254,476
30,173,942	31,188,964	32,708,864	33,774,340
444,821	2,372,377	6,313,847	(481,002)
23,917,327	(2,819,842)		
<u>(22,746,836)</u>	<u>(23,688,392)</u>	<u>(24,796,470)</u>	<u>(26,234,280)</u>
39,293,942	14,922,976	22,350,306	15,313,534
<u>405,272,077</u>	<u>444,566,019</u>	<u>459,488,995</u>	<u>481,839,301</u>
<u><u>\$444,566,019</u></u>	<u><u>\$459,488,995</u></u>	<u><u>\$481,839,301</u></u>	<u><u>\$497,152,835</u></u>
\$11,093,282	\$10,774,004	\$12,008,441	\$12,993,586
3,799,837	4,511,187	4,682,650	5,503,016
29,788,614	24,576,008	19,998,965	15,793,925
(22,746,836)	(23,688,392)	(24,796,470)	(26,234,280)
(46,705)	(711)		
(397,560)	(453,086)	(218,097)	(447,310)
	(860,419)	711	
<u>21,490,632</u>	<u>14,858,591</u>	<u>11,676,200</u>	<u>7,608,937</u>
<u>269,270,841</u>	<u>290,761,473</u>	<u>305,620,064</u>	<u>317,296,264</u>
<u><u>\$290,761,473</u></u>	<u><u>\$305,620,064</u></u>	<u><u>\$317,296,264</u></u>	<u><u>\$324,905,201</u></u>
<u><u>\$153,804,546</u></u>	<u><u>\$153,868,931</u></u>	<u><u>\$164,543,037</u></u>	<u><u>\$172,247,634</u></u>
65.40%	66.51%	65.85%	65.35%
\$39,325,308	\$43,553,412	\$42,884,033	\$49,210,706
391.11%	353.29%	383.69%	350.02%

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

<b>Fiscal Year Ended June 30</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Actuarially determined contribution	\$8,401,478	\$10,026,685	\$11,092,052
Contributions in relation to the actuarially determined contributions	8,401,478	10,026,685	11,092,052
Contribution deficiency (excess)	\$0	\$0	\$0
Covered payroll	\$37,577,455	\$37,278,957	\$39,325,308
Contributions as a percentage of covered payroll	22.36%	26.90%	28.21%

**Notes to Schedule**

Valuation date:	6/30/2013	6/30/2014	6/30/2015
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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	15 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75% for 2015 to 2019, 2.625% for 2020, and 2.50% for 2021
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, and 7.00% for 2021 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 CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries for 2015 to 2018. For 2019, 2020, and 2021, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

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

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

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$10,776,908	\$12,013,423	\$12,996,103	\$14,580,046
10,776,908	12,013,423	12,996,103	14,580,046
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$43,553,412	\$42,884,033	\$49,210,706	\$50,091,731
24.74%	28.01%	26.41%	29.11%
6/30/2016	6/30/2017	6/30/2018	6/30/2019

**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	6/30/2016
<b>Total Pension Liability</b>			
Service Cost	\$4,037,733	\$3,887,900	\$4,145,914
Interest	17,319,964	18,049,868	19,111,623
Differences between expected and actual experience		763,164	5,499,415
Changes in assumptions		(4,308,430)	
Changes in benefits			
Benefit payments, including refunds of employee contributions	(12,054,664)	(13,394,096)	(13,979,969)
<b>Net change in total pension liability</b>	9,303,033	4,998,406	14,776,983
<b>Total pension liability - beginning</b>	234,941,316	244,244,349	249,242,755
<b>Total pension liability - ending (a)</b>	<u>\$244,244,349</u>	<u>\$249,242,755</u>	<u>\$264,019,738</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$4,128,191	\$4,969,514	\$5,795,308
Contributions - employee	2,212,037	2,383,255	2,527,042
Net investment income	26,481,168	3,918,637	802,917
Benefit payments, including refunds of employee contributions	(12,054,664)	(13,394,096)	(13,979,969)
Plan to plan resource movement			
Administrative expense		(193,742)	(104,917)
Other miscellaneous income/(expense)			
<b>Net change in plan fiduciary net position</b>	20,766,732	(2,316,432)	(4,959,619)
<b>Plan fiduciary net position - beginning</b>	153,701,396	174,468,128	172,151,696
<b>Plan fiduciary net position - ending (b)</b>	<u>\$174,468,128</u>	<u>\$172,151,696</u>	<u>\$167,192,077</u>
<b>Net pension liability - ending (a)-(b)</b>	<u>\$69,776,221</u>	<u>\$77,091,059</u>	<u>\$96,827,661</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	71.43%	69.07%	63.33%
<b>Covered payroll</b>	\$14,894,224	\$15,304,881	\$15,425,723
<b>Net pension liability as percentage of covered payroll</b>	468.48%	503.70%	627.70%

**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% to 7.15%. In 2016, 2018, 2019 and 2020, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

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

**Source:** CalPERS Accounting Valuation - GASB 68



<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>
\$5,098,972	\$4,895,549	\$5,286,457	\$5,558,671
19,657,506	20,408,514	21,091,439	22,013,653
(324,662)	2,612,499	270,193	3,298,871
16,122,983	(1,401,429)		
<u>(14,874,772)</u>	<u>(15,849,714)</u>	<u>(16,586,918)</u>	<u>(17,242,575)</u>
25,680,027	10,665,419	10,061,171	13,628,620
<u>264,019,738</u>	<u>289,699,765</u>	<u>300,365,184</u>	<u>310,426,355</u>
<u>\$289,699,765</u>	<u>\$300,365,184</u>	<u>\$310,426,355</u>	<u>\$324,054,975</u>
\$6,378,762	\$6,646,548	\$8,015,957	\$9,191,715
2,544,269	2,516,137	3,093,507	2,851,797
18,488,612	15,036,869	12,184,975	9,590,927
(14,874,772)	(15,849,714)	(16,586,918)	(17,242,575)
	(437)		
(246,848)	(279,683)	(133,462)	(272,922)
	<u>(531,122)</u>	<u>437</u>	
12,290,023	7,538,598	6,574,496	4,118,942
<u>167,192,077</u>	<u>179,482,100</u>	<u>187,020,698</u>	<u>193,595,194</u>
<u>\$179,482,100</u>	<u>\$187,020,698</u>	<u>\$193,595,194</u>	<u>\$197,714,136</u>
<u>\$110,217,665</u>	<u>\$113,344,486</u>	<u>\$116,831,161</u>	<u>\$126,340,839</u>
61.95%	62.26%	62.36%	61.01%
\$16,579,674	\$17,977,548	\$19,202,305	\$18,986,921
664.78%	630.48%	608.42%	665.41%

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

<b>Fiscal Year Ended June 30</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Actuarially determined contribution	\$4,879,642	\$5,789,172	\$6,383,503
Contributions in relation to the actuarially determined contributions	4,879,642	5,789,172	6,383,503
Contribution deficiency (excess)	\$0	\$0	\$0
Covered payroll	\$15,304,881	\$15,425,723	\$16,579,674
Contributions as a percentage of covered payroll	31.88%	37.53%	38.50%

**Notes to Schedule**

Valuation date:	6/30/2013	6/30/2014	6/30/2015
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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	15 Years as of the Valuation Date
Asset valuation method	15 Year Smoothed Market
Inflation	2.75% for 2015 to 2019, 2.625% for 20
Salary increases	Varies by Entry Age and Service 7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020 and 7.00% for 2021, net of pension plan investment expense, including inflation.
Investment rate of return	
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 CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries for 2015 to 2018. For 2019, 2020, and 2021, pre- retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

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

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

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$6,646,548	\$8,015,966	\$9,197,653	\$10,135,787
6,646,548	8,015,966	9,197,653	10,135,787
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$17,977,548	\$19,202,305	\$18,986,921	\$18,899,737
36.97%	41.74%	48.44%	53.63%
6/30/2016	6/30/2017	6/30/2018	6/30/2019

**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	6/30/2016
<b>Total Pension Liability</b>			
Service Cost	\$6,810,663	\$6,454,659	\$6,807,555
Interest	22,705,717	23,663,122	25,023,071
Differences between expected and actual experience		(823,804)	4,712,282
Changes in assumptions		(5,929,992)	
Changes in benefits			
Benefit payments, including refunds of employee contributions	(15,228,912)	(16,782,338)	(17,676,444)
<b>Net change in total pension liability</b>	14,287,468	6,581,647	18,866,464
<b>Total pension liability - beginning</b>	306,952,014	321,239,482	327,821,129
<b>Total pension liability - ending (a)</b>	\$321,239,482	\$327,821,129	\$346,687,593
<b>Plan fiduciary net position</b>			
Contributions - employer	\$5,781,918	\$7,594,532	\$8,594,361
Contributions - employee	3,731,615	3,296,967	3,666,124
Net investment income	32,686,768	4,819,953	1,028,532
Benefit payments, including refunds of employee contributions	(15,228,912)	(16,782,338)	(17,676,444)
Net plan to plan resource movement			11,302
Administrative expense		(241,860)	(130,972)
Other miscellaneous income/(expense)			
<b>Net change in plan fiduciary net position</b>	26,971,389	(1,312,746)	(4,507,097)
<b>Plan fiduciary net position - beginning</b>	189,244,302	216,215,691	214,902,945
<b>Plan fiduciary net position - ending (b)</b>	\$216,215,691	\$214,902,945	\$210,395,848
<b>Net pension liability - ending (a)-(b)</b>	\$105,023,791	\$112,918,184	\$136,291,745
Plan fiduciary net position as a percentage of the total pension liability	67.31%	65.55%	60.69%
Covered payroll	\$21,359,362	\$22,033,138	\$21,649,761
Net pension liability as percentage of covered payroll	491.70%	512.49%	629.53%

**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% to 7.15%. In 2016, 2018, 2019 and 2020, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

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

**Source:** CalPERS Accounting Valuation - GASB 68

<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>
\$8,055,656	\$8,436,727	\$7,716,531	\$8,079,098
25,738,287	26,651,517	28,039,320	29,217,195
(3,900,767)	(1,105,506)	4,860,684	2,096,406
21,956,739	(1,587,612)		
<u>(17,590,706)</u>	<u>(19,447,095)</u>	<u>(20,910,933)</u>	<u>(22,208,581)</u>
34,259,209	12,948,031	19,705,602	17,184,118
<u>346,687,593</u>	<u>380,946,802</u>	<u>393,894,833</u>	<u>413,600,435</u>
<u>\$380,946,802</u>	<u>\$393,894,833</u>	<u>\$413,600,435</u>	<u>\$430,784,553</u>
\$10,508,222	\$10,740,724	\$12,243,071	\$13,842,327
3,782,992	3,754,299	3,750,089	3,749,712
23,301,215	19,562,389	16,002,505	12,710,839
(17,590,706)	(19,447,095)	(20,910,933)	(22,208,581)
	(567)		
(310,635)	(358,539)	(173,879)	(358,879)
	<u>(680,871)</u>	<u>567</u>	
19,691,088	13,570,340	10,911,420	7,735,418
<u>210,395,848</u>	<u>230,086,936</u>	<u>243,657,276</u>	<u>254,568,696</u>
<u>\$230,086,936</u>	<u>\$243,657,276</u>	<u>\$254,568,696</u>	<u>\$262,304,114</u>
<u>\$150,859,866</u>	<u>\$150,237,557</u>	<u>\$159,031,739</u>	<u>\$168,480,439</u>
60.40%	61.86%	61.55%	60.89%
\$22,884,077	\$24,345,421	\$24,912,360	\$24,853,675
659.24%	617.11%	638.36%	677.89%

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

<b>Fiscal Year Ended June 30</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Actuarially determined contribution	\$7,487,975	\$8,650,555	\$10,512,716
Contributions in relation to the actuarially determined contributions	<u>7,487,975</u>	<u>8,650,555</u>	<u>10,512,716</u>
Contribution deficiency (excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Covered payroll	\$22,033,138	\$21,649,761	\$22,884,077
Contributions as a percentage of covered payroll	33.99%	39.96%	45.94%

**Notes to Schedule**

Valuation date:	6/30/2013	6/30/2014	6/30/2015
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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
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 seven years are shown.

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

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$10,740,724	\$12,240,356	\$13,839,941	\$14,979,710
<u>10,740,724</u>	<u>12,240,356</u>	<u>13,839,941</u>	<u>14,979,710</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$24,345,421	\$24,912,360	\$24,853,675	\$24,906,152
44.12%	49.13%	55.69%	60.14%
6/30/2016	6/30/2017	6/30/2018	6/30/2019

# CITY OF HAYWARD

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

Measurement Date	6/30/17	6/30/18	6/30/19	6/30/20
<b>Total OPEB Liability</b>				
Service cost	\$4,646,537	\$4,054,275	\$4,121,478	\$2,213,810
Interest	3,528,286	4,015,577	4,186,619	5,048,226
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)	(10,988,323)
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)	(4,882,802)
<b>Net change in total OPEB liability</b>	<b>(7,478,529)</b>	<b>2,864,889</b>	<b>(26,135,923)</b>	<b>(8,609,089)</b>
<b>Total OPEB liability - beginning</b>	<b>118,316,704</b>	<b>110,838,175</b>	<b>113,703,064</b>	<b>87,567,141</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$110,838,175</b>	<b>\$113,703,064</b>	<b>\$87,567,141</b>	<b>\$78,958,052</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$4,263,071	\$5,190,672	\$6,344,188	\$7,455,802
Contributions - employee			377,793	(374,055)
Net investment income	396,755	318,308	455,417	1,012,025
Administrative expense	(2,014)	(2,234)	(1,348)	(4,528)
Other expense		(5,491)		
Benefit payments	(4,263,071)	(4,190,672)	(4,344,188)	(4,882,802)
<b>Net change in plan fiduciary net position</b>	<b>394,741</b>	<b>1,310,583</b>	<b>2,831,862</b>	<b>3,206,442</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,755,234</b>	<b>4,149,975</b>	<b>5,460,558</b>	<b>8,292,420</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$4,149,975</b>	<b>\$5,460,558</b>	<b>\$8,292,420</b>	<b>\$11,498,862</b>
 Net OPEB liability - ending (a)-(b)	 <b>\$106,688,200</b>	 <b>\$108,242,506</b>	 <b>\$79,274,721</b>	 <b>\$67,459,190</b>
 Plan fiduciary net position as a percentage of the total OPEB liability	 3.74%	 4.80%	 9.47%	 14.56%
 Covered-employee payroll	 <b>\$97,007,987</b>	 <b>\$100,785,694</b>	 <b>\$104,434,054</b>	 <b>\$105,982,182</b>
 Net OPEB liability as a percentage of covered-employee payroll	 <b>109.98%</b>	 <b>107.40%</b>	 <b>75.91%</b>	 <b>63.65%</b>

**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	2021
Actuarially determined contribution	\$8,038,027	\$8,394,467	\$7,004,174	\$7,190,835
Contributions in relation to the actuarially determined contribution	5,190,672	6,374,161	7,455,802	6,795,404
Contribution deficiency (excess)	\$2,847,355	\$2,020,306	(\$451,628)	\$395,431
Covered employee payroll	\$100,785,694	\$104,434,054	\$105,982,182	\$110,872,748
Contributions as a percentage of covered payroll	5.15%	6.10%	7.03%	6.13%

### Notes to Schedule

#### Methods and assumptions used to determine contribution rates:

Valuation Date	6/30/2017	6/30/2017	6/30/2019	6/30/2019
Actuarial Assumptions:				
Discount Rate	3.56%	3.62%	6.90%	6.90%
Inflation	3.00%	2.75%	2.50%	2.50%
Payroll Growth	3.25%	3.25%	3.00%	3.00%
Investment Rate of Return	7.28%	6.90%	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%	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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis*	Variance with Adjusted Budget Positive (Negative)
	Adopted *	Adjusted *		
REVENUES:				
Property taxes	\$55,500,000	\$57,000,000	\$61,196,409	\$4,196,409
Sales taxes	48,253,000	50,253,000	58,652,032	8,399,032
Utility users tax	18,135,000	17,135,000	17,267,592	132,592
Other taxes	32,061,000	32,661,000	35,277,539	2,616,539
Licenses and permits	6,397,680	6,397,680	5,439,030	(958,650)
Fines and forfeitures	2,291,609	2,261,609	2,194,569	(67,040)
Investment income	299,880	299,880	151,835	(148,045)
Rental income	278,650	278,650	1,723	(276,927)
Intergovernmental	8,268,081	10,502,962	10,881,724	378,762
Fees and charges for services	5,583,780	5,583,780	7,420,237	1,836,457
Other revenue	514,000	514,000	1,402,183	888,183
Total Revenues	177,582,680	182,887,561	199,884,873	16,997,312
EXPENDITURES:				
Current:				
General government	13,922,006	14,621,185	13,971,584	649,601
Public safety	121,335,578	126,300,269	128,375,921	(2,075,652)
Public works and transportation	3,155,605	3,294,386	4,085,154	(790,768)
Library and community services	9,660,222	8,708,779	7,587,444	1,121,335
Planning and building	8,208,859	9,216,720	8,712,707	504,013
Maintenance services	8,825,230	9,015,991	9,656,198	(640,207)
Total Expenditures	165,107,500	171,157,330	172,389,008	(1,231,678)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,475,180	11,730,231	27,495,865	15,765,634
OTHER FINANCING SOURCES (USES):				
Transfers in	4,317,046	4,317,046	2,694,046	(1,623,000)
Transfers (out)	(14,764,809)	(17,357,198)	(16,681,679)	675,519
Total Other Financing Sources (Uses)	(10,447,763)	(13,040,152)	(13,987,633)	(947,481)
NET CHANGE IN FUND BALANCE	<u>\$2,027,417</u>	<u>(\$1,309,921)</u>	13,508,232	<u>\$14,818,153</u>
BEGINNING FUND BALANCE			52,683,175	
ENDING FUND BALANCE			<u>\$66,191,407</u>	

\* 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, 2021

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance with Adjusted Budget Positive (Negative)</u>
REVENUES:				
Investment income	\$10,000	\$10,000	\$37,827	\$27,827
Intergovernmental	449,000	1,119,260	949,046	(170,214)
Fees and charges for services		12,000	8,537	(3,463)
	<u>459,000</u>	<u>1,141,260</u>	<u>995,410</u>	<u>(145,850)</u>
Total Revenues				
EXPENDITURES:				
Current:				
Public safety	33,906	552,831	182,196	370,635
Library and community services		564,191	179,684	384,507
Economic development	405,231	1,113,322	575,340	537,982
	<u>439,137</u>	<u>2,230,344</u>	<u>937,220</u>	<u>1,293,124</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,863</u>	<u>(1,089,084)</u>	<u>58,190</u>	<u>1,147,274</u>
NET CHANGE IN FUND BALANCE	<u>\$19,863</u>	<u>(\$1,089,084)</u>	<u>58,190</u>	<u>\$1,147,274</u>
BEGINNING FUND BALANCE			<u>14,778,477</u>	
ENDING FUND BALANCE			<u>\$14,836,667</u>	

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## **SUPPLEMENTAL INFORMATION**

CITY OF HAYWARD  
HOUSING AUTHORITY CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Adjusted Budget Positive (Negative)
REVENUES:				
Investment income	\$200,000	\$200,000	\$70,718	(\$129,282)
Fees and charges for services			2,968	2,968
Total Revenues	200,000	200,000	73,686	(126,314)
EXPENDITURES:				
Current:				
Economic development	232,717	4,980,588	103,341	4,877,247
Total Expenditures	232,717	4,980,588	103,341	4,877,247
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(32,717)	(4,780,588)	(29,655)	(4,750,933)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(8,159)	(8,159)	(8,159)	
Total Other Financing Sources (Uses)	(8,159)	(8,159)	(8,159)	
NET CHANGE IN FUND BALANCE	(\$40,876)	(\$4,780,588)	(37,814)	\$4,742,774
BEGINNING FUND BALANCE			22,784,829	
ENDING FUND BALANCE			\$22,747,015	

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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Adjusted Budget Positive (Negative)</u>
REVENUES:				
Other taxes			\$830,605	\$830,605
Investment income			35,574	35,574
Intergovernmental			5,184,103	5,184,103
Other revenue		\$110,077	6,506,193	6,396,116
Total Revenues		110,077	12,556,475	12,446,398
EXPENDITURES:				
Current:				
Public works and transportation			44,072	(44,072)
Capital outlay	\$22,971,000	88,899,993	26,559,107	62,340,886
Total Expenditures	22,971,000	88,899,993	26,603,179	62,296,814
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,971,000)	(88,789,916)	(14,046,704)	74,743,212
OTHER FINANCING SOURCES (USES):				
Transfers in	965,000	985,948	965,000	(20,948)
Total Other Financing Sources (Uses)	965,000	985,948	965,000	(20,948)
NET CHANGE IN FUND BALANCE	<u>(\$22,006,000)</u>	<u>(\$87,803,968)</u>	(13,081,704)	<u>\$74,722,264</u>
BEGINNING FUND BALANCE			27,536,543	
ENDING FUND BALANCE			<u>\$14,454,839</u>	

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## **COMBINING GENERAL FUND SCHEDULES**

CITY OF HAYWARD  
GENERAL FUND  
COMBINING BALANCE SHEETS  
JUNE 30, 2021

	General Fund		
	General Purpose	Measure C District Sales Tax	Total
ASSETS:			
Cash, cash equivalents, and investments	\$55,383,752	\$26,809,993	\$82,193,745
Accounts receivable, net	2,273,665		2,273,665
Due from other governments	9,814,548	3,369,512	13,184,060
Due from other funds	1,790,879		1,790,879
Long-term loans to the Private Purpose Trust Fund	4,436,442		4,436,442
Deposits, parts, supplies and other	5,981		5,981
Total Assets	<u>\$73,705,267</u>	<u>\$30,179,505</u>	<u>\$103,884,772</u>
LIABILITIES:			
Accounts payable	\$2,982,322	\$5,081	\$2,987,403
Accrued liabilities	7,427,939	112,673	7,540,612
Long-term interfund payables	3,015,479		3,015,479
Unearned revenue	19,232,997		19,232,997
Refundable deposits	4,916,874		4,916,874
Total Liabilities	<u>37,575,611</u>	<u>117,754</u>	<u>37,693,365</u>
FUND BALANCES:			
Nonspendable	4,442,423		4,442,423
Assigned	256,170	30,061,751	30,317,921
Unassigned	31,431,063		31,431,063
Total Fund Balances	<u>36,129,656</u>	<u>30,061,751</u>	<u>66,191,407</u>
Total Liabilities and Fund Balances	<u>\$73,705,267</u>	<u>\$30,179,505</u>	<u>\$103,884,772</u>

CITY OF HAYWARD  
GENERAL FUND  
COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund		
	General Fund	Measure C District Sales Tax	Total
REVENUES:			
Property taxes	\$61,196,409		\$61,196,409
Sales taxes	40,074,818	\$18,577,214	58,652,032
Utility users tax	17,267,592		17,267,592
Other taxes	35,277,539		35,277,539
Licenses and permits	5,439,030		5,439,030
Fines and forfeitures	2,194,569		2,194,569
Investment income	13,062	138,773	151,835
Rental income	1,723		1,723
Intergovernmental	10,881,724		10,881,724
Fees and charges for services	7,420,237		7,420,237
Other revenue	1,402,183		1,402,183
Total Revenues	181,168,886	18,715,987	199,884,873
EXPENDITURES:			
Current:			
General government	13,971,584		13,971,584
Public safety	125,093,945	3,281,976	128,375,921
Public works and transportation	4,085,154		4,085,154
Library and community services	7,579,222	8,222	7,587,444
Planning and building	8,712,707		8,712,707
Maintenance services	8,187,267	1,468,931	9,656,198
Total Expenditures	167,629,879	4,759,129	172,389,008
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,539,007	13,956,858	27,495,865
OTHER FINANCING SOURCES (USES):			
Transfers in	2,694,046		2,694,046
Transfers (out)	(10,950,699)	(5,730,980)	(16,681,679)
Total Other Financing Sources (Uses)	(8,256,653)	(5,730,980)	(13,987,633)
CHANGE IN FUND BALANCES	5,282,354	8,225,878	13,508,232
BEGINNING FUND BALANCES	30,847,302	21,835,873	52,683,175
ENDING FUND BALANCES	\$36,129,656	\$30,061,751	\$66,191,407

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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.

*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.

## **NON-MAJOR GOVERNMENTAL FUNDS (Continued)**

*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.

*Affordable Housing Fund* – Accounts for transactions related to affordable housing in-lieu fees to be used for the supply of housing affordable to moderate-, low-, very low-, or extremely low-income households.

### **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**

*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.

*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 the projects are completed, the 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, 2021

	SPECIAL REVENUE FUNDS			
	Special Gasoline Tax	Community Development Block Grant Program	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
ASSETS:				
Cash, cash equivalents, and investments	\$1,079,172		\$189,365	\$15,330,573
Accounts receivable, net				
Due from other governments	386,177	\$8,811		
Interest receivable				
Loans receivable		6,459,505	243,418	
Land held for resale				
Total Assets	<u>\$1,465,349</u>	<u>\$6,468,316</u>	<u>\$432,783</u>	<u>\$15,330,573</u>
LIABILITIES:				
Accounts payable	\$26,417	\$628,214	\$2,544	
Accrued liabilities		13,157	1,819	
Due to other funds		406,598		
Unearned revenue				
Refundable deposits				
Total Liabilities	<u>26,417</u>	<u>1,047,969</u>	<u>4,363</u>	
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	1,438,932			\$15,330,573
Planning and building				
Economic development		5,420,347	428,420	
Debt service				
Total Fund Balances	<u>1,438,932</u>	<u>5,420,347</u>	<u>428,420</u>	<u>15,330,573</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,465,349</u>	<u>\$6,468,316</u>	<u>\$432,783</u>	<u>\$15,330,573</u>



SPECIAL REVENUE FUNDS

Business Improvement	Donation	Recycling	Narcotics Asset Seizure	Park Maintenance District	Measure B Local Streets and Roads
\$47,162 936	\$784,326 2,500	\$4,162,617 126,579 68,215 53,631	\$563,052	\$3,781,746 6,034	\$3,494,059 579,290
<u>\$48,098</u>	<u>\$786,826</u>	<u>\$4,411,042</u>	<u>\$563,052</u>	<u>\$3,787,780</u>	<u>\$4,073,349</u>
	\$30,499 352 2,500	\$109,041 10,790	\$52,058	\$118,225	\$1,133
	<u>33,351</u>	<u>119,831</u>	<u>52,058</u>	<u>118,225</u>	<u>1,133</u>
<u>\$936</u>					
<u>936</u>					
			510,994		
47,162	753,475	4,291,211		3,669,555	4,072,216
<u>47,162</u>	<u>753,475</u>	<u>4,291,211</u>	<u>510,994</u>	<u>3,669,555</u>	<u>4,072,216</u>
<u>\$48,098</u>	<u>\$786,826</u>	<u>\$4,411,042</u>	<u>\$563,052</u>	<u>\$3,787,780</u>	<u>\$4,073,349</u>

(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2021

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
ASSETS:				
Cash, cash equivalents, and investments	\$1,345,605	\$1,408,684	\$11,560,850	\$874,498
Accounts receivable, net				
Due from other governments	116,353	210,199	793,725	150,675
Interest receivable				
Loans receivable				
Land held for resale				
Total Assets	<u>\$1,461,958</u>	<u>\$1,618,883</u>	<u>\$12,354,575</u>	<u>\$1,025,173</u>
LIABILITIES:				
Accounts payable		\$143,630	\$38,624	\$66,715
Accrued liabilities		8,722		
Due to other funds				
Unearned revenue				
Refundable deposits				
Total Liabilities		<u>152,352</u>	<u>38,624</u>	<u>66,715</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue				
Total Deferred Inflows of Resources				
FUND BALANCES:				
Restricted:				
Public safety				
Public works and transportation	\$1,461,958	1,466,531	12,315,951	958,458
Planning and building				
Economic development				
Debt service				
Total Fund Balances	<u>1,461,958</u>	<u>1,466,531</u>	<u>12,315,951</u>	<u>958,458</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,461,958</u>	<u>\$1,618,883</u>	<u>\$12,354,575</u>	<u>\$1,025,173</u>

SPECIAL REVENUE FUNDS				DEBT SERVICE FUND	CAPITAL PROJECTS FUND
Local Grants	RRAA (SB1)	Rental Housing Program	Affordable Housing	Certificates of Participation	Route 238 Corridor Improvement
\$17,034 4,800 44,556	\$2,886,759 289,704	\$260,668 340,391	\$11,707,808	\$7,449,813	\$1,319,291
					6,131,113
<u>\$66,390</u>	<u>\$3,176,463</u>	<u>\$601,059</u>	<u>\$11,707,808</u>	<u>\$7,449,813</u>	<u>\$7,450,404</u>
\$33,413		\$36,674 9,241 340,391	\$7,382 9,190 114,348	\$138,131	\$145,827 1,384,281 33,385
<u>33,413</u>		<u>386,306</u>	<u>130,920</u>	<u>138,131</u>	<u>1,563,493</u>
					1,319,291
					1,319,291
32,977	\$3,176,463				4,567,620
		214,753	11,576,888	7,311,682	
<u>32,977</u>	<u>3,176,463</u>	<u>214,753</u>	<u>11,576,888</u>	<u>7,311,682</u>	<u>4,567,620</u>
<u>\$66,390</u>	<u>\$3,176,463</u>	<u>\$601,059</u>	<u>\$11,707,808</u>	<u>\$7,449,813</u>	<u>\$7,450,404</u> (Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2021

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Traffic Signal Construction</u>	<u>Performance Deposits</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS:			
Cash, cash equivalents, and investments	\$1,030,992	\$341,054	\$68,315,837
Accounts receivable, net			1,667,918
Due from other governments			2,712,103
Interest receivable			68,215
Loans receivable			6,756,554
Land held for resale			6,131,113
Total Assets	<u>\$1,030,992</u>	<u>\$341,054</u>	<u>\$85,651,740</u>
LIABILITIES:			
Accounts payable	\$28,422		\$1,416,760
Accrued liabilities		\$2,572	193,974
Due to other funds			1,790,879
			394,949
Refundable deposits		306,249	453,982
Total Liabilities	<u>28,422</u>	<u>308,821</u>	<u>4,250,544</u>
DEFERRED INFLOWS OF RESOURCES:			
			1,320,227
Total Deferred Inflows of Resources			<u>1,320,227</u>
FUND BALANCES:			
Restricted:			
Public safety			510,994
Public works and transportation	1,002,570	32,233	34,817,120
Planning and building			19,800,765
Economic development			17,640,408
Debt service			7,311,682
Total Fund Balances	<u>1,002,570</u>	<u>32,233</u>	<u>80,080,969</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,030,992</u>	<u>\$341,054</u>	<u>\$85,651,740</u>

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CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS			
	Special Gasoline Tax	Community Development Block Grant Program	Housing Mortgage Revenue Bonds	Park Dedication Ordinance
REVENUES:				
Other taxes				
Special assessments				
Investment income	\$5,095	\$480,320	\$982	\$59,099
Rental income				
Intergovernmental	3,547,389	3,880,545		
Fees and charges for services				
Other revenue		300,144	246,755	2,069,851
Total Revenues	3,552,484	4,661,009	247,737	2,128,950
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation		3,385,003		
Library and community services		91,095		
Economic development		643,941	304,094	
Maintenance services	4,256			
Capital outlay	2,805,523			
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	2,809,779	4,120,039	304,094	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	742,705	540,970	(56,357)	2,128,950
OTHER FINANCING SOURCES (USES)				
Gain on sale of land held				
Transfers in	15,000			
Transfers (out)	(986,000)		(21,997)	
Total Other Financing Sources (Uses)	(971,000)		(21,997)	
NET CHANGE IN FUND BALANCES	(228,295)	540,970	(78,354)	2,128,950
BEGINNING FUND BALANCES, AS RESTATED	1,667,227	4,879,377	506,774	13,201,623
ENDING FUND BALANCES	\$1,438,932	\$5,420,347	\$428,420	\$15,330,573

SPECIAL REVENUE FUNDS

<u>Business Improvement</u>	<u>Donation</u>	<u>Recycling</u>	<u>Narcotics Asset Seizure</u>	<u>Park Maintenance District</u>	<u>Measure B Local Streets and Roads</u>
		\$564,498			
\$550	\$3,415	16,996	\$2,341	\$1,408,903 15,075	\$11,739
	45,000	1,098,974	83,001		2,844,270
	146,551				
550	194,966	1,680,468	85,342	1,423,978	2,856,009
	122,745 31,018	624,252 318,012		1,092,071	3,418,713
	153,763	942,264		1,092,071	3,418,713
550	41,203	738,204	85,342	331,907	(562,704)
		(51,042)			
		(51,042)			
550	41,203	687,162	85,342	331,907	(562,704)
46,612	712,272	3,604,049	425,652	3,337,648	4,634,920
\$47,162	\$753,475	\$4,291,211	\$510,994	\$3,669,555	\$4,072,216
					(Continued)

CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS			
	Measure B Pedestrian	Measure B Paratransit	Measure BB	Measure F
REVENUES:				
Other taxes				
Special assessments				
Investment income	\$5,143	\$5,743	\$45,246	\$3,047
Rental income				
Intergovernmental	571,284	1,032,064	3,904,350	883,704
Fees and charges for services				
Other revenue			49,400	
Total Revenues	576,427	1,037,807	3,998,996	886,751
EXPENDITURES:				
Current:				
Public safety				
Public works and transportation			26,354	2,413
Library and community services		947,754		
Economic development				
Maintenance services				
Capital outlay	78,399		524,923	901,460
Debt service:				
Principal				
Interest and fiscal charges				
Total Expenditures	78,399	947,754	551,277	903,873
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	498,028	90,053	3,447,719	(17,122)
OTHER FINANCING SOURCES (USES)				
Gain on sale of land held				
Transfers in				
Transfers (out)		(56,366)		
Total Other Financing Sources (Uses)		(56,366)		
NET CHANGE IN FUND BALANCES	498,028	33,687	3,447,719	(17,122)
BEGINNING FUND BALANCES, AS RESTATED	963,930	1,432,844	8,868,232	975,580
ENDING FUND BALANCES	\$1,461,958	\$1,466,531	\$12,315,951	\$958,458



SPECIAL REVENUE FUNDS				DEBT SERVICE FUND	CAPITAL PROJECTS FUND
Local Grants	RRAA (SB1)	Rental Housing Program	Affordable Housing	Certificates of Participation	Route 238 Corridor Improvement
\$284	\$9,170	\$310	\$46,310	\$29,100	\$61,562
760,685	2,942,920	520,189			104,069
5,000			2,193,532		8,225
12,229					13,616,861
778,198	2,952,090	520,499	2,239,842	29,100	13,790,717
796,910					
		428,811	294,817		
	2,757,546				3,400,102
				5,416,028	
				2,795,772	
796,910	2,757,546	428,811	294,817	8,211,800	3,400,102
(18,712)	194,544	91,688	1,945,025	(8,182,700)	10,390,615
					3,390,000
		(4,262)		8,218,043	
		(4,262)		8,218,043	3,390,000
(18,712)	194,544	87,426	1,945,025	35,343	13,780,615
51,689	2,981,919	127,327	9,631,863	7,276,339	(9,212,995)
\$32,977	\$3,176,463	\$214,753	\$11,576,888	\$7,311,682	\$4,567,620

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CITY OF HAYWARD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Traffic Signal Construction</u>	<u>Performance Deposits</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES:			
Other taxes			\$564,498
Special assessments			1,408,903
Investment income	\$4,183	\$2,071	807,781
Rental income			624,258
Intergovernmental			21,511,185
Fees and charges for services			2,289,758
Other revenue	20,000		16,461,791
	<u>24,183</u>	<u>2,071</u>	<u>43,668,174</u>
Total Revenues			
EXPENDITURES:			
Current:			
Public safety			919,655
Public works and transportation			4,069,040
Library and community services			1,356,861
Economic development			1,671,663
Maintenance services			1,096,327
Capital outlay	212,117		14,098,783
Debt service:			
Principal			5,416,028
Interest and fiscal charges			2,795,772
	<u>212,117</u>	<u></u>	<u>31,424,129</u>
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(187,934)</u>	<u>2,071</u>	<u>12,244,045</u>
OTHER FINANCING SOURCES (USES)			
Gain on sale of land held			3,390,000
Transfers in	400,000		8,633,043
Transfers (out)			(1,119,667)
	<u>400,000</u>	<u></u>	<u>10,903,376</u>
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES	212,066	2,071	23,147,421
BEGINNING FUND BALANCES, AS RESTATED	790,504	30,162	56,933,548
ENDING FUND BALANCES	<u>\$1,002,570</u>	<u>\$32,233</u>	<u>\$80,080,969</u>

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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, 2021

	SPECIAL REVENUE FUNDS					
	Special Gasoline Tax			Community Development Block Grant Program		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes						
Special assessments						
Investment income		\$5,095	\$5,095		\$480,320	\$480,320
Rental income						
Intergovernmental		3,547,389	3,547,389	\$4,354,166	3,880,545	(473,621)
Fees and charges for services						
Other revenue					300,144	300,144
Total Revenues		3,552,484	3,552,484	4,354,166	4,661,009	306,843
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation	\$806		806	5,511,005	3,385,003	2,126,002
Library and community services				1,485,586	91,095	1,394,491
Economic development					643,941	(643,941)
Maintenance services	6,000	4,256	1,744			
Capital outlay	4,090,789	2,805,523	1,285,266			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	4,097,595	2,809,779	1,287,816	6,996,591	4,120,039	2,876,552
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,097,595)	742,705	4,840,300	(2,642,425)	540,970	3,183,395
OTHER FINANCING SOURCES (USES)						
Gain on sale of land held						
Transfers in	15,000	15,000				
Transfers (out)	(986,000)	(986,000)				
Total Other Financing Sources (Uses)	(971,000)	(971,000)				
NET CHANGE IN FUND BALANCES	<u>(\$5,068,595)</u>	<u>(228,295)</u>	<u>\$4,840,300</u>	<u>(\$2,642,425)</u>	<u>540,970</u>	<u>\$3,183,395</u>
BEGINNING FUND BALANCES, AS RESTATED		<u>1,667,227</u>			<u>4,879,377</u>	
ENDING FUND BALANCES		<u>\$1,438,932</u>			<u>\$5,420,347</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	\$982	(\$4,518)		\$59,099	\$59,099		\$550	\$550
160,000	246,755	86,755	\$2,235,906	2,069,851	(166,055)			
165,500	247,737	82,237	2,235,906	2,128,950	(106,956)		550	550
343,185	304,094	39,091	2,638,816		2,638,816			
343,185	304,094	39,091	2,638,816		2,638,816			
(177,685)	(56,357)	121,328	(402,910)	2,128,950	2,531,860		550	550
(21,997)	(21,997)							
(21,997)	(21,997)							
(\$199,682)	(78,354)	\$121,328	(\$402,910)	2,128,950	\$2,531,860		550	\$550
	506,774			13,201,623			46,612	
	\$428,420			\$15,330,573			\$47,162	

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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, 2021

	SPECIAL REVENUE FUNDS					
	Donation			Recycling		
	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:						
Other taxes				\$490,000	\$564,498	\$74,498
Special assessments						
Investment income		\$3,415	\$3,415	4,000	16,996	12,996
Rental income						
Intergovernmental		45,000	45,000	580,477	1,098,974	518,497
Fees and charges for services						
Other revenue	\$10,000	146,551	136,551	2,500		(2,500)
Total Revenues	10,000	194,966	184,966	1,076,977	1,680,468	603,491
EXPENDITURES:						
Current:						
Public safety	414,114	122,745	291,369			
Public works and transportation	117,135	31,018	86,117	1,879,526	624,252	1,255,274
Library and community services				907,622	318,012	589,610
Economic development						
Maintenance services						
Capital outlay						
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	531,249	153,763	377,486	2,787,148	942,264	1,844,884
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(521,249)	41,203	562,452	(1,710,171)	738,204	2,448,375
OTHER FINANCING SOURCES (USES)						
Gain on sale of land held						
Transfers in						
Transfers (out)				(51,042)	(51,042)	
Total Other Financing Sources (Uses)				(51,042)	(51,042)	
NET CHANGE IN FUND BALANCES	<u>(\$521,249)</u>	41,203	<u>\$562,452</u>	<u>(\$1,761,213)</u>	687,162	<u>\$2,448,375</u>
BEGINNING FUND BALANCES, AS RESTATED		<u>712,272</u>			<u>3,604,049</u>	
ENDING FUND BALANCES		<u>\$753,475</u>			<u>\$4,291,211</u>	

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)
	\$2,341	\$2,341	\$1,420,709 20,459	\$1,408,903 15,075	(\$11,806) (5,384)		\$11,739	\$11,739
	83,001	83,001					2,844,270	2,844,270
	85,342	85,342	1,441,168	1,423,978	(17,190)		2,856,009	2,856,009
			2,008,816	1,092,071	916,745	\$7,185,717	3,418,713	3,767,004
			2,008,816	1,092,071	916,745	7,185,717	3,418,713	3,767,004
	85,342	85,342	(567,648)	331,907	899,555	(7,185,717)	(562,704)	6,623,013
	85,342	\$85,342	(\$567,648)	331,907	\$899,555	(\$7,185,717)	(562,704)	\$6,623,013
	425,652			3,337,648			4,634,920	
	\$510,994			\$3,669,555			\$4,072,216	

(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, 2021

	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		\$5,143	\$5,143		\$5,743	\$5,743
Rental income						
Intergovernmental		571,284	571,284	\$957,338	1,032,064	74,726
Fees and charges for services						
Other revenue						
Total Revenues		576,427	576,427	957,338	1,037,807	80,469
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services				1,870,835	947,754	923,081
Economic development						
Maintenance services						
Capital outlay	\$1,318,951	78,399	1,240,552			
Debt service						
Principal						
Interest and fiscal charges						
Total Expenditures	1,318,951	78,399	1,240,552	1,870,835	947,754	923,081
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,318,951)	498,028	1,816,979	(913,497)	90,053	1,003,550
OTHER FINANCING SOURCES (USES)						
Gain on sale of land held						
Transfers in						
Transfers (out)				(56,366)	(56,366)	
Total Other Financing Sources (Uses)				(56,366)	(56,366)	
NET CHANGE IN FUND BALANCES	<u>(\$1,318,951)</u>	498,028	<u>\$1,816,979</u>	<u>(\$969,863)</u>	33,687	<u>\$1,003,550</u>
BEGINNING FUND BALANCES, AS RESTATED		963,930			1,432,844	
ENDING FUND BALANCES		<u>\$1,461,958</u>			<u>\$1,466,531</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)
	\$45,246	\$45,246		\$3,047	\$3,047		\$284	\$284
\$850,661	3,904,350	3,053,689		883,704	883,704	\$66,516	760,685	694,169
	49,400	49,400					5,000	5,000
							12,229	12,229
850,661	3,998,996	3,148,335		886,751	886,751	66,516	778,198	711,682
	26,354	(26,354)		2,413	(2,413)	1,815,884	796,910	1,018,974
11,376,924	524,923	10,852,001	\$1,898,951	901,460	997,491			
11,376,924	551,277	10,825,647	1,898,951	903,873	995,078	1,815,884	796,910	1,018,974
(10,526,263)	3,447,719	13,973,982	(1,898,951)	(17,122)	1,881,829	(1,749,368)	(18,712)	1,730,656
<u>(\$10,526,263)</u>	<u>3,447,719</u>	<u>\$13,973,982</u>	<u>(\$1,898,951)</u>	<u>(17,122)</u>	<u>\$1,881,829</u>	<u>(\$1,749,368)</u>	<u>(18,712)</u>	<u>\$1,730,656</u>
	8,868,232			975,580			51,689	
	<u>\$12,315,951</u>			<u>\$958,458</u>			<u>\$32,977</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, 2021

	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		\$9,170	\$9,170		\$310	\$310
Rental income				\$430,000	520,189	90,189
Intergovernmental		2,942,920	2,942,920			
Fees and charges for services						
Other revenue						
Total Revenues		2,952,090	2,952,090	430,000	520,499	90,499
EXPENDITURES:						
Current:						
Public safety						
Public works and transportation						
Library and community services						
Economic development				587,352	428,811	158,541
Maintenance services						
Capital outlay	\$5,757,547	2,757,546	3,000,001			
Debt Service						
Principal						
Interest and fiscal charges						
Total Expenditures	5,757,547	2,757,546	3,000,001	587,352	428,811	158,541
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,757,547)	194,544	5,952,091	(157,352)	91,688	249,040
OTHER FINANCING SOURCES (USES)						
Gain on sale of land held						
Transfers in						
Transfers (out)				(4,262)	(4,262)	
Total Other Financing Sources (Uses)				(4,262)	(4,262)	
NET CHANGE IN FUND BALANCES	<u>(\$5,757,547)</u>	194,544	<u>\$5,952,091</u>	<u>(\$161,614)</u>	87,426	<u>\$249,040</u>
BEGINNING FUND BALANCES, AS RESTATED		2,981,919			127,327	
ENDING FUND BALANCES		<u>\$3,176,463</u>			<u>\$214,753</u>	

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS		
Affordable Housing			Certificates of Participation			Route 238 Corridor Improvement		
Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)	Adjusted Budget	Actual	Variance Positive (Negative)
\$24,000	\$46,310	\$22,310	\$3,000	\$29,100	\$26,100		\$61,562 104,069	\$61,562 104,069
2,000,000	2,193,532	193,532					8,225 13,616,861	8,225 13,616,861
2,024,000	2,239,842	215,842	3,000	29,100	26,100		13,790,717	13,790,717
5,216,867	294,817	4,922,050						
						\$23,889,010	3,400,102	20,488,908
			8,348,296 427,388	5,416,028 2,795,772	2,932,268 (2,368,384)			
5,216,867	294,817	4,922,050	8,775,684	8,211,800	563,884	23,889,010	3,400,102	20,488,908
(3,192,867)	1,945,025	5,137,892	(8,772,684)	(8,182,700)	589,984	(23,889,010)	10,390,615	34,279,625
							3,390,000	3,390,000
			8,218,043	8,218,043				
			8,218,043	8,218,043			3,390,000	3,390,000
<u>(\$3,192,867)</u>	1,945,025	<u>\$5,137,892</u>	<u>(\$554,641)</u>	35,343	<u>\$589,984</u>	<u>(\$23,889,010)</u>	13,780,615	<u>\$37,669,625</u>
	<u>9,631,863</u>			<u>7,276,339</u>			<u>(9,212,995)</u>	
	<u>\$11,576,888</u>			<u>\$7,311,682</u>			<u>\$4,567,620</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, 2021

	CAPITAL PROJECTS FUNDS		
	Traffic Signal Construction		
	Adjusted Budget	Actual	Variance Positive (Negative)
REVENUES:			
Other taxes			
Special assessments			
Investment income		\$4,183	\$4,183
Rental income			
Intergovernmental			
Fees and charges for services			
Other revenue		20,000	20,000
Total Revenues		24,183	24,183
EXPENDITURES:			
Current:			
Public safety			
Public works and transportation			
Library and community services			
Economic development			
Maintenance services			
Capital outlay	\$1,110,051	212,117	897,934
Debt Service			
Principal			
Interest and fiscal charges			
Total Expenditures	1,110,051	212,117	897,934
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,110,051)	(187,934)	922,117
OTHER FINANCING SOURCES (USES)			
Gain on sale of land held			
Transfers in	400,000	400,000	
Transfers (out)			
Total Other Financing Sources (Uses)	400,000	400,000	
NET CHANGE IN FUND BALANCES	(\$710,051)	212,066	\$922,117
BEGINNING FUND BALANCES, AS RESTATED		790,504	
ENDING FUND BALANCES		\$1,002,570	

## **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, 2021

	Stormwater	Airport	Recycling	Totals
Current Assets:				
Cash and investments	\$5,006,092	\$9,685,576		\$14,691,668
Accounts receivable, net	1,743,504	337,359	\$65,226	2,146,089
Due from other governments	9,989			9,989
Total Current Assets	6,759,585	10,022,935	65,226	16,847,746
Noncurrent Assets:				
Deposits, parts, supplies and other		12,918		12,918
Capital assets				
Land		244,302		244,302
Construction in progress		558,203		558,203
Depreciable capital assets, net	583	12,212,553		12,213,136
Total Noncurrent Assets	583	13,027,976		13,028,559
Total Assets	6,760,168	23,050,911	65,226	29,876,305
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	251,469	205,580	14,770	471,819
Related to OPEB	118,460	97,077	7,408	222,945
Total Deferred Outflows of Resources	369,929	302,657	22,178	694,764
LIABILITIES:				
Current Liabilities:				
Accounts payable	51,089	103,587		154,676
Accrued interest		3,834		3,834
Accrued liabilities	48,451	40,017	2,001	90,469
Refundable deposits		113,940		113,940
Due to other funds			136,051	136,051
Compensated absences, due within one year	54,750	57,783		112,533
Long term debt, due within one year		142,556		142,556
Total Current Liabilities	154,290	461,717	138,052	754,059
Noncurrent Liabilities:				
Compensated absences, due in more than one year	59,626	62,928		122,554
Net pension liabilities, due in more than one year	2,359,794	1,929,174	138,569	4,427,537
Net OPEB liabilities, due in more than one year	924,915	757,961	57,841	1,740,717
Long term debt, due in more than one year		444,274		444,274
Total Noncurrent Liabilities	3,344,335	3,194,337	196,410	6,735,082
Total Liabilities	3,498,625	3,656,054	334,462	7,489,141
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	4,055	3,315	15	7,385
Related to OPEB	500,141	409,862	31,277	941,280
Total Deferred Inflows of Resources	504,196	413,177	31,292	948,665
NET POSITION:				
Net investments in capital assets	583	12,428,228		12,428,811
Unrestricted	3,126,693	6,856,109	(278,350)	9,704,452
Total Net Position	\$3,127,276	\$19,284,337	(\$278,350)	\$22,133,263

CITY OF HAYWARD  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021

	Stormwater	Airport	Recycling	Total
OPERATING REVENUES:				
Charges for services	\$3,597,200	\$3,383,803	\$42,546	\$7,023,549
Miscellaneous	36,000	227,018		263,018
Total Operating Revenues	3,633,200	3,610,821	42,546	7,286,567
OPERATING EXPENSES:				
Salaries and related expenses	1,957,304	1,385,036	273,748	3,616,088
Materials, supplies and services	751,169	835,915	9,621	1,596,705
Repairs and maintenance	18,846	230,634		249,480
Depreciation	165	976,764		976,929
Total Operating Expenses	2,727,484	3,428,349	283,369	6,439,202
Operating Income (Loss)	905,716	182,472	(240,823)	847,365
NONOPERATING REVENUES:				
Investment income	23,580	42,247	365	66,192
Net Nonoperating Revenues	23,580	42,247	365	66,192
Income (Loss) Before Contributions and Transfers	929,296	224,719	(240,458)	913,557
TRANSFERS				
Transfers in			600,000	600,000
Transfers (out)	(2,528,668)	(262,836)	(773,782)	(3,565,286)
Net Transfers	(2,528,668)	(262,836)	(173,782)	(2,965,286)
CHANGE IN NET POSITION	(1,599,372)	(38,117)	(414,240)	(2,051,729)
BEGINNING NET POSITION	4,726,648	19,322,454	135,890	24,184,992
ENDING NET POSITION	\$3,127,276	\$19,284,337	(\$278,350)	\$22,133,263

CITY OF HAYWARD  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021

	Stormwater	Airport	Recycling	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$3,619,004	\$3,615,746	\$42,546	\$7,277,296
Payments to suppliers	(732,952)	(1,000,951)	(7,620)	(1,741,523)
Payments to employees	(1,931,758)	(1,641,547)	(133,450)	(3,706,755)
Net Cash Flows From Operating Activities	954,294	973,248	(98,524)	1,829,018
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Interfund receipts			136,051	136,051
Transfers in			600,000	600,000
Transfers (out)	(2,528,668)	(262,836)	(773,782)	(3,565,286)
Net Cash Flows From Noncapital and Related Financing Activities	(2,528,668)	(262,836)	(37,731)	(2,829,235)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets		(463,653)		(463,653)
Principal payments on capital debt		(135,533)		(135,533)
Interest paid on capital debt		(683)		(683)
Net Cash Flows From Capital and Related Financing Activities		(599,869)		(599,869)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income	23,580	42,247	365	66,192
Net Cash Flows From Investing Activities	23,580	42,247	365	66,192
<b>NET CASH FLOWS</b>	(1,550,794)	152,790	(135,890)	(1,533,894)
<b>CASH AND EQUIVALENTS AT BEGINNING OF PERIOD</b>	6,556,886	9,532,786	135,890	16,225,562
<b>CASH AND EQUIVALENTS AT END OF PERIOD</b>	<u>\$5,006,092</u>	<u>\$9,685,576</u>	<u></u>	<u>\$14,691,668</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$905,716	\$182,472	(\$240,823)	\$847,365
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	165	976,764		976,929
Change in assets and liabilities:				
Receivables, net	(21,119)	4,925	(65,226)	(81,420)
Due from other governments	6,923			6,923
Accounts payable and other accrued expenses	37,063	60,997	2,001	100,061
Refundable deposits		4,601		4,601
Due to retirement system	63,451	7,006	123,814	194,271
Due to OPEB	(59,006)	(285,215)	81,710	(262,511)
Compensated absences	21,101	21,698		42,799
Net Cash Flows From Operating Activities	<u>\$954,294</u>	<u>\$973,248</u>	<u>(98,524)</u>	<u>\$1,829,018</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, 2021

	Workers' Compensation Insurance*	General Liability	Facilities Management
ASSETS:			
Current Assets:			
Cash and investments	\$28,659,608	\$5,378,845	\$1,280,541
Accounts receivable, net	496,445	1,694	6,016
Due from other governments			
Total Current Assets	<u>29,156,053</u>	<u>5,380,539</u>	<u>1,286,557</u>
Noncurrent Assets:			
Long-term loans to the Private Purpose Trust Fund		27,021	
Land			372,748
Construction in progress			525
Depreciable capital assets, net			<u>2,523,514</u>
Total Noncurrent Assets		<u>27,021</u>	<u>2,896,787</u>
Total Assets	<u>29,156,053</u>	<u>5,407,560</u>	<u>4,183,344</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	78,928	77,093	209,251
Related to OPEB	<u>37,049</u>	<u>36,194</u>	<u>98,745</u>
Total Deferred Outflows of Resources	<u>115,977</u>	<u>113,287</u>	<u>307,996</u>
LIABILITIES:			
Current Liabilities:			
Accounts payable	47,396	218,355	320,862
Accrued interest			
Accrued liabilities*	13,640,796	6,986,692	40,322
Unearned revenue	3,800		4,600
Refundable deposits			4,439
Compensated absences, due within one year	23,970	32,557	89,122
Long-term debt, due within one year			
Total Current Liabilities	<u>13,715,962</u>	<u>7,237,604</u>	<u>459,345</u>
Noncurrent Liabilities:			
Compensated absences, due in more than one year	12,266	16,661	45,608
Net pension liabilities, due in more than one year	740,664	723,439	1,963,623
Net OPEB liabilities, due in more than one year	289,271	282,598	770,988
Long-term debt, due in more than one year			
Total Noncurrent Liabilities	<u>1,042,201</u>	<u>1,022,698</u>	<u>2,780,219</u>
Total Liabilities	<u>14,758,163</u>	<u>8,260,302</u>	<u>3,239,564</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	1,274	1,243	3,374
Related to OPEB	<u>156,421</u>	<u>152,813</u>	<u>416,906</u>
Total Deferred Inflows of Resources	<u>157,695</u>	<u>154,056</u>	<u>420,280</u>
NET POSITION:			
Net investments in capital assets			2,896,787
Unrestricted	<u>14,356,172</u>	<u>(2,893,511)</u>	<u>(2,065,291)</u>
Total Net Position	<u>\$14,356,172</u>	<u>(\$2,893,511)</u>	<u>\$831,496</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>
\$7,496,590	\$6,080,673	\$4,261,174	\$53,157,431
8,331	77,309		589,795
92,658			92,658
<u>7,597,579</u>	<u>6,157,982</u>	<u>4,261,174</u>	<u>53,839,884</u>
			27,021
			372,748
176,992	2,473,451		2,650,968
15,778,093	1,322,422		19,624,029
<u>15,955,085</u>	<u>3,795,873</u>		<u>22,674,766</u>
<u>23,552,664</u>	<u>9,953,855</u>	<u>4,261,174</u>	<u>76,514,650</u>
214,758	473,568		1,053,598
100,845	222,619		495,452
<u>315,603</u>	<u>696,187</u>		<u>1,549,050</u>
702,767	626,582	7,190	1,923,152
5,192			5,192
38,516	90,623		20,796,949
7,071	12,418		27,889
			4,439
69,740	261,978		477,367
220,936			220,936
<u>1,044,222</u>	<u>991,601</u>	<u>7,190</u>	<u>23,455,924</u>
35,689	134,067		244,291
2,015,295	4,443,995		9,887,016
787,378	1,738,173		3,868,408
606,339			606,339
<u>3,444,701</u>	<u>6,316,235</u>		<u>14,606,054</u>
<u>4,488,923</u>	<u>7,307,836</u>	<u>7,190</u>	<u>38,061,978</u>
3,463	7,634		16,988
425,769	939,904		2,091,813
<u>429,232</u>	<u>947,538</u>		<u>2,108,801</u>
15,127,810	3,795,873		21,820,470
3,822,302	(1,401,205)	4,253,984	16,072,451
<u>\$18,950,112</u>	<u>\$2,394,668</u>	<u>\$4,253,984</u>	<u>\$37,892,921</u>

CITY OF HAYWARD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021

	Workers' Compensation Insurance	General Liability	Facilities Management
OPERATING REVENUES			
Charges for services	\$9,562,611		\$4,346,878
Other	74	\$31,930	194,716
Total Operating Revenues	9,562,685	31,930	4,541,594
OPERATING EXPENSES			
Salaries and related expenses	612,376	939,240	1,664,045
Materials, supplies and services	579,593	3,585,174	1,375,576
Repairs and maintenance			1,094,212
Self-funded insurance expense	1,296,191	2,412,222	
Depreciation			130,237
Total Operating Expenses	2,488,160	6,936,636	4,264,070
Operating Income (Loss)	7,074,525	(6,904,706)	277,524
NONOPERATING REVENUES (EXPENSES)			
Investment income	115,211	20,064	3,030
Interest (expense)			(2,045)
Gain (loss) on sale of capital assets			
Total Nonoperating Revenues (Expenses)	115,211	20,064	985
Income (Loss) Before Transfers	7,189,736	(6,884,642)	278,509
CONTRIBUTIONS AND TRANSFERS			
Transfers in		5,252,558	295,000
Transfers (out)	(21,308)		(48,209)
Net Contributions and Transfers	(21,308)	5,252,558	246,791
CHANGE IN NET POSITION	7,168,428	(1,632,084)	525,300
BEGINNING NET POSITION (DEFICIT)	7,187,744	(1,261,427)	306,196
ENDING NET POSITION (DEFICIT)	\$14,356,172	(\$2,893,511)	\$831,496

<u>Fleet Management</u>	<u>Technology Services</u>	<u>Employee Benefits</u>	<u>Total</u>
\$4,958,150	\$7,708,677	\$3,458,656	\$30,034,972
1,124,092	789,743		2,140,555
<u>6,082,242</u>	<u>8,498,420</u>	<u>3,458,656</u>	<u>32,175,527</u>
1,555,361	5,031,006		9,802,028
838,160	3,073,102	783,882	10,235,487
841,034	1,913,628		3,848,874
		4,520,402	8,228,815
<u>2,488,688</u>	<u>374,286</u>		<u>2,993,211</u>
<u>5,723,243</u>	<u>10,392,022</u>	<u>5,304,284</u>	<u>35,108,415</u>
<u>358,999</u>	<u>(1,893,602)</u>	<u>(1,845,628)</u>	<u>(2,932,888)</u>
32,076	21,148	17,830	209,359
(25,476)			(27,521)
<u>82,854</u>	<u>(10,725)</u>		<u>72,129</u>
<u>89,454</u>	<u>10,423</u>	<u>17,830</u>	<u>253,967</u>
<u>448,453</u>	<u>(1,883,179)</u>	<u>(1,827,798)</u>	<u>(2,678,921)</u>
	1,406,870	2,000,000	8,954,428
<u>(78,039)</u>	<u>(104,012)</u>		<u>(251,568)</u>
<u>(78,039)</u>	<u>1,302,858</u>	<u>2,000,000</u>	<u>8,702,860</u>
370,414	(580,321)	172,202	6,023,939
<u>18,579,698</u>	<u>2,974,989</u>	<u>4,081,782</u>	<u>31,868,982</u>
<u>\$18,950,112</u>	<u>\$2,394,668</u>	<u>\$4,253,984</u>	<u>\$37,892,921</u>

CITY OF HAYWARD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2021

	Workers' Compensation Insurance	General Liability	Facilities Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$9,259,034	\$30,236	\$4,543,413
Payments to suppliers	(3,717,300)	(4,329,770)	(2,621,992)
Payments to employees	(568,096)	(803,832)	(1,604,463)
Cash Flows from Operating Activities	<u>4,973,638</u>	<u>(5,103,366)</u>	<u>316,958</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in		5,252,558	295,000
Transfers out	(21,308)		(48,209)
Cash Flows from Noncapital Financing Activities	<u>(21,308)</u>	<u>5,252,558</u>	<u>246,791</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets			
Proceeds from sale of capital assets			
Principal payments on capital debt			(93,308)
Interest paid on capital debt			(2,106)
Cash Flows from Capital and Related Financing Activities			<u>(95,414)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	212,250	20,064	3,030
Cash Flows from Investing Activities	<u>212,250</u>	<u>20,064</u>	<u>3,030</u>
Net increase (decrease) in cash and cash equivalents	5,164,580	169,256	471,365
Cash and cash equivalents at beginning of period	<u>23,495,028</u>	<u>5,209,589</u>	<u>809,176</u>
Cash and cash equivalents at end of period	<u><u>\$28,659,608</u></u>	<u><u>\$5,378,845</u></u>	<u><u>\$1,280,541</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$7,074,525	(\$6,904,706)	\$277,524
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation			130,237
Change in assets and liabilities:			
Receivables, net	(303,651)		355
Due from other governments			
Accounts payable and other accrued expenses	(1,841,516)	1,667,626	(152,204)
Due to retirement system	19,916	94,230	(36,935)
Due to OPEB	18,656	9,761	84,047
Compensated absences	5,708	31,417	12,470
Unearned revenue		(1,694)	1,464
Cash Flows from Operating Activities	<u><u>\$4,973,638</u></u>	<u><u>(\$5,103,366)</u></u>	<u><u>\$316,958</u></u>

Fleet Management	Technology Services	Employee Benefits	Total
\$6,184,343	\$8,499,636	\$3,458,656	\$31,975,318
(1,097,396)	(5,705,673)	(5,304,367)	(22,776,498)
(1,629,404)	(3,804,219)		(8,410,014)
3,457,543	(1,010,256)	(1,845,711)	788,806
	1,406,870	2,000,000	8,954,428
(78,039)	(104,012)		(251,568)
(78,039)	1,302,858	2,000,000	8,702,860
(2,632,913)	(1,714,571)		(4,347,484)
82,854			82,854
(333,499)			(426,807)
(27,695)			(29,801)
(2,911,253)	(1,714,571)		(4,721,238)
32,076	21,148	17,830	306,398
32,076	21,148	17,830	306,398
500,327	(1,400,821)	172,119	5,076,826
6,996,263	7,481,494	4,089,055	48,080,605
\$7,496,590	\$6,080,673	\$4,261,174	\$53,157,431
\$358,999	(\$1,893,602)	(\$1,845,628)	(\$2,932,888)
2,488,688	374,286		2,993,211
553,058	(8,703)		241,059
(92,658)			(92,658)
581,798	(718,943)	(83)	(463,322)
(155,192)	568,163		490,182
58,771	538,986		710,221
22,378	119,638		191,611
(358,299)	9,919		(348,610)
\$3,457,543	(\$1,010,256)	(\$1,845,711)	\$788,806

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## **CUSTODIAL FUNDS**

Custodial Funds account for assets held by the City as an 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  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021

	Custodial Funds			
	Local Improvement Districts Fund	South Hayward BART Parking District JPA Fund	Other Custodial Funds	Total
ASSETS:				
Cash and investments	\$3,760,300	\$930,831	\$33,950	\$4,725,081
Cash and investments with fiscal agents	353,843			353,843
Accounts receivable, net	3,053	844	18,403	22,300
Due from other governments	109,233			109,233
Deposits, parts, supplies and other	201,524			201,524
Total Assets	4,427,953	931,675	52,353	5,411,981
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	195,723	160	748	196,631
Deferred revenue	104,988	844	18,403	124,235
Refundable deposits	19,104		11,393	30,497
Total Liabilities	319,815	1,004	30,544	351,363
NET POSITION				
Restricted for:				
Organizations and other governments		930,671	21,809	952,480
Unrestricted	4,108,138			4,108,138
Total Net Position	\$4,108,138	\$930,671	\$21,809	\$5,060,618

CITY OF HAYWARD  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds			
	Local Improvement Districts Fund	South Hayward BART Parking District JPA Fund	Other Custodial Funds	Total
ADDITIONS				
Property tax	\$1,116,326			\$1,116,326
Intergovernmental revenue			\$262,872	262,872
Other revenue			64,270	64,270
Investment income	14,102	\$4,055	100	18,257
Total additions	1,130,428	4,055	327,242	1,461,725
DEDUCTIONS				
Maintenance services	495,442	8,384		503,826
Contractual services			203,786	203,786
Payments to bondholders	349,366			349,366
Interest and fiscal charges	217,330			217,330
Total deductions	1,062,138	8,384	203,786	1,274,308
Net change in position	68,290	(4,329)	123,456	187,417
Net position (deficit) - beginning, as restated	4,039,848	935,000	(101,647)	4,873,201
Net position - ending	\$4,108,138	\$930,671	\$21,809	\$5,060,618

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## ***STATISTICAL SECTION***

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## STATISTICAL SECTION

The statistical section of the City's Annual Comprehensive 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

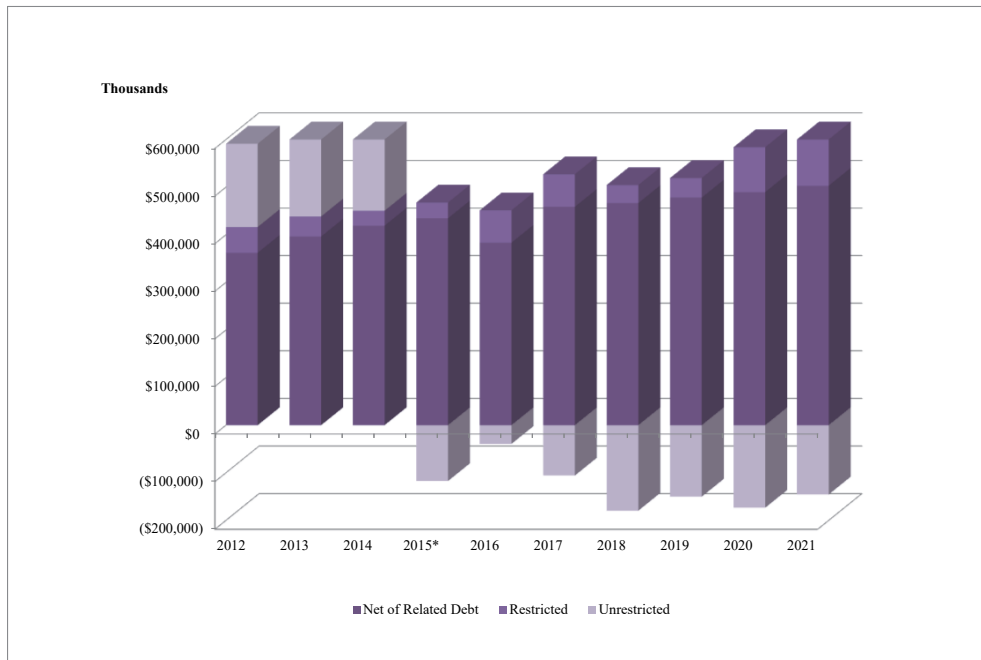
### ***Sources***

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive 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,									
	2012	2013	2014	2015*	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$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	\$357,492,270
Restricted	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	117,664,651
Unrestricted	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)	(368,801,977)
Total governmental activities net position	\$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	\$106,354,944
<b>Business-type activities</b>										
Net investment in capital assets	\$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	\$145,334,998
Restricted	0	0	0	0	0	0	0	0	284,001	2
Unrestricted	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	223,235,836
Total business-type activities net position	\$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	\$368,570,836
<b>Primary government</b>										
Net investment in capital assets	\$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	\$502,827,268
Restricted	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	117,664,653
Unrestricted	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)	(145,566,141)
Total primary government net position	\$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	\$474,925,780

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

	Fiscal Year Ended June 30,			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$9,417,144	\$11,162,908	\$11,989,512	\$16,245,827
Public Safety	96,991,346	100,470,925	102,494,680	106,541,527
Public Works and Transportation	12,400,798	13,689,585	8,851,489	12,295,579
Library and Community Services	7,645,958	7,490,405	8,073,175	5,150,554
Economic Development	2,078,030	1,285,830	1,432,514	835,342
Planning and Building	5,642,610	6,102,300	6,293,037	6,831,521
Maintenance Services	4,030,146	3,896,951	4,790,594	5,798,009
Community Development				
Culture and Leisure				
Nondepartmental				
Interest on Long Term Debt	3,685,703	2,056,984	1,131,490	1,400,778
Total Governmental Activities Expenses	<u>141,891,735</u>	<u>146,155,888</u>	<u>145,056,491</u>	<u>155,099,137</u>
Business-Type Activities:				
Sewer	17,977,438	19,127,813	17,443,979	19,967,350
Water	36,010,696	38,837,206	38,252,368	36,953,171
Airport	3,271,942	3,252,108	3,443,655	3,489,917
Centennial Hall Maintenance and Operation				
Stormwater	2,235,721	2,402,138	2,419,567	2,373,574
Recycling				
Total Business-Type Activities Expenses	<u>59,495,797</u>	<u>63,619,265</u>	<u>61,559,569</u>	<u>62,784,012</u>
Total Primary Government Expenses	<u>\$201,387,532</u>	<u>\$209,775,153</u>	<u>\$206,616,060</u>	<u>\$217,883,149</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$2,162,950	\$2,505,144	\$3,348,209	\$3,404,484
Public Safety	8,139,780	3,308,573	3,332,950	3,311,997
Public Works and Transportation	4,382,791	3,780,364	4,121,654	4,966,061
Library and Community Services	110,465	95,682	85,256	116,787
Economic Development	77,251		2,749,344	1,292,172
Planning and Building	4,312,438	3,541,420	5,026,469	4,536,430
Maintenance Services	399,721	710,653	1,243,660	1,504,197
Community Development				
Culture and Leisure				
Nondepartmental				
Operating Grants and Contributions	25,163,445	6,998,650	7,634,799	10,587,001
Capital Grants and Contributions	32,561,709	26,479,205	9,066,354	5,807,599
Total Government Activities Program Revenues	<u>77,310,550</u>	<u>47,419,691</u>	<u>36,608,695</u>	<u>35,526,728</u>

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

Fiscal Year Ended June 30,					
2016	2017	2018	2019	2020	2021
\$14,192,819	\$16,158,933	\$36,743,529	\$26,842,761	\$30,267,967	\$24,801,183
118,423,530	128,069,028	136,621,829	130,098,500	128,620,640	139,350,883
14,414,107	25,599,837	24,077,319	26,136,150	22,129,650	26,493,672
9,047,644	7,056,242	10,673,935	10,026,345	10,983,659	11,444,270
1,762,937	152,175	1,480,505	2,177,009	2,565,850	2,981,340
7,281,726	8,628,739	11,093,298	10,688,978	10,662,520	10,430,293
6,156,886	8,288,824	11,482,643	11,993,462	12,156,273	12,442,998
1,490,140	3,078,848	3,238,555	2,863,705	2,784,563	2,551,130
172,769,788	197,032,626	235,411,613	220,826,910	220,171,122	230,495,769
23,757,316	22,755,149	19,762,825	22,065,651	20,147,930	21,928,468
38,253,454	46,225,355	52,084,024	46,827,858	47,714,898	49,135,479
3,976,602	6,348,333	4,236,680	4,045,984	3,755,558	3,428,349
3,042,678	2,450,088	2,817,649	2,793,121	2,784,429	2,727,484
				16,514	283,369
69,030,050	77,778,925	78,901,178	75,732,614	74,419,329	77,503,149
\$241,799,838	\$274,811,551	\$314,312,791	\$296,559,524	\$294,590,451	\$307,998,918
\$3,513,507	\$2,627,359	\$3,920,063	\$3,328,124	\$4,220,061	\$2,491,348
3,585,912	4,638,881	4,859,695	4,837,363	4,240,808	3,537,739
5,620,367	7,009,479	6,019,771	6,061,761	4,894,838	5,505,441
1,312,128	2,537,062	317,596	3,101,839	885,787	3,919,571
				544,108	520,189
6,060,654	6,926,489	6,294,675	7,052,017	5,479,966	5,751,306
1,088,664	1,488,851	1,555,141	1,652,433	1,489,507	1,682,246
13,611,989	11,984,727	10,626,753	14,868,015	14,757,617	29,517,552
31,255,350	1,463,593	2,472,715	4,831,794	5,780,882	5,395,405
66,048,571	38,676,441	36,066,409	45,733,346	42,293,574	58,320,797

(Continued)

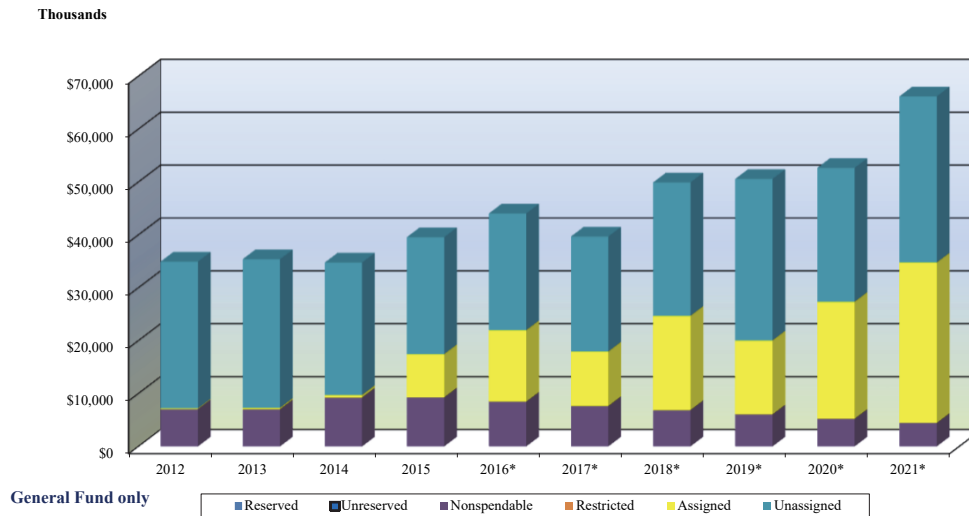
**CITY OF HAYWARD**  
**Changes in Net Position**  
**(continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,			
	2012	2013	2014	2015
Business-Type Activities:				
Charges for Services:				
Sewer	22,333,628	22,136,846	25,527,904	28,389,311
Water	38,463,759	43,128,089	47,045,822	44,704,910
Airport	2,917,614	2,963,971	3,365,514	2,995,362
Centennial Hall Maintenance & Operation				
Stormwater	2,738,050	2,821,653	2,777,228	2,832,703
Recycling				
Operating Grants and Contributions	119,629	88,916		
Capital Grants and Contributions				
Total Business-Type Activities Program Revenue	66,572,680	71,139,475	78,716,468	78,922,286
Total Primary Government Program Revenues	<u>\$143,883,230</u>	<u>\$118,559,166</u>	<u>\$115,325,163</u>	<u>\$114,449,014</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(\$64,581,185)	(\$98,736,197)	(\$108,447,796)	(\$119,572,409)
Business-Type Activities	7,076,883	7,520,210	17,156,899	16,138,274
Total Primary Government Net Expense	<u>(\$57,504,302)</u>	<u>(\$91,215,987)</u>	<u>(\$91,290,897)</u>	<u>(\$103,434,135)</u>
Total Primary Government Net Expense from prior page	<u>(\$57,504,302)</u>	<u>(\$91,215,987)</u>	<u>(\$91,290,897)</u>	<u>(\$103,434,135)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes:				
Property Taxes	\$35,715,527	\$39,297,973	\$39,456,863	\$42,740,159
Incremental Property Tax	4,721,491			
Special Assessments	817,210			
Sales Taxes	26,346,354	29,197,989	31,019,079	39,148,631
Utility Users Tax	14,796,979	14,939,639	15,761,544	15,680,721
Real Property Transfer Tax	4,777,989	4,595,640	4,878,857	5,710,272
Franchise Tax	9,891,601	9,687,980	9,488,631	10,127,647
Business Tax	2,483,442	2,548,248	2,649,279	2,634,539
Excise Tax	1,742,210	1,868,695	1,694,229	2,142,691
Other Taxes	944,268	5,820,346	6,748,616	6,314,878
Motor Vehicle in-lieu, Unrestricted	75,744	78,484	64,954	62,743
Investment Earnings	369,203	534,927	424,910	349,196
Gain (Loss) on land held for resale				
Gain (Loss) on Sale of Capital Assets	(9,687)			(352,880)
Miscellaneous	685,054	3,192,697	3,473,568	2,996,956
Transfers (refer to ACFR Footnote 4)	2,167,125	2,889,691	2,458,989	2,618,309
Extraordinary Item (refer to ACFR Footnote 19)	<u>(9,342,122)</u>			
Total Governmental Activities General Revenues and Transfers	<u>96,182,388</u>	<u>114,652,309</u>	<u>118,119,519</u>	<u>130,173,862</u>
Business-Type Activities:				
Investment Earnings	549,982	269,873	650,066	533,521
Gain (Loss) from disposal of capital assets				
Loss on equity investment				
Miscellaneous				
Transfers (refer to ACFR Footnote 19)	<u>(2,167,125)</u>	<u>(2,889,691)</u>	<u>(2,458,989)</u>	<u>(2,618,309)</u>
Total Business-Type Activities General Revenues and Transfers	<u>(1,617,143)</u>	<u>(2,619,818)</u>	<u>(1,808,923)</u>	<u>(2,084,788)</u>
Total Primary Government General Revenues and Transfers	<u>\$94,565,245</u>	<u>\$112,032,491</u>	<u>\$116,310,596</u>	<u>\$128,089,074</u>
<b>Change in Net Position</b>				
Governmental Activities	\$31,601,203	\$15,916,112	\$9,671,723	\$10,601,453
Business-Type Activities	5,459,740	4,900,392	15,347,976	14,053,486
Total Primary Government	<u>\$37,060,943</u>	<u>\$20,816,504</u>	<u>\$25,019,699</u>	<u>\$24,654,939</u>

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

Fiscal Year Ended June 30,					
2016	2017	2018	2019	2020	2021
33,557,099	27,000,318	26,374,872	37,064,893	30,078,797	30,144,384
46,264,199	53,565,672	59,385,204	61,614,956	61,951,757	61,842,042
3,239,400	4,161,002	3,426,086	3,611,746	3,616,344	3,610,821
2,894,801	3,066,075	3,165,846	3,328,818	5,019,351	3,633,200
	1,162,390			119,683	42,546
85,955,499	88,955,457	92,352,008	105,620,413	100,785,932	99,272,993
<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>	<u>\$157,593,790</u>
(\$106,721,218)	(\$158,356,185)	(\$199,345,204)	(\$175,093,564)	(\$177,877,548)	(\$172,174,972)
16,925,449	11,176,532	13,450,830	29,887,799	26,366,603	21,769,844
<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>(\$150,405,128)</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>(\$150,405,128)</u>
\$44,750,688	\$48,768,731	\$52,136,552	\$55,970,615	\$58,939,316	\$62,227,460
46,495,377	48,848,674	48,550,524	52,917,415	56,566,457	58,652,032
22,040,616	20,753,813	17,487,828	16,935,327	16,065,943	17,267,592
7,849,464	8,349,727	9,168,329	12,256,155	12,150,286	17,120,032
10,139,140	9,646,261	9,647,904	9,730,173	10,581,960	10,624,234
2,603,305	3,664,550	4,550,835	4,415,292	4,057,795	4,365,441
3,782,330	2,226,200	2,261,598	2,329,766	2,383,998	2,070,754
5,774,001	5,607,637	6,924,304	8,637,556	8,505,009	8,497,353
61,688	71,223	84,769	77,775	126,184	117,578
523,123	1,470,868	1,253,635	3,277,620	3,272,624	1,124,743
			10,982,198		3,390,000
882,491	121,761	49,910			82,854
5,505,290	5,130,121	5,514,057	7,837,732	15,167,508	18,633,107
2,801,309	2,861,623	2,621,785	3,665,266	3,054,013	3,185,444
153,208,822	157,521,189	160,252,030	189,032,890	190,871,093	207,358,624
1,019,170	1,920,919	925,665	4,305,963	5,088,464	1,081,381
		135,712	(111,379)		
(2,801,309)	(2,861,623)	(2,621,785)	(3,665,266)	(3,054,013)	(3,185,444)
(1,782,139)	(940,704)	(1,560,408)	529,318	2,034,451	(2,104,063)
<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>	<u>\$205,254,561</u>
\$46,487,604	(\$834,996)	(\$39,093,174)	\$13,939,326	\$12,993,545	\$35,183,652
15,143,310	10,235,828	11,890,422	30,417,117	28,401,054	19,665,781
<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>	<u>\$54,849,433</u>

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



	Fiscal Year Ended									
	2012	2013	2014	2015	2016*	2017*	2018*	2019*	2020*	2021*
General Fund										
Reserved										
Unreserved										
Nonspendable	\$7,047,042	\$7,028,303	\$9,255,154	\$9,284,281	\$8,474,463	\$7,657,001	\$6,880,088	\$6,067,818	\$5,242,902	\$4,442,423
Restricted										
Assigned	133,571	256,170	459,100	8,150,187	13,485,813	10,276,759	17,794,142	13,959,459	22,092,043	30,317,921
Unassigned	27,763,993	28,115,304	25,052,543	22,134,362	22,098,817	21,767,997	25,248,062	30,554,839	25,348,230	31,431,063
Total General Fund (a)	<u>\$34,944,606</u>	<u>\$35,399,777</u>	<u>\$34,766,797</u>	<u>\$39,568,830</u>	<u>\$44,059,093</u>	<u>\$39,701,757</u>	<u>\$49,922,292</u>	<u>\$50,582,116</u>	<u>\$52,683,175</u>	<u>\$66,191,407</u>
All Other Governmental Funds										
Reserved										
Unreserved										
Unreserved, reported in:										
Debt Service funds										
Special revenue funds										
Capital project funds										
Undesignated funds										
Nonspendable	\$68		\$2,239,029	\$234,029	\$293					
Restricted	48,807,530	\$22,811,952	19,827,871	33,488,600	68,772,861	\$76,555,491	\$76,190,135	\$84,761,983	\$94,077,986	\$117,664,651
Assigned	7,460,751	2,646,543	7,670,060		68,374,788	58,691,704	33,810,387	26,111,962	27,536,543	14,454,839
Unassigned	77,273	(724,802)		(2,508,938)			(1,644,451)	(5,969,846)	(9,212,995)	
Total all other governmental funds	<u>\$56,345,622</u>	<u>\$24,733,693</u>	<u>\$29,736,960</u>	<u>\$31,213,691</u>	<u>\$137,147,942</u>	<u>\$135,247,195</u>	<u>\$108,356,071</u>	<u>\$104,904,099</u>	<u>\$112,401,534</u>	<u>\$132,119,490</u>

\* 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)**

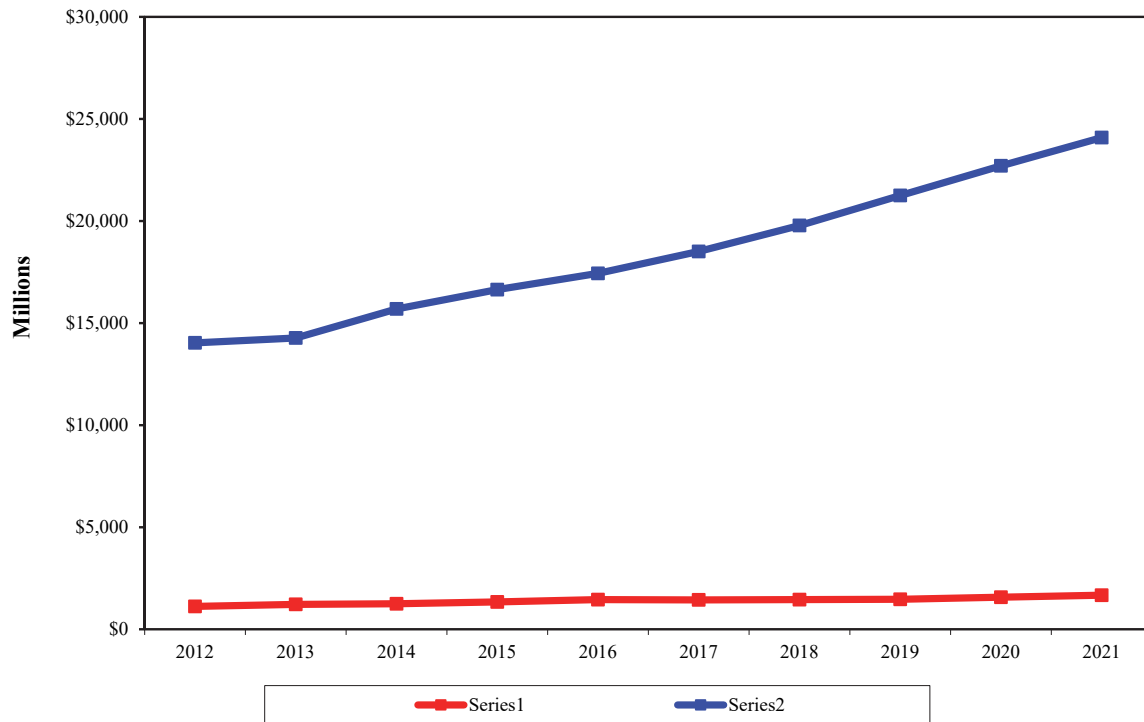
	<b>Fiscal Years Ended June 30,</b>			
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Revenues</b>				
Property Taxes	\$35,715,527	\$39,180,750	\$38,971,067	\$42,128,306
Property Tax Increment	4,721,491			
Sales Taxes	26,346,354	29,197,989	31,019,079	39,148,631
Utility Users Taxes	14,796,979	14,939,639	15,761,544	15,680,721
Other Taxes	20,748,138	20,630,166	21,310,770	23,424,572
Licenses and permits	3,177,816	3,605,753	4,078,392	5,031,300
Fines and forfeitures	2,951,068	2,938,106	2,285,486	2,549,034
Special Assessments	817,210	891,037	972,339	980,329
Use of money and property	1,098,574	756,670	635,092	357,388
Intergovernmental revenues	55,173,561	28,617,999	33,839,482	22,647,381
Fees and charges for services	8,851,474	8,377,718	8,172,604	7,639,834
Reimbursement from Developer	344,375	109,677	252,910	
Gain on Sale				
Other	6,565,952	1,934,141	2,402,380	5,002,806
<b>Total Revenues</b>	<b>181,308,519</b>	<b>151,179,645</b>	<b>159,701,145</b>	<b>164,590,302</b>
<b>Expenditures</b>				
Current:				
General government	8,034,218	9,841,308	10,551,378	13,702,855
Public safety	90,190,936	90,696,723	91,851,849	96,719,824
Public works and transportation	10,994,660	10,498,047	3,764,567	6,623,943
Library and community services	6,926,851	6,531,206	7,004,537	6,748,325
Economic development	4,396,669	1,847,619	2,017,787	763,285
Planning and building	5,346,481	5,806,741	5,981,108	6,495,171
Maintenance services	3,827,181	3,685,853	4,591,395	5,581,077
Nondepartmental				
Capital outlay	30,601,040	36,797,417	22,587,661	30,819,943
Debt service:				
Principal	1,751,366	1,854,870	2,216,033	2,156,489
Interest and fiscal charges	3,355,010	2,040,992	1,093,538	1,158,708
Bond issuance cost				
Pass-through payments	1,546			
<b>Total Expenditures</b>	<b>165,425,958</b>	<b>169,600,776</b>	<b>151,659,853</b>	<b>170,769,620</b>
Excess (deficiency) of revenues over (under) expenditures	15,882,561	(18,421,131)	8,041,292	(6,179,318)
<b>Other Financing Sources (Uses)</b>				
Transfer of land held for resale to cap assets				
Proceeds from sale of capital asset				
Proceeds of refunding bonds (refer to ACFR Footnote 6)				
Premium on refunding bonds issued (refer to ACFR Footnote 6)				
Payment to refunded bond escrow agent (refer to ACFR Footnote 6)				
Proceeds of repayment agreement				
Proceeds from long term debt (refer to ACFR Footnote 6)			2,488,880	5,500,000
Contributions from assessment district				
Gain on land held for resale				
Transfers in (refer to ACFR Footnote 4)	14,518,727	11,304,955	16,346,295	9,012,179
Transfers out (refer to ACFR Footnote 4)	(15,548,463)	(12,689,762)	(22,375,934)	(12,188,316)
<b>Total other financing sources (uses)</b>	<b>(1,029,736)</b>	<b>(1,384,807)</b>	<b>(3,540,759)</b>	<b>2,323,863</b>
Extraordinary Item (Refer to ACFR Footnote 19)	(8,009,396)			
<b>Net Change in fund balances</b>	<b>\$6,843,429</b>	<b>(\$19,805,938)</b>	<b>\$4,500,533</b>	<b>(\$3,855,455)</b>
Debt service as a percentage of noncapital expenditures	3.9%	3.0%	2.6%	2.4%

Source: City of Hayward Annual Comprehensive Financial Report (ACFR)



Fiscal Years Ended June 30,					
2016	2017	2018	2019	2020	2021
\$44,159,430	\$47,195,566	\$51,235,946	\$54,467,978	\$58,431,804	\$61,196,409
46,495,377	48,848,674	48,550,524	52,917,415	56,566,457	58,652,032
22,040,616	20,753,813	17,487,828	16,935,327	16,065,943	17,267,592
26,554,046	27,518,428	28,116,819	32,658,149	31,774,255	36,672,642
6,316,823	7,766,510	7,091,074	7,814,026	6,435,587	5,439,030
2,341,565	2,499,964	2,487,183	2,670,298	2,210,385	2,194,569
1,166,399	1,026,071	1,003,388	1,059,378	1,297,894	1,408,903
561,895	1,746,291	1,644,775	3,473,471	3,901,043	1,729,716
37,101,458	28,403,369	23,151,743	28,991,082	28,937,153	38,526,058
9,885,890	5,889,181	7,360,450	7,373,160	5,585,549	9,712,963
			10,982,198		
7,909,582	11,082,590	6,084,935	10,689,323	18,289,406	24,378,704
204,533,081	202,730,457	194,214,665	230,031,805	229,495,476	257,178,618
12,675,974	13,182,512	14,309,144	15,335,579	14,607,161	13,971,584
105,164,624	110,461,347	110,621,648	118,169,989	123,148,622	129,477,772
3,850,989	4,001,258	3,772,501	8,850,429	6,849,771	8,198,266
8,371,078	6,678,908	7,638,673	7,722,543	8,707,212	9,123,989
1,984,194	56,797	81,274	1,512,567	1,576,741	2,350,344
7,382,233	8,497,395	8,372,228	9,229,204	8,618,787	8,712,707
6,279,365	7,711,268	7,720,401	9,973,511	9,840,025	10,752,525
39,864,835	48,972,280	47,870,707	30,812,391	21,303,837	40,657,890
2,397,381	2,561,048	2,676,156	5,013,353	5,207,513	5,416,028
1,055,901	3,303,835	3,321,225	3,190,198	3,007,504	2,795,772
1,054,619	2,972				
190,081,193	205,429,620	206,383,957	209,809,764	202,867,173	231,456,877
14,451,888	(2,699,163)	(12,169,292)	20,222,041	26,628,303	25,721,741
87,348,775					
6,565,740					
(20,455,936)					
					3,390,000
25,098,265	40,553,431	13,461,040	40,742,247	15,104,770	12,292,089
(27,899,357)	(44,118,007)	(17,962,337)	(48,967,406)	(18,967,012)	(17,809,505)
70,657,487	(3,564,576)	(4,501,297)	(8,225,159)	(3,862,242)	(2,127,416)
\$85,109,375	(\$6,263,739)	(\$16,670,589)	\$11,996,882	\$22,766,061	\$23,594,325
2.4%	3.8%	3.8%	4.6%	4.9%	3.9%

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



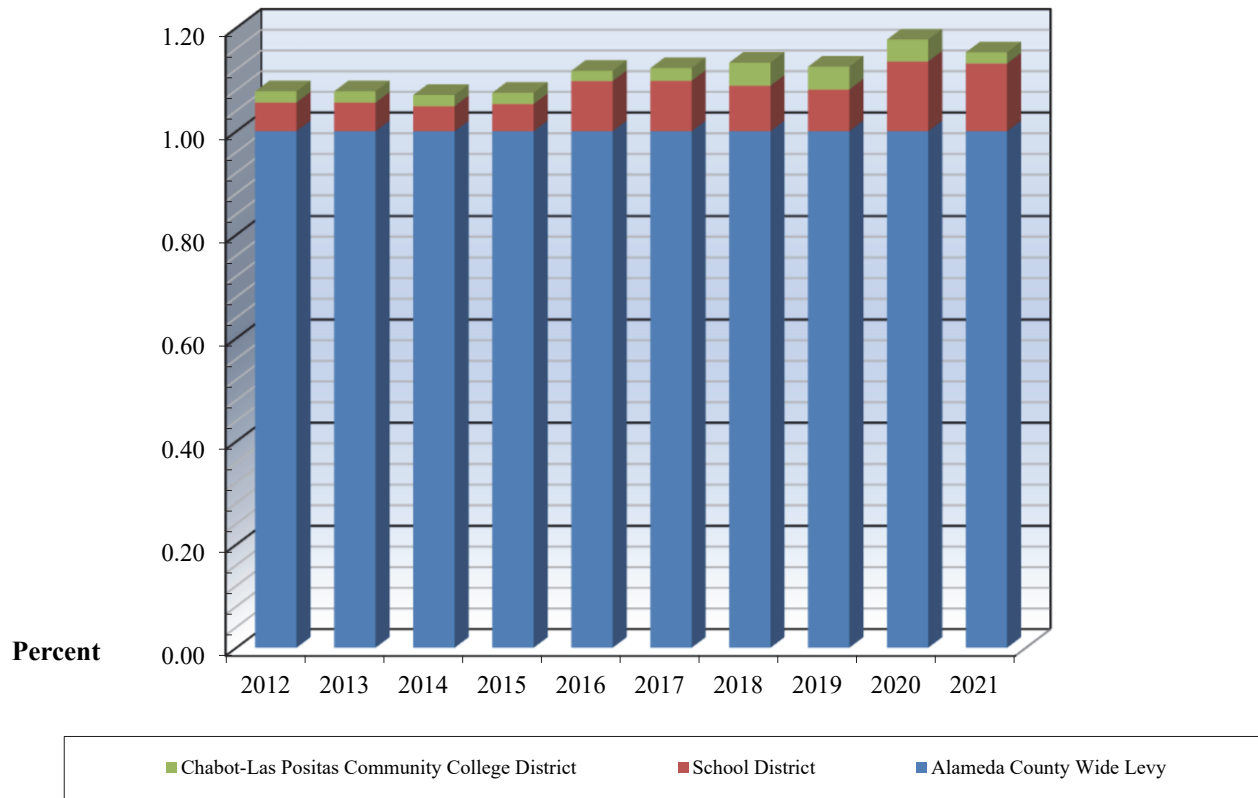
Fiscal Year	Total Secured Property	Total Unsecured Property	Total Assessed ( c )	Estimated Full Market ( a )	Direct Tax Rate ( b )
2012	\$14,031,375,627	\$1,119,664,498	\$15,151,040,125	\$15,151,040,125	1%
2013	14,269,516,867	1,219,715,968	15,489,232,835	15,489,232,835	1%
2014	15,692,946,952	1,249,273,320	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%
2021	24,086,121,795	1,669,659,173	25,755,780,968	25,755,780,968	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 Park
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
2021	1.0000	0.0018	0.0036	0.1310	0.0214	0.0139	0.0299	0.0014

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

	FY 2021			FY 2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Employer						
PSB Northern Calif Industrial Portfolio LLC						
Russell City Energy Company, LLC	\$381,400,000	1	0.014808326			
Southland Mall LP	248,416,869	2	0.009645092	\$144,259,914	2	0.90%
PSB Northern Calif Industrial Portfolio LLC	221,231,674	3	0.008589593	178,598,888	1	1.20%
Hayward 544 LLC	171,783,871	4	0.006669721			
ROC III CA Creekwood LLC	103,546,119	5	0.004020306			
Hayward Point Eden I LP	111,404,187	6	0.004325405	93,219,755	4	0.60%
Hayward Industrial Park Associates	103,825,577	7	0.004031156	88,631,990	5	0.60%
Rar2 Hayward 92 LLC	97,277,400	8	0.003776915			
SCI Limited Partnership I	81,935,670	10	0.003181254	75,049,733	8	0.50%
Bottling Group LLC	90,184,290	9	0.003501516	81,897,810	6	0.50%
Berkeley Farm Inc.				98,670,850	3	0.60%
Target Corporation				55,445,242	10	0.40%
Impax Laboratories Inc.				77,151,116	7	0.50%
Essex Wimbledon Woods Apartments, LLC				56,818,960	9	0.40%
<b>Subtotal</b>	<b>\$1,611,005,657</b>		<b>6.25%</b>	<b>\$949,744,258</b>		<b>6.13%</b>

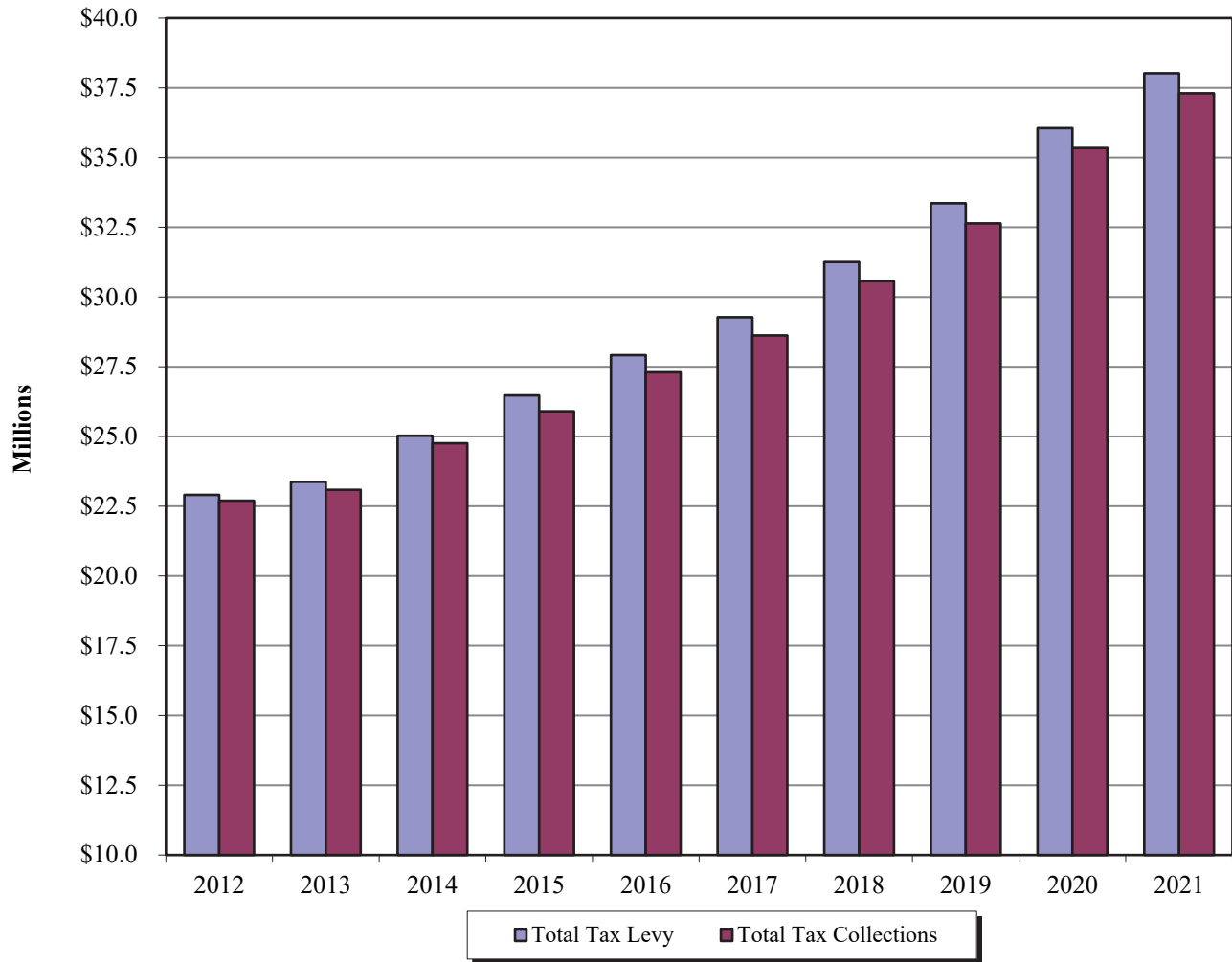
Total Assessed Valuation:

Fiscal Year 2020/2021 \$25,755,780,968

Fiscal Year 2011/2012 15,489,232,835

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls

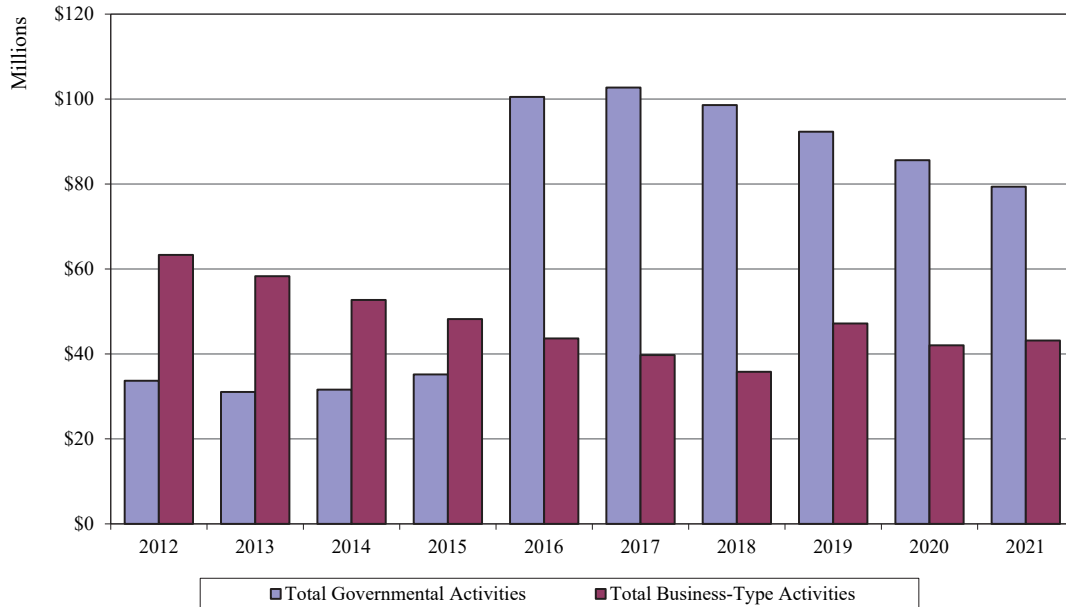
**CITY OF HAYWARD  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**



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
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%
2021	38,025,883	36,767,160	96.69%	537,243	37,304,403	98.10%

Source: Alameda County Assessor Office

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



Fiscal Year	Governmental Activities				
	Tax Allocation Bonds	Certificates of Participation	Revenue Bonds	Capital Lease Obligations	Total
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
2021	0 (a)	74,484,994	681,218	4,225,876	79,392,088

Fiscal Year	Business-Type Activities			Total Government	Government Debt Per Capita (b)
	Water Revenue Bonds	Sewer Revenue Bonds	Total		
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
2021	2,630,000	40,524,958	43,154,958	122,547,046	775.18

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**

2020-21 Assessed Valuation:	\$ 25,261,794,831
Redevelopment Incremental Valuation:	(2,830,969,730)
Adjusted Assessed Valuation:	<u>\$ 22,430,825,101</u>

	Total Debt 6/30/2021	% Applicable (1)	City's Share of Debt 6/30/2021	
<b><u>DIRECT DEBT:</u></b>				
City of Hayward General Fund Obligations	\$ 79,392,088	100.000%	<u>\$ 79,392,088</u>	<u>\$ 79,392,088</u>
<b>Total Direct Debt</b>				<b>\$ 79,392,088</b>
<b><u>OVERLAPPING DEBT:</u></b>				
Overlapping Tax and Assessment Debt:				
Alameda County	\$ 191,300,000	7.62%	\$ 14,578,973	
Bay Area Rapid Transit District	1,871,890,000	3%	55,202,036	
Chabot-Las Positas Community College District	593,290,000	18%	106,667,609	
Castro Valley Unified School District	149,865,000	0%	169,347	
Hayward Unified School District	706,695,575	86%	609,263,456	
New Haven Unified School District	242,539,413	14%	34,498,806	
Pleasanton Unified School District	135,065,000	0%	47,273	
San Lorenzo Unified School District	188,970,000	16%	29,305,468	
Washington Township Healthcare District	326,370,000	2%	6,135,756	
Hayward Area Recreation and Park District	102,480,000	56%	57,103,906	
East Bay Regional Park District	133,170,000	5%	6,284,292	
City of Hayward Community Facilities District No. 1	4,925,776	100%	4,925,776	
City of Hayward 1915 Act Bonds	105,000	100%	<u>105,000</u>	
Subtotal Overlapping Tax and Assessment Debt				\$ 924,287,698
Ratios to 2019-20 Assessed Valuation:				
Subtotal Overlapping Tax and Assessment Debt	4.12%			
<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>				
Alameda County General Fund Obligations	\$ 790,122,500	7.621%	\$ 60,215,236	
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	9.025%	1,051,864	
Hayward Unified School District Certificates of Participation	13,677,255	86.213%	11,791,572	
San Lorenzo Unified School District Certificates of Participation	9,060,000	15.508%	1,405,025	
Castro Valley and Pleasanton Unified School District Certificates of Participation	4,500,000	0.113%	5,085	
Subtotal Overlapping General Fund Debt				\$ 74,468,781
<b><u>OVERLAPPING TAX INCREMENT DEBT(Successor Agencies):</u></b>	\$ 49,580,000	7.4611 & 100. %	<u>\$ 27,879,605</u>	<u>\$ 27,879,605</u>
<b>Total Overlapping Debt</b>				<b>\$ 1,026,636,084</b>
<b>Grand Total Direct and Overlapping Debt</b>				<b>\$ 1,106,028,172 (2)</b>
<b>Combined Total Direct and Overlapping Debt</b>				<b>\$ 1,106,028,172 (2)</b>
<b><u>Ratio to 2020-21 Assessed Valuation:</u></b>				
Combined Total Direct and Overlapping Tax and Assessment Debt	4.93%			

**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	\$25,755,780,968
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BONDED DEBT LIMIT (15.% OF ASSESSED VALUE)	\$3,863,367,145
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$79,392,088
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Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	79,392,088
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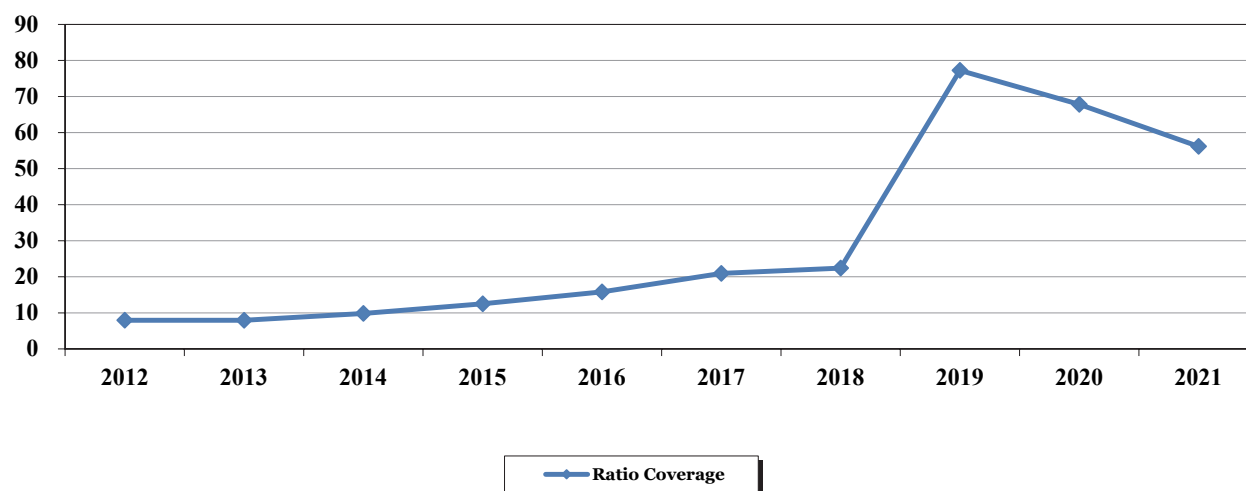
Amount of debt subject to limit	0
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LEGAL BONDED DEBT MARGIN	\$3,863,367,145
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
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%
2021	3,863,367,145	0	3,863,367,145	0.00%



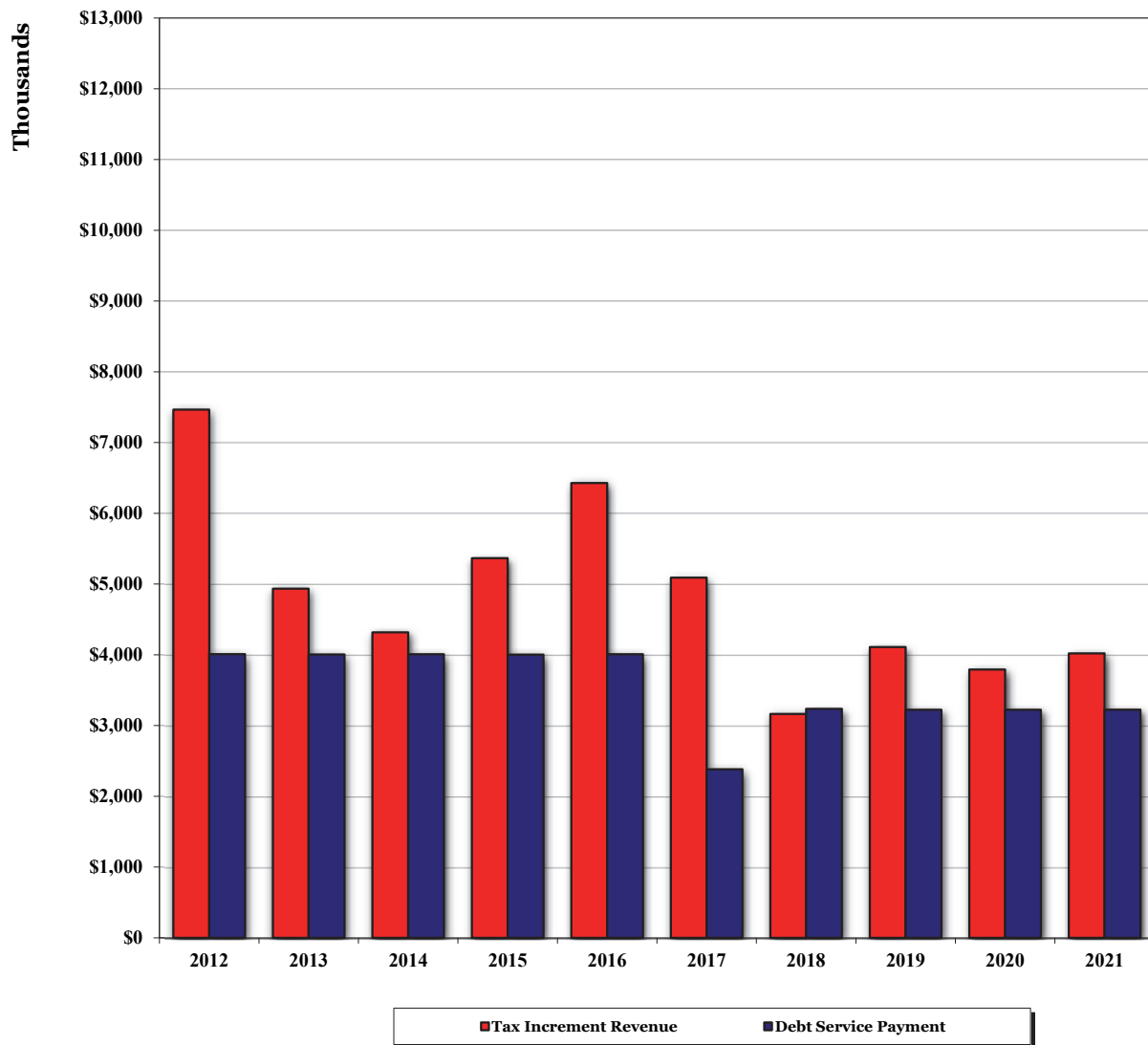
**CITY OF HAYWARD  
REVENUE BOND COVERAGE  
WASTEWATER REVENUE BONDS  
LAST TEN FISCAL YEARS**



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Ratio Coverage
				Principal	Interest	Total	
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
2021	93,001,615	62,364,681	30,636,934	479,467	66,069	545,536	56.16

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**



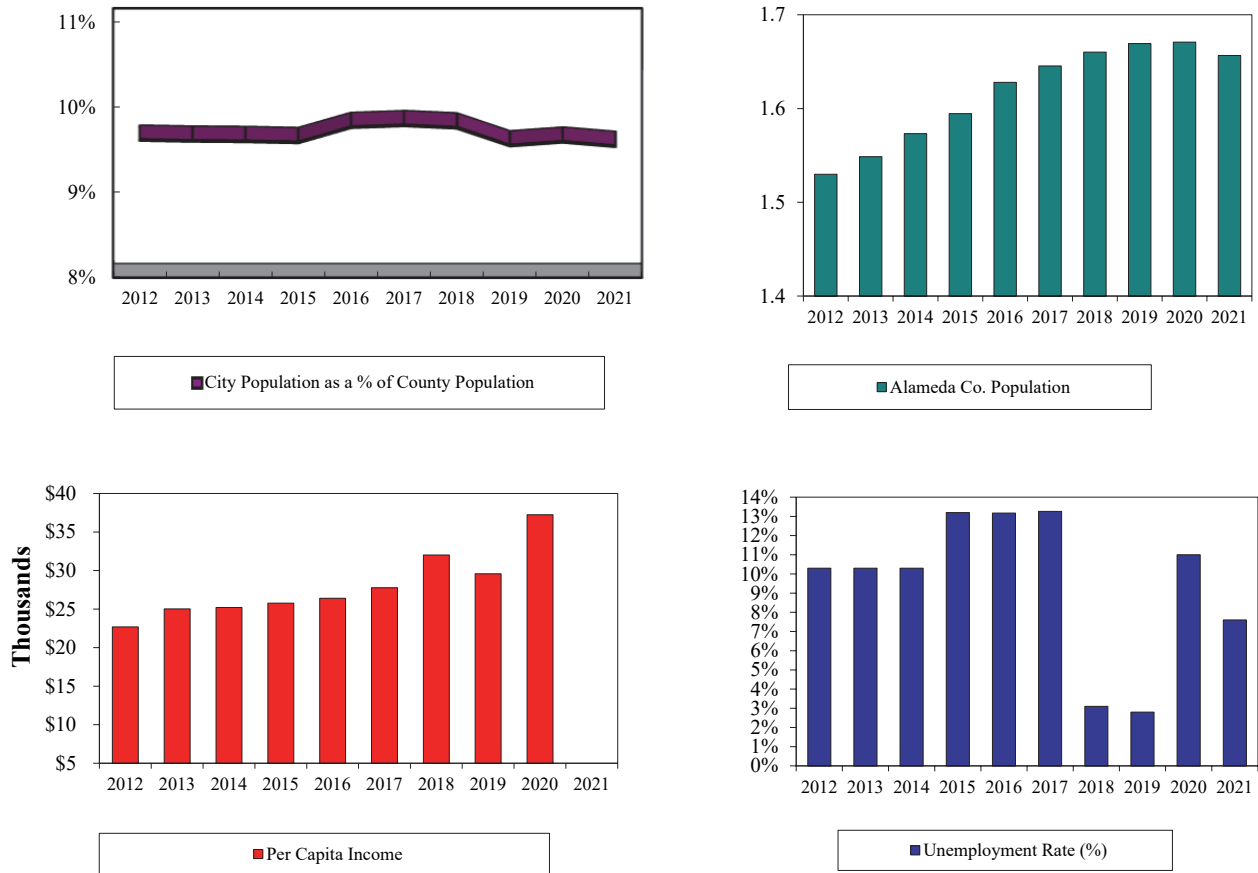
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2012	\$7,465,404	\$1,540,000	\$2,469,022	\$4,009,022	1.86
2013	4,934,694	1,605,000	2,400,322	4,005,322	1.23
2014	4,317,292	1,680,000	2,328,657	4,008,657	1.08
2015	5,365,287	1,750,000	2,253,588	4,003,588	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
2021	4,020,771	1,880,000	1,344,550	3,224,550	1.25

Source: City of Hayward Annual Financial Statements

# CITY OF HAYWARD

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN FISCAL YEARS



Fiscal Year	City Population	Per Capita Income	City Unemployment Rate	Alameda Co. Population	City Population % of County
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%
2021	158,089	-	7.6%	1,656,591	9.54%

Note: FY21 data not available for Per Capita Income

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 2021</u>	<u>FY 2012</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Alameda County Sheriff's Department	*	1,114	4	0.8%
Baxter Bio Pharma	*			
Berkeley Farms, LLC	*			
California State University East Bay	*	1,880	2	1.3%
Chabot Community College	*	494	8	0.3%
Fremont Bank Operations Center	*			
Hayward Unified School District	*	2,200	1	1.5%
Illumina	*			
Impax Laboratories, Inc.	*			
Pentagon Technologies	*			
Plastikon Industries, Inc.	*	400	10	0.3%
Siemens Building Tech	*			
St. Rose Hospital	*	842	5	0.6%
Gillig Corporation		700	7	0.5%
Kaiser Permanente Medical Center **		1,200	3	0.8%
City of Hayward		786	6	0.5%
Kobe Precision		450	9	0.3%
Subtotal		<u>10,066</u>		<u>6.8%</u>
Total City Population Using Census Data		<u>147,113</u>		

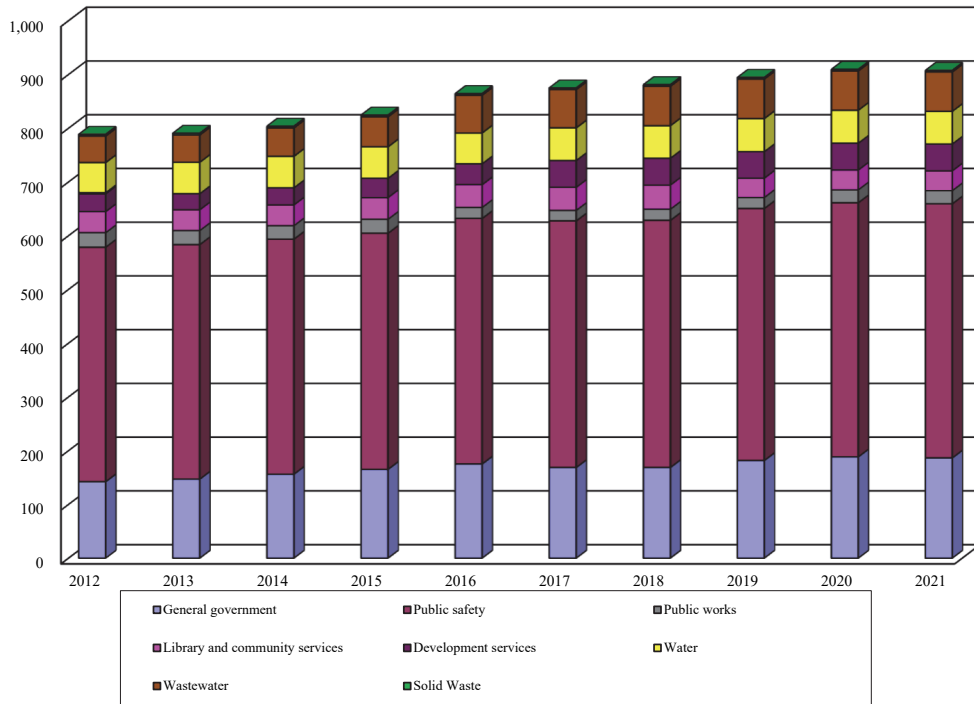
Source: City of Hayward Adopted Operating Budget FY21

Note: FY21 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**



	Fiscal Years Ended June 30,									
Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	142.00	146.90	156.00	165.00	175.00	168.50	168.50	181.50	188.25	186.25
Public safety	436.50	436.50	437.50	439.50	457.00	459.00	460.00	469.00	473.00	473.00
Public works	27.00	26.10	25.00	26.00	20.50	19.56	20.71	20.56	24.00	24.45
Library and community services	39.10	38.55	38.55	40.20	42.20	42.80	44.80	35.80	36.80	36.80
Development services	33.25	30.00	32.00	36.00	39.00	50.00	50.00	49.50	50.00	50.00
Water	56.00	58.40	58.50	58.50	57.30	60.61	60.46	61.41	61.26	60.71
Wastewater	49.50	51.00	53.00	56.00	70.40	71.58	73.58	73.78	73.24	73.34
Solid Waste	3.00	3.00	3.00	3.00	2.80	2.75	2.75	2.75	2.75	2.75
Total	786.35	790.45	803.55	824.20	864.20	874.80	880.80	894.30	909.30	907.30

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**

<b>Function/Program</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Public safety:</b>				
Fire alarms	18,898	18,823	18,860	18,414
Police: (Uniform Crime Reporting Statistics)				
Property crime calls	4,967	4,749	5,462	4,682
Violent crime calls (a)	633	604	568	520
Arson calls	33	28	20	19
<b>Public works</b>				
Pavement Condition Index (PCI)*	69	70	69	70
*Industry measure of street condition with 100 ideal score				
Annual pavement improvement projects	13	10	10	10
Airport operations count/flights	112,962	106,447	90,048	126,219
Airport reported based aircraft	470	461	461	461
<b>Library and Community Services</b>				
Social Services Projects Funded	20	18	18	26
Facilities Projects Funded	2	2	1	1
Economic Development Projects Funded	2	3	2	6
New Housing/Rehab Projects Funded	18	2	2	2
Public Services Projects Funded	5	5	5	18
Measure B Projects Funded	7	8	8	4
Measure BB Projects Funded	1	0	0	1
<b>Planning</b>				
Active Subdivisions	45	41	40	48
Active Parcel Maps	7	7	11	12
Building Permits	4,934	5,107	4,501	4,291
Residential Rental Inspections	1,039	977	943	334
<b>Library and neighborhood services</b>				
Library Materials in Collection	166,100	164,396	204,416	154,535
Library Circulation (Items checked out)	654,989	159,806	395,758	144,108
Community Preservation Cases	2,771	2,917	2,522	2,518
<b>Water</b>				
Water service connections	36,327	37,526	38,236	38,532
Water main breaks	14	21	17	19
Average daily consumption (thousands of gallons)	14,458	14,046	13,962	14,405,184
<b>Wastewater</b>				
Sewer service connections	34,320	34,728	35,256	35,256
Average daily treatment (thousands of gallons)	11,480	11,574	10,717	10,355
<b>Solid Waste</b>				
Landfilled waste recycled and diversion rate*	<b>70%-75%</b>	<b>66%</b>	<b>66%</b>	<b>73%</b>
*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**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Function/Program</b>					
Public safety:					
Fire stations (a)	9	9	9	9	9
Number of firefighters and officers (b)	118	115	127	118	118
Police stations	1	1	1	1	1
Number of police officers (c)	197	189	199	177	186
Public works					
Miles of streets	266	266	266	266	283
Street lights	8,143	8,143	8,161	8,178	8,273
Traffic Signals	134	135	135	134	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	150,000	150,000	150,000
Average daily consumption (gallons)	15,600,000	15,500,000	15,200,000	13,600,000	12,255,000
Miles of water mains	350	370	380	385	385
Storage capacity (gallons)	29,350,000	29,350,000	29,350,000	29,350,000	29,350,000
Wastewater					
Miles of sewers	320	320	325	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,				
2017	2018	2019	2020	2021
9	9	9	9	9
114	129	124	122	121
1	1	1	1	1
194	176	178	181	169
283	283	283	283	283
8,288	8,238	8,327	8,327	8,327
136	143	146	146	146
1	1	1	1	1
2	2	2	2	2
155,000	160,500	159,500	159,203	162,954
12,870,000	14,650,000	14,046,000	13,962,000	14,405,184
385	385	391	391	391
30,550,000	30,550,000	25,350,000	31,250,000	25,000,000
325	325	321	321	321
1	1	1	1	1
18,500,000	18,500,000	18,400,000	18,500,000	18,500,000

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Finance Department, 777 B Street, Hayward CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)